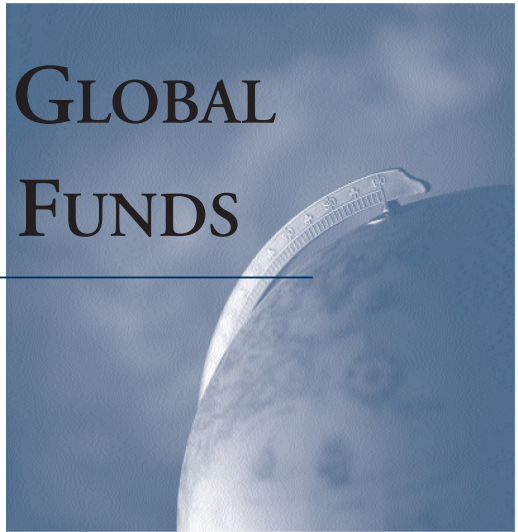


# PRINCIPAL GLOBAL INVESTORS FUNDS

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*An umbrella trust governed by the laws of Ireland*

## **Annual Report and Audited Financial Statements**

For the year ended 30 September 2016

## PRINCIPAL GLOBAL INVESTORS FUNDS

### ANNUAL REPORT AND AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2016

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ANNUAL REPORT AND AUDITED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 SEPTEMBER 2016

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## PRINCIPAL GLOBAL INVESTORS FUNDS

### GENERAL INFORMATION

The following information is derived from and should be read in conjunction with the full text and definitions section of the Prospectus.

The Principal Global Investors Funds ("the Trust") was constituted on 13 October 1992 as an open-ended umbrella unit Trust established as a UCITS under the laws of Ireland. Units of certain classes of the Trust are listed on the Irish Stock Exchange. The Trust has been authorised in Ireland pursuant to the European Communities (Undertakings for Collective Investments in Transferable Securities) Regulations, 2011 (as amended), the Central Bank (Supervision and Enforcement) Act 2013 (Section 48 (1)) (Undertakings for Collective Investment in Transferable Securities) Regulations 2015 and the Central Bank (Supervision and Enforcement) Act 2013 (Section 48 (1)) (Undertakings for Collective Investment in Transferable Securities) (Amendment) Regulations 2016 (the "UCITS Regulations").

All units are unhedged, except where otherwise noted.

At 30 September 2016, the Trust comprised the following separate investment portfolios ("Funds"):

| <b>Fund</b>                  | <b>Type of Units</b>  | <b>Launch Date</b>  |
|------------------------------|---|---|
| Global Equity Fund           | A Class Income<br>A Class Accumulation<br>I Class Accumulation<br>F2 Class Accumulation   | 4 December 1992<br>24 June 1996<br>1 April 1998<br>4 April 2016   |
| Asian Equity Fund            | A Class Income<br>A Class Accumulation<br>I Class Accumulation  | 6 November 1992<br>24 June 1996<br>16 November 1998   |
| European Equity Fund         | A Class Income<br>A Class Accumulation<br>I Class Accumulation<br>I Class Accumulation (EUR)  | 24 November 1992<br>24 June 1996<br>1 April 1998<br>19 February 2011  |
| Emerging Markets Equity Fund | A Class Accumulation<br>I Class Accumulation  | 19 February 1998<br>13 August 1998  |
| Japanese Equity Fund         | A Class Accumulation<br>I Class Accumulation<br>I Class Accumulation (JPY)<br>F2 Class Accumulation   | 1 August 2000<br>1 August 2000<br>15 April 2011<br>5 April 2016   |
| Preferred Securities Fund    | A Class Accumulation (EUR hedged)<br>I Class Accumulation<br>A Class Income<br>F Class Accumulation<br>D Class Accumulation<br>D Class Income<br>F Class Income<br>I Class Accumulation (JPY hedged)<br>I Class Accumulation (EUR hedged)<br>I Class Income (JPY hedged)<br>I Class Income (EUR hedged)<br>A Class Income (GBP hedged)<br>A Class Accumulation<br>I Class Income<br>I Class Accumulation (CHF hedged)<br>A Class Income (EUR hedged)<br>P Class Income<br>P Class Accumulation<br>I Class Income (GBP hedged)<br>A Class Accumulation (CHF hedged)<br>F2 Class Accumulation<br>D2 Class Income<br>A Class Accumulation (JPY hedged)<br>N Class Income | 22 April 2003<br>22 April 2003<br>3 February 2005<br>7 January 2009<br>12 January 2009<br>6 October 2009<br>8 October 2009<br>6 April 2010<br>22 April 2010<br>21 January 2011<br>7 June 2011<br>26 March 2012<br>28 March 2012<br>16 January 2013<br>28 February 2013<br>2 April 2013<br>7 April 2013<br>7 April 2013<br>14 April 2013<br>22 September 2013<br>15 March 2016<br>30 March 2016<br>27 June 2016<br>19 September 2016 |
| U.S. Equity Fund             | A Class Accumulation<br>I Class Accumulation<br>I Class Accumulation (GBP)  | 1 December 2003<br>1 December 2003<br>19 November 2008  |

**PRINCIPAL GLOBAL INVESTORS FUNDS**

**GENERAL INFORMATION (continued)**

At 30 September 2016, the Trust comprised the following separate investment portfolios ("Funds"): (continued)

| <b>Fund</b>                                  | <b>Type of Units</b>               | <b>Launch Date</b> |
|--|------------------------------------|--------------------|
| High Yield Fund                              | I Class Accumulation               | 15 March 2004      |
|  | A Class Accumulation               | 26 November 2009   |
|  | I Class Accumulation (BRL hedged)  | 20 March 2013      |
|  | I Class Accumulation (EUR hedged)  | 10 October 2013    |
|  | A Class Income                     | 27 June 2014       |
|  | A Class Income (AUD hedged)        | 9 January 2015     |
|  | D Class Accumulation               | 6 February 2015    |
|  | F Class Accumulation               | 24 February 2016   |
| Global Property Securities Fund              | I Class Accumulation (USD hedged)  | 20 April 2007      |
|  | I Class Accumulation               | 27 November 2008   |
|  | I2 Class Income                    | 26 June 2014       |
|  | I Class Income (JPY hedged)        | 18 May 2015        |
|  | A Class Accumulation               | 22 January 2016    |
|  | F Class Accumulation               | 20 April 2016      |
| Global Equity (ex-Japan) Fund                | I Class Accumulation (JPY)         | 1 August 2008      |
|  | I Class Accumulation               | 30 August 2010     |
| Post Global Limited Term High Yield Fund     | I Class Accumulation (JPY hedged)  | 4 May 2011         |
|  | I Class Accumulation (EUR hedged)  | 4 May 2011         |
|  | I Class Accumulation               | 4 May 2011         |
|  | I Class Accumulation (GBP hedged)  | 4 May 2011         |
|  | I Class Income (GBP hedged)        | 5 June 2012        |
|  | I Class Accumulation (CHF hedged)  | 8 September 2015   |
|  | I2 Class Accumulation (EUR hedged) | 6 October 2015     |
|  | I2 Class Accumulation              | 6 October 2015     |
|  | I2 Class Accumulation (GBP hedged) | 6 October 2015     |
|  | A Class Accumulation               | 9 February 2016    |
|  | A Class Income                     | 1 March 2016       |
|  | I Class Accumulation (SGD hedged)  | 17 May 2016        |
| I Class Income (EUR hedged)                  | 23 August 2016                     |                    |
| Global Time Diversified Absolute Return Fund | I Class Accumulation               | 2 January 2015     |
| EDGE Small/Mid-Cap Equity Income Fund*       | A Class Accumulation               | 1 May 2014         |
|  | I Class Accumulation               | 1 May 2014         |
| Global Small Cap Equity Fund                 | A Class Accumulation               | 22 October 2012    |
|  | I Class Accumulation               | 22 October 2012    |
| Origin Global Emerging Markets Fund          | I Class Accumulation (GBP)         | 15 April 2013      |
|  | I Class Accumulation               | 31 January 2014    |
|  | F2 Class Accumulation              | 4 April 2016       |
| Origin Global Equity Fund                    | I Class Accumulation (GBP)         | 15 April 2013      |
| Origin Global Smaller Companies Fund         | I Class Accumulation               | 15 April 2013      |
|  | I Class Accumulation (GBP)         | 15 April 2013      |
| Long/Short Global Opportunities Equity Fund  | I Class Accumulation               | 8 August 2013      |

\* EDGE Small/Mid-Cap Equity Income Fund terminated on 31 May 2016.

**PRINCIPAL GLOBAL INVESTORS FUNDS**

**GENERAL INFORMATION (continued)**

At 30 September 2016, the Trust comprised the following separate investment portfolios ("Funds"): (continued)

| <b>Fund</b>                                 | <b>Type of Units</b>   | <b>Launch Date</b>   |
|---|--|--|
| Claritas Latin American Equity Fund         | I Class Accumulation   | 23 September 2013  |
| Finisterre Emerging Market Debt Fund        | I Class Accumulation<br>I2 Class Income (EUR hedged)<br>I Class Accumulation (EUR hedged)<br>I Class Accumulation (GBP hedged)<br>A Class Accumulation<br>A Class Accumulation (EUR hedged)<br>A Class Accumulation (GBP hedged)<br>A Class Accumulation (CHF hedged)<br>A Class Accumulation (SGD hedged)<br>A Class Income | 4 October 2013<br>24 April 2014<br>29 May 2014<br>26 March 2015<br>26 March 2015<br>26 March 2015<br>26 March 2015<br>26 March 2015<br>26 March 2015<br>2 April 2015 |
| Spectrum Global Capital Securities Fund     | I Class Accumulation<br>I Class Accumulation (EUR hedged)<br>A Class Accumulation  | 30 October 2014<br>7 August 2015<br>22 August 2016   |
| Global Short Duration High Yield Fund**     | I Class Accumulation   | 10 December 2014   |
| Global Capital Structure Opportunities Fund | I Class Accumulation   | 11 December 2014   |
| Global Credit Alpha Fund                    | I Class Accumulation   | 23 June 2015   |
| Real Estate Debt Fund***                    | I Class Income<br>I Class Accumulation   | 21 March 2016<br>21 March 2016   |

\*\*Global Short Duration High Yield Fund terminated on 1 July 2016.

\*\*\*Real Estate Debt Fund launched on 21 March 2016.

## PRINCIPAL GLOBAL INVESTORS FUNDS

### GENERAL INFORMATION (continued)

Principal Global Investors (Ireland) Limited (the "Manager") may, with the prior consent of the Central Bank and approval of the Trustee and the Board of Directors of the Manager, add additional Funds.

The financial statements are published on the [www.principalglobal.com](http://www.principalglobal.com) website. The Directors, together with the Manager and Investment Adviser are responsible for the maintenance and integrity of the financial information included on this website.

#### PRICES

There will be a single price for buying, selling and switching units in each of the Funds. This will be represented by the Net Asset Value per Unit rounded to the nearest cent (less/plus duties and charges where applicable).

#### DEALING

The dealing deadline (being the time by which subscription and redemption requests for units must be received in Dublin in order for such requests to be dealt with in normal circumstances on a particular dealing day) is 10.00 a.m. (Irish time) on that dealing day. The dealing deadline for requests from Hong Kong investors is 5.00 p.m. (Hong Kong time) on that dealing day. All dealing requests should be addressed to:

##### Hong Kong-Based Investors:

Principal Investment & Retirement Services Limited  
27/F, Hopewell Centre  
183 Queen's Road East  
Hong Kong  
Tel: 852 2117 8383  
Fax: 852 2918 1461

##### All Other Investors:

BNY Mellon Fund Services (Ireland)  
Designated Activity Company  
Guild House, Guild Street  
International Financial Services Centre  
Dublin 1  
Ireland  
Tel: 353 1 900 8081  
Fax: 353 1 829 0833

#### MINIMUM SUBSCRIPTION

The minimum subscription and subsequent subscription amounts of the unit classes authorised for the Global Equity Fund and Japanese Equity Fund are as follows:

|         | Minimum Subscription | Additional Subscription |
|---------|----------------------|-------------------------|
| A Class | USD10,000            | USD1,000                |
| I Class | USD2,000,000         | USD500,000              |
| F2Class | USD10,000            | USD1,000                |
| N Class | USD10,000            | USD1,000                |

The minimum subscription and subsequent subscription amounts of the unit classes authorised for the Asian Equity Fund, European Equity Fund, Emerging Markets Equity Fund and Global Equity (ex-Japan) Fund are as follows:

|         | Minimum Subscription | Additional Subscription |
|---------|----------------------|-------------------------|
| A Class | USD10,000            | USD1,000                |
| I Class | USD2,000,000         | USD500,000              |
| N Class | USD10,000            | USD1,000                |

The minimum subscription and subsequent subscription amounts of the unit classes authorised for the Preferred Securities Fund are as follows:

|         | Minimum Subscription | Additional Subscription |
|---------|----------------------|-------------------------|
| A Class | USD10,000            | USD1,000                |
| I Class | USD2,000,000         | USD500,000              |
| D Class | USD10,000            | USD1,000                |
| D2Class | USD10,000            | USD1,000                |
| F Class | USD10,000            | USD1,000                |
| F2Class | USD10,000            | USD1,000                |
| N Class | USD10,000            | USD1,000                |
| P Class | USD10,000            | USD1,000                |

PRINCIPAL GLOBAL INVESTORS FUNDS

GENERAL INFORMATION (continued)

MINIMUM SUBSCRIPTION (continued)

The minimum subscription and subsequent subscription amounts of the unit classes authorised for the U.S. Equity Fund, Global Capital Structure Opportunities Fund and Global Credit Alpha Fund are as follows:

|         | Minimum Subscription | Additional Subscription |
|---------|----------------------|-------------------------|
| A Class | USD10,000            | USD1,000                |
| I Class | USD2,000,000         | USD500,000              |
| D Class | USD10,000            | USD1,000                |
| F Class | USD10,000            | USD1,000                |
| N Class | USD10,000            | USD1,000                |

The minimum subscription and subsequent subscription amounts of the unit classes authorised for the High Yield Fund are as follows:

|         | Minimum Subscription | Additional Subscription |
|---------|----------------------|-------------------------|
| A Class | USD10,000            | USD1,000                |
| I Class | USD2,000,000         | USD500,000              |
| D Class | USD10,000            | USD1,000                |
| D2Class | USD10,000            | USD1,000                |
| F Class | USD10,000            | USD1,000                |
| N Class | USD10,000            | USD1,000                |
| P Class | USD10,000            | USD1,000                |

The minimum subscription and subsequent subscription amounts of the unit classes authorised for the Global Property Securities Fund are as follows:

|          | Minimum Subscription | Additional Subscription |
|----------|----------------------|-------------------------|
| A Class  | USD10,000            | USD1,000                |
| I Class  | USD2,000,000         | USD500,000              |
| I2 Class | USD100,000,000       | USD10,000,000           |
| D Class  | USD10,000            | USD1,000                |
| D2Class  | USD10,000            | USD1,000                |
| F Class  | USD10,000            | USD1,000                |
| N Class  | USD10,000            | USD1,000                |
| P Class  | USD10,000            | USD1,000                |

The minimum subscription and subsequent subscription amounts of the unit classes authorised for the Post Global Limited Term High Yield Fund are as follows:

|          | Minimum Subscription | Additional Subscription |
|----------|----------------------|-------------------------|
| A Class  | USD10,000            | USD1,000                |
| I Class  | USD300,000           | USD100,000              |
| I2 Class | USD100,000,000       | USD100,000              |
| D Class  | USD10,000            | USD1,000                |
| F Class  | USD10,000            | USD1,000                |
| N Class  | USD10,000            | USD1,000                |



**PRINCIPAL GLOBAL INVESTORS FUNDS**

**GENERAL INFORMATION (continued)**

**MINIMUM SUBSCRIPTION (continued)**

The minimum subscription and subsequent subscription amounts of the unit classes authorised for the Global Time Diversified Absolute Return Fund are as follows:

|         | <b>Minimum Subscription</b> | <b>Additional Subscription</b> |
|---------|-----------------------------|--------------------------------|
| A Class | USD10,000                   | USD1,000                       |
| I Class | USD1,000,000                | USD500,000                     |

The minimum subscription and subsequent subscription amounts of the unit classes authorised for the EDGE Small/Mid-Cap Equity Income Fund were as follows:

|         | <b>Minimum Subscription</b> | <b>Additional Subscription</b> |
|---------|-----------------------------|--------------------------------|
| A Class | USD10,000                   | USD1,000                       |
| I Class | USD300,000                  | USD100,000                     |
| D Class | USD10,000                   | USD1,000                       |
| F Class | USD10,000                   | USD1,000                       |
| P Class | USD10,000                   | USD1,000                       |

The minimum subscription and subsequent subscription amounts of the unit classes authorised for the Global Small Cap Equity Fund and the Spectrum Global Capital Securities Fund are as follows:

|         | <b>Minimum Subscription</b> | <b>Additional Subscription</b> |
|---------|-----------------------------|--------------------------------|
| A Class | USD10,000                   | USD1,000                       |
| I Class | USD2,000,000                | USD500,000                     |
| D Class | USD10,000                   | USD1,000                       |
| F Class | USD10,000                   | USD1,000                       |
| N Class | USD10,000                   | USD1,000                       |
| P Class | USD10,000                   | USD1,000                       |

The minimum subscription and subsequent subscription amounts of the unit classes authorised for the Origin Global Emerging Markets Fund are as follows:

|         | <b>Minimum Subscription</b> | <b>Additional Subscription</b> |
|---------|-----------------------------|--------------------------------|
| A Class | USD10,000                   | USD1,000                       |
| I Class | USD2,000,000                | USD100,000                     |
| F2Class | USD10,000                   | USD1,000                       |
| N Class | USD10,000                   | USD1,000                       |

The minimum subscription and subsequent subscription amounts of the unit classes authorised for the Origin Global Equity Fund and the Origin Global Smaller Companies Fund are as follows:

|         | <b>Minimum Subscription</b> | <b>Additional Subscription</b> |
|---------|-----------------------------|--------------------------------|
| A Class | USD10,000                   | USD1,000                       |
| I Class | USD2,000,000                | USD100,000                     |
| N Class | USD10,000                   | USD1,000                       |

The minimum subscription and subsequent subscription amounts of the unit classes authorised for the Long/Short Global Opportunities Equity Fund are as follows:

|         | <b>Minimum Subscription</b> | <b>Additional Subscription</b> |
|---------|-----------------------------|--------------------------------|
| A Class | USD10,000                   | USD1,000                       |
| I Class | USD2,000,000                | USD100,000                     |
| D Class | USD10,000                   | USD1,000                       |
| F Class | USD10,000                   | USD1,000                       |
| N Class | USD10,000                   | USD1,000                       |
| P Class | USD10,000                   | USD1,000                       |

**PRINCIPAL GLOBAL INVESTORS FUNDS**

**GENERAL INFORMATION (continued)**

**MINIMUM SUBSCRIPTION (continued)**

The minimum subscription and subsequent subscription amounts of the unit classes authorised for the Claritas Latin American Equity Fund are as follows:

|         | <b>Minimum Subscription</b> | <b>Additional Subscription</b> |
|---------|-----------------------------|--------------------------------|
| A Class | USD10,000                   | USD1,000                       |
| I Class | USD300,000                  | USD100,000                     |
| D Class | USD10,000                   | USD1,000                       |
| F Class | USD10,000                   | USD1,000                       |
| N Class | USD10,000                   | USD1,000                       |
| P Class | USD10,000                   | USD1,000                       |

The minimum subscription and subsequent subscription amounts of the unit classes authorised for the Finisterre Emerging Market Debt Fund are as follows:

|          | <b>Minimum Subscription</b> | <b>Additional Subscription</b> |
|----------|-----------------------------|--------------------------------|
| A Class  | USD10,000                   | USD1,000                       |
| I Class  | USD2,000,000                | USD100,000                     |
| I2 Class | USD200,000,000              | USD100,000                     |
| N Class  | USD10,000                   | USD1,000                       |

The minimum subscription and subsequent subscription amounts of the unit classes authorised for the Global Short Duration High Yield Fund were as follows:

|         | <b>Minimum Subscription</b> | <b>Additional Subscription</b> |
|---------|-----------------------------|--------------------------------|
| A Class | USD10,000                   | USD1,000                       |
| I Class | USD2,000,000                | USD500,000                     |
| D Class | USD10,000                   | USD1,000                       |
| F Class | USD10,000                   | USD1,000                       |

The minimum subscription and subsequent subscription amounts of the unit classes authorised for the Real Estate Debt Fund are as follows:

|         | <b>Minimum Subscription</b> | <b>Additional Subscription</b> |
|---------|-----------------------------|--------------------------------|
| A Class | USD10,000                   | USD1,000                       |
| I Class | USD2,000,000                | USD500,000                     |
| D Class | USD10,000                   | USD1,000                       |
| D2Class | USD10,000                   | USD1,000                       |
| F Class | USD10,000                   | USD1,000                       |
| N Class | USD10,000                   | USD1,000                       |
| P Class | USD10,000                   | USD1,000                       |

**GENERAL INFORMATION (continued)**

**DISTRIBUTIONS AND DISTRIBUTOR STATUS**

The Trust Deed provides for the Manager to decide to make, and for the Trustee on each distribution date to make, distributions among holders of income units in each of the Funds. It is the intention of the Manager to make distributions to the extent that they are covered by income received from underlying investments. It is also the intention of the Manager that distributions will be declared on 30 September each year or nearest business day for all income unit classes where possible. Quarterly distributions will be payable in respect of the A, I, D, F, N and P Income Unit Classes on the Preferred Securities Fund, the A Income Unit Classes on the High Yield Fund, the A and I Income Unit Classes on the Post Global Limited Term High Yield Fund and the I Income Unit Class on the Real Estate Debt Fund. Monthly distributions will be payable in respect of the D2 Income Unit Classes on the Preferred Securities Fund, High Yield Fund, Global Property Securities Fund and Real Estate Debt Fund.

**CORPORATE GOVERNANCE**

The Board of Directors has adopted and applied the Irish Funds ("IF") Corporate Governance Code for the year ended 30 September 2016.

**CONNECTED PERSONS**

Irish UCITS Regulations 2015, Section 41, Restrictions on transactions with connected persons - requires that any transaction carried out with a UCITS by a promoter, manager, trustee, depository, investment adviser and/or associated or group companies of these ("connected persons") must be carried out as if negotiated at arm's length. Transactions must be in the best interests of the Unitholders.

The Board of Directors has been informed of the connected person transactions in relation to the Trust, and has been provided with evidence they were conducted on an arm's length basis, and with sufficient information to conclude they were conducted in investors' best interests.

**SIGNIFICANT EVENTS DURING THE YEAR**

On 27 January 2016, the Administrator, BNY Mellon Fund Services (Ireland) Limited converted to a designated activity company under the Companies Act 2014 and changed its name to BNY Mellon Fund Services (Ireland) Designated Activity Company.

In response to the CBI publishing the Central Bank (Supervision and Enforcement) Act 2013 (Section 48(1)) Investor Money Regulations 2015 for Fund Service Providers (the "Investor Money Regulations" or "IMR") in March 2015 (effective from 1 July 2016), the Investment Manager undertook, together with BNY Mellon Fund Services (Ireland) Designated Activity Company a review of the way in which subscription, distribution and redemption monies are channelled to and from the Trust. As a result of this review, subscription and redemption monies will (effective from 1 July 2016), be channelled through an umbrella cash collection account in the name of the Trust and, in respect of any sub-funds considered to be highly leveraged, sub-fund cash collection accounts in the name of the relevant sub-fund(s). Pending issue of the units and/or payment of subscription proceeds to an account in the name of the Trust or the relevant sub-fund(s), and pending payment of redemption proceeds or distributions, the relevant investor will be an unsecured creditor of the relevant sub-fund in respect of amounts paid by or due to it. For the avoidance of doubt the sub-funds of the Trust are not considered highly leveraged.

The Trust deed and Prospectus of the PGIF Umbrella have been amended in accordance with the requirement of the EU Directive 2014/91/EU ("UCITS V") and the Prospectus updated in line with current regulatory standards. These documents and the relevant Fund Supplements were noted by the Central Bank of Ireland on 30 March 2016.

In accordance with the requirements of UCITS V: BNY Mellon Trust Company (Ireland) Limited was the Custodian for the Funds until 17 March 2016 and from 18 March 2016 will assume the role of Depository for the Funds.

**Supplement changes**

- Global Equity Fund - addition of F2 class on 20 October 2015.
- Japanese Equity Fund - addition of F2 class on 20 October 2015.
- Preferred Securities Fund - addition of F2 class and clarification of existing hedging strategy on 20 October 2015.
- Origin Global Emerging Markets Fund - addition of F2 class on 20 October 2015.
- Preferred Securities Fund - addition of monthly distributing D2 class – 6 November 2015.
- High Yield Fund - addition of monthly distributing D2 class - 6 November 2015.
- Global Property Securities Fund - addition of monthly distributing D2 class - 6 November 2015.
- Preferred Securities Fund - clarification of hedging arrangements, Monthly income distributing share class USD on 30 March 2016.
- Preferred Securities Fund - addition of JPY and Singapore dollar hedged share classes on 30 March 2016.

## PRINCIPAL GLOBAL INVESTORS FUNDS

### GENERAL INFORMATION (continued)

#### SIGNIFICANT EVENTS DURING THE YEAR (continued)

##### Supplement changes (continued)

- Global Property Securities Fund - clarification of hedging arrangements, Monthly income distributing share class USD on 30 March 2016.
- Post Global Limited Term High Yield Fund - clarification of hedging arrangements on 30 March 2016.
- Post Global Limited Term High Yield Fund - addition of I2 share class on 30 March 2016.
- Post Global Limited Term High Yield Fund - addition of A Income share class on 30 March 2016.
- High Yield Fund F class management fee rate changed from 0.75% to 0.65% effective from 30 August 2016.
- Global Property Securities Fund F class management fee rate changed from 1.00% to 0.80% effective from 30 August 2016.
- Origin Global Emerging Markets Fund F2 class management fee rate changed from 0.75% to 0.85% effective from 30 August 2016.
- Launch of trail free N classes across all PGIF funds effective from 30 August 2016.
- Changes were made to reflect the requirements of the Irish Investor Money Regulations (Fund Asset Model) adopted by the Management Company effective from 30 August 2016.
- New Trustee fee rates were agreed as part of the UCITS V implementation programme effective from 1 July 2016.

##### Launches during the year:

###### Fund

- Real Estate Debt Fund launched on 21 March 2016.

###### Share Class

- Post Global Limited Term High Yield Fund I2 Class Accumulation 6 October 2015.
- Post Global Limited Term High Yield Fund EUR Hedged I2 Class Accumulation 6 October 2015.
- Post Global Limited Term High Yield Fund GBP Hedged I2 Class Accumulation 6 October 2015.
- Global Property Securities Fund A Class Accumulation 22 January 2016.
- Post Global Limited Term High Yield Fund A Class Accumulation 9 February 2016.
- High Yield Fund F Class Accumulation 24 February 2016.
- Post Global Limited Term High Yield Fund A Class Income 1 March 2016 via a full switch out of the Post Global Limited Term High Yield Fund A Class Accumulation Units.
- Preferred Securities Fund USD F2 Class Accumulation 15 March 2016.
- Real Estate Debt Fund USD I Class Income 21 March 2016.
- Real Estate Debt Fund USD I Class Accumulation 21 March 2016.
- Preferred Securities Fund USD D2 Class Accumulation 30 March 2016.
- Global Equity Fund USD F2 Class Accumulation 4 April 2016.
- Origin Global Emerging Markets Fund USD F2 Class Accumulation 4 April 2016.
- Japanese Equity Fund USD F2 Class Accumulation 5 April 2016.
- Global Property Securities Fund USD F Class Accumulation 20 April 2016.
- Post Global Limited Term High Yield Fund SGD Hedged I Class Accumulation 17 May 2016.
- Preferred Securities Fund JPY Hedged A Class Accumulation 27 June 2016.
- Spectrum Global Capital Securities Fund USD A Class Accumulation 22 August 2016.
- Post Global Limited Term High Yield Fund EUR Hedged I Class Income 23 August 2016.
- Preferred Securities Fund USD N Class Income 19 September 2016.

##### Closures during the year

###### Funds

- EDGE Small/Mid-Cap Equity Income Fund terminated on 31 May 2016.
- Global Short Duration High Yield Fund terminated on 1 July 2016.

###### Share Class

- Global Property Securities Fund USD F Class Accumulation 16 March 2016.
- Global Property Securities Fund USD A Class Accumulation 20 May 2016.
- Finisterre Emerging Market Debt Fund EUR Hedged I Class Accumulation 26 August 2016.

## PRINCIPAL GLOBAL INVESTORS FUNDS

### GENERAL INFORMATION (continued)

#### SIGNIFICANT EVENTS AFTER THE YEAR END

##### Supplement changes

- Global Equity Fund - I class management fee rate change from a tiered structure to 0.75% effective from 30 November 2016.
- Asian Equity Fund - I class management fee rate change from a tiered structure to 0.75% effective from 30 November 2016.
- European Equity Fund - I class management fee rate change from a tiered structure to 0.75% effective from 30 November 2016.
- Emerging Markets Equity Fund - I class management fee rate change from a tiered structure to 0.75% effective from 30 November 2016.
- Japanese Equity Fund - I class management fee rate change from a tiered structure to 0.75% effective from 30 November 2016.
- U.S. Equity Fund - I class management fee rate change from a tiered structure to 0.75% effective from 30 November 2016.
- High Yield Fund - D, D2 and I class management fee rate change from 0.75% to 0.65% effective from 30 November 2016.
- Global Property Securities Fund - I class management fee rate change from a tiered structure to 0.80% effective from 30 November 2016.
- Global Equity Fund (Ex Japan) - I class management fee rate change from a tiered structure to 0.75% effective from 30 November 2016.
- Global Time Diversified Absolute Return Fund - I class management fee rate change from 1.50% to 1.00% effective from 30 November 2016.
- Global Small Cap Equity Fund - I class management fee rate change from a tiered structure to 0.75% effective from 30 November 2016.
- Origin Global Emerging Markets Fund - I class management fee rate change from 1.00% to 0.85% effective from 30 November 2016.
- Origin Global Equity Fund - I class management fee rate change from 0.65% to 0.75% effective from 30 November 2016.
- Origin Global Smaller Companies Fund - I class management fee rate change from 1.00% to 0.85% effective from 30 November 2016.
- Long/Short Global Opportunities Equity Fund - I class management fee rate change from 1.00% to 0.85% effective from 30 November 2016.
- Changes were made to comply with the CBI's gating language requirements on 1 November 2016. The new language does not give priority to redemptions not fully completed and rolled over to the next business day.

**PRINCIPAL GLOBAL INVESTORS FUNDS**  
**INVESTMENT ADVISER'S REPORT**  
**for the year ended 30 September 2016**

**Global Equity Fund**

For the 12 months ending 30 September 2016, the Global Equity Fund reported net performance of 5.92% compared to 11.96% for the benchmark, MSCI AC World Index.

With the exception of a few European markets and Japan, market performance for the full year was generally disappointing, especially for emerging markets. The disparity of returns across countries, sectors and style classifications was striking. Emerging markets as a group underperformed their developed peers by over 14% for the year, with Latin America and the EEMEA block faring even worse.

From a global sector perspective, Technology, Health Care and Consumer stocks all delivered broad based gains, while the Energy and Materials complex suffered deep losses for the year despite a fleeting bounce early in the fourth quarter. In the U.S., the largest tier of companies outpaced smaller cap shares, reflecting a low degree of breadth. Conversely, in international markets, small caps shined, outpacing their large company peers by average margins exceeding 8% for the year.

For the 12 months under review, the Fund posted a positive absolute return of 5.92%. Within the portfolio, all sectors were positive except for Materials, Industrials and Real Estate. Within the top contributing sector, Telecommunication Services, Nippon Telegraph and Telephone and NTT DoCoMo out of Japan were the standout performers. Adidas AG was a top performer within the portfolio overall. Fundamental change at Adidas comes in the form of less drag from weak performing segments, solid industry growth for sports apparel and footwear, a move to increase direct sales to the consumer, high profile sporting events in 2016 that allow for good exposure, a move toward automation and management changes and optionality. Other top contributors over the past year were Qualicorp, Kinross Gold and 3i Group.

On the other hand, the portfolio was negatively impacted by holdings within the Materials sector, particularly Barrick Gold and BHP Billiton. After significant share appreciation in 2016, share prices for gold companies pulled back with a further headwind coming in the form of the expectation for rate hikes to continue by year end. Specific to the portfolio, Barrick Gold was the largest detractor. Other top detractors over the year were ConocoPhillips, Leidos Holdings, Boeing Company, AMN Healthcare Services and JBS. 2016 has provided challenges for "Growth at a Reasonable Price" ("GARP") investing. However, the good news is that the customary growth premiums and valuation discounts embedded in our portfolios are among the best we have seen in quite some time, providing extremely compelling opportunities on a forward looking basis once GARP style attributes inevitably return to favour.

The Fund continues to emphasize on stocks with improving business fundamentals, rising investor expectations and attractive relative valuations. Stock selection remains the primary source of outperformance, and we continue to primarily focus on large and mid-cap companies with selective exposure to smaller companies. The portfolio continues to pursue its "borderless" approach across a truly global opportunity set of both developed and emerging markets. We invest where we see the most compelling growth opportunities with attractive valuations, rather than positioning in relation to a market index.

**Asian Equity Fund**

For the 12 months ending 30 September 2016, the Asian Equity Fund reported net performance of 13.68% compared to 16.84% for the benchmark, MSCI AC Asia ex-Japan Index.

During the last 12 months, the most significant contributors to performance were Alibaba Group, the largest e-commerce player in China; Tencent Holdings, a leading Chinese internet platform; and Telekomunikasi Indonesia, the largest telecom operator in Indonesia. The most significant detractors were China Taiping Insurance Holdings Co., a relatively small insurer in China; NetEase, Inc., a Chinese gaming and internet media platform; and Shinsegae Co., a South Korean retailer.

The Asia region detracted from relative performance during the last twelve months. Strong stock selection in China was offset by losses in India, South Korea, and Taiwan. The Pacific region also underperformed the benchmark primarily driven by stock selection in Hong Kong. Being underweight Singapore helped the portfolio as the country underperformed the region.

Looking to the future, we remain cautious on most of the region except Indonesia where the outlook has brightened a little. The Indian economy also remains in an extended bottoming out process which continued in September. We remain structurally positive and overweight India. Taiwan remains attractive with its high dividend yield, strong free cash flow and liquidity supports, therefore we remain overweight the country. The information technology sector continues to lead the "new economy" and is now the largest sector in the MSCI Emerging Markets Index. We remain overweight in the sector.

**PRINCIPAL GLOBAL INVESTORS FUNDS**  
**INVESTMENT ADVISER'S REPORT**  
**for the year ended 30 September 2016 (continued)**

**European Equity Fund**

For the 12 months ending 30 September 2016, the European Equity Fund reported net performance of 2.26% compared to 2.49% for the benchmark, MSCI Europe Index.

During the year under review, we saw very positive stock selection in the Financial and Technology sectors, as well as in France. French manufacturer of computer games Ubisoft rallied 86% reflecting strong sales of new games following the introduction of new hardware to the sector. Vestas, the Danish manufacturer of wind turbines, rose 60%. In addition, Danish healthcare group Genmab rallied 85% after their anti-CD38 monoclonal antibody for the treatment of multiple myeloma demonstrated very positive results. We saw negative attribution in the U.K. as the market was very volatile both ahead of and after the Brexit referendum. In addition we saw negative attribution in the Consumer Discretionary and Industrial sectors.

European equity markets enjoyed strong, broad based gains during the end of the year under review, following the turbulence seen in the market in the lead up to and immediately following the Brexit referendum. Markets rebounded sharply following the initial jolt from the referendum result at the end of June. The quarter also featured better than expected corporate earnings performance in most areas, including signs of stabilizing earnings trends in the previously beleaguered energy and commodity linked industries.

Within Europe, quantitative easing by the European Central Bank ("ECB") and the Bank of England ("BoE") remains a key theme, even more so now with the unknown ramifications of the Brexit vote on economic growth. While it will take time for this to play out, the question remains if this will end up being a soft or hard "Brexit" following Prime Minister Theresa May's initiative to invoke Article 50 in March of 2017. As more becomes known from the fall out, the Central Banks have made it known they're ready to act wherever is needed. With a wave of slowing global growth, the region is likely to be reliant on better domestic spending, corporate profitability and margin expansion leading to stable growth. While a weak euro would be welcomed to enhance growth, the lower level yields could prove problematic for banks.

2016 has provided challenges for earnings focused investing as investors have swung between the extremes of deep value commodity related companies that pose an insolvency risk and very richly valued, low growth, defensive dividend paying "bond proxy" stocks. However, the Fund remains true to our investment philosophy and maintains our focus on bottom up stock selection rather than top down macro calls. The good news is that the customary growth premiums and valuation discounts embedded in our portfolios are among the best we have seen in quite some time, providing extremely compelling opportunities on a forward looking basis once earnings style attributes inevitably return to favour.

We continue to be optimistic for equity markets over the long run, based on earnings, margin growth, as well as favourable comparisons to bonds. However, our view is tempered by potential capital flows, liquidity risks that may arise globally, as well as the outlook for Central Bank policies. Bond yields continue to hover around historic lows with downward pressure coming from global growth concerns, Central Banks' credibility and investors reach for yield. The tyranny of "lower for longer" interest rates is likely to remain for some time and has led to defensive "bond proxy" type stocks trading near all-time high relative valuations. In the long run, it is earnings that matter most to shareholders, and that truism will remain our focus and mantra.

**Emerging Markets Equity Fund**

For the 12 months ending 30 September 2016, the Emerging Markets Equity Fund reported net performance of 12.85% compared to 16.78% for the benchmark, MSCI Emerging Markets Index.

During the 12 months, the most significant contributors to performance were Itaúsa-Investimentos Itaú, the largest private financial institution in Brazil; Telekomunikasi Indonesia, the largest telecom operator in Indonesia; and Taiwan Semiconductor Manufacturing Co., the largest semi-conductor foundry in the world. The most significant detractors were JBS S.A., a food company headquartered in Brazil; Petrobras, a Brazilian company engaged in oil and gas exploration, production, and distribution activities; and Fubon Financial, a Taiwan financial conglomerate.

EMEA was the best performing region on a relative basis. Underweighting Poland, Qatar, and Greece provided significant gains with these countries all declining, while South Africa, the Czech Republic, and Russia detracted from performance.

Relative performance in Asia added to performance during the last twelve months. China, led by information technology, the Philippines, and Indonesia contributed to performance while India, Malaysia, and Taiwan were notable detractors.

Latin America detracted from relative performance, held back by the surge in Brazil, which was underweighted in our portfolio. Energy, financials, and consumer discretionary sectors were up almost triple digits during the twelve months. Mexico and Peru were slight detractors while Colombia and Chile were in-line with the index.

**PRINCIPAL GLOBAL INVESTORS FUNDS**  
**INVESTMENT ADVISER'S REPORT**  
**for the year ended 30 September 2016 (continued)**

**Emerging Markets Equity Fund (continued)**

Looking to the future, we remain cautious on most of the ASEAN region except Indonesia where the outlook has brightened a little. The Indian economy also remains in an extended bottoming out process which continued in September. We remain structurally positive and overweight India. Taiwan remains attractive with its high dividend yield, strong free cash flow and liquidity supports, therefore we remain overweight the country. The information technology sector continues to lead the "new economy" and is now the largest sector in the MSCI Emerging Markets Index. We remain overweight in the sector. After the first presidential debate, Mexico reversed the earlier losses leading up to the debate as Donald Trump was rising in the polls, with Hillary Clinton deemed the consensus winner. Hillary Clinton would be more positive for the Mexican market, but Mexico still remains challenged with growth showing signs of slowing.

**Japanese Equity Fund**

For the 12 months ending 30 September 2016, the Japanese Equity Fund reported net performance of 9.15% compared to 12.13% for the benchmark, MSCI Japan Index.

The portfolio underperformed the MSCI Japan Index during the period. Stock selection in the consumer staples and telecommunication services sectors was most effective, while stock selections in the industrials and financials sectors were less effective.

Our investment process and portfolio style characteristics faced significant headwind in the early half of the period when the market sharply reversed, led by the riskiest and most neglected groups of companies.

An overweight position in Lion Corporation contributed strongly to performance in the period as the stock was up +82.44% in USD terms. An underweight position in Nintendo Co., Ltd had a negative impact on the portfolio in the period as the security was up 58.16% in USD terms. At the end of September, the portfolio's most overweight positions included Mitsui & Co, Toho Gas Co., ORIX Corporation, and Haseko Corporation.

A generally unhelpful backdrop for corporate earnings continues. Financial sector earnings remain under the most pressure. High debt levels, low growth, weak investment and interest rate policies are all serving to reduce revenue opportunities for banks in particular. Regulation remains a headwind as well. Japanese companies with overseas operations are also suffering earnings downgrades because of the strength in the yen over the last year. We expect earnings forecasts to stabilize for this group in the next two quarters assuming current currency levels continue. Bulk commodity price rallies, in particular in iron ore and coking coal, are driving earnings expectations higher for many materials companies. We see select opportunities to invest in companies that will see higher than expected profitability due to these trends.

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.

**Preferred Securities Fund**

For the 12 months ending 30 September 2016, the Preferred Securities Fund reported net performance of 7.44% compared to 9.04% for the benchmark, 50% BofA Merrill Lynch Fixed Rate Preferred Securities Index/ 50% BofA Merrill Lynch US Capital Securities Index.

Over the period, the top three positive contributors to performance were Rabobank 11%, MetLife 9.25% and Willow No.2 (Zurich) 4.25%. The spread tightening of these issues in a declining rate environment helped boost total returns. The top three negative contributors were Barclays, Group BPCE floaters and Royal Bank of Scotland. Barclays capital securities were negatively impacted by the declining British pound, while Group BPCE and Royal Bank of Scotland each lagged the overall recovery of capital securities prices since February.

The price of the Fund was stable from September to December but by January, the global equity markets corrected suddenly on the back of concerns over slow growth and the first U.S. Federal Reserve ("Fed") rate hike in nearly a decade. The equity shares of European banks were impacted especially hard through February, which pulled down preferred securities prices sharply. The ECB responded with a broader quantitative easing plan, which brought down volatility and lifted bond prices. The preferred securities sector recovered well from the lows and began a linear journey to new highs by September as spreads tightened by 50bps on top of the rally in the U.S. Treasury bond market over the twelve month period. Some of the preferred securities in the Fund also benefited from tender plans.



**PRINCIPAL GLOBAL INVESTORS FUNDS**  
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**for the year ended 30 September 2016 (continued)**

**Preferred Securities Fund (continued)**

The minutes of the July 2016 meeting of the Federal Open Market Committee stated that the Fed would “closely monitor inflation indicators and global economic and financial developments” and that “near term risks to the economic outlook have diminished.” On the European side, Chairman Mario Draghi of the ECB has taken a brief pause on his usual aggressive rhetoric toward policy stimulus. This appears to be a signal that the ECB is running out of runway and that bond scarcity and negative interest rates could be an impediment to do much more of “whatever it takes”. It is also a signal that the Brexit is turning into far less of a horror movie and more of a policy drama. We believe that the Fed will move the target funds rate up again in December and that cheaper bond prices are coming given the overall market complacency. Risks appear to have diminished to the global economic outlook. We expect interest rates to drift upward and for spreads to tighten in the process sufficient to provide a positive total return over the next 12 months.

**U.S. Equity Fund**

For the 12 months ending 30 September 2016, the U.S. Equity Fund reported net performance of 6.78% compared to 15.43% for the benchmark, S&P 500 Index.

The portfolio underperformed the S&P 500 Index during the period. Stock selection in the financial sector was the most effective, while stock selections in the energy and consumer discretionary sectors were less effective.

Our investment process and portfolio style characteristics faced significant headwind in the latter half of the period when the market sharply reversed, led by the riskiest and most neglected groups of companies. Our overweight positions in NVIDIA Corporation, Equifax Inc., and Ingredion Incorporated contributed positively to performance. While our overweight position in Foot Locker, Tesoro Corporation, and Archer Daniels Midland Company detracted from performance. At the end of September the fund's main overweight positions were Cisco Systems, Inc., JPMorgan Chase & Co., and Aflac Incorporated. The Fund's main underweight positions included General Electric, Wells Fargo & Company, and Procter & Gamble Company.

Key market risks at this time remain central banking policy changes as monetary policy events have resulted in material changes to foreign exchange markets. Global growth and inflation data remains volatile around generally low levels, which has increased sensitivity to small movements in data as economies continue to flirt with deflation and to battle for competitiveness and growth. We have observed a slowdown in U.S. growth in response to the dramatic rise in the USD earlier in 2015. With employment data improving and inflation set to improve in the months ahead as we experienced lower levels of commodity prices in first quarter 2016, volatile market reactions to a tightening cycle appear likely.

The portfolio continues to overweight stocks with improving business fundamentals, rising investor expectations and attractive relative valuations.

**High Yield Fund**

For the 12 months ending 30 September 2016, the High Yield Fund reported net performance of 10.61% compared to 13.51% for the benchmark, BofA Merrill Lynch Global High Yield Hedged Index.

The Fund had positive contributions from its allocation to FMG Resources (August 2006) PTY, Chaparral Energy Inc., and ArcelorMittal. Negative contributions came from the Fund's allocation to Navios Maritime Acquisition, Pinnacle Operating Corporation, and ING U.S. Inc.

High yield and most other asset classes struggled at the start of 2016 from ongoing commodity price weakness and angst in Chinese markets. However, from March onward high yield has posted significant gains driven by a turnaround in commodities, stable global markets, and accommodative central bank policies. A dovish Fed and additional easing by the Bank of Japan and ECB fuelled the risk asset rally. It has been a technical driven market; low global yields and central bank bond buying programs outside the U.S. have pushed investors to seek alternatives.

Overall, we have a neutral view on the asset classes and believe investors are being appropriately compensated to be invested. Fundamentals have rebounded and are expected to improve incrementally. We also believe that defaults will come down fairly aggressively. We do not believe new issuance will be significant and relatively light dealer inventories should provide support to the asset classes. With a significant portion of the fixed income universe trading with negative yields, we continue to believe that the asset classes are appropriately priced, even after the significant rally. Industries we favour at this point are cable, home construction, and food & beverage. We remain selective on sterling bonds as the full implications of Brexit are still unknown. We also continue to selectively find value in European high yield and seek opportunities through local currency euro-denominated bonds. Our top European industry recommendations include cable, wireless, and packaging.

**PRINCIPAL GLOBAL INVESTORS FUNDS**  
**INVESTMENT ADVISER'S REPORT**  
**for the year ended 30 September 2016 (continued)**

**Global Property Securities Fund**

For the 12 months ending 30 September 2016, the Global Property Securities Fund reported net performance of 10.92% compared to 14.85% for the benchmark, FTSE-EPRA-NAREIT Developed NTR Index.

For the period, the Fund benefitted from an overweight to Deutsche Wohnen AG, a German residential property company, as well as a modest underweight to Public Storage, a U.S. self-storage company. The Fund's overweight to Great Portland Estates and Land Securities Group Plc was a top detractor from the Fund's United Kingdom allocation. In addition, an overweight to Japanese developer, Mitsui Fudosan was a leading detractor.

Global listed real estate returned 14.85%, measured by the FTSE-EPRA-NAREIT Developed NTR Index for the past 12 months, outperforming global equities (11.3%), measured by the MSCI World Index, but underperforming the JP Morgan Global Bond Index, which rose 16.8%. Weak economic data points, concerns regarding the effectiveness of loose monetary policy, and the unknown impact of Brexit have all fuelled cautious investor sentiment. Investor nervousness has caused bond yields to drop to historic lows and caused equity investors to favour income oriented sectors with resilient income streams. Globally, real estate stocks have been in favour as they offer these attributes.

Improving and/or stabilized conditions around the world have led the Fed to signal a likely rate hike in December. Despite the hike being clearly signalled, our expectation is that the long end of the yield curve will remain low and provide an environment for real estate stocks to outperform. If we are wrong, this may create a significant headwind for real estate stock performance as investors would fear the possible adverse impact higher rates might have on asset values.

In the 3rd quarter, improved macroeconomic sentiment possibly triggered a reversal of the recent trend that favoured low volatility and above average yield. This provided a more normal investment environment where our focus on the potential of a stock on a 1-3 year time horizon works better. While we are uncertain about near term style leadership, we are confident if we are patient and maintain discipline, our investment approach will prove to be successful.

**Global Equity (ex-Japan) Fund**

For the 12 months ending 30 September 2016, the Global Equity (ex-Japan) Fund reported net performance of 5.78% compared to 11.28% for the benchmark, MSCI Kokusai (World ex-Japan) Index.

Equity market returns were sharply higher for the period helped by Central Bank policies as well as the moderating strength of the USD. This led to the emerging markets outpacing their developed peers in the past year. Stock selection in the Financials and Real Estate sectors were the top contributors during the period, while stock selection in Industrials and Materials lagged relative to overall performance. From a country perspective, stock selection contributed most positively to performance in Spain, Canada and Italy, while the United States, the United Kingdom and Australia lagged relatively.

Attractive valuations and earnings/growth upside has led to opportunities within the Health Care sector leading the portfolio to remain overweight. Within biotechnology, the portfolio continues to hold Genmab and Actelion, but also favours Gilead Sciences and Amgen as they should benefit from their new product cycles.

The Fund maintained its overweight exposure to the health care providers & services industry. Anthem's position was maintained and will benefit as an acquirer in the ongoing industry consolidation, gaining additional scale in membership/premium revenues while leveraging fixed general and administrative costs over that larger revenue base. Furthermore, Anthem expects to start reaping the benefits of its investments in Medicare in 2016, which should help drive margin expansion in late 2016 and 2017.

Although overweight in Pfizer and GlaxoSmithKline, the portfolio remains underweight in the Pharmaceuticals sector given concerns surrounding government pricing controls and further volatility driven by the U.S. Presidential election.

In the Technology sector, IT Service Company Accenture remains a top holding as adoption of cloud/SaaS computing by corporate entities is driving a mix shift in IT Services spend that directly benefits Accenture given their high value work. Within software, portfolios holding Microsoft will be a prime beneficiary of its cost cutting efforts along with the launch of Windows10 which is seeing healthy adoption rates as well as its transition to cloud which is firmly on track. Apple remains at an underweight position following quarterly results in July as iPhone fundamentals are decelerating. Alphabet is exceedingly well positioned to continue capitalizing on the shift away from traditional advertising mediums (TV, radio, and print) and toward online platforms. New CFO Ruth Porat will be an agent of change that will instill better expense discipline and increase transparency which historically the company has lacked.

The portfolio continues to overweight stocks with improving business fundamentals, rising investor expectations and attractive relative valuations. Bottom-up stock selection remains the primary source of outperformance.

## PRINCIPAL GLOBAL INVESTORS FUNDS

### INVESTMENT ADVISER'S REPORT

for the year ended 30 September 2016 (continued)

#### Post Global Limited Term High Yield Fund

For the 12 months to 30 September 2016, the Post Global Limited Term High Yield Fund reported net performance of 5.63% compared to 0.66% for the benchmark, the Barclays Capital US Government 1-2 Year Index.

During the twelve month period, we continued to focus on investing in high quality businesses in more stable, defensive industries. This strategy provided strong downside protection in late 2015 and early 2016, when high yield markets weakened materially. Of note, the Fund has never had a default in its history. Our avoidance of commodities related credits allowed us to maintain low levels of credit risk and volatility.

The Fund generated strong downside protection during a very weak high yield market in Q4 2015 and January 2016; the Fund generated a net positive return of approximately 0.76% during this period, while U.S. high yield markets were down by approximately 4%. High yield markets rallied sharply beginning in February 2016, as a result of an extraordinary decline in sovereign debt yields around the world, a rebound in commodity prices from their February lows, and strong technical conditions across the entire corporate credit market. The rally was driven by the most dislocated segments of the high yield market – triple C credits and commodities related credits, where the Fund had minimal exposure. As a result, the Fund generated consistent positive returns during the February to September period, although returns lagged longer duration high yield benchmarks, with relatively limited volatility.

Although short duration credit has tightened meaningfully, we believe our focus on investing in high quality businesses in more stable, defensive industries will continue to result in attractive risk-adjusted returns through the economic/credit cycle. From a downside protection standpoint, putting aside potential short term mark-to-market volatility, we believe extension "risk" would likely (and counterintuitively) benefit the Fund from a fundamental standpoint. The incremental increase in yield as the high yield bond trades to a longer call date would result in a higher yielding credit that remains outstanding for a longer period of time – a dynamic analogous to a "rolling call" bond in many ways. We believe the Fund is well positioned to continue to generate solid risk-adjusted returns with strong downside protection.

#### Global Time Diversified Absolute Return Fund

For the 12 months ending 30 September 2016, the Global Time Diversified Absolute Return Fund reported net performance of 11.61%. Impressively, the Fund only experienced two down months during this period.

Both sides of the portfolio (discretionary and systematic) contributed positively to performance during the period. The discretionary portfolio's return was led by our USD Structural and Central Bank Nominal Rate Target themes, whilst our Financial Market Volatility Event and North American Relative Value themes detracted from performance. The systematic component of the portfolio enjoyed a strong return. From a currency perspective, performance was driven by positions in the Japanese yen (JPY), United States dollar (USD), New Zealand dollar (NZD) and Sterling (GBP); the biggest detractors were the Australian dollar (AUD) and the Norwegian krone (NOK).

Although currency markets did not experience a significant, singular event during the period under review, the global economy has experienced a number of volatility episodes. The U.K.'s decision in June 2016 to leave the European Union is a prime example of such an event, which has obviously fed through to currencies. In line with this, currency market volatility has steadily risen throughout the period. We feel that this is likely to continue into 2017, with political uncertainties surrounding parts of Europe and the U.S. Presidential election being notable drivers.

Given our outlook, we believe that market conditions will continue to provide us with significant opportunities to generate strong returns.

#### Global Small Cap Equity Fund

For the 12 months ending 30 September 2016, the Global Small Cap Equity Fund reported net performance of 10.68% compared to 14.21% for the benchmark, MSCI ACWI Small Cap Index.

The portfolio underperformed its index for the twelve month period on the back of negative stock selection. Companies with strong fundamental change profiles and attractive relative valuation tended to outperform for the majority of the year until the market reversal in February propelled the riskiest and most neglected groups of companies.

## PRINCIPAL GLOBAL INVESTORS FUNDS

### INVESTMENT ADVISER'S REPORT

for the year ended 30 September 2016 (continued)

#### Global Small Cap Equity Fund (continued)

The portfolio's relative underperformance was driven by weak results across most geographies. Emerging markets and Japan were the most notable detractors. Within emerging markets, India was the source of most of the underperformance largely due to a large drawdown in one stock – Welspun. Stock selection was also soft in Canada, Europe and the U.S. Within Europe, strong results in Italy and Spain were offset by underperformance in Germany and the U.K. The Consumer Discretionary, Information Technology and Materials sectors provided the majority of the underperformance during the period while the Industrials sector was the most notable contributor to relative performance.

We remain optimistic for equity markets over the long run, based on earnings, margin growth, as well as favourable comparisons to bonds. However, our view is tempered by potential capital flows, liquidity risks, as well as the outlook for central bank policies. Global bond yields continue to hover around historic lows with downward pressure coming from global growth concerns. The tyranny of "lower for longer" interest rates is likely to remain for some time which has led to defensive "bond proxy" type stocks trading near all-time high relative valuations. Virtually all measures of earnings yields and free cash flow yields on equities continue to compare very favourably to history in relation to yields available on high grade bonds and most all other so called "safe" assets. Simply put, long term accumulation and liability funding objectives have minimal opportunities to be met without meaningful equity exposure. Selectivity is the key.

#### Origin Global Emerging Markets Fund

For the 12 months to 30 September 2016, the Origin Global Emerging Markets Fund reported net performance of 10.97% compared to 16.78% for the benchmark, MSCI Emerging Markets Index.

At a sector level, relative underperformance was driven predominantly by stock selection in Financials, and our lack of exposure to certain Brazilian names within the sector also proved a burden. Taiwanese stocks, predominantly in the Technology sector were also key detractors from relative performance. However, this was more than offset by strong stock selection in Information Technology stocks in China.

Following a series of tumultuous years for emerging markets, the sector concluded the 12 month period to the end of September 2016 in firmly positive territory, with the MSCI Emerging Markets Index delivering strong double-digit returns. On the face of it, the positive numbers might indicate a benign market environment; however they mask some significant underlying volatility and broader market turbulence during the period – a market environment that challenged our stock selection process. After three quarters of what we would deem "irrational" behaviour, in which the market rewarded the most expensive and the lowest quality names, Q3 2016 appeared to demonstrate a return to more "rational" market behaviour.

At a sector level, the portfolio's most sizeable position is in Information Technology, which remains the largest overweight. Conversely, Financials remains the most significant underweight and we have further reduced our exposure over the year. Geographically, China represents the portfolio's largest holding and overweight, predominantly at the expense of India and Brazil.

We do not make predictions regarding future fund performance, which – in the case of any long-only asset manager (we would argue) – will be largely stochastic. However, if the third quarter of 2016 is indicative of return to more rational and directional market behaviour, with clear internal leadership within markets/sectors, then our portfolios are naturally well positioned to outperform. As always, we will continue to monitor the evidence and will act as and when we see changes in evidence at the stock level.

#### Origin Global Equity Fund

For the 12 months to 30 September 2016, the Origin Global Equity Fund reported net performance of 2.83% compared to 11.36% for the benchmark, MSCI World Index.

At a sector level, relative underperformance was driven predominantly by holdings in Health Care, Consumer Discretionary and Industrials, which was very marginally offset by stock selection in Telecommunications. Geographically, the majority of relative underperformance was concentrated in North America, although U.K. holdings also marginally detracted. Stock selection in Emerging Markets proved a minor benefit.

**PRINCIPAL GLOBAL INVESTORS FUNDS**  
**INVESTMENT ADVISER'S REPORT**  
**for the year ended 30 September 2016 (continued)**

**Origin Global Equity Fund (continued)**

Equity markets enjoyed a year of strong performance with the majority of global and regional indices ending the period firmly in positive territory. Following a shaky end to 2015 and tumultuous start to 2016, equity markets settled and generated positive returns over the period. Whilst the positive numbers might indicate a benign market environment, they mask some significant underlying volatility and broader market turbulence during the period – a market environment that challenged our stock selection process. After three quarters of what we would deem "irrational" behaviour, in which the market rewarded both the most expensive and the lowest quality names, Q3 2016 appeared to demonstrate a return to more "rational" market behaviour.

At a sector, level the portfolio's most significant position is in Information Technology, which remains the largest overweight. Conversely, Financials remains the most significant underweight and we have further reduced our exposure over the year. Geographically, the portfolio's largest position is in North American stocks, where nevertheless we remain marginally underweight. The Fund's most significant position relative to the benchmark is in Emerging Markets.

We do not make predictions regarding future fund performance, which – in the case of any long-only asset manager (we would argue) – will be largely stochastic. However, if the third quarter of 2016 is indicative of return to more rational and directional market behaviour, with clear internal leadership within markets/sectors, then our portfolios are naturally well positioned to outperform. As always, we will continue to monitor the evidence and will act as and when we see changes in evidence at the stock level.

**Origin Global Smaller Companies Fund**

For the 12 months to 30 September 2016, the Origin Global Smaller Companies Fund reported net performance of 10.63% compared to 14.21% for the benchmark, MSCI ACWI Small Cap Index.

At a sector level, relative underperformance can be accounted for almost exclusively by Industrials, with names in Consumer Staples and Energy also proving a marginal drag relative to the benchmark, partially offset by holdings in Financials, Materials and Information Technology. Geographically, the portfolio suffered the most in North America, with Emerging Markets and U.K. holdings also marginally detracting. Positive relative performance was driven by stock selection in Europe ex-U.K. and Asia ex-Japan.

After a shaky end to 2015 and tumultuous start to 2016, equity markets settled and following a strong latter half ended the period firmly in positive territory; the MSCI ACWI Small Cap Index delivered double-digit returns. Whilst the positive numbers might appear to indicate a benign market environment, they mask some significant underlying volatility and broader market turbulence during the period – an environment that challenged our stock selection process. After three quarters of what we would deem "irrational" behaviour, in which the market rewarded both the most expensive and the lowest quality names, Q3 2016 appeared to demonstrate a return to more "rational" market behaviour.

Holdings in North America remain the largest constituent of the portfolio; nevertheless this represents the most significant underweight relative to the benchmark. The portfolio maintains a strong overweight position in Emerging Markets. By sector, Information Technology remains the Fund's largest position and most significant overweight by a significant margin, predominantly at the expense of names in the Financials and newly introduced Real Estate sectors.

We do not make predictions regarding future fund performance, which – in the case of any long-only asset manager (we would argue) – will be largely stochastic. However if the third quarter of 2016 is indicative of a return to more rational and directional market behaviour, with clear internal leadership within markets/sectors, then our portfolios are naturally well positioned to outperform. As always, we will continue to monitor the evidence and will act as and when we see changes in evidence at the stock level.

**Long/Short Global Opportunities Equity Fund**

For the 12 months ending 30 September 2016, the Long/Short Global Opportunities Equity Fund reported net performance of -7.30%.

With the exception of a few European markets and Japan, market performance for the year was generally disappointing, especially for emerging markets. The disparity of returns across countries, sectors and style classifications was striking. Emerging markets as a group underperformed their developed peers by over 14% for the full year, with Latin America and the EEMEA block facing even worse.

## PRINCIPAL GLOBAL INVESTORS FUNDS

### INVESTMENT ADVISER'S REPORT

for the year ended 30 September 2016 (continued)

#### Long/Short Global Opportunities Equity Fund (continued)

From a global sector perspective, Technology, Health Care and Consumer stocks all delivered broad based gains, while the Energy and Materials complex suffered deep losses for the year despite a fleeting bounce early in the fourth quarter. In the U.S., the largest tier of companies outpaced smaller cap shares, reflecting a low degree of breadth. Conversely, in international markets, small caps shined, outpacing their large company peers by average margins exceeding 28% for the year.

For the 12 months under review, the Fund posted a negative absolute return of -7.3%. Within the portfolio, all sectors were positive except for Materials, Industrials and Real Estate. Within the top contributing sector, Telecommunication Services, Nippon Telegraph and Telephone and NTT DoCoMo out of Japan were the standout performers. Adidas AG was a top performer within the portfolio overall. Fundamental change at Adidas comes in the form of less drag from weak performing segments, solid industry growth for sports apparel and footwear, a move to increase direct sales to the consumer, high profile sporting events in 2016 that allow for good exposure, a move toward automation and management changes and optionality. Other top contributors over the past year were Qualicorp, Kinross Gold and 3i Group.

On the other hand, the portfolio was negatively impacted by holdings within the Materials sector, particularly Barrick Gold and BHP Billiton. After significant share appreciation in 2016, share prices for gold companies pulled back with a further headwind coming in the form of the expectation for rate hikes to continue by year end. Other top detractors over the past year were ConocoPhillips, Leidos Holdings, Boeing Company, AMN Healthcare Services and JBS.

2016 has provided challenges for GARP investing. However, the good news is that the customary growth premiums and valuation discounts embedded in our portfolios are among the best we have seen in quite some time, providing extremely compelling opportunities on a forward looking basis once GARP style attributes inevitably return to favour.

The Fund continues to emphasize stocks with improving business fundamentals, rising investor expectations and attractive relative valuations. Stock selection remains the primary source of outperformance, and we continue to primarily focus on large and mid-cap companies with selective exposure to smaller companies. The portfolio continues to pursue its "borderless" approach across a truly global opportunity set of both developed and emerging markets. We invest where we see the most compelling growth opportunities with attractive valuations, rather than positioning in relation to a market index.

#### Claritas Latin American Equity Fund

For the 12 months ending 30 September 2016, the Claritas Latin American Equity Fund reported net performance of 32.75%.

LatAm equities (+25.7%) had a strong performance in this period, outperforming both emerging markets (+14.1%) and developed markets (+9.1%). Brazil (+52.8%) and Peru (+37.8%) were the strongest markets, while Mexico (-4.1%) stood alone with a negative return (on the back of Trump's advance in U.S. election polls). Brazilian markets were propelled by a material improvement in the country's political situation, with President Dilma Rousseff's impeachment concluded. The currency was also affected, appreciating 21.0% against the USD in the period.

Stock picking was entirely responsible for the alpha of the Fund, with robust results in Brazil, especially with overweight positions in Banco Itaú and Sanepar, and Mexico, mainly due to the overweight allocation in airports. On the other hand, the underweight allocation in Brazil was the main detractor from the Fund's performance.

The outlook for the region (as for most emerging markets) definitely improved, with the stabilization of commodity prices and expectations of lower interest rates for longer. Although the challenges for Brazil are still profound, the worst seems over, since economic activity is stabilizing and confidence levels are recovering strongly. There are also expectations that under President Temer's tenure some important reforms might be approved, as there is strong Congressional support.

Mexico's performance in the mid-term should be linked to the U.S. election and oil prices, but we reckon that the Peso and the Mexican stock market have mostly priced-in the diminished probability of Trump winning.

In Colombia, it will be important to monitor the political consequences of the rejection of the peace agreement with the FARC. Economic activity in Chile continues to be affected by lower copper prices, which failed to follow the recovery of other commodities.

## PRINCIPAL GLOBAL INVESTORS FUNDS

### INVESTMENT ADVISER'S REPORT

for the year ended 30 September 2016 (continued)

#### **Finisterre Emerging Market Debt Fund**

For the 12 months ending 30 September 2016, the Finisterre Emerging Market Debt Fund reported net performance of 4.49%.

Over the period, the biggest positive contributors to the Fund's performance were Brazil, Indonesia, Russia, Poland and Malaysia. Turkey and Mexico were the biggest detractors.

While the Fund took a bearish emerging markets' foreign exchange position during the first part of the year, which did not perform (namely South Africa, Turkey, Mexico), it maintained long positions in short term rates, especially in Asia (China, Taiwan, Korea, Singapore, Thailand), which profited despite the well expected policy rate hike in December 2015 by the Fed. The unexpected Brexit vote outcome allowed us to enter into long emerging markets' credit (CEE, Russia, Malaysia, Indonesia, Brazil) before the summer. It performed well before we took a more defensive attitude and will likely maintain this bias to the end of 2016.

The outlook for emerging markets' asset classes is turning positive again, at least in the short term. We do not expect developed market central banks to withdraw liquidity anytime soon, nor to raise policy rates — with the exception of the Fed, which should hike rates no more than twice by the end of 2017. Global investors should keep struggling to find fixed income assets with a positive yield in non-emerging markets and therefore keep moving into emerging markets. Credit spreads that are close to historical lows in absolute value terms should tighten as there is room on a relative basis. Having been the subject of a lot of worry, China seems to be delivering on its growth plan. We believe that Brazil is more stable than this time last year. However, the affection for emerging markets is strongly correlated with global sentiment, which remains fragile and sensitive to oil prices and European Bond markets (Bund mainly). We have also managed to take advantage of specific market dislocations to implement relative value trades along various curves, such as Israel, Hong Kong and Singapore.

#### **Spectrum Global Capital Securities Fund**

For the 12 months ending 30 September 2016, the Spectrum Global Capital Securities Fund reported net performance of 6.42% compared to 6.54% for the benchmark, BofA Merrill Lynch Global Non-Sovereign Index.

Over the period, the top three positive contributors to performance were Danske Bank 5.875%, Société Générale 8% and HSBC Holdings 6.875%. Performance was aided by the timing of the HSBC purchase — just after the Brexit referendum. The top three negative contributors were Lloyds Banking Group 7.625%, Deutsche Bank 6% and Société Générale 7.375%. The Fund closed out its position in Deutsche Bank in January, while the Lloyds Bank holding was negatively impacted by currency translation from the declining British pound.

The contingent convertible capital securities ("CoCo") sector performed well from September to November, but was impacted by the ECB's restrictive view on how Pillar-2 capital would be treated for calculating the dividend headroom before limitations are imposed. This helped to accelerate negative sentiment, which was exacerbated by very poor equity performance for European banks based on fears of poor performance from slow economic growth. The ECB picked up the pace and breadth of its bond buying, which helped to lift CoCos off all-time lows in February. By June, CoCos had recaptured two-thirds of their price losses, only to be set back briefly by the Brexit vote, which created a second buying opportunity. The ECB relaxed the rules on dividend headroom limitations during the summer, so by the end of the 12 month period the Fund was trading at new highs.

We believe that the pro-cyclical risks that CoCos seemed to impose on the European banking system, due to the ECB's earlier Pillar-2 misstep, have been mediated by the improvements in July. The CoCo market remains over 6% higher than its Brexit lows, despite its sympathetic fade with bank equities in September. Equity price performance matters when considering CoCo investments – so, when European equities rally (someday) like oil prices have this year, expect CoCo prices to perform very well. In the meantime, there will be idiosyncratic risks to individual names in the European banking sector, such as Deutsche Bank, but these are business specific risks that should not weigh as heavily on the broader CoCo market as they have in the past. We expect the credit performance of European banks to be supportive and the income from CoCos to more than offset price risks over the next 12 months.

**PRINCIPAL GLOBAL INVESTORS FUNDS**  
**INVESTMENT ADVISER'S REPORT**  
**for the year ended 30 September 2016 (continued)**

**Global Capital Structure Opportunities Fund**

For the 12 months ending 30 September 2016, the Global Capital Structure Opportunities Fund reported net performance of 4.40% compared to 0.57% for the benchmark, 3 Month U.S. LIBOR.

The outperformance of the Fund was driven by allocations to lower tier 2 ("LT2"), senior debt, perpetual, preferreds, CoCos, and hybrids.

Central bank policies and commodity prices were two main drivers of the solid performance of capital structure securities. The Fed raised rates in December 2015, but the slow pace of improvement in the U.S. economy has kept the Fed Funds rate on hold since. On a divergent path, other global central banks including the ECB, the Bank of Japan, BoE, and Peoples Bank of China ("PBOC") continued to pursue more dovish policies. Commodity prices were volatile, but after hitting lows in early 2016, the market has rebounded as supply and demand technicals have become less of a concern.

Demand from investors searching for yield and further central bank accommodation continue to underpin the market for risk assets and will provide further opportunities up and down the debt capital structure. We continue to prefer U.S. money-centre banks over the U.S. operations of foreign registered banks due to their stronger fundamentals and a better U.S. economic backdrop. However, there will be select opportunities in European banks, including LT2 and CoCos, as the market navigates uncertainty around impending negotiations regarding the terms of Brexit and the Italian banking situation. Regulation will continue to be a focal issue in the banking space as further rules will be announced, implemented, and clarified. Most of the existing and anticipated rules are net positives for bondholders, but the situation continues to evolve and could drive sentiment and risk-taking across the capital structure.

**Global Credit Alpha Fund**

For the 12 months ending 30 September 2016, the Global Credit Alpha Fund reported net performance of 6.03% compared to 0.57% for the benchmark, 3 Month U.S. LIBOR.

The Fund's allocation to investment grade corporate bonds was the largest contributor to total return during the 12 months under review. The allocations to below investment grade corporate bonds and emerging market debt were also significant contributors to performance, but their contribution was partially offset by the negative impact of macro volatility hedging.

The period began with significant volatility due to lower commodity prices and central bank uncertainty. Central banks appeared on divergent paths with the Fed raising interest rates in December 2015 for the first time in nearly a decade, while other central banks globally such as the ECB and the PBOC continued dovish policies. Volatility continued into early 2016 until central banks globally, including the Fed, began making accommodative statements, and the ECB announced its plans to purchase corporate bonds. After the Brexit vote, the BoE also began purchasing corporate bonds. With central banks calming the markets, demand for corporate bonds became overwhelming, driving spreads significantly tighter during the remainder of the period.

Demand from investors searching for yield and further central bank accommodation continues to underpin the market for risk assets. Strong demand technicals along with stable corporate fundamentals should remain supportive of valuations. However, strong momentum in credit markets this year has driven yields lower, limiting further upside potential, while downside risk will become elevated approaching year end. The outcome of the upcoming U.S. presidential election and the potential December Fed rate hike may trigger volatility.

**Real Estate Debt Fund**

Since inception on 21 March 2016 to 30 September 2016, the Real Estate Debt Fund reported net performance of 6.50% compared to 4.13% for the benchmark, Barclays Capital CMBS Investment Grade Index.

Since inception on 21 March 2016, the Fund benefitted from positive security selection which contributed over 200 basis points in excess return when compared to the Barclays Capital CMBS Investment Grade Index. Portfolio holdings of 2013 and 2014 vintage A-rated bonds contributed the most to overall portfolio performance.



**PRINCIPAL GLOBAL INVESTORS FUNDS**  
**INVESTMENT ADVISER'S REPORT**  
**for the year ended 30 September 2016 (continued)**

**Real Estate Debt Fund (continued)**

The Real Estate Debt Fund invests primarily in a diversified portfolio of U.S. commercial mortgage backed securities ("CMBS") with an objective of providing attractive long term risk-adjusted returns. The Fund was launched in March of 2016 at a time when the CMBS markets were recovering from a period of macro driven volatility. The Sub-Investment Adviser has constructed a diversified portfolio with a wide range of vintage and credit exposures, which to date has benefitted from a higher yield profile as well as positive total return throughout the year as risk markets recovered from a turbulent first quarter.

CMBS represents a fixed income investment in an underlying pool of first mortgages secured by commercial real estate properties located throughout the United States. The health of the commercial real estate market is directly influenced by the health of the economy, and more specifically, the U.S. job market which has added over 170,000 jobs per month since the Fund's inception. Ongoing economic growth, a growing labour market, and historically low interest rates are currently providing a stable footing for commercial real estate. The CMBS new issuance market is providing a steady flow of new investment options alongside an active secondary market. Ongoing regulatory restraints on the banking sector along with new risk retention requirements have posed headwinds for CMBS; however, market participants seem to be making appropriate adjustments. The yield enhancement currently offered by CMBS appears attractive given stable real estate fundamentals and the opportunity CMBS presents investors to diversify their broader fixed income portfolios.

**Principal Global Investors, LLC**

**31 October 2016**

## PRINCIPAL GLOBAL INVESTORS FUNDS

### INDEPENDENT AUDITORS' REPORT TO THE UNITHOLDERS OF PRINCIPAL GLOBAL INVESTORS FUNDS

#### **Our opinion**

In our opinion, Principal Global Investors Funds financial statements (the "financial statements"):

- give a true and fair view of the Funds' assets, liabilities and financial position as at 30 September 2016 and of their results for the year then ended;
- have been properly prepared in accordance with Generally Accepted Accounting Practice in Ireland; and
- have been properly prepared in accordance with the requirements of the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2011 (as amended).

#### **What we have audited**

The financial statements comprise:

- the Statement of Financial Position as at 30 September 2016;
- the Statement of Comprehensive Income for the year then ended;
- the Statement of Movement in Net Assets Attributable to Redeemable Participating Unitholders for the year then ended;
- the Portfolio of Investments for each of the Funds as at 30 September 2016; and
- the Notes to the Annual Report and Financial Statements

The financial reporting framework that has been applied in the preparation of the financial statements is Irish law and accounting standards issued by the Financial Reporting Council and promulgated by the Institute of Chartered Accountants in Ireland (Generally Accepted Accounting Practice in Ireland).

In applying the financial reporting framework, the manager has made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, the manager has made assumptions and considered future events.

#### **Responsibilities for the financial statements and the audit**

##### **Our responsibilities and those of the manager**

As explained more fully in the Statement of Manager's Responsibilities, the Manager is responsible for the preparation of the financial statements giving a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with Irish law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinion, has been prepared for and only for the Unitholders of each of the Funds as a body and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

##### **What an audit of financial statements involves**

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the Funds circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the manager; and
- the overall presentation of the financial statements.

We primarily focus our work in these areas by assessing the manager's judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

## PRINCIPAL GLOBAL INVESTORS FUNDS

### INDEPENDENT AUDITORS' REPORT TO THE UNITHOLDERS OF PRINCIPAL GLOBAL INVESTORS FUNDS (CONTINUED)

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

**PricewaterhouseCoopers**  
**Chartered Accountants and Registered Auditors**  
**One Spencer Dock**  
**North Wall Quay**  
**Dublin 1**  
**Ireland**  
**Date: 24 January 2017**

## PRINCIPAL GLOBAL INVESTORS FUNDS

### DEPOSITARY'S REPORT TO THE UNITHOLDERS OF PRINCIPAL GLOBAL INVESTORS FUNDS for the year ended 30 September 2016

**Report from the Depositary to the Unitholders dated 30 September 2016**

**For the period from 1 October 2015 to 30 September 2016 (the "period")**

BNY Mellon Trust Company (Ireland) Limited (the "Depositary" "us", "we", or "our"), has enquired into the conduct of the Manager in respect of the Principal Global Investors Funds ("The Trust") for the period ended 30 September 2016, in its capacity as Depositary to the Trust.

This report including the opinion has been prepared for and solely for the Unitholders in the Trust, in accordance with our role as Depositary to the Trust, and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown.

#### **Responsibilities of the Depositary**

Our duties and responsibilities are outlined in Regulation 34 of the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2011 (S.I. No 352 of 2011), as amended (the "Regulations").

Our report shall state whether, in our opinion, the Trust has been managed in that period in accordance with the provisions of the Trust's Trust Deed and the Regulations. It is the overall responsibility of the Manager to comply with these provisions. If the Manager has not so complied, we as Depositary must state in what respects it has not been so managed and the steps which we have taken in respect thereof.

#### **Basis of Depositary Opinion**

The Depositary conducts such reviews as it, in its reasonable opinion, considers necessary in order to comply with its duties and to ensure that, in all material respects, the Trust has been managed (i) in accordance with the limitations imposed on its investment and borrowing powers by the provisions of its constitutional documentation and the appropriate regulations and (ii) otherwise in accordance with the Trust's constitutional documentation and the appropriate regulations.

#### **Opinion**

In our opinion, the Trust has been managed during the period, in all material respects:

- (i) in accordance with the limitations imposed on the investment and borrowing powers of the Manager and the Depositary by the Trust Deed and by the Regulations.
- (ii) otherwise in accordance with the provisions of the Trust Deed and the Regulations.

**For and on behalf of BNY Mellon Trust Company (Ireland) Limited,  
Guild House  
Guild Street  
International Financial Services Centre  
Dublin 1**

**Date: 24 January 2017**

**PRINCIPAL GLOBAL INVESTORS FUNDS**  
**STATEMENT OF MANAGER'S & DEPOSITARY'S RESPONSIBILITIES**

**1. Manager**

The Manager of the Trust is required by the UCITS Regulations to prepare Financial Statements for each accounting period which gives a true and fair view of the financial position of the Trust at the end of that period, the results of its operations and the movement in net assets for the period then ended. In preparing these Financial Statements the Manager is required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are prudent and reasonable; and
- prepare the Financial Statements on the going concern basis unless it is inappropriate to presume that the Trust will continue in operation.

The Manager is responsible for keeping proper books of account which disclose with reasonable accuracy at any time the financial position of the Trust and for ensuring that the Financial Statements are prepared in accordance with accounting standards generally accepted in Ireland and for ensuring that they comply with the provisions of the Trust Deed, the UCITS Regulations and the Hong Kong Securities and Futures Commission's Code on Unit Trusts and Mutual Funds. The Manager is also responsible with respect to its duties under the UCITS Regulations to take reasonable steps for the prevention and detection of fraud and other irregularities.

**Principal Global Investors (Ireland) Limited**

**2. Depositary**

The Depositary is required by the UCITS Regulations, to:

- maintain the assets of a Unit Trust in safekeeping;
- report to the Unitholders for each accounting period on the conduct of the Manager in the management of a Unit Trust.

**BNY Mellon Trust Company (Ireland) Limited**

PRINCIPAL GLOBAL INVESTORS FUNDS

PORTFOLIO OF INVESTMENTS  
AS AT 30 SEPTEMBER 2016

| GLOBAL EQUITY FUND  |   |           |              | GLOBAL EQUITY FUND (continued)                              |  |           |              |
|---|---|-----------|--------------|---|--|-----------|--------------|
| Nominal   | Security  | Value USD | % Net Assets | Nominal   | Security   | Value USD | % Net Assets |
| <b>TRANSFERABLE SECURITIES 97.11% (30 September 2015: 95.11%)</b> |   |           |              | <b>INDONESIA 0.79% (30 September 2015: 0.00%)</b>           |  |           |              |
| <b>AUSTRALIA 0.00% (30 September 2015: 0.45%)</b>                 |   |           |              | <b>Telecom Services</b>                                     |  |           |              |
| <b>BELGIUM 0.00% (30 September 2015: 0.83%)</b>                   |   |           |              | 1,135,600   | Telekomunikasi Indonesia Persero Tbk PT            | 380,245   | 0.79         |
| <b>BRAZIL 1.25% (30 September 2015: 0.00%)</b>                    |   |           |              | <b>IRELAND 1.36% (30 September 2015: 2.72%)</b>             |  |           |              |
| <b>Consulting Services</b>  |   |           |              | <b>Computer Services</b>                                    |  |           |              |
| 48,700  | Qualicorp SA                                    | 278,584   | 0.58         | 5,385   | Accenture Plc                                      | 655,031   | 1.36         |
| <b>Water</b>  |   |           |              | <b>ISRAEL 0.00% (30 September 2015: 1.67%)</b>              |  |           |              |
| 34,700  | Cia de Saneamento Basico do Estado de Sao Paulo | 324,903   | 0.67         | <b>JAPAN 6.65% (30 September 2015: 7.76%)</b>               |  |           |              |
| <b>CANADA 5.88% (30 September 2015: 2.94%)</b>                    |   |           |              | <b>Auto/Truck Parts &amp; Equipment-Original</b>            |  |           |              |
| <b>Commercial Banks Non-US</b>                                    |   |           |              | 8,300   | Toyota Industries Corp                             | 381,959   | 0.79         |
| 8,400   | Bank of Nova Scotia/The                         | 450,766   | 0.93         | <b>Building &amp; Construction Production-Miscellaneous</b> |  |           |              |
| <b>Gold Mining</b>  |   |           |              | 46,900  | Obayashi Corp                                      | 462,757   | 0.96         |
| 27,049  | Barrick Gold Corp                               | 485,259   | 1.01         | <b>Cellular Telecom</b>                                     |  |           |              |
| 67,400  | Kinross Gold Corp                               | 266,768   | 0.59         | 17,300  | NTT DoCoMo Inc                                     | 438,642   | 0.91         |
| <b>Oil Company-Exploration &amp; Production</b>                   |   |           |              | <b>Commercial Banks Non-US</b>                              |  |           |              |
| 14,600  | Seven Generations Energy Ltd                    | 349,196   | 0.72         | 8,700   | Sumitomo Mitsui Trust Holdings Inc                 | 281,548   | 0.58         |
| <b>Pipelines</b>  |   |           |              | <b>Electric Products-Miscellaneous</b>                      |  |           |              |
| 9,600   | TransCanada Corp                                | 456,592   | 0.95         | 71,000  | Hitachi Ltd  | 329,265   | 0.68         |
| <b>Real Estate Operation/Development</b>                          |   |           |              | <b>Finance-Leasing Companies</b>                            |  |           |              |
| 15,456  | Brookfield Asset Management Inc                 | 545,228   | 1.13         | 17,700  | ORIX Corp  | 258,813   | 0.54         |
| <b>Retail-Convenience Store</b>                                   |   |           |              | <b>Import/Export</b>  |  |           |              |
| 5,538   | Alimentation Couche-Tard Inc                    | 266,846   | 0.55         | 14,900  | Mitsubishi Corp                                    | 336,944   | 0.70         |
| <b>CHINA 2.48% (30 September 2015: 0.56%)</b>                     |   |           |              | <b>Machinery-General Industry</b>                           |  |           |              |
| <b>Auto-Cars/Light Trucks</b>                                     |   |           |              | 98,000  | Mitsubishi Heavy Industries Ltd                    | 406,470   | 0.84         |
| 186,000   | Guangzhou Automobile Group Co Ltd               | 239,188   | 0.50         | <b>Semiconductor Equipment</b>                              |  |           |              |
| <b>Entertainment Software</b>                                     |   |           |              | 3,600   | Tokyo Electron Ltd                                 | 316,267   | 0.65         |
| 1,331   | NetEase Inc                                     | 322,182   | 0.67         | <b>MALAYSIA 0.50% (30 September 2015: 0.00%)</b>            |  |           |              |
| <b>Internet Application Software</b>                              |   |           |              | <b>Electric-Integrated</b>                                  |  |           |              |
| 11,800  | Tencent Holdings Ltd                            | 324,184   | 0.67         | 70,300  | Tenaga Nasional Bhd                                | 243,088   | 0.50         |
| <b>Telecom Services</b>   |   |           |              | <b>MEXICO 0.47% (30 September 2015: 0.51%)</b>              |  |           |              |
| 616,000   | China Telecom Corp Ltd                          | 310,662   | 0.64         | <b>Building-Heavy Construction</b>                          |  |           |              |
| <b>DENMARK 0.47% (30 September 2015: 1.55%)</b>                   |   |           |              | 20,705  | Promotora y Operadora de Infraestructura SAB de CV | 224,099   | 0.47         |
| <b>Medical-Biomedical/Genetics</b>                                |   |           |              | <b>NETHERLANDS 1.90% (30 September 2015: 0.44%)</b>         |  |           |              |
| 1,339   | Genmab A/S                                      | 224,463   | 0.47         | <b>Food-Retail</b>  |  |           |              |
| <b>FRANCE 6.96% (30 September 2015: 2.13%)</b>                    |   |           |              | 15,494  | Koninklijke Ahold Delhaize NV                      | 346,215   | 0.72         |
| <b>Building &amp; Construction Production-Miscellaneous</b>       |   |           |              | <b>Life/Health Insurance</b>                                |  |           |              |
| 3,714   | Eiffage SA                                      | 285,189   | 0.59         | 19,118  | NN Group NV  | 572,586   | 1.18         |
| <b>Building-Heavy Construction</b>                                |   |           |              | <b>RUSSIA 0.66% (30 September 2015: 0.00%)</b>              |  |           |              |
| 9,611   | Vinci SA  | 720,916   | 1.50         | <b>Oil Company-Integrated</b>                               |  |           |              |
| <b>Computer Services</b>  |   |           |              | 6,572   | Lukoil PJSC  | 318,775   | 0.66         |
| 3,489   | Capgemini SA                                    | 336,548   | 0.70         | <b>SOUTH KOREA 2.86% (30 September 2015: 0.72%)</b>         |  |           |              |
| <b>Diversified Banking Institutions</b>                           |   |           |              | <b>Electric-Integrated</b>                                  |  |           |              |
| 12,966  | BNP Paribas SA                                  | 638,763   | 1.32         | 8,256   | Korea Electric Power Corp                          | 404,798   | 0.84         |
| <b>Reinsurance</b>  |   |           |              | <b>Electronic Component-Semiconductor</b>                   |  |           |              |
| 16,007  | SCOR SE   | 484,334   | 1.00         | 280   | Samsung Electronics Co Ltd                         | 406,265   | 0.84         |
| <b>Telephone-Integrated</b>                                       |   |           |              | <b>Tobacco</b>  |  |           |              |
| 24,758  | Orange SA                                       | 382,381   | 0.79         | 5,008   | KT&G Corp  | 568,393   | 1.18         |
| <b>Water</b>  |   |           |              | <b>SPAIN 1.77% (30 September 2015: 0.73%)</b>               |  |           |              |
| 22,610  | Veolia Environnement SA                         | 512,810   | 1.06         | <b>Airport Development/Maintenance</b>                      |  |           |              |
| <b>GERMANY 2.70% (30 September 2015: 3.35%)</b>                   |   |           |              | 2,639   | Aena SA  | 385,747   | 0.80         |
| <b>Athletic Footwear</b>  |   |           |              | <b>Electric-Integrated</b>                                  |  |           |              |
| 1,683   | adidas AG                                       | 286,946   | 0.59         | 69,932  | Iberdrola SA                                       | 469,887   | 0.97         |
| <b>Diversified Manufacturing Operations</b>                       |   |           |              | <b>SWEDEN 0.00% (30 September 2015: 0.87%)</b>              |  |           |              |
| 6,708   | Siemens AG                                      | 765,585   | 1.59         | <b>SWITZERLAND 2.23% (30 September 2015: 4.68%)</b>         |  |           |              |
| <b>Lighting Products &amp; Systems</b>                            |   |           |              | <b>Chemicals-Specialty</b>                                  |  |           |              |
| 4,313   | OSRAM Licht AG                                  | 249,281   | 0.52         | 1,896   | Lonza Group AG                                     | 358,421   | 0.74         |
| <b>HONG KONG 0.66% (30 September 2015: 0.00%)</b>                 |   |           |              | <b>Engineering/Research &amp; Development Services</b>      |  |           |              |
| <b>Diversified Operations</b>                                     |   |           |              | 15,567  | ABB Ltd  | 346,835   | 0.72         |
| 44,000  | Wharf Holdings Ltd/The                          | 320,367   | 0.66         |   |  |           |              |

PRINCIPAL GLOBAL INVESTORS FUNDS

PORTFOLIO OF INVESTMENTS  
AS AT 30 SEPTEMBER 2016 (continued)

| GLOBAL EQUITY FUND (continued)                                  |  |           |              | GLOBAL EQUITY FUND (continued)   |                                       |             |                      |              |        |
|---|--|-----------|--------------|--|---------------------------------------|-------------|----------------------|--------------|--------|
| Nominal   | Security                                     | Value USD | % Net Assets | Nominal  | Security                              | Value USD   | % Net Assets         |              |        |
| <b>SWITZERLAND 2.23% (30 September 2015: 4.68%) (continued)</b> |  |           |              | <b>UNITED STATES 48.55% (30 September 2015: 55.35%) (continued)</b>  |                                       |             |                      |              |        |
| <b>Reinsurance</b>  |  |           |              | <b>Medical-Health Maintenance Organization</b>   |                                       |             |                      |              |        |
| 4,201   | Swiss Re AG                                  | 372,141   | 0.77         | 3,722  | Anthem Inc                            | 464,989     | 0.96                 |              |        |
| <b>TAIWAN 0.58% (30 September 2015: 0.61%)</b>                  |  |           |              | 11,344   | Centene Corp                          | 767,422     | 1.59                 |              |        |
| <b>Semicon Component-Integrated Circuits</b>                    |  |           |              | <b>Networking Products</b>   |                                       |             |                      |              |        |
| 48,000  | Taiwan Semiconductor Manufacturing Co Ltd    | 279,466   | 0.58         | 37,961   | Cisco Systems Inc                     | 1,191,596   | 2.47                 |              |        |
| <b>UNITED KINGDOM 8.39% (30 September 2015: 7.24%)</b>          |  |           |              | <b>Non-Hazardous Waste Disposal</b>  |                                       |             |                      |              |        |
| <b>Beverages-Wine/Spirits</b>                                   |  |           |              | 5,873  | Waste Management Inc                  | 371,585     | 0.77                 |              |        |
| 12,906  | Diageo Plc                                   | 369,430   | 0.76         | <b>Oil Company-Integrated</b>  |                                       |             |                      |              |        |
| <b>Food-Catering</b>  |  |           |              | 3,169  | Exxon Mobil Corp                      | 273,992     | 0.57                 |              |        |
| 28,808  | Compass Group Plc                            | 552,364   | 1.14         | <b>Property/Casualty Insurance</b>   |                                       |             |                      |              |        |
| <b>Food-Miscellaneous/Diversified</b>                           |  |           |              | 4,488  | Travelers Cos Inc/The                 | 511,049     | 1.06                 |              |        |
| 11,847  | Unilever NV                                  | 539,979   | 1.12         | <b>Reinsurance</b>   |                                       |             |                      |              |        |
| <b>Gas-Distribution</b>   |  |           |              | 1,814  | Everest Re Group Ltd                  | 345,386     | 0.72                 |              |        |
| 41,277  | National Grid Plc                            | 587,692   | 1.22         | <b>Reits-Apartments</b>  |                                       |             |                      |              |        |
| <b>Private Equity</b>   |  |           |              | 2,833  | Mid-America Apartment Communities Inc | 272,393     | 0.56                 |              |        |
| 47,567  | 3i Group Plc                                 | 395,370   | 0.82         | <b>Reits-Diversified</b>   |                                       |             |                      |              |        |
| <b>Tobacco</b>  |  |           |              | 2,888  | Digital Realty Trust Inc              | 283,024     | 0.59                 |              |        |
| 17,104  | British American Tobacco Plc                 | 1,091,971 | 2.26         | <b>Reits-Storage</b>   |                                       |             |                      |              |        |
| 10,056  | Imperial Brands Plc                          | 515,326   | 1.07         | 3,500  | Extra Space Storage Inc               | 283,220     | 0.59                 |              |        |
| <b>UNITED STATES 48.55% (30 September 2015: 55.35%)</b>         |  |           |              | <b>Retail-Drug Store</b>   |                                       |             |                      |              |        |
| <b>Advertising Agencies</b>                                     |  |           |              | 4,716  | CVS Health Corp                       | 422,318     | 0.87                 |              |        |
| 18,010  | Interpublic Group of Cos Inc/The             | 397,841   | 0.82         | <b>Ship Building</b>   |                                       |             |                      |              |        |
| <b>Applications Software</b>                                    |  |           |              | 2,544  | Huntington Ingalls Industries Inc     | 388,036     | 0.80                 |              |        |
| 16,495  | Microsoft Corp                               | 946,813   | 1.96         | <b>Super-Regional Banks-US</b>   |                                       |             |                      |              |        |
| <b>Commercial Service-Finance</b>                               |  |           |              | 9,963  | SunTrust Banks Inc                    | 429,903     | 0.89                 |              |        |
| 9,981   | Total System Services Inc                    | 466,312   | 0.97         | <b>Telephone-Integrated</b>  |                                       |             |                      |              |        |
| <b>Commercial Services</b>                                      |  |           |              | 6,114  | AT&T Inc                              | 249,023     | 0.52                 |              |        |
| 12,435  | Aramark                                      | 471,286   | 0.98         | <b>Television</b>  |                                       |             |                      |              |        |
| <b>Containers-Paper/Plastic</b>                                 |  |           |              | 8,416  | CBS Corp                              | 459,261     | 0.95                 |              |        |
| 4,342   | Packaging Corp of America                    | 346,144   | 0.72         | <b>Tobacco</b>   |                                       |             |                      |              |        |
| <b>Distribution/Wholesale</b>                                   |  |           |              | 7,986  | Philip Morris International Inc       | 780,871     | 1.62                 |              |        |
| 7,983   | HD Supply Holdings Inc                       | 250,906   | 0.52         | <b>Veterinary Diagnostics</b>  |                                       |             |                      |              |        |
| <b>Diversified Banking Institutions</b>                         |  |           |              | 7,401  | VCA Inc                               | 509,411     | 1.05                 |              |        |
| 18,571  | JPMorgan Chase & Co                          | 1,219,186 | 2.52         | <b>Web Portals/ISP</b>   |                                       |             |                      |              |        |
| <b>Diversified Manufacturing Operations</b>                     |  |           |              | 1,383  | Alphabet Inc 'A'                      | 1,110,051   | 2.30                 |              |        |
| 3,401   | Honeywell International Inc                  | 395,162   | 0.82         | <b>Total Value of Transferable Securities at Mid Market Prices (Cost: USD44,678,619)</b>                           |                                       |             |                      |              |        |
| <b>Electric-Integrated</b>                                      |  |           |              | <b>46,883,996 97.11</b>  |                                       |             |                      |              |        |
| 12,557  | Exelon Corp                                  | 418,023   | 0.87         | <b>Open Spot Currency Contracts (0.00% (30 September 2015: 0.00%))</b>   |                                       |             |                      |              |        |
| <b>Electronic Design Automation</b>                             |  |           |              | <b>Settlement Buy Amount Sold Unrealised Gain/Loss % Net Assets</b>  |                                       |             |                      |              |        |
| 10,297  | Synopsys Inc                                 | 608,347   | 1.26         | Date   | Bought                                | Amount Sold | Unrealised Gain/Loss | % Net Assets |        |
| <b>Electronic Security Devices</b>                              |  |           |              | 03/10/2016   | USD                                   | 1,512       | CAD (1,991)          | (1)          | (0.00) |
| 7,167   | Johnson Controls International plc           | 329,037   | 0.68         | 04/10/2016   | USD                                   | 3,063       | GBP (2,363)          | (2)          | (0.00) |
| <b>Engineering/Research &amp; Development Services</b>          |  |           |              | 04/10/2016   | USD                                   | 552         | GBP (426)            | (0)          | (0.00) |
| 3,975   | EMCOR Group Inc                              | 235,757   | 0.49         | Unrealised Loss on Open Spot Currency Contracts (3) (0.00)   |                                       |             |                      |              |        |
| <b>Food-Retail</b>  |  |           |              | <b>Net Unrealised Loss on Open Spot Currency Contracts (3) (0.00)</b>  |                                       |             |                      |              |        |
| 14,719  | Kroger Co/The                                | 434,211   | 0.90         | Cash at Bank 1,588,637 3.29  |                                       |             |                      |              |        |
| <b>Human Resources</b>  |  |           |              | Net Current Liabilities (190,978) (0.40)   |                                       |             |                      |              |        |
| 9,192   | AMN Healthcare Services Inc                  | 289,824   | 0.60         | <b>Net Assets Attributable to Holders of Redeemable Participating Units at Mid Market Prices 48,281,652 100.00</b> |                                       |             |                      |              |        |
| <b>Internet Content-Entertainment</b>                           |  |           |              |  |                                       |             |                      |              |        |
| 3,933   | Facebook Inc                                 | 503,778   | 1.04         |  |                                       |             |                      |              |        |
| <b>Internet Security</b>  |  |           |              |  |                                       |             |                      |              |        |
| 14,634  | Symantec Corp                                | 365,996   | 0.76         |  |                                       |             |                      |              |        |
| <b>Life/Health Insurance</b>                                    |  |           |              |  |                                       |             |                      |              |        |
| 4,672   | Prudential Financial Inc                     | 373,620   | 0.77         |  |                                       |             |                      |              |        |
| 10,592  | Unum Group                                   | 367,436   | 0.76         |  |                                       |             |                      |              |        |
| <b>Medical-Biomedical/Genetics</b>                              |  |           |              |  |                                       |             |                      |              |        |
| 8,548   | Amgen Inc                                    | 1,414,266 | 2.93         |  |                                       |             |                      |              |        |
|   |  |           |              |  |                                       |             |                      |              |        |
| 5,144   | Charles River Laboratories International Inc | 424,586   | 0.88         |  |                                       |             |                      |              |        |
| 21,616  | Gilead Sciences Inc                          | 1,683,022 | 3.48         |  |                                       |             |                      |              |        |
| <b>Medical-Drugs</b>  |  |           |              |  |                                       |             |                      |              |        |
| 12,384  | AbbVie Inc                                   | 777,963   | 1.61         |  |                                       |             |                      |              |        |
| 28,380  | Pfizer Inc                                   | 945,621   | 1.96         |  |                                       |             |                      |              |        |
| 10,193  | Shire Plc                                    | 660,599   | 1.37         |  |                                       |             |                      |              |        |

**PRINCIPAL GLOBAL INVESTORS FUNDS**  
**PORTFOLIO OF INVESTMENTS**  
**AS AT 30 SEPTEMBER 2016 (continued)**

| GLOBAL EQUITY FUND (continued)  | % Total Assets | ASIAN EQUITY FUND  |          |           |              |
|---|----------------|--|----------|-----------|--------------|
| Analysis of Total Assets  | % Total Assets | Nominal  | Security | Value USD | % Net Assets |
| Transferable Securities and Money Market Instruments admitted to an official stock exchange listing or traded on a regulated market | 96.60          | <b>TRANSFERABLE SECURITIES 99.84% (30 September 2015: 98.25%)</b>                          |          |           |              |
| Financial Derivative instruments dealt in or on a regulated market  | 0.00           | <b>CHINA 29.37% (30 September 2015: 24.90%)</b>  |          |           |              |
| Other Assets  | 3.40           | <b>Auto-Cars/Light Trucks</b>  |          |           |              |
| <b>Total Assets</b>   | <b>100.00</b>  | 5,000 BYD Co Ltd 32,826 0.41   |          |           |              |
| All securities are transferable securities admitted to an official stock exchange listing.  |                | 42,000 Guangzhou Automobile Group Co Ltd 54,010 0.68                                       |          |           |              |
| The counterparty for the open spot currency contracts is the Bank of New York Mellon.   |                | <b>Building-Heavy Construction</b>   |          |           |              |
|   |                | 80,000 China Communications Services Corp Ltd 50,045 0.63                                  |          |           |              |
|   |                | <b>Cellular Telecom</b>  |          |           |              |
|   |                | 19,024 China Mobile Ltd 230,286 2.90   |          |           |              |
|   |                | <b>Commercial Banks Non-US</b>   |          |           |              |
|   |                | 268,000 Bank of China Ltd 122,368 1.54   |          |           |              |
|   |                | 217,137 China Construction Bank Corp Industrial & Commercial Bank of China Ltd 40,036 0.51 |          |           |              |
|   |                | <b>Diversified Financial Services</b>  |          |           |              |
|   |                | 20,000 China Everbright Ltd 40,913 0.52  |          |           |              |
|   |                | <b>E-Commerce/Products</b>   |          |           |              |
|   |                | 2,789 Alibaba Group Holding Ltd 294,379 3.71   |          |           |              |
|   |                | <b>Electric-Generation</b>   |          |           |              |
|   |                | 190,000 Huadian Fuxin Energy Corp Ltd 45,092 0.57  |          |           |              |
|   |                | 124,000 Huaneng Renewables Corp Ltd 43,184 0.54  |          |           |              |
|   |                | <b>Electronic Component-Miscellaneous</b>  |          |           |              |
|   |                | 6,000 AAC Technologies Holdings Inc 60,325 0.76  |          |           |              |
|   |                | <b>Internet Application Software</b>   |          |           |              |
|   |                | 17,800 Tencent Holdings Ltd 489,024 6.16   |          |           |              |
|   |                | <b>Internet Content-Entertainment</b>  |          |           |              |
|   |                | 706 Weibo Corp 36,281 0.46   |          |           |              |
|   |                | <b>Investment Management/Advisory Service</b>  |          |           |              |
|   |                | 179,000 China Cinda Asset Management Co Ltd 63,261 0.80                                    |          |           |              |
|   |                | <b>Medical-Biomedical/Genetics</b>   |          |           |              |
|   |                | 401 China Biologic Products Inc 49,616 0.63  |          |           |              |
|   |                | <b>Multi-Line Insurance</b>  |          |           |              |
|   |                | 19,500 Ping An Insurance Group Co of China Ltd 101,110 1.27                                |          |           |              |
|   |                | <b>Oil Company-Exploration &amp; Production</b>  |          |           |              |
|   |                | 36,000 CNOOC Ltd 44,669 0.56   |          |           |              |
|   |                | <b>Oil Company-Integrated</b>  |          |           |              |
|   |                | 132,000 China Petroleum & Chemical Corp Petrochemicals 96,195 1.21                         |          |           |              |
|   |                | 46,000 Sinopec Shanghai Petrochemical Co Ltd 23,199 0.29                                   |          |           |              |
|   |                | <b>Photo Equipment &amp; Supplies</b>  |          |           |              |
|   |                | 10,000 Sunny Optical Technology Group Co Ltd 49,400 0.62                                   |          |           |              |
|   |                | <b>Real Estate Operation/Development</b>   |          |           |              |
|   |                | 35,500 Longfor Properties Co Ltd 54,489 0.69   |          |           |              |
|   |                | <b>Schools</b>   |          |           |              |
|   |                | 1,719 New Oriental Education & Technology Group Inc 80,621 1.02                            |          |           |              |
|   |                | <b>Telecom Services</b>  |          |           |              |
|   |                | 136,000 China Telecom Corp Ltd 68,588 0.86   |          |           |              |
|   |                | <b>HONG KONG 16.97% (30 September 2015: 12.64%)</b>  |          |           |              |
|   |                | <b>Athletic Footwear</b>   |          |           |              |
|   |                | 13,500 Yue Yuen Industrial Holdings Ltd 55,720 0.70  |          |           |              |
|   |                | <b>Auto/Truck Parts &amp; Equipment-Replica</b>  |          |           |              |
|   |                | 104,000 Xinyi Glass Holdings Ltd 94,033 1.19   |          |           |              |
|   |                | <b>Casino Hotels</b>   |          |           |              |
|   |                | 5,600 Sands China Ltd 24,306 0.31  |          |           |              |
|   |                | <b>Cellular Telecom</b>  |          |           |              |
|   |                | 16,000 SmarTone Telecommunications Holdings Ltd 26,457 0.33                                |          |           |              |
|   |                | <b>Commercial Banks Non-US</b>   |          |           |              |
|   |                | 21,500 BOC Hong Kong Holdings Ltd 72,656 0.92  |          |           |              |



PRINCIPAL GLOBAL INVESTORS FUNDS

PORTFOLIO OF INVESTMENTS  
AS AT 30 SEPTEMBER 2016 (continued)

| ASIAN EQUITY FUND (continued)                                   |                                      |           |              | ASIAN EQUITY FUND (continued)                                       |   |           |              |
|---|--------------------------------------|-----------|--------------|---|---|-----------|--------------|
| Nominal   | Security                             | Value USD | % Net Assets | Nominal   | Security                                | Value USD | % Net Assets |
| <b>HONG KONG 16.97% (30 September 2015: 12.64%) (continued)</b> |                                      |           |              | <b>INDONESIA 2.99% (30 September 2015: 1.37%) (continued)</b>       |   |           |              |
| <b>Containers-Paper/Plastic</b>                                 |                                      |           |              | <b>Telecom Services</b>   |   |           |              |
| 29,000  | Lee & Man Paper Manufacturing        | 26,333    | 0.33         | 203,800   | Telekomunikasi Indonesia Persero Tbk PT | 68,241    | 0.86         |
| <b>Electric-Integrated</b>                                      |                                      |           |              | <b>Tobacco</b>  |   |           |              |
| 8,500   | CLP Holdings Ltd                     | 87,872    | 1.11         | 5,520   | Gudang Garam Tbk PT                     | 26,223    | 0.33         |
| 1,500   | Power Assets Holdings Ltd            | 14,627    | 0.18         | <b>MALAYSIA 0.00% (30 September 2015: 0.37%)</b>                    |   |           |              |
| <b>Finance-Other Services</b>                                   |                                      |           |              | <b>SINGAPORE 1.84% (30 September 2015: 2.78%)</b>                   |   |           |              |
| 3,700   | Hong Kong Exchanges & Clearing Ltd   | 97,261    | 1.23         | <b>Commercial Banks Non-US</b>                                      |   |           |              |
| <b>Food-Meat Products</b>                                       |                                      |           |              | 8,700 DBS Group Holdings Ltd 97,832 1.23                            |   |           |              |
| 53,500  | WH Group Ltd                         | 43,060    | 0.54         | <b>Real Estate Operation/Development</b>                            |   |           |              |
| <b>Investment Companies</b>                                     |                                      |           |              | 11,700 UOL Group Ltd 48,084 0.61                                    |   |           |              |
| 7,604   | CK Hutchison Holdings Ltd            | 96,705    | 1.22         | <b>SOUTH KOREA 17.53% (30 September 2015: 19.03%)</b>               |   |           |              |
| <b>Life/Health Insurance</b>                                    |                                      |           |              | <b>Building-Residential/Commercial</b>                              |   |           |              |
| 40,400  | AIA Group Ltd                        | 268,622   | 3.38         | 1,162 Hyundai Development Co-Engineering & Construction 54,125 0.68 |   |           |              |
| <b>Paper &amp; Related Products</b>                             |                                      |           |              | <b>Building-Heavy Construction</b>                                  |   |           |              |
| 51,830  | Nine Dragons Paper Holdings Ltd      | 48,467    | 0.61         | 536 Daelim Industrial Co Ltd 40,345 0.51                            |   |           |              |
| <b>Real Estate Operation/Development</b>                        |                                      |           |              | <b>Cellular Telecom</b>   |   |           |              |
| 10,500  | Cheung Kong Property Holdings Ltd    | 76,654    | 0.97         | 6,961 LG Uplus Corp 74,265 0.94                                     |   |           |              |
| 11,804  | Ltd                                  | 83,336    | 1.05         | <b>Chemicals-Diversified</b>  |   |           |              |
| 38,000  | Hongkong Land Holdings Ltd           | 49,406    | 0.62         | 1,436 Hanwha Chemical Corp 31,553 0.40                              |   |           |              |
| 38,000  | New World Development Co Ltd         | 90,623    | 1.14         | <b>Commercial Banks Non-US</b>                                      |   |           |              |
| 6,000   | Sun Hung Kai Properties Ltd          | 53,109    | 0.67         | 8,308 Woorl Bank 85,996 1.08  |   |           |              |
| 9,000   | Wheelock & Co Ltd                    | 37,451    | 0.47         | <b>Diversified Financial Services</b>                               |   |           |              |
| <b>Telecom Services</b>   |                                      |           |              | 2,405 Shinhan Financial Group Co Ltd 87,675 1.11                    |   |           |              |
| 61,000  | PCCW Ltd                             | 37,451    | 0.47         | <b>Electric Products-Miscellaneous</b>                              |   |           |              |
| <b>INDIA 11.60% (30 September 2015: 15.12%)</b>                 |                                      |           |              | 1,114 LG Electronics Inc 48,450 0.61                                |   |           |              |
| <b>Agricultural Chemicals</b>                                   |                                      |           |              | <b>Electric-Integrated</b>  |   |           |              |
| 7,479   | UPL Ltd                              | 75,806    | 0.95         | 1,691 Korea Electric Power Corp 82,911 1.04                         |   |           |              |
| <b>Auto-Cars/Light Trucks</b>                                   |                                      |           |              | <b>Electronic Component-Semiconductor</b>                           |   |           |              |
| 686   | Maruti Suzuki India Ltd              | 55,858    | 0.70         | 329 Samsung Electronics Co Ltd 477,361 6.02                         |   |           |              |
| 12,251  | Tata Motors Ltd                      | 98,436    | 1.24         | <b>Metal Products-Distribution</b>                                  |   |           |              |
| <b>Building-Heavy Construction</b>                              |                                      |           |              | 604 Hyosung Corp 71,294 0.90  |   |           |              |
| 4,421   | Larsen & Toubro Ltd                  | 94,892    | 1.20         | <b>Oil Refining &amp; Marketing</b>                                 |   |           |              |
| <b>Commercial Banks Non-US</b>                                  |                                      |           |              | 412 SK Innovation Co Ltd 60,415 0.76                                |   |           |              |
| 2,775   | HDFC Bank Ltd                        | 53,025    | 0.67         | <b>Rubber-Tires</b>   |   |           |              |
| 15,540  | State Bank of India                  | 58,520    | 0.74         | 1,134 Hankook Tire Co Ltd 61,161 0.77                               |   |           |              |
| 3,671   | Yes Bank Ltd                         | 69,076    | 0.87         | <b>Tobacco</b>  |   |           |              |
| <b>Diversified Minerals</b>                                     |                                      |           |              | 1,026 KT&G Corp 116,448 1.47  |   |           |              |
| 12,932  | Vedanta Ltd                          | 33,417    | 0.42         | <b>Web Portals/Internet Service Provider</b>                        |   |           |              |
| <b>Engineering/Research &amp; Development Services</b>          |                                      |           |              | 123 NAVER Corp 98,615 1.24  |   |           |              |
| 6,521   | Voltas Ltd                           | 36,499    | 0.46         | <b>TAIWAN 15.15% (30 September 2015: 20.44%)</b>                    |   |           |              |
| <b>Finance-Management Loan/Banker</b>                           |                                      |           |              | <b>Auto/Truck Parts &amp; Equipment-Original</b>                    |   |           |              |
| 6,206   | Indiabulls Housing Finance Ltd       | 77,021    | 0.97         | 26,000 Tong Yang Industry Co Ltd 61,712 0.78                        |   |           |              |
| <b>Metal-Aluminum</b>   |                                      |           |              | <b>Circuit Boards</b>   |   |           |              |
| 12,502  | Hindalco Industries Ltd              | 28,600    | 0.36         | 8,000 Chin-Poon Industrial Co Ltd 17,814 0.22                       |   |           |              |
| <b>Motorcycle/Motor Scooters</b>                                |                                      |           |              | <b>Diversified Financial Services</b>                               |   |           |              |
| 1,352   | Hero MotoCorp Ltd                    | 69,471    | 0.88         | 61,000 Fubon Financial Holding Co Ltd 90,102 1.14                   |   |           |              |
| <b>Oil Refining &amp; Marketing</b>                             |                                      |           |              | 79,211 Mega Financial Holding Co Ltd 55,721 0.70                    |   |           |              |
| 4,877   | Bharat Petroleum Corp Ltd            | 45,199    | 0.57         | <b>Electronic Component-Miscellaneous</b>                           |   |           |              |
| 5,116   | Indian Oil Corp Ltd                  | 44,761    | 0.56         | 24,000 Elite Material Co Ltd 65,464 0.82                            |   |           |              |
| <b>Pipelines</b>  |                                      |           |              | <b>Electronic Component-Semiconductor</b>                           |   |           |              |
| 11,244  | Petronet LNG Ltd                     | 58,489    | 0.74         | 35,000 Visual Photonics Epitaxy Co Ltd 49,297 0.62                  |   |           |              |
| <b>Steel-Producers</b>  |                                      |           |              | 19,228 Win Semiconductors Corp 56,435 0.71                          |   |           |              |
| 837   | JSW Steel Ltd                        | 21,710    | 0.27         | <b>Optical Supplies</b>   |   |           |              |
| <b>INDONESIA 2.99% (30 September 2015: 1.37%)</b>               |                                      |           |              | 2,000 St Shine Optical Co Ltd 46,514 0.59                           |   |           |              |
| <b>Coal</b>   |                                      |           |              | <b>Photo Equipment &amp; Supplies</b>                               |   |           |              |
| 337,900   | Adaro Energy Tbk PT                  | 31,716    | 0.40         | 1,000 Largan Precision Co Ltd 120,592 1.52                          |   |           |              |
| <b>Commercial Banks Non-US</b>                                  |                                      |           |              | <b>Semicon Component-Integrated Circuits</b>                        |   |           |              |
| 47,200  | Bank Mandiri Persero Tbk PT          | 40,868    | 0.51         | 32,000 King Yuan Electronics Co Ltd 28,431 0.36                     |   |           |              |
| 115,800   | Bank Negara Indonesia Persero Tbk PT | 49,688    | 0.63         | 28,000 Powertech Technology Inc 72,623 0.92                         |   |           |              |
| 22,100  | Bank Rakyat Indonesia Persero Tbk PT | 20,701    | 0.26         | 76,670 Taiwan Semiconductor Manufacturing Co Ltd 446,389 5.62       |   |           |              |
|   |                                      |           |              | <b>Telecom Services</b>   |   |           |              |
|   |                                      |           |              | 16,000 Chunghwa Telecom Co Ltd 56,404 0.71                          |   |           |              |

PRINCIPAL GLOBAL INVESTORS FUNDS

PORTFOLIO OF INVESTMENTS  
AS AT 30 SEPTEMBER 2016 (continued)

| ASIAN EQUITY FUND (continued)   |                              | Value<br>USD       | % Net<br>Assets           |                             |                     |
|---|------------------------------|--------------------|---------------------------|-----------------------------|---------------------|
| <b>Nominal</b>  | <b>Security</b>              |                    |                           |                             |                     |
| <b>TAIWAN 15.15% (30 September 2015: 20.44%) (continued)</b>  |                              |                    |                           |                             |                     |
| <b>Tools-Hand Held</b>  |                              |                    |                           |                             |                     |
| 11,000  | Basso Industry Corp          | 34,917             | 0.44                      |                             |                     |
| <b>THAILAND 4.39% (30 September 2015: 1.60%)</b>  |                              |                    |                           |                             |                     |
| <b>Commercial Banks Non-US</b>  |                              |                    |                           |                             |                     |
| 18,800  | Siam Commercial Bank PCL/The | 80,548             | 1.01                      |                             |                     |
| <b>Diversified Operations</b>   |                              |                    |                           |                             |                     |
| 5,700   | Siam Cement PCL/The          | 85,517             | 1.08                      |                             |                     |
| <b>Food-Miscellaneous/Diversified</b>   |                              |                    |                           |                             |                     |
| 49,400  | Charoen Pokphand Foods PCL   | 44,896             | 0.57                      |                             |                     |
| <b>Medical-Hospitals</b>  |                              |                    |                           |                             |                     |
| 79,600  | Bangkok Chain Hospital PCL   | 28,018             | 0.35                      |                             |                     |
| <b>Oil Company-Integrated</b>   |                              |                    |                           |                             |                     |
| 11,100  | PTT PCL                      | 109,207            | 1.38                      |                             |                     |
| <b>Total Value of Transferable Securities at<br/>Mid Market Prices</b>  |                              | <b>7,923,003</b>   | <b>99.84</b>              |                             |                     |
| <b>UNLISTED 0.00% (30 September 2015: 0.24%)</b>  |                              |                    |                           |                             |                     |
| <b>BELGIUM 0.00% (30 September 2015: 0.00%)</b>   |                              |                    |                           |                             |                     |
| <b>Miscellaneous Manufacturing</b>  |                              |                    |                           |                             |                     |
| 266,000   | Peace Mark Holdings Ltd      | -                  | 0.00                      |                             |                     |
| <b>CHINA 0.00% (30 September 2015: 0.24%)</b>   |                              |                    |                           |                             |                     |
| <b>Total Value of Unlisted at Mid Market Prices</b>   |                              | <b>-</b>           | <b>0.00</b>               |                             |                     |
| <b>Total Value of Transferable Securities at<br/>Mid Market Prices (Cost: USD7,014,997)</b>   |                              | <b>7,923,003</b>   | <b>99.84</b>              |                             |                     |
| <b>Open Spot Currency Contracts 0.00% (30 September 2015: (0.00%))</b>  |                              |                    |                           |                             |                     |
| <b>Settlement Date</b>  | <b>Buy</b>                   | <b>Amount Sold</b> | <b>Amount Sold</b>        | <b>Unrealised Gain/Loss</b> | <b>% Net Assets</b> |
| 03/10/2016  | HKD                          | 153,795            | USD (19,828)              | 9                           | 0.00                |
| 03/10/2016  | USD                          | 3,287              | HKD (25,494)              | (1)                         | (0.00)              |
| 03/10/2016  | USD                          | 2,070              | SGD (2,820)               | 4                           | 0.00                |
| 04/10/2016  | USD                          | 1,417              | HKD (10,989)              | (0)                         | (0.00)              |
| Unrealised Gains on Open Spot<br>Currency Contracts   |                              |                    |                           | 13                          | 0.00                |
| Unrealised Loss on Open Spot<br>Currency Contracts  |                              |                    |                           | (1)                         | (0.00)              |
| <b>Net Unrealised Gain on Open Spot<br/>Currency Contracts</b>  |                              | <b>12</b>          | <b>0.00</b>               |                             |                     |
| Cash at Bank  |                              | 162,816            | 2.05                      |                             |                     |
| Net Current Liabilities   |                              | (149,893)          | (1.89)                    |                             |                     |
| <b>Net Assets Attributable to Holders<br/>of Redeemable Participating Units<br/>at Mid Market Prices</b>                                  |                              | <b>7,935,938</b>   | <b>100.00</b>             |                             |                     |
| <b>Analysis of Total Assets</b>   |                              |                    | <b>% Total<br/>Assets</b> |                             |                     |
| Transferable Securities and Money Market Instruments<br>admitted to an official stock exchange listing or traded on a<br>regulated market |                              |                    | 97.02                     |                             |                     |
| Transferable Securities other than those admitted to an official<br>stock exchange listing or traded on a regulated market                |                              |                    | 0.00                      |                             |                     |
| Financial Derivative instruments dealt in or on a regulated<br>market   |                              |                    | 0.00                      |                             |                     |
| Other Assets  |                              |                    | 2.98                      |                             |                     |
| <b>Total Assets</b>   |                              | <b>100.00</b>      |                           |                             |                     |

Except where stated above all securities are transferable securities admitted to an official stock exchange listing.

The counterparty for the open spot currency contracts is the Bank of New York Mellon.

PRINCIPAL GLOBAL INVESTORS FUNDS

PORTFOLIO OF INVESTMENTS  
AS AT 30 SEPTEMBER 2016 (continued)

| EUROPEAN EQUITY FUND  |                            |           |              | EUROPEAN EQUITY FUND (continued)                                |          |           |              |
|---|----------------------------|-----------|--------------|---|----------|-----------|--------------|
| Nominal   | Security                   | Value USD | % Net Assets | Nominal   | Security | Value USD | % Net Assets |
| <b>TRANSFERABLE SECURITIES 99.33% (30 September 2015: 96.00%)</b> |                            |           |              | <b>FRANCE 13.13% (30 September 2015: 8.30%) (continued)</b>     |          |           |              |
| <b>AUSTRALIA 0.42% (30 September 2015: 0.56%)</b>                 |                            |           |              | <b>Entertainment Software</b>                                   |          |           |              |
| <b>Diversified Minerals</b>                                       |                            |           |              | 22,698 Ubisoft Entertainment SA 853,567 0.85                    |          |           |              |
| 28,280  | BHP Billiton Plc           | 424,463   | 0.42         | <b>Oil Company-Integrated</b>                                   |          |           |              |
| <b>AUSTRIA 2.05% (30 September 2015: 0.49%)</b>                   |                            |           |              | 39,328 TOTAL SA 1,851,484 1.84                                  |          |           |              |
| <b>Chemicals-Fibers</b>   |                            |           |              | <b>Oil-Field Services</b>                                       |          |           |              |
| 3,437   | Lenzing AG                 | 402,067   | 0.40         | 8,613 Technip SA 524,011 0.52                                   |          |           |              |
| <b>Commercial Banks Non-US</b>                                    |                            |           |              | <b>Reinsurance</b>  |          |           |              |
| 28,650  | Erste Group Bank AG        | 828,752   | 0.83         | 14,086 SCOR SE 426,209 0.42                                     |          |           |              |
| <b>Oil Company-Integrated</b>                                     |                            |           |              | <b>Reits-Diversified</b>  |          |           |              |
| 16,473  | OMV AG                     | 472,089   | 0.47         | 3,395 Fonciere Des Regions 312,521 0.31                         |          |           |              |
| <b>Real Estate Operation/Development</b>                          |                            |           |              | <b>Telephone-Integrated</b>                                     |          |           |              |
| 13,329  | BUWOG AG                   | 355,752   | 0.35         | 66,950 Orange SA 1,034,027 1.03                                 |          |           |              |
| <b>BELGIUM 0.54% (30 September 2015: 3.82%)</b>                   |                            |           |              | <b>Water</b>  |          |           |              |
| <b>Brewery</b>  |                            |           |              | 17,355 Veolia Environnement SA 393,623 0.39                     |          |           |              |
| 4,189   | Anheuser-Busch InBev SA/NV | 545,553   | 0.54         | <b>GERMANY 14.82% (30 September 2015: 10.87%)</b>               |          |           |              |
| <b>DENMARK 7.84% (30 September 2015: 8.70%)</b>                   |                            |           |              | <b>Athletic Footwear</b>  |          |           |              |
| <b>Brewery</b>  |                            |           |              | 5,377 adidas AG 916,758 0.91                                    |          |           |              |
| 5,207   | Carlsberg A/S              | 492,310   | 0.49         | <b>Chemicals-Diversified</b>                                    |          |           |              |
| 21,279  | Royal Unibrew A/S          | 1,041,388 | 1.04         | 7,415 Covestro AG 421,272 0.42                                  |          |           |              |
| <b>Commercial Banks Non-US</b>                                    |                            |           |              | 14,766 Evonik Industries AG 492,280 0.49                        |          |           |              |
| 31,348  | Danske Bank A/S            | 893,399   | 0.89         | <b>Diversified Manufacturing Operations</b>                     |          |           |              |
| <b>Diversified Operations</b>                                     |                            |           |              | 11,538 Siemens AG 1,316,834 1.31                                |          |           |              |
| 8,616   | Schouw & Co AB             | 559,892   | 0.56         | <b>Electronic Component-Semiconductor</b>                       |          |           |              |
| <b>Medical Products</b>   |                            |           |              | 53,735 Infineon Technologies AG 932,688 0.93                    |          |           |              |
| 16,530  | William Demant Holding A/S | 337,382   | 0.33         | <b>Enterprise Software/Services</b>                             |          |           |              |
| <b>Medical-Biomedical/Genetics</b>                                |                            |           |              | 16,959 SAP SE 1,515,425 1.51                                    |          |           |              |
| 3,573   | Genmab A/S                 | 598,959   | 0.60         | 12,374 Software AG 514,664 0.51                                 |          |           |              |
| <b>Medical-Drugs</b>  |                            |           |              | <b>Food-Retail</b>  |          |           |              |
| 36,816  | Novo Nordisk A/S           | 1,526,058 | 1.52         | 18,273 METRO AG 538,184 0.54                                    |          |           |              |
| <b>Power Conversion/Supply Equipment</b>                          |                            |           |              | <b>Machinery-General Industry</b>                               |          |           |              |
| 17,134  | Vestas Wind Systems A/S    | 1,400,127 | 1.39         | 2,891 Duerf AG 236,704 0.24                                     |          |           |              |
| <b>Retail-Jewelry</b>   |                            |           |              | <b>Machinery-Material Handling</b>                              |          |           |              |
| 8,565   | Pandora A/S                | 1,025,749 | 1.02         | 5,880 KION Group AG 374,308 0.37                                |          |           |              |
| <b>FINLAND 2.21% (30 September 2015: 2.80%)</b>                   |                            |           |              | <b>Medical Products</b>   |          |           |              |
| <b>Oil Refining &amp; Marketing</b>                               |                            |           |              | 17,780 Fresenius SE & Co KGaA 1,381,192 1.37                    |          |           |              |
| 9,988   | Neste Oyj                  | 425,031   | 0.42         | <b>Real Estate Management/Services</b>                          |          |           |              |
| <b>Paper &amp; Related Products</b>                               |                            |           |              | 8,281 Deutsche Wohnen AG 299,417 0.30                           |          |           |              |
| 42,821  | Stora Enso OYJ             | 374,739   | 0.38         | 19,464 Vonovia SE 730,536 0.73                                  |          |           |              |
| 48,751  | UPM-Kymmene OYJ            | 1,006,474 | 1.00         | <b>Reinsurance</b>  |          |           |              |
| <b>Telephone-Integrated</b>                                       |                            |           |              | 8,106 Hannover Rueck SE 843,912 0.84                            |          |           |              |
| 11,323  | Elisa OYJ                  | 411,813   | 0.41         | <b>Retail-Apparel/Shoe</b>                                      |          |           |              |
| <b>FRANCE 13.13% (30 September 2015: 8.30%)</b>                   |                            |           |              | 10,922 Zalando SE 446,393 0.44                                  |          |           |              |
| <b>Advertising Sales</b>  |                            |           |              | <b>Retail-Mail Order</b>  |          |           |              |
| 6,588   | Teleperformance            | 691,031   | 0.69         | 13,093 Takkt AG 292,272 0.29                                    |          |           |              |
| <b>Aerospace/Defense</b>  |                            |           |              | <b>Rubber-Tires</b>   |          |           |              |
| 8,600   | Thales SA                  | 785,697   | 0.78         | 3,954 Continental AG 808,352 0.80                               |          |           |              |
| <b>Appliances</b>   |                            |           |              | <b>Soap &amp; Cleaning Prepar</b>                               |          |           |              |
| 2,349   | SEB SA                     | 326,150   | 0.32         | 4,452 Henkel AG & Co KGaA 596,734 0.59                          |          |           |              |
| <b>Auto/Truck Parts &amp; Equipment-Original</b>                  |                            |           |              | <b>Sugar</b>  |          |           |              |
| 13,592  | Valeo SA                   | 768,256   | 0.76         | 21,283 Suedzucker AG 576,018 0.57                               |          |           |              |
| <b>Building &amp; Construction Production-Miscellaneous</b>       |                            |           |              | <b>Telephone-Integrated</b>                                     |          |           |              |
| 6,082   | Eiffage SA                 | 467,022   | 0.47         | 100,789 Deutsche Telekom AG 1,664,197 1.66                      |          |           |              |
| <b>Building-Heavy Construction</b>                                |                            |           |              | <b>GREECE 0.25% (30 September 2015: 0.25%)</b>                  |          |           |              |
| 17,604  | Vinci SA                   | 1,320,466 | 1.31         | <b>Telephone-Integrated</b>                                     |          |           |              |
| <b>Computer Services</b>  |                            |           |              | 28,916 Hellenic Telecommunications Organization SA 253,861 0.25 |          |           |              |
| 7,697   | Atos SE                    | 817,859   | 0.82         | <b>IRELAND 3.46% (30 September 2015: 4.64%)</b>                 |          |           |              |
| 8,885   | Capgemini SA               | 837,754   | 0.83         | <b>Airlines</b>   |          |           |              |
| <b>Consulting Services</b>  |                            |           |              | 28,189 Ryanair Holdings Plc 382,409 0.38                        |          |           |              |
| 23,728  | Altran Technologies SA     | 346,305   | 0.35         | <b>Building Production-Cement/Aggregate</b>                     |          |           |              |
| <b>Diversified Banking Institutions</b>                           |                            |           |              | 43,427 CRH Plc 1,435,418 1.43                                   |          |           |              |
| 22,353  | BNP Paribas SA             | 1,101,207 | 1.10         | <b>Building &amp; Construction Production-Miscellaneous</b>     |          |           |              |
| 76,688  | Natixis SA                 | 341,949   | 0.34         | 16,824 Kingspan Group Plc 450,820 0.45                          |          |           |              |
|   |                            |           |              | <b>Commercial Banks Non-US</b>                                  |          |           |              |
|   |                            |           |              | 1,368,116 Bank of Ireland 263,171 0.26                          |          |           |              |

**PRINCIPAL GLOBAL INVESTORS FUNDS**

**PORTFOLIO OF INVESTMENTS  
AS AT 30 SEPTEMBER 2016 (continued)**

| EUROPEAN EQUITY FUND (continued)                            |                                |           |              | EUROPEAN EQUITY FUND (continued)                           |            |           |              |
|---|--------------------------------|-----------|--------------|--|------------|-----------|--------------|
| Nominal   | Security                       | Value USD | % Net Assets | Nominal  | Security   | Value USD | % Net Assets |
| <b>IRELAND 3.46% (30 September 2015: 4.64%) (continued)</b> |                                |           |              | <b>SWEDEN 4.55% (30 September 2015: 6.70%) (continued)</b> |            |           |              |
| <b>Food-Miscellaneous/Diversified</b>                       |                                |           |              | <b>Building-Heavy Construction</b>                         |            |           |              |
| 89,442  | Greencore Group Plc            | 387,719   | 0.39         | 31,929   | Skanska AB | 738,192   | 0.73         |
| 4,962 Paddy Power Betfair Plc                               |                                |           |              | <b>Commercial Banks Non-US</b>                             |            |           |              |
|   |                                |           |              | Skandinaviska Enskilda Banken                              |            |           |              |
| <b>ITALY 1.89% (30 September 2015: 1.81%)</b>               |                                |           |              | 44,843 AB  |            |           |              |
| <b>Electric-Integrated</b>                                  |                                |           |              | 21,450 Swedbank AB   |            |           |              |
| 222,108   | Enel SpA                       | 977,703   | 0.97         | <b>Investment Companies</b>                                |            |           |              |
| <b>Medical-Drugs</b>  |                                |           |              | 13,094 Investor AB   |            |           |              |
| 13,988  | Recordati SpA                  | 442,877   | 0.44         | <b>Machinery-General Industry</b>                          |            |           |              |
| <b>Wire &amp; Cable Products</b>                            |                                |           |              | 11,357 Hexagon AB  |            |           |              |
| 18,663  | Prysmian SpA                   | 481,522   | 0.48         | <b>Metal-Diversified</b>                                   |            |           |              |
| <b>JERSEY 1.11% (30 September 2015: 0.00%)</b>              |                                |           |              | 28,807 Boliden AB  |            |           |              |
| <b>Gold Mining</b>  |                                |           |              | <b>Paper &amp; Related Products</b>                        |            |           |              |
| 350,057   | Centamin Plc                   | 688,141   | 0.69         | 20,658 Svenska Cellulosa AB SCA                            |            |           |              |
| 4,082   | Randgold Resources Ltd         | 424,244   | 0.42         | <b>Real Estate Management/Services</b>                     |            |           |              |
| <b>MEXICO 0.24% (30 September 2015: 0.00%)</b>              |                                |           |              | 10,404 Castellum AB  |            |           |              |
| <b>Silver Mining</b>  |                                |           |              | <b>SWITZERLAND 12.86% (30 September 2015: 11.89%)</b>      |            |           |              |
| 10,184  | Fresnillo Plc                  | 242,323   | 0.24         | <b>Chemicals-Specialty</b>                                 |            |           |              |
| <b>NETHERLANDS 8.03% (30 September 2015: 4.08%)</b>         |                                |           |              | 242 Givaudan SA  |            |           |              |
| <b>Brewery</b>  |                                |           |              | 3,464 Lonza Group AG                                       |            |           |              |
| 10,328  | Heineken NV                    | 895,170   | 0.89         | <b>Electronic Security Devices</b>                         |            |           |              |
| <b>Commercial Banks Non-US</b>                              |                                |           |              | 630 dorma+kaba Holding AG                                  |            |           |              |
| 52,173  | ING Groep NV                   | 614,123   | 0.61         | <b>Engineering/Research &amp; Development Services</b>     |            |           |              |
| <b>Finance-Other Services</b>                               |                                |           |              | 49,383 ABB Ltd   |            |           |              |
| 10,429  | Euronext NV                    | 446,538   | 0.44         | <b>Food-Miscellaneous/Diversified</b>                      |            |           |              |
| <b>Food-Miscellaneous/Diversified</b>                       |                                |           |              | 45,284 Nestle SA   |            |           |              |
| 18,394  | Corbion NV                     | 487,233   | 0.48         | <b>Life/Health Insurance</b>                               |            |           |              |
| <b>Food-Retail</b>  |                                |           |              | 1,629 Swiss Life Holding AG                                |            |           |              |
| 59,774  | Koninklijke Ahold Delhaize NV  | 1,335,658 | 1.33         | <b>Medical-Drugs</b>                                       |            |           |              |
| <b>Life/Health Insurance</b>                                |                                |           |              | 5,712 Actelion Ltd   |            |           |              |
| 26,133  | NN Group NV                    | 782,686   | 0.78         | 12,326 Novartis AG   |            |           |              |
| <b>Oil Company-Integrated</b>                               |                                |           |              | 11,918 Roche Holding AG                                    |            |           |              |
| 70,400  | Royal Dutch Shell Plc 'A'      | 1,743,138 | 1.74         | <b>Metal-Diversified</b>                                   |            |           |              |
| 53,107  | Royal Dutch Shell Plc 'B'      | 1,378,999 | 1.37         | 232,361 Glencore Plc                                       |            |           |              |
| <b>Semiconductor Equipment</b>                              |                                |           |              | <b>Reinsurance</b>   |            |           |              |
| 11,703  | BE Semiconductor Industries NV | 391,341   | 0.39         | 8,144 Swiss Re AG  |            |           |              |
| <b>NORWAY 1.40% (30 September 2015: 1.30%)</b>              |                                |           |              | <b>UNITED KINGDOM 19.73% (30 September 2015: 27.20%)</b>   |            |           |              |
| <b>Fisheries</b>  |                                |           |              | <b>Advertising Agencies</b>                                |            |           |              |
| 24,242  | Marine Harvest ASA             | 428,240   | 0.43         | 34,515 WPP Plc   |            |           |              |
| <b>Food-Miscellaneous/Diversified</b>                       |                                |           |              | <b>Beverages-Wine/Spirits</b>                              |            |           |              |
| 43,158  | Orkla ASA                      | 444,014   | 0.44         | 49,883 Diageo Plc  |            |           |              |
| <b>Oil Company-Integrated</b>                               |                                |           |              | <b>Building-Residential/Commercial</b>                     |            |           |              |
| 32,309  | Statoil ASA                    | 533,767   | 0.53         | 112,652 Barratt Developments Plc                           |            |           |              |
| <b>PORTUGAL 1.15% (30 September 2015: 0.46%)</b>            |                                |           |              | 19,013 Bellway Plc   |            |           |              |
| <b>Food-Retail</b>  |                                |           |              | 28,890 Persimmon Plc                                       |            |           |              |
| 35,939  | Jeronimo Martins SGPS SA       | 616,565   | 0.61         | 269,263 Taylor Wimpey Plc                                  |            |           |              |
| <b>Oil Company-Integrated</b>                               |                                |           |              | <b>Commercial Banks Non-US</b>                             |            |           |              |
| 39,863  | Galp Energia SGPS SA           | 539,885   | 0.54         | 460,954 Lloyds Banking Group Plc                           |            |           |              |
| <b>SOUTH AFRICA 0.38% (30 September 2015: 0.46%)</b>        |                                |           |              | 86,147 OneSavings Bank Plc                                 |            |           |              |
| <b>Paper &amp; Related Products</b>                         |                                |           |              | <b>Commercial Services</b>                                 |            |           |              |
| 18,308  | Mondi Plc                      | 379,840   | 0.38         | 6,850 Intertek Group Plc                                   |            |           |              |
| <b>SPAIN 1.68% (30 September 2015: 1.67%)</b>               |                                |           |              | <b>Consulting Services</b>                                 |            |           |              |
| <b>Airport Development/Maintenance</b>                      |                                |           |              | 16,881 WS Atkins Plc                                       |            |           |              |
| 2,971   | Aena SA                        | 434,276   | 0.43         | <b>Containers-Paper/Plastic</b>                            |            |           |              |
| <b>Electric-Integrated</b>                                  |                                |           |              | 29,503 RPC Group Plc                                       |            |           |              |
| 156,877   | Iberdrola SA                   | 1,054,087 | 1.05         | <b>Diversified Operations/Commercial Services</b>          |            |           |              |
| <b>Oil Company-Integrated</b>                               |                                |           |              | 11,142 Bunzl Plc   |            |           |              |
| 14,593  | Repsol SA                      | 195,111   | 0.20         | <b>Diversified Banking Institutions</b>                    |            |           |              |
| <b>SWEDEN 4.55% (30 September 2015: 6.70%)</b>              |                                |           |              | 92,106 HSBC Holdings Plc                                   |            |           |              |
| <b>Auto-Medium &amp; Heavy Duty Trucks</b>                  |                                |           |              | <b>Diversified Minerals</b>                                |            |           |              |
| 44,861  | Volvo AB                       | 501,877   | 0.50         | 35,212 Anglo American Plc                                  |            |           |              |
|   |                                |           |              | <b>E-Commerce/Services</b>                                 |            |           |              |
|   |                                |           |              | 72,001 Auto Trader Group Plc                               |            |           |              |
|   |                                |           |              | <b>Electronic Measuring Instruments</b>                    |            |           |              |
|   |                                |           |              | 41,266 Halma Plc   |            |           |              |

PRINCIPAL GLOBAL INVESTORS FUNDS

PORTFOLIO OF INVESTMENTS  
AS AT 30 SEPTEMBER 2016 (continued)

| EUROPEAN EQUITY FUND (continued)   |                                 |                   |              |             | EUROPEAN EQUITY FUND (continued) |                |
|--|---------------------------------|-------------------|--------------|-------------|----------------------------------|----------------|
| Nominal  | Security                        | Value USD         | % Net Assets |             |                                  | % Total Assets |
| <b>UNITED KINGDOM 19.73% (30 September 2015: 27.20%) (continued)</b>                             |                                 |                   |              |             |                                  |                |
| <b>Finance-Consumer Loans</b>  |                                 |                   |              |             |                                  |                |
| 7,695  | Provident Financial Plc         | 295,551           | 0.29         |             |                                  |                |
| <b>Finance-Management Loan/Banker</b>  |                                 |                   |              |             |                                  |                |
| 80,784   | Paragon Group of Cos Plc/The    | 324,105           | 0.32         |             |                                  |                |
| <b>Food-Catering</b>   |                                 |                   |              |             |                                  |                |
| 43,585   | Compass Group Plc               | 835,698           | 0.83         |             |                                  |                |
| <b>Food-Miscellaneous/Diversified</b>  |                                 |                   |              |             |                                  |                |
| 10,969   | Unilever Plc                    | 514,911           | 0.51         |             |                                  |                |
| <b>Gas-Distribution</b>  |                                 |                   |              |             |                                  |                |
| 74,930   | National Grid Plc               | 1,066,836         | 1.06         |             |                                  |                |
| <b>Home Furnishings</b>  |                                 |                   |              |             |                                  |                |
| 62,563   | Howden Joinery Group Plc        | 342,268           | 0.34         |             |                                  |                |
| <b>Medical-Drugs</b>   |                                 |                   |              |             |                                  |                |
| 8,763  | AstraZeneca Plc                 | 564,513           | 0.56         |             |                                  |                |
| 43,977   | BTG Plc                         | 360,113           | 0.36         |             |                                  |                |
| 109,974  | Indivior Plc                    | 435,082           | 0.43         |             |                                  |                |
| <b>Multi-Line Insurance</b>  |                                 |                   |              |             |                                  |                |
| 77,798   | Direct Line Insurance Group Plc | 367,004           | 0.36         |             |                                  |                |
| <b>Private Equity</b>  |                                 |                   |              |             |                                  |                |
| 145,268  | 3i Group Plc                    | 1,207,446         | 1.20         |             |                                  |                |
| 62,564   | Intermediate Capital Group Plc  | 472,563           | 0.47         |             |                                  |                |
| <b>Property/Casualty Insurance</b>   |                                 |                   |              |             |                                  |                |
| 60,274   | Beazley Plc                     | 300,437           | 0.30         |             |                                  |                |
| <b>Rental Auto/Equipment</b>   |                                 |                   |              |             |                                  |                |
| 45,522   | Ashtead Group Plc               | 731,952           | 0.73         |             |                                  |                |
| <b>Sugar</b>   |                                 |                   |              |             |                                  |                |
| 45,462   | Tate & Lyle Plc                 | 434,171           | 0.43         |             |                                  |                |
| <b>Telephone-Integrated</b>  |                                 |                   |              |             |                                  |                |
| 196,422  | BT Group Plc                    | 976,649           | 0.97         |             |                                  |                |
| <b>Tobacco</b>   |                                 |                   |              |             |                                  |                |
| 30,674   | British American Tobacco Plc    | 1,958,321         | 1.95         |             |                                  |                |
| <b>UNITED STATES 1.59% (30 September 2015: 0.00%)</b>  |                                 |                   |              |             |                                  |                |
| <b>Medical-Drugs</b>   |                                 |                   |              |             |                                  |                |
| 24,723   | Shire Plc                       | 1,602,274         | 1.59         |             |                                  |                |
| <b>Total Value of Transferable Securities at Mid Market Prices (Cost: USD92,821,408)</b>         |                                 |                   |              |             |                                  |                |
|  |                                 | <b>99,847,516</b> | <b>99.33</b> |             |                                  |                |
| <b>Open Spot Currency Contracts 0.00% (30 September 2015: 0.00%)</b>                             |                                 |                   |              |             |                                  |                |
| Settlement Date  | Buy                             | Amount Bought     | Sell         | Amount Sold | Unrealised Gain/Loss             | % Net Assets   |
| 03/10/2016   | USD                             | 162,774           | GBP          | (125,665)   | (175)                            | (0.00)         |
| 03/10/2016   | USD                             | 177,154           | CHF          | (171,230)   | 368                              | 0.00           |
| 03/10/2016   | USD                             | 474,031           | EUR          | (422,917)   | 1,051                            | 0.00           |
| 04/10/2016   | USD                             | 5,306             | GBP          | (4,093)     | (2)                              | (0.00)         |
| 04/10/2016   | USD                             | 2,058             | GBP          | (1,588)     | (1)                              | (0.00)         |
| 04/10/2016   | USD                             | 933               | GBP          | (720)       | (0)                              | (0.00)         |
| Unrealised Gains on Open Spot Currency Contracts   |                                 |                   |              |             | 1,419                            | 0.00           |
| Unrealised Loss on Open Spot Currency Contracts  |                                 |                   |              |             | (178)                            | (0.00)         |
| <b>Net Unrealised Gain on Open Spot Currency Contracts</b>                                       |                                 |                   |              |             | <b>1,241</b>                     | <b>0.00</b>    |
| Cash at Bank   |                                 |                   |              |             | 21,765                           | 0.02           |
| Net Current Assets   |                                 |                   |              |             | 653,507                          | 0.65           |
| <b>Net Assets Attributable to Holders of Redeemable Participating Units at Mid Market Prices</b> |                                 |                   |              |             | <b>100,524,029</b>               | <b>100.00</b>  |

PRINCIPAL GLOBAL INVESTORS FUNDS

PORTFOLIO OF INVESTMENTS  
AS AT 30 SEPTEMBER 2016 (continued)

| EMERGING MARKETS EQUITY FUND                                      |   |           |              | EMERGING MARKETS EQUITY FUND (continued)                    |   |           |              |
|---|---|-----------|--------------|---|---|-----------|--------------|
| Nominal   | Security  | Value USD | % Net Assets | Nominal   | Security                                      | Value USD | % Net Assets |
| <b>TRANSFERABLE SECURITIES 97.32% (30 September 2015: 99.09%)</b> |   |           |              | <b>CHINA 25.12% (30 September 2015: 23.57%) (continued)</b> |   |           |              |
| <b>BRAZIL 7.28% (30 September 2015: 4.48%)</b>                    |   |           |              | <b>Real Estate Operation/Development</b>                    |   |           |              |
| <b>Commercial Banks Non-US</b>                                    |   |           |              | 8,000   | China Overseas Land & Investment Ltd          | 27,138    | 0.37         |
| 9,300   | Itau Unibanco Holding SA                        | 101,577   | 1.38         | <b>Schools</b>  |   |           |              |
| <b>Consulting Services</b>  |   |           |              | 1,354   | New Oriental Education & Technology Group Inc | 63,503    | 0.87         |
| 7,400   | Qualicorp SA                                    | 42,331    | 0.58         | <b>Telecom Services</b>                                     |   |           |              |
| <b>Diversified Minerals</b>                                       |   |           |              | 130,000   | China Telecom Corp Ltd                        | 65,562    | 0.89         |
| 9,885   | Vale SA   | 47,173    | 0.64         | <b>HONG KONG 2.31% (30 September 2015: 1.02%)</b>           |   |           |              |
| <b>Diversified Operations</b>                                     |   |           |              | <b>Auto/Truck Parts &amp; Equipment-Replica</b>             |   |           |              |
| 41,460  | Itausa - Investimentos Itaú SA                  | 106,497   | 1.45         | 40,000  | Xinyi Glass Holdings Ltd                      | 36,167    | 0.50         |
| <b>Food-Meat Products</b>   |   |           |              | <b>Life/Health Insurance</b>                                |   |           |              |
| 11,500  | JBS SA  | 41,574    | 0.57         | 20,000  | AIA Group Ltd                                 | 132,981   | 1.81         |
| <b>Forestry</b>   |   |           |              | <b>HUNGARY 1.04% (30 September 2015: 0.54%)</b>             |   |           |              |
| 4,900   | Fibra Celulose SA                               | 34,331    | 0.47         | <b>Commercial Banks Non-US</b>                              |   |           |              |
| <b>Retail-Apparel/Shoe</b>  |   |           |              | 2,936   | OTP Bank Plc                                  | 76,422    | 1.04         |
| 3,400   | Lojas Renner SA                                 | 25,762    | 0.35         | <b>INDIA 9.30% (30 September 2015: 12.91%)</b>              |   |           |              |
| <b>Retail-Drug Store</b>  |   |           |              | <b>Agricultural Chemicals</b>                               |   |           |              |
| 1,300   | Raia Drogasil SA                                | 26,435    | 0.36         | 2,988   | UPL Ltd                                       | 30,286    | 0.41         |
| <b>Schools</b>  |   |           |              | <b>Auto-Cars/Light Trucks</b>                               |   |           |              |
| 14,400  | Kroton Educacional SA                           | 66,553    | 0.91         | 535   | Maruti Suzuki India Ltd                       | 43,562    | 0.59         |
| <b>Water</b>  |   |           |              | 11,727  | Tata Motors Ltd                               | 94,226    | 1.29         |
| 4,500   | Cia de Saneamento Basico do Estado de Sao Paulo | 42,134    | 0.57         | <b>Building-Heavy Construction</b>                          |   |           |              |
| <b>CHILE 1.15% (30 September 2015: 0.00%)</b>                     |   |           |              | 1,985   | Larsen & Toubro Ltd                           | 42,606    | 0.58         |
| <b>Commercial Banks Non-US</b>                                    |   |           |              | <b>Commercial Banks Non-US</b>                              |   |           |              |
| 438,069   | Banco Santander Chile                           | 22,597    | 0.31         | 2,641   | IndusInd Bank Ltd                             | 47,115    | 0.64         |
| <b>Electric-Integrated</b>  |   |           |              | 4,273   | Yes Bank Ltd                                  | 80,404    | 1.10         |
| 153,279   | Enersis Americas SA                             | 25,526    | 0.35         | <b>Diversified Minerals</b>                                 |   |           |              |
| <b>Food-Retail</b>  |   |           |              | 11,135  | Vedanta Ltd                                   | 28,773    | 0.39         |
| 11,993  | Cencosud SA                                     | 36,344    | 0.49         | <b>Engineering/Research &amp; Development Services</b>      |   |           |              |
| <b>CHINA 25.12% (30 September 2015: 23.57%)</b>                   |   |           |              | 5,265   | Volitas Ltd                                   | 29,470    | 0.40         |
| <b>Auto-Cars/Light Trucks</b>                                     |   |           |              | <b>Finance-Management Loan/Banker</b>                       |   |           |              |
| 44,000  | Guangzhou Automobile Group Co Ltd               | 56,582    | 0.77         | 3,253   | Indiabulls Housing Finance Ltd                | 40,372    | 0.55         |
| <b>Cellular Telecom</b>   |   |           |              | <b>Metal-Aluminum</b>                                       |   |           |              |
| 15,489  | China Mobile Ltd                                | 187,495   | 2.55         | 18,135  | Hindalco Industries Ltd                       | 41,487    | 0.57         |
| <b>Commercial Banks Non-US</b>                                    |   |           |              | <b>Motorcycle/Motor Scooter</b>                             |   |           |              |
| 155,000   | Bank of China Ltd                               | 70,773    | 0.96         | 1,170   | Hero MotoCorp Ltd                             | 60,120    | 0.82         |
| 259,000   | China Construction Bank Corp                    | 192,087   | 2.62         | <b>Oil Refining &amp; Marketing</b>                         |   |           |              |
| <b>E-Commerce/Products</b>  |   |           |              | 5,668   | Bharat Petroleum Corp Ltd                     | 52,529    | 0.71         |
| 2,393   | Alibaba Group Holding Ltd                       | 252,581   | 3.44         | 2,919   | Indian Oil Corp Ltd                           | 25,539    | 0.35         |
| <b>Electric-Generation</b>  |   |           |              | <b>Pipelines</b>  |   |           |              |
| 108,000   | Huaneng Renewables Corp Ltd                     | 37,611    | 0.51         | 8,038   | Petronet LNG Ltd                              | 41,812    | 0.57         |
| <b>Electronic Component-Miscellaneous</b>                         |   |           |              | <b>Steel-Producers</b>                                      |   |           |              |
| 6,000   | AAC Technologies Holdings Inc                   | 60,325    | 0.82         | 937   | JSW Steel Ltd                                 | 24,304    | 0.33         |
| <b>Entertainment Software</b>                                     |   |           |              | <b>INDONESIA 2.58% (30 September 2015: 1.19%)</b>           |   |           |              |
| 469   | NetEase Inc                                     | 113,526   | 1.55         | <b>Coal</b>   |   |           |              |
| <b>Internet Application Software</b>                              |   |           |              | 305,000   | Adaro Energy Tbk PT                           | 28,628    | 0.39         |
| 14,000  | Tencent Holdings Ltd                            | 384,626   | 5.24         | <b>Commercial Banks Non-US</b>                              |   |           |              |
| <b>Internet Content-Entertainment</b>                             |   |           |              | 25,900  | Bank Mandiri Persero Tbk PT                   | 22,425    | 0.31         |
| 898   | Weibo Corp                                      | 46,148    | 0.63         | <b>Bank Negara Indonesia Persero</b>                        |   |           |              |
| <b>Multi-Line Insurance</b>                                       |   |           |              | 74,000  | Tbk PT  | 31,752    | 0.43         |
| 13,000  | Ping An Insurance Group Co of China Ltd         | 67,406    | 0.92         | <b>Telecom Services</b>                                     |   |           |              |
| <b>Oil Company-Exploration &amp; Production</b>                   |   |           |              | 262,300   | Telekomunikasi Indonesia Persero Tbk PT       | 87,829    | 1.19         |
| 30,000  | CNOOC Ltd                                       | 37,224    | 0.51         | <b>Tobacco</b>  |   |           |              |
| <b>Oil Company-Integrated</b>                                     |   |           |              | 4,000   | Gudang Garam Tbk PT                           | 19,002    | 0.26         |
| 134,000   | China Petroleum & Chemical Corp                 | 97,653    | 1.33         | <b>LUXEMBOURG 0.42% (30 September 2015: 0.00%)</b>          |   |           |              |
| <b>Petrochemicals</b>   |   |           |              | <b>Steel-Producers</b>                                      |   |           |              |
| 48,000  | Sinopec Shanghai Petrochemical Co Ltd           | 24,208    | 0.33         | 1,544   | Ternium SA                                    | 30,401    | 0.42         |
| <b>Photo Equipment &amp; Supplies</b>                             |   |           |              | <b>MALAYSIA 1.51% (30 September 2015: 0.00%)</b>            |   |           |              |
| 12,000  | Sunny Optical Technology Group Co Ltd           | 59,280    | 0.81         | <b>Airlines</b>   |   |           |              |
|   |   |           |              | 71,600  | AirAsia Bhd                                   | 48,305    | 0.66         |

PRINCIPAL GLOBAL INVESTORS FUNDS

PORTFOLIO OF INVESTMENTS  
AS AT 30 SEPTEMBER 2016 (continued)

| EMERGING MARKETS EQUITY FUND (continued)                     |  |           |              | EMERGING MARKETS EQUITY FUND (continued)   |                            |               |              |
|--|--|-----------|--------------|--|----------------------------|---------------|--------------|
| Nominal  | Security                                       | Value USD | % Net Assets | Nominal  | Security                   | Value USD     | % Net Assets |
| <b>MALAYSIA 1.51% (30 September 2015: 0.00%) (continued)</b> |  |           |              | <b>SOUTH KOREA 14.16% (30 September 2015: 16.04%) (continued)</b>                        |                            |               |              |
| <b>Electric-Integrated</b>                                   |  |           |              | <b>Electronic Component-Semiconductor</b>  |                            |               |              |
| 18,100   | Tenaga Nasional Bhd                            | 62,587    | 0.85         | 272  | Samsung Electronics Co Ltd | 394,658       | 5.38         |
| <b>MEXICO 3.28% (30 September 2015: 7.29%)</b>               |  |           |              | <b>Metal Products-Distribution</b>   |                            |               |              |
| <b>Airport Development/Maintenance</b>                       |  |           |              | 460 Hyosung Corp   |                            |               |              |
| 3,170  | Grupo Aeroportuario del Centro Norte SAB de CV | 18,092    | 0.24         | <b>Oil Refining &amp; Marketing</b>  |                            |               |              |
| 4,100 Grupo Aeroportuario del Pacifico SAB de CV             |  |           |              | 372 SK Innovation Co Ltd   |                            |               |              |
| 37,951   |  |           |              | <b>Rubber-Tires</b>  |                            |               |              |
| <b>Building-Heavy Construction</b>                           |  |           |              | 1,148 Hankook Tire Co Ltd  |                            |               |              |
| Promotora y Operadora de Infraestructura SAB de CV           |  |           |              | <b>Tobacco</b>   |                            |               |              |
| 3,825  |  | 41,399    | 0.56         | 990 KT&G Corp  |                            |               |              |
| <b>Petrochemicals</b>  |  |           |              | <b>Web Portals/Internet Service Provider</b>   |                            |               |              |
| 11,100   | Alpek SAB de CV                                | 18,849    | 0.26         | 142 NAVER Corp   |                            |               |              |
| <b>Reits-Diversified</b>                                     |  |           |              | <b>TAIWAN 14.00% (30 September 2015: 16.36%)</b>   |                            |               |              |
| 14,700   | Fibra Uno Administracion SA de CV              | 26,685    | 0.36         | <b>Auto/Truck Parts &amp; Equipment-Original</b>   |                            |               |              |
| <b>Reits-Warehouse/Industrial</b>                            |  |           |              | 8,000 Hiroca Holdings Ltd  |                            |               |              |
| Macquarie Mexico Real Estate Management SA de CV             |  |           |              | 27,000 Tong Yang Industry Co Ltd   |                            |               |              |
| 21,600   |  | 26,408    | 0.36         | <b>Circuit Boards</b>  |                            |               |              |
| <b>Retail-Hypermarkets</b>                                   |  |           |              | 15,000 Chin-Poon Industrial Co Ltd   |                            |               |              |
| 32,159   | Wal-Mart de Mexico SAB de CV                   | 71,571    | 0.98         | <b>Diversified Financial Services</b>  |                            |               |              |
| <b>PERU 0.80% (30 September 2015: 0.00%)</b>                 |  |           |              | 50,000 Fubon Financial Holding Co Ltd  |                            |               |              |
| <b>Commercial Banks Non-US</b>                               |  |           |              | 81,550 Mega Financial Holding Co Ltd   |                            |               |              |
| 390  | Credicorp Ltd                                  | 58,867    | 0.80         | <b>Electronic Component-Semiconductor</b>  |                            |               |              |
| <b>POLAND 0.00% (30 September 2015: 1.68%)</b>               |  |           |              | 694 Silicon Motion Technology Corp   |                            |               |              |
| <b>RUSSIA 5.29% (30 September 2015: 2.74%)</b>               |  |           |              | <b>Food-Miscellaneous/Diversified</b>  |                            |               |              |
| <b>Commercial Banks Non-US</b>                               |  |           |              | 23,440 Uni-President Enterprises Corp  |                            |               |              |
| 13,739   | Sberbank of Russia PJSC                        | 128,776   | 1.75         | <b>Optical Supplies</b>  |                            |               |              |
| <b>Food-Retail</b>   |  |           |              | 1,000 St Shine Optical Co Ltd  |                            |               |              |
| 1,595  | X5 Retail Group NV                             | 46,095    | 0.63         | <b>Photo Equipment &amp; Supplies</b>  |                            |               |              |
| <b>Oil Company-Integrated</b>                                |  |           |              | 1,000 Largan Precision Co Ltd  |                            |               |              |
| 3,430  | Lukoil PJSC                                    | 166,372   | 2.27         | <b>Semicon Component-Integrated Circuits</b>   |                            |               |              |
| 1,539  | Tatneft PJSC                                   | 47,232    | 0.64         | 28,000 Powertech Technology Inc  |                            |               |              |
| <b>SOUTH AFRICA 6.39% (30 September 2015: 8.38%)</b>         |  |           |              | 65,244 Manufacturing Co Ltd  |                            |               |              |
| <b>Cellular Telecom</b>                                      |  |           |              | <b>Telecom Services</b>  |                            |               |              |
| 2,477  | Vodacom Group Ltd                              | 27,616    | 0.38         | 26,000 Chunghwa Telecom Co Ltd   |                            |               |              |
| <b>Commercial Banks Non-US</b>                               |  |           |              | <b>THAILAND 2.69% (30 September 2015: 0.82%)</b>   |                            |               |              |
| 8,551  | Barclays Africa Group Ltd                      | 92,132    | 1.26         | <b>Commercial Banks Non-US</b>   |                            |               |              |
| 3,847  | Nedbank Group Ltd                              | 60,934    | 0.83         | 11,700 Siam Commercial Bank PCL/The  |                            |               |              |
| <b>Gold Mining</b>   |  |           |              | <b>Diversified Operations</b>  |                            |               |              |
| 1,320  | AngloGold Ashanti Ltd                          | 21,665    | 0.29         | 2,850 Siam Cement PCL/The  |                            |               |              |
| <b>Home Furnishings</b>                                      |  |           |              | <b>Food-Miscellaneous/Diversified</b>  |                            |               |              |
| 10,380   | Steinhoff International Holdings Ltd           | 58,811    | 0.80         | 56,200 Charoen Pokphand Foods PCL  |                            |               |              |
| <b>Metal-Iron</b>  |  |           |              | <b>Oil Company-Integrated</b>  |                            |               |              |
| 123  | Kumba Iron Ore Ltd                             | 1,049     | 0.01         | 5,400 PTT PCL  |                            |               |              |
| <b>Multimedia</b>  |  |           |              | <b>TURKEY 0.00% (30 September 2015: 1.50%)</b>   |                            |               |              |
| 846  | Naspers Ltd                                    | 144,504   | 1.97         | <b>UNITED ARAB EMIRATES 0.00% (30 September 2015: 0.57%)</b>                             |                            |               |              |
| <b>Paper &amp; Related Products</b>                          |  |           |              | <b>Total Value of Transferable Securities at Mid Market Prices (Cost: USD6,179,064)</b>  |                            |               |              |
| 8,160  | Sappi Ltd                                      | 41,034    | 0.56         | <b>7,143,329 97.32</b>   |                            |               |              |
| <b>Retail-Miscellaneous/Diversified</b>                      |  |           |              | <b>Open Forward Foreign Currency Exchange Contracts 0.00% (30 September 2015: 0.00%)</b> |                            |               |              |
| 1,960  | Mr Price Group Ltd                             | 21,498    | 0.29         | <b>Open Spot Currency Contracts 0.00% (30 September 2015: (0.00%))</b>                   |                            |               |              |
| <b>SOUTH KOREA 14.16% (30 September 2015: 16.04%)</b>        |  |           |              | <b>Settlement Buy Amount Sell Amount Unrealised % Net</b>                                |                            |               |              |
| <b>Building-Heavy Construction</b>                           |  |           |              | <b>Date Bought Sold Gain/Loss Assets</b>   |                            |               |              |
| 405  | Daelim Industrial Co Ltd                       | 30,485    | 0.41         | 03/10/2016   | USD 2,630                  | HKD (20,399)  | (1) (0.00)   |
| <b>Chemicals-Diversified</b>                                 |  |           |              | 03/10/2016   | USD 2,677                  | HKD (20,757)  | (1) (0.00)   |
| 2,107  | Hanwha Chemical Corp                           | 46,297    | 0.63         | 03/10/2016   | USD 10,156                 | ZAR (139,377) | 211 0.00     |
| <b>Commercial Banks Non-US</b>                               |  |           |              | 04/10/2016   | USD 1,438                  | HKD (11,155)  | (0) (0.00)   |
| 3,821  | Woorl Bank                                     | 39,551    | 0.54         | 04/10/2016   | ZAR 77,821                 | USD (5,570)   | (17) (0.00)  |
| <b>Diversified Financial Services</b>                        |  |           |              | Unrealised Gains on Open Spot  |                            |               |              |
| 2,247  | Shinhan Financial Group Co Ltd                 | 81,915    | 1.12         | Currency Contracts   |                            |               |              |
| <b>Electric-Integrated</b>                                   |  |           |              | 211 0.00   |                            |               |              |
| 1,014  | Korea Electric Power Corp                      | 49,717    | 0.68         |  |                            |               |              |

PRINCIPAL GLOBAL INVESTORS FUNDS

PORTFOLIO OF INVESTMENTS  
AS AT 30 SEPTEMBER 2016 (continued)

| EMERGING MARKETS EQUITY FUND (continued)  |                                      |                         |                             |                     | JAPANESE EQUITY FUND |           |           |                       |
|---|--------------------------------------|-------------------------|-----------------------------|---------------------|----------------------|-----------|-----------|-----------------------|
| Open Spot Currency Contracts 0.00% (30 September 2015: 0.00%) (continued)   |                                      |                         |                             |                     | Nominal              | Security  | Value USD | % Net Assets          |
| <b>Settlement Buy Date</b>  | <b>Amount Bought</b>                 | <b>Sell Amount Sold</b> | <b>Unrealised Gain/Loss</b> | <b>% Net Assets</b> |                      |           |           |                       |
| Unrealised Loss on Open Spot Currency Contracts   |                                      |                         |                             |                     | (19)                 |           |           | (0.00)                |
| <b>Net Unrealised Gain on Open Spot Currency Contracts</b>  |                                      |                         |                             |                     | <b>192</b>           |           |           | <b>0.00</b>           |
| Cash at Bank  |                                      |                         |                             |                     | 216,523              |           |           | 2.95                  |
| Net Current Liabilities   |                                      |                         |                             |                     | (19,649)             |           |           | (0.27)                |
| <b>Net Assets Attributable to Holders of Redeemable Participating Units at Mid Market Prices</b>                                    |                                      |                         |                             |                     | <b>7,340,395</b>     |           |           | <b>100.00</b>         |
| <b>Analysis of Total Assets</b>   |                                      |                         |                             |                     |                      |           |           | <b>% Total Assets</b> |
| Transferable Securities and Money Market Instruments admitted to an official stock exchange listing or traded on a regulated market |                                      |                         |                             |                     |                      |           |           | 95.24                 |
| Financial Derivative instruments dealt in or on a regulated market  |                                      |                         |                             |                     |                      |           |           | 0.00                  |
| Other Assets  |                                      |                         |                             |                     |                      |           |           | 4.76                  |
| <b>Total Assets</b>   |                                      |                         |                             |                     |                      |           |           | <b>100.00</b>         |
| All securities are transferable securities admitted to an official stock exchange listing.  |                                      |                         |                             |                     |                      |           |           |                       |
| The counterparty for the spot currency contracts is the Bank of New York Mellon.  |                                      |                         |                             |                     |                      |           |           |                       |
| <b>JAPAN 99.40% (30 September 2015: 89.87%)</b>   |                                      |                         |                             |                     |                      |           |           |                       |
| <b>TRANSFERABLE SECURITIES 101.50% (30 September 2015: 89.87%)</b>  |                                      |                         |                             |                     |                      |           |           |                       |
| <b>Advertising Services</b>   |                                      |                         |                             |                     |                      |           |           |                       |
| 31,200  | Hakuhodo DY Holdings Inc             |                         |                             |                     |                      | 363,735   |           | 1.20                  |
| <b>Airlines</b>   |                                      |                         |                             |                     |                      |           |           |                       |
| 113,000   | ANA Holdings Inc                     |                         |                             |                     |                      | 306,083   |           | 1.01                  |
| 13,400  | Japan Airlines Co Ltd                |                         |                             |                     |                      | 392,405   |           | 1.29                  |
| <b>Audio/Video Products</b>   |                                      |                         |                             |                     |                      |           |           |                       |
| 53,900  | Panasonic Corp                       |                         |                             |                     |                      | 534,493   |           | 1.76                  |
| <b>Auto/Truck Parts &amp; Equipment-Original</b>  |                                      |                         |                             |                     |                      |           |           |                       |
| 8,700   | Koito Manufacturing Co Ltd           |                         |                             |                     |                      | 420,169   |           | 1.38                  |
| 19,500  | NHK Spring Co Ltd                    |                         |                             |                     |                      | 187,773   |           | 0.62                  |
| 9,500   | Toyota Gosei Co Ltd                  |                         |                             |                     |                      | 219,343   |           | 0.72                  |
| 6,600   | TS Tech Co Ltd                       |                         |                             |                     |                      | 165,841   |           | 0.55                  |
| <b>Auto-Cars/Light Trucks</b>   |                                      |                         |                             |                     |                      |           |           |                       |
| 16,100  | Fuji Heavy Industries Ltd            |                         |                             |                     |                      | 598,303   |           | 1.97                  |
| 13,100  | Mazda Motor Corp                     |                         |                             |                     |                      | 198,552   |           | 0.66                  |
| 61,300  | Nissan Motor Co Ltd                  |                         |                             |                     |                      | 596,165   |           | 1.96                  |
| 8,600   | Suzuki Motor Corp                    |                         |                             |                     |                      | 285,971   |           | 0.94                  |
| 29,390  | Toyota Motor Corp                    |                         |                             |                     |                      | 1,680,883 |           | 5.53                  |
| <b>Building-Residential/Commercial</b>  |                                      |                         |                             |                     |                      |           |           |                       |
| 40,100  | Haseko Corp                          |                         |                             |                     |                      | 382,963   |           | 1.26                  |
| 9,500   | Iida Group Holdings Co Ltd           |                         |                             |                     |                      | 190,292   |           | 0.63                  |
| 15,100  | Sekisui Chemical Co Ltd              |                         |                             |                     |                      | 215,938   |           | 0.71                  |
| 11,100  | Sekisui House Ltd                    |                         |                             |                     |                      | 187,957   |           | 0.62                  |
| <b>Building &amp; Construction Production-Miscellaneous</b>   |                                      |                         |                             |                     |                      |           |           |                       |
| 32,000  | Kajima Corp                          |                         |                             |                     |                      | 222,950   |           | 0.73                  |
| 17,100  | Obayashi Corp                        |                         |                             |                     |                      | 168,724   |           | 0.56                  |
| <b>Cellular Telecom</b>   |                                      |                         |                             |                     |                      |           |           |                       |
| 4,300   | Hikari Tsushin Inc                   |                         |                             |                     |                      | 398,317   |           | 1.31                  |
| 28,700  | NTT DoCoMo Inc                       |                         |                             |                     |                      | 727,690   |           | 2.39                  |
| <b>Chemicals-Diversified</b>  |                                      |                         |                             |                     |                      |           |           |                       |
| 34,600  | Toagosei Co Ltd                      |                         |                             |                     |                      | 373,925   |           | 1.23                  |
| 87,000  | Ube Industries Ltd                   |                         |                             |                     |                      | 165,312   |           | 0.54                  |
| <b>Commercial Banks Non-US</b>  |                                      |                         |                             |                     |                      |           |           |                       |
| 27,000  | Chiba Bank Ltd/The                   |                         |                             |                     |                      | 152,308   |           | 0.50                  |
| 51,000  | Fukuoka Financial Group Inc          |                         |                             |                     |                      | 210,471   |           | 0.69                  |
| 38,000  | Gunma Bank Ltd/The                   |                         |                             |                     |                      | 171,488   |           | 0.57                  |
| 331,900   | Mizuho Financial Group Inc           |                         |                             |                     |                      | 553,796   |           | 1.82                  |
| 92,200  | Resona Holdings Inc                  |                         |                             |                     |                      | 385,334   |           | 1.27                  |
| 18,800  | Sumitomo Mitsui Financial Group Inc  |                         |                             |                     |                      | 628,868   |           | 2.07                  |
| 6,400   | Sumitomo Mitsui Trust Holdings Inc   |                         |                             |                     |                      | 207,116   |           | 0.68                  |
| <b>Computers-Integrated Systems</b>   |                                      |                         |                             |                     |                      |           |           |                       |
| 40,000  | Fujitsu Ltd                          |                         |                             |                     |                      | 213,766   |           | 0.70                  |
| 8,000   | NTT Data Corp                        |                         |                             |                     |                      | 398,239   |           | 1.31                  |
| <b>Computers-Memory Devices</b>   |                                      |                         |                             |                     |                      |           |           |                       |
| 4,300   | TDK Corp                             |                         |                             |                     |                      | 285,120   |           | 0.94                  |
| <b>Cosmetics &amp; Toiletries</b>   |                                      |                         |                             |                     |                      |           |           |                       |
| 23,000  | Lion Corp                            |                         |                             |                     |                      | 371,478   |           | 1.22                  |
| 3,100   | Pola Orbis Holdings Inc              |                         |                             |                     |                      | 276,421   |           | 0.91                  |
| <b>Diversified Banking Institutions</b>   |                                      |                         |                             |                     |                      |           |           |                       |
| 141,800   | Mitsubishi UFJ Financial Group Inc   |                         |                             |                     |                      | 708,825   |           | 2.33                  |
| <b>Electric Products-Miscellaneous</b>  |                                      |                         |                             |                     |                      |           |           |                       |
| 11,000  | Brother Industries Ltd               |                         |                             |                     |                      | 191,707   |           | 0.63                  |
| 50,000  | Mitsubishi Electric Corp             |                         |                             |                     |                      | 634,618   |           | 2.09                  |
| <b>Electric-Integrated</b>  |                                      |                         |                             |                     |                      |           |           |                       |
| 10,300  | Chubu Electric Power Co Inc          |                         |                             |                     |                      | 149,437   |           | 0.49                  |
| 11,400  | Hokuriku Electric Power Co           |                         |                             |                     |                      | 138,431   |           | 0.46                  |
| 16,300  | Tohoku Electric Power Co Inc         |                         |                             |                     |                      | 238,156   |           | 0.78                  |
| 36,700  | Tokyo Electric Power Co Holdings Inc |                         |                             |                     |                      | 157,994   |           | 0.52                  |
| <b>Electronic Component-Miscellaneous</b>   |                                      |                         |                             |                     |                      |           |           |                       |
| 13,100  | Hoya Corp                            |                         |                             |                     |                      | 523,507   |           | 1.72                  |
| <b>Enterprise Software/Services</b>   |                                      |                         |                             |                     |                      |           |           |                       |
| 6,600   | Oracle Corp Japan                    |                         |                             |                     |                      | 371,656   |           | 1.22                  |



PRINCIPAL GLOBAL INVESTORS FUNDS

PORTFOLIO OF INVESTMENTS  
AS AT 30 SEPTEMBER 2016 (continued)

| JAPANESE EQUITY FUND (continued)   |                                    |           | JAPANESE EQUITY FUND (continued) |   |                 |                   |                  |                      |              |
|--|------------------------------------|-----------|----------------------------------|---|-----------------|-------------------|------------------|----------------------|--------------|
| Nominal  | Security                           | Value USD | % Net Assets                     | Open Spot Currency Contracts (0.00%) (30 September 2015: 0.00%)   | Settlement Date | Buy Amount Bought | Sell Amount Sold | Unrealised Gain/Loss | % Net Assets |
| <b>JAPAN 99.40% (30 September 2015: 89.87%) (continued)</b>                              |                                    |           |                                  |   |                 |                   |                  |                      |              |
| <b>Finance-Leasing Companies</b>   |                                    |           |                                  |   |                 |                   |                  |                      |              |
| 40,500   | ORIX Corp                          | 592,199   | 1.95                             | 04/10/2016  | USD             | 3,235             | JPY (329,120)    | (22)                 | (0.00)       |
| <b>Food-Baking</b>   |                                    |           |                                  |   |                 |                   |                  |                      |              |
| 11,800   | Yamazaki Baking Co Ltd             | 289,030   | 0.95                             | Unrealised Loss on Open Spot Currency Contracts (22) (0.00)   |                 |                   |                  |                      |              |
| <b>Forestry</b>  |                                    |           |                                  |   |                 |                   |                  |                      |              |
| 27,700   | Sumitomo Forestry Co Ltd           | 368,712   | 1.21                             | <b>Net Unrealised Loss on Open Spot Currency Contracts (22) (0.00)</b>  |                 |                   |                  |                      |              |
| <b>Gas-Distribution</b>  |                                    |           |                                  |   |                 |                   |                  |                      |              |
| 90,000   | Osaka Gas Co Ltd                   | 375,961   | 1.24                             | Cash at Bank 256,631 0.84   |                 |                   |                  |                      |              |
| 46,000   | Toho Gas Co Ltd                    | 429,294   | 1.41                             | Net Current Liabilities (712,150) (2.34)  |                 |                   |                  |                      |              |
| 50,000   | Tokyo Gas Co Ltd                   | 221,486   | 0.73                             | <b>Net Assets Attributable to Holders of Redeemable Participating Units at Mid Market Prices 30,391,839 100.00</b>                        |                 |                   |                  |                      |              |
| <b>Import/Export</b>   |                                    |           |                                  |   |                 |                   |                  |                      |              |
| 44,900   | ITOCU Corp                         | 560,778   | 1.85                             | <b>Analysis of Total Assets</b>   |                 |                   |                  |                      |              |
| 56,200   | Marubeni Corp                      | 286,715   | 0.94                             | Transferable Securities and Money Market Instruments admitted to an official stock exchange listing or traded on a regulated market 95.92 |                 |                   |                  |                      |              |
| 47,900   | Mitsui & Co Ltd                    | 659,161   | 2.17                             | Financial Derivative instruments dealt in or on a regulated market 0.00   |                 |                   |                  |                      |              |
| <b>Internet Content-Information/News</b>   |                                    |           |                                  |   |                 |                   |                  |                      |              |
| 4,300  | Mixi Inc                           | 154,688   | 0.51                             | Other Assets 4.08   |                 |                   |                  |                      |              |
| <b>Investment Management/Advisory Service</b>  |                                    |           |                                  |   |                 |                   |                  |                      |              |
| 46,100   | Ichigo Inc                         | 203,023   | 0.67                             | <b>Total Assets 100.00</b>  |                 |                   |                  |                      |              |
| <b>Machinery-General Industry</b>  |                                    |           |                                  |   |                 |                   |                  |                      |              |
| 54,000   | Mitsubishi Heavy Industries Ltd    | 223,973   | 0.74                             | All securities are transferable securities admitted to an official stock exchange listing.  |                 |                   |                  |                      |              |
| 47,000   | Sumitomo Heavy Industries Ltd      | 229,779   | 0.75                             | The counterparty for the open spot currency contracts is the Bank of New York Mellon.   |                 |                   |                  |                      |              |
| <b>Medical-Drugs</b>   |                                    |           |                                  |   |                 |                   |                  |                      |              |
| 20,000   | Daiichi Sankyo Co Ltd              | 478,005   | 1.57                             |   |                 |                   |                  |                      |              |
| 6,400  | Otsuka Holdings Co Ltd             | 290,659   | 0.96                             |   |                 |                   |                  |                      |              |
| 9,100  | Shionogi & Co Ltd                  | 463,983   | 1.53                             |   |                 |                   |                  |                      |              |
| <b>Non-Ferrous Metals</b>  |                                    |           |                                  |   |                 |                   |                  |                      |              |
| 5,300  | Mitsubishi Materials Corp          | 143,718   | 0.47                             |   |                 |                   |                  |                      |              |
| <b>Property/Casualty Insurance</b>   |                                    |           |                                  |   |                 |                   |                  |                      |              |
| 11,300   | MS&AD Insurance Group Holdings Inc | 311,954   | 1.03                             |   |                 |                   |                  |                      |              |
| <b>Recreational Vehicles</b>   |                                    |           |                                  |   |                 |                   |                  |                      |              |
| 10,800   | Yamaha Motor Co Ltd                | 215,904   | 0.71                             |   |                 |                   |                  |                      |              |
| <b>Rental Auto/Equipment</b>   |                                    |           |                                  |   |                 |                   |                  |                      |              |
| 14,800   | Kanamoto Co Ltd                    | 378,184   | 1.24                             |   |                 |                   |                  |                      |              |
| <b>Retail-Home Furnishings</b>   |                                    |           |                                  |   |                 |                   |                  |                      |              |
| 3,000  | Nitori Holdings Co Ltd             | 357,761   | 1.18                             |   |                 |                   |                  |                      |              |
| <b>Rubber-Tires</b>  |                                    |           |                                  |   |                 |                   |                  |                      |              |
| 16,100   | Bridgestone Corp                   | 590,495   | 1.94                             |   |                 |                   |                  |                      |              |
| 24,300   | Sumitomo Rubber Industries Ltd     | 365,059   | 1.20                             |   |                 |                   |                  |                      |              |
| <b>Semiconductor Equipment</b>   |                                    |           |                                  |   |                 |                   |                  |                      |              |
| 5,700  | Tokyo Electron Ltd                 | 500,756   | 1.65                             |   |                 |                   |                  |                      |              |
| 5,800  | Ulvac Inc                          | 171,914   | 0.56                             |   |                 |                   |                  |                      |              |
| <b>Steel-Producers</b>   |                                    |           |                                  |   |                 |                   |                  |                      |              |
| 11,100   | JFE Holdings Inc                   | 160,494   | 0.53                             |   |                 |                   |                  |                      |              |
| 23,900   | Nippon Steel & Sumitomo Metal Corp | 486,420   | 1.60                             |   |                 |                   |                  |                      |              |
| <b>Telephone-Integrated</b>  |                                    |           |                                  |   |                 |                   |                  |                      |              |
| 31,100   | KDDI Corp                          | 958,746   | 3.15                             |   |                 |                   |                  |                      |              |
| 15,294   | Nippon Telegraph & Telephone Corp  | 698,367   | 2.30                             |   |                 |                   |                  |                      |              |
| 10,100   | SoftBank Group Corp                | 651,910   | 2.15                             |   |                 |                   |                  |                      |              |
| <b>Toys</b>  |                                    |           |                                  |   |                 |                   |                  |                      |              |
| 5,500  | Bandai Namco Holdings Inc          | 167,376   | 0.55                             |   |                 |                   |                  |                      |              |
| <b>Transport-Rail</b>  |                                    |           |                                  |   |                 |                   |                  |                      |              |
| 3,600  | Central Japan Railway Co           | 613,153   | 2.02                             |   |                 |                   |                  |                      |              |
| 6,400  | East Japan Railway Co              | 575,110   | 1.89                             |   |                 |                   |                  |                      |              |
| 12,300   | Hankyu Hanshin Holdings Inc        | 422,396   | 1.39                             |   |                 |                   |                  |                      |              |
| 6,800  | West Japan Railway Co              | 419,797   | 1.38                             |   |                 |                   |                  |                      |              |
| <b>Transport-Truck</b>   |                                    |           |                                  |   |                 |                   |                  |                      |              |
| 34,600   | Senko Co Ltd                       | 240,380   | 0.79                             |   |                 |                   |                  |                      |              |
| <b>Open Ended Funds 2.10% (30 September 2015: 0.00%)</b>                                 |                                    |           |                                  |   |                 |                   |                  |                      |              |
| 50,758   | iShares MSCI Japan ETF             | 637,520   | 2.10                             |   |                 |                   |                  |                      |              |
| <b>Total Value of Transferable Securities at Mid Market Prices (Cost: USD29,228,077)</b> |                                    |           | <b>30,847,380</b>                | <b>101.50</b>   |                 |                   |                  |                      |              |

PRINCIPAL GLOBAL INVESTORS FUNDS

PORTFOLIO OF INVESTMENTS  
AS AT 30 SEPTEMBER 2016 (continued)

PREFERRED SECURITIES FUND

| Nominal   | Security   | Coupon Rate | Maturity Date | Value USD  | % Net Assets |
|---|--|-------------|---------------|------------|--------------|
| <b>TRANSFERABLE SECURITIES 95.12% (30 September 2015: 95.19%)</b> |  |             |               |            |              |
| <b>AUSTRALIA 2.84% (30 September 2015: 3.05%)</b>                 |  |             |               |            |              |
| <b>Corporate Bond</b>   |  |             |               |            |              |
| 13,000,000  | Australia & New Zealand Banking Group Ltd                | 4.400%      | 19/05/2026    | 13,836,251 | 0.57         |
| 5,000,000   | Australia & New Zealand Banking Group Ltd/United Kingdom | 6.750%      | Perpetual     | 5,541,410  | 0.23         |
| 9,200,000   | Macquarie Bank Ltd                                       | 4.875%      | 10/06/2025    | 9,751,591  | 0.41         |
| 11,500,000  | Macquarie Bank Ltd/London                                | 10.250%     | 20/06/2057    | 12,133,305 | 0.50         |
| 13,500,000  | QBE Insurance Group Ltd                                  | 5.875%      | 17/06/2046    | 14,311,174 | 0.60         |
| 11,550,000  | QBE Insurance Group Ltd                                  | 6.750%      | 02/12/2044    | 12,770,258 | 0.53         |
| <b>BELGIUM 0.68% (30 September 2015: 0.48%)</b>                   |  |             |               |            |              |
| <b>Corporate Bond</b>   |  |             |               |            |              |
| 15,400,000  | AG Insurance SA/NV                                       | 6.750%      | Perpetual     | 16,406,790 | 0.68         |
| <b>BERMUDA 1.13% (30 September 2015: 1.73%)</b>                   |  |             |               |            |              |
| <b>Corporate Bond</b>   |  |             |               |            |              |
| 18,975,000  | Catlin Insurance Co Ltd                                  | 7.249%      | Perpetual     | 14,939,018 | 0.62         |
| 5,000,000   | Oil Insurance Ltd  | 3.820%      | Perpetual     | 4,050,000  | 0.17         |
| <b>Preferred Security</b>   |  |             |               |            |              |
| 60,000  | Arch Capital Group Ltd                                   | 5.250%      | Perpetual     | 1,495,200  | 0.06         |
| 107,149   | RenaissanceRe Holdings Ltd                               | 5.375%      | Perpetual     | 2,820,162  | 0.12         |
| 151,140   | RenaissanceRe Holdings Ltd                               | 6.080%      | Perpetual     | 3,823,842  | 0.16         |
| <b>CANADA 2.05% (30 September 2015: 0.38%)</b>                    |  |             |               |            |              |
| <b>Corporate Bond</b>   |  |             |               |            |              |
| 18,000,000  | Emera Inc  | 6.750%      | 15/06/2076    | 19,362,888 | 0.80         |
| 6,000,000   | Great-West Life & Annuity Insurance Capital LP           | 6.625%      | 15/11/2034    | 6,900,402  | 0.29         |
| 22,000,000  | Transcanada Trust  | 5.875%      | 15/08/2076    | 23,237,500 | 0.96         |
| <b>CAYMAN ISLANDS 2.24% (30 September 2015: 3.16%)</b>            |  |             |               |            |              |
| <b>Preferred Security</b>   |  |             |               |            |              |
| 45,857  | Centaur Funding Corp                                     | 9.080%      | 21/04/2020    | 53,996,618 | 2.24         |
| <b>CHINA 0.00% (30 September 2015: 0.66%)</b>                     |  |             |               |            |              |
| <b>FRANCE 9.09% (30 September 2015: 8.43%)</b>                    |  |             |               |            |              |
| <b>Corporate Bond</b>   |  |             |               |            |              |
| 10,000,000  | AXA SA   | 1.433%      | Perpetual     | 7,135,000  | 0.30         |
| 4,000,000   | AXA SA   | 6.379%      | Perpetual     | 4,383,280  | 0.18         |
| 7,800,000   | AXA SA   | 8.600%      | 15/12/2030    | 10,950,810 | 0.45         |
| 17,000,000  | BNP Paribas SA   | 4.375%      | 12/05/2026    | 17,686,460 | 0.74         |
| 8,200,000   | BNP Paribas SA   | 7.195%      | Perpetual     | 9,245,500  | 0.38         |
| 6,200,000   | BNP Paribas SA   | 7.375%      | Perpetual     | 6,231,000  | 0.26         |
| 32,700,000  | BNP Paribas SA   | 7.625%      | Perpetual     | 33,599,250 | 1.39         |
| 7,950,000   | BPCE SA  | 1.870%      | Perpetual     | 5,147,625  | 0.21         |
| 2,000,000   | BPCE SA  | 5.150%      | 21/07/2024    | 2,123,890  | 0.09         |
| 4,000,000   | BPCE SA  | 5.700%      | 22/10/2023    | 4,369,890  | 0.18         |
| 1,564,000   | BPCE SA  | 6.750%      | Perpetual     | 1,596,562  | 0.07         |
| 3,947,000   | BPCE SA  | 12.500%     | Perpetual     | 5,008,190  | 0.21         |
| 1,500,000   | Credit Agricole SA                                       | 0.681%      | Perpetual     | 1,056,864  | 0.04         |
| 2,000,000   | Credit Agricole SA                                       | 7.875%      | Perpetual     | 2,027,500  | 0.08         |
| 25,000,000  | Credit Agricole SA                                       | 8.125%      | Perpetual     | 26,715,625 | 1.11         |
| 20,888,000  | Credit Agricole SA                                       | 8.375%      | Perpetual     | 23,707,880 | 0.98         |
| 800,000   | Societe Generale SA                                      | 1.604%      | Perpetual     | 752,000    | 0.03         |
| 15,000,000  | Societe Generale SA                                      | 4.250%      | 14/04/2025    | 15,123,968 | 0.63         |
| 9,705,000   | Societe Generale SA                                      | 5.625%      | 24/11/2045    | 10,884,216 | 0.45         |
| 2,200,000   | Societe Generale SA                                      | 5.922%      | Perpetual     | 2,233,440  | 0.09         |
| 9,000,000   | Societe Generale SA                                      | 7.375%      | Perpetual     | 8,865,000  | 0.37         |
| 9,500,000   | Societe Generale SA                                      | 7.875%      | Perpetual     | 9,286,250  | 0.39         |
| 7,000,000   | Societe Generale SA                                      | 8.000%      | Perpetual     | 7,052,500  | 0.29         |
| 4,000,000   | Societe Generale SA                                      | 8.250%      | Perpetual     | 4,105,000  | 0.17         |
| <b>GERMANY 1.20% (30 September 2015: 2.74%)</b>                   |  |             |               |            |              |
| <b>Corporate Bond</b>   |  |             |               |            |              |
| 1,500,000   | Commerzbank AG   | 8.125%      | 19/09/2023    | 1,740,000  | 0.07         |
| 16,260,000  | Dresdner Funding Trust I                                 | 8.151%      | 30/06/2031    | 19,515,471 | 0.81         |
| <b>Preferred Security</b>   |  |             |               |            |              |
| 346,494   | Deutsche Bank Contingent Capital Trust II                | 6.550%      | Perpetual     | 7,702,562  | 0.32         |
| <b>GUERNSEY 0.00% (30 September 2015: 0.35%)</b>                  |  |             |               |            |              |
| <b>HONG KONG 0.13% (30 September 2015: 0.18%)</b>                 |  |             |               |            |              |
| <b>Corporate Bond</b>   |  |             |               |            |              |
| 3,000,000   | Hutchison Whampoa International 12 Ltd                   | 6.000%      | Perpetual     | 3,067,500  | 0.13         |

PRINCIPAL GLOBAL INVESTORS FUNDS

PORTFOLIO OF INVESTMENTS  
AS AT 30 SEPTEMBER 2016 (continued)

PREFERRED SECURITIES FUND (continued)

| Nominal   | Security  | Coupon Rate | Maturity Date | Value USD  | % Net Assets |
|---|---|-------------|---------------|------------|--------------|
| <b>IRELAND 1.12% (30 September 2015: 1.48%)</b>     |   |             |               |            |              |
| <b>Corporate Bond</b>                               |   |             |               |            |              |
| 7,000,000   | XLIT Ltd  | 4.450%      | 31/03/2025    | 7,143,101  | 0.30         |
| 20,000,000  | XLIT Ltd  | 5.500%      | 31/03/2045    | 19,810,220 | 0.82         |
| <b>ITALY 0.35% (30 September 2015: 0.47%)</b>       |   |             |               |            |              |
| <b>Corporate Bond</b>                               |   |             |               |            |              |
| 7,250,000   | Enel SpA  | 8.750%      | 24/09/2073    | 8,509,687  | 0.35         |
| <b>JAPAN 3.22% (30 September 2015: 3.27%)</b>       |   |             |               |            |              |
| <b>Corporate Bond</b>                               |   |             |               |            |              |
| 6,000,000   | Dai-ichi Life Holdings Inc                          | 5.100%      | Perpetual     | 6,600,600  | 0.27         |
| 715,000   | Dai-ichi Life Holdings Inc                          | 7.250%      | Perpetual     | 845,041    | 0.04         |
| 5,000,000   | Fukoku Mutual Life Insurance Co                     | 6.500%      | Perpetual     | 5,900,000  | 0.24         |
| 10,000,000  | Meiji Yasuda Life Insurance Co                      | 5.200%      | 20/10/2045    | 11,293,150 | 0.47         |
| 9,500,000   | Mitsui Sumitomo Insurance Co Ltd                    | 7.000%      | 15/03/2072    | 11,435,625 | 0.48         |
| 5,000,000   | Nippon Life Insurance Co                            | 4.700%      | 20/01/2046    | 5,424,917  | 0.22         |
| 10,000,000  | Nippon Life Insurance Co                            | 5.100%      | 16/10/2044    | 10,962,500 | 0.45         |
| 19,400,000  | Sompo Japan Nipponkoa Insurance Inc                 | 5.325%      | 28/03/2073    | 21,776,500 | 0.90         |
| 3,000,000   | Sumitomo Life Insurance Co                          | 6.500%      | 20/09/2073    | 3,588,750  | 0.15         |
| <b>NETHERLANDS 5.27% (30 September 2015: 6.98%)</b> |   |             |               |            |              |
| <b>Corporate Bond</b>                               |   |             |               |            |              |
| 5,000,000   | ABN AMRO Bank NV                                    | 4.750%      | 28/07/2025    | 5,283,060  | 0.22         |
| 11,000,000  | ABN AMRO Bank NV                                    | 6.250%      | 13/09/2022    | 11,450,494 | 0.47         |
| 4,977,200   | Aegon NV  | 1.428%      | Perpetual     | 3,310,853  | 0.14         |
| 6,000,000   | Cooperatieve Rabobank UA                            | 4.375%      | 04/08/2025    | 6,357,534  | 0.27         |
| 3,320,000   | Cooperatieve Rabobank UA                            | 8.400%      | Perpetual     | 3,464,586  | 0.14         |
| 62,205,000  | Cooperatieve Rabobank UA                            | 11.000%     | Perpetual     | 75,563,524 | 3.14         |
| 5,000,000   | ING Bank NV   | 4.125%      | 2/11/2023     | 5,135,185  | 0.21         |
| 4,600,000   | ING Groep NV  | 6.500%      | Perpetual     | 4,502,250  | 0.19         |
| 3,200,000   | Koninklijke KPN NV                                  | 7.000%      | 28/03/2073    | 3,520,000  | 0.15         |
| <b>Preferred Security</b>                           |   |             |               |            |              |
| 165,369   | Aegon NV  | 6.375%      | Perpetual     | 4,208,641  | 0.17         |
| 14,076  | Aegon NV  | 6.500%      | Perpetual     | 362,457    | 0.01         |
| 7,531   | Aegon NV  | 8.000%      | 15/02/2042    | 201,755    | 0.01         |
| 82,994  | ING Groep NV  | 6.125%      | Perpetual     | 2,121,327  | 0.09         |
| 600   | ING Groep NV  | 6.200%      | Perpetual     | 15,342     | 0.00         |
| 51,961  | ING Groep NV  | 7.200%      | Perpetual     | 1,344,751  | 0.06         |
| <b>NEW ZEALAND 0.00% (30 September 2015: 0.24%)</b> |   |             |               |            |              |
| <b>NORWAY 0.05% (30 September 2015: 0.07%)</b>      |   |             |               |            |              |
| <b>Corporate Bond</b>                               |   |             |               |            |              |
| 2,000,000   | DNB Bank ASA  | 1.125%      | Perpetual     | 1,165,000  | 0.05         |
| <b>SPAIN 1.13% (30 September 2015: 0.00%)</b>       |   |             |               |            |              |
| <b>Corporate Bond</b>                               |   |             |               |            |              |
| 12,200,000  | Banco Bilbao Vizcaya Argentaria SA                  | 8.875%      | Perpetual     | 14,531,048 | 0.60         |
| 10,400,000  | Banco Bilbao Vizcaya Argentaria SA                  | 9.000%      | Perpetual     | 10,770,500 | 0.45         |
| 2,000,000   | Banco Santander SA                                  | 6.375%      | Perpetual     | 1,829,964  | 0.08         |
| <b>SWEDEN 3.76% (30 September 2015: 0.79%)</b>      |   |             |               |            |              |
| <b>Corporate Bond</b>                               |   |             |               |            |              |
| 200,000   | Nordea Bank AB                                      | 5.250%      | Perpetual     | 193,125    | 0.01         |
| 16,545,000  | Nordea Bank AB                                      | 5.500%      | Perpetual     | 16,358,869 | 0.68         |
| 36,655,000  | Nordea Bank AB                                      | 6.125%      | Perpetual     | 35,921,900 | 1.49         |
| 5,570,000   | Skandinaviska Enskilda Banken AB                    | 5.750%      | Perpetual     | 5,554,315  | 0.23         |
| 28,121,000  | Svenska Handelsbanken AB                            | 5.250%      | Perpetual     | 27,857,365 | 1.15         |
| 4,800,000   | Swedbank AB   | 5.500%      | Perpetual     | 4,833,000  | 0.20         |
| <b>SWITZERLAND 5.86% (30 September 2015: 6.56%)</b> |   |             |               |            |              |
| <b>Corporate Bond</b>                               |   |             |               |            |              |
| 3,000,000   | Cloverie Plc for Zurich Insurance Co Ltd            | 5.625%      | 24/06/2046    | 3,250,242  | 0.13         |
| 17,400,000  | Credit Suisse AG                                    | 6.500%      | 08/08/2023    | 18,976,875 | 0.79         |
| 21,800,000  | Credit Suisse Group AG                              | 6.250%      | Perpetual     | 20,887,191 | 0.86         |
| 13,000,000  | Credit Suisse Group AG                              | 7.500%      | Perpetual     | 13,379,470 | 0.56         |
| 11,500,000  | Demeter Investments BV for Swiss Re Ltd             | 5.625%      | 15/08/2052    | 11,992,499 | 0.50         |
| 8,000,000   | Demeter Investments BV for Swiss Re Ltd             | 5.750%      | 15/08/2050    | 8,438,080  | 0.35         |
| 5,000,000   | UBS AG  | 4.750%      | 22/05/2023    | 5,112,940  | 0.21         |
| 20,600,000  | UBS Group AG  | 6.875%      | Perpetual     | 20,525,349 | 0.86         |
| 3,000,000   | UBS Group AG  | 7.000%      | Perpetual     | 3,193,077  | 0.13         |
| 36,200,000  | Willow No 2 Ireland Plc for Zurich Insurance Co Ltd | 4.250%      | 01/10/2045    | 35,457,429 | 1.47         |

PRINCIPAL GLOBAL INVESTORS FUNDS

PORTFOLIO OF INVESTMENTS  
AS AT 30 SEPTEMBER 2016 (continued)

PREFERRED SECURITIES FUND (continued)

| Nominal  | Security                                  | Coupon Rate | Maturity Date | Value USD  | % Net Assets |
|--|---|-------------|---------------|------------|--------------|
| <b>UNITED KINGDOM 15.49% (30 September 2015: 10.33%)</b> |   |             |               |            |              |
| <b>Corporate Bond</b>                                    |   |             |               |            |              |
| 8,000,000  | Aon Corp                                  | 8.205%      | 01/01/2027    | 10,580,000 | 0.44         |
| 7,700,000  | Aviva Plc                                 | 8.250%      | Perpetual     | 8,209,047  | 0.34         |
| 2,300,000  | Barclays Bank Plc                         | 7.750%      | 10/04/2023    | 2,417,875  | 0.10         |
| 14,986,000   | Barclays Bank Plc                         | 10.179%     | 12/06/2021    | 19,201,607 | 0.80         |
| 17,095,000   | Barclays Bank Plc                         | 14.000%     | Perpetual     | 27,809,275 | 1.15         |
| 16,507,000   | Barclays Plc                              | 6.625%      | Perpetual     | 15,299,926 | 0.64         |
| 9,500,000  | Barclays Plc                              | 7.875%      | Perpetual     | 9,451,645  | 0.39         |
| 13,600,000   | Barclays Plc                              | 8.250%      | Perpetual     | 13,761,500 | 0.57         |
| 20,000,000   | Friends Life Holdings Plc                 | 7.875%      | Perpetual     | 21,798,760 | 0.90         |
| 2,000,000  | HSBC Bank Plc                             | 1.188%      | Perpetual     | 1,368,900  | 0.06         |
| 3,000,000  | HSBC Bank Plc                             | 1.500%      | Perpetual     | 2,067,000  | 0.08         |
| 32,389,000   | HSBC Capital Funding Dollar1 LP           | 10.176%     | Perpetual     | 49,176,866 | 2.04         |
| 12,600,000   | HSBC Holdings Plc                         | 6.875%      | Perpetual     | 13,320,556 | 0.55         |
| 13,500,000   | Lloyds Banking Group Plc                  | 6.413%      | Perpetual     | 15,052,500 | 0.62         |
| 33,658,000   | Lloyds Banking Group Plc                  | 7.500%      | Perpetual     | 34,793,957 | 1.44         |
| 14,500,000   | Prudential Plc                            | 7.750%      | Perpetual     | 14,839,590 | 0.62         |
| 4,320,000  | RBS Capital Trust B                       | 6.800%      | Perpetual     | 4,331,016  | 0.18         |
| 10,000,000   | Royal Bank of Scotland Group Plc          | 3.875%      | 12/09/2023    | 9,922,980  | 0.41         |
| 7,500,000  | Royal Bank of Scotland Group Plc          | 4.800%      | 05/04/2026    | 7,788,889  | 0.32         |
| 5,000,000  | Royal Bank of Scotland Group Plc          | 5.500%      | Perpetual     | 5,361,211  | 0.22         |
| 24,300,000   | Royal Bank of Scotland Group Plc          | 7.500%      | Perpetual     | 22,441,050 | 0.93         |
| 500,000  | Royal Bank of Scotland Group Plc          | 7.640%      | Perpetual     | 490,000    | 0.02         |
| 1,000,000  | Royal Bank of Scotland Group Plc          | 8.000%      | Perpetual     | 947,500    | 0.04         |
| 14,500,000   | Royal Bank of Scotland Group Plc          | 8.625%      | Perpetual     | 14,464,214 | 0.60         |
| 2,000,000  | Royal Bank of Scotland Plc/The            | 9.500%      | 16/03/2022    | 2,065,306  | 0.09         |
| 5,000,000  | Standard Chartered Plc                    | 4.300%      | 19/02/2027    | 5,020,975  | 0.21         |
| 13,300,000   | Standard Chartered Plc                    | 5.700%      | 26/03/2044    | 14,451,328 | 0.60         |
| 400,000  | Standard Chartered Plc                    | 6.409%      | Perpetual     | 386,500    | 0.02         |
| 8,000,000  | Standard Chartered Plc                    | 6.500%      | Perpetual     | 7,541,200  | 0.31         |
| 11,700,000   | Standard Chartered Plc                    | 7.014%      | Perpetual     | 13,045,500 | 0.54         |
| <b>Preferred Security</b>                                |   |             |               |            |              |
| 48,816   | Barclays Bank Plc                         | 7.100%      | Perpetual     | 1,250,178  | 0.05         |
| 9,152  | Barclays Bank Plc                         | 8.125%      | Perpetual     | 236,945    | 0.01         |
| 80,564   | HSBC Holdings Plc                         | 8.000%      | Perpetual     | 2,101,109  | 0.09         |
| 45,203   | Prudential Plc                            | 6.500%      | Perpetual     | 1,210,084  | 0.05         |
| 22,856   | Prudential Plc                            | 6.750%      | Perpetual     | 596,999    | 0.03         |
| 24,211   | Royal Bank of Scotland Group Plc          | 5.750%      | Perpetual     | 607,212    | 0.03         |
| <b>UNITED STATES 39.51% (30 September 2015: 43.84%)</b>  |   |             |               |            |              |
| <b>Corporate Bond</b>                                    |   |             |               |            |              |
| 3,423,000  | ACE Capital Trust II                      | 9.700%      | 01/04/2030    | 5,177,287  | 0.22         |
| 13,360,000   | Allstate Corp/The                         | 5.750%      | 15/08/2053    | 14,370,350 | 0.60         |
| 5,700,000  | Allstate Corp/The                         | 6.500%      | 15/05/2057    | 6,655,320  | 0.28         |
| 750,000  | American International Group Inc          | 6.250%      | 15/03/2087    | 789,375    | 0.03         |
| 26,984,000   | American International Group Inc          | 8.175%      | 15/05/2058    | 36,139,671 | 1.50         |
| 25,287,000   | BNSF Funding Trust I                      | 6.613%      | 15/12/2055    | 29,241,381 | 1.21         |
| 12,491,000   | Central Fidelity Capital Trust I          | 1.680%      | 15/04/2027    | 10,898,397 | 0.45         |
| 20,829,000   | Chase Capital II                          | 1.257%      | 01/02/2027    | 18,355,556 | 0.76         |
| 10,000,000   | Chase Capital III                         | 1.392%      | 01/03/2027    | 8,812,500  | 0.37         |
| 12,605,000   | Chase Capital VI                          | 1.382%      | 01/08/2028    | 11,108,156 | 0.46         |
| 26,585,000   | Chubb Corp/The                            | 6.375%      | 29/03/2067    | 25,295,627 | 1.05         |
| 7,700,000  | Citigroup Capital III                     | 7.625%      | 01/12/2036    | 9,873,071  | 0.41         |
| 7,000,000  | Corestates Capital II                     | 1.330%      | 15/01/2027    | 6,107,500  | 0.25         |
| 19,131,000   | Corestates Capital III                    | 1.387%      | 15/02/2027    | 16,691,797 | 0.69         |
| 6,630,000  | Countrywide Capital III                   | 8.050%      | 15/06/2027    | 8,480,539  | 0.35         |
| 31,925,000   | Enterprise Products Operating LLC         | 7.034%      | 15/01/2068    | 33,755,324 | 1.40         |
| 10,089,000   | Everest Reinsurance Holdings Inc          | 6.600%      | 15/05/2037    | 8,247,758  | 0.34         |
| 19,000,000   | First Chicago NBD Institutional Capital I | 1.310%      | 01/02/2027    | 16,743,750 | 0.70         |
| 7,061,000  | First Maryland Capital I                  | 1.680%      | 15/01/2027    | 6,143,070  | 0.26         |
| 500,000  | First Union Capital II                    | 7.950%      | 15/11/2029    | 647,695    | 0.03         |
| 3,000,000  | Glen Meadow Pass-Through Trust            | 6.505%      | 12/02/2067    | 2,317,500  | 0.10         |
| 2,902,000  | Hartford Financial Services Group Inc/The | 8.125%      | 15/06/2038    | 3,170,435  | 0.13         |
| 10,080,000   | Integrus Holding Inc                      | 6.110%      | 01/12/2066    | 8,517,888  | 0.35         |
| 5,000,000  | JPMorgan Chase & Co                       | 4.250%      | 01/10/2027    | 5,405,248  | 0.23         |
| 3,000,000  | KeyCorp Capital I                         | 1.586%      | 01/07/2028    | 2,524,290  | 0.11         |
| 8,200,000  | KeyCorp Capital III                       | 7.750%      | 15/07/2029    | 9,778,869  | 0.40         |
| 13,000,000   | Liberty Mutual Group Inc                  | 7.000%      | 15/03/2037    | 11,147,500 | 0.46         |
| 25,077,000   | Liberty Mutual Group Inc                  | 7.800%      | 15/03/2037    | 29,402,783 | 1.22         |
| 11,600,000   | Lincoln National Corp                     | 3.162%      | 17/05/2066    | 9,084,192  | 0.38         |
| 21,412,000   | Lincoln National Corp                     | 6.050%      | 20/04/2067    | 16,540,770 | 0.69         |
| 16,750,000   | MetLife Capital Trust IV                  | 7.875%      | 15/12/2037    | 21,098,266 | 0.87         |

PRINCIPAL GLOBAL INVESTORS FUNDS

PORTFOLIO OF INVESTMENTS  
AS AT 30 SEPTEMBER 2016 (continued)

PREFERRED SECURITIES FUND (continued)

| Nominal   | Security  | Coupon Rate | Maturity Date | Value USD  | % Net Assets |
|---|---|-------------|---------------|------------|--------------|
| <b>UNITED STATES 39.51% (30 September 2015: 43.84%) (continued)</b> |   |             |               |            |              |
| <b>Corporate Bond (continued)</b>                                   |   |             |               |            |              |
| 32,675,000  | MetLife Capital Trust X                           | 9.250%      | 08/04/2038    | 46,316,813 | 1.92         |
| 12,070,000  | MetLife Inc                                       | 6.400%      | 15/12/2036    | 13,417,012 | 0.56         |
| 6,700,000   | MetLife Inc                                       | 10.750%     | 01/08/2039    | 10,754,170 | 0.45         |
| 9,000,000   | National Rural Utilities Cooperative Finance Corp | 5.250%      | 20/04/2046    | 9,734,513  | 0.40         |
| 16,650,000  | Nationwide Financial Services Inc                 | 6.750%      | 15/05/2037    | 17,773,875 | 0.74         |
| 9,159,000   | NextEra Energy Capital Holdings Inc               | 2.913%      | 01/10/2066    | 7,473,744  | 0.31         |
| 4,126,000   | NextEra Energy Capital Holdings Inc               | 6.650%      | 15/06/2067    | 3,463,777  | 0.15         |
| 1,500,000   | NextEra Energy Capital Holdings Inc               | 7.300%      | 01/09/2067    | 1,492,995  | 0.06         |
| 8,305,000   | NTC Capital I                                     | 1.200%      | 15/01/2027    | 7,214,969  | 0.30         |
| 241,000   | NTC Capital II                                    | 1.270%      | 15/04/2027    | 209,369    | 0.01         |
| 3,380,000   | PartnerRe Finance II Inc                          | 6.440%      | 01/12/2066    | 3,188,750  | 0.13         |
| 6,900,000   | PPL Capital Funding Inc                           | 6.700%      | 30/03/2067    | 6,122,059  | 0.25         |
| 19,085,000  | Provident Financing Trust I                       | 7.405%      | 15/03/2038    | 21,661,475 | 0.90         |
| 7,400,000   | Prudential Financial Inc                          | 5.200%      | 15/03/2044    | 7,632,508  | 0.32         |
| 30,400,000  | Prudential Financial Inc                          | 5.625%      | 15/06/2043    | 32,833,520 | 1.36         |
| 2,250,000   | Prudential Financial Inc                          | 5.875%      | 15/09/2042    | 2,458,688  | 0.10         |
| 1,328,000   | Prudential Financial Inc                          | 8.875%      | 15/06/2038    | 1,477,400  | 0.06         |
| 20,401,000  | Reinsurance Group of America Inc                  | 3.515%      | 15/12/2065    | 15,810,775 | 0.66         |
| 6,000,000   | Stanley Black & Decker Inc                        | 5.750%      | 15/12/2053    | 6,442,500  | 0.27         |
| 15,000,000  | SunTrust Capital I                                | 1.490%      | 15/05/2027    | 12,618,750 | 0.52         |
| 22,429,000  | SunTrust Capital III                              | 1.500%      | 15/03/2028    | 18,868,396 | 0.78         |
| 34,085,000  | Voya Financial Inc                                | 5.650%      | 15/05/2053    | 34,127,606 | 1.41         |
| 17,522,000  | Wachovia Capital Trust II                         | 1.180%      | 15/01/2027    | 15,287,945 | 0.63         |
| 2,691,000   | WEC Energy Group Inc                              | 6.250%      | 15/05/2067    | 2,337,806  | 0.10         |
| 14,147,000  | XLIT Ltd  | 6.500%      | Perpetual     | 10,643,637 | 0.44         |
| <b>Preferred Security</b>   |   |             |               |            |              |
| 114,315   | Affiliated Managers Group Inc                     | 6.375%      | 15/08/2042    | 2,995,053  | 0.13         |
| 354,373   | Aflac Inc   | 5.500%      | 15/09/2052    | 9,380,885  | 0.39         |
| 123,032   | American Financial Group Inc/OH                   | 5.750%      | 25/08/2042    | 3,172,995  | 0.13         |
| 12,500  | American Financial Group Inc/OH                   | 6.000%      | 15/11/2055    | 335,625    | 0.01         |
| 66,023  | American Financial Group Inc/OH                   | 6.250%      | 30/09/2054    | 1,785,262  | 0.08         |
| 2,910   | American Financial Group Inc/OH                   | 6.375%      | 12/06/2042    | 75,980     | 0.00         |
| 493,236   | Arch Capital Group Ltd                            | 6.750%      | Perpetual     | 12,641,639 | 0.52         |
| 231,244   | Aspen Insurance Holdings Ltd                      | 7.250%      | Perpetual     | 5,986,907  | 0.25         |
| 399,494   | Axis Capital Holdings Ltd                         | 5.500%      | Perpetual     | 10,610,561 | 0.44         |
| 197,531   | Axis Capital Holdings Ltd                         | 6.875%      | Perpetual     | 5,092,349  | 0.21         |
| 229,361   | Comcast Corp                                      | 5.000%      | 15/12/2061    | 6,123,939  | 0.25         |
| 90,498  | Delphi Financial Group Inc                        | 7.376%      | 15/05/2037    | 2,058,829  | 0.08         |
| 330,000   | Dominion Resources Inc/VA                         | 5.250%      | 30/07/2076    | 8,398,500  | 0.35         |
| 151,005   | DTE Energy Co                                     | 6.500%      | 01/12/2061    | 3,870,258  | 0.16         |
| 563,924   | Duke Energy Corp                                  | 5.125%      | 15/01/2073    | 14,876,315 | 0.62         |
| 133,884   | Entergy Arkansas Inc                              | 4.750%      | 01/06/2063    | 3,450,191  | 0.14         |
| 66,900  | Entergy Arkansas Inc                              | 4.875%      | 01/09/2066    | 1,666,479  | 0.07         |
| 150,421   | Entergy Arkansas Inc                              | 4.900%      | 01/12/2052    | 3,859,803  | 0.16         |
| 81,100  | Entergy Louisiana LLC                             | 4.700%      | 01/06/2063    | 2,098,057  | 0.09         |
| 211,641   | Entergy Mississippi Inc                           | 6.000%      | 01/05/2051    | 5,354,517  | 0.22         |
| 67,226  | Entergy New Orleans Inc                           | 5.000%      | 01/12/2052    | 1,794,262  | 0.07         |
| 8,190   | Entergy Texas Inc                                 | 5.625%      | 01/06/2064    | 228,829    | 0.01         |
| 68,511  | General Electric Co                               | 4.700%      | 16/05/2053    | 1,781,286  | 0.07         |
| 712,673   | General Electric Co                               | 4.875%      | 29/01/2053    | 18,771,807 | 0.78         |
| 242,711   | General Electric Co                               | 4.875%      | 15/10/2052    | 6,281,360  | 0.26         |
| 482,508   | Hartford Financial Services Group Inc/The         | 7.875%      | 15/04/2042    | 15,247,253 | 0.63         |
| 4,612   | ING Groep NV                                      | 6.375%      | Perpetual     | 118,113    | 0.01         |
| 96,267  | Integrus Holding Inc                              | 6.000%      | 01/08/2073    | 2,670,716  | 0.11         |
| 140,724   | NextEra Energy Capital Holdings Inc               | 5.000%      | 15/01/2073    | 3,603,942  | 0.15         |
| 47,772  | NextEra Energy Capital Holdings Inc               | 5.125%      | 15/11/2072    | 1,224,874  | 0.05         |
| 76,929  | NextEra Energy Capital Holdings Inc               | 5.625%      | 15/06/2072    | 1,981,691  | 0.08         |
| 374,600   | NextEra Energy Capital Holdings Inc               | 5.700%      | 01/03/2072    | 9,619,728  | 0.40         |
| 22,500  | Protective Life Corp                              | 6.000%      | 01/09/2042    | 580,725    | 0.02         |
| 164,798   | Protective Life Corp                              | 6.250%      | 15/05/2042    | 4,258,380  | 0.18         |
| 16,700  | Qwest Corp  | 6.125%      | 01/06/2053    | 423,846    | 0.02         |
| 105,000   | Qwest Corp  | 6.875%      | 01/10/2054    | 2,835,000  | 0.12         |
| 207,402   | Qwest Corp  | 7.000%      | 01/04/2052    | 5,321,935  | 0.22         |
| 197,836   | Qwest Corp  | 7.000%      | 01/07/2052    | 5,195,174  | 0.22         |
| 69,316  | Qwest Corp  | 7.500%      | 15/09/2051    | 1,780,728  | 0.07         |
| 121,002   | Raymond James Financial Inc                       | 6.900%      | 15/03/2042    | 3,121,852  | 0.13         |
| 43,429  | Reinsurance Group of America Inc                  | 6.200%      | 15/09/2042    | 1,256,935  | 0.05         |
| 98,171  | Senior Housing Properties Trust                   | 5.625%      | 01/08/2042    | 2,526,822  | 0.10         |
| 51,488  | Senior Housing Properties Trust                   | 6.250%      | 01/02/2046    | 1,363,917  | 0.06         |
| 100,000   | Southern Co/The                                   | 5.250%      | 01/10/2076    | 2,511,000  | 0.10         |

PRINCIPAL GLOBAL INVESTORS FUNDS

PORTFOLIO OF INVESTMENTS  
AS AT 30 SEPTEMBER 2016 (continued)

PREFERRED SECURITIES FUND (continued)

| Nominal   | Security                               | Coupon Rate | Maturity Date | Value USD            | % Net Assets |
|---|--|-------------|---------------|----------------------|--------------|
| <b>UNITED STATES 39.51% (30 September 2015: 43.84%) (continued)</b>                         |  |             |               |                      |              |
| <b>Preferred Security (continued)</b>   |  |             |               |                      |              |
| 121,044   | Southern Co/The                        | 6.250%      | 15/10/2075    | 3,339,604            | 0.14         |
| 448,077   | Stanley Black & Decker Inc             | 5.750%      | 25/07/2052    | 11,623,117           | 0.48         |
| 2,772   | Telephone & Data Systems Inc           | 5.875%      | 01/12/2061    | 69,688               | 0.01         |
| 122,593   | Torchmark Corp                         | 5.875%      | 15/12/2052    | 3,231,551            | 0.13         |
| 9,733   | United States Cellular Corp            | 7.250%      | 01/12/2064    | 262,694              | 0.01         |
| 9,751   | United States Cellular Corp            | 7.250%      | 01/12/2063    | 259,620              | 0.01         |
| 201,355   | Ventas Realty LP / Ventas Capital Corp | 5.450%      | 15/03/2043    | 5,575,520            | 0.23         |
| 603,446   | Verizon Communications Inc             | 5.900%      | 15/02/2054    | 16,920,626           | 0.70         |
| 421,833   | WR Berkley Corp                        | 5.625%      | 30/04/2053    | 10,955,003           | 0.45         |
| <b>UNLISTED 0.00% (30 September 2015: 0.04%)</b>  |  |             |               |                      |              |
| <b>FRANCE 0.00% (30 September 2015: 0.04%)</b>  |  |             |               |                      |              |
| <b>Total Value of Transferable Securities at Mid Market Prices (Cost: USD2,259,037,926)</b> |  |             |               | <b>2,292,905,589</b> | <b>95.12</b> |

Interest Receivable on Transferable Securities 27,715,642 1.15

**Total Value of Transferable Securities 2,320,621,231 96.27**

Open Forward Foreign Currency Exchange Contracts (0.09%) (30 September 2015: 0.06%)

| Settlement Date | Buy | Amount Bought | Sell | Amount Sold   | Unrealised Gain/Loss | % Net Assets |
|-----------------|-----|---------------|------|---------------|----------------------|--------------|
| 17/10/2016      | CHF | 67,080        | USD  | (69,377)      | (65)                 | (0.00)       |
| 17/10/2016      | CHF | 1,436         | USD  | (1,478)       | 6                    | 0.00         |
| 17/10/2016      | CHF | 50,085        | USD  | (51,712)      | 40                   | 0.00         |
| 17/10/2016      | CHF | 11,711        | USD  | (12,055)      | 46                   | 0.00         |
| 17/10/2016      | CHF | 21,600        | USD  | (22,253)      | 66                   | 0.00         |
| 17/10/2016      | CHF | 344,528       | USD  | (354,642)     | 1,350                | 0.00         |
| 17/10/2016      | CHF | 568,159       | USD  | (585,317)     | 1,748                | 0.00         |
| 17/10/2016      | CHF | 150,000       | USD  | (153,218)     | 1,774                | 0.00         |
| 17/10/2016      | CHF | 300,000       | USD  | (308,064)     | 1,919                | 0.00         |
| 17/10/2016      | CHF | 2,540,290     | USD  | (2,614,863)   | 9,954                | 0.00         |
| 17/10/2016      | EUR | 260,236,914   | USD  | (293,725,761) | (2,504,480)          | (0.11)       |
| 17/10/2016      | EUR | 79,201,186    | USD  | (89,393,270)  | (762,220)            | (0.03)       |
| 17/10/2016      | EUR | 23,985,623    | USD  | (27,072,237)  | (230,834)            | (0.01)       |
| 17/10/2016      | EUR | 4,572,302     | USD  | (5,160,693)   | (44,003)             | (0.00)       |
| 17/10/2016      | EUR | 7,193,518     | USD  | (8,089,874)   | (39,880)             | (0.00)       |
| 17/10/2016      | EUR | 2,552,003     | USD  | (2,880,423)   | (24,573)             | (0.00)       |
| 17/10/2016      | EUR | 759,875       | USD  | (857,664)     | (7,317)              | (0.00)       |
| 17/10/2016      | EUR | 1,117,568     | USD  | (1,256,823)   | (6,196)              | (0.00)       |
| 17/10/2016      | EUR | 801,690       | USD  | (901,982)     | (4,840)              | (0.00)       |
| 17/10/2016      | EUR | 683,206       | USD  | (768,518)     | (3,968)              | (0.00)       |
| 17/10/2016      | EUR | 901,702       | USD  | (1,011,867)   | (2,806)              | (0.00)       |
| 17/10/2016      | EUR | 574,937       | USD  | (646,100)     | (2,709)              | (0.00)       |
| 17/10/2016      | EUR | 1,119,302     | USD  | (1,255,242)   | (2,673)              | (0.00)       |
| 17/10/2016      | EUR | 449,677       | USD  | (505,798)     | (2,581)              | (0.00)       |
| 17/10/2016      | EUR | 403,291       | USD  | (453,743)     | (2,435)              | (0.00)       |
| 17/10/2016      | EUR | 231,790       | USD  | (261,619)     | (2,232)              | (0.00)       |
| 17/10/2016      | EUR | 441,827       | USD  | (495,807)     | (1,375)              | (0.00)       |
| 17/10/2016      | EUR | 830,928       | USD  | (930,764)     | (904)                | (0.00)       |
| 17/10/2016      | EUR | 84,936        | USD  | (95,867)      | (818)                | (0.00)       |
| 17/10/2016      | EUR | 307,212       | USD  | (344,523)     | (734)                | (0.00)       |
| 17/10/2016      | EUR | 107,580       | USD  | (121,081)     | (692)                | (0.00)       |
| 17/10/2016      | EUR | 84,661        | USD  | (95,227)      | (486)                | (0.00)       |
| 17/10/2016      | EUR | 78,600        | USD  | (88,435)      | (477)                | (0.00)       |
| 17/10/2016      | EUR | 44,711        | USD  | (50,465)      | (430)                | (0.00)       |
| 17/10/2016      | EUR | 47,681        | USD  | (53,665)      | (307)                | (0.00)       |
| 17/10/2016      | EUR | 40,108        | USD  | (45,125)      | (242)                | (0.00)       |
| 17/10/2016      | EUR | 36,167        | USD  | (40,683)      | (210)                | (0.00)       |
| 17/10/2016      | EUR | 35,114        | USD  | (39,489)      | (195)                | (0.00)       |
| 17/10/2016      | EUR | 26,505        | USD  | (29,831)      | (170)                | (0.00)       |
| 17/10/2016      | EUR | 24,931        | USD  | (28,043)      | (143)                | (0.00)       |
| 17/10/2016      | EUR | 21,713        | USD  | (24,400)      | (102)                | (0.00)       |
| 17/10/2016      | EUR | 21,417        | USD  | (24,018)      | (51)                 | (0.00)       |
| 17/10/2016      | EUR | 10,417        | USD  | (11,668)      | (11)                 | (0.00)       |
| 17/10/2016      | EUR | 1,276         | USD  | (1,434)       | (6)                  | (0.00)       |
| 17/10/2016      | EUR | 3,181         | USD  | (3,556)       | 4                    | 0.00         |
| 17/10/2016      | EUR | 45,171        | USD  | (50,491)      | 58                   | 0.00         |
| 17/10/2016      | EUR | 129,018       | USD  | (143,991)     | 388                  | 0.00         |
| 17/10/2016      | EUR | 160,895       | USD  | (179,568)     | 484                  | 0.00         |
| 17/10/2016      | EUR | 460,766       | USD  | (515,038)     | 588                  | 0.00         |

PRINCIPAL GLOBAL INVESTORS FUNDS

PORTFOLIO OF INVESTMENTS  
AS AT 30 SEPTEMBER 2016 (continued)

PREFERRED SECURITIES FUND (continued)

Open Forward Foreign Currency Exchange Contracts (0.09%) (30 September 2015: 0.06%) (continued)

| Settlement Date (continued) | Buy (continued) | Amount Bought (continued) | Sell (continued) | Amount Sold (continued) | Unrealised Gain/Loss (continued) | % Net Assets (continued) |
|-----------------------------|-----------------|---------------------------|------------------|-------------------------|----------------------------------|--------------------------|
| 17/10/2016                  | GBP             | 51,553,948                | USD              | (68,592,219)            | (1,724,901)                      | (0.07)                   |
| 17/10/2016                  | GBP             | 5,570,422                 | USD              | (7,411,413)             | (186,376)                        | (0.01)                   |
| 17/10/2016                  | GBP             | 878,549                   | USD              | (1,168,908)             | (29,398)                         | (0.00)                   |
| 17/10/2016                  | GBP             | 98,134                    | USD              | (130,567)               | (3,284)                          | (0.00)                   |
| 17/10/2016                  | GBP             | 116,665                   | USD              | (154,205)               | (2,887)                          | (0.00)                   |
| 17/10/2016                  | GBP             | 88,518                    | USD              | (117,009)               | (2,199)                          | (0.00)                   |
| 17/10/2016                  | GBP             | 782,362                   | USD              | (1,016,661)             | (1,910)                          | (0.00)                   |
| 17/10/2016                  | GBP             | 26,720                    | USD              | (35,562)                | (905)                            | (0.00)                   |
| 17/10/2016                  | GBP             | 23,068                    | USD              | (30,692)                | (772)                            | (0.00)                   |
| 17/10/2016                  | GBP             | 46,156                    | USD              | (60,417)                | (551)                            | (0.00)                   |
| 17/10/2016                  | GBP             | 159,690                   | USD              | (207,497)               | (373)                            | (0.00)                   |
| 17/10/2016                  | GBP             | 142,065                   | USD              | (184,610)               | (347)                            | (0.00)                   |
| 17/10/2016                  | GBP             | 27,998                    | USD              | (36,426)                | (112)                            | (0.00)                   |
| 17/10/2016                  | GBP             | 5,456                     | USD              | (7,082)                 | (6)                              | (0.00)                   |
| 17/10/2016                  | GBP             | 222,393                   | USD              | (288,455)               | (3)                              | (0.00)                   |
| 17/10/2016                  | GBP             | 39,577                    | USD              | (51,212)                | 120                              | 0.00                     |
| 17/10/2016                  | JPY             | 19,315,787                | USD              | (189,366)               | 1,900                            | 0.00                     |
| 17/10/2016                  | JPY             | 4,242,972,586             | USD              | (41,596,811)            | 417,334                          | 0.02                     |
| 17/10/2016                  | JPY             | 22,616,843,796            | USD              | (221,728,650)           | 2,224,569                        | 0.09                     |
| 17/10/2016                  | USD             | 1,906,449                 | JPY              | (194,461,987)           | (19,124)                         | (0.00)                   |
| 17/10/2016                  | USD             | 363,286                   | JPY              | (37,055,935)            | (3,644)                          | (0.00)                   |
| 17/10/2016                  | USD             | 1,519                     | JPY              | (154,940)               | (15)                             | (0.00)                   |
| 17/10/2016                  | USD             | 82                        | CHF              | (80)                    | (0)                              | (0.00)                   |
| 17/10/2016                  | USD             | 144,320                   | GBP              | (111,268)               | 2                                | 0.00                     |
| 17/10/2016                  | USD             | 1,227                     | EUR              | (1,090)                 | 7                                | 0.00                     |
| 17/10/2016                  | USD             | 3,556                     | GBP              | (2,724)                 | 23                               | 0.00                     |
| 17/10/2016                  | USD             | 5,692                     | EUR              | (5,060)                 | 29                               | 0.00                     |
| 17/10/2016                  | USD             | 5,902                     | EUR              | (5,247)                 | 30                               | 0.00                     |
| 17/10/2016                  | USD             | 17,748                    | EUR              | (15,816)                | 49                               | 0.00                     |
| 17/10/2016                  | USD             | 12,985                    | EUR              | (11,504)                | 111                              | 0.00                     |
| 17/10/2016                  | USD             | 27,682                    | JPY              | (2,781,999)             | 134                              | 0.00                     |
| 17/10/2016                  | USD             | 27,249                    | EUR              | (24,225)                | 139                              | 0.00                     |
| 17/10/2016                  | USD             | 63,986                    | EUR              | (56,870)                | 345                              | 0.00                     |
| 17/10/2016                  | USD             | 184,610                   | GBP              | (142,065)               | 347                              | 0.00                     |
| 17/10/2016                  | USD             | 18,703                    | GBP              | (14,082)                | 437                              | 0.00                     |
| 17/10/2016                  | USD             | 147,911                   | EUR              | (131,461)               | 798                              | 0.00                     |
| 17/10/2016                  | USD             | 471,619                   | EUR              | (419,759)               | 1,883                            | 0.00                     |
| 17/10/2016                  | USD             | 1,053,639                 | EUR              | (938,947)               | 2,899                            | 0.00                     |
| 17/10/2016                  | USD             | 21,571,358                | EUR              | (19,213,702)            | 70,031                           | 0.00                     |
| 17/10/2016                  | USD             | 29,210,856                | GBP              | (22,016,850)            | 654,212                          | 0.03                     |

Unrealised Gain on Forward Foreign Currency Exchange Contracts

3,393,824 0.14

Unrealised Loss on Forward Foreign Currency Exchange Contracts

(5,627,972) (0.23)

Net Unrealised Loss on Forward Foreign Currency Exchange Contracts

(2,234,148) (0.09)

Open Spot Currency Contracts 0.00% (30 September 2015: (0.00%))

| Settlement Date | Buy | Amount Bought | Sell | Amount Sold | Unrealised Gain/Loss | % Net Assets |
|-----------------|-----|---------------|------|-------------|----------------------|--------------|
| 03/10/2016      | EUR | 938,947       | USD  | (1,053,029) | (2,934)              | (0.00)       |
| 03/10/2016      | EUR | 15,816        | USD  | (17,738)    | (50)                 | (0.00)       |
| 03/10/2016      | USD | 22,236        | CHF  | (21,600)    | (65)                 | (0.00)       |
| 03/10/2016      | USD | 207,446       | GBP  | (159,690)   | 375                  | 0.00         |
| 04/10/2016      | GBP | 142,065       | USD  | (184,564)   | (348)                | (0.00)       |
| 04/10/2016      | USD | 584,917       | CHF  | (568,159)   | (1,676)              | (0.00)       |
| 04/10/2016      | USD | 184,564       | GBP  | (142,065)   | 348                  | 0.00         |
| 04/10/2016      | USD | 495,531       | EUR  | (441,827)   | 1,403                | 0.00         |
| 04/10/2016      | USD | 1,016,405     | GBP  | (782,362)   | 1,917                | 0.00         |
| 04/10/2016      | USD | 1,011,304     | EUR  | (901,702)   | 2,863                | 0.00         |

Unrealised Gains on Open Spot Currency Contracts

6,906 0.00

Unrealised Loss on Open Spot Currency Contracts

(5,073) (0.00)

Net Unrealised Gain on Open Spot Currency Contracts

1,833 0.00

Cash at Bank

135,154,790 5.61

Net Current Liabilities

(42,959,752) (1.79)

Net Assets Attributable to Holders of Redeemable Participating Units at Mid Market Prices

2,410,583,954 100.00

**PRINCIPAL GLOBAL INVESTORS FUNDS**  
**PORTFOLIO OF INVESTMENTS**  
**AS AT 30 SEPTEMBER 2016 (continued)**

**PREFERRED SECURITIES FUND (continued)**

| <b>Analysis of Total Assets</b>   | <b>% Total Assets</b> |
|---|-----------------------|
| Transferable Securities and Money Market Instruments admitted to an official stock exchange listing or traded on a regulated market | 92.54                 |
| Financial Derivative instruments dealt in or on a regulated market  | (0.09)                |
| Other Assets  | 7.55                  |
| <b>Total Assets</b>   | <b>100.00</b>         |

All securities are transferable securities admitted to an official stock exchange listing.

The counterparty for the forward foreign currency exchange contracts is State Street Global Markets.

The counterparty for the open spot currency contracts is State Street Global Markets.



PRINCIPAL GLOBAL INVESTORS FUNDS

PORTFOLIO OF INVESTMENTS  
AS AT 30 SEPTEMBER 2016 (continued)

| U.S. EQUITY FUND  |                                      |           |              | U.S. EQUITY FUND (continued)  |                                   |           |              |
|---|--------------------------------------|-----------|--------------|---|-----------------------------------|-----------|--------------|
| Nominal   | Security                             | Value USD | % Net Assets | Nominal   | Security                          | Value USD | % Net Assets |
| <b>TRANSFERABLE SECURITIES 98.95% (30 September 2015: 98.24%)</b> |                                      |           |              | <b>UNITED STATES 96.32% (30 September 2015: 95.35%) (continued)</b> |                                   |           |              |
| <b>IRELAND 2.63% (30 September 2015: 2.89%)</b>                   |                                      |           |              | <b>Internet Content-Entertainment</b>                               |                                   |           |              |
| <b>Computer Services</b>  |                                      |           |              | 14,570 Facebook Inc 1,866,271 1.59                                  |                                   |           |              |
| 25,320  | Accenture Plc                        | 3,079,925 | 2.63         | <b>Internet Infrastr Sftwr</b>                                      |                                   |           |              |
| <b>UNITED STATES 96.32% (30 September 2015: 95.35%)</b>           |                                      |           |              | 6,620 F5 Networks Inc 816,908 0.70                                  |                                   |           |              |
| <b>Aerospace/Defense</b>  |                                      |           |              | <b>Life/Health Insurance</b>  |                                   |           |              |
| 7,060   | Northrop Grumman Corp                | 1,508,087 | 1.29         | 39,010  | Aflac Inc                         | 2,791,556 | 2.38         |
| <b>Apparel Manufacturers</b>                                      |                                      |           |              | 11,520  | Prudential Financial Inc          | 921,254   | 0.79         |
| 12,220  | Michael Kors Holdings Ltd            | 572,751   | 0.49         | <b>Medical Products</b>   |                                   |           |              |
| <b>Applications Software</b>                                      |                                      |           |              | 31,650  | Baxter International Inc          | 1,485,018 | 1.27         |
| 42,890  | Microsoft Corp                       | 2,461,886 | 2.10         | 26,730  | Johnson & Johnson                 | 3,134,627 | 2.67         |
| <b>Beverages-Non-Alcoholic</b>                                    |                                      |           |              | <b>Medical-Biomedical/Genetics</b>                                  |                                   |           |              |
| 16,390  | Dr Pepper Snapple Group Inc          | 1,486,901 | 1.27         | 17,750  | Amgen Inc                         | 2,936,737 | 2.51         |
| <b>Building Production-Wood</b>                                   |                                      |           |              | 1,420   | Biogen Inc                        | 434,208   | 0.37         |
| 38,770  | Masco Corp                           | 1,326,709 | 1.13         | <b>Medical-Drugs</b>  |                                   |           |              |
| <b>Broadcast Service/Program</b>                                  |                                      |           |              | 17,210  | AbbVie Inc                        | 1,081,132 | 0.92         |
| 26,590  | Scripps Networks Interactive Inc     | 1,700,165 | 1.45         | 111,800   | Pfizer Inc                        | 3,725,176 | 3.18         |
| <b>Cable TV</b>   |                                      |           |              | <b>Medical-Health Maintenance Organization</b>                      |                                   |           |              |
| 32,890  | Comcast Corp                         | 2,178,963 | 1.86         | 12,020  | Aetna Inc                         | 1,382,661 | 1.18         |
| <b>Chemicals-Diversified</b>                                      |                                      |           |              | 10,450  | Anthem Inc                        | 1,305,518 | 1.11         |
| 14,320  | Dow Chemical Co/The                  | 740,774   | 0.63         | 18,380  | UnitedHealth Group Inc            | 2,542,323 | 2.17         |
| 6,200   | LyondellBasell Industries NV         | 498,914   | 0.43         | <b>Medical-Hospitals</b>  |                                   |           |              |
| <b>Commercial Service-Finance</b>                                 |                                      |           |              | 6,820   | HCA Holdings Inc                  | 513,273   | 0.44         |
| 12,980  | Equifax Inc                          | 1,730,623 | 1.48         | <b>Networking Products</b>  |                                   |           |              |
| 3,700   | MarketAxess Holdings Inc             | 614,718   | 0.52         | 117,430   | Cisco Systems Inc                 | 3,686,128 | 3.15         |
| 8,550   | Total System Services Inc            | 399,456   | 0.34         | <b>Non-Hazardous Waste Disposal</b>                                 |                                   |           |              |
| <b>Computer Services</b>  |                                      |           |              | 36,930  | Waste Management Inc              | 2,336,561 | 1.99         |
| 2,550   | International Business Machines Corp | 403,181   | 0.34         | <b>Oil Company-Integrated</b>                                       |                                   |           |              |
| <b>Computers</b>  |                                      |           |              | 38,700  | Exxon Mobil Corp                  | 3,346,002 | 2.85         |
| 31,380  | Apple Inc                            | 3,520,208 | 3.00         | 30,450  | Murphy Oil Corp                   | 923,549   | 0.79         |
| 27,730  | HP Inc                               | 426,765   | 0.37         | <b>Oil Refining &amp; Marketing</b>                                 |                                   |           |              |
| <b>Decision Support Software</b>                                  |                                      |           |              | 5,670   | Tesoro Corp                       | 439,822   | 0.38         |
| 8,460   | MSCI Inc                             | 706,579   | 0.60         | <b>Oil &amp; Gas Drilling</b>                                       |                                   |           |              |
| <b>Diversified Banking Institutions</b>                           |                                      |           |              | 35,180  | Diamond Offshore Drilling Inc     | 626,908   | 0.54         |
| 102,430   | Bank of America Corp                 | 1,552,839 | 1.33         | 34,550  | Transocean Ltd                    | 367,266   | 0.31         |
| 63,020  | JPMorgan Chase & Co                  | 4,137,263 | 3.53         | <b>Property/Casualty Insurance</b>                                  |                                   |           |              |
| <b>Diversified Manufacturing Operations</b>                       |                                      |           |              | 4,010   | Travelers Cos Inc/The             | 456,619   | 0.39         |
| 15,410  | Illinois Tool Works Inc              | 1,834,406 | 1.56         | <b>Reinsurance</b>  |                                   |           |              |
| 18,830  | Ingersoll-Rand Plc                   | 1,263,493 | 1.08         | 7,610   | Berkshire Hathaway Inc            | 1,092,720 | 0.93         |
| <b>E-Commerce/Products</b>  |                                      |           |              | 3,290   | Everest Re Group Ltd              | 626,416   | 0.54         |
| 2,810   | Amazon.com Inc                       | 2,329,630 | 1.99         | <b>Reits-Office Property</b>  |                                   |           |              |
| 13,940  | eBay Inc                             | 450,262   | 0.38         | 19,870  | Corporate Office Properties Trust | 568,083   | 0.48         |
| <b>Electric-Integrated</b>  |                                      |           |              | <b>Reits-Regional Malls</b>   |                                   |           |              |
| 39,910  | Exelon Corp                          | 1,328,604 | 1.13         | 7,630   | Simon Property Group Inc          | 1,583,835 | 1.35         |
| <b>Electronic Component-Semiconductor</b>                         |                                      |           |              | <b>Reits-Shopping Centers</b>                                       |                                   |           |              |
| 27,110  | NVIDIA Corp                          | 1,827,214 | 1.56         | 15,420  | Regency Centers Corp              | 1,200,601 | 1.02         |
| 9,590   | Texas Instruments Inc                | 669,766   | 0.57         | <b>REITS-Single Tenant</b>  |                                   |           |              |
| <b>Electronic Design Automation</b>                               |                                      |           |              | 6,750   | Realty Income Corp                | 456,300   | 0.39         |
| 22,600  | Synopsys Inc                         | 1,335,208 | 1.14         | <b>Retail-Apparel/Shoe</b>  |                                   |           |              |
| <b>Electronics-Military</b>                                       |                                      |           |              | 4,320   | PVH Corp                          | 460,771   | 0.39         |
| 10,310  | L-3 Communications Holdings Inc      | 1,554,233 | 1.33         | <b>Retail-Building Products</b>                                     |                                   |           |              |
| <b>Engineering/Research &amp; Development Services</b>            |                                      |           |              | 21,440  | Low's Cos Inc                     | 1,543,894 | 1.32         |
| 20,070  | Jacobs Engineering Group Inc         | 1,042,837 | 0.89         | <b>Retail-Discount</b>  |                                   |           |              |
| <b>Enterprise Software/Services</b>                               |                                      |           |              | 5,820   | Dollar General Corp               | 403,443   | 0.34         |
| 45,830  | CA Inc                               | 1,504,599 | 1.28         | 8,620   | Target Corp                       | 583,746   | 0.50         |
| <b>Finance-Consumer Loans</b>                                     |                                      |           |              | 41,340  | Wal-Mart Stores Inc               | 2,923,978 | 2.50         |
| 22,830  | Navient Corp                         | 326,697   | 0.28         | <b>Retail-Drug Store</b>  |                                   |           |              |
| <b>Food-Confectionery</b>   |                                      |           |              | 11,590  | CVS Health Corp                   | 1,037,884 | 0.89         |
| 2,710   | JM Smucker Co/The                    | 365,227   | 0.31         | <b>Retail-Restaurants</b>   |                                   |           |              |
| <b>Food-Meat Products</b>   |                                      |           |              | 24,745  | Darden Restaurants Inc            | 1,500,289 | 1.28         |
| 19,367  | Tyson Foods Inc                      | 1,449,233 | 1.24         | 9,450   | McDonald's Corp                   | 1,084,766 | 0.93         |
| <b>Food-Miscellaneous/Diversified</b>                             |                                      |           |              | <b>Steel-Producers</b>  |                                   |           |              |
| 8,880   | Ingredion Inc                        | 1,169,762 | 1.00         | 30,330  | Nucor Corp                        | 1,481,924 | 1.26         |
| <b>Gas-Distribution</b>   |                                      |           |              | <b>Super-Regional Banks-US</b>                                      |                                   |           |              |
| 75,950  | CenterPoint Energy Inc               | 1,790,901 | 1.53         | 35,480  | Fifth Third Bancorp               | 718,115   | 0.61         |
| <b>Gold Mining</b>  |                                      |           |              | 47,960  | SunTrust Banks Inc                | 2,069,474 | 1.77         |
| 9,080   | Newmont Mining Corp                  | 354,574   | 0.30         | <b>Telephone-Integrated</b>   |                                   |           |              |
|   |                                      |           |              | 18,190  | AT&T Inc                          | 740,879   | 0.63         |
|   |                                      |           |              | 14,600  | Verizon Communications Inc        | 760,952   | 0.65         |
|   |                                      |           |              | <b>Tobacco</b>  |                                   |           |              |
|   |                                      |           |              | 29,400  | Altria Group Inc                  | 1,846,908 | 1.58         |

PRINCIPAL GLOBAL INVESTORS FUNDS

PORTFOLIO OF INVESTMENTS  
AS AT 30 SEPTEMBER 2016 (continued)

| U.S. EQUITY FUND (continued)  |                            |               |                    |                      |                           |
|---|----------------------------|---------------|--------------------|----------------------|---------------------------|
| Nominal   | Security                   |               | Value<br>USD       |                      | % Net<br>Assets           |
| <b>UNITED STATES 96.32% (30 September 2015: 95.35%) (continued)</b>   |                            |               |                    |                      |                           |
| <b>Tools-Hand Held</b>  |                            |               |                    |                      |                           |
| 8,880   | Stanley Black & Decker Inc |               | 1,080,962          |                      | 0.92                      |
| <b>Web Portals/ISP</b>  |                            |               |                    |                      |                           |
| 4,150   | Alphabet Inc 'A'           |               | 3,330,956          |                      | 2.84                      |
| 2,702   | Alphabet Inc 'C'           |               | 2,094,077          |                      | 1.79                      |
| <b>Total Value of Transferable Securities at<br/>Mid Market Prices (Cost: USD104,892,482)</b>   |                            |               |                    |                      |                           |
|   |                            |               | <b>115,953,843</b> |                      | <b>98.95</b>              |
| <b>Open Spot Currency Contracts (0.00%) (30 September 2015: (0.00%))</b>  |                            |               |                    |                      |                           |
| Settlement Date   | Buy                        | Amount Bought | Sell Amount Sold   | Unrealised Gain/Loss | % Net Assets              |
| 03/10/2016  | GBP                        | 19,894        | USD (25,931)       | (135)                | (0.00)                    |
| 04/10/2016  | GBP                        | 68,766        | USD (89,497)       | (328)                | (0.00)                    |
| Unrealised Loss on Open Spot<br>Currency Contracts  |                            |               |                    | (463)                | (0.00)                    |
| <b>Net Unrealised Loss on Open Spot<br/>Currency Contracts</b>  |                            |               |                    | <b>(463)</b>         | <b>(0.00)</b>             |
| Cash at Bank  |                            |               | 1,118,720          |                      | 0.95                      |
| Net Current Assets  |                            |               | 110,751            |                      | 0.10                      |
| <b>Net Assets Attributable to Holders<br/>of Redeemable Participating Units<br/>at Mid Market Prices</b>                                  |                            |               |                    |                      |                           |
|   |                            |               | <b>117,182,851</b> |                      | <b>100.00</b>             |
| <b>Analysis of Total Assets</b>   |                            |               |                    |                      | <b>% Total<br/>Assets</b> |
| Transferable Securities and Money Market Instruments<br>admitted to an official stock exchange listing or traded on a<br>regulated market |                            |               |                    |                      | 98.22                     |
| Financial Derivative instruments dealt in or on a regulated<br>market   |                            |               |                    |                      | 0.00                      |
| Other Assets  |                            |               |                    |                      | 1.78                      |
| <b>Total Assets</b>   |                            |               |                    |                      | <b>100.00</b>             |
| All securities are transferable securities admitted to an official stock<br>exchange listing.   |                            |               |                    |                      |                           |
| The counterparty for the open spot currency contracts is the Bank of New<br>York Mellon.  |                            |               |                    |                      |                           |

PRINCIPAL GLOBAL INVESTORS FUNDS

PORTFOLIO OF INVESTMENTS  
AS AT 30 SEPTEMBER 2016 (continued)

HIGH YIELD FUND

| Nominal   | Security  | Coupon Rate | Maturity Date | Value USD | % Net Assets |
|---|---|-------------|---------------|-----------|--------------|
| <b>TRANSFERABLE SECURITIES 92.38% (30 September 2015: 95.56%)</b> |   |             |               |           |              |
| <b>AUSTRALIA 0.96% (30 September 2015: 1.02%)</b>                 |   |             |               |           |              |
| <b>Corporate Bond</b>   |   |             |               |           |              |
| 110,000   | BlueScope Steel Finance Ltd/BlueScope Steel Finance USA LLC | 6.500%      | 15/05/2021    | 116,737   | 0.09         |
| 535,000   | FMG Resources August 2006 Pty Ltd                           | 6.875%      | 01/04/2022    | 553,725   | 0.40         |
| 120,000   | FMG Resources August 2006 Pty Ltd                           | 9.750%      | 01/03/2022    | 139,800   | 0.10         |
| 500,000   | St Barbara Ltd  | 8.875%      | 15/04/2018    | 517,500   | 0.37         |
| <b>BRAZIL 1.35% (30 September 2015: 0.21%)</b>                    |   |             |               |           |              |
| <b>Corporate Bond</b>   |   |             |               |           |              |
| 285,000   | JBS USA LUX SA / JBS USA Finance Inc                        | 5.750%      | 15/06/2025    | 282,150   | 0.20         |
| 125,000   | JBS USA LUX SA / JBS USA Finance Inc                        | 7.250%      | 01/06/2021    | 130,000   | 0.10         |
| 1,200,000   | Petrobras Global Finance BV                                 | 8.375%      | 23/05/2021    | 1,314,240 | 0.95         |
| 140,000   | Vale Overseas Ltd   | 6.250%      | 10/08/2026    | 146,342   | 0.10         |
| <b>CANADA 1.62% (30 September 2015: 2.82%)</b>                    |   |             |               |           |              |
| <b>Corporate Bond</b>   |   |             |               |           |              |
| 180,000   | Air Canada  | 6.750%      | 01/10/2019    | 186,075   | 0.13         |
| 325,000   | Baytex Energy Corp  | 5.125%      | 01/06/2021    | 268,937   | 0.19         |
| 400,000   | Entertainment One Ltd                                       | 6.875%      | 15/12/2022    | 564,887   | 0.41         |
| 200,000   | First Quantum Minerals Ltd                                  | 7.250%      | 15/05/2022    | 177,000   | 0.13         |
| 250,000   | Norbord Inc   | 5.375%      | 01/12/2020    | 265,313   | 0.19         |
| 266,000   | Northern Blizzard Resources Inc                             | 7.250%      | 01/02/2022    | 248,710   | 0.18         |
| 85,000  | Seven Generations Energy Ltd                                | 6.750%      | 01/05/2023    | 88,825    | 0.07         |
| 374,000   | Taseko Mines Ltd  | 7.750%      | 15/04/2019    | 233,750   | 0.17         |
| 105,000   | Teck Resources Ltd  | 8.000%      | 01/06/2021    | 114,450   | 0.08         |
| 80,000  | Teck Resources Ltd  | 8.500%      | 01/06/2024    | 92,200    | 0.07         |
| <b>CYPRUS 0.00% (30 September 2015: 0.21%)</b>                    |   |             |               |           |              |
| <b>FRANCE 3.70% (30 September 2015: 2.70%)</b>                    |   |             |               |           |              |
| <b>Corporate Bond</b>   |   |             |               |           |              |
| 500,000   | BiSoho SAS  | 5.875%      | 01/05/2023    | 594,514   | 0.43         |
| 570,000   | Horizon Holdings I SAS                                      | 7.250%      | 01/08/2023    | 687,779   | 0.50         |
| 310,000   | Loxam SAS   | 3.500%      | 03/05/2023    | 354,953   | 0.26         |
| 1,550,000   | Oberthur Technologies Holding SAS                           | 9.250%      | 30/04/2020    | 1,819,627 | 1.31         |
| 150,000   | Rexel SA  | 3.500%      | 15/06/2023    | 172,028   | 0.12         |
| 500,000   | SFR Group SA  | 5.625%      | 15/05/2024    | 577,690   | 0.42         |
| 575,000   | SFR Group SA  | 6.000%      | 15/05/2022    | 582,906   | 0.42         |
| 195,000   | Thom Europe SAS   | 7.375%      | 15/07/2019    | 229,437   | 0.16         |
| 100,000   | Verallia Packaging SASU                                     | 5.125%      | 01/08/2022    | 117,752   | 0.08         |
| <b>GERMANY 4.36% (30 September 2015: 3.22%)</b>                   |   |             |               |           |              |
| <b>Corporate Bond</b>   |   |             |               |           |              |
| 305,000   | BMBG Bond Finance SCA                                       | 3.000%      | 15/06/2021    | 348,195   | 0.25         |
| 400,000   | IHO Verwaltungen GmbH                                       | 3.750%      | 15/09/2026    | 445,263   | 0.32         |
| 1,005,000   | JH-Holding Finance SA                                       | 8.250%      | 01/12/2022    | 1,214,022 | 0.88         |
| 375,000   | ProGroup AG   | 5.125%      | 01/05/2022    | 446,433   | 0.32         |
| 500,000   | Schaeffler Holding Finance BV                               | 6.750%      | 15/11/2022    | 573,750   | 0.41         |
| 250,000   | Unitymedia GmbH   | 6.125%      | 15/01/2025    | 263,125   | 0.19         |
| 975,000   | Unitymedia Hessen GmbH & Co KG / Unitymedia NRW GmbH        | 5.500%      | 15/01/2023    | 1,010,344 | 0.73         |
| 385,000   | WEPA Hygieneprodukte GmbH                                   | 3.750%      | 15/05/2024    | 446,030   | 0.32         |
| 350,000   | Wittur International Holding GmbH                           | 8.500%      | 15/02/2023    | 373,564   | 0.27         |
| 625,000   | ZF North America Capital Inc                                | 4.000%      | 29/04/2020    | 662,500   | 0.48         |
| 250,000   | ZF North America Capital Inc                                | 4.750%      | 29/04/2025    | 263,438   | 0.19         |
| <b>IRELAND 1.80% (30 September 2015: 0.58%)</b>                   |   |             |               |           |              |
| <b>Corporate Bond</b>   |   |             |               |           |              |
| 175,000   | Ardagh Packaging Finance Plc / Ardagh Holdings USA Inc      | 4.125%      | 15/05/2023    | 201,169   | 0.15         |
| 175,000   | Ardagh Packaging Finance Plc / Ardagh Holdings USA Inc      | 6.750%      | 15/05/2024    | 205,557   | 0.15         |
| 1,185,000   | eircom Finance DAC  | 4.500%      | 31/05/2022    | 1,347,935 | 0.97         |
| 725,000   | Fly Leasing Ltd   | 6.375%      | 15/10/2021    | 739,500   | 0.53         |
| <b>ISRAEL 0.47% (30 September 2015: 0.50%)</b>                    |   |             |               |           |              |
| <b>Corporate Bond</b>   |   |             |               |           |              |
| 600,000   | B Communications Ltd  | 7.375%      | 15/02/2021    | 647,250   | 0.47         |
| <b>ITALY 2.27% (30 September 2015: 1.16%)</b>                     |   |             |               |           |              |
| <b>Corporate Bond</b>   |   |             |               |           |              |
| 150,000   | Gamenet Group SpA   | 6.000%      | 15/08/2021    | 168,439   | 0.12         |
| 330,000   | Manutencoop Facility Management SpA                         | 8.500%      | 01/08/2020    | 344,421   | 0.25         |
| 300,000   | Onorato Armatori SpA  | 7.750%      | 15/02/2023    | 326,887   | 0.24         |

PRINCIPAL GLOBAL INVESTORS FUNDS

PORTFOLIO OF INVESTMENTS  
AS AT 30 SEPTEMBER 2016 (continued)

| HIGH YIELD FUND (continued)                               |  |             |               |           |              |
|---|--|-------------|---------------|-----------|--------------|
| Nominal   | Security   | Coupon Rate | Maturity Date | Value USD | % Net Assets |
| <b>ITALY 2.27% (30 September 2015: 1.16%) (continued)</b> |  |             |               |           |              |
| <b>Corporate Bond (continued)</b>                         |  |             |               |           |              |
| 300,000   | Saipem Finance International BV  | 3.000%      | 08/03/2021    | 343,682   | 0.25         |
| 100,000   | Saipem Finance International BV  | 3.750%      | 08/09/2023    | 114,377   | 0.08         |
| 150,000   | Schumann SpA   | 7.000%      | 31/07/2023    | 167,391   | 0.12         |
| 250,000   | Wind Acquisition Finance SA  | 4.750%      | 15/07/2020    | 253,438   | 0.18         |
| 900,000   | Wind Acquisition Finance SA  | 7.000%      | 23/04/2021    | 1,057,553 | 0.76         |
| 350,000   | Wind Acquisition Finance SA  | 7.375%      | 23/04/2021    | 366,188   | 0.27         |
| <b>LUXEMBOURG 6.07% (30 September 2015: 8.58%)</b>        |  |             |               |           |              |
| <b>Corporate Bond</b>                                     |  |             |               |           |              |
| 640,000   | Altice Financing SA  | 6.500%      | 15/01/2022    | 675,200   | 0.48         |
| 825,000   | Altice Luxembourg SA   | 7.250%      | 15/05/2022    | 968,802   | 0.70         |
| 140,000   | ArcelorMittal  | 6.500%      | 01/03/2021    | 155,400   | 0.11         |
| 940,000   | ArcelorMittal  | 8.000%      | 15/10/2039    | 1,015,200 | 0.73         |
| 550,000   | ConvaTec Finance International SA  | 8.250%      | 15/01/2019    | 550,138   | 0.40         |
| 435,000   | Intelsat Jackson Holdings SA   | 7.250%      | 15/10/2020    | 337,125   | 0.24         |
| 150,000   | Intelsat Jackson Holdings SA   | 7.250%      | 01/04/2019    | 121,500   | 0.09         |
| 500,000   | Intelsat Luxembourg SA   | 7.750%      | 01/06/2021    | 162,500   | 0.12         |
| 170,000   | Intelsat Luxembourg SA   | 8.125%      | 01/06/2023    | 55,250    | 0.04         |
| 800,000   | Kloekner Pentaplast of America Inc   | 7.125%      | 01/11/2020    | 940,271   | 0.68         |
| 1,180,000   | Matterhorn Telecom SA  | 3.875%      | 01/05/2022    | 1,317,812 | 0.95         |
| 465,000   | Picard Bondco SA   | 7.750%      | 01/02/2020    | 550,877   | 0.40         |
| 600,000   | SIG Combibloc Holdings SCA   | 7.750%      | 15/02/2023    | 706,356   | 0.51         |
| 750,000   | Swissport Investments SA   | 6.750%      | 15/12/2021    | 868,035   | 0.62         |
| <b>MEXICO 0.71% (30 September 2015: 0.77%)</b>            |  |             |               |           |              |
| <b>Corporate Bond</b>                                     |  |             |               |           |              |
| 725,000   | Cemex SAB de CV  | 6.125%      | 05/05/2025    | 746,605   | 0.54         |
| 230,000   | Cemex SAB de CV  | 7.250%      | 15/01/2021    | 243,800   | 0.17         |
| <b>NETHERLANDS 3.36% (30 September 2015: 3.23%)</b>       |  |             |               |           |              |
| <b>Corporate Bond</b>                                     |  |             |               |           |              |
| 455,000   | AerCap Ireland Capital Ltd / AerCap Global Aviation Trust                        | 4.625%      | 01/07/2022    | 478,319   | 0.34         |
| 160,000   | AerCap Ireland Capital Ltd / AerCap Global Aviation Trust                        | 4.625%      | 30/10/2020    | 167,600   | 0.12         |
| 850,000   | ING Groep NV   | 6.000%      | Perpetual     | 837,250   | 0.60         |
| 500,000   | LGE HoldCo VI BV   | 7.125%      | 15/05/2024    | 624,253   | 0.45         |
| 250,000   | Lincoln Finance Ltd  | 6.875%      | 15/04/2021    | 302,060   | 0.22         |
| 600,000   | NXP BV / NXP Funding LLC   | 5.750%      | 15/03/2023    | 649,500   | 0.47         |
| 745,000   | United Group BV  | 7.875%      | 15/11/2020    | 870,241   | 0.63         |
| 315,000   | Ziggo Bond Finance BV  | 6.000%      | 15/01/2027    | 313,818   | 0.23         |
| 420,000   | Ziggo Secured Finance BV   | 5.500%      | 15/01/2027    | 420,525   | 0.30         |
| <b>NEW ZEALAND 0.26% (30 September 2015: 0.43%)</b>       |  |             |               |           |              |
| <b>Corporate Bond</b>                                     |  |             |               |           |              |
| 5,000   | Reynolds Group Issuer Inc / Reynolds Group Issuer LLC / Reynolds Group Issuer Lu | 4.127%      | 15/07/2021    | 5,087     | 0.00         |
| 270,000   | Reynolds Group Issuer Inc / Reynolds Group Issuer LLC / Reynolds Group Issuer Lu | 5.125%      | 15/07/2023    | 279,788   | 0.20         |
| 75,000  | Reynolds Group Issuer Inc / Reynolds Group Issuer LLC / Reynolds Group Issuer Lu | 7.000%      | 15/07/2024    | 80,016    | 0.06         |
| <b>POLAND 1.25% (30 September 2015: 1.71%)</b>            |  |             |               |           |              |
| <b>Corporate Bond</b>                                     |  |             |               |           |              |
| 510,000   | Play Finance 1 SA  | 6.500%      | 01/08/2019    | 591,073   | 0.42         |
| 1,000,000   | Play Topco SA  | 7.750%      | 28/02/2020    | 1,148,294 | 0.83         |
| <b>PUERTO RICO 0.50% (30 September 2015: 0.50%)</b>       |  |             |               |           |              |
| <b>Corporate Bond</b>                                     |  |             |               |           |              |
| 665,000   | Popular Inc  | 7.000%      | 01/07/2019    | 691,600   | 0.50         |
| <b>ROMANIA 0.92% (30 September 2015: 1.00%)</b>           |  |             |               |           |              |
| <b>Corporate Bond</b>                                     |  |             |               |           |              |
| 1,100,000   | Cable Communications Systems NV  | 7.500%      | 01/11/2020    | 1,280,039 | 0.92         |
| <b>SERBIA 0.00% (30 September 2015: 0.47%)</b>            |  |             |               |           |              |
| <b>SOUTH AFRICA 0.65% (30 September 2015: 0.88%)</b>      |  |             |               |           |              |
| <b>Corporate Bond</b>                                     |  |             |               |           |              |
| 700,000   | Sappi Papier Holding GmbH  | 3.375%      | 01/04/2022    | 792,885   | 0.57         |
| 120,000   | Sappi Papier Holding GmbH  | 7.500%      | 15/06/2032    | 114,600   | 0.08         |

PRINCIPAL GLOBAL INVESTORS FUNDS

PORTFOLIO OF INVESTMENTS  
AS AT 30 SEPTEMBER 2016 (continued)

| HIGH YIELD FUND (continued)                                    |  |             |               |           |              |
|--|--|-------------|---------------|-----------|--------------|
| Nominal  | Security   | Coupon Rate | Maturity Date | Value USD | % Net Assets |
| <b>SPAIN 1.24% (30 September 2015: 0.72%)</b>                  |  |             |               |           |              |
| <b>Corporate Bond</b>  |  |             |               |           |              |
| 535,000  | Codere Finance 2 Luxembourg SA                               | 9.000%      | 30/06/2021    | 545,700   | 0.39         |
| 150,000  | Gestamp Funding Luxembourg SA                                | 3.500%      | 15/05/2023    | 173,535   | 0.13         |
| 365,000  | Grupo Antolin Dutch BV                                       | 5.125%      | 30/06/2022    | 436,039   | 0.31         |
| 500,000  | NH Hotel Group SA  | 3.750%      | 01/10/2023    | 564,368   | 0.41         |
| <b>SWEDEN 0.24% (30 September 2015: 0.00%)</b>                 |  |             |               |           |              |
| <b>Corporate Bond</b>  |  |             |               |           |              |
| 285,000  | Volvo Car AB   | 3.250%      | 18/05/2021    | 334,440   | 0.24         |
| <b>SWITZERLAND 0.00% (30 September 2015: 0.27%)</b>            |  |             |               |           |              |
| <b>TRINIDAD &amp; TOBAGO 0.21% (30 September 2015: 0.00%)</b>  |  |             |               |           |              |
| <b>Corporate Bond</b>  |  |             |               |           |              |
| 300,000  | Consolidated Energy Finance SA                               | 6.750%      | 15/10/2019    | 297,750   | 0.21         |
| <b>UNITED KINGDOM 6.36% (30 September 2015: 7.51%)</b>         |  |             |               |           |              |
| <b>Corporate Bond</b>  |  |             |               |           |              |
| 250,000  | AA Bond Co Ltd   | 5.500%      | 31/07/2022    | 325,123   | 0.23         |
| 1,165,000  | Arqiva Broadcast Finance Plc                                 | 9.500%      | 31/03/2020    | 1,634,560 | 1.18         |
| 630,000  | Barclays Plc   | 8.250%      | Perpetual     | 637,481   | 0.46         |
| 310,000  | IDH Finance Plc  | 6.250%      | 15/08/2022    | 395,245   | 0.29         |
| 250,000  | Jaguar Land Rover Automotive Plc                             | 3.875%      | 01/03/2023    | 336,730   | 0.24         |
| 380,000  | Jaguar Land Rover Automotive Plc                             | 5.000%      | 15/02/2022    | 542,397   | 0.39         |
| 810,000  | Jaguar Land Rover Automotive Plc                             | 5.625%      | 01/02/2023    | 853,537   | 0.61         |
| 415,000  | Pizzaexpress Financing 2 Plc                                 | 6.625%      | 01/08/2021    | 527,346   | 0.38         |
| 450,000  | Royal Bank of Scotland Group Plc                             | 5.125%      | 28/05/2024    | 453,931   | 0.33         |
| 635,000  | Royal Bank of Scotland Group Plc                             | 7.500%      | Perpetual     | 586,423   | 0.42         |
| 300,000  | Royal Bank of Scotland Group Plc                             | 7.640%      | Perpetual     | 294,000   | 0.21         |
| 185,000  | TVL Finance Plc  | 8.500%      | 15/05/2023    | 253,259   | 0.18         |
| 500,000  | Virgin Media Finance Plc                                     | 4.500%      | 15/01/2025    | 551,773   | 0.40         |
| 400,000  | Virgin Media Finance Plc                                     | 6.000%      | 15/10/2024    | 414,500   | 0.30         |
| 535,000  | Viridian Group FundCo II Ltd                                 | 7.500%      | 01/03/2020    | 632,896   | 0.45         |
| 365,172  | Youngs PIK SCA   | 8.250%      | 01/08/2019    | 400,291   | 0.29         |
| <b>UNITED STATES 53.83% (30 September 2015: 56.75%)</b>        |  |             |               |           |              |
| <b>Common Stock</b>  |  |             |               |           |              |
| 11,297   | Seventy Seven Energy Inc                                     |             |               | 216,902   | 0.16         |
| <b>Corporate Bond</b>  |  |             |               |           |              |
| 560,000  | A Schulman Inc   | 6.875%      | 01/06/2023    | 568,400   | 0.41         |
| 830,000  | Activision Blizzard Inc                                      | 6.125%      | 15/09/2023    | 912,384   | 0.66         |
| 230,000  | Ahern Rentals Inc  | 7.375%      | 15/05/2023    | 150,650   | 0.11         |
| 80,000   | Aircastle Ltd  | 5.000%      | 01/04/2023    | 84,000    | 0.06         |
| 365,000  | Aircastle Ltd  | 5.125%      | 15/03/2021    | 391,919   | 0.28         |
| 135,000  | Aircastle Ltd  | 5.500%      | 15/02/2022    | 145,962   | 0.10         |
| 295,000  | Aircastle Ltd  | 6.750%      | 15/04/2017    | 301,664   | 0.22         |
| 245,000  | AK Steel Corp  | 7.500%      | 15/07/2023    | 261,537   | 0.19         |
| 185,000  | AK Steel Corp  | 7.625%      | 15/05/2020    | 179,912   | 0.13         |
| 200,000  | Alcoa Nederland Holding BV                                   | 6.750%      | 30/09/2024    | 207,500   | 0.15         |
| 85,000   | Aleris International Inc                                     | 9.500%      | 01/04/2021    | 91,800    | 0.07         |
| 170,000  | Allison Transmission Inc                                     | 5.000%      | 01/10/2024    | 173,612   | 0.13         |
| 620,000  | Ally Financial Inc   | 3.600%      | 21/05/2018    | 630,850   | 0.45         |
| 210,000  | American Builders & Contractors Supply Co Inc                | 5.750%      | 15/12/2023    | 219,450   | 0.16         |
| 155,000  | Antero Midstream Partners LP / Antero Midstream Finance Corp | 5.375%      | 15/09/2024    | 156,550   | 0.11         |
| 240,000  | Archrock Partners LP / Archrock Partners Finance Corp        | 6.000%      | 01/10/2022    | 223,800   | 0.16         |
| 250,000  | Aruba Investments Inc  | 8.750%      | 15/02/2023    | 256,250   | 0.18         |
| 230,000  | Beazer Homes USA Inc   | 8.750%      | 15/03/2022    | 243,225   | 0.17         |
| <b>Beverage Packaging Holdings Luxembourg II SA / Beverage</b> |  |             |               |           |              |
| 90,000   | Packaging Holdings II Is                                     | 5.625%      | 15/12/2016    | 90,198    | 0.07         |
| 415,000  | BI-LO LLC / BI-LO Finance Corp                               | 9.250%      | 15/02/2019    | 356,900   | 0.26         |
| 360,000  | Blue Cube Spinco Inc   | 9.750%      | 15/10/2023    | 423,000   | 0.30         |
| 180,000  | BMC East LLC   | 5.500%      | 01/10/2024    | 180,900   | 0.13         |
| 325,000  | Boise Cascade Co   | 5.625%      | 01/09/2024    | 329,875   | 0.24         |
| 635,000  | Boyd Gaming Corp   | 6.875%      | 15/05/2023    | 691,750   | 0.50         |
| 680,000  | Carmike Cinemas Inc  | 6.000%      | 15/06/2023    | 708,900   | 0.51         |
| 40,000   | Carrizo Oil & Gas Inc  | 6.250%      | 15/04/2023    | 40,100    | 0.03         |
| 510,000  | Carrizo Oil & Gas Inc  | 7.500%      | 15/09/2020    | 526,575   | 0.38         |
| 1,000,000  | CCM Merger Inc   | 9.125%      | 01/05/2019    | 1,046,468 | 0.75         |
| 1,355,000  | CCO Holdings LLC / CCO Holdings Capital Corp                 | 5.125%      | 01/05/2023    | 1,412,587 | 1.02         |
| 65,000   | CCO Holdings LLC / CCO Holdings Capital Corp                 | 5.750%      | 15/02/2026    | 68,867    | 0.05         |
| 810,000  | Centene Corp   | 4.750%      | 15/05/2022    | 836,325   | 0.61         |
| 185,000  | Centene Corp   | 5.625%      | 15/02/2021    | 196,563   | 0.14         |

PRINCIPAL GLOBAL INVESTORS FUNDS

PORTFOLIO OF INVESTMENTS  
AS AT 30 SEPTEMBER 2016 (continued)

| HIGH YIELD FUND (continued)   |   |             |               |           |              |
|---|---|-------------|---------------|-----------|--------------|
| Nominal   | Security  | Coupon Rate | Maturity Date | Value USD | % Net Assets |
| <b>UNITED STATES 53.83% (30 September 2015: 56.75%) (continued)</b> |   |             |               |           |              |
| <b>Corporate Bond (continued)</b>                                   |   |             |               |           |              |
| 205,000   | Centene Corp  | 6.125%      | 15/02/2024    | 221,784   | 0.16         |
| 407,000   | Chaparral Energy Inc                                  | 7.625%      | 15/11/2022    | 275,742   | 0.20         |
| 269,000   | Chaparral Energy Inc                                  | 9.875%      | 01/10/2020    | 182,920   | 0.13         |
| 660,000   | Cinemark USA Inc                                      | 4.875%      | 01/06/2023    | 666,600   | 0.48         |
| 620,000   | CIT Group Inc   | 3.875%      | 19/02/2019    | 633,175   | 0.46         |
| 110,000   | Claire's Stores Inc                                   | 9.000%      | 15/03/2019    | 61,050    | 0.04         |
| 325,000   | Cloud Crane LLC                                       | 10.125%     | 01/08/2024    | 338,000   | 0.24         |
| 150,000   | CNO Financial Group Inc                               | 4.500%      | 30/05/2020    | 154,687   | 0.11         |
| 855,000   | Commercial Metals Co                                  | 4.875%      | 15/05/2023    | 852,863   | 0.61         |
| 175,000   | Commercial Metals Co                                  | 7.350%      | 15/08/2018    | 191,188   | 0.14         |
| 65,000  | Constellation Brands Inc                              | 3.875%      | 15/11/2019    | 68,575    | 0.05         |
| 365,000   | Constellation Brands Inc                              | 4.250%      | 01/05/2023    | 387,812   | 0.28         |
| 510,000   | Continental Resources Inc/OK                          | 4.500%      | 15/04/2023    | 493,425   | 0.36         |
| 325,000   | Continental Resources Inc/OK                          | 5.000%      | 15/09/2022    | 326,219   | 0.23         |
| 300,000   | Cornerstone Chemical Co                               | 9.375%      | 15/03/2018    | 300,000   | 0.22         |
| 615,000   | Credit Acceptance Corp                                | 6.125%      | 15/02/2021    | 621,150   | 0.45         |
| 370,000   | Crescent Communities LLC                              | 8.875%      | 15/10/2021    | 370,000   | 0.27         |
| 220,000   | Crescent Resources LLC / Crescent Ventures Inc        | 10.250%     | 15/08/2017    | 222,200   | 0.16         |
| 90,000  | Crown Americas LLC / Crown Americas Capital Corp V    | 4.250%      | 30/09/2026    | 90,112    | 0.06         |
| 306,000   | Crown Cork & Seal Co Inc                              | 7.375%      | 15/12/2026    | 344,250   | 0.25         |
| 100,000   | Crown European Holdings SA                            | 2.625%      | 30/09/2024    | 110,359   | 0.08         |
| 280,000   | CSC Holdings LLC                                      | 6.625%      | 15/10/2025    | 303,450   | 0.22         |
| 720,000   | CSC Holdings LLC                                      | 10.125%     | 15/01/2023    | 830,700   | 0.60         |
| 625,000   | Denbury Resources Inc                                 | 5.500%      | 01/05/2022    | 431,250   | 0.31         |
| 195,000   | DISH DBS Corp   | 4.250%      | 01/04/2018    | 200,850   | 0.15         |
| 170,000   | DISH DBS Corp   | 5.875%      | 15/11/2024    | 168,087   | 0.12         |
| 425,000   | DISH DBS Corp   | 5.875%      | 15/07/2022    | 435,094   | 0.31         |
| 620,000   | DISH DBS Corp   | 6.750%      | 01/06/2021    | 668,825   | 0.48         |
| 725,000   | DISH DBS Corp   | 7.750%      | 01/07/2026    | 772,125   | 0.56         |
| 240,000   | DISH DBS Corp   | 7.875%      | 01/09/2019    | 270,000   | 0.19         |
| 505,000   | DJO Finco Inc / DJO Finance LLC / DJO Finance Corp    | 8.125%      | 15/06/2021    | 467,125   | 0.34         |
| 160,000   | Dollar Tree Inc                                       | 5.750%      | 01/03/2023    | 172,000   | 0.12         |
| 345,000   | DuPont Fabros Technology LP                           | 5.875%      | 15/09/2021    | 361,172   | 0.26         |
| 300,000   | Dynege Inc  | 6.750%      | 01/11/2019    | 309,750   | 0.22         |
| 355,000   | Dynege Inc  | 7.375%      | 01/11/2022    | 353,225   | 0.25         |
| 385,000   | Eldorado Resorts Inc                                  | 7.000%      | 01/08/2023    | 409,062   | 0.30         |
| 120,662   | Elwood Energy LLC                                     | 8.159%      | 05/07/2026    | 133,483   | 0.10         |
| 250,000   | Energy Transfer Equity LP                             | 5.875%      | 15/01/2024    | 260,312   | 0.19         |
| 270,000   | EP Energy LLC / Everest Acquisition Finance Inc       | 6.375%      | 15/06/2023    | 160,650   | 0.12         |
| 850,000   | EP Energy LLC / Everest Acquisition Finance Inc       | 9.375%      | 01/05/2020    | 604,562   | 0.44         |
| 400,000   | Equinix Inc   | 4.875%      | 01/04/2020    | 415,000   | 0.30         |
| 165,000   | Equinix Inc   | 5.375%      | 01/04/2023    | 173,250   | 0.13         |
| 105,000   | Equinix Inc   | 5.375%      | 01/01/2022    | 111,562   | 0.08         |
| 295,000   | Equinix Inc   | 5.875%      | 15/01/2026    | 317,125   | 0.23         |
| 560,000   | First Data Corp                                       | 5.000%      | 15/01/2024    | 570,500   | 0.41         |
| 190,000   | First Data Corp                                       | 5.750%      | 15/01/2024    | 194,750   | 0.14         |
| 345,000   | Freeport-McMoRan Inc                                  | 2.300%      | 14/11/2017    | 345,000   | 0.25         |
| 105,000   | Frontier Communications Corp                          | 8.875%      | 15/09/2020    | 113,466   | 0.08         |
| 450,000   | Frontier Communications Corp                          | 10.500%     | 15/09/2022    | 476,719   | 0.34         |
| 690,000   | Frontier Communications Corp                          | 11.000%     | 15/09/2025    | 718,462   | 0.52         |
| 325,000   | Global Partners LP / GLP Finance Corp                 | 7.000%      | 15/06/2023    | 303,062   | 0.22         |
| 35,000  | GLP Capital LP / GLP Financing II Inc                 | 4.375%      | 15/04/2021    | 36,969    | 0.03         |
| 365,000   | GLP Capital LP / GLP Financing II Inc                 | 5.375%      | 15/04/2026    | 392,375   | 0.28         |
| 365,000   | Goodman Networks Inc                                  | 12.125%     | 01/07/2018    | 181,587   | 0.13         |
| 520,000   | Halcon Resources Corp                                 | 8.625%      | 01/02/2020    | 521,300   | 0.38         |
| 37,000  | Halcon Resources Corp                                 | 12.000%     | 15/02/2022    | 37,093    | 0.03         |
| 85,000  | Hanesbrands Inc                                       | 4.625%      | 15/05/2024    | 87,762    | 0.06         |
| 20,000  | HCA Holdings Inc                                      | 6.250%      | 15/02/2021    | 21,625    | 0.02         |
| 100,000   | HCA Inc   | 4.500%      | 15/02/2027    | 100,250   | 0.07         |
| 1,405,000   | HCA Inc   | 4.750%      | 01/05/2023    | 1,468,225 | 1.06         |
| 135,000   | HD Supply Inc   | 7.500%      | 15/07/2020    | 140,447   | 0.10         |
| 125,000   | Hill-Rom Holdings Inc                                 | 5.750%      | 01/09/2023    | 132,969   | 0.09         |
| 325,000   | Hornbeck Offshore Services Inc                        | 5.000%      | 01/03/2021    | 186,875   | 0.13         |
| 450,000   | Huntington Ingalls Industries Inc                     | 5.000%      | 15/11/2025    | 477,000   | 0.34         |
| 370,000   | IASIS Healthcare LLC / IASIS Capital Corp             | 8.375%      | 15/05/2019    | 337,625   | 0.24         |
| 155,000   | Icahn Enterprises LP / Icahn Enterprises Finance Corp | 4.875%      | 15/03/2019    | 156,550   | 0.11         |
| 495,000   | Icahn Enterprises LP / Icahn Enterprises Finance Corp | 6.000%      | 01/08/2020    | 500,544   | 0.36         |
| 200,000   | IMS Health Inc  | 5.000%      | 15/10/2026    | 206,000   | 0.15         |
| 315,000   | Ingles Markets Inc                                    | 5.750%      | 15/06/2023    | 328,387   | 0.23         |

PRINCIPAL GLOBAL INVESTORS FUNDS

PORTFOLIO OF INVESTMENTS  
AS AT 30 SEPTEMBER 2016 (continued)

| HIGH YIELD FUND (continued)   |  |             |               |           |              |
|---|--|-------------|---------------|-----------|--------------|
| Nominal   | Security   | Coupon Rate | Maturity Date | Value USD | % Net Assets |
| <b>UNITED STATES 53.83% (30 September 2015: 56.75%) (continued)</b> |  |             |               |           |              |
| <b>Corporate Bond (continued)</b>                                   |  |             |               |           |              |
| 345,000   | International Lease Finance Corp   | 6.250%      | 15/05/2019    | 373,894   | 0.27         |
| 500,000   | iStar Inc  | 5.000%      | 01/07/2019    | 503,125   | 0.36         |
| 447,000   | Jazz US Holdings Inc   | 8.000%      | 31/12/2018    | 713,244   | 0.51         |
| 540,000   | JC Penney Corp Inc   | 5.650%      | 01/06/2020    | 542,025   | 0.39         |
| 1,385,000   | JPMorgan Chase & Co  | 5.000%      | Perpetual     | 1,365,956 | 0.98         |
| 375,000   | Kennedy-Wilson Inc   | 5.875%      | 01/04/2024    | 379,688   | 0.27         |
| 450,000   | KFC Holding Co/Pizza Hut Holdings LLC/Taco Bell of America LLC                   | 5.000%      | 01/06/2024    | 473,535   | 0.34         |
| 190,000   | KFC Holding Co/Pizza Hut Holdings LLC/Taco Bell of America LLC                   | 5.250%      | 01/06/2026    | 201,666   | 0.15         |
| 290,000   | Kinetic Concepts Inc / KCI USA Inc   | 9.625%      | 01/10/2021    | 290,725   | 0.21         |
| 270,000   | L Brands Inc   | 6.875%      | 01/11/2035    | 293,625   | 0.21         |
| 440,000   | Landry's Inc   | 6.750%      | 15/10/2024    | 447,700   | 0.32         |
| 900,000   | Landry's Inc   | 9.375%      | 01/05/2020    | 946,665   | 0.68         |
| 20,000  | Laredo Petroleum Inc   | 5.625%      | 15/01/2022    | 19,500    | 0.01         |
| 220,000   | Laredo Petroleum Inc   | 7.375%      | 01/05/2022    | 227,700   | 0.16         |
| 295,000   | Lear Corp  | 5.250%      | 15/01/2025    | 319,338   | 0.23         |
| 665,000   | Level 3 Financing Inc  | 5.125%      | 01/05/2023    | 689,106   | 0.49         |
| 130,000   | Level 3 Financing Inc  | 5.375%      | 15/01/2024    | 135,525   | 0.10         |
| 40,000  | Level 3 Financing Inc  | 6.125%      | 15/01/2021    | 41,400    | 0.03         |
| 1,075,000   | Liberty Mutual Group Inc   | 7.000%      | 15/03/2037    | 921,813   | 0.66         |
| 40,000  | Louisiana-Pacific Corp   | 4.875%      | 15/09/2024    | 40,150    | 0.03         |
| 795,000   | Mallinckrodt International Finance SA / Mallinckrodt CB LLC                      | 5.625%      | 15/10/2023    | 767,175   | 0.55         |
| 570,000   | MDC Partners Inc   | 6.500%      | 01/05/2024    | 528,675   | 0.38         |
| 490,000   | MGM Resorts International  | 6.000%      | 15/03/2023    | 530,425   | 0.38         |
| 327,000   | Michaels Stores Inc  | 5.875%      | 15/12/2020    | 339,671   | 0.24         |
| 255,400   | Mirant Mid-Atlantic Series B Pass Through Trust                                  | 9.125%      | 30/06/2017    | 211,024   | 0.15         |
| 399,000   | MPLX LP  | 4.875%      | 01/06/2025    | 414,417   | 0.30         |
| 197,000   | MPT Operating Partnership LP / MPT Finance Corp                                  | 6.375%      | 01/03/2024    | 213,745   | 0.15         |
| 125,000   | MSCI Inc   | 5.750%      | 15/08/2025    | 133,750   | 0.10         |
| 135,000   | Murphy Oil Corp  | 6.875%      | 15/08/2024    | 140,055   | 0.10         |
| 255,000   | National CineMedia LLC   | 5.750%      | 15/08/2026    | 264,563   | 0.19         |
| 370,000   | Navient Corp   | 6.125%      | 25/03/2024    | 345,950   | 0.25         |
| 265,000   | Navient Corp   | 7.250%      | 25/09/2023    | 265,133   | 0.19         |
| 1,100,000   | Navios Maritime Acquisition Corp / Navios Acquisition Finance US Inc             | 8.125%      | 15/11/2021    | 814,000   | 0.59         |
| 215,000   | Navios Maritime Holdings Inc / Navios Maritime Finance II US Inc                 | 7.375%      | 15/01/2022    | 105,350   | 0.07         |
| 545,000   | Navistar International Corp  | 8.250%      | 01/11/2021    | 540,231   | 0.39         |
| 460,000   | NCL Corp Ltd   | 4.625%      | 15/11/2020    | 461,725   | 0.33         |
| 315,000   | NRG Energy Inc   | 6.250%      | 01/05/2024    | 314,212   | 0.23         |
| 255,000   | NRG Energy Inc   | 7.250%      | 15/05/2026    | 262,331   | 0.19         |
| 410,000   | Oasis Petroleum Inc  | 6.500%      | 01/11/2021    | 392,575   | 0.28         |
| 85,000  | Oasis Petroleum Inc  | 6.875%      | 15/03/2022    | 82,025    | 0.06         |
| 70,000  | PDC Energy Inc   | 6.125%      | 15/09/2024    | 72,625    | 0.05         |
| 200,000   | PDC Energy Inc   | 7.750%      | 15/10/2022    | 214,500   | 0.15         |
| 300,000   | PetSmart Inc   | 7.125%      | 15/03/2023    | 315,000   | 0.23         |
| 410,000   | PHI Inc  | 5.250%      | 15/03/2019    | 395,650   | 0.29         |
| 689,000   | Pinnacle Operating Corp  | 9.000%      | 15/11/2020    | 482,300   | 0.35         |
| 325,000   | Post Holdings Inc  | 7.750%      | 15/03/2024    | 364,813   | 0.26         |
| 285,000   | RCN Telecom Services LLC / RCN Capital Corp                                      | 8.500%      | 15/08/2020    | 304,238   | 0.22         |
| 340,000   | Resolute Forest Products Inc   | 5.875%      | 15/05/2023    | 295,800   | 0.21         |
| 395,000   | Reynolds Group Issuer Inc / Reynolds Group Issuer LLC / Reynolds Group Issuer Lu | 5.750%      | 15/10/2020    | 408,252   | 0.30         |
| 600,000   | Rialto Holdings LLC / Rialto Corp  | 7.000%      | 01/12/2018    | 612,000   | 0.44         |
| 570,000   | Rite Aid Corp  | 6.125%      | 01/04/2023    | 617,544   | 0.45         |
| 650,000   | Sabine Pass Liquefaction LLC   | 5.625%      | 01/03/2025    | 699,562   | 0.50         |
| 320,000   | Sabine Pass Liquefaction LLC   | 5.625%      | 01/02/2021    | 341,200   | 0.25         |
| 250,000   | Sensata Technologies UK Financing Co plc   | 6.250%      | 15/02/2026    | 271,250   | 0.20         |
| 950,000   | Signode Industrial Group Lux SA/Signode Industrial Group US Inc                  | 6.375%      | 01/05/2022    | 963,063   | 0.69         |
| 100,000   | Smithfield Foods Inc   | 5.250%      | 01/08/2018    | 101,250   | 0.08         |
| 425,000   | Smithfield Foods Inc   | 5.875%      | 01/08/2021    | 446,250   | 0.32         |
| 475,000   | Spectrum Brands Inc  | 5.750%      | 15/07/2025    | 515,969   | 0.37         |
| 150,000   | Springleaf Finance Corp  | 5.250%      | 15/12/2019    | 153,375   | 0.11         |
| 145,000   | Sprint Capital Corp  | 6.875%      | 15/11/2028    | 135,938   | 0.10         |
| 740,000   | Sprint Communications Inc  | 6.000%      | 15/11/2022    | 688,200   | 0.50         |
| 170,000   | Sprint Communications Inc  | 7.000%      | 15/08/2020    | 171,275   | 0.12         |
| 85,000  | Sprint Communications Inc  | 9.000%      | 15/11/2018    | 93,925    | 0.07         |
| 61,000  | Sprint Communications Inc  | 9.125%      | 01/03/2017    | 62,601    | 0.04         |
| 380,000   | Sprint Corp  | 7.125%      | 15/06/2024    | 370,500   | 0.27         |
| 905,000   | Sprint Corp  | 7.875%      | 15/09/2023    | 911,788   | 0.66         |
| 270,000   | Sunoco LP / Sunoco Finance Corp  | 5.500%      | 01/08/2020    | 272,362   | 0.19         |
| 345,000   | Sunoco LP / Sunoco Finance Corp  | 6.375%      | 01/04/2023    | 356,213   | 0.26         |

PRINCIPAL GLOBAL INVESTORS FUNDS

PORTFOLIO OF INVESTMENTS  
AS AT 30 SEPTEMBER 2016 (continued)

| HIGH YIELD FUND (continued)   |   |             |               |                    |              |
|---|---|-------------|---------------|--------------------|--------------|
| Nominal   | Security  | Coupon Rate | Maturity Date | Value USD          | % Net Assets |
| <b>UNITED STATES 53.83% (30 September 2015: 56.75%) (continued)</b>                       |   |             |               |                    |              |
| <b>Corporate Bond (continued)</b>   |   |             |               |                    |              |
| 510,000   | Tesoro Logistics LP / Tesoro Logistics Finance Corp                   | 6.125%      | 15/10/2021    | 533,587            | 0.38         |
| 85,000  | Tesoro Logistics LP / Tesoro Logistics Finance Corp                   | 6.250%      | 15/10/2022    | 91,163             | 0.07         |
| 65,000  | Tesoro Logistics LP / Tesoro Logistics Finance Corp                   | 6.375%      | 01/05/2024    | 69,713             | 0.05         |
| 380,000   | T-Mobile USA Inc  | 6.000%      | 01/03/2023    | 406,125            | 0.29         |
| 20,000  | T-Mobile USA Inc  | 6.125%      | 15/01/2022    | 21,225             | 0.01         |
| 380,000   | T-Mobile USA Inc  | 6.250%      | 01/04/2021    | 399,475            | 0.29         |
| 595,000   | T-Mobile USA Inc  | 6.500%      | 15/01/2026    | 657,475            | 0.47         |
| 35,000  | T-Mobile USA Inc  | 6.500%      | 15/01/2024    | 37,756             | 0.03         |
| 470,000   | T-Mobile USA Inc  | 6.633%      | 28/04/2021    | 496,438            | 0.36         |
| 660,000   | TMS International Corp  | 7.625%      | 15/10/2021    | 561,000            | 0.40         |
| 315,000   | Tops Holding LLC / Tops Markets II Corp                               | 8.000%      | 15/06/2022    | 285,075            | 0.21         |
| 365,000   | TreeHouse Foods Inc   | 6.000%      | 15/02/2024    | 395,113            | 0.29         |
| 575,000   | Universal Hospital Services Inc                                       | 7.625%      | 15/08/2020    | 550,562            | 0.40         |
| 17,964  | US Airways 2001-1G Pass Through Trust                                 | 7.078%      | 20/03/2021    | 19,424             | 0.01         |
| 580,000   | Valeant Pharmaceuticals International Inc                             | 5.375%      | 15/03/2020    | 540,850            | 0.39         |
| 115,000   | Valeant Pharmaceuticals International Inc                             | 5.625%      | 01/12/2021    | 102,494            | 0.07         |
| 425,000   | Valeant Pharmaceuticals International Inc                             | 5.875%      | 15/05/2023    | 366,562            | 0.27         |
| 278,912   | Vander Intermediate Holding II Corp                                   | 9.750%      | 01/02/2019    | 146,429            | 0.11         |
| 55,000  | Versum Materials Inc  | 5.500%      | 30/09/2024    | 56,444             | 0.04         |
| 1,845,000   | Voya Financial Inc  | 5.650%      | 15/05/2053    | 1,847,306          | 1.33         |
| 845,000   | WCI Communities Inc   | 6.875%      | 15/08/2021    | 900,981            | 0.65         |
| 310,000   | Weatherford International Ltd   | 8.250%      | 15/06/2023    | 306,125            | 0.22         |
| 350,000   | WellCare Health Plans Inc   | 5.750%      | 15/11/2020    | 362,031            | 0.26         |
| 480,000   | Wells Fargo & Co  | 5.900%      | Perpetual     | 499,320            | 0.36         |
| 315,000   | Westlake Chemical Corp  | 4.625%      | 15/02/2021    | 329,569            | 0.24         |
| 250,000   | WideOpenWest Finance LLC / WideOpenWest Capital Corp                  | 10.250%     | 15/07/2019    | 263,438            | 0.19         |
| 236,000   | WideOpenWest Finance LLC / WideOpenWest Capital Corp                  | 13.375%     | 15/10/2019    | 252,520            | 0.18         |
| 426,262   | Wise Metals Intermediate Holdings LLC/Wise Holdings Finance Corp      | 9.750%      | 15/06/2019    | 411,343            | 0.30         |
| 59,000  | WMG Acquisition Corp  | 6.000%      | 15/01/2021    | 61,213             | 0.04         |
| 140,000   | WMG Acquisition Corp  | 6.750%      | 15/04/2022    | 148,925            | 0.11         |
| 465,000   | Woodside Homes Co LLC / Woodside Homes Finance Inc                    | 6.750%      | 15/12/2021    | 452,213            | 0.33         |
| 455,000   | WPX Energy Inc  | 7.500%      | 01/08/2020    | 482,300            | 0.35         |
| 350,000   | Zayo Group LLC / Zayo Capital Inc                                     | 6.000%      | 01/04/2023    | 367,938            | 0.27         |
| <b>URUGUAY 0.25% (30 September 2015: 0.32%)</b>   |   |             |               |                    |              |
| <b>Corporate Bond</b>   |   |             |               |                    |              |
| 455,000   | Navios South American Logistics Inc / Navios Logistics Finance US Inc | 7.250%      | 01/05/2022    | 348,075            | 0.25         |
| <b>Total Value of Transferable Securities at Mid Market Prices</b>                        |   |             |               | <b>128,223,670</b> | <b>92.38</b> |
| <b>UNLISTED 1.93% (30 September 2015: 0.78%)</b>  |   |             |               |                    |              |
| <b>LUXEMBOURG 0.78% (30 September 2015: 0.00%)</b>  |   |             |               |                    |              |
| <b>Corporate Bond</b>   |   |             |               |                    |              |
| 810,000   | ARD Finance SA  | 6.625%      | 15/09/2023    | 880,557            | 0.63         |
| 200,000   | Coveris Holdings SA   | 7.875%      | 01/11/2019    | 205,500            | 0.15         |
| <b>NETHERLANDS 0.54% (30 September 2015: 0.00%)</b>                                       |   |             |               |                    |              |
| <b>Term Loans</b>   |   |             |               |                    |              |
| 655,215   | Adria Topco Bv  | 9.000%      | 19/06/2019    | 745,057            | 0.54         |
| <b>UNITED KINGDOM 0.10% (30 September 2015: 0.13%)</b>                                    |   |             |               |                    |              |
| <b>Term Loans</b>   |   |             |               |                    |              |
| 278,571   | Seadrill Operating LP   | 4.000%      | 14/02/2023    | 139,494            | 0.10         |
| <b>UNITED STATES 0.51% (30 September 2015: 0.65%)</b>                                     |   |             |               |                    |              |
| <b>Corporate Bond</b>   |   |             |               |                    |              |
| 345,000   | Escobche  | 0.000%      | 15/11/2019    | -                  | 0.00         |
| 305,000   | Hertz Holdings Netherlands BV   | 4.125%      | 15/10/2021    | 349,991            | 0.25         |
| <b>Term Loans</b>   |   |             |               |                    |              |
| 208,326   | iStar Financial Inc   | 7.000%      | 19/03/2017    | 210,801            | 0.15         |
| 142,100   | Seventy Seven Energy Inc  | 3.750%      | 17/06/2021    | 123,805            | 0.09         |
| 22,137  | Zayo Group  | 4.000%      | 02/07/2019    | 22,265             | 0.02         |
| <b>Total Value of Unlisted at Mid Market Prices</b>                                       |   |             |               | <b>2,677,470</b>   | <b>1.93</b>  |
| <b>Total Value of Transferable Securities at Mid Market Prices (Cost: USD131,518,621)</b> |   |             |               | <b>130,901,140</b> | <b>94.31</b> |
| Interest Receivable on Transferable Securities  |   |             |               | 2,196,736          | 1.58         |
| <b>Total Value of Transferable Securities</b>   |   |             |               | <b>133,097,876</b> | <b>95.89</b> |



PRINCIPAL GLOBAL INVESTORS FUNDS

PORTFOLIO OF INVESTMENTS  
AS AT 30 SEPTEMBER 2016 (continued)

HIGH YIELD FUND (continued)

Open Forward Foreign Currency Exchange Contracts 0.42% (30 September 2015: (1.35%))

| Settlement Date | Buy | Amount Bought | Sell | Amount Sold  | Unrealised Gain/Loss | % Net Assets |
|-----------------|-----|---------------|------|--------------|----------------------|--------------|
| 05/10/2016      | BRL | 810,618       | USD  | (252,058)    | (1,929)              | (0.00)       |
| 05/10/2016      | BRL | 40,147,579    | USD  | (12,107,290) | 280,883              | 0.20         |
| 05/10/2016      | USD | 3,858         | BRL  | (12,793)     | (90)                 | (0.00)       |
| 17/10/2016      | AUD | 172           | USD  | (128)        | 3                    | 0.00         |
| 17/10/2016      | AUD | 552,549       | USD  | (418,019)    | 4,274                | 0.00         |
| 17/10/2016      | EUR | 4,819,337     | USD  | (5,421,687)  | (32,360)             | (0.03)       |
| 17/10/2016      | EUR | 13,515        | USD  | (15,204)     | (91)                 | (0.00)       |
| 17/10/2016      | EUR | 25,000        | USD  | (28,041)     | (85)                 | (0.00)       |
| 17/10/2016      | GBP | 414,302       | USD  | (537,873)    | (113)                | (0.00)       |
| 17/10/2016      | USD | 9,526         | AUD  | (12,592)     | (98)                 | (0.00)       |
| 17/10/2016      | USD | 18            | AUD  | (24)         | (0)                  | (0.00)       |
| 17/10/2016      | USD | 82            | CHF  | (80)         | (0)                  | (0.00)       |
| 17/10/2016      | USD | 226,779       | EUR  | (202,643)    | 170                  | 0.00         |
| 17/10/2016      | USD | 714,939       | EUR  | (638,610)    | 799                  | 0.00         |
| 17/10/2016      | USD | 28,190,999    | EUR  | (25,109,845) | 111,380              | 0.08         |
| 17/10/2016      | USD | 5,352,785     | GBP  | (4,034,509)  | 116,068              | 0.09         |
| 04/11/2016      | BRL | 817,500       | USD  | (252,058)    | (2,074)              | (0.00)       |
| 04/11/2016      | BRL | 924,948       | USD  | (280,470)    | 2,371                | 0.00         |
| 04/11/2016      | BRL | 39,455,571    | USD  | (11,963,484) | 101,673              | 0.08         |

|  |          |        |
|--|----------|--------|
| Unrealised Gain on Forward Foreign Currency Exchange Contracts | 617,621  | 0.45   |
| Unrealised Loss on Forward Foreign Currency Exchange Contracts | (36,840) | (0.03) |

**Net Unrealised Gain on Forward Foreign Currency Exchange Contracts** **580,781** **0.42**

|                         |             |        |
|-------------------------|-------------|--------|
| Cash at Bank            | 6,139,310   | 4.42   |
| Net Current Liabilities | (1,025,611) | (0.73) |

**Net Assets Attributable to Holders of Redeemable Participating Units at Mid Market Prices** **138,792,356** **100.00**

**Analysis of Total Assets** **% Total Assets**

|   |               |
|---|---------------|
| Transferable Securities and Money Market Instruments admitted to an official stock exchange listing or traded on a regulated market | 91.67         |
| Transferable Securities other than those admitted to an official stock exchange listing or traded on a regulated market             | 1.91          |
| Financial Derivative instruments dealt in or on a regulated market  | 0.42          |
| Other Assets  | 6.00          |
| <b>Total Assets</b>   | <b>100.00</b> |

Except where stated above all securities are transferable securities admitted to an official stock exchange listing.

The counterparty for the forward foreign currency exchange contracts is State Street Global Markets.

PRINCIPAL GLOBAL INVESTORS FUNDS

PORTFOLIO OF INVESTMENTS  
AS AT 30 SEPTEMBER 2016 (continued)

| GLOBAL PROPERTY SECURITIES FUND                                   |   |           |              | GLOBAL PROPERTY SECURITIES FUND (continued)             |                                     |            |              |
|---|---|-----------|--------------|---|-------------------------------------|------------|--------------|
| Nominal   | Security                                    | Value USD | % Net Assets | Nominal   | Security                            | Value USD  | % Net Assets |
| <b>TRANSFERABLE SECURITIES 97.95% (30 September 2015: 87.73%)</b> |   |           |              | <b>NETHERLANDS 0.70% (30 September 2015: 0.00%)</b>     |                                     |            |              |
| <b>AUSTRALIA 6.75% (30 September 2015: 4.80%)</b>                 |   |           |              | <b>Computer Software</b>                                |                                     |            |              |
| <b>Real Estate Management/Services</b>                            |   |           |              | 31,850  | InterXion Holding NV                | 1,160,296  | 0.70         |
| 74,071  | Charter Hall Group                          | 288,251   | 0.18         | <b>SINGAPORE 0.52% (30 September 2015: 0.91%)</b>       |                                     |            |              |
| <b>Reits-Diversified</b>  |   |           |              | <b>Reits-Diversified</b>                                |                                     |            |              |
| 489,595   | Dexus Property Group                        | 3,411,610 | 2.06         | 616,361   | Fraser Logistics & Industrial Trust | 449,275    | 0.27         |
| 562,050   | Goodman Group                               | 3,116,074 | 1.88         | 352,100   | Mapletree Commercial Trust          | 410,126    | 0.25         |
| 1,800,761   | Mirvac Group                                | 3,071,889 | 1.85         | <b>SPAIN 1.19% (30 September 2015: 1.57%)</b>           |                                     |            |              |
| <b>Reits-Shopping Centers</b>                                     |   |           |              | <b>Real Estate Operation/Development</b>                |                                     |            |              |
| 362,897   | Scentre Group                               | 1,298,920 | 0.78         | 23,261  | Immobiliaria Colonial SA            | 166,311    | 0.10         |
| <b>CHINA 0.55% (30 September 2015: 0.66%)</b>                     |   |           |              | <b>Reits-Diversified</b>                                |                                     |            |              |
| <b>Real Estate Operation/Development</b>                          |   |           |              | 158,567   | Merlin Properties Socimi SA         | 1,814,161  | 1.09         |
| 326,000   | China Resources Land Ltd                    | 908,243   | 0.55         | <b>SWEDEN 2.63% (30 September 2015: 1.45%)</b>          |                                     |            |              |
| <b>FINLAND 0.66% (30 September 2015: 0.00%)</b>                   |   |           |              | <b>Real Estate Management/Services</b>                  |                                     |            |              |
| <b>Real Estate Management/Services</b>                            |   |           |              | 102,688   | Castellum AB                        | 1,531,348  | 0.92         |
| 212,867   | Sponda OYJ                                  | 1,088,434 | 0.66         | 96,402  | Fabege AB                           | 1,746,227  | 1.05         |
| <b>FRANCE 4.36% (30 September 2015: 4.31%)</b>                    |   |           |              | 52,140  | Wilhortsberg Fastigheter AB         | 1,088,926  | 0.66         |
| <b>Reits-Diversified</b>  |   |           |              | <b>UNITED KINGDOM 4.19% (30 September 2015: 8.03%)</b>  |                                     |            |              |
| 9,963   | Gecina SA                                   | 1,549,904 | 0.94         | <b>Real Estate Operation/Development</b>                |                                     |            |              |
| 93,746  | Klepierre                                   | 4,227,801 | 2.55         | 179,336   | UNITE Group Plc/The                 | 1,456,894  | 0.88         |
| 5,444   | Unibail-Rodamco SE                          | 1,445,090 | 0.87         | <b>Reits-Diversified</b>                                |                                     |            |              |
| <b>GERMANY 3.98% (30 September 2015: 2.90%)</b>                   |   |           |              | 188,050   | Land Securities Group Plc           | 2,526,229  | 1.52         |
| <b>Real Estate Management/Services</b>                            |   |           |              | 294,700   | Segro Plc                           | 1,699,671  | 1.03         |
| 136,586   | Deutsche Wohnen AG                          | 4,938,549 | 2.98         | <b>Reits-Storage</b>                                    |                                     |            |              |
| 12,541  | Vonovia SE                                  | 470,697   | 0.28         | 49,920  | Big Yellow Group Plc                | 501,667    | 0.30         |
| <b>Real Estate Operation/Development</b>                          |   |           |              | <b>Storage/Warehousing</b>                              |                                     |            |              |
| 53,929  | TLG Immobilien AG                           | 1,188,465 | 0.72         | 152,043   | Safestore Holdings Plc              | 756,086    | 0.46         |
| <b>HONG KONG 6.81% (30 September 2015: 6.37%)</b>                 |   |           |              | <b>UNITED STATES 52.22% (30 September 2015: 49.89%)</b> |                                     |            |              |
| <b>Real Estate Operation/Development</b>                          |   |           |              | <b>Hotels &amp; Motels</b>                              |                                     |            |              |
| 133,000   | Cheung Kong Property Holdings Ltd           | 970,955   | 0.59         | 34,420  | Hilton Worldwide Holdings Inc       | 785,464    | 0.47         |
| 270,900   | Hongkong Land Holdings Ltd                  | 1,912,554 | 1.15         | <b>Real Estate Management/Services</b>                  |                                     |            |              |
| 1,266,000   | New World Development Co Ltd                | 1,645,982 | 0.99         | 29,370  | CBRE Group Inc                      | 811,787    | 0.49         |
| 354,000   | Sun Hung Kai Properties Ltd                 | 5,346,764 | 3.23         | <b>Reits-Apartments</b>                                 |                                     |            |              |
| <b>Reits-Shopping Centers</b>                                     |   |           |              | 22,494  | American Campus Communities Inc     | 1,147,644  | 0.69         |
| 192,000   | Link REIT                                   | 1,411,585 | 0.85         | Apartment Investment & Management                       |                                     |            |              |
| <b>JAPAN 12.67% (30 September 2015: 6.84%)</b>                    |   |           |              | 52,372  | Co                                  | 2,440,535  | 1.47         |
| <b>Real Estate Management/Services</b>                            |   |           |              | 25,905  | AvalonBay Communities Inc           | 4,647,357  | 2.81         |
| 106,300   | Aeon Mall Co Ltd                            | 1,670,586 | 1.01         | 33,090  | Colony Starwood Homes               | 959,610    | 0.58         |
| <b>Real Estate Operation/Development</b>                          |   |           |              | 26,761  | Education Realty Trust Inc          | 1,156,878  | 0.70         |
| 211,355   | Mitsui Fudosan Co Ltd                       | 4,466,808 | 2.70         | 34,165  | Equity Residential                  | 2,201,251  | 1.33         |
| 145,000   | Sumitomo Realty & Development Co Ltd        | 3,727,423 | 2.25         | 19,265  | Essex Property Trust Inc            | 4,346,762  | 2.62         |
| 94,700  | Tokyo Tatemono Co Ltd                       | 1,131,208 | 0.68         | <b>Reits-Diversified</b>                                |                                     |            |              |
| <b>Reits-Apartments</b>   |   |           |              | 12,016  | American Tower Corp                 | 1,363,576  | 0.82         |
| 732   | Japan Rental Housing Investments Inc        | 615,041   | 0.37         | 19,165  | Crown Castle International Corp     | 1,801,702  | 1.09         |
| <b>Reits-Diversified</b>  |   |           |              | 102,494   | Duke Realty Corp                    | 2,820,635  | 1.70         |
| 80  | Kenedix Office Investment Corp              | 493,245   | 0.30         | 18,773  | EPR Properties                      | 1,491,890  | 0.90         |
| 955   | Nomura Real Estate Master Fund Inc          | 1,597,259 | 0.96         | 6,765   | Equinix Inc                         | 2,435,062  | 1.47         |
| <b>Reits-Hotels</b>   |   |           |              | 26,625  | STAG Industrial Inc                 | 652,312    | 0.39         |
| 45  | Hoshino Resorts REIT Inc                    | 566,480   | 0.34         | 65,166  | STORE Capital Corp                  | 1,928,913  | 1.16         |
| 1,601   | Japan Hotel REIT Investment Corp            | 1,272,308 | 0.77         | 6,802   | Vornado Realty Trust                | 690,607    | 0.42         |
| <b>Reits-Office Property</b>                                      |   |           |              | <b>Reits-Health Care</b>                                |                                     |            |              |
| 601   | Orix JREIT Inc                              | 1,057,527 | 0.64         | 58,259  | Physicians Realty Trust             | 1,261,307  | 0.76         |
| <b>Reits-Shopping Centers</b>                                     |   |           |              | 82,500  | Senior Housing Properties Trust     | 1,907,400  | 1.15         |
| 865   | Japan Retail Fund Investment Corp           | 2,140,992 | 1.29         | 64,429  | Welltower Inc                       | 4,884,363  | 2.95         |
| 295   | Kenedix Retail REIT Corp                    | 701,262   | 0.42         | <b>Reits-Hotels</b>                                     |                                     |            |              |
| <b>Reits-Warehouse/Industrial</b>                                 |   |           |              | 23,189  | Pebblebrook Hotel Trust             | 602,914    | 0.36         |
| 688   | Japan Logistics Fund Inc                    | 1,559,226 | 0.94         | 125,551   | Sunstone Hotel Investors Inc        | 1,589,476  | 0.96         |
| <b>MEXICO 0.72% (30 September 2015: 0.00%)</b>                    |   |           |              | <b>Reits-Manufactured Homes</b>                         |                                     |            |              |
| <b>Reits-Diversified</b>  |   |           |              | 23,375  | Sun Communities Inc                 | 1,856,676  | 1.12         |
| 377,620   | PLA Administradora Industrial S de RL de CV | 619,864   | 0.37         | <b>Reits-Office Property</b>                            |                                     |            |              |
| <b>Reits-Warehouse/Industrial</b>                                 |   |           |              | 18,504  | Alexandria Real Estate Equities Inc | 2,031,554  | 1.23         |
| 366,671   | Prologis Property Mexico SA de CV           | 581,523   | 0.35         | 27,698  | Boston Properties Inc               | 3,775,514  | 2.28         |
|   |   |           |              | 16,773  | Kilroy Realty Corp                  | 1,150,125  | 0.69         |
|   |   |           |              | 26,561  | SL Green Realty Corp                | 2,866,198  | 1.73         |
|   |   |           |              | <b>Reits-Regional Malls</b>                             |                                     |            |              |
|   |   |           |              | 90,009  | General Growth Properties Inc       | 2,481,548  | 1.50         |
|   |   |           |              | 51,438  | Simon Property Group Inc            | 10,677,500 | 6.44         |
|   |   |           |              | 13,689  | Tanger Factory Outlet Centers Inc   | 534,693    | 0.32         |

PRINCIPAL GLOBAL INVESTORS FUNDS

PORTFOLIO OF INVESTMENTS  
AS AT 30 SEPTEMBER 2016 (continued)

| GLOBAL PROPERTY SECURITIES FUND (continued)   |                                   |               |              |               |                      |              | GLOBAL PROPERTY SECURITIES FUND (continued)  |       |                     |      |             |                      |              |             |        |      |  |
|---|-----------------------------------|---------------|--------------|---------------|----------------------|--------------|--|-------|---------------------|------|-------------|----------------------|--------------|-------------|--------|------|--|
| Nominal   | Security                          | Value USD     | % Net Assets |               |                      |              | Open Forward Foreign Currency Exchange Contracts 0.07% (30 September 2015: 0.07%) (continued)  |       |                     |      |             |                      |              |             |        |      |  |
| Settlement Date   | Buy                               | Amount Bought | Sell         | Amount Sold   | Unrealised Gain/Loss | % Net Assets | Date   | Buy   | Amount Bought       | Sell | Amount Sold | Unrealised Gain/Loss | % Net Assets |             |        |      |  |
| <b>UNITED STATES 52.22% (30 September 2015: 49.89%) (continued)</b>                       |                                   |               |              |               |                      |              | <b>Unrealised Gains on Forward Foreign Currency Exchange Contracts</b>   |       |                     |      |             |                      |              | 195,817     | 0.12   |      |  |
| <b>Reits-Shopping Centers</b>   |                                   |               |              |               |                      |              | <b>Unrealised Loss on Forward Foreign Currency Exchange Contracts</b>  |       |                     |      |             |                      |              | (78,648)    | (0.05) |      |  |
| 46,621  | DDR Corp                          | 822,861       | 0.50         |               |                      |              | <b>Net Unrealised Gain on Forward Foreign Currency Exchange Contracts</b>  |       |                     |      |             |                      |              | 117,169     | 0.07   |      |  |
| 65,130  | Equity One Inc                    | 2,009,260     | 1.21         |               |                      |              | <b>Open Spot Currency Contracts (0.00%) (30 September 2015: 0.00%)</b>   |       |                     |      |             |                      |              |             |        |      |  |
| 5,643   | Federal Realty Investment Trust   | 876,471       | 0.53         |               |                      |              | <b>Settlement Date</b>   |       |                     |      |             |                      |              |             |        |      |  |
| 16,800  | Regency Centers Corp              | 1,308,048     | 0.79         |               |                      |              | 03/10/2016   | MXN   | 10,535              | USD  | (544)       | (7)                  | (0.00)       |             |        |      |  |
| 5,005   | Saul Centers Inc                  | 331,931       | 0.20         |               |                      |              | 03/10/2016   | USD   | 30,900              | JPY  | (3,109,185) | 130                  | 0.00         |             |        |      |  |
| <b>REITS-Single Tenant</b>  |                                   |               |              |               |                      |              | 04/10/2016   | MXN   | 40,232              | USD  | (2,062)     | (12)                 | (0.00)       |             |        |      |  |
| 127,146   | Spirit Realty Capital Inc         | 1,705,028     | 1.03         |               |                      |              | 04/10/2016   | USD   | 36,416              | JPY  | (3,706,405) | (265)                | (0.00)       |             |        |      |  |
| <b>Reits-Storage</b>  |                                   |               |              |               |                      |              | 04/10/2016   | USD   | 19,691              | GBP  | (15,192)    | (9)                  | (0.00)       |             |        |      |  |
| 82,318  | CubeSmart                         | 2,308,197     | 1.39         |               |                      |              | <b>Unrealised Gains on Open Spot Currency Contracts</b>  |       |                     |      |             |                      |              | 130         | 0.00   |      |  |
| 22,490  | Extra Space Storage Inc           | 1,819,891     | 1.10         |               |                      |              | <b>Unrealised Loss on Open Spot Currency Contracts</b>   |       |                     |      |             |                      |              | (293)       | (0.00) |      |  |
| 8,834   | Public Storage                    | 1,987,561     | 1.20         |               |                      |              | <b>Net Unrealised Loss on Open Spot Currency Contracts</b>   |       |                     |      |             |                      |              | (163)       | (0.00) |      |  |
| <b>Reits-Warehouse/Industrial</b>   |                                   |               |              |               |                      |              | <b>Cash at Bank</b>  |       |                     |      |             |                      |              | 2,724,238   | 1.64   |      |  |
| 40,445  | First Industrial Realty Trust Inc | 1,145,807     | 0.69         |               |                      |              | <b>Net Current Assets</b>  |       |                     |      |             |                      |              | 564,976     | 0.34   |      |  |
| 79,089  | Prologis Inc                      | 4,254,197     | 2.57         |               |                      |              | <b>Net Assets Attributable to Holders of Redeemable Participating Units at Mid Market Prices</b>   |       |                     |      |             |                      |              | 165,758,011 | 100.00 |      |  |
| 29,762  | Rexford Industrial Realty Inc     | 681,550       | 0.41         |               |                      |              | <b>Analysis of Total Assets</b>  |       |                     |      |             |                      |              |             |        |      |  |
| <b>UNLISTED 0.00% (30 September 2015: 2.09%)</b>  |                                   |               |              |               |                      |              | <b>Transferable Securities and Money Market Instruments admitted to an official stock exchange listing or traded on a regulated market</b> |       |                     |      |             |                      |              | 97.77       |        |      |  |
| <b>UNITED STATES 0.00% (30 September 2015: 2.09%)</b>                                     |                                   |               |              |               |                      |              | <b>Financial Derivative Instruments dealt in or on a regulated market</b>  |       |                     |      |             |                      |              | 0.07        |        |      |  |
| <b>Total Value of Transferable Securities at Mid Market Prices (Cost: USD148,351,165)</b> |                                   |               |              |               |                      |              | 162,351,791  | 97.95 | <b>Other Assets</b> |      |             |                      |              |             |        | 2.16 |  |
| <b>Open Forward Foreign Currency Exchange Contracts 0.07% (30 September 2015: 0.07%)</b>  |                                   |               |              |               |                      |              | <b>Total Assets</b>  |       |                     |      |             |                      |              | 100.00      |        |      |  |
| <b>Settlement Date</b>  |                                   |               |              |               |                      |              | <b>All securities are transferable securities admitted to an official stock exchange listing.</b>  |       |                     |      |             |                      |              |             |        |      |  |
| 17/10/2016  | AUD                               | 137,007       | USD          | (102,586)     | 1,719                | 0.00         | <b>The counterparty for the forward foreign currency exchange contracts is State Street Global Markets.</b>                                |       |                     |      |             |                      |              |             |        |      |  |
| 17/10/2016  | AUD                               | 187,481       | USD          | (140,522)     | 2,210                | 0.00         | <b>The counterparty for the open spot currency contracts is the Bank of New York Mellon.</b>   |       |                     |      |             |                      |              |             |        |      |  |
| 17/10/2016  | EUR                               | 92,608        | USD          | (104,262)     | (628)                | (0.00)       |  |       |                     |      |             |                      |              |             |        |      |  |
| 17/10/2016  | EUR                               | 56,989        | USD          | (64,036)      | (262)                | (0.00)       |  |       |                     |      |             |                      |              |             |        |      |  |
| 17/10/2016  | EUR                               | 75,631        | USD          | (84,778)      | (142)                | (0.00)       |  |       |                     |      |             |                      |              |             |        |      |  |
| 17/10/2016  | GBP                               | 20,355        | USD          | (26,875)      | (473)                | (0.00)       |  |       |                     |      |             |                      |              |             |        |      |  |
| 17/10/2016  | GBP                               | 37,666        | USD          | (48,946)      | (92)                 | (0.00)       |  |       |                     |      |             |                      |              |             |        |      |  |
| 17/10/2016  | HKD                               | 876,878       | USD          | (113,099)     | 18                   | 0.00         |  |       |                     |      |             |                      |              |             |        |      |  |
| 17/10/2016  | HKD                               | 412,464       | USD          | (53,177)      | 30                   | 0.00         |  |       |                     |      |             |                      |              |             |        |      |  |
| 17/10/2016  | HKD                               | 576,447       | USD          | (74,317)      | 44                   | 0.00         |  |       |                     |      |             |                      |              |             |        |      |  |
| 17/10/2016  | JPY                               | 18,640,758    | USD          | (186,034)     | (1,452)              | (0.00)       |  |       |                     |      |             |                      |              |             |        |      |  |
| 17/10/2016  | JPY                               | 31,525,358    | USD          | (312,168)     | (2)                  | (0.00)       |  |       |                     |      |             |                      |              |             |        |      |  |
| 17/10/2016  | JPY                               | 9,498,394     | USD          | (93,524)      | 529                  | 0.00         |  |       |                     |      |             |                      |              |             |        |      |  |
| 17/10/2016  | JPY                               | 7,512,532     | USD          | (73,645)      | 744                  | 0.00         |  |       |                     |      |             |                      |              |             |        |      |  |
| 17/10/2016  | JPY                               | 1,400,925,257 | USD          | (13,734,245)  | 137,794              | 0.08         |  |       |                     |      |             |                      |              |             |        |      |  |
| 17/10/2016  | MXN                               | 89,068        | USD          | (4,555)       | (22)                 | (0.00)       |  |       |                     |      |             |                      |              |             |        |      |  |
| 17/10/2016  | SEK                               | 162,181       | USD          | (19,102)      | (209)                | (0.00)       |  |       |                     |      |             |                      |              |             |        |      |  |
| 17/10/2016  | SEK                               | 131,843       | USD          | (15,542)      | (184)                | (0.00)       |  |       |                     |      |             |                      |              |             |        |      |  |
| 17/10/2016  | SEK                               | 257,596       | USD          | (29,892)      | 115                  | 0.00         |  |       |                     |      |             |                      |              |             |        |      |  |
| 17/10/2016  | SGD                               | 4,754         | USD          | (3,487)       | (4)                  | (0.00)       |  |       |                     |      |             |                      |              |             |        |      |  |
| 17/10/2016  | SGD                               | 4,015         | USD          | (2,943)       | (2)                  | (0.00)       |  |       |                     |      |             |                      |              |             |        |      |  |
| 17/10/2016  | USD                               | 3,648,456     | JPY          | (374,169,356) | (56,589)             | (0.04)       |  |       |                     |      |             |                      |              |             |        |      |  |
| 17/10/2016  | USD                               | 1,932,258     | AUD          | (2,555,214)   | (13,062)             | (0.01)       |  |       |                     |      |             |                      |              |             |        |      |  |
| 17/10/2016  | USD                               | 356,664       | JPY          | (36,269,262)  | (2,477)              | (0.00)       |  |       |                     |      |             |                      |              |             |        |      |  |
| 17/10/2016  | USD                               | 115,887       | JPY          | (11,820,685)  | (1,162)              | (0.00)       |  |       |                     |      |             |                      |              |             |        |      |  |
| 17/10/2016  | USD                               | 45,006        | AUD          | (60,196)      | (822)                | (0.00)       |  |       |                     |      |             |                      |              |             |        |      |  |
| 17/10/2016  | USD                               | 1,748,122     | HKD          | (13,556,871)  | (707)                | (0.00)       |  |       |                     |      |             |                      |              |             |        |      |  |
| 17/10/2016  | USD                               | 5,986         | MXN          | (119,066)     | (73)                 | (0.00)       |  |       |                     |      |             |                      |              |             |        |      |  |
| 17/10/2016  | USD                               | 11,539        | MXN          | (227,992)     | (63)                 | (0.00)       |  |       |                     |      |             |                      |              |             |        |      |  |
| 17/10/2016  | USD                               | 4,610         | MXN          | (91,748)      | (59)                 | (0.00)       |  |       |                     |      |             |                      |              |             |        |      |  |
| 17/10/2016  | USD                               | 87,812        | HKD          | (681,087)     | (48)                 | (0.00)       |  |       |                     |      |             |                      |              |             |        |      |  |
| 17/10/2016  | USD                               | 83,074        | HKD          | (644,221)     | (30)                 | (0.00)       |  |       |                     |      |             |                      |              |             |        |      |  |
| 17/10/2016  | USD                               | 8,744         | MXN          | (172,383)     | (29)                 | (0.00)       |  |       |                     |      |             |                      |              |             |        |      |  |
| 17/10/2016  | USD                               | 56,393        | HKD          | (437,336)     | (24)                 | (0.00)       |  |       |                     |      |             |                      |              |             |        |      |  |
| 17/10/2016  | USD                               | 25,046        | GBP          | (19,324)      | (18)                 | (0.00)       |  |       |                     |      |             |                      |              |             |        |      |  |
| 17/10/2016  | USD                               | 3,925         | SGD          | (5,369)       | (8)                  | (0.00)       |  |       |                     |      |             |                      |              |             |        |      |  |
| 17/10/2016  | USD                               | 58,611        | GBP          | (45,192)      | (5)                  | (0.00)       |  |       |                     |      |             |                      |              |             |        |      |  |
| 17/10/2016  | USD                               | 13            | CHF          | (13)          | (0)                  | (0.00)       |  |       |                     |      |             |                      |              |             |        |      |  |
| 17/10/2016  | USD                               | 4,427         | MXN          | (86,770)      | 12                   | 0.00         |  |       |                     |      |             |                      |              |             |        |      |  |
| 17/10/2016  | USD                               | 7,598         | SGD          | (10,329)      | 30                   | 0.00         |  |       |                     |      |             |                      |              |             |        |      |  |
| 17/10/2016  | USD                               | 17,008        | SEK          | (145,591)     | 48                   | 0.00         |  |       |                     |      |             |                      |              |             |        |      |  |
| 17/10/2016  | USD                               | 82,725        | AUD          | (108,491)     | 130                  | 0.00         |  |       |                     |      |             |                      |              |             |        |      |  |
| 17/10/2016  | USD                               | 27,146        | SEK          | (231,881)     | 134                  | 0.00         |  |       |                     |      |             |                      |              |             |        |      |  |
| 17/10/2016  | USD                               | 154,917       | JPY          | (15,619,365)  | 254                  | 0.00         |  |       |                     |      |             |                      |              |             |        |      |  |
| 17/10/2016  | USD                               | 171,452       | EUR          | (152,643)     | 635                  | 0.00         |  |       |                     |      |             |                      |              |             |        |      |  |

PRINCIPAL GLOBAL INVESTORS FUNDS

PORTFOLIO OF INVESTMENTS  
AS AT 30 SEPTEMBER 2016 (continued)

| GLOBAL EQUITY (EX-JAPAN) FUND                                     |                                |           |              | GLOBAL EQUITY (EX-JAPAN) FUND (continued)              |                               |           |              |
|---|--------------------------------|-----------|--------------|--|-------------------------------|-----------|--------------|
| Nominal   | Security                       | Value USD | % Net Assets | Nominal  | Security                      | Value USD | % Net Assets |
| <b>TRANSFERABLE SECURITIES 98.73% (30 September 2015: 99.33%)</b> |                                |           |              | <b>GERMANY 2.98% (30 September 2015: 2.64%)</b>        |                               |           |              |
| <b>AUSTRALIA 1.12% (30 September 2015: 2.51%)</b>                 |                                |           |              | <b>Athletic Footwear</b>                               |                               |           |              |
|   | Casino Hotels                  |           |              | 2,196  | adidas AG                     | 374,410   | 0.58         |
| 46,765  | Star Entertainment Grp Ltd/The | 214,397   | 0.34         | <b>Chemicals-Diversified</b>                           |                               |           |              |
| <b>Commercial Banks Non-US</b>                                    |                                |           |              | 9,102  | Evonik Industries AG          | 303,449   | 0.47         |
| 2,367   | Commonwealth Bank of Australia | 130,508   | 0.20         | <b>Diversified Manufacturing Operations</b>            |                               |           |              |
| <b>Diversified Minerals</b>                                       |                                |           |              | 4,918  | Siemens AG                    | 561,292   | 0.88         |
| 13,294  | BHP Billiton Plc               | 199,534   | 0.31         | <b>Lighting Products &amp; Systems</b>                 |                               |           |              |
| <b>Metal-Iron</b>   |                                |           |              | 7,167  | OSRAM Licht AG                | 414,236   | 0.65         |
| 46,633  | Fortescue Metals Group Ltd     | 175,792   | 0.27         | <b>Reinsurance</b>                                     |                               |           |              |
| <b>AUSTRIA 0.52% (30 September 2015: 0.00%)</b>                   |                                |           |              | 2,472  | Hannover Rueck SE             | 257,359   | 0.40         |
| <b>Commercial Banks Non-US</b>                                    |                                |           |              | <b>HONG KONG 1.46% (30 September 2015: 0.00%)</b>      |                               |           |              |
| 11,477  | Erste Group Bank AG            | 331,993   | 0.52         | <b>Real Estate Operation/Development</b>               |                               |           |              |
| <b>BELGIUM 0.00% (30 September 2015: 2.21%)</b>                   |                                |           |              |  | Cheung Kong Property Holdings |           |              |
| <b>CANADA 5.66% (30 September 2015: 3.24%)</b>                    |                                |           |              | 66,000   | Ltd                           | 481,827   | 0.75         |
| <b>Commercial Banks Non-US</b>                                    |                                |           |              | 163,000  | New World Development Co Ltd  | 211,923   | 0.33         |
| 10,800  | Bank of Nova Scotia/The        | 579,556   | 0.90         | 41,000   | Wheelock & Co Ltd             | 241,939   | 0.38         |
| 13,500  | Toronto-Dominion Bank/The      | 597,772   | 0.93         | <b>IRELAND 1.54% (30 September 2015: 0.98%)</b>        |                               |           |              |
| <b>Diversified Minerals</b>                                       |                                |           |              | <b>Building Production-Cement/Aggregate</b>            |                               |           |              |
| 15,300  | Teck Resources Ltd             | 285,846   | 0.45         | 7,015  | CRH Plc                       | 231,871   | 0.36         |
| <b>Gold Mining</b>  |                                |           |              | <b>Computer Services</b>                               |                               |           |              |
| 15,700  | Barrick Gold Corp              | 281,271   | 0.44         | 6,234  | Accenture Plc                 | 758,304   | 1.18         |
| 48,800  | Kinross Gold Corp              | 207,630   | 0.32         | <b>ISRAEL 0.00% (30 September 2015: 0.74%)</b>         |                               |           |              |
| 30,200  | Yamana Gold Inc                | 134,229   | 0.21         | <b>ITALY 1.25% (30 September 2015: 1.07%)</b>          |                               |           |              |
| <b>Oil Company-Exploration &amp; Production</b>                   |                                |           |              | <b>Electric-Integrated</b>                             |                               |           |              |
| 9,100   | Canadian Natural Resources Ltd | 291,352   | 0.46         | 116,851  | Enel SpA                      | 514,369   | 0.80         |
| 12,400  | Seven Generations Energy Ltd   | 296,578   | 0.46         | <b>Wire &amp; Cable Products</b>                       |                               |           |              |
| <b>Pipelines</b>  |                                |           |              | 11,171   | Prysmian SpA                  | 288,222   | 0.45         |
| 11,600  | TransCanada Corp               | 551,715   | 0.86         | <b>JORDAN 0.00% (30 September 2015: 0.47%)</b>         |                               |           |              |
| <b>Retail-Convenience Store</b>                                   |                                |           |              | <b>NETHERLANDS 1.69% (30 September 2015: 1.62%)</b>    |                               |           |              |
| 4,849   | Alimentation Couche-Tard Inc   | 233,648   | 0.36         | <b>Commercial Banks Non-US</b>                         |                               |           |              |
| <b>Retail-Discount</b>  |                                |           |              | 13,328   | ING Groep NV                  | 156,883   | 0.24         |
| 2,200   | Dollarama Inc                  | 174,437   | 0.27         | <b>Food-Retail</b>                                     |                               |           |              |
| <b>DENMARK 1.08% (30 September 2015: 1.13%)</b>                   |                                |           |              | 14,533   | Koninklijke Ahold Delhaize NV | 324,742   | 0.51         |
| <b>Commercial Banks Non-US</b>                                    |                                |           |              | <b>Life/Health Insurance</b>                           |                               |           |              |
| 14,692  | Danske Bank A/S                | 418,713   | 0.65         | 13,272   | NN Group NV                   | 397,497   | 0.62         |
| <b>Medical-Biomedical/Genetics</b>                                |                                |           |              | <b>Oil Company-Integrated</b>                          |                               |           |              |
| 787   | Genmab A/S                     | 131,929   | 0.21         | 8,017  | Royal Dutch Shell Plc         | 208,173   | 0.32         |
| <b>Medical-Drugs</b>  |                                |           |              | <b>NORWAY 0.46% (30 September 2015: 0.00%)</b>         |                               |           |              |
| 3,411   | Novo Nordisk A/S               | 141,389   | 0.22         | <b>Fisheries</b>                                       |                               |           |              |
| <b>FINLAND 0.58% (30 September 2015: 0.00%)</b>                   |                                |           |              | 16,716   | Marine Harvest ASA            | 295,291   | 0.46         |
| <b>Paper &amp; Related Products</b>                               |                                |           |              | <b>PORTUGAL 0.43% (30 September 2015: 0.00%)</b>       |                               |           |              |
| 18,138  | UPM-Kymmene OYJ                | 374,463   | 0.58         | <b>Oil Company-Integrated</b>                          |                               |           |              |
| <b>FRANCE 5.00% (30 September 2015: 4.89%)</b>                    |                                |           |              | 20,240   | Galp Energia SGPS SA          | 274,121   | 0.43         |
| <b>Aerospace/Defense</b>  |                                |           |              | <b>SOUTH AFRICA 0.00% (30 September 2015: 0.66%)</b>   |                               |           |              |
| 3,457   | Thales SA                      | 315,832   | 0.49         | <b>SPAIN 0.68% (30 September 2015: 1.79%)</b>          |                               |           |              |
| <b>Building &amp; Construction Production-Miscellaneous</b>       |                                |           |              | <b>Airport Development/Maintenance</b>                 |                               |           |              |
| 3,388   | Eiffage SA                     | 260,156   | 0.41         | 1,579  | Aena SA                       | 230,805   | 0.36         |
| <b>Building-Heavy Construction</b>                                |                                |           |              | <b>Electric-Integrated</b>                             |                               |           |              |
| 5,580   | Vinci SA                       | 418,552   | 0.65         | 31,179   | Iberdrola SA                  | 209,498   | 0.32         |
| <b>Computer Services</b>  |                                |           |              | <b>SWEDEN 0.60% (30 September 2015: 1.55%)</b>         |                               |           |              |
| 5,066   | Capgemini SA                   | 488,666   | 0.76         | <b>Investment Companies</b>                            |                               |           |              |
| <b>Diversified Banking Institutions</b>                           |                                |           |              | 10,673   | Investor AB                   | 384,301   | 0.60         |
| 7,184   | BNP Paribas SA                 | 353,916   | 0.55         | <b>SWITZERLAND 3.07% (30 September 2015: 3.46%)</b>    |                               |           |              |
| <b>Oil Company-Integrated</b>                                     |                                |           |              | <b>Chemicals-Specialty</b>                             |                               |           |              |
| 4,628   | TOTAL SA                       | 217,877   | 0.34         | 1,399  | Lonza Group AG                | 264,468   | 0.41         |
| <b>Oil-Field Services</b>   |                                |           |              | <b>Engineering/Research &amp; Development Services</b> |                               |           |              |
| 3,326   | Technip SA                     | 202,352   | 0.31         | 16,462   | ABB Ltd                       | 366,776   | 0.57         |
| <b>Reinsurance</b>  |                                |           |              | <b>Food-Miscellaneous/Diversified</b>                  |                               |           |              |
| 10,767  | SCOR SE                        | 325,784   | 0.51         | 5,177  | Nestle SA                     | 409,425   | 0.64         |
| <b>Telephone-Integrated</b>                                       |                                |           |              | <b>Medical-Drugs</b>                                   |                               |           |              |
| 19,406  | Orange SA                      | 299,721   | 0.47         | 1,612  | Actelion Ltd                  | 278,105   | 0.43         |
| <b>Water</b>  |                                |           |              | 1,009  | Roche Holding AG              | 247,725   | 0.39         |
| 14,564  | Veolia Environnement SA        | 330,321   | 0.51         |  |                               |           |              |

PRINCIPAL GLOBAL INVESTORS FUNDS

PORTFOLIO OF INVESTMENTS  
AS AT 30 SEPTEMBER 2016 (continued)

| GLOBAL EQUITY (EX-JAPAN) FUND (continued)                       |                                      |           |              | GLOBAL EQUITY (EX-JAPAN) FUND (continued)                           |  |           |              |
|---|--------------------------------------|-----------|--------------|---|--|-----------|--------------|
| Nominal   | Security                             | Value USD | % Net Assets | Nominal   | Security                                     | Value USD | % Net Assets |
| <b>SWITZERLAND 3.07% (30 September 2015: 3.46%) (continued)</b> |                                      |           |              | <b>UNITED STATES 62.47% (30 September 2015: 63.03%) (continued)</b> |  |           |              |
| <b>Reinsurance</b>  |                                      |           |              | <b>Diversified Banking Institutions</b>                             |  |           |              |
| 4,562   | Swiss Re AG                          | 404,120   | 0.63         | 4,716   | Citigroup Inc                                | 215,993   | 0.33         |
| <b>UNITED KINGDOM 8.14% (30 September 2015: 7.34%)</b>          |                                      |           |              | 16,889  | JPMorgan Chase & Co                          | 1,108,763 | 1.73         |
| <b>Advertising Agencies</b>                                     |                                      |           |              | <b>Diversified Manufacturing Operations</b>                         |  |           |              |
| 16,028  | WPP Plc                              | 374,934   | 0.58         | 1,848   | AO Smith Corp                                | 180,938   | 0.28         |
| <b>Beverages-Wine/Spirits</b>                                   |                                      |           |              | 9,254   | General Electric Co                          | 273,271   | 0.42         |
| 13,684  | Diageo Plc                           | 391,700   | 0.61         | 3,297   | Honeywell International Inc                  | 383,078   | 0.60         |
| <b>Commercial Services</b>                                      |                                      |           |              | 4,555   | Ingersoll-Rand Plc                           | 305,640   | 0.48         |
| 7,903   | Intertek Group Plc                   | 355,292   | 0.55         | <b>E-Commerce/Products</b>  |  |           |              |
| <b>Diversified Banking Institutions</b>                         |                                      |           |              | 1,157   | Amazon.com Inc                               | 959,211   | 1.49         |
| 20,738  | HSBC Holdings Plc                    | 153,198   | 0.24         | <b>Electric-Integrated</b>  |  |           |              |
| <b>Food-Catering</b>  |                                      |           |              | 2,890   | Entergy Corp                                 | 223,484   | 0.35         |
| 26,758  | Compass Group Plc                    | 513,058   | 0.80         | 13,549  | Exelon Corp                                  | 451,046   | 0.70         |
| <b>Food-Miscellaneous/Diversified</b>                           |                                      |           |              | <b>Electronic Component-Semiconductor</b>                           |  |           |              |
| 5,554   | Unilever Plc                         | 260,718   | 0.41         | 9,918   | Intel Corp                                   | 370,140   | 0.58         |
| <b>Gas-Distribution</b>   |                                      |           |              | 3,708   | Texas Instruments Inc                        | 258,966   | 0.40         |
| 40,008  | National Grid Plc                    | 569,624   | 0.89         | <b>Electronic Design Automation</b>                                 |  |           |              |
| <b>Medical-Drugs</b>  |                                      |           |              | 7,178   | Synopsys Inc                                 | 424,076   | 0.66         |
| 25,372  | GlaxoSmithKline Plc                  | 537,584   | 0.84         | <b>Electronic Security Devices</b>                                  |  |           |              |
| <b>Oil Company-Integrated</b>                                   |                                      |           |              | 8,002   | Johnson Controls International plc           | 367,372   | 0.57         |
| 28,237  | BP Plc                               | 164,357   | 0.26         | <b>Engineering/Research &amp; Development Services</b>              |  |           |              |
| <b>Private Equity</b>   |                                      |           |              | 7,635   | AECOM  | 224,622   | 0.35         |
| 36,698  | 3i Group Plc                         | 305,028   | 0.47         | 4,629   | EMCOR Group Inc                              | 274,546   | 0.43         |
| <b>Sugar</b>  |                                      |           |              | 22,995  | KBR Inc                                      | 342,855   | 0.53         |
| 28,230  | Tate & Lyle Plc                      | 269,602   | 0.42         | <b>Enterprise Software/Services</b>                                 |  |           |              |
| <b>Tobacco</b>  |                                      |           |              | 13,445  | CA Inc                                       | 441,399   | 0.69         |
| 12,397  | British American Tobacco Plc         | 791,462   | 1.23         | 6,762   | Oracle Corp                                  | 264,530   | 0.41         |
| 10,559  | Imperial Brands Plc                  | 541,102   | 0.84         | <b>Finance-Consumer Loans</b>                                       |  |           |              |
| <b>UNITED STATES 62.47% (30 September 2015: 63.03%)</b>         |                                      |           |              | 11,210  | Navient Corp                                 | 160,415   | 0.25         |
| <b>Aerospace/Defense</b>  |                                      |           |              | <b>Finance-Credit Card</b>  |  |           |              |
| 3,078   | Raytheon Co                          | 420,270   | 0.65         | 2,006   | Visa Inc                                     | 164,332   | 0.26         |
| <b>Apparel Manufacturers</b>                                    |                                      |           |              | <b>Food-Confectionery</b>   |  |           |              |
| 4,278   | Michael Kors Holdings Ltd            | 200,510   | 0.31         | 1,252   | JM Smucker Co/The                            | 168,732   | 0.26         |
| <b>Applications Software</b>                                    |                                      |           |              | <b>Food-Meat Products</b>   |  |           |              |
| 20,221  | Microsoft Corp                       | 1,160,685 | 1.81         | 4,100   | Tyson Foods Inc                              | 306,803   | 0.48         |
| <b>Auto/Truck Parts &amp; Equipment-Original</b>                |                                      |           |              | <b>Food-Retail</b>  |  |           |              |
| 2,420   | Lear Corp                            | 287,423   | 0.45         | 12,821  | Kroger Co/The                                | 378,220   | 0.59         |
| 3,822   | Tenneco Inc                          | 216,440   | 0.33         | <b>Gambling (Non-Hotel)</b>   |  |           |              |
| <b>Beverages-Non-Alcoholic</b>                                  |                                      |           |              | 8,445   | International Game Technology                | 209,689   | 0.33         |
| 3,219   | PepsiCo Inc                          | 346,879   | 0.54         | <b>Gas-Distribution</b>   |  |           |              |
| <b>Building Production-Wood</b>                                 |                                      |           |              | 11,699  | CenterPoint Energy Inc                       | 275,862   | 0.43         |
| 7,886   | Masco Corp                           | 269,859   | 0.42         | <b>Human Resources</b>  |  |           |              |
| <b>Building &amp; Construction Production-Miscellaneous</b>     |                                      |           |              | 6,328   | AMN Healthcare Services Inc                  | 199,522   | 0.31         |
| 6,380   | Owens Corning                        | 338,012   | 0.53         | <b>Internet Content-Entertainment</b>                               |  |           |              |
| <b>Cable TV</b>   |                                      |           |              | 5,171   | Facebook Inc                                 | 662,353   | 1.03         |
| 8,640   | Comcast Corp                         | 572,400   | 0.89         | <b>Internet Security</b>  |  |           |              |
| <b>Chemicals-Diversified</b>                                    |                                      |           |              | 15,484  | Symantec Corp                                | 387,255   | 0.60         |
| 9,737   | Dow Chemical Co/The                  | 503,695   | 0.78         | <b>Life/Health Insurance</b>  |  |           |              |
| <b>Commercial Service-Finance</b>                               |                                      |           |              | 2,857   | Prudential Financial Inc                     | 228,474   | 0.36         |
| 7,762   | Sabre Corp                           | 218,733   | 0.34         | 10,258  | Unum Group                                   | 355,850   | 0.55         |
| <b>Commercial Services</b>                                      |                                      |           |              | <b>Medical Laboratories &amp; Testing Services</b>                  |  |           |              |
| 11,103  | Aramark                              | 420,804   | 0.66         | 1,874   | Laboratory Corp of America Holdings          | 253,852   | 0.40         |
| <b>Computer Services</b>  |                                      |           |              | <b>Medical Products</b>   |  |           |              |
|   | International Business Machines Corp | 195,266   | 0.30         | 7,103   | Baxter International Inc                     | 333,273   | 0.52         |
| 1,235   | Corp                                 | 195,266   | 0.30         | 6,420   | Johnson & Johnson                            | 752,873   | 1.17         |
| <b>Computers</b>  |                                      |           |              | <b>Medical-Biomedical/Genetics</b>                                  |  |           |              |
| 9,875   | Apple Inc                            | 1,107,778 | 1.72         | 4,423   | Amgen Inc                                    | 731,785   | 1.14         |
| 15,793  | HP Inc                               | 243,054   | 0.38         | 472   | Biogen Inc                                   | 144,328   | 0.22         |
| <b>Consulting Services</b>                                      |                                      |           |              | <b>Medical-Pharmaceuticals</b>                                      |  |           |              |
| 4,830   | CoreLogic Inc/United States          | 190,737   | 0.30         | 5,263   | Charles River Laboratories International Inc | 434,408   | 0.68         |
| <b>Containers-Paper/Plastic</b>                                 |                                      |           |              | 8,683   | Gilead Sciences Inc                          | 676,059   | 1.05         |
| 4,121   | Packaging Corp of America            | 328,526   | 0.51         | <b>Medical-Drugs</b>  |  |           |              |
| <b>Cosmetics &amp; Toiletries</b>                               |                                      |           |              | 9,373   | AbbVie Inc                                   | 588,812   | 0.92         |
| 3,490   | Procter & Gamble Co/The              | 307,923   | 0.48         | 4,224   | Bristol-Myers Squibb Co                      | 227,547   | 0.35         |
| <b>Distribution/Wholesale</b>                                   |                                      |           |              | 6,172   | Merck & Co Inc                               | 382,109   | 0.59         |
| 1,545   | Genuine Parts Co                     | 153,851   | 0.24         | 24,598  | Pfizer Inc                                   | 819,605   | 1.28         |
| 7,099   | HD Supply Holdings Inc               | 223,122   | 0.35         | <b>Quintiles Transnational Holdings Inc</b>                         |  |           |              |
| <b>Diversified Banking Institutions</b>                         |                                      |           |              | 4,552   | Inc  | 359,881   | 0.56         |
| 10,609  | Bank of America Corp                 | 160,832   | 0.25         |   |  |           |              |

PRINCIPAL GLOBAL INVESTORS FUNDS

PORTFOLIO OF INVESTMENTS  
AS AT 30 SEPTEMBER 2016 (continued)

| GLOBAL EQUITY (EX-JAPAN) FUND (continued)                           |                                      |           |              | GLOBAL EQUITY (EX-JAPAN) FUND (continued)                                  |                  |             |                  |               |
|---|--------------------------------------|-----------|--------------|--|------------------|-------------|------------------|---------------|
| Nominal   | Security                             | Value USD | % Net Assets | Nominal  | Security         | Value USD   | % Net Assets     |               |
| <b>UNITED STATES 62.47% (30 September 2015: 63.03%) (continued)</b> |                                      |           |              | <b>UNITED STATES 62.47% (30 September 2015: 63.03%) (continued)</b>        |                  |             |                  |               |
| <b>Medical-Health Maintenance Organization</b>                      |                                      |           |              | <b>Web Portals/ISP</b>   |                  |             |                  |               |
| 4,486   | Aetna Inc                            | 516,025   | 0.80         | 1,052  | Alphabet Inc 'A' | 844,377     | 1.31             |               |
| 3,785   | Anthem Inc                           | 472,860   | 0.74         | 579  | Alphabet Inc 'C' | 448,731     | 0.70             |               |
| 899   | Humana Inc                           | 158,062   | 0.25         | <b>Wireless Equipment</b>  |                  |             |                  |               |
| 4,612   | UnitedHealth Group Inc               | 624,100   | 0.97         | 2,357  | QUALCOMM Inc     | 158,980     | 0.25             |               |
| <b>Medical-Wholesale Drug Distribution</b>                          |                                      |           |              | <b>Total Value of Transferable Securities at</b>                           |                  |             |                  |               |
| 3,326   | Cardinal Health Inc                  | 255,769   | 0.40         | <b>Mid Market Prices (Cost: USD59,032,857)</b>                             |                  |             |                  |               |
| <b>Multi-Line Insurance</b>   |                                      |           |              | <b>63,391,044 98.73</b>  |                  |             |                  |               |
| 6,376   | Voya Financial Inc                   | 180,505   | 0.28         | <b>Open Spot Currency Contracts (0.00%) (30 September 2015: (0.00%))</b>   |                  |             |                  |               |
| <b>Networking Products</b>  |                                      |           |              | <b>Settlement Buy Amount Sell Amount Unrealised % Net</b>                  |                  |             |                  |               |
| 26,564  | Cisco Systems Inc                    | 833,844   | 1.30         | <b>Date</b>  | <b>Bought</b>    | <b>Sold</b> | <b>Gain/Loss</b> | <b>Assets</b> |
| <b>Non-Hazardous Waste Disposal</b>                                 |                                      |           |              | 04/10/2016 USD 3,216 GBP (2,481) (1) (0.00)                                |                  |             |                  |               |
| 5,378   | Waste Management Inc                 | 340,266   | 0.53         | Unrealised Loss on Open Spot   |                  |             |                  |               |
| <b>Oil Company-Exploration &amp; Production</b>                     |                                      |           |              | Currency Contracts (1) (0.00)  |                  |             |                  |               |
| 7,487   | Antero Resources Corp                | 195,710   | 0.30         | <b>Net Unrealised Loss on Open Spot</b>                                    |                  |             |                  |               |
| <b>Oil Company-Integrated</b>                                       |                                      |           |              | <b>Currency Contracts (1) (0.00)</b>                                       |                  |             |                  |               |
| 1,909   | Chevron Corp                         | 193,324   | 0.30         | Cash at Bank 876,615 1.37  |                  |             |                  |               |
| 9,671   | Exxon Mobil Corp                     | 836,155   | 1.30         | Net Current Liabilities (64,139) (0.10)                                    |                  |             |                  |               |
| 5,840   | Murphy Oil Corp                      | 177,127   | 0.28         | <b>Net Assets Attributable to Holders</b>                                  |                  |             |                  |               |
| <b>Oil Refining &amp; Marketing</b>                                 |                                      |           |              | <b>of Redeemable Participating Units</b>                                   |                  |             |                  |               |
| 2,730   | Murphy USA Inc                       | 192,683   | 0.30         | <b>at Mid Market Prices 64,203,519 100.00</b>                              |                  |             |                  |               |
| 3,122   | Tesoro Corp                          | 242,174   | 0.38         | <b>Analysis of Total Assets</b>  |                  |             |                  |               |
| <b>Property/Casualty Insurance</b>                                  |                                      |           |              | Transferable Securities and Money Market Instruments                       |                  |             |                  |               |
| 3,153   | Travelers Cos Inc/The                | 359,032   | 0.56         | admitted to an official stock exchange listing or traded on a              |                  |             |                  |               |
| <b>Reinsurance</b>  |                                      |           |              | regulated market 98.55   |                  |             |                  |               |
| 2,305   | Berkshire Hathaway Inc               | 330,975   | 0.51         | Financial Derivative instruments dealt in or on a regulated                |                  |             |                  |               |
| 1,644   | Everest Re Group Ltd                 | 313,018   | 0.49         | market 0.00  |                  |             |                  |               |
| <b>Reits-Apartments</b>   |                                      |           |              | Other Assets 1.45  |                  |             |                  |               |
|   | Mid-America Apartment                |           |              | <b>Total Assets 100.00</b>   |                  |             |                  |               |
| 2,374   | Communities Inc                      | 228,260   | 0.36         | All securities are transferable securities admitted to an official stock   |                  |             |                  |               |
| <b>Reits-Diversified</b>  |                                      |           |              | exchange listing.  |                  |             |                  |               |
| 3,178   | Digital Realty Trust Inc             | 311,444   | 0.49         | The counterparty for the open spot currency contracts the Bank of New York |                  |             |                  |               |
| 4,815   | Liberty Property Trust               | 195,345   | 0.30         | Mellon.  |                  |             |                  |               |
| <b>Reits-Health Care</b>  |                                      |           |              |  |                  |             |                  |               |
| 1,757   | Ventas Inc                           | 126,346   | 0.20         |  |                  |             |                  |               |
| <b>Reits-Warehouse/Industrial</b>                                   |                                      |           |              |  |                  |             |                  |               |
| 10,248  | Monmouth Real Estate Investment Corp | 146,546   | 0.23         |  |                  |             |                  |               |
| <b>Retail-Apparel/Shoe</b>  |                                      |           |              |  |                  |             |                  |               |
| 2,059   | PVH Corp                             | 219,613   | 0.34         |  |                  |             |                  |               |
| <b>Retail-Building Products</b>                                     |                                      |           |              |  |                  |             |                  |               |
| 1,697   | Home Depot Inc/The                   | 242,683   | 0.38         |  |                  |             |                  |               |
| 5,430   | Lowe's Cos Inc                       | 391,015   | 0.61         |  |                  |             |                  |               |
| <b>Retail-Discount</b>  |                                      |           |              |  |                  |             |                  |               |
| 5,761   | Target Corp                          | 390,135   | 0.61         |  |                  |             |                  |               |
| 3,410   | Wal-Mart Stores Inc                  | 241,189   | 0.37         |  |                  |             |                  |               |
| <b>Retail-Drug Store</b>  |                                      |           |              |  |                  |             |                  |               |
| 5,414   | CVS Health Corp                      | 484,824   | 0.76         |  |                  |             |                  |               |
| <b>Retail-Regional Department Store</b>                             |                                      |           |              |  |                  |             |                  |               |
| 5,028   | Kohl's Corp                          | 215,198   | 0.34         |  |                  |             |                  |               |
| <b>Rubber/Plastic Products</b>                                      |                                      |           |              |  |                  |             |                  |               |
| 5,017   | Trinseo SA                           | 287,524   | 0.45         |  |                  |             |                  |               |
| <b>Ship Building</b>  |                                      |           |              |  |                  |             |                  |               |
| 1,204   | Huntington Ingalls Industries Inc    | 183,646   | 0.29         |  |                  |             |                  |               |
| <b>Super-Regional Banks-US</b>                                      |                                      |           |              |  |                  |             |                  |               |
| 31,295  | Fifth Third Bancorp                  | 633,411   | 0.99         |  |                  |             |                  |               |
| 11,626  | SunTrust Banks Inc                   | 501,862   | 0.78         |  |                  |             |                  |               |
| 8,070   | Wells Fargo & Co                     | 358,066   | 0.56         |  |                  |             |                  |               |
| <b>Telephone-Integrated</b>   |                                      |           |              |  |                  |             |                  |               |
| 13,010  | AT&T Inc                             | 529,897   | 0.83         |  |                  |             |                  |               |
| 5,556   | Verizon Communications Inc           | 289,579   | 0.45         |  |                  |             |                  |               |
| <b>Television</b>   |                                      |           |              |  |                  |             |                  |               |
| 6,132   | CBS Corp                             | 334,623   | 0.52         |  |                  |             |                  |               |
| <b>Tobacco</b>  |                                      |           |              |  |                  |             |                  |               |
| 10,348  | Altria Group Inc                     | 650,061   | 1.01         |  |                  |             |                  |               |
| 7,266   | Philip Morris International Inc      | 710,470   | 1.11         |  |                  |             |                  |               |
| <b>Veterinary Diagnostics</b>                                       |                                      |           |              |  |                  |             |                  |               |
| 5,159   | VCA Inc                              | 355,094   | 0.55         |  |                  |             |                  |               |
| <b>Web Hosting/Design</b>   |                                      |           |              |  |                  |             |                  |               |
| 7,820   | GoDaddy Inc                          | 267,209   | 0.42         |  |                  |             |                  |               |

PRINCIPAL GLOBAL INVESTORS FUNDS

PORTFOLIO OF INVESTMENTS  
AS AT 30 SEPTEMBER 2016 (continued)

POST GLOBAL LIMITED TERM HIGH YIELD FUND

| Nominal   | Security  | Coupon Rate | Maturity Date | Value USD  | % Net Assets |
|---|---|-------------|---------------|------------|--------------|
| <b>TRANSFERABLE SECURITIES 96.42% (30 September 2015: 91.14%)</b> |   |             |               |            |              |
| <b>AUSTRALIA 0.00% (30 September 2015: 0.22%)</b>                 |   |             |               |            |              |
| <b>FRANCE 0.00% (30 September 2015: 0.52%)</b>                    |   |             |               |            |              |
| <b>GERMANY 2.41% (30 September 2015: 0.00%)</b>                   |   |             |               |            |              |
| <b>Corporate Bond</b>   |   |             |               |            |              |
| 6,600,000   | Fresenius Medical Care US Finance II Inc                        | 4.125%      | 15/10/2020    | 6,930,000  | 0.81         |
| 4,260,000   | Fresenius Medical Care US Finance II Inc                        | 5.625%      | 31/07/2019    | 4,638,075  | 0.54         |
| 5,000,000   | Fresenius Medical Care US Finance Inc                           | 6.875%      | 15/07/2017    | 5,212,500  | 0.61         |
| 3,750,000   | IHO Verwaltungs GmbH  | 4.125%      | 15/09/2021    | 3,812,719  | 0.45         |
| <b>IRELAND 1.21% (30 September 2015: 0.35%)</b>                   |   |             |               |            |              |
| <b>Corporate Bond</b>   |   |             |               |            |              |
| 2,000,000   | Ardagh Packaging Finance Plc / Ardagh Holdings USA Inc          | 3.850%      | 15/12/2019    | 2,030,000  | 0.24         |
| 8,125,000   | Ardagh Packaging Finance Plc / Ardagh Holdings USA Inc          | 4.067%      | 15/05/2021    | 8,269,706  | 0.97         |
| <b>ISRAEL 0.99% (30 September 2015: 0.00%)</b>                    |   |             |               |            |              |
| <b>Corporate Bond</b>   |   |             |               |            |              |
| 4,250,000   | Teva Pharmaceutical Finance Netherlands III BV                  | 1.700%      | 19/07/2019    | 4,246,959  | 0.49         |
| 4,250,000   | Teva Pharmaceutical Finance Netherlands III BV                  | 2.200%      | 21/07/2021    | 4,248,521  | 0.50         |
| <b>LUXEMBOURG 0.00% (30 September 2015: 2.78%)</b>                |   |             |               |            |              |
| <b>NETHERLANDS 2.29% (30 September 2015: 2.71%)</b>               |   |             |               |            |              |
| <b>Corporate Bond</b>   |   |             |               |            |              |
| 19,150,000  | AerCap Ireland Capital Ltd / AerCap Global Aviation Trust       | 3.750%      | 15/05/2019    | 19,580,875 | 2.29         |
| <b>UNITED STATES 89.52% (30 September 2015: 84.56%)</b>           |   |             |               |            |              |
| <b>Corporate Bond</b>   |   |             |               |            |              |
| 5,000,000   | Activision Blizzard Inc   | 2.300%      | 15/09/2021    | 5,028,895  | 0.59         |
| 7,800,000   | ADT Corp/The  | 5.250%      | 15/03/2020    | 8,463,000  | 0.99         |
| 9,860,000   | ADT Corp/The  | 6.250%      | 15/10/2021    | 10,813,955 | 1.27         |
| 2,500,000   | Air Lease Corp  | 2.125%      | 15/01/2020    | 2,492,217  | 0.29         |
| 3,000,000   | Air Lease Corp  | 2.125%      | 15/01/2018    | 3,022,500  | 0.35         |
| 17,445,000  | Aircastle Ltd   | 4.625%      | 15/12/2018    | 18,230,025 | 2.14         |
| 2,000,000   | Aircastle Ltd   | 6.250%      | 01/12/2019    | 2,195,000  | 0.26         |
| 19,770,000  | Alere Inc   | 7.250%      | 01/07/2018    | 20,202,469 | 2.37         |
| 7,885,000   | Alliance Data Systems Corp                                      | 5.250%      | 01/12/2017    | 8,072,269  | 0.94         |
| 3,000,000   | American Airlines Group Inc                                     | 4.625%      | 01/03/2020    | 3,041,250  | 0.36         |
| 4,800,000   | American Tower Corp   | 2.250%      | 15/01/2022    | 4,799,095  | 0.56         |
| 4,350,000   | Ball Corp   | 4.375%      | 15/12/2020    | 4,665,375  | 0.55         |
| 12,992,000  | Cablevision Systems Corp  | 8.625%      | 15/09/2017    | 13,641,600 | 1.60         |
| 25,499,000  | CCO Holdings LLC / CCO Holdings Capital Corp                    | 5.250%      | 15/03/2021    | 26,548,475 | 3.11         |
| 6,000,000   | Cedar Fair LP / Canada's Wonderland Co / Magnum Management Corp | 5.250%      | 15/03/2021    | 6,231,912  | 0.73         |
| 5,275,000   | Centene Corp  | 5.625%      | 15/02/2021    | 5,604,688  | 0.66         |
| 6,425,000   | Centene Corp  | 5.750%      | 01/06/2017    | 6,585,625  | 0.77         |
| 3,455,000   | CenturyLink Inc   | 5.625%      | 01/04/2020    | 3,657,981  | 0.43         |
| 9,290,000   | CenturyLink Inc   | 6.150%      | 15/09/2019    | 10,079,650 | 1.18         |
| 9,496,000   | Change Healthcare Holdings Inc                                  | 11.000%     | 31/12/2019    | 9,949,434  | 1.16         |
| 17,900,000  | CHS/Community Health Systems Inc                                | 5.125%      | 15/08/2018    | 18,013,665 | 2.11         |
| 4,750,000   | CIT Group Inc   | 4.250%      | 15/08/2017    | 4,836,688  | 0.57         |
| 8,577,000   | CIT Group Inc   | 5.250%      | 15/03/2018    | 8,930,801  | 1.04         |
| 1,490,000   | CNH Industrial Capital LLC                                      | 3.250%      | 01/02/2017    | 1,497,450  | 0.17         |
| 7,513,000   | CNH Industrial Capital LLC                                      | 3.875%      | 16/07/2018    | 7,682,042  | 0.90         |
| 3,150,000   | CNO Financial Group Inc   | 4.500%      | 30/05/2020    | 3,248,437  | 0.38         |
| 2,000,000   | CommScope Inc   | 5.000%      | 15/06/2021    | 2,077,500  | 0.24         |
| 12,850,000  | Constellation Brands Inc  | 3.875%      | 15/11/2019    | 13,556,750 | 1.59         |
| 2,000,000   | Constellation Brands Inc  | 7.250%      | 15/05/2017    | 2,075,000  | 0.24         |
| 5,000,000   | Crown Castle International Corp                                 | 2.250%      | 01/09/2021    | 5,010,763  | 0.59         |
| 5,150,000   | CSC Holdings LLC  | 7.625%      | 15/07/2018    | 5,562,000  | 0.65         |
| 19,170,000  | CSC Holdings LLC  | 7.875%      | 15/02/2018    | 20,559,825 | 2.41         |
| 5,000,000   | Diamond 1 Finance Corp / Diamond 2 Finance Corp                 | 3.480%      | 01/06/2019    | 5,147,560  | 0.60         |
| 6,650,000   | DISH DBS Corp   | 4.250%      | 01/04/2018    | 6,849,500  | 0.80         |
| 15,650,000  | DISH DBS Corp   | 4.625%      | 15/07/2017    | 15,963,000 | 1.87         |
| 6,000,000   | Frontier Communications Corp                                    | 7.125%      | 15/03/2019    | 6,472,500  | 0.77         |
| 10,000,000  | Frontier Communications Corp                                    | 8.125%      | 01/10/2018    | 10,837,500 | 1.27         |
| 23,700,000  | GLP Capital LP / GLP Financing II Inc                           | 4.375%      | 01/11/2018    | 24,736,875 | 2.90         |
| 18,694,000  | HCA Inc   | 3.750%      | 15/03/2019    | 19,301,555 | 2.26         |
| 2,000,000   | HCA Inc   | 4.250%      | 15/10/2019    | 2,090,000  | 0.24         |
| 7,585,000   | Health Net Inc  | 6.375%      | 01/06/2017    | 7,812,550  | 0.91         |

PRINCIPAL GLOBAL INVESTORS FUNDS

PORTFOLIO OF INVESTMENTS  
AS AT 30 SEPTEMBER 2016 (continued)

| POST GLOBAL LIMITED TERM HIGH YIELD FUND (continued)                                       |  |               |               |                    |                      |              |
|--|--|---------------|---------------|--------------------|----------------------|--------------|
| Nominal  | Security   | Coupon Rate   | Maturity Date | Value USD          | % Net Assets         |              |
| <b>UNITED STATES 89.52% (30 September 2015: 84.56%) (continued)</b>                        |  |               |               |                    |                      |              |
| <b>Corporate Bond (continued)</b>  |  |               |               |                    |                      |              |
| 12,000,000   | Hilton Worldwide Finance LLC / Hilton Worldwide Finance Corp                     | 5.625%        | 15/10/2021    | 12,376,092         | 1.45                 |              |
| 18,918,000   | HRG Group Inc  | 7.875%        | 15/07/2019    | 19,958,490         | 2.34                 |              |
| 27,958,000   | Hughes Satellite Systems Corp  | 6.500%        | 15/06/2019    | 30,648,957         | 3.59                 |              |
| 13,525,000   | Icahn Enterprises LP / Icahn Enterprises Finance Corp                            | 3.500%        | 15/03/2017    | 13,592,625         | 1.59                 |              |
| 2,800,000  | International Game Technology Plc  | 5.625%        | 15/02/2020    | 2,996,000          | 0.35                 |              |
| 5,750,000  | Iron Mountain Inc  | 6.000%        | 01/10/2020    | 6,109,375          | 0.72                 |              |
| 1,000,000  | Isle of Capri Casinos Inc  | 5.875%        | 15/03/2021    | 1,045,625          | 0.12                 |              |
| 11,397,000   | L-3 Communications Corp  | 4.750%        | 15/07/2020    | 12,473,652         | 1.46                 |              |
| 19,065,000   | Level 3 Financing Inc  | 4.407%        | 15/01/2018    | 19,124,578         | 2.24                 |              |
| 13,700,000   | LifePoint Health Inc   | 5.500%        | 01/12/2021    | 14,299,375         | 1.67                 |              |
| 6,580,000  | MGM Resorts International  | 5.250%        | 31/03/2020    | 7,040,600          | 0.82                 |              |
| 1,950,000  | Nationstar Mortgage LLC / Nationstar Capital Corp                                | 6.500%        | 01/08/2018    | 1,979,250          | 0.23                 |              |
| 6,000,000  | Netflix Inc  | 5.375%        | 01/02/2021    | 6,555,000          | 0.77                 |              |
| 14,197,000   | Orbital ATK Inc  | 5.250%        | 01/10/2021    | 14,800,373         | 1.74                 |              |
| 6,000,000  | Pinnacle Foods Finance LLC / Pinnacle Foods Finance Corp                         | 4.875%        | 01/05/2021    | 6,202,500          | 0.73                 |              |
| 1,000,000  | Prestige Brands Inc  | 5.375%        | 15/12/2021    | 1,040,000          | 0.12                 |              |
| 21,809,000   | Reynolds Group Issuer Inc / Reynolds Group Issuer LLC / Reynolds Group Issuer Lu | 5.750%        | 15/10/2020    | 22,540,692         | 2.64                 |              |
| 1,790,000  | Sabra Health Care LP / Sabra Capital Corp  | 5.500%        | 01/02/2021    | 1,877,262          | 0.22                 |              |
| 7,600,000  | Shire Acquisitions Investments Ireland DAC                                       | 1.900%        | 23/09/2019    | 7,616,519          | 0.89                 |              |
| 12,647,000   | Sinclair Television Group Inc  | 5.375%        | 01/04/2021    | 13,152,880         | 1.54                 |              |
| 8,767,000  | Starz LLC / Starz Finance Corp   | 5.000%        | 15/09/2019    | 8,896,440          | 1.04                 |              |
| 15,704,000   | Station Casinos LLC  | 7.500%        | 01/03/2021    | 16,680,099         | 1.95                 |              |
| 14,012,000   | TEGNA Inc  | 5.125%        | 15/10/2019    | 14,452,677         | 1.69                 |              |
| 6,030,000  | Tenet Healthcare Corp  | 4.750%        | 01/06/2020    | 6,165,675          | 0.72                 |              |
| 6,700,000  | Tenet Healthcare Corp  | 5.000%        | 01/03/2019    | 6,591,125          | 0.77                 |              |
| 6,000,000  | Tenet Healthcare Corp  | 5.500%        | 01/03/2019    | 5,947,500          | 0.70                 |              |
| 22,484,000   | T-Mobile USA Inc   | 6.464%        | 28/04/2019    | 22,933,680         | 2.69                 |              |
| 1,000,000  | T-Mobile USA Inc   | 6.542%        | 28/04/2020    | 1,034,490          | 0.12                 |              |
| 29,770,000   | TransDigm Inc  | 5.500%        | 15/10/2020    | 30,681,706         | 3.59                 |              |
| 1,500,000  | USI Inc/NY   | 7.750%        | 15/01/2021    | 1,526,250          | 0.18                 |              |
| 6,500,000  | Vector Group Ltd   | 7.750%        | 15/02/2021    | 6,849,375          | 0.80                 |              |
| 4,000,000  | Viacom Inc   | 2.250%        | 04/02/2022    | 3,987,680          | 0.47                 |              |
| 20,932,000   | ViaSat Inc   | 6.875%        | 15/06/2020    | 21,703,868         | 2.54                 |              |
| 5,000,000  | WellCare Health Plans Inc  | 5.750%        | 15/11/2020    | 5,171,875          | 0.61                 |              |
| 28,902,000   | Yum! Brands Inc  | 6.250%        | 15/03/2018    | 30,852,885         | 3.61                 |              |
| <b>Total Value of Transferable Securities at Mid Market Prices</b>                         |  |               |               | <b>823,441,901</b> | <b>96.42</b>         |              |
| <b>UNLISTED 2.78% (30 September 2015: 1.45%)</b>   |  |               |               |                    |                      |              |
| <b>UNITED STATES 2.78% (30 September 2015: 1.45%)</b>                                      |  |               |               |                    |                      |              |
| <b>Term Loans</b>  |  |               |               |                    |                      |              |
| 3,675,000  | Asurion LLC  | 8.500%        | 28/02/2021    | 3,661,219          | 0.43                 |              |
| 4,389,000  | Solera Holdings Inc  | 5.750%        | 31/12/2049    | 4,439,737          | 0.52                 |              |
| 4,962,500  | Sophia LP  | 4.750%        | 31/12/2049    | 4,971,805          | 0.58                 |              |
| 2,992,500  | Surgery Center Holdings Inc  | 5.250%        | 31/12/2049    | 2,998,111          | 0.35                 |              |
| 7,960,000  | U.S. Renal Care Inc  | 5.250%        | 31/12/2049    | 7,654,057          | 0.90                 |              |
| <b>Total Value of Unlisted at Mid Market Prices</b>  |  |               |               | <b>23,724,929</b>  | <b>2.78</b>          |              |
| <b>Total Value of Transferable Securities at Mid Market Prices (Cost: USD837,383,439)</b>  |  |               |               | <b>847,166,830</b> | <b>99.20</b>         |              |
| Interest Receivable on Transferable Securities   |  |               |               | 10,428,829         | 1.22                 |              |
| <b>Total Value of Transferable Securities</b>  |  |               |               | <b>857,595,659</b> | <b>100.42</b>        |              |
| <b>Open Forward Foreign Currency Exchange Contracts (0.48%) (30 September 2015: 0.08%)</b> |  |               |               |                    |                      |              |
| Settlement Date  | Buy  | Amount Bought | Sell          | Amount Sold        | Unrealised Gain/Loss | % Net Assets |
| 17/10/2016   | CHF  | 2,554         | USD           | (2,629)            | 10                   | 0.00         |
| 17/10/2016   | CHF  | 1,752         | USD           | (1,797)            | 13                   | 0.00         |
| 17/10/2016   | CHF  | 64,000        | USD           | (65,591)           | 539                  | 0.00         |
| 17/10/2016   | CHF  | 599,663       | USD           | (617,267)          | 2,350                | 0.00         |
| 17/10/2016   | EUR  | 209,334,298   | USD           | (236,272,691)      | (2,014,601)          | (0.24)       |
| 17/10/2016   | EUR  | 40,167,927    | USD           | (45,336,977)       | (386,570)            | (0.05)       |
| 17/10/2016   | EUR  | 18,849,987    | USD           | (21,275,716)       | (181,409)            | (0.02)       |
| 17/10/2016   | EUR  | 2,080,375     | USD           | (2,348,100)        | (20,031)             | (0.00)       |
| 17/10/2016   | EUR  | 396,553       | USD           | (447,586)          | (3,818)              | (0.00)       |
| 17/10/2016   | EUR  | 603,287       | USD           | (677,595)          | (2,479)              | (0.00)       |
| 17/10/2016   | EUR  | 404,179       | USD           | (454,649)          | (2,347)              | (0.00)       |
| 17/10/2016   | EUR  | 120,547       | USD           | (135,395)          | (495)                | (0.00)       |
| 17/10/2016   | EUR  | 23,770        | USD           | (26,698)           | (98)                 | (0.00)       |



PRINCIPAL GLOBAL INVESTORS FUNDS

PORTFOLIO OF INVESTMENTS  
AS AT 30 SEPTEMBER 2016 (continued)

POST GLOBAL LIMITED TERM HIGH YIELD FUND (continued)

Open Forward Foreign Currency Exchange Contracts (0.48%) (30 September 2015: 0.08%) (continued)

| Settlement Date (continued) | Buy (continued) | Amount Bought (continued) | Sell (continued) | Amount Sold (continued) | Unrealised Gain/Loss (continued) | % Net Assets (continued) |
|-----------------------------|-----------------|---------------------------|------------------|-------------------------|----------------------------------|--------------------------|
| 17/10/2016                  | GBP             | 98,633,814                | USD              | (131,231,698)           | (3,300,107)                      | (0.39)                   |
| 17/10/2016                  | GBP             | 17,820,393                | USD              | (23,709,926)            | (596,238)                        | (0.07)                   |
| 17/10/2016                  | GBP             | 9,832,091                 | USD              | (13,081,538)            | (328,964)                        | (0.04)                   |
| 17/10/2016                  | GBP             | 1,807,863                 | USD              | (2,405,358)             | (60,495)                         | (0.01)                   |
| 17/10/2016                  | GBP             | 400,000                   | USD              | (532,370)               | (13,556)                         | (0.00)                   |
| 17/10/2016                  | GBP             | 327,183                   | USD              | (435,317)               | (10,948)                         | (0.00)                   |
| 17/10/2016                  | GBP             | 295,313                   | USD              | (392,014)               | (8,983)                          | (0.00)                   |
| 17/10/2016                  | GBP             | 180,521                   | USD              | (240,183)               | (6,041)                          | (0.00)                   |
| 17/10/2016                  | GBP             | 51,776                    | USD              | (68,730)                | (1,575)                          | (0.00)                   |
| 17/10/2016                  | GBP             | 28,551                    | USD              | (37,900)                | (868)                            | (0.00)                   |
| 17/10/2016                  | JPY             | 83,401,874                | USD              | (813,836)               | 12,014                           | 0.00                     |
| 17/10/2016                  | JPY             | 28,948,434,718            | USD              | (283,801,639)           | 2,847,338                        | 0.34                     |
| 17/10/2016                  | SGD             | 1,563,351                 | USD              | (1,154,817)             | (9,422)                          | (0.00)                   |
| 17/10/2016                  | SGD             | 4,607                     | USD              | (3,392)                 | (17)                             | (0.00)                   |
| 17/10/2016                  | USD             | 2,395,676                 | JPY              | (244,364,229)           | (24,032)                         | (0.00)                   |
| 17/10/2016                  | USD             | 6,262                     | JPY              | (636,000)               | (36)                             | (0.00)                   |
| 17/10/2016                  | USD             | 389,115                   | GBP              | (300,000)               | 5                                | 0.00                     |
| 17/10/2016                  | USD             | 10,782                    | SGD              | (14,600)                | 84                               | 0.00                     |
| 17/10/2016                  | USD             | 100,902                   | EUR              | (89,680)                | 544                              | 0.00                     |
| 17/10/2016                  | USD             | 560,075                   | EUR              | (500,000)               | 544                              | 0.00                     |
| 17/10/2016                  | USD             | 195,267                   | GBP              | (150,000)               | 712                              | 0.00                     |
| 17/10/2016                  | USD             | 131,638                   | EUR              | (116,629)               | 1,123                            | 0.00                     |
| 17/10/2016                  | USD             | 2,531,542                 | EUR              | (2,250,000)             | 13,653                           | 0.00                     |

|  |             |        |
|--|-------------|--------|
| Unrealised Gain on Forward Foreign Currency Exchange Contracts | 2,878,929   | 0.34   |
| Unrealised Loss on Forward Foreign Currency Exchange Contracts | (6,973,130) | (0.82) |

**Net Unrealised Loss on Forward Foreign Currency Exchange Contracts (4,094,201) (0.48)**

Open Spot Currency Contracts 0.00% (30 September 2015: 0.00%)

|                         |             |        |
|-------------------------|-------------|--------|
| Cash at Bank            | 9,067,269   | 1.06   |
| Net Current Liabilities | (8,542,827) | (1.00) |

**Net Assets Attributable to Holders of Redeemable Participating Units at Mid Market Prices 854,025,900 100.00**

| Analysis of Total Assets  | % Total Assets |
|---|----------------|
| Transferable Securities and Money Market Instruments admitted to an official stock exchange listing or traded on a regulated market | 93.47          |
| Transferable Securities other than those admitted to an official stock exchange listing or traded on a regulated market             | 2.69           |
| Financial Derivative Instruments dealt in or on a regulated market  | (0.46)         |
| Other Assets  | 4.30           |
| <b>Total Assets</b>   | <b>100.00</b>  |

Except where stated above all securities are transferable securities admitted to an official stock exchange listing.

The counterparty for the forward foreign currency exchange contracts is State Street Global Markets.

PRINCIPAL GLOBAL INVESTORS FUNDS

PORTFOLIO OF INVESTMENTS  
AS AT 30 SEPTEMBER 2016 (continued)

GLOBAL TIME DIVERSIFIED ABSOLUTE RETURN FUND

| Nominal   | Security                    | Coupon Rate | Maturity Date | Value USD        | % Net Assets |
|---|-----------------------------|-------------|---------------|------------------|--------------|
| <b>TRANSFERABLE SECURITIES 86.11% (30 September 2015: 93.60%)</b>                       |                             |             |               |                  |              |
| <b>UNITED STATES 86.11% (30 September 2015: 93.60%)</b>                                 |                             |             |               |                  |              |
| <b>Government Bond</b>  |                             |             |               |                  |              |
| 600,000   | United States Treasury Bill | 0.000%      | 10/11/2016    | 599,925          | 12.93        |
| 600,000   | United States Treasury Bill | 0.000%      | 12/08/2016    | 599,866          | 12.92        |
| 600,000   | United States Treasury Bill | 0.000%      | 02/02/2017    | 599,403          | 12.91        |
| 500,000   | United States Treasury Bill | 0.000%      | 02/03/2017    | 499,266          | 10.76        |
| 500,000   | United States Treasury Bill | 0.000%      | 27/04/2017    | 498,731          | 10.74        |
| 600,000   | United States Treasury Bill | 0.000%      | 20/10/2016    | 599,977          | 12.93        |
| 600,000   | United States Treasury Bill | 0.000%      | 19/01/2017    | 599,620          | 12.92        |
| <b>Total Value of Transferable Securities at Mid Market Prices (Cost: USD3,995,265)</b> |                             |             |               | <b>3,996,788</b> | <b>86.11</b> |

Open Forward Foreign Currency Exchange Contracts (0.25%) (30 September 2015: 2.60%)

| Settlement Date   | Buy | Amount Bought | Sell | Amount Sold  | Unrealised Gain/Loss | % Net Assets  |
|---|-----|---------------|------|--------------|----------------------|---------------|
| 13/10/2016  | AUD | 463,300       | USD  | (344,956)    | 9,506                | 0.20          |
| 13/10/2016  | CAD | 906,092       | NZD  | (959,700)    | (8,151)              | (0.18)        |
| 13/10/2016  | CHF | 988,876       | USD  | (1,031,928)  | (11,274)             | (0.24)        |
| 13/10/2016  | CHF | 343,127       | EUR  | (314,144)    | 962                  | 0.02          |
| 13/10/2016  | CHF | 682,110       | USD  | (701,323)    | 2,706                | 0.06          |
| 13/10/2016  | EUR | 613,072       | CAD  | (907,552)    | (1,311)              | (0.03)        |
| 13/10/2016  | EUR | 311,023       | SEK  | (2,961,204)  | 3,884                | 0.08          |
| 13/10/2016  | GBP | 519,000       | CHF  | (658,067)    | (4,899)              | (0.10)        |
| 13/10/2016  | GBP | 271,000       | CHF  | (343,456)    | (2,394)              | (0.05)        |
| 13/10/2016  | GBP | 265,795       | USD  | (347,471)    | (2,135)              | (0.05)        |
| 13/10/2016  | GBP | 268,000       | USD  | (349,938)    | (1,737)              | (0.04)        |
| 13/10/2016  | GBP | 270,000       | CHF  | (340,625)    | (772)                | (0.02)        |
| 13/10/2016  | GBP | 268,470       | USD  | (348,297)    | 515                  | 0.01          |
| 13/10/2016  | JPY | 70,152,017    | CAD  | (921,000)    | (7,798)              | (0.17)        |
| 13/10/2016  | JPY | 36,064,470    | CAD  | (465,000)    | 2,441                | 0.05          |
| 13/10/2016  | JPY | 34,390,968    | USD  | (336,635)    | 3,109                | 0.07          |
| 13/10/2016  | JPY | 17,096,870    | USD  | (688,925)    | 13,431               | 0.29          |
| 13/10/2016  | JPY | 71,701,273    | GBP  | (528,125)    | 22,157               | 0.48          |
| 13/10/2016  | NOK | 2,845,446     | GBP  | (270,571)    | 4,493                | 0.10          |
| 13/10/2016  | NOK | 2,840,935     | CHF  | (339,000)    | 5,576                | 0.12          |
| 13/10/2016  | SEK | 7,607,687     | USD  | (913,303)    | (24,903)             | (0.54)        |
| 13/10/2016  | USD | 697,110       | AUD  | (927,000)    | (12,121)             | (0.26)        |
| 13/10/2016  | USD | 347,197       | AUD  | (456,355)    | (1,952)              | (0.04)        |
| 13/10/2016  | USD | 680,190       | AUD  | (891,567)    | (1,932)              | (0.04)        |
| 13/10/2016  | USD | 701,000       | JPY  | (71,129,489) | (1,679)              | (0.04)        |
| 13/10/2016  | USD | 340,367       | JPY  | (34,255,477) | 1,962                | 0.04          |
| 13/10/2016  | USD | 546,717       | SEK  | (4,635,336)  | 5,419                | 0.12          |
| 13/10/2016  | USD | 716,395       | JPY  | (71,631,580) | 8,756                | 0.19          |
| 13/10/2016  | USD | 689,729       | GBP  | (522,779)    | 10,504               | 0.23          |
| 13/10/2016  | USD | 2,649,336     | EUR  | (2,333,498)  | 25,785               | 0.56          |
| 08/12/2016  | CAD | 1,885,058     | USD  | (1,457,484)  | (22,448)             | (0.48)        |
| 08/12/2016  | EUR | 219,246       | USD  | (245,726)    | 1,430                | 0.03          |
| 08/12/2016  | JPY | 147,764,582   | USD  | (1,437,016)  | 26,236               | 0.56          |
| 08/12/2016  | NZD | 2,152,244     | USD  | (1,568,947)  | (7,925)              | (0.17)        |
| 08/12/2016  | USD | 2,792,701     | CHF  | (2,720,510)  | (24,744)             | (0.53)        |
| 08/12/2016  | USD | 525,673       | NOK  | (4,353,254)  | (19,106)             | (0.41)        |
| 08/12/2016  | USD | 463,721       | AUD  | (612,262)    | (4,115)              | (0.09)        |
| 08/12/2016  | USD | 515,188       | SEK  | (4,392,482)  | 786                  | 0.02          |
| Unrealised Gain on Forward Foreign Currency Exchange Contracts            |     |               |      |              | 149,658              | 3.23          |
| Unrealised Loss on Forward Foreign Currency Exchange Contracts            |     |               |      |              | (161,396)            | (3.48)        |
| <b>Net Unrealised Loss on Forward Foreign Currency Exchange Contracts</b> |     |               |      |              | <b>(11,738)</b>      | <b>(0.25)</b> |

Options 0.19% (30 September 2015: 0.00%)

|  | No. of contracts | Value US\$ | % Net Assets |
|--|------------------|------------|--------------|
| Call Currency Option AUD 0.80 03/01/2017 | 430,000          | 1,831      | 0.04         |
| Call Currency Option USD 1.54 03/01/2017 | 1,300,000        | 431        | 0.01         |
| Put Currency Option EUR 0.98 03/01/2017  | 200,000          | 83         | 0.00         |
| Put Currency Option USD 7.65 03/01/2017  | 470,000          | 3,107      | 0.07         |
| Put Currency Option USD 7.50 03/01/2017  | 470,000          | 74         | 0.00         |

PRINCIPAL GLOBAL INVESTORS FUNDS

PORTFOLIO OF INVESTMENTS  
AS AT 30 SEPTEMBER 2016 (continued)

GLOBAL TIME DIVERSIFIED ABSOLUTE RETURN FUND (continued)

Options 0.19% (30 September 2015: 0.00%) (continued)

|   | No. of<br>contracts<br>(continued) | Value<br>US\$<br>(continued) | % Net<br>Assets<br>(continued) |
|---|------------------------------------|------------------------------|--------------------------------|
| Put Currency Option NZD 0.57 03/01/2017   |                                    | 674                          | 0.02                           |
| Call Currency Option USD 124.75 03/01/2017  | 2,100,000                          | 17                           | 0.00                           |
| Call Currency Option CHF 130.00 03/01/2017  | 1,100,000                          | 200                          | 0.00                           |
| Call Currency Option USD 106.00 28/10/2016  | 3,506,000                          | 2,405                        | 0.05                           |
| Unrealised Gains on Option Contracts  |                                    | 8,822                        | 0.19                           |
| <b>Total Unrealised Gain on Option Contracts</b>  |                                    | <b>8,822</b>                 | <b>0.19</b>                    |
| Cash at Bank  |                                    | 684,268                      | 14.74                          |
| Net Current Liabilities   |                                    | (36,624)                     | (0.79)                         |
| <b>Net Assets Attributable to Holders of Redeemable Participating Units at Mid Market Prices</b>                                    |                                    | <b>4,641,516</b>             | <b>100.00</b>                  |
| <b>Analysis of Total Assets</b>   |                                    |                              | <b>% Total Assets</b>          |
| Transferable Securities and Money Market Instruments admitted to an official stock exchange listing or traded on a regulated market |                                    |                              | 82.11                          |
| Financial Derivative instruments dealt in or on a regulated market  |                                    |                              | (0.06)                         |
| Other Assets  |                                    |                              | 17.95                          |
| <b>Total Assets</b>   |                                    |                              | <b>100.00</b>                  |

All securities are transferable securities admitted to an official stock exchange listing.

The counterparties for the forward foreign currency exchange contracts are the Australia and New Zealand Banking Group, Bank of America Merrill Lynch, Barclays, Credit Suisse, Goldman Sachs, JPMorgan Chase & Co, Royal Bank of Canada, Standard Chartered and UBS.

The counterparties for the options contracts are the Australia and New Zealand Banking Group, Barclays, Goldman Sachs, Royal Bank of Canada and Skandinaviska Enskilda Banken AB.

PRINCIPAL GLOBAL INVESTORS FUNDS

PORTFOLIO OF INVESTMENTS  
AS AT 30 SEPTEMBER 2016 (continued)

| GLOBAL SMALL CAP EQUITY FUND                                      |   |           |              | GLOBAL SMALL CAP EQUITY FUND (continued)                     |  |           |              |
|---|---|-----------|--------------|--|--|-----------|--------------|
| Nominal   | Security  | Value USD | % Net Assets | Nominal  | Security   | Value USD | % Net Assets |
| <b>TRANSFERABLE SECURITIES 98.71% (30 September 2015: 98.65%)</b> |   |           |              | <b>JAPAN 10.49% (30 September 2015: 10.31%)</b>              |  |           |              |
| <b>AUSTRALIA 2.15% (30 September 2015: 1.98%)</b>                 |   |           |              | <b>Auto/Truck Parts &amp; Equipment-Original</b>             |  |           |              |
|   | Casino Hotels                                     |           |              | 8,510  | Unipres Corp                                       | 149,238   | 0.84         |
| 36,615  | Star Entertainment Grp Ltd/The                    | 167,864   | 0.94         | <b>Building &amp; Construction Production-Miscellaneous</b>  |  |           |              |
| <b>Containers-Paper/Plastic</b>                                   |   |           |              | 7,700  | Nichihh Corp                                       | 171,077   | 0.96         |
| 70,089  | Orora Ltd   | 168,136   | 0.95         | 31,000   | Toda Corp  | 162,601   | 0.92         |
| <b>Metal-Diversified</b>  |   |           |              | <b>Commercial Banks Non-US</b>                               |  |           |              |
| 11,886  | Sandfire Resources NL                             | 45,621    | 0.26         | 5,900  | Suruga Bank Ltd                                    | 140,661   | 0.79         |
| <b>BERMUDA 0.00% (30 September 2015: 0.87%)</b>                   |   |           |              | <b>Cosmetics &amp; Toiletries</b>                            |  |           |              |
| <b>BRAZIL 0.00% (30 September 2015: 0.37%)</b>                    |   |           |              | 10,000   | Lion Corp  | 161,512   | 0.91         |
| <b>CANADA 4.62% (30 September 2015: 2.79%)</b>                    |   |           |              | 1,600  | Polar Orbis Holdings Inc                           | 142,669   | 0.81         |
| <b>Auto-Medium &amp; Heavy Duty Trucks</b>                        |   |           |              | <b>Enterprise Software/Services</b>                          |  |           |              |
| 4,700   | New Flyer Industries Inc                          | 145,801   | 0.82         | 5,400  | TIS Inc  | 139,429   | 0.79         |
| <b>Containers-Metal/Glass</b>                                     |   |           |              | <b>Finance-Management Loan/Banker</b>                        |  |           |              |
| 500   | CCL Industries Inc                                | 98,212    | 0.56         | 3,000  | Zenkoku Hoshu Co Ltd                               | 123,658   | 0.70         |
| <b>Enterprise Software/Services</b>                               |   |           |              | <b>Investment Management/Advisory Service</b>                |  |           |              |
| 2,300   | Open Text Corp                                    | 149,164   | 0.84         | 31,200   | Ichigo Inc   | 137,404   | 0.77         |
| <b>Multimedia</b>   |   |           |              | <b>Medical-Drugs</b>   |  |           |              |
| 15,800  | Corus Entertainment Inc                           | 144,172   | 0.81         | 1,900  | Kaken Pharmaceutical Co Ltd                        | 116,206   | 0.66         |
| <b>Oil Company-Exploration &amp; Production</b>                   |   |           |              | <b>Retail-Apparel/Shoe</b>                                   |  |           |              |
| 7,662   | Cardinal Energy Ltd                               | 49,424    | 0.28         | 1,000  | Shimamura Co Ltd                                   | 121,332   | 0.68         |
| 4,400   | Seven Generations Energy Ltd                      | 105,237   | 0.59         | <b>Retail-Miscellaneous/Diversified</b>                      |  |           |              |
| <b>Reits-Apartments</b>   |   |           |              | 5,000  | Valor Holdings Co Ltd                              | 140,432   | 0.79         |
| 8,700   | Milestone Apartments Real Estate Investment Trust | 127,044   | 0.72         | <b>Transport-Truck</b>                                       |  |           |              |
| <b>CHINA 1.77% (30 September 2015: 1.60%)</b>                     |   |           |              | 27,000   | Sankyu Inc   | 154,179   | 0.87         |
| <b>Commercial Banks Non-US</b>                                    |   |           |              | <b>MEXICO 1.60% (30 September 2015: 1.80%)</b>               |  |           |              |
| 188,000   | Chongqing Rural Commercial Bank Co Ltd            | 115,909   | 0.65         | <b>Airport Development/Maintenance</b>                       |  |           |              |
| <b>Electric-Generation</b>  |   |           |              | 10,500   | SAB de CV  | 97,191    | 0.55         |
| 225,000   | China Power International Development Ltd         | 86,483    | 0.49         | <b>Building-Heavy Construction</b>                           |  |           |              |
| <b>Schools</b>  |   |           |              | 7,840  | Promotora y Operadora de Infraestructura SAB de CV | 84,856    | 0.48         |
| 2,363   | New Oriental Education & Technology Group Inc     | 110,824   | 0.63         | <b>Reits-Warehouse/Industrial</b>                            |  |           |              |
| <b>FAROE ISLANDS 0.00% (30 September 2015: 0.73%)</b>             |   |           |              | 82,600   | Macquarie Mexico Real Estate Management SA de CV   | 100,986   | 0.57         |
| <b>FRANCE 3.60% (30 September 2015: 3.15%)</b>                    |   |           |              | <b>NETHERLANDS 0.00% (30 September 2015: 0.61%)</b>          |  |           |              |
| <b>Advertising Sales</b>  |   |           |              | <b>NEW ZEALAND 0.88% (30 September 2015: 1.33%)</b>          |  |           |              |
| 1,619   | Teleperformance                                   | 169,821   | 0.96         | <b>Respiratory Products</b>                                  |  |           |              |
| <b>Gas-Distribution</b>   |   |           |              | 21,424   | Fisher & Paykel Healthcare Corp Ltd                | 155,671   | 0.88         |
| 2,033   | Rubis SCA   | 184,894   | 1.04         | <b>NORWAY 0.51% (30 September 2015: 0.00%)</b>               |  |           |              |
| <b>Medical-Nursing Homes</b>                                      |   |           |              | <b>Oil Company-Exploration &amp; Production</b>              |  |           |              |
| 1,452   | Orpea   | 127,344   | 0.72         | 5,904  | Det Norske Oljeselskap ASA                         | 90,047    | 0.51         |
| <b>Oil-Field Services</b>   |   |           |              | <b>SINGAPORE 0.59% (30 September 2015: 0.00%)</b>            |  |           |              |
| 2,569   | Technip SA  | 156,297   | 0.88         | <b>Finance-Leasing Companies</b>                             |  |           |              |
| <b>GERMANY 0.96% (30 September 2015: 3.54%)</b>                   |   |           |              | 20,200   | BOC Aviation Ltd                                   | 103,957   | 0.59         |
| <b>Machinery-Material Handling</b>                                |   |           |              | <b>SOUTH AFRICA 0.68% (30 September 2015: 0.72%)</b>         |  |           |              |
| 2,681   | KION Group AG                                     | 170,667   | 0.96         | <b>Paper &amp; Related Products</b>                          |  |           |              |
| <b>HONG KONG 0.00% (30 September 2015: 1.68%)</b>                 |   |           |              | 23,821   | Sappi Ltd  | 119,788   | 0.68         |
| <b>INDIA 0.42% (30 September 2015: 0.00%)</b>                     |   |           |              | <b>SOUTH KOREA 2.39% (30 September 2015: 1.40%)</b>          |  |           |              |
| <b>Real Estate Operation/Development</b>                          |   |           |              | <b>Building-Residential/Commercial</b>                       |  |           |              |
| 62,414  | Housing Development & Infrastructure Ltd          | 74,739    | 0.42         | <b>Hyundai Development Co-Engineering &amp; Construction</b> |  |           |              |
| <b>IRELAND 0.70% (30 September 2015: 0.00%)</b>                   |   |           |              | 2,324  | Engineering & Construction Cellular Telecom        | 108,250   | 0.61         |
| <b>Reits-Diversified</b>  |   |           |              | 10,860   | LG Uplus Corp                                      | 115,862   | 0.65         |
| 80,743  | Hibernia REIT plc                                 | 123,893   | 0.70         | <b>Diversified Manufacturing Operations</b>                  |  |           |              |
| <b>ITALY 2.50% (30 September 2015: 1.84%)</b>                     |   |           |              | 3,765  | SKC Co Ltd   | 96,770    | 0.55         |
| <b>Building Production-Cement/Aggregate</b>                       |   |           |              | <b>Metal Products-Distribution</b>                           |  |           |              |
| 6,249   | Buzzi Unicem SpA                                  | 125,168   | 0.70         | 863  | Hyosung Corp                                       | 101,866   | 0.58         |
| <b>Medical-Drugs</b>  |   |           |              | <b>SPAIN 1.72% (30 September 2015: 0.56%)</b>                |  |           |              |
| 5,191   | Recordati SpA                                     | 164,353   | 0.93         | <b>Food-Miscellaneous/Diversified</b>                        |  |           |              |
| <b>Retail-Miscellaneous/Diversified</b>                           |   |           |              | 5,592  | Ebro Foods SA                                      | 127,956   | 0.72         |
| 15,122  | Ampifon SpA                                       | 153,900   | 0.87         | <b>Power Conversion/Supply Equipment</b>                     |  |           |              |
|   |   |           |              | 7,366  | Gamesa Corp Tecnologica SA                         | 177,322   | 1.00         |

PRINCIPAL GLOBAL INVESTORS FUNDS

PORTFOLIO OF INVESTMENTS  
AS AT 30 SEPTEMBER 2016 (continued)

| GLOBAL SMALL CAP EQUITY FUND (continued)                    |                                |           |              | GLOBAL SMALL CAP EQUITY FUND (continued)                            |                                       |           |              |
|---|--------------------------------|-----------|--------------|---|---------------------------------------|-----------|--------------|
| Nominal   | Security                       | Value USD | % Net Assets | Nominal   | Security                              | Value USD | % Net Assets |
| <b>SWEDEN 1.68% (30 September 2015: 1.46%)</b>              |                                |           |              | <b>UNITED STATES 50.65% (30 September 2015: 49.71%) (continued)</b> |                                       |           |              |
| <b>Gambling (Non-Hotel)</b>                                 |                                |           |              | <b>Disposable Medical Products</b>                                  |                                       |           |              |
| 4,369   | Evolution Gaming Group AB      | 140,123   | 0.79         | 1,255   | ICU Medical Inc                       | 156,862   | 0.89         |
| <b>Real Estate Management/Services</b>                      |                                |           |              | <b>Electric-Integrated</b>  |                                       |           |              |
| 10,572  | Castellum AB                   | 157,656   | 0.89         | 4,492   | Avista Corp                           | 189,293   | 1.07         |
| <b>SWITZERLAND 1.02% (30 September 2015: 0.75%)</b>         |                                |           |              | <b>Engineering/Research &amp; Development Services</b>              |                                       |           |              |
| <b>Retail-Convenience Store</b>                             |                                |           |              | 3,344   | EMCOR Group Inc                       | 198,333   | 1.12         |
| 636   | Valora Holding AG              | 180,739   | 1.02         | <b>Enterprise Software/Services</b>                                 |                                       |           |              |
| <b>TAIWAN 3.26% (30 September 2015: 2.44%)</b>              |                                |           |              | 3,000   | Apptio Inc                            | 64,800    | 0.36         |
| <b>Auto/Truck Parts &amp; Equipment-Original</b>            |                                |           |              | 1,558   | SYNNEX Corp                           | 176,755   | 1.00         |
| Hota Industrial Manufacturing Co                            |                                |           |              | <b>Finance-Investment Banker/Broker</b>                             |                                       |           |              |
| 21,000  | Ltd                            | 102,168   | 0.57         | 5,052   | Moelis & Co                           | 132,261   | 0.75         |
| <b>Commercial Banks Non-US</b>                              |                                |           |              | <b>Food-Dairy Products</b>  |                                       |           |              |
| 145,000   | King's Town Bank Co Ltd        | 122,354   | 0.69         | 9,463   | Dean Foods Co                         | 155,099   | 0.88         |
| <b>Electronic Component-Miscellaneous</b>                   |                                |           |              | <b>Food-Miscellaneous/Diversified</b>                               |                                       |           |              |
| 41,000  | Elite Material Co Ltd          | 111,834   | 0.63         | 2,334   | Cal-Maine Foods Inc                   | 92,613    | 0.52         |
| <b>Electronic Component-Semiconductor</b>                   |                                |           |              | <b>Gas-Distribution</b>   |                                       |           |              |
| 40,872  | Win Semiconductors Corp        | 119,961   | 0.68         | 2,587   | Southwest Gas Corp                    | 182,487   | 1.03         |
| <b>Semicon Component-Integrated Circuits</b>                |                                |           |              | <b>Health Care Services</b>   |                                       |           |              |
| 47,000  | Powertech Technology Inc       | 121,903   | 0.69         | 2,208   | Teladoc Inc                           | 39,766    | 0.22         |
| <b>UNITED KINGDOM 6.52% (30 September 2015: 9.01%)</b>      |                                |           |              | <b>Human Resources</b>  |                                       |           |              |
| <b>Building-Residential/Commercial</b>                      |                                |           |              | 3,613   | AMN Healthcare Services Inc           | 113,918   | 0.64         |
| 3,787   | Bellway Plc                    | 111,066   | 0.63         | 2,465   | Insperty Inc                          | 179,057   | 1.01         |
| <b>Containers-Paper/Plastic</b>                             |                                |           |              | <b>Lasers-Systems/Components</b>                                    |                                       |           |              |
| 10,429  | RPC Group Plc                  | 129,756   | 0.73         | 7,549   | II-VI Inc                             | 177,024   | 1.00         |
| <b>Diversified Operations/Commercial Services</b>           |                                |           |              | <b>Leisure Clubs &amp; Facilities</b>                               |                                       |           |              |
| 57,200  | Rentokil Initial Plc           | 164,088   | 0.92         | 7,970   | Planet Fitness Inc                    | 159,480   | 0.90         |
| <b>E-Commerce/Services</b>                                  |                                |           |              | <b>Medical Laser Systems</b>  |                                       |           |              |
| 2,407   | Rightmove Plc                  | 130,808   | 0.74         | 2,500   | Cynosure Inc                          | 126,525   | 0.71         |
| <b>Private Equity</b>                                       |                                |           |              | <b>Medical Products</b>   |                                       |           |              |
| 20,900  | 3i Group Plc                   | 173,718   | 0.98         | 3,995   | K2M Group Holdings Inc                | 69,113    | 0.39         |
| 20,191  | Intermediate Capital Group Plc | 152,508   | 0.86         | <b>Medical-Biomedical/Genetics</b>                                  |                                       |           |              |
| <b>Property/Casualty Insurance</b>                          |                                |           |              | 759   | Spark Therapeutics Inc                | 44,326    | 0.25         |
| 29,489  | Beazley Plc                    | 146,988   | 0.83         | <b>Medical-Drugs</b>  |                                       |           |              |
| <b>Transport-Services</b>                                   |                                |           |              | 2,357   | FibroGen Inc                          | 48,130    | 0.27         |
| 33,040  | National Express Group Plc     | 147,191   | 0.83         | 3,155   | PRA Health Sciences Inc               | 174,377   | 0.98         |
| <b>UNITED STATES 50.65% (30 September 2015: 49.71%)</b>     |                                |           |              | 3,411   | Prestige Brands Holdings Inc          | 162,739   | 0.92         |
| <b>Auto/Truck Parts &amp; Equipment-Original</b>            |                                |           |              | <b>Multi-Line Insurance</b>   |                                       |           |              |
| 2,311   | Visteon Corp                   | 163,642   | 0.92         | 2,311   | American Financial Group Inc/OH       | 172,239   | 0.97         |
| <b>Building Production-Cement/Aggregate</b>                 |                                |           |              | <b>Oil Company-Exploration &amp; Production</b>                     |                                       |           |              |
| 2,217   | US Concrete Inc                | 102,581   | 0.58         | 2,313   | Carrizo Oil & Gas Inc                 | 92,173    | 0.52         |
| <b>Building Production-Wood</b>                             |                                |           |              | 2,397   | PDC Energy Inc                        | 159,712   | 0.90         |
| 1,712   | Universal Forest Products Inc  | 169,351   | 0.96         | 2,493   | RSP Permian Inc                       | 94,385    | 0.53         |
| <b>Building &amp; Construction Production-Miscellaneous</b> |                                |           |              | <b>Oil Refining &amp; Marketing</b>                                 |                                       |           |              |
| 6,175   | MasTec Inc                     | 184,386   | 1.04         | 2,487   | Murphy USA Inc                        | 175,532   | 0.99         |
| <b>Building-Maintenance &amp; Service</b>                   |                                |           |              | <b>Oil-Field Services</b>   |                                       |           |              |
| 4,205   | ABM Industries Inc             | 165,383   | 0.93         | 2,440   | Superior Energy Services Inc          | 41,456    | 0.23         |
| <b>Chemicals-Specialty</b>                                  |                                |           |              | <b>Physical Therapy/Rehab Centers</b>                               |                                       |           |              |
| 2,879   | Cabot Corp                     | 150,399   | 0.85         | 3,753   | HealthSouth Corp                      | 152,072   | 0.86         |
| <b>Commercial Banks-Central US</b>                          |                                |           |              | <b>Power Conversion/Supply Equipment</b>                            |                                       |           |              |
| 3,230   | Chemical Financial Corp        | 140,893   | 0.79         | 3,523   | Advanced Energy Industries Inc        | 165,651   | 0.93         |
| <b>Commer Banks-Southern US</b>                             |                                |           |              | <b>Reinsurance</b>  |                                       |           |              |
| 2,684   | IBERIABANK Corp                | 176,580   | 1.00         | 2,963   | Argo Group International Holdings Ltd | 166,224   | 0.94         |
| <b>Commer Banks-Western US</b>                              |                                |           |              | <b>Reits-Mortgage</b>   |                                       |           |              |
| 6,608   | Central Pacific Financial Corp | 163,416   | 0.92         | 19,787  | CYS Investments Inc                   | 171,751   | 0.97         |
| 4,692   | Great Western Bancorp Inc      | 154,507   | 0.87         | <b>Reits-Office Property</b>  |                                       |           |              |
| <b>Computer Aided Design</b>                                |                                |           |              | 3,409   | Highwoods Properties Inc              | 177,609   | 1.00         |
| 4,021   | Aspen Technology Inc           | 188,987   | 1.07         | 6,011   | Mac-Cali Realty Corp                  | 163,619   | 0.93         |
| <b>Computer Services</b>                                    |                                |           |              | <b>Reits-Shopping Centers</b>                                       |                                       |           |              |
| 1,777   | CACI International Inc         | 178,500   | 1.00         | 5,366   | Kite Realty Group Trust               | 150,785   | 0.85         |
| 3,017   | ExService Holdings Inc         | 150,277   | 0.85         | <b>Reits-Warehouse/Industrial</b>                                   |                                       |           |              |
| 5,603   | Sykes Enterprises Inc          | 154,082   | 0.87         | 6,536   | First Industrial Realty Trust Inc     | 185,165   | 1.05         |
| <b>Computer Software</b>                                    |                                |           |              | Monmouth Real Estate Investment                                     |                                       |           |              |
| 2,352   | Blackbaud Inc                  | 155,161   | 0.88         | 12,689  | QTS                                   | 181,453   | 1.02         |
| <b>Consulting Services</b>                                  |                                |           |              | 3,161   | CORP Realty Trust Inc                 | 169,619   | 0.96         |
| 8,642   | Navigant Consulting Inc        | 171,717   | 0.97         | <b>Resorts/Theme Parks</b>  |                                       |           |              |
| <b>Containers-Paper/Plastic</b>                             |                                |           |              | 1,098   | Vail Resorts Inc                      | 172,386   | 0.97         |
| 9,961   | Graphic Packaging Holding Co   | 135,569   | 0.76         | <b>Retail-Arts&amp;Crafts</b>                                       |                                       |           |              |
|   |                                |           |              | 6,042   | Michaels Cos Inc/The                  | 145,129   | 0.82         |

PRINCIPAL GLOBAL INVESTORS FUNDS

PORTFOLIO OF INVESTMENTS  
AS AT 30 SEPTEMBER 2016 (continued)

| GLOBAL SMALL CAP EQUITY FUND (continued)  |                            |        |              |             |                 |                              | ORIGIN GLOBAL EMERGING MARKETS FUND                               |              |  |              |                 |
|---|----------------------------|--------|--------------|-------------|-----------------|------------------------------|---|--------------|--|--------------|-----------------|
| Nominal   | Security                   |        | Value<br>USD |             | % Net<br>Assets |                              | Nominal   | Security     |  | Value<br>USD | % Net<br>Assets |
| <b>UNITED STATES 50.65% (30 September 2015: 49.71%) (continued)</b>   |                            |        |              |             |                 |                              | <b>TRANSFERABLE SECURITIES 98.66% (30 September 2015: 94.78%)</b> |              |  |              |                 |
| <b>Retail-Building Products</b>   |                            |        |              |             |                 |                              | <b>BRAZIL 4.46% (30 September 2015: 4.38%)</b>                    |              |  |              |                 |
| 7,420   | Tile Shop Holdings Inc     |        | 123,691      |             | 0.70            |                              | <b>Advertising Services</b>                                       |              |  |              |                 |
| <b>Rubber/Plastic Products</b>  |                            |        |              |             |                 |                              | 34,500 Smiles SA 549,396 0.57                                     |              |  |              |                 |
| 2,651   | Trinseo SA                 |        | 151,929      |             | 0.86            | <b>Brewery</b>               |   |              |  |              |                 |
| <b>Rubber-Tires</b>   |                            |        |              |             |                 |                              | 120,400 Ambev SA 728,646 0.76                                     |              |  |              |                 |
| 5,020   | Cooper Tire & Rubber Co    |        | 186,443      |             | 1.05            | <b>Rental Auto/Equipment</b> |   |              |  |              |                 |
| <b>Telecommunication Equipment</b>  |                            |        |              |             |                 |                              | 35,000 Localiza Rent a Car SA 426,316 0.45                        |              |  |              |                 |
| 3,427   | Plantronics Inc            |        | 175,874      |             | 0.99            | <b>Retail-Drug Store</b>     |   |              |  |              |                 |
| <b>Therapeutics</b>   |                            |        |              |             |                 |                              | 45,100 Raia Drogasil SA 917,088 0.96                              |              |  |              |                 |
| 1,094   | Neurocrine Biosciences Inc |        | 55,061       |             | 0.31            | <b>Schools</b>               |   |              |  |              |                 |
| <b>Wire &amp; Cable Products</b>  |                            |        |              |             |                 |                              | 122,900 Kroton Educacional SA 568,015 0.59                        |              |  |              |                 |
| 5,517   | Insteel Industries Inc     |        | 201,039      |             | 1.13            | <b>Water</b>                 |   |              |  |              |                 |
| <b>Total Value of Transferable Securities at Mid Market Prices (Cost: USD15,084,069)</b>  |                            |        |              |             |                 |                              | <b>17,498,134</b>   | <b>98.71</b> |  |              |                 |
| <b>Open Spot Currency Contracts 0.00% (30 September 2015: 0.00%)</b>  |                            |        |              |             |                 |                              | <b>CHINA 41.10% (30 September 2015: 34.88%)</b>                   |              |  |              |                 |
| <b>Settlement Buy Amount Sell Amount Unrealised Gain/Loss % Net Assets</b>  |                            |        |              |             |                 |                              | <b>Applications Software</b>                                      |              |  |              |                 |
| 03/10/2016  | USD                        | 855    | CAD          | (1,126)     | (1)             | (0.00)                       | 231,100 TravelSky Technology Ltd 548,415 0.57                     |              |  |              |                 |
| 03/10/2016  | USD                        | 142    | CAD          | (187)       | (0)             | (0.00)                       | <b>Auto-Cars/Light Trucks</b>                                     |              |  |              |                 |
| 03/10/2016  | USD                        | 63,916 | JPY          | (6,431,184) | 269             | 0.00                         | 2,536,400 Geely Automobile Holdings Ltd 2,263,681 2.36            |              |  |              |                 |
| 04/10/2016  | USD                        | 24,181 | AUD          | (31,547)    | 156             | 0.00                         | 900,000 Great Wall Motor Co Ltd 876,357 0.92                      |              |  |              |                 |
| Unrealised Gains on Open Spot Currency Contracts 425 0.00   |                            |        |              |             |                 |                              | <b>Cellular Telecom</b>   |              |  |              |                 |
| Unrealised Loss on Open Spot Currency Contracts (1) (0.00)  |                            |        |              |             |                 |                              | 147,200 China Mobile Ltd 1,781,695 1.86                           |              |  |              |                 |
| <b>Net Unrealised Gain on Open Spot Currency Contracts 424 0.00</b>   |                            |        |              |             |                 |                              | <b>Commercial Banks Non-US</b>                                    |              |  |              |                 |
| Cash at Bank 166,683 0.94   |                            |        |              |             |                 |                              | 634,388 China CITIC Bank Corp Ltd 421,360 0.44                    |              |  |              |                 |
| Net Current Assets 61,954 0.35  |                            |        |              |             |                 |                              | 3,017,000 China Construction Bank Corp 2,237,353 2.33             |              |  |              |                 |
| <b>Net Assets Attributable to Holders of Redeemable Participating Units at Mid Market Prices 17,727,195 100.00</b>                        |                            |        |              |             |                 |                              | 2,200,000 China Ltd 1,376,119 1.44                                |              |  |              |                 |
| <b>Analysis of Total Assets</b>   |                            |        |              |             |                 |                              | <b>Diversified Operations</b>                                     |              |  |              |                 |
| Transferable Securities and Money Market Instruments admitted to an official stock exchange listing or traded on a regulated market 98.30 |                            |        |              |             |                 |                              | 1,538,452 Guangdong Investment Ltd 2,444,478 2.55                 |              |  |              |                 |
| Financial Derivative instruments dealt in or on a regulated market 0.00   |                            |        |              |             |                 |                              | <b>E-Commerce/Products</b>  |              |  |              |                 |
| Other Assets 1.70   |                            |        |              |             |                 |                              | 22,300 Alibaba Group Holding Ltd 2,353,765 2.46                   |              |  |              |                 |
| <b>Total Assets 100.00</b>  |                            |        |              |             |                 |                              | <b>Electric Products-Miscellaneous</b>                            |              |  |              |                 |
| All securities are transferable securities admitted to an official stock exchange listing.  |                            |        |              |             |                 |                              | 238,800 Ltd 1,238,089 1.29  |              |  |              |                 |
| The counterparty for the open spot currency contracts is the Bank of New York Mellon.   |                            |        |              |             |                 |                              | <b>Electronic Component-Miscellaneous</b>                         |              |  |              |                 |
|   |                            |        |              |             |                 |                              | 112,067 AAC Technologies Holdings Inc 1,126,640 1.18              |              |  |              |                 |
|   |                            |        |              |             |                 |                              | <b>Energy-Alternate Sources</b>                                   |              |  |              |                 |
|   |                            |        |              |             |                 |                              | 1,100,000 Xinyi Solar Holdings Ltd 411,417 0.43                   |              |  |              |                 |
|   |                            |        |              |             |                 |                              | <b>Entertainment Software</b>                                     |              |  |              |                 |
|   |                            |        |              |             |                 |                              | 13,902 NetEase Inc 3,365,118 3.51                                 |              |  |              |                 |
|   |                            |        |              |             |                 |                              | <b>Industrial Automat/Robot</b>                                   |              |  |              |                 |
|   |                            |        |              |             |                 |                              | 34,500 Hollysys Automation Technologies Ltd 800,745 0.83          |              |  |              |                 |
|   |                            |        |              |             |                 |                              | <b>Internet Application Software</b>                              |              |  |              |                 |
|   |                            |        |              |             |                 |                              | 220,730 Tencent Holdings Ltd 6,063,625 6.33                       |              |  |              |                 |
|   |                            |        |              |             |                 |                              | <b>Investment Management/Advisory Service</b>                     |              |  |              |                 |
|   |                            |        |              |             |                 |                              | 23,600 Noah Holdings Ltd 620,208 0.65                             |              |  |              |                 |
|   |                            |        |              |             |                 |                              | <b>Medical Products</b>   |              |  |              |                 |
|   |                            |        |              |             |                 |                              | 300,000 China Medical System Holdings Ltd 504,534 0.53            |              |  |              |                 |
|   |                            |        |              |             |                 |                              | <b>Medical-Wholesale Drug Distribution</b>                        |              |  |              |                 |
|   |                            |        |              |             |                 |                              | 495,700 Sinopharm Group Co Ltd 2,381,423 2.48                     |              |  |              |                 |
|   |                            |        |              |             |                 |                              | <b>Petrochemicals</b>   |              |  |              |                 |
|   |                            |        |              |             |                 |                              | 860,000 Sinopec Shanghai Petrochemical Co Ltd 433,677 0.45        |              |  |              |                 |
|   |                            |        |              |             |                 |                              | <b>Photo Equipment &amp; Supplies</b>                             |              |  |              |                 |
|   |                            |        |              |             |                 |                              | 211,800 Sunny Optical Technology Group Co Ltd 1,046,203 1.09      |              |  |              |                 |
|   |                            |        |              |             |                 |                              | <b>Property/Casualty Insurance</b>                                |              |  |              |                 |
|   |                            |        |              |             |                 |                              | 591,600 PICC Property & Casualty Co Ltd 979,681 1.02              |              |  |              |                 |
|   |                            |        |              |             |                 |                              | <b>Public Thoroughfares</b>                                       |              |  |              |                 |
|   |                            |        |              |             |                 |                              | 408,300 Zhejiang Expressway Co Ltd 430,749 0.45                   |              |  |              |                 |
|   |                            |        |              |             |                 |                              | <b>Real Estate Operation/Development</b>                          |              |  |              |                 |
|   |                            |        |              |             |                 |                              | 395,601 China Overseas Land & Investment Ltd 1,341,852 1.40       |              |  |              |                 |
|   |                            |        |              |             |                 |                              | 350,200 China Vanke Co Ltd 907,828 0.95                           |              |  |              |                 |
|   |                            |        |              |             |                 |                              | <b>Retail-Apparel/Shoe</b>  |              |  |              |                 |
|   |                            |        |              |             |                 |                              | 342,600 ANTA Sports Products Ltd 930,103 0.97                     |              |  |              |                 |

PRINCIPAL GLOBAL INVESTORS FUNDS

PORTFOLIO OF INVESTMENTS  
AS AT 30 SEPTEMBER 2016 (continued)

| ORIGIN GLOBAL EMERGING MARKETS FUND (continued)             |  |           |              | ORIGIN GLOBAL EMERGING MARKETS FUND (continued)   |                                  |               |              |        |
|---|--|-----------|--------------|---|----------------------------------|---------------|--------------|--------|
| Nominal   | Security   | Value USD | % Net Assets | Nominal   | Security                         | Value USD     | % Net Assets |        |
| <b>CHINA 41.10% (30 September 2015: 34.88%) (continued)</b> |  |           |              | <b>SWITZERLAND 0.60% (30 September 2015: 2.66%)</b>   |                                  |               |              |        |
| <b>Schools</b>  |  |           |              | <b>Diversified Financial Services</b>   |                                  |               |              |        |
| 43,100  | New Oriental Education & Technology Group Inc      | 2,021,390 | 2.11         | 48,000  | Credit Suisse AG/Nassau - P Note | 576,331       | 0.60         |        |
| <b>Textile-Apparel</b>                                      |  |           |              | <b>TAIWAN 16.15% (30 September 2015: 23.19%)</b>  |                                  |               |              |        |
| 69,000  | Shenzhen International Group Holdings Ltd          | 480,545   | 0.50         | <b>Computers-Peripheral Equipment</b>   |                                  |               |              |        |
| <b>HONG KONG 1.28% (30 September 2015: 3.60%)</b>           |  |           |              | 334,963 Lite-On Technology Corp 481,946 0.50  |                                  |               |              |        |
| <b>Audio/Video Products</b>                                 |  |           |              | <b>Diversified Financial Services</b>   |                                  |               |              |        |
| 1,020,800   | Skyworth Digital Holdings Ltd                      | 734,626   | 0.77         | 1,209,340   | E.Sun Financial Holding Co Ltd   | 688,670       | 0.72         |        |
| <b>Auto/Truck Parts &amp; Equipment-Replica</b>             |  |           |              | 2,123,706 Taishin Financial Holding Co Ltd 789,306 0.82                                     |                                  |               |              |        |
| 543,000   | Xinyi Glass Holdings Ltd                           | 490,918   | 0.51         | <b>Electronic Component-Miscellaneous</b>   |                                  |               |              |        |
| <b>HUNGARY 1.06% (30 September 2015: 0.96%)</b>             |  |           |              | 354,071 Hon Hai Precision Industry Co Ltd 892,364 0.93                                      |                                  |               |              |        |
| <b>Medical-Drugs</b>  |  |           |              | 78,600 Phison Electronics Corp 596,794 0.62   |                                  |               |              |        |
| 50,200  | Richter Gedeon Nyrt                                | 1,013,042 | 1.06         | <b>Electronic Component-Semiconductor</b>   |                                  |               |              |        |
| <b>INDIA 0.98% (30 September 2015: 2.31%)</b>               |  |           |              | 32,600 Silicon Motion Technology Corp 1,685,746 1.76  |                                  |               |              |        |
| <b>Auto-Cars/Light Trucks</b>                               |  |           |              | 147,315 Win Semiconductors Corp 432,374 0.45  |                                  |               |              |        |
| 24,000  | Tata Motors Ltd                                    | 943,680   | 0.98         | <b>Life/Health Insurance</b>  |                                  |               |              |        |
| <b>MEXICO 1.05% (30 September 2015: 0.00%)</b>              |  |           |              | 739,507 China Life Insurance Co Ltd/Taiwan 675,914 0.71                                     |                                  |               |              |        |
| <b>Airport Development/Maintenance</b>                      |  |           |              | <b>Optical Supplies</b>   |                                  |               |              |        |
| 108,300   | Grupo Aeroportuario del Centro Norte SAB de CV     | 618,998   | 0.65         | 20,000  | St Shine Optical Co Ltd          | 465,138       | 0.49         |        |
| <b>Building-Heavy Construction</b>                          |  |           |              | <b>Photo Supplies &amp; Supplies</b>  |                                  |               |              |        |
| 35,400  | Protomora y Operadora de Infraestructura SAB de CV | 383,706   | 0.40         | 4,000   | Largan Precision Co Ltd          | 482,366       | 0.50         |        |
| <b>RUSSIA 1.21% (30 September 2015: 0.86%)</b>              |  |           |              | <b>Semicon Component-Integrated Circuits</b>  |                                  |               |              |        |
| <b>Food-Retail</b>  |  |           |              | 177,000 Powertech Technology Inc 459,080 0.48   |                                  |               |              |        |
| 40,100  | X5 Retail Group NV                                 | 1,163,301 | 1.21         | 158,100   | Realtek Semiconductor Corp       | 519,510       | 0.54         |        |
| <b>SOUTH AFRICA 4.54% (30 September 2015: 5.01%)</b>        |  |           |              | 160,763 Manufacturing Co Ltd 4,887,195 5.10   |                                  |               |              |        |
| <b>Cellular Telecom</b>                                     |  |           |              | <b>Telecom Services</b>   |                                  |               |              |        |
| 37,700  | Vodacom Group Ltd                                  | 418,948   | 0.44         | 686,200   | Chungghwa Telecom Co Ltd         | 2,419,010     | 2.53         |        |
| <b>Food-Retail</b>  |  |           |              | <b>THAILAND 3.52% (30 September 2015: 2.01%)</b>  |                                  |               |              |        |
| 70,700  | SPAR Group Ltd/The Home Furnishings                | 979,218   | 1.02         | <b>Chemicals-Diversified</b>  |                                  |               |              |        |
| <b>Paper &amp; Related Products</b>                         |  |           |              | 621,900 PTT Global Chemical PCL 1,054,449 1.10  |                                  |               |              |        |
| 46,390  | Mondi Plc  | 973,028   | 1.02         | <b>Diversified Operations</b>   |                                  |               |              |        |
| <b>SOUTH KOREA 21.97% (30 September 2015: 8.47%)</b>        |  |           |              | 38,000 Siam Cement PCL/The Siam Cement PCL/The (FOR REG) 817,738 0.85                       |                                  |               |              |        |
| <b>Aerospace/Defense</b>                                    |  |           |              | <b>Oil Company-Integrated</b>   |                                  |               |              |        |
| 10,900  | Hanwha Techwin Co Ltd                              | 629,446   | 0.66         | 96,000  | PTT PCL                          | 939,221       | 0.98         |        |
| <b>Auto/Truck Parts &amp; Equipment-Original</b>            |  |           |              | <b>TURKEY 0.74% (30 September 2015: 1.34%)</b>  |                                  |               |              |        |
| 53,400  | Hanon Systems                                      | 601,226   | 0.63         | <b>Diversified Operations</b>   |                                  |               |              |        |
| <b>Casino Hotels</b>  |  |           |              | 84,800 KOC Holding AS 363,899 0.38  |                                  |               |              |        |
| 28,200  | Kangwon Land Inc                                   | 1,006,274 | 1.05         | <b>Food-Retail</b>  |                                  |               |              |        |
| <b>Cosmetics &amp; Toiletries</b>                           |  |           |              | 20,700 BIM Birlesik Magazalar AS 345,944 0.36   |                                  |               |              |        |
| 1,220   | LG Household & Health Care Ltd                     | 1,057,883 | 1.10         | <b>UNITED ARAB EMIRATES 0.00% (30 September 2015: 2.72%)</b>                                |                                  |               |              |        |
| <b>Electric-Integrated</b>                                  |  |           |              | <b>UNITED STATES 0.00% (30 September 2015: 2.39%)</b>                                       |                                  |               |              |        |
| 54,000  | Korea Electric Power Corp                          | 2,647,660 | 2.76         | <b>Total Value of Transferable Securities at Mid Market Prices</b>                          |                                  |               |              |        |
| <b>Electronic Component-Semiconductor</b>                   |  |           |              | 94,552,390 98.66  |                                  |               |              |        |
| 3,300   | Samsung Electronics Co Ltd                         | 4,788,123 | 5.00         | <b>UNLISTED 0.49% (30 September 2015: 2.55%)</b>  |                                  |               |              |        |
| <b>Life/Health Insurance</b>                                |  |           |              | <b>SWITZERLAND 0.49% (30 September 2015: 2.55%)</b>   |                                  |               |              |        |
| 4,700   | Samsung Life Insurance Co Ltd                      | 450,220   | 0.47         | <b>Diversified Financial Services</b>   |                                  |               |              |        |
| <b>Non-Ferrous Metals</b>                                   |  |           |              | Credit Suisse AG/Nassau - P Note 474,338 0.49   |                                  |               |              |        |
| 1,000   | Korea Zinc Co Ltd                                  | 436,737   | 0.45         | <b>Total Value of Unlisted at Mid Market Prices</b>   |                                  |               |              |        |
| <b>Oil Refining &amp; Marketing</b>                         |  |           |              | 474,338 0.49  |                                  |               |              |        |
| 6,300   | SK Innovation Co Ltd                               | 923,821   | 0.96         | <b>Total Value of Transferable Securities at Mid Market Prices (Cost: USD81,202,394)</b>    |                                  |               |              |        |
| <b>Petrochemicals</b>                                       |  |           |              | 95,026,728 99.15  |                                  |               |              |        |
| 6,100   | LG Chem Ltd  | 1,337,586 | 1.39         | <b>Open Forward Foreign Currency Exchange Contracts 0.00% (30 September 2015: (0.01%))</b>  |                                  |               |              |        |
| 3,600   | Lotte Chemical Corp                                | 974,077   | 1.02         | <b>Open Spot Currency Contracts (0.00%) (30 September 2015: (0.00%))</b>                    |                                  |               |              |        |
| <b>Rubber-Tires</b>   |  |           |              | <b>Settlement Buy Amount Sell Amount Unrealised % Net Date Bought Sold Gain/Loss Assets</b> |                                  |               |              |        |
| 9,700   | Hankook Tire Co Ltd                                | 523,158   | 0.55         | 03/10/2016  | USD 25,438                       | HKD (197,263) | (3)          | (0.00) |
| <b>Tobacco</b>  |  |           |              |   |                                  |               |              |        |
| 30,300  | KT&G Corp  | 3,438,961 | 3.59         |   |                                  |               |              |        |
| <b>Web Portals/Internet Service Provider</b>                |  |           |              |   |                                  |               |              |        |
| 2,800   | NAVER Corp   | 2,244,881 | 2.34         |   |                                  |               |              |        |

PRINCIPAL GLOBAL INVESTORS FUNDS

PORTFOLIO OF INVESTMENTS  
AS AT 30 SEPTEMBER 2016 (continued)

| ORIGIN GLOBAL EMERGING MARKETS FUND (continued)   |               |                  |             |                      |              | ORIGIN GLOBAL EQUITY FUND |          |           |                       |
|---|---------------|------------------|-------------|----------------------|--------------|---------------------------|----------|-----------|-----------------------|
| Open Spot Currency Contracts (0.00%) (30 September 2015: (0.00%)) (continued)   |               |                  |             |                      |              | Nominal                   | Security | Value USD | % Net Assets          |
| Settlement Buy Date   | Amount Bought | Sell Amount Sold | Amount Sold | Unrealised Gain/Loss | % Net Assets |                           |          |           |                       |
| Unrealised Loss on Open Spot Currency Contracts   |               |                  |             |                      |              | (3)                       |          |           | (0.00)                |
| <b>Net Unrealised Loss on Open Spot Currency Contracts</b>  |               |                  |             |                      |              | <b>(3)</b>                |          |           | <b>(0.00)</b>         |
| Cash at Bank  |               |                  |             |                      |              | 895,602                   |          |           | 0.93                  |
| Net Current Liabilities   |               |                  |             |                      |              | (83,209)                  |          |           | (0.08)                |
| <b>Net Assets Attributable to Holders of Redeemable Participating Units at Mid Market Prices</b>                                    |               |                  |             |                      |              | <b>95,839,118</b>         |          |           | <b>100.00</b>         |
| <b>Analysis of Total Assets</b>   |               |                  |             |                      |              |                           |          |           | <b>% Total Assets</b> |
| Transferable Securities and Money Market Instruments admitted to an official stock exchange listing or traded on a regulated market |               |                  |             |                      |              | 98.49                     |          |           |                       |
| Transferable Securities other than those admitted to an official stock exchange listing or traded on a regulated market             |               |                  |             |                      |              | 0.49                      |          |           |                       |
| Financial Derivative instruments dealt in or on a regulated market  |               |                  |             |                      |              | 0.00                      |          |           |                       |
| Other Assets  |               |                  |             |                      |              | 1.02                      |          |           |                       |
| <b>Total Assets</b>   |               |                  |             |                      |              | <b>100.00</b>             |          |           |                       |
| Except where stated above all securities are transferable securities admitted to an official stock exchange listing.                |               |                  |             |                      |              |                           |          |           |                       |
| The counterparty for the open spot currency contracts is the Bank of New York Mellon.   |               |                  |             |                      |              |                           |          |           |                       |
| <b>AUSTRALIA 1.37% (30 September 2015: 0.49%)</b>   |               |                  |             |                      |              |                           |          |           |                       |
| <b>Casino Services</b>  |               |                  |             |                      |              |                           |          |           |                       |
| 12,500 Aristocrat Leisure Ltd   |               |                  |             |                      |              |                           |          | 150,431   | 0.94                  |
| <b>Telecom Services</b>   |               |                  |             |                      |              |                           |          |           |                       |
| 10,500 TPG Telecom Ltd  |               |                  |             |                      |              |                           |          | 68,895    | 0.43                  |
| <b>BRAZIL 0.00% (30 September 2015: 0.57%)</b>  |               |                  |             |                      |              |                           |          |           |                       |
| <b>CANADA 1.05% (30 September 2015: 2.53%)</b>  |               |                  |             |                      |              |                           |          |           |                       |
| <b>Retail-Convenience Store</b>   |               |                  |             |                      |              |                           |          |           |                       |
| 3,500 Alimentation Couche-Tard Inc  |               |                  |             |                      |              |                           |          | 168,606   | 1.05                  |
| <b>CHINA 7.73% (30 September 2015: 5.59%)</b>   |               |                  |             |                      |              |                           |          |           |                       |
| <b>Diversified Operations</b>   |               |                  |             |                      |              |                           |          |           |                       |
| 106,417 Guangdong Investment Ltd  |               |                  |             |                      |              |                           |          | 169,088   | 1.05                  |
| <b>Electric Products-Miscellaneous</b>  |               |                  |             |                      |              |                           |          |           |                       |
| 17,000 Zhuzhou CRRC Times Electric Co Ltd   |               |                  |             |                      |              |                           |          | 88,139    | 0.55                  |
| <b>Electronic Component-Miscellaneous</b>   |               |                  |             |                      |              |                           |          |           |                       |
| 15,000 AAC Technologies Holdings Inc  |               |                  |             |                      |              |                           |          | 150,799   | 0.94                  |
| <b>Entertainment Software</b>   |               |                  |             |                      |              |                           |          |           |                       |
| 1,329 NetEase Inc   |               |                  |             |                      |              |                           |          | 321,698   | 2.01                  |
| <b>Internet Application Software</b>  |               |                  |             |                      |              |                           |          |           |                       |
| 10,500 Tencent Holdings Ltd   |               |                  |             |                      |              |                           |          | 288,443   | 1.80                  |
| <b>Photo Equipment &amp; Supplies</b>   |               |                  |             |                      |              |                           |          |           |                       |
| 15,300 Sunny Optical Technology Group Co Ltd  |               |                  |             |                      |              |                           |          | 75,575    | 0.47                  |
| <b>Property/Casualty Insurance</b>  |               |                  |             |                      |              |                           |          |           |                       |
| 88,000 PICC Property & Casualty Co Ltd  |               |                  |             |                      |              |                           |          | 145,727   | 0.91                  |
| <b>DENMARK 0.60% (30 September 2015: 1.13%)</b>   |               |                  |             |                      |              |                           |          |           |                       |
| <b>Retail-Jewelry</b>   |               |                  |             |                      |              |                           |          |           |                       |
| 800 Pandora A/S   |               |                  |             |                      |              |                           |          | 95,538    | 0.60                  |
| <b>FRANCE 2.64% (30 September 2015: 2.91%)</b>  |               |                  |             |                      |              |                           |          |           |                       |
| <b>Computer Services</b>  |               |                  |             |                      |              |                           |          |           |                       |
| 1,800 Atos SE   |               |                  |             |                      |              |                           |          | 190,919   | 1.19                  |
| <b>Electronics-Military</b>   |               |                  |             |                      |              |                           |          |           |                       |
| 3,300 Safran SA   |               |                  |             |                      |              |                           |          | 232,006   | 1.45                  |
| <b>GERMANY 1.55% (30 September 2015: 1.34%)</b>   |               |                  |             |                      |              |                           |          |           |                       |
| <b>Electronic Component-Semiconductor</b>   |               |                  |             |                      |              |                           |          |           |                       |
| 5,600 Infineon Technologies AG  |               |                  |             |                      |              |                           |          | 98,443    | 0.61                  |
| <b>Rubber-Tires</b>   |               |                  |             |                      |              |                           |          |           |                       |
| 736 Continental AG  |               |                  |             |                      |              |                           |          | 150,623   | 0.94                  |
| <b>HONG KONG 0.52% (30 September 2015: 1.31%)</b>   |               |                  |             |                      |              |                           |          |           |                       |
| <b>Auto/Truck Parts &amp; Equipment-Replica</b>   |               |                  |             |                      |              |                           |          |           |                       |
| 92,000 Xinyi Glass Holdings Ltd   |               |                  |             |                      |              |                           |          | 83,176    | 0.52                  |
| <b>HUNGARY 0.50% (30 September 2015: 0.00%)</b>   |               |                  |             |                      |              |                           |          |           |                       |
| <b>Medical-Drugs</b>  |               |                  |             |                      |              |                           |          |           |                       |
| 4,000 Richter Gedeon Nyrt   |               |                  |             |                      |              |                           |          | 80,721    | 0.50                  |
| <b>INDIA 0.00% (30 September 2015: 0.49%)</b>   |               |                  |             |                      |              |                           |          |           |                       |
| <b>IRELAND 0.66% (30 September 2015: 2.21%)</b>   |               |                  |             |                      |              |                           |          |           |                       |
| <b>Medical Instruments</b>  |               |                  |             |                      |              |                           |          |           |                       |
| 1,400 ICON Plc  |               |                  |             |                      |              |                           |          | 106,568   | 0.66                  |
| <b>ISLE OF MAN 0.65% (30 September 2015: 0.00%)</b>   |               |                  |             |                      |              |                           |          |           |                       |
| <b>Internet Financial Services</b>  |               |                  |             |                      |              |                           |          |           |                       |
| 18,000 Paysafe Group Plc  |               |                  |             |                      |              |                           |          | 103,534   | 0.65                  |
| <b>ISRAEL 0.65% (30 September 2015: 0.00%)</b>  |               |                  |             |                      |              |                           |          |           |                       |
| <b>Electronic Component-Semiconductor</b>   |               |                  |             |                      |              |                           |          |           |                       |
| 2,400 Mellanox Technologies Ltd   |               |                  |             |                      |              |                           |          | 104,928   | 0.65                  |
| <b>ITALY 0.81% (30 September 2015: 0.55%)</b>   |               |                  |             |                      |              |                           |          |           |                       |
| <b>Auto/Truck Parts &amp; Equipment-Original</b>  |               |                  |             |                      |              |                           |          |           |                       |
| 2,200 Brembo SpA  |               |                  |             |                      |              |                           |          | 130,305   | 0.81                  |



PRINCIPAL GLOBAL INVESTORS FUNDS

PORTFOLIO OF INVESTMENTS  
AS AT 30 SEPTEMBER 2016 (continued)

| ORIGIN GLOBAL EQUITY FUND (continued)                |                                |           |              | ORIGIN GLOBAL EQUITY FUND (continued)                       |                             |           |              |         |      |
|--|--------------------------------|-----------|--------------|---|-----------------------------|-----------|--------------|---------|------|
| Nominal  | Security                       | Value USD | % Net Assets | Nominal   | Security                    | Value USD | % Net Assets |         |      |
| <b>JAPAN 10.07% (30 September 2015: 10.15%)</b>      |                                |           |              | <b>THAILAND 0.55% (30 September 2015: 0.00%)</b>            |                             |           |              |         |      |
| <b>Auto/Truck Parts &amp; Equipment-Original</b>     |                                |           |              | <b>Diversified Manufacturing Operations</b>                 |                             |           |              |         |      |
| 3,100  | Koito Manufacturing Co Ltd     | 149,538   | 0.93         | 2,000   | Fabrinet                    | 87,580    | 0.55         |         |      |
| <b>Building-Residential/Commercial</b>               |                                |           |              | <b>UNITED KINGDOM 2.04% (30 September 2015: 5.71%)</b>      |                             |           |              |         |      |
| 8,000  | Haseko Corp                    | 76,311    | 0.48         | <b>Building-Residential/Commercial</b>                      |                             |           |              |         |      |
| 4,600  | Iida Group Holdings Co Ltd     | 92,032    | 0.57         | 1,750   | Berkeley Group Holdings Plc | 56,330    | 0.35         |         |      |
| <b>Chemicals-Diversified</b>                         |                                |           |              | <b>Diversified Operations/Commercial Services</b>           |                             |           |              |         |      |
| 5,137  | Nissan Chemical Industries Ltd | 155,128   | 0.97         | 2,500   | Bunzl Plc                   | 73,317    | 0.46         |         |      |
| <b>Computer Services</b>                             |                                |           |              | <b>Finance-Other Services</b>                               |                             |           |              |         |      |
| 4,515  | Nomura Research Institute Ltd  | 154,866   | 0.96         | London Stock Exchange Group                                 |                             |           |              |         |      |
| <b>E-Commerce/Products</b>                           |                                |           |              | 3,400 Plc   |                             |           |              | 122,487 | 0.76 |
| 4,800  | Start Today Co Ltd             | 82,084    | 0.51         | <b>Rental Auto/Equipment</b>                                |                             |           |              |         |      |
| <b>Electronic Component-Miscellaneous</b>            |                                |           |              | 4,700 Ashtead Group Plc                                     |                             |           |              | 75,490  | 0.47 |
| 5,500  | Fujitsu General Ltd            | 118,519   | 0.74         | <b>UNITED STATES 51.89% (30 September 2015: 54.21%)</b>     |                             |           |              |         |      |
| <b>Internet Content-Information/News</b>             |                                |           |              | <b>Aerospace/Defense</b>                                    |                             |           |              |         |      |
| 1,800  | Mixl Inc                       | 64,676    | 0.40         | 2,000   | General Dynamics Corp       | 311,220   | 1.94         |         |      |
| <b>Medical-Generic Drugs</b>                         |                                |           |              | 710 TransDigm Group Inc                                     |                             |           |              | 203,834 | 1.27 |
| 1,100  | Sawai Pharmaceutical Co Ltd    | 78,070    | 0.49         | <b>Applications Software</b>                                |                             |           |              |         |      |
| <b>Medical-Wholesale Drug Distribution</b>           |                                |           |              | 3,000 Citrix Systems Inc                                    |                             |           |              | 254,820 | 1.59 |
| 3,600  | Alfresa Holdings Corp          | 75,690    | 0.47         | 1,800   | Paycom Software Inc         | 89,982    | 0.56         |         |      |
| <b>Real Estate Management/Services</b>               |                                |           |              | <b>Auction House/Art Dealer</b>                             |                             |           |              |         |      |
| 3,000  | Open House Co Ltd              | 63,728    | 0.40         | 2,000   | KAR Auction Services Inc    | 85,600    | 0.53         |         |      |
| <b>Telephone-Integrated</b>                          |                                |           |              | <b>Auto/Truck Parts &amp; Equipment-Original</b>            |                             |           |              |         |      |
| 9,210  | KDDI Corp                      | 283,588   | 1.77         | 870   | Cooper-Standard Holding Inc | 85,904    | 0.53         |         |      |
| <b>Transport-Rail</b>                                |                                |           |              | 2,250 Lear Corp   |                             |           |              | 267,232 | 1.67 |
| 1,300  | Central Japan Railway Co       | 221,154   | 1.38         | <b>Building &amp; Construction Production-Miscellaneous</b> |                             |           |              |         |      |
| <b>NORWAY 0.00% (30 September 2015: 1.21%)</b>       |                                |           |              | 1,200 Drew Industries Inc                                   |                             |           |              | 117,432 | 0.73 |
| <b>RUSSIA 0.54% (30 September 2015: 0.00%)</b>       |                                |           |              | <b>Building-Residential/Commercial</b>                      |                             |           |              |         |      |
| <b>Food-Retail</b>                                   |                                |           |              | 2,600 Thor Industries Inc                                   |                             |           |              | 221,780 | 1.38 |
| 3,000  | X5 Retail Group NV             | 87,030    | 0.54         | <b>Commercial Service-Finance</b>                           |                             |           |              |         |      |
| <b>SINGAPORE 1.75% (30 September 2015: 0.72%)</b>    |                                |           |              | 460 Alliance Data Systems Corp                              |                             |           |              | 97,957  | 0.61 |
| <b>Electronic Component-Semiconductor</b>            |                                |           |              | <b>Containers-Paper/Plastic</b>                             |                             |           |              |         |      |
| 1,630  | Broadcom Ltd                   | 281,110   | 1.75         | 1,800   | Berry Plastics Group Inc    | 79,650    | 0.50         |         |      |
| <b>SOUTH AFRICA 0.00% (30 September 2015: 0.51%)</b> |                                |           |              | <b>Diagnostic Equipment</b>                                 |                             |           |              |         |      |
| <b>SOUTH KOREA 4.98% (30 September 2015: 0.79%)</b>  |                                |           |              | 850 Danaher Corp  |                             |           |              | 65,560  | 0.41 |
| <b>Electric-Integrated</b>                           |                                |           |              | <b>Distribution/Wholesale</b>                               |                             |           |              |         |      |
| 1,500  | Korea Electric Power Corp      | 73,546    | 0.46         | 4,800   | LKQ Corp                    | 169,152   | 1.05         |         |      |
| <b>Electronic Component-Semiconductor</b>            |                                |           |              | <b>Diversified Manufacturing Operations</b>                 |                             |           |              |         |      |
| 200  | Samsung Electronics Co Ltd     | 290,189   | 1.81         | 1,200   | AQ Smith Corp               | 117,492   | 0.73         |         |      |
| <b>Tobacco</b>                                       |                                |           |              | 1,600 AZZ Inc   |                             |           |              | 103,456 | 0.65 |
| 2,100  | KT&G Corp                      | 238,344   | 1.49         | <b>E-Commerce/Products</b>                                  |                             |           |              |         |      |
| <b>Web Portals/Internet Service Provider</b>         |                                |           |              | 320 Amazon.com Inc  |                             |           |              | 265,296 | 1.65 |
| 245  | NAVER Corp                     | 196,427   | 1.22         | 800   | Stamps.com Inc              | 74,840    | 0.47         |         |      |
| <b>SWEDEN 0.47% (30 September 2015: 1.15%)</b>       |                                |           |              | <b>E-Commerce/Services</b>                                  |                             |           |              |         |      |
| <b>Commercial Service-Finance</b>                    |                                |           |              | 90 Priceline Group Inc/The                                  |                             |           |              | 132,568 | 0.83 |
| 2,400  | Intrum Justitia AB             | 76,087    | 0.47         | <b>Electronic Design Automation</b>                         |                             |           |              |         |      |
| <b>SWITZERLAND 1.90% (30 September 2015: 0.00%)</b>  |                                |           |              | 2,900 Synopsys Inc  |                             |           |              | 171,332 | 1.07 |
| <b>Electronic Security Devices</b>                   |                                |           |              | <b>Electronic Measuring Instruments</b>                     |                             |           |              |         |      |
| 76   | dorma+kaba Holding AG          | 55,731    | 0.35         | 425   | Fortive Corp                | 21,548    | 0.13         |         |      |
| <b>Medical-Drugs</b>                                 |                                |           |              | <b>Electronic Parts Distribution</b>                        |                             |           |              |         |      |
| 1,450  | Actelion Ltd                   | 249,269   | 1.55         | 2,000   | Arrow Electronics Inc       | 126,740   | 0.79         |         |      |
| <b>TAIWAN 5.07% (30 September 2015: 4.65%)</b>       |                                |           |              | <b>E-Services/Consulting</b>                                |                             |           |              |         |      |
| <b>Computers</b>                                     |                                |           |              | 4,200 CDW Corp/DE   |                             |           |              | 190,218 | 1.19 |
| 28,000   | Foxconn Technology Co Ltd      | 82,002    | 0.51         | <b>Finance-Auto Loans</b>                                   |                             |           |              |         |      |
| <b>Electronic Component-Semiconductor</b>            |                                |           |              | 472 Credit Acceptance Corp                                  |                             |           |              | 92,007  | 0.57 |
| 2,000  | Silicon Motion Technology Corp | 103,420   | 0.64         | <b>Firearms &amp; Ammunition</b>                            |                             |           |              |         |      |
| <b>Optical Supplies</b>                              |                                |           |              | 3,000 Smith & Wesson Holding Corp                           |                             |           |              | 77,460  | 0.48 |
| 3,500  | St Shine Optical Co Ltd        | 81,400    | 0.51         | <b>Health Care Services</b>                                 |                             |           |              |         |      |
| <b>Photo Equipment &amp; Supplies</b>                |                                |           |              | 2,130 Aetna Inc   |                             |           |              | 245,014 | 1.53 |
| 680  | Largan Precision Co Ltd        | 82,002    | 0.51         | 2,000   | HCA Holdings Inc            | 150,520   | 0.94         |         |      |
| <b>Semicon Component-Integrated Circuits</b>         |                                |           |              | 1,900 UnitedHealth Group Inc                                |                             |           |              | 262,808 | 1.64 |
| Taiwan Semiconductor                                 |                                |           |              | 900 Universal Health Services Inc                           |                             |           |              | 109,962 | 0.68 |
| 47,000   | Manufacturing Co Ltd           | 273,644   | 1.71         | <b>Human Resources</b>                                      |                             |           |              |         |      |
| <b>Telecom Services</b>                              |                                |           |              | 4,000 AMN Healthcare Services Inc                           |                             |           |              | 126,120 | 0.79 |
| 54,000   | Chunghwa Telecom Co Ltd        | 190,362   | 1.19         | 2,400   | On Assignment Inc           | 86,520    | 0.54         |         |      |
|  |                                |           |              | <b>Insurance Brokers</b>                                    |                             |           |              |         |      |
|  |                                |           |              | 1,350 Aon Plc   |                             |           |              | 149,742 | 0.93 |
|  |                                |           |              | <b>Internet Content-Entertainment</b>                       |                             |           |              |         |      |
|  |                                |           |              | 2,470 Facebook Inc  |                             |           |              | 316,382 | 1.97 |

PRINCIPAL GLOBAL INVESTORS FUNDS

PORTFOLIO OF INVESTMENTS  
AS AT 30 SEPTEMBER 2016 (continued)

| ORIGIN GLOBAL EQUITY FUND (continued)  |                                  |           |              | ORIGIN GLOBAL EQUITY FUND (continued)   |                |
|--|----------------------------------|-----------|--------------|---|----------------|
| Nominal  | Security                         | Value USD | % Net Assets |   | % Total Assets |
| <b>UNITED STATES 51.89% (30 September 2015: 54.21%) (continued)</b>                              |                                  |           |              |   |                |
| <b>Life/Health Insurance</b>   |                                  |           |              |   |                |
| 3,200  | Aflac Inc                        | 228,992   | 1.43         | Transferable Securities and Money Market Instruments admitted to an official stock exchange listing or traded on a regulated market | 97.22          |
| <b>Lighting Products &amp; Systems</b>   |                                  |           |              |   |                |
| 310  | Acuity Brands Inc                | 80,727    | 0.50         | Financial Derivative instruments dealt in or on a regulated market  | 0.00           |
| <b>Medical Equipment</b>   |                                  |           |              |   |                |
| 860  | Align Technology Inc             | 79,473    | 0.50         | Other Assets  | 2.78           |
| <b>Medical-Biomedical/Genetics</b>   |                                  |           |              |   |                |
| 700  | Amgen Inc                        | 115,815   | 0.72         | <b>Total Assets</b>   | <b>100.00</b>  |
| 750  | Biogen Inc                       | 229,335   | 1.43         | All securities are transferable securities admitted to an official stock exchange listing.  |                |
| 794  | United Therapeutics Corp         | 91,326    | 0.57         |   |                |
| <b>Medical-Drugs</b>   |                                  |           |              |   |                |
| 2,000  | Johnson & Johnson                | 234,540   | 1.46         |   |                |
| <b>Medical-Health Maintenance Organization</b>   |                                  |           |              |   |                |
| 1,200  | Centene Corp                     | 81,180    | 0.51         |   |                |
| <b>Networking Products</b>   |                                  |           |              |   |                |
| 1,050  | Arista Networks Inc              | 89,481    | 0.56         |   |                |
| 1,500  | NETGEAR Inc                      | 89,310    | 0.56         |   |                |
| <b>Poultry</b>   |                                  |           |              |   |                |
| 800  | Sanderson Farms Inc              | 77,320    | 0.48         |   |                |
| <b>Printing-Commercial</b>   |                                  |           |              |   |                |
| 1,794  | Deluxe Corp                      | 118,314   | 0.74         |   |                |
| <b>Property/Casualty Insurance</b>   |                                  |           |              |   |                |
| 4,340  | AmTrust Financial Services Inc   | 115,357   | 0.72         |   |                |
| 1,350  | Travelers Cos Inc/The            | 153,725   | 0.96         |   |                |
| <b>Reinsurance</b>   |                                  |           |              |   |                |
| 750  | Reinsurance Group of America Inc | 80,317    | 0.50         |   |                |
| <b>Research &amp; Development</b>  |                                  |           |              |   |                |
| 2,200  | PAREXEL International Corp       | 150,700   | 0.94         |   |                |
| <b>Retail-Apparel/Shoe</b>   |                                  |           |              |   |                |
| 2,400  | Foot Locker Inc                  | 160,392   | 1.00         |   |                |
| 1,400  | Ross Stores Inc                  | 88,690    | 0.55         |   |                |
| <b>Semicon Component-Integrated Circuits</b>   |                                  |           |              |   |                |
| 3,600  | Cirrus Logic Inc                 | 185,436   | 1.16         |   |                |
| <b>Semiconductor Equipment</b>   |                                  |           |              |   |                |
| 4,500  | Applied Materials Inc            | 133,110   | 0.83         |   |                |
| 1,700  | MKS Instruments Inc              | 83,776    | 0.52         |   |                |
| 6,000  | Teradyne Inc                     | 127,440   | 0.80         |   |                |
| <b>Television</b>  |                                  |           |              |   |                |
| 5,600  | Sinclair Broadcast Group Inc     | 158,984   | 0.99         |   |                |
| <b>Toys</b>  |                                  |           |              |   |                |
| 1,300  | Hasbro Inc                       | 103,207   | 0.64         |   |                |
| <b>Veterinary Diagnostics</b>  |                                  |           |              |   |                |
| 1,400  | VCA Inc                          | 96,362    | 0.60         |   |                |
| <b>Web Portals/ISP</b>   |                                  |           |              |   |                |
| 240  | Alphabet Inc 'A'                 | 192,634   | 1.20         |   |                |
| <b>Wireless Equipment</b>  |                                  |           |              |   |                |
| 2,000  | Ubiquiti Networks Inc            | 107,680   | 0.67         |   |                |
| <b>Total Value of Transferable Securities at Mid Market Prices (Cost: USD13,348,724)</b>         |                                  |           |              | <b>15,719,084</b>   | <b>97.99</b>   |
| <b>Open Spot Currency Contracts 0.00% (30 September 2015: (0.00%))</b>                           |                                  |           |              |   |                |
|  | Cash at Bank                     | 426,511   | 2.66         |   |                |
|  | Net Current Liabilities          | (103,980) | (0.65)       |   |                |
| <b>Net Assets Attributable to Holders of Redeemable Participating Units at Mid Market Prices</b> |                                  |           |              | <b>16,041,615</b>   | <b>100.00</b>  |

PRINCIPAL GLOBAL INVESTORS FUNDS

PORTFOLIO OF INVESTMENTS  
AS AT 30 SEPTEMBER 2016 (continued)

| ORIGIN GLOBAL SMALLER COMPANIES FUND                              |                                       |           |              | ORIGIN GLOBAL SMALLER COMPANIES FUND (continued)                   |          |           |              |
|---|---------------------------------------|-----------|--------------|--|----------|-----------|--------------|
| Nominal   | Security                              | Value USD | % Net Assets | Nominal  | Security | Value USD | % Net Assets |
| <b>TRANSFERABLE SECURITIES 97.70% (30 September 2015: 94.08%)</b> |                                       |           |              | <b>CHINA 4.82% (30 September 2015: 5.19%) (continued)</b>          |          |           |              |
| <b>AUSTRALIA 4.65% (30 September 2015: 0.39%)</b>                 |                                       |           |              | <b>Retail-Apparel/Shoe</b>   |          |           |              |
| <b>Commercial Service-Finance</b>                                 |                                       |           |              | 441,217 Xtep International Holdings Ltd 205,424 0.36               |          |           |              |
| 20,051  | Credit Corp Group Ltd                 | 284,191   | 0.49         | <b>FAROE ISLANDS 0.00% (30 September 2015: 1.11%)</b>              |          |           |              |
| <b>Computer Aided Design</b>                                      |                                       |           |              | <b>FRANCE 0.57% (30 September 2015: 1.62%)</b>                     |          |           |              |
| 40,314  | Altium Ltd                            | 282,625   | 0.49         | <b>Computer Services</b>   |          |           |              |
| <b>Food-Miscellaneous/Diversified</b>                             |                                       |           |              | 4,751 Altien SA 329,670 0.57                                       |          |           |              |
| 22,086  | Bellamy's Australia Ltd               | 218,721   | 0.38         | <b>GERMANY 3.07% (30 September 2015: 3.12%)</b>                    |          |           |              |
| <b>Gold Mining</b>  |                                       |           |              | <b>Applications Software</b>                                       |          |           |              |
| 145,890   | Northern Star Resources Ltd           | 517,495   | 0.90         | 7,804 Nemetschek SE 474,077 0.82                                   |          |           |              |
| 180,102   | Regis Resources Ltd                   | 529,177   | 0.92         | <b>Computer Services</b>   |          |           |              |
| <b>Insurance Brokers</b>  |                                       |           |              | 6,085 CANCOM SE 310,817 0.54                                       |          |           |              |
| 133,273   | Steadfast Group Ltd                   | 231,298   | 0.40         | <b>Computers-Integrated Systems</b>                                |          |           |              |
| <b>Medical-Generics Drugs</b>                                     |                                       |           |              | 2,765 Bechtile AG 315,037 0.55                                     |          |           |              |
| 404,837   | Mayne Pharma Group Ltd                | 616,318   | 1.07         | <b>E-Commerce/Services</b>   |          |           |              |
| <b>AUSTRIA 0.68% (30 September 2015: 0.38%)</b>                   |                                       |           |              | 4,783 Scout24 AG 158,869 0.28                                      |          |           |              |
| <b>Chemicals-Fibers</b>   |                                       |           |              | <b>Enterprise Software/Services</b>                                |          |           |              |
| 3,359   | Lenzing AG                            | 393,591   | 0.68         | 4,562 Software AG 190,111 0.33                                     |          |           |              |
| <b>BRAZIL 2.63% (30 September 2015: 0.52%)</b>                    |                                       |           |              | <b>Private Equity</b>  |          |           |              |
| <b>Advertising Services</b>                                       |                                       |           |              | 9,557 Deutsche Beteiligungs AG 319,947 0.55                        |          |           |              |
| 19,068  | Smiles SA                             | 303,649   | 0.53         | <b>GREECE 0.60% (30 September 2015: 0.00%)</b>                     |          |           |              |
| <b>Building-Residential/Commercial</b>                            |                                       |           |              | <b>Oil Refining &amp; Marketing</b>                                |          |           |              |
| 61,891  | MRV Engenharia e Participacoes SA     | 227,735   | 0.39         | 15,896 SA 180,316 0.31   |          |           |              |
| <b>Commercial Services</b>  |                                       |           |              | <b>Retail-Toy Store</b>  |          |           |              |
| 22,514  | Multipus SA                           | 305,876   | 0.53         | 13,315 JUMBO SA 164,121 0.29                                       |          |           |              |
| <b>Consulting Services</b>  |                                       |           |              | <b>HONG KONG 2.19% (30 September 2015: 3.40%)</b>                  |          |           |              |
| 34,316  | Qualicoop SA                          | 196,302   | 0.34         | <b>Auto/Truck Parts &amp; Equipment-Original</b>                   |          |           |              |
| <b>Rental Auto/Equipment</b>                                      |                                       |           |              | 30,694 Xinyi Automobile Glass Hong Kong Enterprises Ltd 6,453 0.01 |          |           |              |
| 18,479  | Localiza Rent a Car SA                | 225,083   | 0.39         | <b>Auto/Truck Parts &amp; Equipment-Replica</b>                    |          |           |              |
| <b>Schools</b>  |                                       |           |              | 245,552 Xinyi Glass Holdings Ltd 222,000 0.39                      |          |           |              |
| 48,617  | Ser Educacional SA                    | 258,863   | 0.45         | <b>Containers-Paper/Plastic</b>                                    |          |           |              |
| <b>CANADA 3.24% (30 September 2015: 1.87%)</b>                    |                                       |           |              | Lee & Man Paper Manufacturing Ltd 251,503 0.44                     |          |           |              |
| <b>Airlines</b>   |                                       |           |              | <b>Electronic Component-Miscellaneous</b>                          |          |           |              |
| 7,552   | Exchange Income Corp                  | 202,036   | 0.35         | 1,423,837 Tongda Group Holdings Ltd 347,067 0.60                   |          |           |              |
| <b>Auto/Truck Parts &amp; Equipment-Original</b>                  |                                       |           |              | 382,495 Truly International Holdings Ltd 155,392 0.27              |          |           |              |
| 4,682   | Linamar Corp                          | 189,520   | 0.33         | <b>Retail-Home Furnishings</b>                                     |          |           |              |
| <b>Building Production-Wood</b>                                   |                                       |           |              | 436,292 Man Wah Holdings Ltd 279,656 0.48                          |          |           |              |
| 12,223  | Norbord Inc                           | 313,350   | 0.54         | <b>IRELAND 0.44% (30 September 2015: 0.41%)</b>                    |          |           |              |
| <b>Diamonds/Precious Stones</b>                                   |                                       |           |              | <b>Consulting Services</b>   |          |           |              |
| 88,273  | Lucara Diamond Corp                   | 263,511   | 0.46         | 46,306 Keywords Studios Plc 255,122 0.44                           |          |           |              |
| <b>Gold Mining</b>  |                                       |           |              | <b>ISLE OF MAN 0.52% (30 September 2015: 0.72%)</b>                |          |           |              |
| 82,138  | B2Gold Corp                           | 218,368   | 0.38         | <b>Internet Financial Services</b>                                 |          |           |              |
| 26,751  | Kirkland Lake Gold Inc                | 208,887   | 0.36         | 52,202 Paysafe Group Plc 300,261 0.52                              |          |           |              |
| <b>Internet Content-Entertainment</b>                             |                                       |           |              | <b>ISRAEL 0.65% (30 September 2015: 0.34%)</b>                     |          |           |              |
| 18,167  | Intertain Group Ltd/The               | 152,621   | 0.27         | <b>Electronic Measuring Instruments</b>                            |          |           |              |
| <b>Recreational Vehicles</b>                                      |                                       |           |              | 12,846 Orbotech Ltd 375,489 0.65                                   |          |           |              |
| 15,834  | BRP Inc/CA                            | 318,363   | 0.55         | <b>ITALY 2.71% (30 September 2015: 1.91%)</b>                      |          |           |              |
| <b>CHINA 4.82% (30 September 2015: 5.19%)</b>                     |                                       |           |              | <b>Auto/Truck Parts &amp; Equipment-Original</b>                   |          |           |              |
| <b>Auto/Truck Parts &amp; Equipment-Original</b>                  |                                       |           |              | 5,646 Brembo SpA 334,410 0.58                                      |          |           |              |
| 61,199  | Mintih Group Ltd                      | 215,081   | 0.37         | <b>Commercial Services</b>   |          |           |              |
| <b>Auto-Cars/Light Trucks</b>                                     |                                       |           |              | 34,173 Cerved Information Solutions SpA 283,291 0.49               |          |           |              |
| 330,708   | Geely Automobile Holdings Ltd         | 295,150   | 0.51         | <b>E-Services/Consulting</b>                                       |          |           |              |
| <b>Batteries/Battery System</b>                                   |                                       |           |              | 2,036 Reply SpA 264,596 0.46                                       |          |           |              |
| 324,057   | Tianneng Power International Ltd      | 276,258   | 0.48         | <b>Medical-Drugs</b>   |          |           |              |
| <b>Circuits</b>   |                                       |           |              | 10,532 Recordati SpA 332,186 0.58                                  |          |           |              |
| 22,146  | Silergy Corp                          | 327,115   | 0.57         | <b>Retail-Miscellaneous/Diversified</b>                            |          |           |              |
| <b>Industrial Automot/Robot</b>                                   |                                       |           |              | 34,254 Amplifon SpA 348,021 0.60                                   |          |           |              |
| 12,701  | Hollysys Automation Technologies Ltd  | 294,790   | 0.51         | <b>JAPAN 11.70% (30 September 2015: 11.08%)</b>                    |          |           |              |
| <b>Medical Products</b>   |                                       |           |              | <b>Auto/Truck Parts &amp; Equipment-Original</b>                   |          |           |              |
| 128,677   | China Medical System Holdings Ltd     | 216,406   | 0.37         | 17,200 Daikyonishikawa Corp 210,994 0.36                           |          |           |              |
| <b>Medical-Biomedical/Genetics</b>                                |                                       |           |              | 7,254 Koito Manufacturing Co Ltd 349,919 0.61                      |          |           |              |
| 3,100   | China Biologic Products Inc           | 383,563   | 0.66         |  |          |           |              |
| <b>Photo Equipment &amp; Supplies</b>                             |                                       |           |              |  |          |           |              |
| 115,245   | Sunny Optical Technology Group Co Ltd | 569,262   | 0.99         |  |          |           |              |

PRINCIPAL GLOBAL INVESTORS FUNDS

PORTFOLIO OF INVESTMENTS  
AS AT 30 SEPTEMBER 2016 (continued)

| ORIGIN GLOBAL SMALLER COMPANIES FUND (continued)            |                              |           |              | ORIGIN GLOBAL SMALLER COMPANIES FUND (continued)     |  |           |              |
|---|------------------------------|-----------|--------------|--|--|-----------|--------------|
| Nominal   | Security                     | Value USD | % Net Assets | Nominal  | Security                                 | Value USD | % Net Assets |
| <b>JAPAN 11.70% (30 September 2015: 11.08%) (continued)</b> |                              |           |              | <b>POLAND 0.00% (30 September 2015: 0.45%)</b>       |  |           |              |
| <b>Building &amp; Construction Production-Miscellaneous</b> |                              |           |              | <b>SOUTH AFRICA 0.65% (30 September 2015: 0.00%)</b> |  |           |              |
| 5,900   | Totetsu Kogyo Co Ltd         | 168,546   | 0.29         | <b>Finance-Other Services</b>                        |  |           |              |
| <b>Building-Heavy Construction</b>                          |                              |           |              | 16,075   | JSE Ltd                                  | 185,158   | 0.32         |
| 16,800  | Raito Kogyo Co Ltd           | 201,105   | 0.35         | <b>Transport-Services</b>                            |  |           |              |
| <b>Computers-Integrated Systems</b>                         |                              |           |              | 62,032   | Super Group Ltd/South Africa             | 191,144   | 0.33         |
| 11,135  | DTS Corp                     | 246,552   | 0.43         | <b>SOUTH KOREA 5.89% (30 September 2015: 5.48%)</b>  |  |           |              |
| <b>E-Commerce/Services</b>                                  |                              |           |              | <b>Advanced Materials/Prd</b>                        |  |           |              |
| 7,609   | Dip Corp                     | 234,667   | 0.41         | 1,695  | SK Materials Co Ltd                      | 242,550   | 0.42         |
| 13,400  | Gurunavi Inc                 | 366,508   | 0.63         | <b>Chemicals-Diversified</b>                         |  |           |              |
| <b>Electronic Component-Miscellaneous</b>                   |                              |           |              | 837  | Korea Petrochemical Ind Co Ltd           | 162,255   | 0.28         |
| 19,649  | Fujitsu General Ltd          | 423,415   | 0.74         | <b>Chemicals-Specialty</b>                           |  |           |              |
| <b>Electronic Measuring Instruments</b>                     |                              |           |              | 7,901  | Soulbrain Co Ltd                         | 436,892   | 0.76         |
| 11,550  | Tokyo Seimitsu Co Ltd        | 306,089   | 0.53         | <b>Electronic Component-Semiconductor</b>            |  |           |              |
| <b>Electronic Parts Distribution</b>                        |                              |           |              | 6,052  | Silicon Works Co Ltd                     | 164,028   | 0.28         |
| 10,506  | Siix Corp                    | 422,151   | 0.73         | <b>Electronic Connectors</b>                         |  |           |              |
| <b>E-Marketing/Information</b>                              |                              |           |              | 3,326  | Korea Electric Terminal Co Ltd           | 234,347   | 0.41         |
| 8,000   | CyberAgent Inc               | 236,604   | 0.41         | <b>Internet Content-Entertainment</b>                |  |           |              |
| <b>Entertainment Software</b>                               |                              |           |              | 1,631  | ComZuScorp                               | 148,091   | 0.26         |
| 16,755  | Koel Tecmo Holdings Co Ltd   | 329,585   | 0.57         | <b>Medical-Drugs</b>                                 |  |           |              |
| <b>Health Care Services</b>                                 |                              |           |              | 5,830  | Boryung Pharmaceutical Co Ltd            | 363,134   | 0.63         |
| 8,600   | BML Inc                      | 225,531   | 0.39         | 6,699  | Samjin Pharmaceutical Co Ltd             | 196,162   | 0.34         |
| <b>Human Resources</b>                                      |                              |           |              | <b>Metal Processors &amp; Fabricators</b>            |  |           |              |
| 17,500  | JAC Recruitment Co Ltd       | 209,484   | 0.37         | 32,969   | Dongkuk Structures & Construction Co Ltd | 222,717   | 0.39         |
| <b>Internet Application Software</b>                        |                              |           |              | <b>Optical Supplies</b>                              |  |           |              |
| 8,695   | COLOPI Inc                   | 134,510   | 0.24         | 4,551  | Interoro Co Ltd                          | 164,668   | 0.28         |
| <b>Internet Content-Entertainment</b>                       |                              |           |              | <b>Publishing-Periodicals</b>                        |  |           |              |
| 17,753  | Nexon Co Ltd                 | 276,390   | 0.48         | 13,535   | Woongjin Thinkbig Co Ltd                 | 136,413   | 0.24         |
| <b>Internet Content-Information/News</b>                    |                              |           |              | <b>Reinsurance</b>                                   |  |           |              |
| 4,528   | Mixi Inc                     | 162,697   | 0.28         | 23,160   | Korean Reinsurance Co                    | 244,985   | 0.42         |
| <b>Medical Laboratories &amp; Testing Services</b>          |                              |           |              | <b>Semicon Component-Integrated Circuits</b>         |  |           |              |
| 2,660   | Ain Holdings Inc             | 180,375   | 0.31         | 8,899  | Viatron Technologies Inc                 | 225,838   | 0.39         |
| <b>Medical-Generc Drugs</b>                                 |                              |           |              | <b>Semiconductor Equipment</b>                       |  |           |              |
| 2,534   | Sawai Pharmaceutical Co Ltd  | 179,846   | 0.31         | 29,308   | KC Tech Co Ltd                           | 456,378   | 0.79         |
| <b>Medical-Wholesale Drug Distribution</b>                  |                              |           |              | <b>SWEDEN 0.00% (30 September 2015: 0.62%)</b>       |  |           |              |
| 8,658   | Alfresa Holdings Corp        | 182,035   | 0.32         | <b>SWITZERLAND 1.54% (30 September 2015: 2.37%)</b>  |  |           |              |
| <b>Real Estate Management/Services</b>                      |                              |           |              | <b>Electronic Security Devices</b>                   |  |           |              |
| 6,883   | Open House Co Ltd            | 146,212   | 0.25         | 258  | dorma-kaba Holding AG                    | 189,194   | 0.33         |
| 3,140   | Reio Group Inc               | 520,514   | 0.90         | <b>Machinery-General Industry</b>                    |  |           |              |
| 18,200  | Sun Frontier Fudousan Co Ltd | 182,603   | 0.32         | 750  | Komax Holding AG                         | 182,968   | 0.32         |
| <b>Real Estate Operation/Development</b>                    |                              |           |              | <b>Wireless Equipment</b>                            |  |           |              |
| 28,293  | Leopalace21 Corp             | 185,702   | 0.32         | 2,462  | u-blox Holding AG                        | 516,985   | 0.89         |
| <b>Toys</b>   |                              |           |              | <b>TAIWAN 10.18% (30 September 2015: 6.99%)</b>      |  |           |              |
| 11,770  | Bandai Namco Holdings Inc    | 357,760   | 0.62         | <b>Auto/Truck Parts &amp; Equipment-Original</b>     |  |           |              |
| <b>Transport-Truck</b>                                      |                              |           |              | 61,055   | Hiroca Holdings Ltd                      | 235,685   | 0.41         |
| 4,906   | Trancom Co Ltd               | 307,458   | 0.53         | <b>Auto/Truck Parts &amp; Equipment-Replica</b>      |  |           |              |
| <b>JERSEY 0.38% (30 September 2015: 0.00%)</b>              |                              |           |              | 54,783   | Macauto Industrial Co Ltd                | 361,777   | 0.63         |
| <b>Gold Mining</b>  |                              |           |              | <b>Beverages-Non-Alcoholic</b>                       |  |           |              |
| 112,951   | Centamin Plc                 | 221,100   | 0.38         | 41,050   | Grape King Bio Ltd                       | 340,495   | 0.59         |
| <b>LUXEMBOURG 0.37% (30 September 2015: 0.36%)</b>          |                              |           |              | <b>Circuit Boards</b>                                |  |           |              |
| <b>Machinery-General Industry</b>                           |                              |           |              | 88,994   | Chin-Poon Industrial Co Ltd              | 198,171   | 0.34         |
| 3,803   | Stabilus SA                  | 211,068   | 0.37         | <b>Computers</b>                                     |  |           |              |
| <b>MALAYSIA 0.96% (30 September 2015: 0.38%)</b>            |                              |           |              | 47,251   | Flytech Technology Co Ltd                | 163,556   | 0.28         |
| <b>E-Commerce/Services</b>                                  |                              |           |              | <b>Computers-Integrated Systems</b>                  |  |           |              |
| 599,388   | My EG Services Bhd           | 330,457   | 0.58         | 52,650   | Posiflex Technology Inc                  | 321,656   | 0.56         |
| <b>Retail-Apparel/Shoe</b>                                  |                              |           |              | 131,981  | Primax Electronics Ltd                   | 193,474   | 0.33         |
| 319,700   | Padini Holdings Bhd          | 220,323   | 0.38         | <b>Computers-Peripheral Equipment</b>                |  |           |              |
| <b>NETHERLANDS 0.54% (30 September 2015: 0.79%)</b>         |                              |           |              | 14,621   | Ennoconn Corp                            | 243,952   | 0.42         |
| <b>Chemicals-Specialty</b>                                  |                              |           |              | 132,589  | Lite-On Technology Corp                  | 190,769   | 0.33         |
| 7,240   | IMCD Group NV                | 312,219   | 0.54         | <b>Disposable Medical Products</b>                   |  |           |              |
| <b>NORWAY 0.73% (30 September 2015: 0.45%)</b>              |                              |           |              | 49,615   | Pacific Hospital Supply Co Ltd           | 158,126   | 0.27         |
| <b>Fisheries</b>  |                              |           |              | <b>Electronic Component-Miscellaneous</b>            |  |           |              |
| 3,797   | Leroy Seafood Group ASA      | 189,036   | 0.33         | 136,809  | Elite Material Co Ltd                    | 373,169   | 0.65         |
| 7,739   | Salmar ASA                   | 233,000   | 0.40         | 20,529   | Phison Electronics Corp                  | 155,872   | 0.27         |
|   |                              |           |              | <b>Electronic Component-Semiconductor</b>            |  |           |              |
|   |                              |           |              | 99,448   | Visual Photonics Epitaxy Co Ltd          | 140,072   | 0.24         |
|   |                              |           |              | 114,632  | Win Semiconductors Corp                  | 336,448   | 0.59         |

PRINCIPAL GLOBAL INVESTORS FUNDS

PORTFOLIO OF INVESTMENTS  
AS AT 30 SEPTEMBER 2016 (continued)

| ORIGIN GLOBAL SMALLER COMPANIES FUND (continued)            |   |           |              | ORIGIN GLOBAL SMALLER COMPANIES FUND (continued)                    |                                 |           |              |
|---|---|-----------|--------------|---|---------------------------------|-----------|--------------|
| Nominal   | Security                                | Value USD | % Net Assets | Nominal   | Security                        | Value USD | % Net Assets |
| <b>TAIWAN 10.18% (30 September 2015: 6.99%) (continued)</b> |   |           |              | <b>UNITED STATES 29.62% (30 September 2015: 33.26%) (continued)</b> |                                 |           |              |
| <b>Electronic Parts Distribution</b>                        |   |           |              | <b>Athletic Equipment</b>   |                                 |           |              |
| 77,851  | Sinbon Electronics Co Ltd               | 179,071   | 0.31         | 13,917  | Nautilus Inc                    | 316,890   | 0.55         |
| <b>Energy-Alternate Sources</b>                             |   |           |              | <b>Audio/Video Products</b>   |                                 |           |              |
| 12,150  | Gigasolar Materials Corp                | 143,418   | 0.25         | 3,075   | Universal Electronics Inc       | 229,979   | 0.40         |
| <b>Audio/Video Products</b>                                 |   |           |              | <b>Auto/Truck Parts &amp; Equipment-Original</b>                    |                                 |           |              |
| 83,047  | Merry Electronics Co Ltd                | 325,877   | 0.57         | 11,586  | Holdings Inc                    | 190,705   | 0.33         |
| <b>Metal Processors &amp; Fabricators</b>                   |   |           |              | <b>Auto-Truck Trailers</b>  |                                 |           |              |
| 74,324  | Shin Zu Shing Co Ltd                    | 245,411   | 0.43         | 3,516   | Cooper-Standard Holding Inc     | 347,170   | 0.60         |
| <b>Power Conversion/Supply Equipment</b>                    |   |           |              | <b>Batteries/Battery System</b>                                     |                                 |           |              |
| 18,249  | Volttronic Power Technology Corp        | 285,272   | 0.49         | 5,900   | Tenneco Inc                     | 334,117   | 0.58         |
| <b>Retail-Restaurants</b>                                   |   |           |              | <b>Chemicals-Diversified</b>  |                                 |           |              |
| 40,941  | Gourmet Master Co Ltd                   | 407,509   | 0.71         | 14,006  | Fox Factory Holding Corp        | 309,953   | 0.54         |
| <b>Semicon Component-Integrated Circuits</b>                |   |           |              | <b>Building &amp; Construction Production-Miscellaneous</b>         |                                 |           |              |
| 17,423  | Parade Technologies Ltd                 | 177,590   | 0.31         | 4,291   | Drew Industries Inc             | 419,917   | 0.73         |
| 61,234  | Realtek Semiconductor Corp              | 201,212   | 0.35         | <b>Building-Residential/Commercial</b>                              |                                 |           |              |
| 55,817  | Sitronix Technology Corp                | 184,303   | 0.32         | 10,398  | Installed Building Products Inc | 371,105   | 0.64         |
| <b>Wireless Equipment</b>                                   |   |           |              | <b>Communications Software</b>                                      |                                 |           |              |
| 97,464  | Wistron NetWeb Corp                     | 307,514   | 0.53         | 2,950   | Thor Industries Inc             | 251,635   | 0.44         |
| <b>THAILAND 1.85% (30 September 2015: 1.20%)</b>            |   |           |              | <b>Computer Services</b>  |                                 |           |              |
| <b>Diversified Financial Services</b>                       |   |           |              | 6,551 BroadSoft Inc   |                                 |           |              |
| 122,400   | Tisco Financial Group PCL               | 185,455   | 0.32         | 3,245   | i2 Global Inc                   | 214,170   | 0.37         |
| <b>Diversified Manufacturing Operations</b>                 |   |           |              | <b>Consumer Products-Miscellaneous</b>                              |                                 |           |              |
| 11,029  | Fabrinet                                | 482,960   | 0.84         | 19,188  | KEYW Holding Corp/The           | 206,463   | 0.36         |
| <b>Electronic Component-Miscellaneous</b>                   |   |           |              | <b>Diversified Manufacturing Operations</b>                         |                                 |           |              |
| 174,741   | Delta Electronics Thailand PCL          | 399,660   | 0.69         | 2,691   | Heleen of Troy Ltd              | 227,901   | 0.40         |
| <b>TURKEY 0.49% (30 September 2015: 0.94%)</b>              |   |           |              | <b>E-Commerce/Products</b>  |                                 |           |              |
| <b>Electronics-Military</b>                                 |   |           |              | 4,394 AZZ Inc   |                                 |           |              |
| 91,118  | Aselsan Elektronik Sanayi Ve Ticaret AS | 284,234   | 0.49         | 2,586   | Stamps.com Inc                  | 241,920   | 0.42         |
| <b>UKRAINE 0.35% (30 September 2015: 0.00%)</b>             |   |           |              | <b>Electronic Component-Miscellaneous</b>                           |                                 |           |              |
| <b>Agricultural Operations</b>                              |   |           |              | 15,675 Gentex Corp  |                                 |           |              |
| 13,183  | Kernel Holding SA                       | 201,636   | 0.35         | <b>Electronic Component-Semiconductor</b>                           |                                 |           |              |
| <b>UNITED KINGDOM 5.68% (30 September 2015: 8.73%)</b>      |   |           |              | 4,678 Ambarella Inc   |                                 |           |              |
| <b>Airlines</b>   |   |           |              | 5,466 Cavium Inc  |                                 |           |              |
| 39,888  | Dart Group Plc                          | 215,098   | 0.37         | 8,116   | Inphi Corp                      | 348,095   | 0.60         |
| <b>Beverages-Non-Alcoholic</b>                              |   |           |              | 26,344 ON Semiconductor Corp  |                                 |           |              |
| 30,225  | Fevertree Drinks Plc                    | 381,438   | 0.66         | <b>Electronic Parts Distribution</b>                                |                                 |           |              |
| <b>Building-Residential/Commercial</b>                      |   |           |              | 2,222 Tech Data Corp  |                                 |           |              |
| 6,887   | Bellway Plc                             | 203,647   | 0.35         | <b>E-Marketing/Information</b>                                      |                                 |           |              |
| 5,386   | Berkeley Group Holdings Plc             | 173,366   | 0.30         | 2,975   | ePlus Inc                       | 274,325   | 0.48         |
| 32,268  | Crest Nicholson Holdings plc            | 177,780   | 0.31         | <b>Enterprise Software/Services</b>                                 |                                 |           |              |
| 41,221  | Redrow Plc                              | 206,213   | 0.36         | 2,668   | SYNNEX Corp                     | 302,685   | 0.52         |
| <b>Enterprise Software/Services</b>                         |   |           |              | <b>Finance-Investment Banker/Broker</b>                             |                                 |           |              |
| 7,790   | Micro Focus International Plc           | 218,533   | 0.38         | 13,319  | KCG Holdings Inc                | 204,447   | 0.35         |
| <b>Food-Miscellaneous/Diversified</b>                       |   |           |              | <b>Finance-Other Services</b>                                       |                                 |           |              |
| 9,694   | Cranswick Plc                           | 293,561   | 0.51         | 3,116   | WageWorks Inc                   | 187,490   | 0.33         |
| <b>Home Furnishings</b>                                     |   |           |              | <b>Firearms &amp; Ammunition</b>                                    |                                 |           |              |
| 33,174  | Howden Joinery Group Plc                | 181,396   | 0.31         | 12,088  | Smith & Wesson Holding Corp     | 312,112   | 0.54         |
| <b>Human Resources</b>                                      |   |           |              | <b>Human Resources</b>  |                                 |           |              |
| 11,668  | Staffline Group Plc                     | 129,477   | 0.22         | 4,573   | AMN Healthcare Services Inc     | 144,187   | 0.25         |
| <b>Internet Gambling</b>                                    |   |           |              | <b>Machinery-Farm</b>   |                                 |           |              |
| 108,456   | 888 Holdings Plc                        | 306,150   | 0.53         | 4,609   | Alamo Group Inc                 | 297,603   | 0.52         |
| <b>Retail-Automobile</b>                                    |   |           |              | <b>Medical-Biomedical/Genetics</b>                                  |                                 |           |              |
| 100,348   | Lookers Plc                             | 148,949   | 0.26         | 3,203   | ANI Pharmaceuticals Inc         | 211,975   | 0.37         |
| 385,804   | Pendragon Plc                           | 150,041   | 0.26         | 1,714   | United Therapeutics Corp        | 197,144   | 0.34         |
| <b>Veterinary Diagnostics</b>                               |   |           |              | <b>Medical-Drugs</b>  |                                 |           |              |
| 25,432  | CVS Group Plc                           | 291,114   | 0.51         | 5,780   | PRA Health Sciences Inc         | 319,461   | 0.55         |
| <b>Wireless Equipment</b>                                   |   |           |              | <b>Metal Processors &amp; Fabricators</b>                           |                                 |           |              |
| 10,545  | access Technology Group Plc             | 199,343   | 0.35         | 6,586 Global Brass & Copper Holdings Inc                            |                                 |           |              |
| <b>UNITED STATES 29.62% (30 September 2015: 33.26%)</b>     |   |           |              |   |                                 |           |              |
| <b>Aerospace/Defense</b>                                    |   |           |              |   |                                 |           |              |
| 2,841   | HEICO Corp                              | 195,347   | 0.34         |   |                                 |           |              |
| <b>Airlines</b>   |   |           |              |   |                                 |           |              |
| 6,298   | Hawaiian Holdings Inc                   | 301,044   | 0.52         |   |                                 |           |              |
| <b>Appliances</b>   |   |           |              |   |                                 |           |              |
| 7,898   | iRobot Corp                             | 346,248   | 0.60         |   |                                 |           |              |

PRINCIPAL GLOBAL INVESTORS FUNDS

PORTFOLIO OF INVESTMENTS  
AS AT 30 SEPTEMBER 2016 (continued)

| ORIGIN GLOBAL SMALLER COMPANIES FUND (continued)   |                              |         |                   |                      | ORIGIN GLOBAL SMALLER COMPANIES FUND (continued) |                   |
|--|------------------------------|---------|-------------------|----------------------|--|-------------------|
| Nominal  | Security                     |         | Value<br>USD      | % Net<br>Assets      |  | % Total<br>Assets |
| <b>UNITED STATES 29.62% (30 September 2015: 33.26%) (continued)</b>                              |                              |         |                   |                      |  |                   |
| <b>Mortgage Banks</b>  |                              |         |                   |                      |  |                   |
| 8,749  | Walker & Dunlop Inc          |         | 215,050           | 0.37                 |  |                   |
| <b>Networking Products</b>   |                              |         |                   |                      |  |                   |
| 5,348  | Gigamon Inc                  |         | 294,621           | 0.51                 |  |                   |
| 3,833  | NETGEAR Inc                  |         | 228,217           | 0.40                 |  |                   |
| <b>Optical Recognition Equip</b>   |                              |         |                   |                      |  |                   |
| 6,800  | Lumentum Holdings Inc        |         | 281,248           | 0.49                 |  |                   |
| <b>Patient Monitoring Equipment</b>  |                              |         |                   |                      |  |                   |
| 6,306  | Masimo Corp                  |         | 369,406           | 0.64                 |  |                   |
| <b>Poultry</b>   |                              |         |                   |                      |  |                   |
| 3,280  | Sanderson Farms Inc          |         | 317,012           | 0.55                 |  |                   |
| <b>Printing-Commercial</b>   |                              |         |                   |                      |  |                   |
| 4,441  | Deluxe Corp                  |         | 292,884           | 0.51                 |  |                   |
| <b>Research &amp; Development</b>  |                              |         |                   |                      |  |                   |
| 5,533  | INC Research Holdings Inc    |         | 244,503           | 0.42                 |  |                   |
| <b>Retail-Computer Equip</b>   |                              |         |                   |                      |  |                   |
| 6,596  | PC Connection Inc            |         | 172,683           | 0.30                 |  |                   |
| <b>Retail-Miscellaneous/Diversified</b>  |                              |         |                   |                      |  |                   |
| 6,532  | FirstCash Inc                |         | 302,040           | 0.52                 |  |                   |
| <b>Rubber/Plastic Products</b>   |                              |         |                   |                      |  |                   |
| 3,867  | Trinseo SA                   |         | 221,618           | 0.38                 |  |                   |
| <b>Rubber-Tires</b>  |                              |         |                   |                      |  |                   |
| 6,196  | Cooper Tire & Rubber Co      |         | 230,119           | 0.40                 |  |                   |
| <b>Semicon Component-Integrated Circuits</b>   |                              |         |                   |                      |  |                   |
| 7,830  | Cirrus Logic Inc             |         | 403,323           | 0.70                 |  |                   |
| <b>Semiconductor Equipment</b>   |                              |         |                   |                      |  |                   |
| 18,262   | Entegris Inc                 |         | 313,559           | 0.54                 |  |                   |
| 17,676   | Rudolph Technologies Inc     |         | 311,981           | 0.54                 |  |                   |
| 8,564  | Teradyne Inc                 |         | 181,899           | 0.32                 |  |                   |
| <b>Transactional Software</b>  |                              |         |                   |                      |  |                   |
| 7,328  | Synchronoss Technologies Inc |         | 302,060           | 0.52                 |  |                   |
| <b>Vitamins &amp; Nutrition Production</b>   |                              |         |                   |                      |  |                   |
| 11,062   | Omega Protein Corp           |         | 258,408           | 0.45                 |  |                   |
| 2,289  | USANA Health Sciences Inc    |         | 311,785           | 0.54                 |  |                   |
| <b>Wireless Equipment</b>  |                              |         |                   |                      |  |                   |
| 3,988  | InterDigital Inc/PA          |         | 314,095           | 0.54                 |  |                   |
| 7,499  | Ubiquiti Networks Inc        |         | 403,746           | 0.70                 |  |                   |
| <b>Total Value of Transferable Securities at Mid Market Prices</b>                               |                              |         | <b>56,355,700</b> | <b>97.70</b>         |  |                   |
| <b>UNLISTED 0.00% (30 September 2015: 0.00%)</b>   |                              |         |                   |                      |  |                   |
| <b>SPAIN 0.00% (30 September 2015: 0.00%)</b>  |                              |         |                   |                      |  |                   |
| <b>Telecom Services</b>  |                              |         |                   |                      |  |                   |
| 7,149  | Let's GOWEX SA               |         | -                 | 0.00                 |  |                   |
| <b>Total Value of Unlisted at Mid Market Prices</b>  |                              |         | <b>-</b>          | <b>0.00</b>          |  |                   |
| <b>Total Value of Transferable Securities at Mid Market Prices (Cost: USD45,460,097)</b>         |                              |         | <b>56,355,700</b> | <b>97.70</b>         |  |                   |
| <b>Open Spot Currency Contracts (0.00%) (30 September 2015: (0.01%))</b>                         |                              |         |                   |                      |  |                   |
| Settlement Date  | Buy                          | Amount  | Sell Amount Sold  | Unrealised Gain/Loss |  | % Net Assets      |
| 03/10/2016   | EUR                          | 121,273 | USD (136,367)     | (968)                |  | (0.00)            |
| 03/10/2016   | USD                          | 947     | CAD (1,248)       | (0)                  |  | (0.00)            |
| 04/10/2016   | USD                          | 1,939   | MYR (7,992)       | 6                    |  | 0.00              |
| Unrealised Gains on Open Spot Currency Contracts   |                              |         |                   | 6                    |  | 0.00              |
| Unrealised Loss on Open Spot Currency Contracts  |                              |         |                   | (968)                |  | (0.00)            |
| <b>Net Unrealised Loss on Open Spot Currency Contracts</b>                                       |                              |         |                   | <b>(962)</b>         |  | <b>(0.00)</b>     |
| Cash at Bank   |                              |         | 1,976,657         |                      |  | 3.43              |
| Net Current Liabilities  |                              |         | (646,817)         |                      |  | (1.13)            |
| <b>Net Assets Attributable to Holders of Redeemable Participating Units at Mid Market Prices</b> |                              |         | <b>57,684,578</b> | <b>100.00</b>        |  |                   |

PRINCIPAL GLOBAL INVESTORS FUNDS

PORTFOLIO OF INVESTMENTS  
AS AT 30 SEPTEMBER 2016 (continued)

| LONG/SHORT GLOBAL OPPORTUNITIES EQUITY FUND                       |   |           |              | LONG/SHORT GLOBAL OPPORTUNITIES EQUITY FUND (continued)     |                                    |           |              |
|---|---|-----------|--------------|---|------------------------------------|-----------|--------------|
| Nominal   | Security  | Value USD | % Net Assets | Nominal   | Security                           | Value USD | % Net Assets |
| <b>TRANSFERABLE SECURITIES 93.04% (30 September 2015: 95.05%)</b> |   |           |              | <b>IRELAND 1.18% (30 September 2015: 2.71%)</b>             |                                    |           |              |
| <b>AUSTRALIA 0.00% (30 September 2015: 0.45%)</b>                 |   |           |              | <b>Computer Services</b>                                    |                                    |           |              |
|   | Qualicorp SA                                    | 41,187    | 0.58         | 693   | Accenture Plc                      | 84,296    | 1.18         |
| <b>BELGIUM 0.00% (30 September 2015: 0.79%)</b>                   |   |           |              | <b>ISRAEL 0.00% (30 September 2015: 1.68%)</b>              |                                    |           |              |
| <b>BRAZIL 1.34% (30 September 2015: 0.00%)</b>                    |   |           |              | <b>JAPAN 6.88% (30 September 2015: 7.90%)</b>               |                                    |           |              |
| <b>Consulting Services</b>  |   |           |              | <b>Auto/Truck Parts &amp; Equipment-Original</b>            |                                    |           |              |
| 7,200   | Qualicorp SA                                    | 41,187    | 0.58         | 1,300   | Toyota Industries Corp             | 59,825    | 0.84         |
| <b>Water</b>  |   |           |              | <b>Building &amp; Construction Production-Miscellaneous</b> |                                    |           |              |
| 5,800   | Cia de Saneamento Basico do Estado de Sao Paulo | 54,307    | 0.76         | 6,200   | Obayashi Corp                      | 61,175    | 0.86         |
| <b>CANADA 5.57% (30 September 2015: 2.93%)</b>                    |   |           |              | <b>Cellular Telecom</b>                                     |                                    |           |              |
| <b>Commercial Banks Non-US</b>                                    |   |           |              | <b>2,400 NTT DoCoMo Inc</b>                                 |                                    |           |              |
| 1,200   | Bank of Nova Scotia/The                         | 64,395    | 0.90         | <b>Commercial Banks Non-US</b>                              |                                    |           |              |
| <b>Gold Mining</b>  |   |           |              | <b>10,000 77 Bank Ltd/The</b>                               |                                    |           |              |
| 3,600   | Barrick Gold Corp                               | 64,584    | 0.91         | 1,100   | Sumitomo Mitsui Trust Holdings Inc | 35,598    | 0.50         |
| 9,800   | Kinross Gold Corp                               | 41,696    | 0.58         | <b>Electric Products-Miscellaneous</b>                      |                                    |           |              |
| <b>Oil Company-Exploration &amp; Production</b>                   |   |           |              | <b>10,000 Hitachi Ltd</b>                                   |                                    |           |              |
| 2,100   | Seven Generations Energy Ltd                    | 50,227    | 0.70         | <b>Finance-Leasing Companies</b>                            |                                    |           |              |
| <b>Pipelines</b>  |   |           |              | <b>2,600 ORIX Corp</b>                                      |                                    |           |              |
| 1,300   | TransCanada Corp                                | 61,830    | 0.86         | <b>Import/Export</b>  |                                    |           |              |
| <b>Real Estate Operation/Development</b>                          |   |           |              | <b>2,100 Mitsubishi Corp</b>                                |                                    |           |              |
| 2,300   | Brookfield Asset Management Inc                 | 81,135    | 1.14         | <b>Machinery-General Industry</b>                           |                                    |           |              |
| <b>Retail-Convenience Store</b>                                   |   |           |              | <b>14,000 Mitsubishi Heavy Industries Ltd</b>               |                                    |           |              |
| 707   | Alimentation Couche-Tard Inc                    | 34,067    | 0.48         | <b>Semiconductor Equipment</b>                              |                                    |           |              |
| <b>CHINA 2.42% (30 September 2015: 0.56%)</b>                     |   |           |              | <b>500 Tokyo Electron Ltd</b>                               |                                    |           |              |
| <b>Auto-Cars/Light Trucks</b>                                     |   |           |              | <b>36,007 501</b>   |                                    |           |              |
| 28,000  | Guangzhou Automobile Group Co Ltd               | 36,007    | 0.51         | <b>NETHERLANDS 1.80% (30 September 2015: 0.45%)</b>         |                                    |           |              |
| <b>Entertainment Software</b>                                     |   |           |              | <b>Food-Retail</b>  |                                    |           |              |
| 181   | NetEase Inc                                     | 43,813    | 0.61         | <b>2,365 Koninklijke Ahold Delhaize NV</b>                  |                                    |           |              |
| <b>Internet Application Software</b>                              |   |           |              | <b>Life/Health Insurance</b>                                |                                    |           |              |
| 1,700   | Tencent Holdings Ltd                            | 46,704    | 0.65         | <b>2,539 NN Group NV</b>                                    |                                    |           |              |
| <b>Telecom Services</b>   |   |           |              | <b>RUSSIA 0.66% (30 September 2015: 0.00%)</b>              |                                    |           |              |
| 92,000  | China Telecom Corp Ltd                          | 46,398    | 0.65         | <b>Oil Company-Integrated</b>                               |                                    |           |              |
| <b>DENMARK 0.46% (30 September 2015: 1.61%)</b>                   |   |           |              | <b>973 Lukoil PJSC</b>                                      |                                    |           |              |
| <b>Medical-Biomedical/Genetics</b>                                |   |           |              | <b>47,195 0.66</b>  |                                    |           |              |
| 197   | Genmab A/S                                      | 33,024    | 0.46         | <b>SOUTH KOREA 2.65% (30 September 2015: 0.63%)</b>         |                                    |           |              |
| <b>FRANCE 6.22% (30 September 2015: 2.14%)</b>                    |   |           |              | <b>Electric-Integrated</b>                                  |                                    |           |              |
| <b>Building &amp; Construction Production-Miscellaneous</b>       |   |           |              | <b>1,180 Korea Electric Power Corp</b>                      |                                    |           |              |
| 501   | Eiffage SA                                      | 38,471    | 0.54         | <b>Electronic Component-Semiconductor</b>                   |                                    |           |              |
| <b>Building-Heavy Construction</b>                                |   |           |              | <b>38 Samsung Electronics Co Ltd</b>                        |                                    |           |              |
| 1,433   | Vinci SA  | 107,489   | 1.50         | <b>Tobacco</b>  |                                    |           |              |
| <b>Computer Services</b>  |   |           |              | <b>675 KT&amp;G Corp</b>                                    |                                    |           |              |
| 455   | Capgemini SA                                    | 43,889    | 0.62         | <b>SPAIN 1.62% (30 September 2015: 0.71%)</b>               |                                    |           |              |
| <b>Diversified Banking Institutions</b>                           |   |           |              | <b>Airport Development/Maintenance</b>                      |                                    |           |              |
| 1,334   | BNP Paribas SA                                  | 65,719    | 0.92         | <b>350 Aena SA</b>  |                                    |           |              |
| <b>Reinsurance</b>  |   |           |              | <b>Electric-Integrated</b>                                  |                                    |           |              |
| 2,181   | SCOR SE   | 65,992    | 0.92         | <b>9,602 Iberdrola SA</b>                                   |                                    |           |              |
| <b>Telephone-Integrated</b>                                       |   |           |              | <b>SWEDEN 0.00% (30 September 2015: 0.96%)</b>              |                                    |           |              |
| 3,443   | Orange SA                                       | 53,176    | 0.74         | <b>SWITZERLAND 2.29% (30 September 2015: 4.71%)</b>         |                                    |           |              |
| <b>Water</b>  |   |           |              | <b>Chemicals-Specialty</b>                                  |                                    |           |              |
| 3,080   | Veolia Environnement SA                         | 69,856    | 0.98         | <b>273 Lonza Group AG</b>                                   |                                    |           |              |
| <b>GERMANY 2.71% (30 September 2015: 3.30%)</b>                   |   |           |              | <b>Engineering/Research &amp; Development Services</b>      |                                    |           |              |
| <b>Athletic Footwear</b>  |   |           |              | <b>2,462 ABB Ltd</b>  |                                    |           |              |
| 224   | adidas AG                                       | 38,191    | 0.53         | <b>Reinsurance</b>  |                                    |           |              |
| <b>Diversified Manufacturing Operations</b>                       |   |           |              | <b>643 Swiss Re AG</b>                                      |                                    |           |              |
| 1,064   | Siemens AG                                      | 121,435   | 1.70         | <b>TAIWAN 0.57% (30 September 2015: 0.63%)</b>              |                                    |           |              |
| <b>Lighting Products &amp; Systems</b>                            |   |           |              | <b>Semicon Component-Integrated Circuits</b>                |                                    |           |              |
| 591   | OSRAM Licht AG                                  | 34,158    | 0.48         | <b>7,000 Taiwan Semiconductor Manufacturing Co Ltd</b>      |                                    |           |              |
| <b>HONG KONG 0.61% (30 September 2015: 0.00%)</b>                 |   |           |              | <b>40,755 0.57</b>  |                                    |           |              |
| <b>Diversified Operations</b>                                     |   |           |              | <b>INDONESIA 0.75% (30 September 2015: 0.00%)</b>           |                                    |           |              |
| 6,000   | Wharf Holdings Ltd/The                          | 43,686    | 0.61         | <b>Telecom Services</b>                                     |                                    |           |              |
| <b>INDONESIA 0.75% (30 September 2015: 0.00%)</b>                 |   |           |              | <b>158,900 Tbk PT</b>                                       |                                    |           |              |
| 158,900   | Telekomunikasi Indonesia Persero Tbk PT         | 53,206    | 0.75         |   |                                    |           |              |

PRINCIPAL GLOBAL INVESTORS FUNDS

PORTFOLIO OF INVESTMENTS  
AS AT 30 SEPTEMBER 2016 (continued)

| LONG/SHORT GLOBAL OPPORTUNITIES EQUITY FUND (continued) |                                    |           |              | LONG/SHORT GLOBAL OPPORTUNITIES EQUITY FUND (continued)  |                                       |                      |                               |
|---|------------------------------------|-----------|--------------|--|---------------------------------------|----------------------|-------------------------------|
| Nominal   | Security                           | Value USD | % Net Assets | Nominal  | Security                              | Value USD            | % Net Assets                  |
| <b>UNITED KINGDOM 7.87% (30 September 2015: 7.12%)</b>  |                                    |           |              | <b>UNITED STATES 46.51% (30 September 2015: 55.26%) (continued)</b>                              |                                       |                      |                               |
| <b>Beverages-Wine/Spirits</b>                           |                                    |           |              | <b>Reinsurance</b>   |                                       |                      |                               |
| 1,901   | Diageo Plc                         | 54,416    | 0.76         | 283  | Everest Re Group Ltd                  | 53,883               | 0.75                          |
| <b>Food-Catering</b>                                    |                                    |           |              | <b>Reits-Apartments</b>  |                                       |                      |                               |
| 4,066   | Compass Group Plc                  | 77,962    | 1.09         | 420  | Mid-America Apartment Communities Inc | 40,383               | 0.56                          |
| <b>Food-Miscellaneous/Diversified</b>                   |                                    |           |              | <b>Reits-Diversified</b>   |                                       |                      |                               |
| 1,578   | Unilever NV                        | 71,924    | 1.01         | 413  | Digital Realty Trust Inc              | 40,474               | 0.57                          |
| <b>Gas-Distribution</b>                                 |                                    |           |              | <b>Reits-Storage</b>   |                                       |                      |                               |
| 5,452   | National Grid Plc                  | 77,624    | 1.08         | 480  | Extra Space Storage Inc               | 38,842               | 0.54                          |
| <b>Private Equity</b>                                   |                                    |           |              | <b>Retail-Drug Store</b>   |                                       |                      |                               |
| 6,943   | 3i Group Plc                       | 57,709    | 0.81         | 631  | CVS Health Corp                       | 56,506               | 0.79                          |
| <b>Tobacco</b>  |                                    |           |              | <b>Ship Building</b>   |                                       |                      |                               |
| 2,381   | British American Tobacco Plc       | 152,010   | 2.13         | 366  | Huntington Ingalls Industries Inc     | 55,826               | 0.78                          |
| 1,384   | Imperial Brands Plc                | 70,924    | 0.99         | <b>Super-Regional Banks-US</b>   |                                       |                      |                               |
| <b>UNITED STATES 46.51% (30 September 2015: 55.26%)</b> |                                    |           |              | 1,425 SunTrust Banks Inc   |                                       |                      |                               |
| <b>Advertising Agencies</b>                             |                                    |           |              | 61,489   |                                       |                      |                               |
| 2,765   | Interpublic Group of Cos Inc/The   | 61,079    | 0.85         | <b>Telephone-Integrated</b>  |                                       |                      |                               |
| <b>Applications Software</b>                            |                                    |           |              | 876 AT&T Inc   |                                       |                      |                               |
| 2,301   | Microsoft Corp                     | 132,077   | 1.85         | <b>Television</b>  |                                       |                      |                               |
| <b>Commercial Service-Finance</b>                       |                                    |           |              | 1,126 CBS Corp   |                                       |                      |                               |
| 1,366   | Total System Services Inc          | 63,819    | 0.89         | <b>Tobacco</b>   |                                       |                      |                               |
| <b>Commercial Services</b>                              |                                    |           |              | 1,151 Philip Morris International Inc  |                                       |                      |                               |
| 1,830   | Aramark                            | 69,357    | 0.97         | <b>Veterinary Diagnostics</b>  |                                       |                      |                               |
| <b>Containers-Paper/Plastic</b>                         |                                    |           |              | 985 VCA Inc  |                                       |                      |                               |
| 364   | Packaging Corp of America          | 29,018    | 0.41         | <b>Web Portals/ISP</b>   |                                       |                      |                               |
| <b>Distribution/Wholesale</b>                           |                                    |           |              | 208 Alphabet Inc A*  |                                       |                      |                               |
| 1,085   | HD Supply Holdings Inc             | 34,101    | 0.48         | <b>Total Value of Transferable Securities at Mid Market Prices (Cost: USD6,320,388)</b>          |                                       |                      |                               |
| <b>Diversified Banking Institutions</b>                 |                                    |           |              | <b>6,650,731 93.04</b>   |                                       |                      |                               |
| 2,761   | JPMorgan Chase & Co                | 181,260   | 2.54         | <b>Open Spot Currency Contracts (0.00%) (30 September 2015: 0.00%)</b>                           |                                       |                      |                               |
| <b>Diversified Manufacturing Operations</b>             |                                    |           |              | <b>Settlement Buy Amount Sold Unrealised % Net</b>   |                                       |                      |                               |
| 524   | Honeywell International Inc        | 60,884    | 0.85         | <b>Date Bought</b>   | <b>Amount Sold</b>                    | <b>Gain/Loss</b>     | <b>Assets</b>                 |
| <b>Electric-Integrated</b>                              |                                    |           |              | 03/10/2016   | USD 225                               | CAD (296)            | (0) (0.00)                    |
| 1,700   | Exelon Corp                        | 56,593    | 0.79         | 04/10/2016   | USD 422                               | GBP (325)            | (0) (0.00)                    |
| <b>Electronic Design Automation</b>                     |                                    |           |              | 04/10/2016   | USD 84                                | GBP (65)             | (0) (0.00)                    |
| 1,510   | Synopsys Inc                       | 89,211    | 1.25         | Unrealised Loss on Open Spot Currency Contracts  |                                       |                      |                               |
| <b>Electronic Security Devices</b>                      |                                    |           |              | -  |                                       |                      |                               |
| 1,069   | Johnson Controls International plc | 49,078    | 0.69         | <b>Net Unrealised Loss on Open Spot Currency Contracts</b>                                       |                                       |                      |                               |
| <b>Engineering/Research &amp; Development Services</b>  |                                    |           |              | <b>(0) (0.00)</b>  |                                       |                      |                               |
| 589   | EMCOR Group Inc                    | 34,934    | 0.49         | <b>Open Future Contracts 0.61% (30 September 2015: 2.24%)</b>                                    |                                       |                      |                               |
| <b>Food-Retail</b>                                      |                                    |           |              | <b>No. of Average</b>  |                                       |                      |                               |
| 2,258   | Kroger Co/The                      | 66,611    | 0.93         | <b>Contracts</b>   | <b>Cost Price Description</b>         | <b>Maturity Date</b> | <b>Unrealised Gain/(Loss)</b> |
| <b>Human Resources</b>                                  |                                    |           |              | <b>% Net Assets</b>  |                                       |                      |                               |
| 1,226   | AMN Healthcare Services Inc        | 38,656    | 0.54         | (34)   | (3,658,315)Future S&p500 Emini        | 16/12/2016           | 13,090                        |
| <b>Internet Content-Entertainment</b>                   |                                    |           |              | (6)  |                                       |                      |                               |
| 547   | Facebook Inc                       | 70,065    | 0.98         | (269,580)Market Future   |                                       |                      |                               |
| <b>Internet Security</b>                                |                                    |           |              | 16/12/2016   |                                       |                      |                               |
| 1,987   | Symantec Corp                      | 49,695    | 0.70         | (30)   |                                       |                      |                               |
| <b>Life/Health Insurance</b>                            |                                    |           |              | (2,555,700)Eafe Future   |                                       |                      |                               |
| 694   | Prudential Financial Inc           | 55,499    | 0.78         | Total Gains on Future Contracts  |                                       |                      |                               |
| 1,422   | Unum Group                         | 49,329    | 0.69         | Total Loss on Future Contracts   |                                       |                      |                               |
| <b>Medical-Biomedical/Genetics</b>                      |                                    |           |              | (2,040) (0.03)   |                                       |                      |                               |
| 1,170   | Amgen Inc                          | 193,576   | 2.71         | Total Future Contracts   |                                       |                      |                               |
| 729   | International Inc                  | 60,172    | 0.84         | <b>43,900 0.61</b>   |                                       |                      |                               |
| 3,020   | Gilead Sciences Inc*               | 235,137   | 3.29         | Cash at Bank   |                                       |                      |                               |
| <b>Medical-Drugs</b>                                    |                                    |           |              | Net Current Liabilities  |                                       |                      |                               |
| 1,833   | AbbVie Inc                         | 115,149   | 1.61         | (18,846) (0.26)  |                                       |                      |                               |
| 3,952   | Pfizer Inc*                        | 131,681   | 1.84         | <b>Net Assets Attributable to Holders of Redeemable Participating Units at Mid Market Prices</b> |                                       |                      |                               |
| 1,524   | Shire Plc                          | 98,769    | 1.38         | <b>7,148,152 100.00</b>  |                                       |                      |                               |
| <b>Medical-Health Maintenance Organization</b>          |                                    |           |              |  |                                       |                      |                               |
| 544   | Anthem Inc                         | 67,962    | 0.95         |  |                                       |                      |                               |
| 1,563   | Centene Corp                       | 105,737   | 1.48         |  |                                       |                      |                               |
| <b>Networking Products</b>                              |                                    |           |              |  |                                       |                      |                               |
| 5,675   | Cisco Systems Inc                  | 178,138   | 2.49         |  |                                       |                      |                               |
| <b>Non-Hazardous Waste Disposal</b>                     |                                    |           |              |  |                                       |                      |                               |
| 785   | Waste Management Inc               | 49,667    | 0.69         |  |                                       |                      |                               |
| <b>Oil Company-Integrated</b>                           |                                    |           |              |  |                                       |                      |                               |
| 421   | Exxon Mobil Corp                   | 36,400    | 0.51         |  |                                       |                      |                               |
| <b>Property/Casualty Insurance</b>                      |                                    |           |              |  |                                       |                      |                               |
| 609   | Travelers Cos Inc/The              | 69,347    | 0.97         |  |                                       |                      |                               |



PRINCIPAL GLOBAL INVESTORS FUNDS

PORTFOLIO OF INVESTMENTS  
AS AT 30 SEPTEMBER 2016 (continued)

| LONG/SHORT GLOBAL OPPORTUNITIES EQUITY FUND (continued)   |                | CLARITAS LATIN AMERICAN EQUITY FUND                               |   |           |              |
|---|----------------|---|---|-----------|--------------|
|   | % Total Assets | Nominal   | Security  | Value USD | % Net Assets |
| <b>Analysis of Total Assets</b>   |                | <b>TRANSFERABLE SECURITIES 96.93% (30 September 2015: 97.46%)</b> |   |           |              |
| Transferable Securities and Money Market Instruments admitted to an official stock exchange listing or traded on a regulated market   | 91.75          | <b>BRAZIL 54.75% (30 September 2015: 43.35%)</b>                  |   |           |              |
| Financial Derivative instruments dealt in or on a regulated market  | 0.61           | <b>Brewery</b>  |   |           |              |
| Other Assets  | 7.64           | 90,700  | Ambev SA  | 548,904   | 4.44         |
| <b>Total Assets</b>   | <b>100.00</b>  | <b>Commercial Banks Non-US</b>                                    |   |           |              |
| All securities are transferable securities admitted to an official stock exchange listing.  |                | 64,196  | Banco Bradesco SA                                       | 584,137   | 4.73         |
| The counterparty for the open spot contracts is the Bank of New York Mellon.  |                | 26,700  | Banco do Brasil SA                                      | 185,429   | 1.50         |
| The counterparty for the future contracts is JPMorgan Chase & Co.   |                | 74,351  | Itau Unibanco Holding SA                                | 812,076   | 6.57         |
| *Alphabet Inc - 205 nominal pledged as collateral, Gilead Sciences Inc - 1,100 nominal pledged as collateral and Pfizer Inc - 3,000 nominal pledged as collateral in relation to the futures contracts held with JPMorgan Chase & Co. at 30 September 2016. |                | <b>Commercial Service-Finance</b>                                 |   |           |              |
|   |                | 34,256  | Cielo SA  | 340,615   | 2.76         |
|   |                | <b>Diversified Minerals</b>                                       |   |           |              |
|   |                | 29,000  | Vale SA   | 138,392   | 1.12         |
|   |                | <b>Diversified Operations</b>                                     |   |           |              |
|   |                | 240,694   | Itausa - Investimentos Itau SA                          | 618,262   | 5.00         |
|   |                | <b>Electric-Generation</b>  |   |           |              |
|   |                | 33,100  | Cia Energetica de Sao Paulo                             | 148,917   | 1.21         |
|   |                | <b>Electric-Integrated</b>  |   |           |              |
|   |                | 53  | Alupar Investimento SA                                  | 81        | 0.00         |
|   |                | 15,000  | Cia Paranaense de Energia                               | 99,386    | 0.81         |
|   |                | <b>Finance-Other Services</b>                                     |   |           |              |
|   |                | 21,500  | BM&FBovespa SA - Bolsa de Valores Mercadorias e Futuros | 109,661   | 0.89         |
|   |                | <b>Food-Meat Products</b>   |   |           |              |
|   |                | 7,000   | BRF SA  | 117,314   | 0.95         |
|   |                | 12,000  | JBS SA  | 43,382    | 0.35         |
|   |                | 16,900  | Minerva SA/Brazil                                       | 49,790    | 0.40         |
|   |                | <b>Investment Companies</b>                                       |   |           |              |
|   |                | 4,100   | Bradespar SA  | 12,394    | 0.10         |
|   |                | <b>Multi-Line Insurance</b>                                       |   |           |              |
|   |                | 15,300  | BB Seguridade Participacoes SA                          | 142,412   | 1.15         |
|   |                | <b>Oil Company-Integrated</b>                                     |   |           |              |
|   |                | 165,200   | Petroleo Brasileiro SA PFD                              | 680,876   | 5.51         |
|   |                | 33,000  | Petroleo Brasileiro SA                                  | 152,619   | 1.23         |
|   |                | <b>Paper &amp; Related Products</b>                               |   |           |              |
|   |                | 23,900  | Klabin SA   | 125,642   | 1.02         |
|   |                | <b>Petrochemicals</b>   |   |           |              |
|   |                | 11,300  | Braskem SA  | 88,569    | 0.72         |
|   |                | 4,700   | Ultrapar Participacoes SA                               | 101,933   | 0.82         |
|   |                | <b>Real Estate Operation/Development</b>                          |   |           |              |
|   |                | 41,400  | Direcional Engenharia SA                                | 75,342    | 0.61         |
|   |                | 21,800  | Ez Tec Empreendimentos e Participacoes SA               | 103,698   | 0.84         |
|   |                | 8,000   | Iguatemi Empresa de Shopping Centers SA                 | 72,426    | 0.59         |
|   |                | <b>Schools</b>  |   |           |              |
|   |                | 64,400  | Kroton Educacional SA                                   | 297,641   | 2.41         |
|   |                | <b>Steel-Producers</b>  |   |           |              |
|   |                | 15,600  | Gerdau SA   | 43,183    | 0.35         |
|   |                | 41,300  | Usinas Siderurgicas de Minas Gerais SA                  | 46,262    | 0.37         |
|   |                | <b>Sugar</b>  |   |           |              |
|   |                | 11,900  | Cosan SA Industria e Comercio                           | 136,876   | 1.11         |
|   |                | 13,500  | Sao Martinho SA   | 240,295   | 1.94         |
|   |                | <b>Travel Services</b>  |   |           |              |
|   |                | 28,900  | CVC Brasil Operadora e Agencia de Viagens SA            | 215,608   | 1.74         |
|   |                | <b>Water</b>  |   |           |              |
|   |                | 20,500  | Cia de Saneamento Basico do Estado de Sao Paulo         | 191,946   | 1.55         |
|   |                | 90,600  | Cia de Saneamento do Parana                             | 242,174   | 1.96         |
|   |                | <b>CHILE 8.21% (30 September 2015: 8.95%)</b>                     |   |           |              |
|   |                | <b>Airlines</b>   |   |           |              |
|   |                | 4,265   | Latam Airlines Group SA                                 | 34,719    | 0.28         |
|   |                | <b>Beverages-Non-Alcoholic</b>                                    |   |           |              |
|   |                | 7,700   | Coca-Cola Embonor SA                                    | 17,495    | 0.14         |
|   |                | 6,384   | Embotelladora Andina SA                                 | 24,060    | 0.20         |
|   |                | <b>Brewery</b>  |   |           |              |
|   |                | 2,500   | Cia Cervecerias Unidas SA                               | 25,500    | 0.21         |

PRINCIPAL GLOBAL INVESTORS FUNDS

PORTFOLIO OF INVESTMENTS  
AS AT 30 SEPTEMBER 2016 (continued)

| CLARITAS LATIN AMERICAN EQUITY FUND (continued)           |  |           |              | CLARITAS LATIN AMERICAN EQUITY FUND (continued)  |   |           |              |
|---|--|-----------|--------------|--|---|-----------|--------------|
| Nominal   | Security   | Value USD | % Net Assets | Nominal  | Security                                    | Value USD | % Net Assets |
| <b>CHILE 8.21% (30 September 2015: 8.95%) (continued)</b> |  |           |              | <b>MEXICO 27.46% (30 September 2015: 37.99%) (continued)</b>                                     |   |           |              |
| <b>Cellular Telecom</b>                                   |  |           |              | <b>Commercial Banks Non-US</b>   |   |           |              |
| 1,447   | Empresa Nacional de Telecomunicaciones SA          | 14,258    | 0.11         | 20,400   | Genera SAB de CV                            | 36,356    | 0.29         |
| <b>Chemicals-Diversified</b>                              |  |           |              | 49,969   | Grupo Financiero Banorte SAB de CV          | 261,173   | 2.11         |
| 2,211   | Sociedad Quimica y Minera de Chile SA              | 58,608    | 0.47         | 48,130   | Grupo Financiero Inbursa SAB de CV          | 77,166    | 0.63         |
| <b>Commercial Banks Non-US</b>                            |  |           |              | 13,590   | Grupo Financiero Santander de CV            | 23,645    | 0.19         |
| 536,656   | Banco de Chile                                     | 60,702    | 0.49         | <b>Diversified Financial Services</b>  |   |           |              |
| 674   | Banco Credito e Inversiones                        | 30,646    | 0.25         | 4,500  | Unifin Financiera SAB de CV                 | 13,423    | 0.11         |
| 1,383,442   | Banco Santander Chile                              | 71,364    | 0.57         | <b>Diversified Operations</b>  |   |           |              |
| 2,681,062   | Itau CorpBanca                                     | 23,173    | 0.19         | 75,935   | Alfa SAB de CV                              | 117,334   | 0.95         |
| <b>Diversified Operations</b>                             |  |           |              | 2,500  | Grupo Corso SAB de CV                       | 9,991     | 0.08         |
| 10,296  | Empresas COPEC SA                                  | 95,826    | 0.78         | <b>Finance-Consumer Loans</b>  |   |           |              |
| <b>Electric-Integrated</b>                                |  |           |              | 29,600   | Credito Real SAB de CV SOFOM ER             | 50,565    | 0.41         |
| 35,300  | AES Gener SA                                       | 11,805    | 0.10         | <b>Food-Flour Grain</b>  |   |           |              |
| 149,296   | Colbun SA  | 30,898    | 0.25         | 2,700  | Gruna SAB de CV                             | 35,485    | 0.29         |
| 75,799  | Empresa Nacional de Electricidad SA/Chile          | 52,185    | 0.42         | <b>Non-Ferrous Metals</b>  |   |           |              |
| 83,199  | Endesa Americas SA                                 | 38,178    | 0.31         | 81,413   | Grupo Mexico SAB de CV                      | 194,713   | 1.58         |
| 440,536   | Enersis Americas SA                                | 73,363    | 0.59         | 3,488  | Industrias Penoles SAB de CV                | 85,510    | 0.69         |
| 483,436   | Enersis Chile SA                                   | 46,350    | 0.37         | <b>Petrochemicals</b>  |   |           |              |
| <b>Food-Retail</b>  |  |           |              | 36,200   | Alpek SAB de CV                             | 61,470    | 0.50         |
| 31,000  | Cencosud SA  | 93,945    | 0.76         | 59,367   | Mexichem SAB de CV                          | 133,606   | 1.08         |
| <b>Paper &amp; Related Products</b>                       |  |           |              | <b>Real Estate Management/Services</b>   |   |           |              |
| 29,188  | Empresas CMPC SA                                   | 59,004    | 0.48         | 32,200   | Corp Inmobiliaria Vesta SAB de CV           | 43,929    | 0.36         |
| <b>Retail-Major Deptment Store</b>                        |  |           |              | <b>Reits-Diversified</b>   |   |           |              |
| 12,798  | SACI Falabella                                     | 94,646    | 0.77         | 61,458   | Fibra Uno Administracion SA de CV           | 111,564   | 0.90         |
| <b>Water</b>  |  |           |              | 10,900   | PLA Administradora Industrial S de RL de CV | 17,892    | 0.15         |
| 89,843  | Aguas Andinas SA                                   | 57,715    | 0.47         | <b>Retail-Hypermarkets</b>   |   |           |              |
| <b>COLOMBIA 3.21% (30 September 2015: 3.89%)</b>          |  |           |              | 118,508  | Wal-Mart de Mexico SAB de CV                | 263,744   | 2.13         |
| <b>Building Production-Cement/Aggregate</b>               |  |           |              | <b>Retail-Major Deptment Store</b>   |   |           |              |
| 8,775   | Cementos Argos SA                                  | 35,248    | 0.29         | 3,800  | El Puerto de Liverpool SAB de CV            | 39,479    | 0.32         |
| 4,523   | Grupo Argos SA/Colombia                            | 29,926    | 0.24         | <b>Retail-Restaurants</b>  |   |           |              |
| <b>Commercial Banks Non-US</b>                            |  |           |              | 47,014   | Aisea SAB de CV                             | 158,468   | 1.28         |
| 3,857   | Banco Davivienda SA                                | 38,906    | 0.31         | <b>Steel-Producers</b>   |   |           |              |
| 10,519  | Bancolombia SA                                     | 102,179   | 0.83         | 8,300  | Grupo Simec SAB de CV                       | 25,468    | 0.21         |
| <b>Food-Miscellaneous/Diversified</b>                     |  |           |              | <b>PERU 3.30% (30 September 2015: 3.28%)</b>   |   |           |              |
| 3,532   | Grupo Nutresa SA                                   | 31,086    | 0.25         | <b>Commercial Banks Non-US</b>   |   |           |              |
| <b>Investment Companies</b>                               |  |           |              | 1,690  | Credicorp Ltd                               | 255,089   | 2.06         |
| 7,670   | Grupo de Inversiones Suramericana SA               | 101,177   | 0.82         | <b>Gold Mining</b>   |   |           |              |
| 2,652   | Grupo de Inversiones Suramericana SA PFD           | 34,415    | 0.28         | 4,441  | Cia de Minas Buenaventura SAA               | 61,552    | 0.50         |
| <b>Oil Company-Integrated</b>                             |  |           |              | <b>Metal-Copper</b>  |   |           |              |
| 55,622  | Ecopetrol SA                                       | 23,938    | 0.19         | 3,480  | Southern Copper Corp                        | 91,976    | 0.74         |
| <b>MEXICO 27.46% (30 September 2015: 37.99%)</b>          |  |           |              | <b>Total Value of Transferable Securities at Mid Market Prices (Cost: USD12,086,819)</b>         |   |           |              |
| <b>Airlines</b>   |  |           |              | <b>11,979,391</b>  |   |           |              |
| 47,600  | Controladora Vuela Cia de Aviacion SAB de CV       | 81,580    | 0.66         | <b>96.93</b>   |   |           |              |
| <b>Airport Development/Maintenance</b>                    |  |           |              | <b>Cash at Bank</b>  |   |           |              |
| 25,000  | Grupo Aeroportuario del Centro Norte SAB de CV     | 142,682   | 1.16         | <b>357,029</b>   |   |           |              |
| 21,800  | Grupo Aeroportuario del Pacifico SAB de CV         | 201,788   | 1.63         | <b>Net Current Assets</b>  |   |           |              |
| <b>Auto/Truck Parts &amp; Equipment-Original</b>          |  |           |              | <b>22,094</b>  |   |           |              |
| 109,000   | Nemak SAB de CV                                    | 117,875   | 0.95         | <b>Net Assets Attributable to Holders of Redeemable Participating Units at Mid Market Prices</b> |   |           |              |
| <b>Auto/Truck Parts &amp; Equipment-Replica</b>           |  |           |              | <b>12,358,514</b>  |   |           |              |
| 14,800  | Rassini SAB de CV                                  | 64,745    | 0.52         | <b>100.00</b>  |   |           |              |
| <b>Beverages-Non-Alcoholic</b>                            |  |           |              |  |   |           |              |
| 9,300   | Arca Continental SAB de CV                         | 55,007    | 0.44         |  |   |           |              |
| 39,634  | Fomento Economico Mexicano SAB de CV               | 360,866   | 2.92         |  |   |           |              |
| <b>Building Production-Cement/Aggregate</b>               |  |           |              |  |   |           |              |
| 194,530   | Cemex SAB de CV                                    | 158,223   | 1.28         |  |   |           |              |
| <b>Building-Heavy Construction</b>                        |  |           |              |  |   |           |              |
| 15,081  | Promotora y Operadora de Infraestructura SAB de CV | 163,228   | 1.32         |  |   |           |              |
| <b>Cellular Telecom</b>                                   |  |           |              |  |   |           |              |
| 503,742   | América Movil SAB de CV                            | 286,242   | 2.32         |  |   |           |              |

**PRINCIPAL GLOBAL INVESTORS FUNDS**  
**PORTFOLIO OF INVESTMENTS**  
**AS AT 30 SEPTEMBER 2016 (continued)**

**CLARITAS LATIN AMERICAN EQUITY FUND (continued)**

| <b>Analysis of Total Assets</b>   | <b>% Total Assets</b> |
|---|-----------------------|
| Transferable Securities and Money Market Instruments admitted to an official stock exchange listing or traded on a regulated market | 95.43                 |
| Financial Derivative instruments dealt in or on a regulated market  | 0.00                  |
| Other Assets  | 4.57                  |
| <b>Total Assets</b>   | <b>100.00</b>         |

All securities are transferable securities admitted to an official stock exchange listing.

PRINCIPAL GLOBAL INVESTORS FUNDS

PORTFOLIO OF INVESTMENTS  
AS AT 30 SEPTEMBER 2016 (continued)

FINISTERRE EMERGING MARKET DEBT FUND

| Nominal   | Security   | Coupon Rate | Maturity Date | Value USD  | % Net Assets |
|---|--|-------------|---------------|------------|--------------|
| <b>TRANSFERABLE SECURITIES 75.90% (30 September 2015: 45.57%)</b> |  |             |               |            |              |
| <b>BRAZIL 5.45% (30 September 2015: 0.46%)</b>                    |  |             |               |            |              |
| <b>Corporate Bond</b>   |  |             |               |            |              |
| 8,555,000   | Odebrecht Offshore Drilling Finance Ltd              | 6.750%      | 01/10/2022    | 1,600,213  | 0.51         |
| 10,000,000  | Petrobras Global Finance BV                          | 8.375%      | 23/05/2021    | 10,942,450 | 3.48         |
| <b>Government Bond</b>  |  |             |               |            |              |
| 4,000,000   | Banco Nacional de Desenvolvimento Economico e Social | 3.625%      | 21/01/2019    | 4,598,523  | 1.46         |
| <b>CHILE 0.00% (30 September 2015: 0.62%)</b>                     |  |             |               |            |              |
| <b>CROATIA 4.77% (30 September 2015: 0.00%)</b>                   |  |             |               |            |              |
| <b>Government Bond</b>  |  |             |               |            |              |
| 13,500,000  | Croatia Government International Bond                | 6.750%      | 05/11/2019    | 14,988,375 | 4.77         |
| <b>FRANCE 0.00% (30 September 2015: 11.00%)</b>                   |  |             |               |            |              |
| <b>GHANA 0.62% (30 September 2015: 0.00%)</b>                     |  |             |               |            |              |
| <b>Government Bond</b>  |  |             |               |            |              |
| 1,900,000   | Ghana Government International Bond                  | 9.250%      | 15/09/2022    | 1,953,989  | 0.62         |
| <b>HUNGARY 6.80% (30 September 2015: 1.94%)</b>                   |  |             |               |            |              |
| <b>Government Bond</b>  |  |             |               |            |              |
| 100,000,000   | Hungary Government Bond                              | 2.000%      | 30/10/2019    | 372,477    | 0.12         |
| 5,000,000,000   | Hungary Government Bond                              | 6.500%      | 24/06/2019    | 20,788,050 | 6.61         |
| 100,000   | Hungary Government International Bond                | 4.000%      | 25/03/2019    | 104,998    | 0.03         |
| 100,000   | Hungary Government International Bond                | 6.375%      | 29/03/2021    | 116,022    | 0.04         |
| <b>INDIA 0.00% (30 September 2015: 0.86%)</b>                     |  |             |               |            |              |
| <b>INDONESIA 2.02% (30 September 2015: 0.32%)</b>                 |  |             |               |            |              |
| <b>Government Bond</b>  |  |             |               |            |              |
| 5,000,000   | Indonesia Government International Bond              | 5.950%      | 08/01/2046    | 6,346,300  | 2.02         |
| <b>ISRAEL 20.39% (30 September 2015: 2.29%)</b>                   |  |             |               |            |              |
| <b>Government Bond</b>  |  |             |               |            |              |
| 240,000,000   | Israel Government Bond - Fixed                       | 1.750%      | 31/08/2025    | 64,117,468 | 20.39        |
| <b>OMAN 2.87% (30 September 2015: 0.00%)</b>                      |  |             |               |            |              |
| <b>Government Bond</b>  |  |             |               |            |              |
| 9,000,000   | Oman Government International Bond                   | 4.750%      | 15/06/2026    | 9,037,260  | 2.87         |
| <b>POLAND 0.00% (30 September 2015: 11.05%)</b>                   |  |             |               |            |              |
| <b>RUSSIA 7.14% (30 September 2015: 0.00%)</b>                    |  |             |               |            |              |
| <b>Government Bond</b>  |  |             |               |            |              |
| 12,000,000  | Russian Foreign Bond - Eurobond                      | 3.250%      | 04/04/2017    | 12,092,940 | 3.85         |
| 9,600,000   | Russian Foreign Bond - Eurobond                      | 4.750%      | 27/05/2026    | 10,353,120 | 3.29         |
| <b>SINGAPORE 5.82% (30 September 2015: 0.00%)</b>                 |  |             |               |            |              |
| <b>Government Bond</b>  |  |             |               |            |              |
| 25,000,000  | Singapore Government Bond                            | 1.250%      | 01/10/2021    | 18,288,197 | 5.82         |
| <b>SLOVENIA 6.74% (30 September 2015: 0.00%)</b>                  |  |             |               |            |              |
| <b>Government Bond</b>  |  |             |               |            |              |
| 18,900,000  | Slovenia Government Bond                             | 1.500%      | 25/03/2035    | 21,199,002 | 6.74         |
| <b>SOUTH AFRICA 7.98% (30 September 2015: 0.36%)</b>              |  |             |               |            |              |
| <b>Government Bond</b>  |  |             |               |            |              |
| 17,500,000  | South Africa Government International Bond           | 4.300%      | 12/10/2028    | 17,255,875 | 5.49         |
| 7,800,000   | South Africa Government International Bond           | 5.000%      | 12/10/2046    | 7,842,354  | 2.49         |
| <b>SPAIN 0.00% (30 September 2015: 16.36%)</b>                    |  |             |               |            |              |
| <b>TURKEY 3.31% (30 September 2015: 0.00%)</b>                    |  |             |               |            |              |
| <b>Government Bond</b>  |  |             |               |            |              |
| 10,000,000  | Turkey Government International Bond                 | 7.500%      | 14/07/2017    | 10,408,500 | 3.31         |
| <b>UNITED STATES 1.45% (30 September 2015: 0.00%)</b>             |  |             |               |            |              |
| <b>Government Bond</b>  |  |             |               |            |              |
| 4,650,000   | United States Treasury Note/Bond                     | 2.250%      | 15/08/2046    | 4,574,074  | 1.45         |
| <b>VENEZUELA 0.54% (30 September 2015: 0.31%)</b>                 |  |             |               |            |              |
| <b>Corporate Bond</b>   |  |             |               |            |              |
| 2,000,000   | Petroleos de Venezuela SA                            | 5.250%      | 12/04/2017    | 1,706,480  | 0.54         |
| <b>UNLISTED 0.00% (30 September 2015: 25.27%)</b>                 |  |             |               |            |              |

PRINCIPAL GLOBAL INVESTORS FUNDS

PORTFOLIO OF INVESTMENTS  
AS AT 30 SEPTEMBER 2016 (continued)

FINISTERRE EMERGING MARKET DEBT FUND (continued)

| Nominal   | Security | Coupon Rate    | Maturity Date | Value USD          | % Net Assets         |              |
|---|----------|----------------|---------------|--------------------|----------------------|--------------|
| CZECH REPUBLIC 0.00% (30 September 2015: 14.47%)  |          |                |               |                    |                      |              |
| UNITED STATES 0.00% (30 September 2015: 10.80%)   |          |                |               |                    |                      |              |
| <b>Total Value of Transferable Securities at Mid Market Prices (Cost: USD241,706,019)</b> |          |                |               | <b>238,686,667</b> | <b>75.90</b>         |              |
| Interest Receivable on Transferable Securities  |          |                |               | 2,405,999          | 0.77                 |              |
| <b>Total Value of Transferable Securities</b>   |          |                |               | <b>241,092,666</b> | <b>76.67</b>         |              |
| Open Forward Foreign Currency Exchange Contracts 0.76% (30 September 2015: 2.25%)         |          |                |               |                    |                      |              |
| Settlement Date   | Buy      | Amount Bought  | Sell          | Amount Sold        | Unrealised Gain/Loss | % Net Assets |
| 04/10/2016  | BRL      | 1,562,767      | USD           | (481,744)          | (0)                  | 0.00         |
| 04/10/2016  | BRL      | 22,883,000     | USD           | (7,000,000)        | 53,995               | 0.02         |
| 04/10/2016  | BRL      | 7,000,000      | BRL           | (23,065,000)       | (110,099)            | (0.04)       |
| 04/10/2016  | USD      | 262,744        | BRL           | (852,334)          | (0)                  | 0.00         |
| 11/10/2016  | CNH      | 650,475,000    | USD           | (99,511,221)       | (2,109,848)          | (0.67)       |
| 11/10/2016  | CNH      | 655,000,000    | USD           | (97,995,212)       | 83,729               | 0.03         |
| 11/10/2016  | USD      | 100,000,000    | CNH           | (653,600,000)      | 2,130,693            | 0.68         |
| 11/10/2016  | USD      | 100,000,000    | CNH           | (653,550,000)      | 2,138,180            | 0.68         |
| 12/10/2016  | USD      | 15,000,000     | CNH           | (100,095,000)      | 13,197               | 0.00         |
| 17/10/2016  | CHF      | 9,541          | USD           | (9,784)            | 66                   | 0.00         |
| 17/10/2016  | EUR      | 525,826        | USD           | (592,025)          | (681)                | (0.00)       |
| 17/10/2016  | EUR      | 200,619        | USD           | (225,712)          | (96)                 | (0.00)       |
| 17/10/2016  | EUR      | 54,366         | USD           | (61,166)           | (26)                 | (0.00)       |
| 17/10/2016  | EUR      | 25             | USD           | (28)               | (0)                  | 0.00         |
| 17/10/2016  | EUR      | 9,602          | USD           | (10,783)           | 16                   | 0.00         |
| 17/10/2016  | EUR      | 594,014        | USD           | (667,072)          | 955                  | 0.00         |
| 17/10/2016  | EUR      | 229,786,749    | USD           | (258,046,153)      | 371,864              | 0.12         |
| 17/10/2016  | GBP      | 9,782          | USD           | (12,977)           | (244)                | (0.00)       |
| 17/10/2016  | GBP      | 9,564          | USD           | (12,688)           | (238)                | (0.00)       |
| 17/10/2016  | GBP      | 188            | USD           | (250)              | (5)                  | (0.00)       |
| 17/10/2016  | GBP      | 184            | USD           | (244)              | (5)                  | (0.00)       |
| 17/10/2016  | IDR      | 51,800,000,000 | USD           | (4,000,000)        | (32,861)             | (0.01)       |
| 17/10/2016  | IDR      | 52,220,000,000 | USD           | (4,000,000)        | (695)                | (0.00)       |
| 17/10/2016  | IDR      | 52,700,000,000 | USD           | (4,000,000)        | 36,066               | 0.01         |
| 17/10/2016  | INR      | 532,880,000    | USD           | (8,000,000)        | (13,241)             | (0.01)       |
| 17/10/2016  | INR      | 466,445,000    | USD           | (7,000,000)        | (8,963)              | (0.00)       |
| 17/10/2016  | INR      | 335,100,000    | USD           | (5,000,000)        | 22,450               | 0.01         |
| 17/10/2016  | SGD      | 9,963          | USD           | (7,332)            | (21)                 | (0.00)       |
| 17/10/2016  | USD      | 4,000,000      | IDR           | (53,220,000,000)   | (75,891)             | (0.02)       |
| 17/10/2016  | USD      | 5,000,000      | INR           | (336,350,000)      | (41,185)             | (0.01)       |
| 17/10/2016  | USD      | 7,000,000      | INR           | (468,020,000)      | (14,643)             | (0.01)       |
| 17/10/2016  | USD      | 4,000,000      | IDR           | (52,360,000,000)   | (10,027)             | (0.00)       |
| 17/10/2016  | USD      | 774            | EUR           | (688)              | (0)                  | 0.00         |
| 17/10/2016  | USD      | 103            | SGD           | (140)              | (0)                  | 0.00         |
| 17/10/2016  | USD      | 25             | CHF           | (24)               | (0)                  | (0.00)       |
| 17/10/2016  | USD      | 4,079          | EUR           | (3,623)            | 5                    | 0.00         |
| 17/10/2016  | USD      | 8,000,000      | INR           | (533,328,000)      | 6,526                | 0.00         |
| 19/10/2016  | KRW      | 4,430,400,000  | USD           | (4,000,000)        | 26,779               | 0.01         |
| 19/10/2016  | KRW      | 5,542,500,000  | USD           | (5,000,000)        | 37,564               | 0.01         |
| 19/10/2016  | KRW      | 5,552,150,000  | USD           | (5,000,000)        | 46,335               | 0.01         |
| 19/10/2016  | KRW      | 3,357,450,000  | USD           | (3,000,000)        | 51,578               | 0.02         |
| 19/10/2016  | USD      | 3,000,000      | KRW           | (3,376,500,000)    | (68,892)             | (0.02)       |
| 19/10/2016  | USD      | 5,000,000      | KRW           | (5,562,500,000)    | (55,742)             | (0.02)       |
| 19/10/2016  | USD      | 5,000,000      | KRW           | (5,520,000,000)    | (17,114)             | (0.01)       |
| 21/10/2016  | HUF      | 5,429,035,000  | USD           | (19,677,546)       | 94,627               | 0.03         |
| 21/10/2016  | ILS      | 1,127,770,476  | USD           | (299,123,527)      | 1,656,161            | 0.53         |
| 21/10/2016  | INR      | 1,339,000,000  | USD           | (20,000,000)       | 55,786               | 0.02         |
| 21/10/2016  | INR      | 1,347,000,000  | USD           | (20,000,000)       | 175,611              | 0.06         |
| 21/10/2016  | JPY      | 1,021,100,000  | USD           | (10,000,000)       | 96,225               | 0.03         |
| 21/10/2016  | USD      | 42,115,221     | HUF           | (11,661,283,405)   | (354,375)            | (0.11)       |
| 21/10/2016  | USD      | 10,000,000     | KRW           | (11,248,100,000)   | (224,748)            | (0.07)       |
| 21/10/2016  | USD      | 20,000,000     | INR           | (1,343,800,000)    | (127,681)            | (0.04)       |
| 21/10/2016  | USD      | 50,197,369     | HKD           | (389,130,005)      | 15,705               | 0.01         |
| 24/10/2016  | RUB      | 643,000,000    | USD           | (10,000,000)       | 197,635              | 0.06         |
| 24/10/2016  | USD      | 10,000,000     | RUB           | (642,070,000)      | (182,886)            | (0.06)       |
| 31/10/2016  | MYR      | 41,215,000     | USD           | (10,000,000)       | (27,892)             | (0.01)       |
| 31/10/2016  | USD      | 10,000,000     | MYR           | (41,280,000)       | 12,165               | 0.00         |
| 04/11/2016  | CNH      | 1,322,200,000  | USD           | (200,000,000)      | (2,421,055)          | (0.77)       |
| 04/11/2016  | USD      | 50,039,892     | CNH           | (334,917,000)      | (7,413)              | (0.00)       |
| 04/11/2016  | USD      | 100,000,000    | CNH           | (654,600,000)      | 2,181,835            | 0.69         |
| 07/11/2016  | USD      | 100,000,000    | CNH           | (654,110,000)      | 2,267,993            | 0.72         |

PRINCIPAL GLOBAL INVESTORS FUNDS

PORTFOLIO OF INVESTMENTS  
AS AT 30 SEPTEMBER 2016 (continued)

FINISTERRE EMERGING MARKET DEBT FUND (continued)

Open Forward Foreign Currency Exchange Contracts 0.76% (30 September 2015: 2.25%) (continued)

| Settlement Date (continued) | Buy (continued) | Amount Bought (continued) | Sell (continued) | Amount Sold (continued) | Unrealised Gain/Loss (continued) | % Net Assets (continued) |
|-----------------------------|-----------------|---------------------------|------------------|-------------------------|----------------------------------|--------------------------|
| 15/11/2016                  | USD             | 10,058,290                | OMR              | (3,882,500)             | (15,663)                         | (0.01)                   |
| 08/12/2016                  | SAR             | 75,080,000                | USD              | (19,891,376)            | 89,090                           | 0.03                     |
| 08/12/2016                  | USD             | 19,767,258                | SAR              | (75,080,000)            | (213,208)                        | (0.07)                   |
| 21/12/2016                  | AUD             | 2,078,800                 | USD              | (1,561,652)             | 29,054                           | 0.01                     |
| 21/12/2016                  | CNH             | 46,287,078                | USD              | (6,865,991)             | 35,481                           | 0.01                     |
| 21/12/2016                  | CZK             | 270,440,000               | EUR              | (10,000,000)            | 25,949                           | 0.01                     |
| 21/12/2016                  | CZK             | 270,642,900               | EUR              | (10,000,000)            | 34,432                           | 0.01                     |
| 21/12/2016                  | EUR             | 20,000,000                | CZK              | (540,320,000)           | (28,485)                         | (0.01)                   |
| 21/12/2016                  | EUR             | 5,546,800                 | USD              | (6,252,076)             | 5,284                            | 0.00                     |
| 21/12/2016                  | EUR             | 2,000,000                 | TRY              | (6,786,400)             | 29,477                           | 0.01                     |
| 21/12/2016                  | EUR             | 4,000,000                 | TRY              | (13,645,200)            | 35,198                           | 0.01                     |
| 21/12/2016                  | EUR             | 3,000,000                 | TRY              | (10,137,300)            | 58,095                           | 0.02                     |
| 21/12/2016                  | GBP             | 1,632,300                 | USD              | (2,167,939)             | (40,137)                         | (0.01)                   |
| 21/12/2016                  | IDR             | 23,446,425,600            | USD              | (1,751,040)             | 33,980                           | 0.01                     |
| 21/12/2016                  | INR             | 92,718,500                | USD              | (1,346,394)             | 8,398                            | 0.00                     |
| 21/12/2016                  | JPY             | 478,327,098               | USD              | (4,712,118)             | 30,920                           | 0.01                     |
| 21/12/2016                  | JPY             | 507,990,000               | USD              | (5,000,000)             | 37,172                           | 0.01                     |
| 21/12/2016                  | JPY             | 760,650,000               | USD              | (7,500,000)             | 42,520                           | 0.01                     |
| 21/12/2016                  | JPY             | 712,932,500               | USD              | (7,000,000)             | 69,359                           | 0.02                     |
| 21/12/2016                  | KRW             | 2,118,319,529             | USD              | (1,890,479)             | 35,789                           | 0.01                     |
| 21/12/2016                  | MXN             | 207,718,500               | USD              | (11,000,000)            | (353,283)                        | (0.11)                   |
| 21/12/2016                  | MXN             | 395,530,831               | USD              | (20,222,446)            | 50,687                           | 0.02                     |
| 21/12/2016                  | MYR             | 30,381,189                | USD              | (7,373,538)             | (33,458)                         | (0.01)                   |
| 21/12/2016                  | PEN             | 16,755,000                | USD              | (5,000,000)             | (118,135)                        | (0.04)                   |
| 21/12/2016                  | PHP             | 34,364,495                | USD              | (715,182)               | (7,806)                          | (0.00)                   |
| 21/12/2016                  | SGD             | 68,428,471                | USD              | (50,156,469)            | 65,465                           | 0.02                     |
| 21/12/2016                  | THB             | 57,559,108                | USD              | (1,647,370)             | 12,015                           | 0.00                     |
| 21/12/2016                  | THB             | 174,625,000               | USD              | (5,000,000)             | 34,304                           | 0.01                     |
| 21/12/2016                  | TRY             | 10,000,000                | EUR              | (2,921,414)             | (14,492)                         | (0.01)                   |
| 21/12/2016                  | TWD             | 58,059,309                | USD              | (1,919,316)             | (52,977)                         | (0.02)                   |
| 21/12/2016                  | USD             | 19,930,505                | MXN              | (395,530,831)           | (342,629)                        | (0.11)                   |
| 21/12/2016                  | USD             | 9,817,420                 | MXN              | (194,757,980)           | (164,999)                        | (0.05)                   |
| 21/12/2016                  | USD             | 7,000,000                 | JPY              | (713,580,000)           | (75,779)                         | (0.02)                   |
| 21/12/2016                  | USD             | 10,378,037                | EUR              | (9,264,326)             | (73,073)                         | (0.02)                   |
| 21/12/2016                  | USD             | 10,378,037                | EUR              | (9,264,326)             | (73,073)                         | (0.02)                   |
| 21/12/2016                  | USD             | 4,986,436                 | THB              | (174,625,000)           | (47,868)                         | (0.02)                   |
| 21/12/2016                  | USD             | 4,554,953                 | EUR              | (4,066,142)             | (32,072)                         | (0.01)                   |
| 21/12/2016                  | USD             | 6,226,793                 | EUR              | (5,546,800)             | (30,566)                         | (0.01)                   |
| 21/12/2016                  | USD             | 5,000,000                 | JPY              | (506,755,000)           | (24,926)                         | (0.01)                   |
| 21/12/2016                  | USD             | 7,319,358                 | MYR              | (30,381,189)            | (20,723)                         | (0.01)                   |
| 21/12/2016                  | USD             | 1,578,281                 | AUD              | (2,078,600)             | (12,425)                         | (0.00)                   |
| 21/12/2016                  | USD             | 1,776,887                 | IDR              | (23,446,425,655)        | (8,133)                          | (0.00)                   |
| 21/12/2016                  | USD             | 2,122,480                 | GBP              | (1,632,300)             | (5,323)                          | (0.00)                   |
| 21/12/2016                  | USD             | 1,861,191                 | TWD              | (58,059,309)            | (5,127)                          | (0.00)                   |
| 21/12/2016                  | USD             | 6,956,590                 | SGD              | (9,485,310)             | (4,995)                          | (0.00)                   |
| 21/12/2016                  | USD             | 1,921,814                 | KRW              | (2,118,319,525)         | (4,454)                          | (0.00)                   |
| 21/12/2016                  | USD             | 6,898,223                 | CNH              | (46,287,078)            | (3,249)                          | (0.00)                   |
| 21/12/2016                  | USD             | 704,191                   | PHP              | (34,364,495)            | (3,185)                          | (0.00)                   |
| 21/12/2016                  | USD             | 1,352,978                 | INR              | (91,298,977)            | (1,814)                          | (0.00)                   |
| 21/12/2016                  | USD             | 1,657,966                 | THB              | (57,559,108)            | (1,419)                          | (0.00)                   |
| 21/12/2016                  | USD             | 4,749,738                 | JPY              | (478,327,097)           | 6,700                            | 0.00                     |
| 21/12/2016                  | USD             | 53,351,680                | ILS              | (199,695,338)           | 13,798                           | 0.00                     |
| 21/12/2016                  | USD             | 3,500,000                 | MXN              | (67,903,500)            | 19,572                           | 0.01                     |
| 21/12/2016                  | USD             | 7,500,000                 | JPY              | (752,087,250)           | 42,387                           | 0.01                     |
| 21/12/2016                  | USD             | 4,937,380                 | PEN              | (16,755,000)            | 55,516                           | 0.02                     |
| 21/12/2016                  | USD             | 11,000,000                | MXN              | (213,180,000)           | 73,351                           | 0.02                     |
| 21/12/2016                  | USD             | 50,315,052                | SGD              | (68,428,471)            | 93,118                           | 0.03                     |
| 21/12/2016                  | USD             | 11,572,603                | SGD              | (15,591,189)            | 129,710                          | 0.04                     |
| 21/12/2016                  | USD             | 50,000,000                | TRY              | (151,850,000)           | 175,546                          | 0.06                     |
| 11/01/2017                  | AED             | 110,970,000               | USD              | (30,158,989)            | 26,081                           | 0.01                     |
| 11/01/2017                  | USD             | 30,000,000                | AED              | (110,970,000)           | (185,070)                        | (0.06)                   |
| 17/01/2017                  | CNH             | 100,054,125               | USD              | (15,000,000)            | (102,365)                        | (0.03)                   |
| 17/01/2017                  | CNH             | 100,815,000               | USD              | (15,000,000)            | 10,926                           | 0.00                     |
| 17/01/2017                  | CNH             | 334,205,000               | USD              | (49,736,588)            | 25,119                           | 0.01                     |
| 17/01/2017                  | CNH             | 67,355,000                | USD              | (10,000,000)            | 28,874                           | 0.01                     |
| 17/01/2017                  | CNH             | 67,373,000                | USD              | (10,000,000)            | 31,554                           | 0.01                     |
| 17/01/2017                  | CNH             | 67,473,000                | USD              | (10,000,000)            | 46,443                           | 0.01                     |
| 17/01/2017                  | CNH             | 67,480,000                | USD              | (10,000,000)            | 47,486                           | 0.02                     |
| 17/01/2017                  | CNH             | 131,878,500               | USD              | (19,500,000)            | 136,149                          | 0.04                     |
| 17/01/2017                  | USD             | 10,000,000                | CNH              | (67,700,000)            | (80,243)                         | (0.03)                   |
| 17/01/2017                  | USD             | 10,000,000                | CNH              | (67,660,000)            | (74,287)                         | (0.02)                   |

PRINCIPAL GLOBAL INVESTORS FUNDS

PORTFOLIO OF INVESTMENTS  
AS AT 30 SEPTEMBER 2016 (continued)

FINISTERRE EMERGING MARKET DEBT FUND (continued)

Open Forward Foreign Currency Exchange Contracts 0.76% (30 September 2015: 2.25%) (continued)

| Settlement Date (continued) | Buy (continued) | Amount Bought (continued) | Sell (continued) | Amount Sold (continued) | Unrealised Gain/Loss (continued) | % Net Assets (continued) |
|-----------------------------|-----------------|---------------------------|------------------|-------------------------|----------------------------------|--------------------------|
| 17/01/2017                  | USD             | 14,296,950                | CNH              | (96,340,000)            | (47,567)                         | (0.02)                   |
| 17/01/2017                  | USD             | 25,000,000                | CNH              | (168,212,500)           | (46,128)                         | (0.02)                   |
| 17/01/2017                  | USD             | 15,000,000                | CNH              | (100,860,000)           | (17,626)                         | (0.01)                   |
| 17/01/2017                  | USD             | 10,000,000                | CNH              | (66,917,000)            | 36,343                           | 0.01                     |
| 23/02/2017                  | CNH             | 1,336,100,000             | USD              | (200,000,000)           | (1,432,594)                      | (0.46)                   |
| 23/02/2017                  | CNH             | 1,336,800,000             | USD              | (200,000,000)           | (1,328,562)                      | (0.42)                   |
| 23/02/2017                  | USD             | 200,000,000               | CNH              | (1,330,900,000)         | 2,205,404                        | 0.70                     |
| 23/02/2017                  | USD             | 200,000,000               | CNH              | (1,316,200,000)         | 4,390,076                        | 1.40                     |
| 28/02/2017                  | CNH             | 1,336,500,000             | USD              | (200,000,000)           | (1,423,503)                      | (0.45)                   |
| 28/02/2017                  | USD             | 200,000,000               | CNH              | (1,337,700,000)         | 1,245,208                        | 0.40                     |
| 03/03/2017                  | USD             | 19,693,548                | CNH              | (134,310,000)           | (259,127)                        | (0.08)                   |
| 09/03/2017                  | CNH             | 134,838,000               | USD              | (20,000,000)            | 25,015                           | 0.01                     |
| 10/03/2017                  | CNH             | 134,310,000               | USD              | (20,000,000)            | (54,412)                         | (0.02)                   |
| 10/03/2017                  | USD             | 20,320,824                | CNH              | (137,700,000)           | (128,193)                        | (0.04)                   |
| 14/03/2017                  | CNH             | 335,945,000               | USD              | (50,000,000)            | (120,916)                        | (0.04)                   |
| 14/03/2017                  | CNH             | 335,950,000               | USD              | (50,000,000)            | (120,173)                        | (0.04)                   |
| 14/03/2017                  | USD             | 50,000,000                | CNH              | (334,375,000)           | 354,020                          | 0.11                     |
| 14/03/2017                  | USD             | 49,137,709                | CNH              | (324,530,000)           | 953,455                          | 0.30                     |
| 21/03/2017                  | CNH             | 133,000,000               | USD              | (20,000,000)            | (259,984)                        | (0.08)                   |
| 21/03/2017                  | USD             | 19,231,113                | CNH              | (129,310,000)           | 38,771                           | 0.01                     |
| 24/03/2017                  | CNH             | 266,220,000               | USD              | (40,000,000)            | (493,340)                        | (0.16)                   |
| 24/03/2017                  | USD             | 37,629,351                | CNH              | (260,000,000)           | (954,270)                        | (0.30)                   |
| 31/03/2017                  | CNH             | 133,580,000               | USD              | (20,000,000)            | (183,977)                        | (0.06)                   |
| 31/03/2017                  | USD             | 19,848,440                | CNH              | (133,580,000)           | 32,417                           | 0.01                     |
| 10/04/2017                  | CNH             | 264,680,000               | USD              | (40,000,000)            | (757,459)                        | (0.24)                   |
| 10/04/2017                  | USD             | 19,521,190                | CNH              | (132,340,000)           | (100,081)                        | (0.03)                   |
| 10/04/2017                  | USD             | 19,663,375                | CNH              | (131,430,000)           | 177,025                          | 0.06                     |
| 04/05/2017                  | CNH             | 663,350,000               | USD              | (100,000,000)           | (1,781,532)                      | (0.57)                   |
| 04/05/2017                  | USD             | 200,000,000               | CNH              | (1,339,700,000)         | 1,638,229                        | 0.52                     |
| 05/05/2017                  | CNH             | 662,660,000               | USD              | (100,000,000)           | (1,889,215)                      | (0.60)                   |
| 10/05/2017                  | EUR             | 20,000,000                | CZK              | (537,250,000)           | 28,321                           | 0.01                     |
| 07/06/2017                  | INR             | 483,910,000               | USD              | (7,000,000)             | 6,692                            | 0.00                     |
| 07/06/2017                  | INR             | 486,850,000               | USD              | (7,000,000)             | 49,261                           | 0.02                     |
| 12/06/2017                  | CNH             | 311,466,000               | USD              | (46,000,000)            | 15,746                           | 0.01                     |
| 20/06/2017                  | AED             | 110,970,000               | USD              | (30,154,891)            | (23,945)                         | (0.01)                   |
| 20/06/2017                  | CNH             | 336,875,000               | USD              | (50,000,000)            | (252,836)                        | (0.08)                   |
| 20/06/2017                  | USD             | 19,734,525                | SAR              | (75,080,000)            | (106,569)                        | (0.03)                   |
| 20/06/2017                  | USD             | 30,089,479                | AED              | (110,970,000)           | (41,467)                         | (0.01)                   |
| 20/06/2017                  | USD             | 30,154,891                | AED              | (110,970,000)           | 23,945                           | 0.01                     |
| 20/06/2017                  | USD             | 50,000,000                | CNH              | (336,965,000)           | 239,546                          | 0.08                     |
| 10/07/2017                  | EUR             | 5,213,130                 | USD              | (5,910,256)             | 26,563                           | 0.01                     |
| 10/07/2017                  | USD             | 5,872,852                 | EUR              | (5,213,130)             | (63,968)                         | (0.02)                   |
| 24/07/2017                  | CNH             | 340,775,000               | USD              | (50,000,000)            | 226,311                          | 0.07                     |
| 24/07/2017                  | CNH             | 340,875,000               | USD              | (50,000,000)            | 241,050                          | 0.08                     |
| 24/07/2017                  | USD             | 50,000,000                | CNH              | (339,030,000)           | 30,882                           | 0.01                     |
| 24/07/2017                  | USD             | 50,000,000                | CNH              | (337,075,000)           | 319,026                          | 0.10                     |
| 21/08/2017                  | CNH             | 675,000,000               | USD              | (100,000,000)           | (670,856)                        | (0.21)                   |
| 21/08/2017                  | USD             | 100,000,000               | CNH              | (678,550,000)           | 148,458                          | 0.05                     |
| 29/08/2017                  | USD             | 100,000,000               | ILS              | (372,000,000)           | (232,276)                        | (0.07)                   |
| 29/08/2017                  | USD             | 100,000,000               | ILS              | (372,000,000)           | (232,276)                        | (0.07)                   |
| 13/09/2017                  | CNH             | 85,772,500                | USD              | (12,500,000)            | 105,271                          | 0.03                     |
| 21/09/2017                  | CNH             | 337,125,000               | USD              | (50,000,000)            | (478,141)                        | (0.15)                   |
| 21/09/2017                  | CNH             | 337,225,000               | USD              | (50,000,000)            | (463,452)                        | (0.15)                   |
| 21/09/2017                  | CNH             | 170,162,500               | USD              | (25,000,000)            | (4,039)                          | (0.00)                   |
| 21/09/2017                  | CNH             | 102,757,914               | USD              | (15,019,793)            | 74,795                           | 0.02                     |
| 21/09/2017                  | CNH             | 681,300,000               | USD              | (100,000,000)           | 79,325                           | 0.03                     |
| 21/09/2017                  | CNH             | 342,225,000               | USD              | (50,000,000)            | 271,022                          | 0.09                     |
| 21/09/2017                  | CNH             | 684,580,000               | USD              | (100,000,000)           | 561,140                          | 0.18                     |
| 21/09/2017                  | USD             | 100,000,000               | CNH              | (687,300,000)           | (960,693)                        | (0.31)                   |
| 21/09/2017                  | USD             | 100,000,000               | CNH              | (687,290,000)           | (959,224)                        | (0.31)                   |
| 21/09/2017                  | USD             | 48,675,400                | CNH              | (334,400,000)           | (446,171)                        | (0.14)                   |
| 21/09/2017                  | USD             | 50,000,000                | CNH              | (341,800,000)           | (208,592)                        | (0.07)                   |
| 21/09/2017                  | USD             | 50,000,000                | CNH              | (340,505,000)           | (18,363)                         | (0.01)                   |
| 21/09/2017                  | USD             | 1,138,927                 | CNH              | (7,825,000)             | (10,523)                         | (0.00)                   |
| 21/09/2017                  | USD             | 100,000,000               | CNH              | (678,800,000)           | 287,911                          | 0.09                     |
| 21/12/2017                  | TRY             | 163,525,000               | USD              | (50,000,000)            | (154,745)                        | (0.05)                   |
| 10/05/2018                  | CZK             | 2,693,090,000             | EUR              | (100,000,000)           | 884,504                          | 0.28                     |
| 10/05/2018                  | EUR             | 50,000,000                | CZK              | (1,347,500,000)         | (483,576)                        | (0.15)                   |
| 06/09/2018                  | USD             | 55,000,000                | ILS              | (202,372,500)           | (292,194)                        | (0.09)                   |
| 06/09/2018                  | USD             | 45,000,000                | ILS              | (165,600,000)           | (245,215)                        | (0.08)                   |
| 06/09/2018                  | USD             | 10,000,000                | ILS              | (36,800,000)            | (54,492)                         | (0.02)                   |

PRINCIPAL GLOBAL INVESTORS FUNDS

PORTFOLIO OF INVESTMENTS  
AS AT 30 SEPTEMBER 2016 (continued)

| <b>FINISTERRE EMERGING MARKET DEBT FUND (continued)</b>  |                 |                           |                  |                         |                                  |                          |
|--|-----------------|---------------------------|------------------|-------------------------|----------------------------------|--------------------------|
| <b>Open Forward Foreign Currency Exchange Contracts 0.76% (30 September 2015: 2.25%) (continued)</b> |                 |                           |                  |                         |                                  |                          |
| Settlement Date (continued)  | Buy (continued) | Amount Bought (continued) | Sell (continued) | Amount Sold (continued) | Unrealised Gain/Loss (continued) | % Net Assets (continued) |
| 21/09/2018   | CNH             | 349,700,000               | USD              | (50,000,000)            | 135,862                          | 0.04                     |
| Unrealised Gain on Forward Foreign Currency Exchange Contracts                                       |                 |                           |                  |                         | 28,350,134                       | 9.02                     |
| Unrealised Loss on Forward Foreign Currency Exchange Contracts                                       |                 |                           |                  |                         | (25,964,400)                     | (8.26)                   |
| <b>Net Unrealised Gain on Forward Foreign Currency Exchange Contracts</b>                            |                 |                           |                  |                         | <b>2,385,734</b>                 | <b>0.76</b>              |
| <b>Open Spot Currency Contracts 0.05% (30 September 2015: (0.26%))</b>                               |                 |                           |                  |                         |                                  |                          |
| Settlement Date  | Buy             | Amount Bought             | Sell             | Amount Sold             | Unrealised Gain/Loss             | % Net Assets             |
| 03/10/2016   | SGD             | 9,485,310                 | USD              | (6,954,295)             | 5,004                            | 0.00                     |
| 03/10/2016   | USD             | 20,402,419                | MXN              | (395,908,941)           | (70,937)                         | (0.02)                   |
| 03/10/2016   | USD             | 6,250,000                 | MXN              | (116,787,500)           | 210,651                          | 0.07                     |
| 04/10/2016   | EUR             | 688                       | USD              | (773)                   | (0)                              | (0.00)                   |
| 04/10/2016   | USD             | 205,000                   | KRW              | (225,776,644)           | (0)                              | 0.00                     |
| 04/10/2016   | USD             | 15,000                    | KRW              | (16,520,242)            | (0)                              | 0.00                     |
| 04/10/2016   | USD             | 61,132                    | EUR              | (54,366)                | 31                               | 0.00                     |
| 04/10/2016   | USD             | 225,586                   | EUR              | (200,619)               | 113                              | 0.00                     |
| Unrealised Gains on Open Spot Currency Contracts   |                 |                           |                  |                         | 215,799                          | 0.07                     |
| Unrealised Loss on Open Spot Currency Contracts  |                 |                           |                  |                         | (70,937)                         | (0.02)                   |
| <b>Net Unrealised Gain on Open Spot Currency Contracts</b>   |                 |                           |                  |                         | <b>144,862</b>                   | <b>0.05</b>              |
| <b>Open Future Contracts 0.04% (30 September 2015: (0.02%))</b>                                      |                 |                           |                  |                         |                                  |                          |
| No. of Contracts   | Cost Price      | Description               | Maturity Date    | Unrealised Gain/(Loss)  | % Net Assets                     |                          |
| (629)  | (260,914,351)   | Fed Fund 30 day           | 31/01/2017       | 212,309                 | 0.07                             |                          |
| 500  | 207,412,425     | Fed Fund 30 day           | 30/11/2016       | 72,922                  | 0.02                             |                          |
| (200)  | (26,187,250)    | Long Gilt Future          | 28/12/2016       | 178,610                 | 0.06                             |                          |
| (35)   | (6,698,700)     | Euro Buxl 30 year Bond    | 08/12/2016       | (32,593)                | (0.01)                           |                          |
| (90)   | (14,847,500)    | US Long Bond (CBT)        | 20/12/2016       | (314,687)               | (0.10)                           |                          |
| Unrealised Gains on Future Contracts   |                 |                           |                  |                         | 463,841                          | 0.15                     |
| Unrealised Loss on Future Contracts  |                 |                           |                  |                         | (347,280)                        | (0.11)                   |
| <b>Total Unrealised Gain on Future Contracts</b>   |                 |                           |                  |                         | <b>116,561</b>                   | <b>0.04</b>              |
| <b>Options (0.15%) (30 September 2015: 0.96%)</b>  |                 |                           |                  |                         |                                  |                          |
|  |                 | No. of contracts          | Value US\$       | % Net Assets            |                                  |                          |
| Put Currency Option EUR 297.89 14/11/2016  |                 | 30,000,000                | 6,899            | 0.00                    |                                  |                          |
| Call Currency Option EUR 335.07 14/11/2016   |                 | 30,000,000                | 4,354            | 0.00                    |                                  |                          |
| Call Currency Option EUR 339.59 08/11/2016   |                 | 15,000,000                | 835              | 0.00                    |                                  |                          |
| Put Currency Option EUR 300.06 08/11/2016  |                 | 15,000,000                | 4,888            | 0.00                    |                                  |                          |
| Put Currency Option EUR 297.89 14/11/2016  |                 | (30,000,000)              | (6,899)          | (0.00)                  |                                  |                          |
| Put Currency Option EUR 300.06 08/11/2016  |                 | (15,000,000)              | (4,888)          | (0.00)                  |                                  |                          |
| Call Currency Option EUR 335.07 14/11/2016   |                 | (30,000,000)              | (4,354)          | (0.00)                  |                                  |                          |
| Call Currency Option EUR 339.59 08/11/2016   |                 | (15,000,000)              | (835)            | (0.00)                  |                                  |                          |
| Call Currency Option USD 19.49 11/11/2016  |                 | 25,000,000                | 551,025          | 0.18                    |                                  |                          |
| Put Currency Option EUR 0.82 12/10/2016  |                 | 20,000,000                | 121              | 0.00                    |                                  |                          |
| Put Currency Option EUR 0.79 12/10/2016  |                 | (20,000,000)              | (4)              | (0.00)                  |                                  |                          |
| Put Currency Option USD 6.70 13/01/2017  |                 | (50,000,000)              | (512,065)        | (0.16)                  |                                  |                          |
| Put Currency Option USD 6.40 13/01/2017  |                 | 50,000,000                | 27,663           | 0.01                    |                                  |                          |
| Put Currency Option USD 102.00 19/10/2016  |                 | 20,000,000                | 215,114          | 0.07                    |                                  |                          |
| Put Currency Option USD 102.00 19/10/2016  |                 | 30,000,000                | 322,670          | 0.10                    |                                  |                          |
| Call Currency Option USD 20.50 12/12/2016  |                 | 30,000,000                | 523,367          | 0.17                    |                                  |                          |
| Put Currency Option USD 17.50 22/02/2017   |                 | (30,000,000)              | (157,716)        | (0.05)                  |                                  |                          |
| Put Currency Option EUR 0.82 12/10/2016  |                 | (20,000,000)              | (121)            | (0.00)                  |                                  |                          |
| Put Currency Option EUR 0.79 12/10/2016  |                 | 20,000,000                | 4                | 0.00                    |                                  |                          |
| Put Currency Option USD 17.50 22/02/2017   |                 | (25,000,000)              | (131,430)        | (0.04)                  |                                  |                          |
| Put Currency Option USD 17.83 31/10/2016   |                 | 30,000,000                | 12,186           | 0.00                    |                                  |                          |
| Call Currency Option EUR 0.89 11/11/2016   |                 | 30,000,000                | 110,597          | 0.04                    |                                  |                          |
| Put Currency Option USD 102.00 19/10/2016  |                 | (30,000,000)              | (322,670)        | (0.10)                  |                                  |                          |
| Put Currency Option USD 99.00 19/10/2016   |                 | 53,000,000                | 72,103           | 0.02                    |                                  |                          |
| Put Currency Option USD 102.00 19/10/2016  |                 | (20,000,000)              | (215,114)        | (0.07)                  |                                  |                          |
| Put Currency Option USD 99.00 19/10/2016   |                 | 35,000,000                | 47,615           | 0.02                    |                                  |                          |
| Call Currency Option EUR 1.56 13/12/2016   |                 | 7,500,000                 | 53,535           | 0.02                    |                                  |                          |
| Put Currency Option USD 96.00 23/11/2016   |                 | 20,000,000                | 28,169           | 0.01                    |                                  |                          |



PRINCIPAL GLOBAL INVESTORS FUNDS

PORTFOLIO OF INVESTMENTS  
AS AT 30 SEPTEMBER 2016 (continued)

FINISTERRE EMERGING MARKET DEBT FUND (continued)

Options (0.15%) (30 September 2015: 0.96%) (continued)

|  | No. of contracts<br>(continued) | Value<br>US\$<br>(continued) | % Net<br>Assets<br>(continued) |
|--|---------------------------------|------------------------------|--------------------------------|
| Put Currency Option USD 96.00 23/11/2016         | 20,000,000                      | 28,169                       | 0.01                           |
| Call Currency Option EUR 0.89 11/11/2016         | (30,000,000)                    | (110,597)                    | (0.04)                         |
| Put Currency Option EUR 4.30 03/10/2016          | 25,000,000                      | 39,472                       | 0.01                           |
| Call Currency Option USD 1,117.86 02/03/2017     | (17,500,000)                    | (426,262)                    | (0.14)                         |
| Put Currency Option USD 1,117.86 02/03/2017      | (17,500,000)                    | (663,910)                    | (0.21)                         |
| Call Currency Option USD 18.70 05/10/2016        | (20,000,000)                    | (686,485)                    | (0.22)                         |
| Call Currency Option USD 7.07 08/06/2017         | 100,000,000                     | 866,512                      | 0.28                           |
| Put Currency Option USD 6.56 08/06/2017          | (100,000,000)                   | (717,613)                    | (0.23)                         |
| Put Currency Option USD 13,000.00 09/03/2017     | 25,000,000                      | 369,095                      | 0.12                           |
| Put Currency Option USD 13,000.00 09/03/2017     | 25,000,000                      | 369,095                      | 0.12                           |
| Put Currency Option USD 12,350.00 09/03/2017     | (50,000,000)                    | (160,871)                    | (0.05)                         |
| Put Currency Option USD 12,350.00 09/03/2017     | (50,000,000)                    | (160,871)                    | (0.05)                         |
| Put Currency Option USD 7.25 11/09/2017          | 25,000,000                      | 234,557                      | 0.07                           |
| Call Currency Option USD 6.60 11/09/2017         | (25,000,000)                    | (277,958)                    | (0.09)                         |
| Call Currency Option EUR 3.65 15/09/2017         | 10,000,000                      | 575,949                      | 0.18                           |
| Put Currency Option EUR 3.65 15/09/2017          | 10,000,000                      | 499,153                      | 0.16                           |
| Call Currency Option USD 20.50 12/12/2016        | (30,000,000)                    | (523,367)                    | (0.17)                         |
| Put Currency Option USD 17.50 22/02/2017         | 30,000,000                      | 157,716                      | 0.05                           |
| Put Currency Option USD 18.70 05/10/2016         | 20,000,000                      | 5,823                        | 0.00                           |
| Call Currency Option USD 19.49 11/11/2016        | (25,000,000)                    | (551,025)                    | (0.18)                         |
| Put Currency Option EUR 4.30 03/10/2016          | (25,000,000)                    | (39,472)                     | (0.01)                         |
| Put Currency Option USD 17.50 22/02/2017         | 25,000,000                      | 131,430                      | 0.04                           |
| Put Currency Option USD 100.30 17/10/2016        | 25,000,000                      | 140,399                      | 0.04                           |
| Put Currency Option USD 100.30 17/10/2016        | (25,000,000)                    | (140,399)                    | (0.04)                         |
| Call Currency Option EUR 3.65 21/12/2016         | (20,000,000)                    | (123,299)                    | (0.04)                         |
| Put Currency Option USD 66.66 13/10/2016         | 15,000,000                      | 52,455                       | 0.02                           |
| Put Currency Option USD 3.70 29/03/2017          | 20,000,000                      | 108,763                      | 0.03                           |
| Call Currency Option USD 7.85 28/09/2017         | 100,000,000                     | 219,799                      | 0.07                           |
| Put Currency Option USD 7.75 28/09/2017          | (40,000,000)                    | (263,590)                    | (0.08)                         |
| Put Currency Option USD 131.00 10/03/2016        | 500                             | 7,813                        | 0.00                           |
| Put Commodity Option USD 98.00 19/12/2016        | 4,000                           | 25,000                       | 0.01                           |
| Put Commodity Option USD 98.25 19/12/2016        | (11,000)                        | (68,750)                     | (0.02)                         |
| Put Commodity Option USD 98.50 19/12/2016        | 7,000                           | 43,750                       | 0.01                           |
| Put Forward Premium Option USD 72.50 05/06/2017  | 15,000,000                      | (17,275)                     | (0.01)                         |
| Put Forward Premium Option USD 67.00 05/06/2017  | (15,000,000)                    | (24,819)                     | (0.01)                         |
| Unrealised Gains on Option Contracts             |                                 | 5,856,095                    | 1.86                           |
| Unrealised Loss on Option Contracts              |                                 | (6,312,659)                  | (2.01)                         |
| <b>Total Unrealised Loss on Option Contracts</b> |                                 | <b>(456,564)</b>             | <b>(0.15)</b>                  |

Credit Default Swaps (2.43%) (30 September 2015: (0.17%))

| Description  | Maturity Date | Notional<br>Amount | Fair Value<br>USD  | % Net<br>Assets |
|--|---------------|--------------------|--------------------|-----------------|
| <b>1 to 5 Years</b>                                  |               |                    |                    |                 |
| Citigroup  | 20/06/2021    | (25,000,000)       | (1,528,541)        | (0.49)          |
| Citigroup  | 20/06/2021    | (25,000,000)       | (1,528,540)        | (0.49)          |
| Citigroup  | 20/06/2021    | 50,000,000         | 3,057,080          | 0.97            |
| <b>Over 5 years</b>                                  |               |                    |                    |                 |
| Barclays   | 20/12/2021    | (20,000,000)       | (1,135,972)        | (0.36)          |
| Barclays   | 20/12/2021    | (20,000,000)       | (1,137,269)        | (0.36)          |
| Goldman Sachs  | 20/12/2021    | (10,000,000)       | (567,986)          | (0.18)          |
| BNP Paribas  | 20/12/2021    | 10,000,000         | 764,531            | 0.24            |
| BNP Paribas  | 20/12/2021    | (20,000,000)       | (491,784)          | (0.16)          |
| Citigroup  | 20/12/2021    | 25,000,000         | 1,609,246          | 0.51            |
| Citigroup  | 20/12/2021    | 25,000,000         | 17,476             | 0.01            |
| Citigroup  | 20/12/2021    | (50,000,000)       | (3,218,491)        | (1.02)          |
| Citigroup  | 20/12/2021    | (50,000,000)       | (3,218,491)        | (1.02)          |
| HSBC   | 20/12/2021    | 5,000,000          | (80,676)           | (0.03)          |
| HSBC   | 20/12/2021    | 10,000,000         | (167,436)          | (0.05)          |
| Unrealised Gain on Credit Default Swaps              |               |                    | 5,448,333          | 1.73            |
| Unrealised Loss on Credit Default Swaps              |               |                    | (13,075,186)       | (4.16)          |
| <b>Total Unrealised Loss on Credit Default Swaps</b> |               |                    | <b>(7,626,853)</b> | <b>(2.43)</b>   |

PRINCIPAL GLOBAL INVESTORS FUNDS

PORTFOLIO OF INVESTMENTS  
AS AT 30 SEPTEMBER 2016 (continued)

FINISTERRE EMERGING MARKET DEBT FUND (continued)

Interest Rate Swaps 0.53% (30 September 2015: (0.11%))

| Description   | Maturity Date | Notional Amount | Fair Value USD   | % Net Assets |
|---|---------------|-----------------|------------------|--------------|
| <b>Up to 1 year</b>                                 |               |                 |                  |              |
| Goldman Sachs                                       | 18/02/2017    | 175,000,000,000 | 184,248          | 0.06         |
| Nomura  | 01/04/2017    | 3,330,000,000   | 28,331           | 0.01         |
| Nomura  | 01/04/2017    | 3,330,000,000   | 21,358           | 0.01         |
| Deutsche Bank                                       | 27/04/2017    | –               | –                | –            |
| JPMorgan Chase & Co                                 | 18/05/2017    | 5,250,000,000   | (30,301)         | (0.01)       |
| JPMorgan Chase & Co                                 | 20/05/2017    | 230,000,000,000 | 255,361          | 0.08         |
| Citigroup   | 15/06/2017    | 4,200,000,000   | (10,624)         | 0.00         |
| HSBC  | 27/06/2017    | 5,250,000,000   | 16,713           | 0.00         |
| Citigroup   | 20/07/2017    | 6,800,000,000   | 34,101           | 0.01         |
| JPMorgan Chase & Co                                 | 20/07/2017    | 8,150,000,000   | (63,030)         | (0.02)       |
| Citigroup   | 19/09/2017    | 278,000,000     | 872,735          | 0.28         |
| <b>1 to 5 Years</b>                                 |               |                 |                  |              |
| Nomura  | 04/10/2017    | 6,500,000,000   | (87,647)         | (0.03)       |
| Citigroup   | 28/10/2017    | 69,500,000      | (1,143,093)      | (0.36)       |
| Citigroup   | 28/10/2017    | 69,500,000      | 1,143,093        | 0.36         |
| Goldman Sachs                                       | 21/12/2017    | 224,000,000,000 | 83,267           | 0.03         |
| Morgan Stanley                                      | 21/12/2017    | 6,230,000,000   | (31,128)         | (0.01)       |
| Citigroup   | 19/02/2018    | 110,000,000     | (260,810)        | (0.08)       |
| Citigroup   | 19/02/2018    | 110,000,000     | 144,504          | 0.05         |
| Deutsche Bank                                       | 21/12/2018    | –               | –                | –            |
| Citigroup   | 03/03/2019    | 108,000,000     | 244,569          | 0.08         |
| Goldman Sachs                                       | 04/07/2019    | 7,600,000,000   | (155,886)        | (0.05)       |
| Goldman Sachs                                       | 10/08/2019    | 4,700,000,000   | (18,380)         | (0.01)       |
| Citigroup   | 13/09/2019    | 209,000,000     | (57,019)         | (0.02)       |
| Citigroup   | 14/09/2019    | 274,000,000     | (218,555)        | (0.07)       |
| HSBC  | 03/10/2020    | 100,000,000     | (11,324)         | 0.00         |
| Citigroup   | 03/10/2020    | 135,000,000     | 69,813           | 0.02         |
| Citigroup   | 10/12/2020    | 125,000,000     | 5,834            | 0.00         |
| Citigroup   | 10/12/2020    | 125,000,000     | (5,834)          | 0.00         |
| Citigroup   | 07/07/2021    | 28,000,000      | (44,288)         | (0.01)       |
| Citigroup   | 15/09/2021    | 82,000,000      | (86,575)         | (0.03)       |
| HSBC  | 19/09/2021    | 92,000,000      | (435,344)        | (0.14)       |
| Merrill Lynch                                       | 19/09/2021    | 92,000,000      | 115,968          | 0.04         |
| Morgan Stanley                                      | 21/09/2021    | 3,220,000,000   | (252,678)        | (0.08)       |
| BNP Paribas   | 21/09/2021    | 75,000,000      | 108,930          | 0.03         |
| Citigroup   | 21/09/2021    | 82,000,000      | 88,557           | 0.03         |
| Goldman Sachs                                       | 21/09/2021    | 3,220,000,000   | 62,834           | 0.02         |
| <b>Over 5 years</b>                                 |               |                 |                  |              |
| Nomura  | 30/09/2021    | 22,200,000,000  | 24,086           | 0.01         |
| Goldman Sachs                                       | 21/12/2021    | 289,000,000     | 44,274           | 0.01         |
| Goldman Sachs                                       | 21/12/2021    | 1,570,000,000   | 34,074           | 0.01         |
| Goldman Sachs                                       | 21/12/2021    | 1,570,000,000   | 34,074           | 0.01         |
| HSBC  | 02/01/2025    | 15,554,463      | 497,688          | 0.16         |
| HSBC  | 02/01/2025    | 16,604,363      | (120,060)        | (0.04)       |
| Deutsche Bank                                       | 02/01/2025    | –               | –                | –            |
| Deutsche Bank                                       | 02/01/2025    | –               | –                | –            |
| JPMorgan Chase & Co                                 | 02/01/2025    | 17,315,414      | 167,106          | 0.05         |
| Deutsche Bank                                       | 02/01/2025    | 16,305,693      | (77,749)         | (0.03)       |
| JPMorgan Chase & Co                                 | 02/01/2025    | 16,756,568      | 61,888           | 0.02         |
| Citigroup   | 10/05/2026    | 473,000,000     | (217,539)        | (0.07)       |
| Citigroup   | 07/06/2026    | 48,000,000      | 861,297          | 0.27         |
| Goldman Sachs                                       | 21/09/2026    | 22,500,000,000  | (19,043)         | (0.01)       |
| Citigroup   | 21/09/2026    | 50,000,000      | (13,371)         | 0.00         |
| Goldman Sachs                                       | 21/09/2036    | 11,600,000,000  | (4,372)          | 0.00         |
| Nomura  | 30/09/2036    | 22,200,000,000  | (88,563)         | (0.03)       |
| Citigroup   | 21/09/2046    | 4,100,000       | (73,724)         | (0.02)       |
| Unrealised Gain on Interest Rate Swaps              |               |                 | 5,204,703        | 1.65         |
| Unrealised Loss on Interest Rate Swaps              |               |                 | (3,526,937)      | (1.12)       |
| <b>Total Unrealised Gain on Interest Rate Swaps</b> |               |                 | <b>1,677,766</b> | <b>0.53</b>  |

PRINCIPAL GLOBAL INVESTORS FUNDS

PORTFOLIO OF INVESTMENTS  
AS AT 30 SEPTEMBER 2016 (continued)

FINISTERRE EMERGING MARKET DEBT FUND (continued)

Cross Currency Swaps (0.05%) (30 September 2015: 0.00%)

| Description  | Maturity   | Notional Amount | Fair Value US\$  | % Net Assets  |
|--|------------|-----------------|------------------|---------------|
| <b>1 to 5 Years</b>                                  |            |                 |                  |               |
| Morgan Stanley                                       | 21/12/2017 | (29,850,000)    | (33,271)         | (0.01)        |
| Morgan Stanley                                       | 28/09/2021 | (8,714,420,000) | (304,628)        | (0.10)        |
| Morgan Stanley                                       | 28/09/2021 | (2,611,180,000) | (91,278)         | (0.03)        |
| <b>Over 5 years</b>                                  |            |                 |                  |               |
| HSBC   | 25/01/2026 | (154,660,000)   | 287,223          | 0.09          |
| Total Gain on Cross Currency Swaps                   |            |                 | 287,223          | 0.09          |
| Total Loss on Cross Currency Swaps                   |            |                 | (429,177)        | (0.14)        |
| <b>Total Unrealised Loss on Cross Currency Swaps</b> |            |                 | <b>(141,954)</b> | <b>(0.05)</b> |

Forward Rate Agreements (0.09%) (30 September 2015: 0.00%)

| Description   | Maturity   | Notional Amount | Fair Value US\$  | % Net Assets  |
|---|------------|-----------------|------------------|---------------|
| <b>Up to 1 year</b>                                     |            |                 |                  |               |
| Barclays  | 02/06/2017 | 6,200,000,000   | (278,642)        | (0.09)        |
| Total Loss on Forward Rate Agreements                   |            |                 | (278,642)        | (0.09)        |
| <b>Total Unrealised Loss on Forward Rate Agreements</b> |            |                 | <b>(278,642)</b> | <b>(0.09)</b> |

|                    |  |  |            |        |
|--------------------|--|--|------------|--------|
| Cash at Bank       |  |  | 13,804,394 | 4.39   |
| Bank Overdraft     |  |  | (522,908)  | (0.17) |
| Net Current Assets |  |  | 64,269,973 | 20.45  |

**Net Assets Attributable to Holders of Redeemable Participating Units at Mid Market Prices** **314,465,035** **100.00**

**Analysis of Total Assets**

|   |               |
|---|---------------|
| Transferable Securities and Money Market Instruments admitted to an official stock exchange listing or traded on a regulated market | 54.66         |
| Financial Derivative instruments dealt in or on a regulated market  | (0.86)        |
| Other Assets  | 46.20         |
| <b>Total Assets</b>   | <b>100.00</b> |

All securities are transferable securities admitted to an official stock exchange listing.

The counterparties for the forward foreign currency exchange contracts are the Bank of New York Mellon, Citigroup, Deutsche Bank, HSBC, Societe Generale, Standard Bank and State Street Global Markets.

The counterparty for the open spot currency contracts are Citigroup, Deutsche Bank, JPMorgan Chase & Co, Standard Bank and State Street Global Markets.

The counterparty for the future contracts is Citigroup.

The counterparty for the option contracts is Citigroup.

The counterparties for the credit default swaps are Barclays, BNP Paribas, Citigroup, Goldman Sachs and HSBC.

The counterparties for the cross currency swaps are HSBC and Morgan Stanley.

The counterparties for the interest rate swaps are Bank of America Merrill Lynch, BNP Paribas, Citigroup, Deutsche Bank, Goldman Sachs, HSBC, JPMorgan Chase & Co, Morgan Stanley, Nomura and Societe Generale.

The counterparty for the Forward Rate Agreements is Barclays.

PRINCIPAL GLOBAL INVESTORS FUNDS

PORTFOLIO OF INVESTMENTS  
AS AT 30 SEPTEMBER 2016 (continued)

| SPECTRUM GLOBAL CAPITAL SECURITIES FUND  |   |               |               |                   |                      |              |
|--|---|---------------|---------------|-------------------|----------------------|--------------|
| Nominal  | Security  | Coupon Rate   | Maturity Date | Value USD         | % Net Assets         |              |
| <b>TRANSFERABLE SECURITIES 96.28% (30 September 2015: 94.98%)</b>                          |   |               |               |                   |                      |              |
| <b>AUSTRALIA 2.02% (30 September 2015: 2.21%)</b>  |   |               |               |                   |                      |              |
| <b>Corporate Bond</b>  |   |               |               |                   |                      |              |
| 450,000  | QBE Insurance Group Ltd                                 | 6.750%        | 02/12/2044    | 497,542           | 2.02                 |              |
| <b>DENMARK 4.73% (30 September 2015: 5.23%)</b>  |   |               |               |                   |                      |              |
| <b>Corporate Bond</b>  |   |               |               |                   |                      |              |
| 1,000,000  | Danske Bank A/S   | 5.875%        | Perpetual     | 1,163,949         | 4.73                 |              |
| <b>FRANCE 17.70% (30 September 2015: 21.87%)</b>   |   |               |               |                   |                      |              |
| <b>Corporate Bond</b>  |   |               |               |                   |                      |              |
| 1,000,000  | BNP Paribas SA  | 7.625%        | Perpetual     | 1,027,500         | 4.17                 |              |
| 925,000  | Credit Agricole SA                                      | 7.875%        | Perpetual     | 937,719           | 3.81                 |              |
| 450,000  | Credit Agricole SA                                      | 8.125%        | Perpetual     | 481,500           | 1.95                 |              |
| 1,000,000  | Societe Generale SA                                     | 7.375%        | Perpetual     | 985,000           | 4.00                 |              |
| 950,000  | Societe Generale SA                                     | 7.875%        | Perpetual     | 928,625           | 3.77                 |              |
| <b>GERMANY 0.00% (30 September 2015: 1.51%)</b>  |   |               |               |                   |                      |              |
| <b>NETHERLANDS 1.19% (30 September 2015: 3.37%)</b>  |   |               |               |                   |                      |              |
| <b>Corporate Bond</b>  |   |               |               |                   |                      |              |
| 300,000  | ING Groep NV  | 6.500%        | Perpetual     | 293,625           | 1.19                 |              |
| <b>NORWAY 2.01% (30 September 2015: 2.19%)</b>   |   |               |               |                   |                      |              |
| <b>Corporate Bond</b>  |   |               |               |                   |                      |              |
| 500,000  | DNB Bank ASA  | 5.750%        | Perpetual     | 493,599           | 2.01                 |              |
| <b>SPAIN 9.32% (30 September 2015: 6.44%)</b>  |   |               |               |                   |                      |              |
| <b>Corporate Bond</b>  |   |               |               |                   |                      |              |
| 800,000  | Banco Bilbao Vizcaya Argentaria SA                      | 8.875%        | Perpetual     | 952,856           | 3.87                 |              |
| 1,000,000  | Banco Bilbao Vizcaya Argentaria SA                      | 9.000%        | Perpetual     | 1,035,625         | 4.20                 |              |
| 300,000  | Banco Santander SA                                      | 6.250%        | Perpetual     | 306,994           | 1.25                 |              |
| <b>SWEDEN 13.29% (30 September 2015: 14.90%)</b>   |   |               |               |                   |                      |              |
| <b>Corporate Bond</b>  |   |               |               |                   |                      |              |
| 900,000  | Nordea Bank AB  | 6.125%        | Perpetual     | 882,000           | 3.58                 |              |
| 1,000,000  | Skandinaviska Enskilda Banken AB                        | 5.750%        | Perpetual     | 997,184           | 4.05                 |              |
| 1,000,000  | Svenska Handelsbanken AB                                | 5.250%        | Perpetual     | 990,625           | 4.02                 |              |
| 400,000  | Swedbank AB   | 5.500%        | Perpetual     | 402,750           | 1.64                 |              |
| <b>SWITZERLAND 16.94% (30 September 2015: 11.04%)</b>                                      |   |               |               |                   |                      |              |
| <b>Corporate Bond</b>  |   |               |               |                   |                      |              |
| 400,000  | Aquarius & Investments Plc for Swiss Reinsurance Co Ltd | 6.375%        | 01/09/2024    | 421,474           | 1.71                 |              |
| 1,000,000  | Credit Suisse Group AG                                  | 6.250%        | Perpetual     | 958,128           | 3.89                 |              |
| 775,000  | Credit Suisse Group AG                                  | 7.500%        | Perpetual     | 797,622           | 3.24                 |              |
| 2,000,000  | UBS Group AG  | 6.875%        | Perpetual     | 1,996,250         | 8.10                 |              |
| <b>UNITED KINGDOM 29.08% (30 September 2015: 26.22%)</b>                                   |   |               |               |                   |                      |              |
| <b>Corporate Bond</b>  |   |               |               |                   |                      |              |
| 450,000  | Barclays Plc  | 6.625%        | Perpetual     | 417,094           | 1.69                 |              |
| 500,000  | Barclays Plc  | 7.875%        | Perpetual     | 497,455           | 2.02                 |              |
| 900,000  | Barclays Plc  | 8.250%        | Perpetual     | 910,687           | 3.70                 |              |
| 1,900,000  | HSBC Holdings Plc                                       | 6.875%        | Perpetual     | 2,008,655         | 8.16                 |              |
| 550,000  | Lloyds Banking Group Plc                                | 7.625%        | Perpetual     | 731,728           | 2.97                 |              |
| 1,250,000  | Royal Bank of Scotland Group Plc                        | 7.500%        | Perpetual     | 1,154,375         | 4.69                 |              |
| 500,000  | Royal Bank of Scotland Group Plc                        | 8.000%        | Perpetual     | 473,750           | 1.92                 |              |
| 500,000  | Royal Bank of Scotland Group Plc                        | 8.625%        | Perpetual     | 498,766           | 2.02                 |              |
| 500,000  | Standard Chartered Plc                                  | 6.500%        | Perpetual     | 471,325           | 1.91                 |              |
| <b>Total Value of Transferable Securities at Mid Market Prices (Cost: USD23,971,813)</b>   |   |               |               | <b>23,714,402</b> | <b>96.28</b>         |              |
| Interest Receivable on Transferable Securities   |   |               |               | 328,616           | 1.33                 |              |
| <b>Total Value of Transferable Securities</b>  |   |               |               | <b>24,043,018</b> | <b>97.61</b>         |              |
| <b>Open Forward Foreign Currency Exchange Contracts (0.36%) (30 September 2015: 0.23%)</b> |   |               |               |                   |                      |              |
| Settlement Date  | Buy   | Amount Bought | Sell          | Amount Sold       | Unrealised Gain/Loss | % Net Assets |
| 17/10/2016   | EUR   | 12,036,903    | USD           | (13,585,884)      | (115,841)            | (0.47)       |
| 17/10/2016   | EUR   | 119,727       | USD           | (135,135)         | (1,153)              | (0.00)       |
| 17/10/2016   | USD   | 83            | CHF           | (80)              | (1)                  | (0.00)       |
| 17/10/2016   | USD   | 18,214        | GBP           | (13,707)          | 436                  | 0.00         |
| 17/10/2016   | USD   | 2,632,991     | EUR           | (2,345,217)       | 8,548                | 0.03         |
| 17/10/2016   | USD   | 831,716       | GBP           | (626,882)         | 18,627               | 0.08         |

PRINCIPAL GLOBAL INVESTORS FUNDS

PORTFOLIO OF INVESTMENTS  
AS AT 30 SEPTEMBER 2016 (continued)

| SPECTRUM GLOBAL CAPITAL SECURITIES FUND (continued)   |                 |                           |                  |                         |                                  |                          |
|---|-----------------|---------------------------|------------------|-------------------------|----------------------------------|--------------------------|
| Open Forward Foreign Currency Exchange Contracts (0.36%) (30 September 2015: 0.23%) (continued)                                     |                 |                           |                  |                         |                                  |                          |
| Settlement Date (continued)   | Buy (continued) | Amount Bought (continued) | Sell (continued) | Amount Sold (continued) | Unrealised Gain/Loss (continued) | % Net Assets (continued) |
|   |                 |                           |                  |                         | 27,611                           | 0.11                     |
|   |                 |                           |                  |                         | (116,995)                        | (0.47)                   |
| Unrealised Gain on Forward Foreign Currency Exchange Contracts  |                 |                           |                  |                         | 27,611                           | 0.11                     |
| Unrealised Loss on Forward Foreign Currency Exchange Contracts  |                 |                           |                  |                         | (116,995)                        | (0.47)                   |
| <b>Net Unrealised Loss on Forward Foreign Currency Exchange Contracts</b>   |                 |                           |                  |                         | <b>(89,384)</b>                  | <b>(0.36)</b>            |
| Open Future Contracts 0.02% (30 September 2015: 0.00%)  |                 |                           |                  |                         |                                  |                          |
| No. of Contracts  | Cost Price      | Description               | Maturity Date    | Unrealised Gain/(Loss)  | % Net Assets                     |                          |
| (40)  | (180,400)       | Euro Stoxx Bank           | 16/12/2016       | 4,474                   | 0.02                             |                          |
| Unrealised Gains on Future Contracts  |                 |                           |                  |                         | 4,474                            | 0.02                     |
| <b>Total Unrealised Gain on Future Contracts</b>  |                 |                           |                  |                         | <b>4,474</b>                     | <b>0.02</b>              |
| Options 0.21% (30 September 2015: 0.46%)  |                 |                           |                  |                         |                                  |                          |
|   |                 |                           | No. of contracts | Value US\$              | % Net Assets                     |                          |
| Call Commodity Option USD 170.00 21/10/2016   |                 |                           | 65               | 91,407                  | 0.37                             |                          |
| Call Commodity Option USD 173.00 21/10/2016   |                 |                           | (130)            | (62,969)                | (0.25)                           |                          |
| Call Commodity Option USD 177.00 21/10/2016   |                 |                           | 65               | 10,156                  | 0.04                             |                          |
| Put Commodity Option USD 159.00 21/10/2016  |                 |                           | 65               | 2,031                   | 0.01                             |                          |
| Put Commodity Option USD 163.00 21/10/2016  |                 |                           | (130)            | (16,250)                | (0.07)                           |                          |
| Put Commodity Option USD 166.00 21/10/2016  |                 |                           | 65               | 27,422                  | 0.11                             |                          |
| Unrealised Gains on Option Contracts  |                 |                           |                  |                         | 131,016                          | 0.53                     |
| Unrealised Loss on Option Contracts   |                 |                           |                  |                         | (79,219)                         | (0.32)                   |
| <b>Total Unrealised Gain on Option Contracts</b>  |                 |                           |                  |                         | <b>51,797</b>                    | <b>0.21</b>              |
| Cash at Bank  |                 |                           |                  |                         | 604,526                          | 2.45                     |
| Net Current Assets  |                 |                           |                  |                         | 14,988                           | 0.07                     |
| <b>Net Assets Attributable to Holders of Redeemable Participating Units at Mid Market Prices</b>                                    |                 |                           |                  |                         | <b>24,629,419</b>                | <b>100.00</b>            |
| <b>Analysis of Total Assets</b>   |                 |                           |                  |                         |                                  | <b>% Total Assets</b>    |
| Transferable Securities and Money Market Instruments admitted to an official stock exchange listing or traded on a regulated market |                 |                           |                  |                         |                                  | 95.25                    |
| Financial Derivative instruments dealt in or on a regulated market  |                 |                           |                  |                         |                                  | (0.13)                   |
| Other Assets  |                 |                           |                  |                         |                                  | 4.88                     |
| <b>Total Assets</b>   |                 |                           |                  |                         |                                  | <b>100.00</b>            |
| All securities are transferable securities admitted to an official stock exchange listing.  |                 |                           |                  |                         |                                  |                          |
| The counterparty for the forward foreign currency exchange contracts is State Street Global Markets.                                |                 |                           |                  |                         |                                  |                          |
| The counterparty for the open future contracts is Morgan Stanley.   |                 |                           |                  |                         |                                  |                          |
| The counterparty for the option contracts is Morgan Stanley.  |                 |                           |                  |                         |                                  |                          |

PRINCIPAL GLOBAL INVESTORS FUNDS

PORTFOLIO OF INVESTMENTS  
AS AT 30 SEPTEMBER 2016 (continued)

| GLOBAL CAPITAL STRUCTURE OPPORTUNITIES FUND  |   |               |               |                   |                      |              |
|--|---|---------------|---------------|-------------------|----------------------|--------------|
| Nominal  | Security                                | Coupon Rate   | Maturity Date | Value USD         | % Net Assets         |              |
| <b>TRANSFERABLE SECURITIES 96.46% (30 September 2015: 91.15%)</b>                          |   |               |               |                   |                      |              |
| <b>FRANCE 2.42% (30 September 2015: 2.84%)</b>   |   |               |               |                   |                      |              |
| <b>Corporate Bond</b>  |   |               |               |                   |                      |              |
| 250,000  | BPCE SA                                 | 2.650%        | 03/02/2021    | 258,743           | 2.42                 |              |
| <b>IRELAND 4.42% (30 September 2015: 4.90%)</b>  |   |               |               |                   |                      |              |
| <b>Corporate Bond</b>  |   |               |               |                   |                      |              |
| 400,000  | XLIT Ltd                                | 4.450%        | 31/03/2025    | 408,177           | 3.82                 |              |
| 65,000   | XLIT Ltd                                | 5.500%        | 31/03/2045    | 64,383            | 0.60                 |              |
| <b>ITALY 0.00% (30 September 2015: 5.76%)</b>  |   |               |               |                   |                      |              |
| <b>MEXICO 0.00% (30 September 2015: 4.22%)</b>   |   |               |               |                   |                      |              |
| <b>NETHERLANDS 3.55% (30 September 2015: 8.49%)</b>  |   |               |               |                   |                      |              |
| <b>Corporate Bond</b>  |   |               |               |                   |                      |              |
| 350,000  | Cooperatieve Rabobank UA                | 4.625%        | 01/12/2023    | 380,479           | 3.55                 |              |
| <b>SPAIN 3.42% (30 September 2015: 0.00%)</b>  |   |               |               |                   |                      |              |
| <b>Corporate Bond</b>  |   |               |               |                   |                      |              |
| 400,000  | Banco Santander SA                      | 6.375%        | Perpetual     | 365,993           | 3.42                 |              |
| <b>SWEDEN 6.74% (30 September 2015: 4.62%)</b>   |   |               |               |                   |                      |              |
| <b>Corporate Bond</b>  |   |               |               |                   |                      |              |
| 425,000  | Skandinaviska Enskilda Banken AB        | 5.750%        | Perpetual     | 423,803           | 3.96                 |              |
| 300,000  | Svenska Handelsbanken AB                | 5.250%        | Perpetual     | 297,188           | 2.78                 |              |
| <b>SWITZERLAND 7.14% (30 September 2015: 3.56%)</b>  |   |               |               |                   |                      |              |
| <b>Corporate Bond</b>  |   |               |               |                   |                      |              |
| 400,000  | Credit Suisse AG/Guernsey               | 5.860%        | Perpetual     | 407,328           | 3.81                 |              |
| 350,000  | UBS AG/Jersey                           | 7.250%        | 22/02/2022    | 356,538           | 3.33                 |              |
| <b>UNITED KINGDOM 11.30% (30 September 2015: 0.98%)</b>                                    |   |               |               |                   |                      |              |
| <b>Corporate Bond</b>  |   |               |               |                   |                      |              |
| 350,000  | Lloyds Banking Group Plc                | 4.650%        | 24/03/2026    | 364,202           | 3.41                 |              |
| 325,000  | Nationwide Building Society             | 4.000%        | 14/09/2026    | 326,872           | 3.06                 |              |
| 430,000  | Royal Bank of Scotland Group Plc        | 7.648%        | Perpetual     | 517,075           | 4.83                 |              |
| <b>UNITED STATES 57.47% (30 September 2015: 55.78%)</b>                                    |   |               |               |                   |                      |              |
| <b>Corporate Bond</b>  |   |               |               |                   |                      |              |
| 600,000  | American International Group Inc        | 3.875%        | 15/01/2035    | 592,897           | 5.54                 |              |
| 315,000  | Associated Banc-Corp                    | 4.250%        | 15/01/2025    | 329,572           | 3.08                 |              |
| 50,000   | Bank of America Corp                    | 3.500%        | 19/04/2026    | 52,273            | 0.49                 |              |
| 100,000  | Bank of America Corp                    | 4.750%        | 21/04/2045    | 109,127           | 1.02                 |              |
| 325,000  | Bank of America Corp                    | 5.125%        | Perpetual     | 319,910           | 2.99                 |              |
| 335,000  | First Horizon National Corp             | 3.500%        | 15/12/2020    | 342,753           | 3.21                 |              |
| 550,000  | First Republic Bank/CA                  | 4.375%        | 01/08/2046    | 554,349           | 5.18                 |              |
| 350,000  | Goldman Sachs Group Inc/The             | 5.950%        | 15/01/2027    | 417,409           | 3.90                 |              |
| 250,000  | HCP Inc                                 | 4.250%        | 15/11/2023    | 263,620           | 2.47                 |              |
| 200,000  | Healthcare Trust of America Holdings LP | 3.500%        | 01/08/2026    | 203,864           | 1.91                 |              |
| 415,000  | JPMorgan Chase & Co                     | 4.125%        | 15/12/2026    | 445,428           | 4.17                 |              |
| 100,000  | JPMorgan Chase & Co                     | 4.250%        | 01/10/2027    | 108,105           | 1.01                 |              |
| 450,000  | JPMorgan Chase & Co                     | 5.300%        | Perpetual     | 456,750           | 4.27                 |              |
| 830,000  | Morgan Stanley                          | 5.000%        | 24/11/2025    | 933,801           | 8.73                 |              |
| 150,000  | Prudential Financial Inc                | 5.375%        | 15/05/2045    | 156,900           | 1.47                 |              |
| 250,000  | Ventas Realty LP / Ventas Capital Corp  | 4.750%        | 01/06/2021    | 278,282           | 2.60                 |              |
| 140,000  | VEREIT Operating Partnership LP         | 4.125%        | 01/06/2021    | 145,250           | 1.36                 |              |
| 160,000  | Wells Fargo & Co                        | 4.400%        | 14/06/2046    | 163,942           | 1.53                 |              |
| 250,000  | Welltower Inc                           | 4.250%        | 01/04/2026    | 271,733           | 2.54                 |              |
| <b>Total Value of Transferable Securities at Mid Market Prices (Cost: USD10,041,253)</b>   |   |               |               | <b>10,316,746</b> | <b>96.46</b>         |              |
| Interest Receivable on Transferable Securities   |   |               |               | 130,743           | 1.22                 |              |
| <b>Total Value of Transferable Securities</b>  |   |               |               | <b>10,447,489</b> | <b>97.68</b>         |              |
| <b>Open Forward Foreign Currency Exchange Contracts 0.00% (30 September 2015: (0.00%))</b> |   |               |               |                   |                      |              |
| Settlement Date  | Buy                                     | Amount Bought | Sell          | Amount Sold       | Unrealised Gain/Loss | % Net Assets |
| 17/10/2016   | USD                                     | 82            | CHF           | (80)              | (1)                  | (0.00)       |
| 17/10/2016   | USD                                     | 3,654         | EUR           | (3,262)           | 4                    | 0.00         |

PRINCIPAL GLOBAL INVESTORS FUNDS

PORTFOLIO OF INVESTMENTS  
AS AT 30 SEPTEMBER 2016 (continued)

| GLOBAL CAPITAL STRUCTURE OPPORTUNITIES FUND (continued)   |                             |                       |                           |                        |                         |                          |
|---|-----------------------------|-----------------------|---------------------------|------------------------|-------------------------|--------------------------|
| Open Forward Foreign Currency Exchange Contracts 0.00% (30 September 2015: (0.00%)) (continued)                                     | Settlement Date (continued) | Buy (continued)       | Amount Bought (continued) | Sell (continued)       | Amount Sold (continued) | % Net Assets (continued) |
| Unrealised Gain on Forward Foreign Currency Exchange Contracts  |                             |                       |                           |                        |                         | 4                        |
| Unrealised Loss on Forward Foreign Currency Exchange Contracts  |                             |                       |                           |                        |                         | (1)                      |
| Net Unrealised Gain on Forward Foreign Currency Exchange Contracts  |                             |                       |                           |                        |                         | 3                        |
| Open Future Contracts (0.01%) (30 September 2015: (0.37%))  |                             |                       |                           |                        |                         |                          |
| No. of Contracts  | Cost Price                  | Description           | Maturity Date             | Unrealised Gain/(Loss) | % Net Assets            |                          |
| (7)   | (919,024)                   | US 10 Year Note (CBT) | 20/12/2016                | (2,570)                | (0.02)                  |                          |
| (2)   | (341,281)                   | US Long Bond (CBT)    | 20/12/2016                | 1,406                  | 0.01                    |                          |
| Unrealised Gains on Future Contracts  |                             |                       |                           |                        | 1,406                   | 0.01                     |
| Unrealised Loss on Future Contracts   |                             |                       |                           |                        | (2,570)                 | (0.02)                   |
| Total Unrealised Loss on Future Contracts   |                             |                       |                           |                        |                         | (1,164)                  |
| Cash at Bank  |                             |                       |                           |                        | 242,270                 | 2.27                     |
| Net Current Assets  |                             |                       |                           |                        | 6,660                   | 0.06                     |
| Net Assets Attributable to Holders of Redeemable Participating Units at Mid Market Prices   |                             |                       |                           |                        |                         | 10,695,258               |
| Analysis of Total Assets  |                             |                       |                           |                        |                         | % Total Assets           |
| Transferable Securities and Money Market Instruments admitted to an official stock exchange listing or traded on a regulated market |                             |                       |                           |                        |                         | 95.96                    |
| Financial Derivative instruments dealt in or on a regulated market  |                             |                       |                           |                        |                         | (0.01)                   |
| Other Assets  |                             |                       |                           |                        |                         | 4.05                     |
| Total Assets  |                             |                       |                           |                        |                         | 100.00                   |
| All securities are transferable securities admitted to an official stock exchange listing.  |                             |                       |                           |                        |                         |                          |
| The counterparty for the forward foreign currency exchange contracts is State Street Global Markets.                                |                             |                       |                           |                        |                         |                          |
| The counterparty for the future contracts is JPMorgan Chase & Co.   |                             |                       |                           |                        |                         |                          |

PRINCIPAL GLOBAL INVESTORS FUNDS

PORTFOLIO OF INVESTMENTS  
AS AT 30 SEPTEMBER 2016 (continued)

| GLOBAL CREDIT ALPHA FUND |   |             |               |           |              |
|--------------------------|---|-------------|---------------|-----------|--------------|
| Nominal                  | Security  | Coupon Rate | Maturity Date | Value USD | % Net Assets |
|                          | <b>TRANSFERABLE SECURITIES 91.69% (30 September 2015: 87.72%)</b> |             |               |           |              |
|                          | <b>AUSTRALIA 0.00% (30 September 2015: 2.37%)</b>                 |             |               |           |              |
|                          | <b>BRAZIL 1.02% (30 September 2015: 0.00%)</b>                    |             |               |           |              |
|                          | <b>Corporate Bond</b>   |             |               |           |              |
| 85,000                   | JBS USA LUX SA / JBS USA Finance Inc                              | 5.875%      | 15/07/2024    | 85,213    | 1.02         |
|                          | <b>CANADA 4.75% (30 September 2015: 0.00%)</b>                    |             |               |           |              |
|                          | <b>Corporate Bond</b>   |             |               |           |              |
| 150,000                  | Bank of Montreal  | 1.615%      | 27/08/2021    | 150,153   | 1.79         |
| 95,000                   | Bombardier Inc  | 4.750%      | 15/04/2019    | 93,219    | 1.11         |
| 100,000                  | Fortis Inc/Canada   | 2.100%      | 04/10/2021    | 99,745    | 1.19         |
| 60,000                   | Teck Resources Ltd  | 3.750%      | 01/02/2023    | 55,500    | 0.66         |
|                          | <b>FRANCE 0.00% (30 September 2015: 3.07%)</b>                    |             |               |           |              |
|                          | <b>GREECE 1.81% (30 September 2015: 2.40%)</b>                    |             |               |           |              |
|                          | <b>Corporate Bond</b>   |             |               |           |              |
| 210,000                  | Eletson Holdings Inc  | 9.625%      | 15/01/2022    | 152,250   | 1.81         |
|                          | <b>IRELAND 0.00% (30 September 2015: 2.55%)</b>                   |             |               |           |              |
|                          | <b>ISRAEL 0.96% (30 September 2015: 1.00%)</b>                    |             |               |           |              |
|                          | <b>Corporate Bond</b>   |             |               |           |              |
| 75,000                   | B Communications Ltd  | 7.375%      | 15/02/2021    | 80,906    | 0.96         |
|                          | <b>ITALY 2.49% (30 September 2015: 2.48%)</b>                     |             |               |           |              |
|                          | <b>Corporate Bond</b>   |             |               |           |              |
| 200,000                  | Wind Acquisition Finance SA                                       | 7.375%      | 23/04/2021    | 209,250   | 2.49         |
|                          | <b>JAPAN 2.38% (30 September 2015: 0.00%)</b>                     |             |               |           |              |
|                          | <b>Corporate Bond</b>   |             |               |           |              |
| 200,000                  | Mizuho Financial Group Inc  | 1.992%      | 13/09/2021    | 199,910   | 2.38         |
|                          | <b>LUXEMBOURG 0.00% (30 September 2015: 2.39%)</b>                |             |               |           |              |
|                          | <b>MEXICO 8.03% (30 September 2015: 2.53%)</b>                    |             |               |           |              |
|                          | <b>Corporate Bond</b>   |             |               |           |              |
| 200,000                  | Cemex SAB de CV   | 6.125%      | 05/05/2025    | 205,960   | 2.45         |
| 250,000                  | Grupo Televisa SAB  | 4.625%      | 30/01/2026    | 270,046   | 3.22         |
| 200,000                  | Mexico City Airport Trust   | 5.500%      | 31/10/2046    | 198,000   | 2.36         |
|                          | <b>NETHERLANDS 0.00% (30 September 2015: 5.06%)</b>               |             |               |           |              |
|                          | <b>PUERTO RICO 1.24% (30 September 2015: 1.57%)</b>               |             |               |           |              |
|                          | <b>Corporate Bond</b>   |             |               |           |              |
| 100,000                  | Popular Inc   | 7.000%      | 01/07/2019    | 104,000   | 1.24         |
|                          | <b>TRINIDAD &amp; TOBAGO 0.00% (30 September 2015: 2.39%)</b>     |             |               |           |              |
|                          | <b>UNITED KINGDOM 0.00% (30 September 2015: 5.13%)</b>            |             |               |           |              |
|                          | <b>UNITED STATES 69.01% (30 September 2015: 54.78%)</b>           |             |               |           |              |
|                          | <b>Common Stock</b>   |             |               |           |              |
| 699                      | Verso Corp  |             |               | 4,564     | 0.05         |
|                          | <b>Corporate Bond</b>   |             |               |           |              |
| 85,000                   | Activision Blizzard Inc   | 6.125%      | 15/09/2023    | 93,437    | 1.11         |
| 150,000                  | AIG Global Funding  | 1.900%      | 06/10/2021    | 149,723   | 1.78         |
| 85,000                   | Ally Financial Inc  | 5.750%      | 20/11/2025    | 89,144    | 1.06         |
| 70,000                   | Beazer Homes USA Inc  | 8.750%      | 15/03/2022    | 74,025    | 0.88         |
| 135,000                  | BI-LO LLC / BI-LO Finance Corp                                    | 9.250%      | 15/02/2019    | 116,100   | 1.38         |
| 75,000                   | BMC East LLC  | 5.500%      | 01/10/2024    | 75,375    | 0.90         |
| 130,000                  | CCM Merger Inc  | 9.125%      | 01/05/2019    | 136,041   | 1.62         |
| 20,000                   | Centene Corp  | 5.625%      | 15/02/2021    | 21,250    | 0.25         |
| 25,000                   | Centene Corp  | 6.125%      | 15/02/2024    | 27,047    | 0.32         |
| 60,000                   | Continental Resources Inc/OK                                      | 4.500%      | 15/04/2023    | 58,050    | 0.69         |
| 40,000                   | Continental Resources Inc/OK                                      | 5.000%      | 15/09/2022    | 40,150    | 0.48         |
| 45,000                   | Credit Acceptance Corp  | 7.375%      | 15/03/2023    | 46,800    | 0.56         |
| 50,000                   | Crecent Communities LLC   | 8.875%      | 15/10/2021    | 50,000    | 0.60         |
| 140,000                  | DISH DBS Corp   | 5.875%      | 15/11/2024    | 138,425   | 1.65         |
| 130,000                  | Eldorado Resorts Inc  | 7.000%      | 01/08/2023    | 138,125   | 1.65         |
| 105,000                  | EP Energy LLC / Everest Acquisition Finance Inc                   | 7.750%      | 01/09/2022    | 62,475    | 0.75         |
| 20,000                   | EP Energy LLC / Everest Acquisition Finance Inc                   | 9.375%      | 01/05/2020    | 14,225    | 0.17         |
| 25,000                   | Frontier Communications Corp                                      | 10.500%     | 15/09/2022    | 26,484    | 0.32         |
| 50,000                   | Frontier Communications Corp                                      | 11.000%     | 15/09/2025    | 52,063    | 0.62         |



PRINCIPAL GLOBAL INVESTORS FUNDS

PORTFOLIO OF INVESTMENTS  
AS AT 30 SEPTEMBER 2016 (continued)

| GLOBAL CREDIT ALPHA FUND (continued)   |  |               |                  |                      |              |
|--|--|---------------|------------------|----------------------|--------------|
| Nominal  | Security   | Coupon Rate   | Maturity Date    | Value USD            | % Net Assets |
| <b>UNITED STATES 69.01% (30 September 2015: 54.78%) (continued)</b>                      |  |               |                  |                      |              |
| <b>Corporate Bond (continued)</b>  |  |               |                  |                      |              |
| 158,000  | General Electric Co  | 1.850%        | 15/03/2023       | 158,692              | 1.89         |
| 45,000   | GLP Capital LP / GLP Financing II Inc                                | 5.375%        | 15/04/2026       | 48,375               | 0.58         |
| 250,000  | Goldman Sachs Group Inc/The  | 2.241%        | 15/11/2021       | 249,356              | 2.97         |
| 90,000   | Halcon Resources Corp  | 8.625%        | 01/02/2020       | 90,225               | 1.08         |
| 100,000  | Hewlett Packard Enterprise Co  | 6.350%        | 15/10/2045       | 104,418              | 1.24         |
| 74,000   | Jazz US Holdings Inc   | 8.000%        | 31/12/2018       | 118,076              | 1.41         |
| 140,000  | JPMorgan Chase & Co  | 5.000%        | Perpetual        | 138,075              | 1.64         |
| 40,000   | Kinetic Concepts Inc / KCI USA Inc                                   | 7.875%        | 15/02/2021       | 43,300               | 0.51         |
| 185,000  | Landry's Holdings II Inc   | 10.250%       | 01/01/2018       | 189,856              | 2.26         |
| 165,000  | Liberty Mutual Group Inc   | 7.000%        | 15/03/2037       | 141,488              | 1.69         |
| 150,000  | MetLife Inc  | 10.750%       | 01/08/2039       | 240,765              | 2.87         |
| 150,000  | Molson Coors Brewing Co  | 3.000%        | 15/07/2026       | 151,856              | 1.81         |
| 135,000  | MPH Acquisition Holdings LLC   | 7.125%        | 01/06/2024       | 145,125              | 1.73         |
| 5,000  | Navient Corp   | 5.000%        | 26/10/2020       | 4,938                | 0.06         |
| 40,000   | Navient Corp   | 5.875%        | 25/03/2021       | 39,950               | 0.47         |
| 30,000   | Navient Corp   | 7.250%        | 25/09/2023       | 30,015               | 0.36         |
| 160,000  | Navios Maritime Acquisition Corp / Navios Acquisition Finance US Inc | 8.125%        | 15/11/2021       | 118,400              | 1.41         |
| 200,000  | Shire Acquisitions Investments Ireland DAC                           | 3.200%        | 23/09/2026       | 201,889              | 2.40         |
| 95,000   | Tesororo Industrial Group Lux SA/Signode Industrial Group US Inc     | 6.375%        | 01/05/2022       | 96,306               | 1.15         |
| 95,000   | Signode Finance Corp   | 5.250%        | 15/12/2019       | 97,137               | 1.16         |
| 45,000   | Tesororo Logistics LP / Tesoro Logistics Finance Corp                | 6.125%        | 15/10/2021       | 47,081               | 0.56         |
| 5,000  | Tesororo Logistics LP / Tesoro Logistics Finance Corp                | 6.250%        | 15/10/2022       | 5,363                | 0.07         |
| 40,000   | Tesororo Logistics LP / Tesoro Logistics Finance Corp                | 6.375%        | 01/05/2024       | 42,900               | 0.51         |
| 95,000   | Universal Hospital Services Inc                                      | 7.625%        | 15/08/2020       | 90,963               | 1.08         |
| 125,000  | Voya Financial Inc   | 5.650%        | 15/05/2053       | 125,156              | 1.49         |
| 130,000  | WCI Communities Inc  | 6.875%        | 15/08/2021       | 138,612              | 1.65         |
| 35,000   | Whiting Petroleum Corp   | 5.000%        | 15/03/2019       | 33,775               | 0.40         |
| 65,000   | Whiting Petroleum Corp   | 5.750%        | 15/03/2021       | 60,775               | 0.72         |
| 115,000  | WideOpenWest Finance LLC / WideOpenWest Capital Corp                 | 10.250%       | 15/07/2019       | 121,181              | 1.44         |
| 96,037   | Wise Metals Intermediate Holdings LLC/Wise Holdings Finance Corp     | 9.750%        | 15/06/2019       | 92,676               | 1.10         |
| 75,000   | WMG Acquisition Corp   | 6.750%        | 15/04/2022       | 79,781               | 0.95         |
| <b>Government Bond</b>   |  |               |                  |                      |              |
| 700,000  | United States Treasury Bill  | 0.000%        | 06/10/2016       | 699,997              | 8.34         |
| 150,000  | United States Treasury Note/Bond                                     | 1.375%        | 31/01/2021       | 151,904              | 1.81         |
| 75,000   | United States Treasury Note/Bond                                     | 1.750%        | 31/01/2023       | 76,978               | 0.92         |
| <b>Mortgage Related</b>  |  |               |                  |                      |              |
| 100,000  | Citigroup Commercial Mortgage Trust 2015-GC35                        | 3.818%        | 10/11/2048       | 111,021              | 1.32         |
| 85,000   | COMM 2014-LC17 Mortgage Trust  | 4.490%        | 10/10/2047       | 94,375               | 1.12         |
| <b>Total Value of Transferable Securities at Mid Market Prices</b>                       |  |               |                  | <b>7,698,435</b>     | <b>91.69</b> |
| <b>UNLISTED 1.96% (30 September 2015: 5.41%)</b>   |  |               |                  |                      |              |
| <b>LUXEMBOURG 1.96% (30 September 2015: 1.95%)</b>                                       |  |               |                  |                      |              |
| <b>Corporate Bond</b>  |  |               |                  |                      |              |
| 160,000  | Coveris Holdings SA  | 7.875%        | 01/11/2019       | 164,400              | 1.96         |
| <b>UNITED KINGDOM 0.00% (30 September 2015: 0.53%)</b>                                   |  |               |                  |                      |              |
| <b>UNITED STATES 0.00% (30 September 2015: 2.93%)</b>                                    |  |               |                  |                      |              |
| <b>Total Value of Unlisted at Mid Market Prices</b>                                      |  |               |                  | <b>164,400</b>       | <b>1.96</b>  |
| <b>Total Value of Transferable Securities at Mid Market Prices (Cost: USD7,899,049)</b>  |  |               |                  | <b>7,862,835</b>     | <b>93.65</b> |
| Interest Receivable on Transferable Securities   |  |               |                  | 91,722               | 1.09         |
| <b>Total Value of Transferable Securities</b>  |  |               |                  | <b>7,954,557</b>     | <b>94.74</b> |
| <b>Open Forward Foreign Currency Exchange Contracts 0.01% (30 September 2015: 0.00%)</b> |  |               |                  |                      |              |
| Settlement Date  | Buy  | Amount Bought | Sell Amount Sold | Unrealised Gain/Loss | % Net Assets |
| 17/10/2016   | USD  | 82            | (80)             | (1)                  | (0.00)       |
| 17/10/2016   | USD  | 84            | (75)             | (0)                  | 0.00         |
| 17/10/2016   | USD  | 3,654         | (3,262)          | 4                    | 0.00         |
| 17/10/2016   | USD  | 22,494        | (16,954)         | 504                  | 0.01         |
| Unrealised Gain on Forward Foreign Currency Exchange Contracts                           |  |               |                  | 508                  | 0.01         |
| Unrealised Loss on Forward Foreign Currency Exchange Contracts                           |  |               |                  | (1)                  | (0.00)       |
| <b>Net Unrealised Gain on Forward Foreign Currency Exchange Contracts</b>                |  |               |                  | <b>507</b>           | <b>0.01</b>  |

PRINCIPAL GLOBAL INVESTORS FUNDS

PORTFOLIO OF INVESTMENTS  
AS AT 30 SEPTEMBER 2016 (continued)

| GLOBAL CREDIT ALPHA FUND (continued)  |               |                         |                |                        |                       |
|---|---------------|-------------------------|----------------|------------------------|-----------------------|
| <b>Open Future Contracts (0.03%) (30 September 2015: 0.00%)</b>   |               |                         |                |                        |                       |
| No. of Contracts  | Cost          | Description             | Maturity Date  | Unrealised Gain/(Loss) | % Net Assets          |
| 5   | 608,438       | US 5 Year Note (CBT)    | 30/12/2016     | 547                    | 0.01                  |
| 2   | 262,420       | Long Gilt Future        | 28/12/2016     | (544)                  | (0.01)                |
| 3   | 511,031       | US Long Bond (CBT)      | 20/12/2016     | (1,219)                | (0.02)                |
| (2)   | (288,906)     | US 10 Year Ultra Future | 20/12/2016     | (1,094)                | (0.01)                |
| Unrealised Gains on Future Contracts  |               |                         |                | 547                    | 0.01                  |
| Unrealised Loss on Future Contracts   |               |                         |                | (2,857)                | (0.04)                |
| <b>Total Unrealised Loss on Future Contracts</b>  |               |                         |                | <b>(2,310)</b>         | <b>(0.03)</b>         |
| <b>Credit Default Swaps (0.40%) (30 September 2015: 0.02%)</b>  |               |                         |                |                        |                       |
| Description   | Maturity Date | Notional Amount         | Fair Value USD | % Net Assets           |                       |
| <b>1 to 5 Years</b>   |               |                         |                |                        |                       |
| Citigroup   | 20/12/2020    | 99,000                  | (5,173)        | (0.06)                 |                       |
| Citigroup   | 20/12/2020    | 19,800                  | (1,035)        | (0.01)                 |                       |
| Citigroup   | 20/06/2021    | 200,000                 | (9,162)        | (0.11)                 |                       |
| Citigroup   | 20/06/2021    | 400,000                 | (18,324)       | (0.22)                 |                       |
| Unrealised Loss on Credit Default Swaps   |               |                         |                | (33,694)               | (0.40)                |
| <b>Total Unrealised Loss on Credit Default Swaps</b>  |               |                         |                | <b>(33,694)</b>        | <b>(0.40)</b>         |
| <b>Total Return Swaps (0.05%) (30 September 2015: (0.04%))</b>  |               |                         |                |                        |                       |
| Description   | Maturity Date | Notional Amount         | Fair Value USD | % Net Assets           |                       |
| <b>Up to 1 year</b>   |               |                         |                |                        |                       |
| Barclays  | 08/12/2016    | 100,000                 | (3,722)        | (0.05)                 |                       |
| Unrealised Loss on Total Return Swaps   |               |                         |                | (3,722)                | (0.05)                |
| <b>Total Unrealised Loss on Total Return Swaps</b>  |               |                         |                | <b>(3,722)</b>         | <b>(0.05)</b>         |
| Cash at Bank  |               |                         |                | 915,245                | 10.90                 |
| Net Current Liabilities   |               |                         |                | (434,767)              | (5.17)                |
| <b>Net Assets Attributable to Holders of Redeemable Participating Units at Mid Market Prices</b>                                    |               |                         |                | <b>8,395,816</b>       | <b>100.00</b>         |
| <b>Analysis of Total Assets</b>   |               |                         |                |                        | <b>% Total Assets</b> |
| Transferable Securities and Money Market Instruments admitted to an official stock exchange listing or traded on a regulated market |               |                         |                |                        | 85.42                 |
| Transferable Securities other than those admitted to an official stock exchange listing or traded on a regulated market             |               |                         |                |                        | 1.82                  |
| Financial Derivative instruments dealt in or on a regulated market  |               |                         |                |                        | (0.44)                |
| Other Assets  |               |                         |                |                        | 13.20                 |
| <b>Total Assets</b>   |               |                         |                |                        | <b>100.00</b>         |
| Except where stated above all securities are transferable securities admitted to an official stock exchange listing.                |               |                         |                |                        |                       |
| The counterparty for the forward foreign currency exchange contracts is State Street Global Markets.                                |               |                         |                |                        |                       |
| The counterparty for the open future contracts is JPMorgan Chase & Co.  |               |                         |                |                        |                       |
| The counterparty for the credit default swaps is Citigroup.   |               |                         |                |                        |                       |
| The counterparty for the total return swap is Barclays.   |               |                         |                |                        |                       |

PRINCIPAL GLOBAL INVESTORS FUNDS

PORTFOLIO OF INVESTMENTS  
AS AT 30 SEPTEMBER 2016 (continued)

| REAL ESTATE DEBT FUND   |   |             |               |                  |                       |
|---|---|-------------|---------------|------------------|-----------------------|
| Nominal   | Security  | Coupon Rate | Maturity Date | Value USD        | % Net Assets          |
| <b>TRANSFERABLE SECURITIES 99.58%</b>   |   |             |               |                  |                       |
| <b>UNITED STATES 99.58%</b>   |   |             |               |                  |                       |
| <b>Mortgage Related</b>   |   |             |               |                  |                       |
| 400,000   | CFCRE Commercial Mortgage Trust 2011-C2                       | 5.885%      | 15/12/2047    | 448,858          | 4.70                  |
| 425,000   | Citigroup Commercial Mortgage Trust 2016-GC37                 | 3.576%      | 10/04/2049    | 450,039          | 4.72                  |
| 570,000   | COMM 2012-CCRE2 Mortgage Trust                                | 5.016%      | 15/08/2045    | 594,341          | 6.23                  |
| 5,282,083   | COMM 2012-CCRE5 Mortgage Trust                                | 1.904%      | 10/12/2045    | 375,780          | 3.94                  |
| 315,000   | COMM 2016-DC2 Mortgage Trust                                  | 3.765%      | 10/02/2049    | 348,201          | 3.65                  |
| 425,000   | GE Commercial Mortgage Corp Series 2007-C1 Trust              | 5.606%      | 10/12/2049    | 421,414          | 4.42                  |
| 425,000   | GS Mortgage Securities Corp II                                | 4.150%      | 10/05/2050    | 442,419          | 4.64                  |
| 450,000   | GS Mortgage Securities Trust 2013-GC16                        | 5.497%      | 10/11/2046    | 424,013          | 4.44                  |
| 665,000   | GS Mortgage Securities Trust 2014-GC22                        | 4.391%      | 10/06/2047    | 734,195          | 7.69                  |
| 410,000   | JP Morgan Chase Commercial Mortgage Securities Trust 2014-C20 | 4.724%      | 15/07/2047    | 427,345          | 4.48                  |
| 425,000   | JPMBB Commercial Mortgage Securities Trust 2014-C19           | 4.829%      | 15/04/2047    | 448,466          | 4.70                  |
| 3,651,573   | JPMBB Commercial Mortgage Securities Trust 2015-C31           | 1.172%      | 15/08/2048    | 227,314          | 2.38                  |
| 545,000   | Morgan Stanley Bank of America Merrill Lynch Trust 2013-C13   | 5.054%      | 15/11/2046    | 601,556          | 6.30                  |
| 5,837,371   | Morgan Stanley Bank of America Merrill Lynch Trust 2013-C7    | 1.696%      | 15/02/2046    | 386,230          | 4.05                  |
| 425,000   | Morgan Stanley Bank of America Merrill Lynch Trust 2016-C29   | 3.325%      | 15/05/2049    | 455,535          | 4.77                  |
| 425,000   | Morgan Stanley Capital I Trust 2015-MS1                       | 4.164%      | 15/05/2048    | 468,469          | 4.91                  |
| 400,000   | UBS-Barclays Commercial Mortgage Trust 2012-C3                | 3.814%      | 10/08/2049    | 433,821          | 4.55                  |
| 370,000   | UBS-Barclays Commercial Mortgage Trust 2013-C5                | 4.223%      | 10/03/2046    | 377,954          | 3.96                  |
| 425,000   | Wachovia Bank Commercial Mortgage Trust Series 2007-C30       | 5.413%      | 15/12/2043    | 425,887          | 4.46                  |
| 172,462   | Wachovia Bank Commercial Mortgage Trust Series 2007-C34       | 6.139%      | 15/05/2046    | 173,056          | 1.81                  |
| 425,000   | Wells Fargo Commercial Mortgage Trust 2014-LC18               | 4.193%      | 15/12/2047    | 444,652          | 4.66                  |
| 6,254,908   | WFRBS Commercial Mortgage Trust 2013-C17                      | 1.700%      | 15/12/2046    | 393,340          | 4.12                  |
| <b>Total Value of Transferable Securities at Mid Market Prices (Cost: USD9,268,874)</b>   |   |             |               | <b>9,502,885</b> | <b>99.58</b>          |
| Interest Receivable on Transferable Securities  |   |             |               | 56,785           | 0.60                  |
| <b>Total Value of Transferable Securities</b>   |   |             |               | <b>9,559,670</b> | <b>100.18</b>         |
| Cash at Bank  |   |             |               | 17,838           | 0.19                  |
| Net Current Liabilities   |   |             |               | (34,770)         | (0.37)                |
| <b>Net Assets Attributable to Holders of Redeemable Participating Units at Mid Market Prices</b>                                    |   |             |               | <b>9,542,738</b> | <b>100.00</b>         |
| <b>Analysis of Total Assets</b>   |   |             |               |                  | <b>% Total Assets</b> |
| Transferable Securities and Money Market Instruments admitted to an official stock exchange listing or traded on a regulated market |   |             |               |                  | 98.76                 |
| Financial Derivative instruments dealt in or on a regulated market  |   |             |               |                  | 0.00                  |
| Other Assets  |   |             |               |                  | 1.24                  |
| <b>Total Assets</b>   |   |             |               |                  | <b>100.00</b>         |

All securities are transferable securities admitted to an official stock exchange listing.

**PRINCIPAL GLOBAL INVESTORS FUNDS**  
**STATEMENT OF FINANCIAL POSITION as at 30 September 2016**

|   | Note | GEF<br>USD        | AEF<br>USD       | EEF<br>USD         | EMEF<br>USD      | JEF<br>USD         | PSF<br>USD           | USEF<br>USD        | HYF<br>USD         | GPSF<br>USD        |
|---|------|-------------------|------------------|--------------------|------------------|--------------------|----------------------|--------------------|--------------------|--------------------|
| <b>Current Assets:</b>  |      |                   |                  |                    |                  |                    |                      |                    |                    |                    |
| Cash at Bank  | 4    | 1,588,637         | 162,816          | 21,765             | 216,523          | 256,631            | 135,154,790          | 1,118,720          | 6,139,310          | 2,724,238          |
| Sale of Securities Receivable   |      | —                 | 5,263            | 812,715            | 44,304           | —                  | 4,593,780            | 925,649            | —                  | 72,394             |
| Investments in Securities at Fair Value (Mid Prices)  |      | 46,883,996        | 7,923,003        | 99,847,516         | 7,143,329        | 30,847,380         | 115,953,843          | 133,097,876        | 162,351,791        | —                  |
| Dividends Receivable  |      | 55,895            | 8,380            | 66,861             | 2,510            | 251,369            | 538,783              | 56,107             | —                  | 483,526            |
| Due from Unitholders  |      | —                 | —                | 988                | —                | 789,566            | 13,417,831           | 123                | 217                | 210,568            |
| Unrealised Gains on Open Spot Currency Contracts  |      | —                 | 13               | 1,419              | 211              | —                  | 6,906                | —                  | —                  | 130                |
| Unrealised Gains on Open Forward Foreign Currency Exchange Contracts                        |      | 5,982             | 66,712           | —                  | 93,707           | —                  | 3,393,824            | —                  | 617,621            | 195,817            |
| Other Assets  |      | —                 | —                | —                  | —                | 15,206             | —                    | 2,955              | 13,013             | 11,493             |
| <b>Total Current Assets</b>   |      | <b>48,534,510</b> | <b>8,166,187</b> | <b>100,751,264</b> | <b>7,500,584</b> | <b>32,160,152</b>  | <b>2,477,727,145</b> | <b>118,057,397</b> | <b>139,868,037</b> | <b>166,049,957</b> |
| <b>Current Liabilities:</b>   |      |                   |                  |                    |                  |                    |                      |                    |                    |                    |
| Management Fees Payable   | 7    | (43,274)          | (9,103)          | (90,505)           | (6,786)          | (25,871)           | (1,494,589)          | (98,159)           | (98,496)           | (118,603)          |
| Trustee Fees Payable  | 7    | (3,234)           | (673)            | (9,286)            | (2,186)          | (2,217)            | (130,075)            | (8,103)            | (9,047)            | (10,570)           |
| Depository Fees Payable <sup>1</sup>  | 7    | (8,322)           | (75,951)         | (25,491)           | (48,285)         | (44,134)           | (42,805)             | (11,578)           | (9,533)            | (33,538)           |
| Audit Fees Payable  |      | (6,932)           | (6,932)          | (6,932)            | (6,932)          | (6,932)            | (15,349)             | (6,932)            | (15,539)           | (7,997)            |
| Administration Fees Payable   | 7    | (1,016)           | (778)            | (2,019)            | (262)            | (45)               | (151,165)            | (87)               | (5,600)            | (30)               |
| Due to Unitholders  |      | (15,641)          | (33,262)         | (42,000)           | (96)             | (1,019,829)        | (11,887,839)         | (720,150)          | (66,240)           | —                  |
| Purchase of Securities Payable  |      | (134,224)         | (72,253)         | —                  | (67,144)         | (640,566)          | (47,694,610)         | (463)              | (810,000)          | (2,587)            |
| Unrealised Loss on Open Spot Currency Contracts   |      | (3)               | (1)              | (178)              | (19)             | (22)               | (5,073)              | —                  | —                  | (293)              |
| Unrealised Loss on Open Forward Foreign Currency Exchange Contracts                         |      | —                 | —                | —                  | —                | —                  | (5,627,972)          | —                  | (36,840)           | (78,648)           |
| Other Payables  |      | (40,212)          | (31,296)         | (50,824)           | (28,479)         | (28,697)           | (93,714)             | (29,074)           | (22,386)           | (39,680)           |
| <b>Total Current Liabilities</b>  |      | <b>(252,858)</b>  | <b>(230,249)</b> | <b>(227,235)</b>   | <b>(160,189)</b> | <b>(1,768,313)</b> | <b>(67,143,191)</b>  | <b>(874,546)</b>   | <b>(1,075,681)</b> | <b>(291,946)</b>   |
| <b>Net Assets Attributable to Redeemable Participating Unitholders at Mid Market Prices</b> |      | <b>48,281,652</b> | <b>7,935,938</b> | <b>100,524,029</b> | <b>7,340,395</b> | <b>30,391,839</b>  | <b>2,410,583,954</b> | <b>117,182,851</b> | <b>138,792,356</b> | <b>165,758,011</b> |

<sup>1</sup> Custodian (until 17 March 2016) and Depository (from 18 March 2016).

**PRINCIPAL GLOBAL INVESTORS FUNDS  
STATEMENT OF FINANCIAL POSITION as at 30 September 2016 (continued)**

|   | Note | GEJF<br>USD       | GLTHY<br>USD       | GTDARF<br>USD    | EEIF*<br>USD  | GSCEF<br>USD      | OGEMF<br>USD      | OGEF<br>USD       | OGSCF<br>USD      | LSGOF<br>USD     |
|---|------|-------------------|--------------------|------------------|---------------|-------------------|-------------------|-------------------|-------------------|------------------|
| <b>Current Assets:</b>  |      |                   |                    |                  |               |                   |                   |                   |                   |                  |
| Cash at Bank  |      | 876,615           | 9,067,269          | 684,268          | 70,395        | 166,683           | 895,602           | 426,511           | 1,976,657         | 472,367          |
| Margin Cash Receivable  | 4    | —                 | —                  | —                | —             | —                 | —                 | —                 | —                 | 21,142           |
| Sale of Securities Receivable   | 4    | —                 | 11,419,424         | —                | —             | 87,672            | 5,044             | —                 | 4,612,265         | 225              |
| Investments in Securities at Fair Value (Mid Prices)  |      | 63,391,044        | 857,595,659        | 3,996,788        | —             | 17,498,134        | 95,026,728        | 15,719,084        | 56,355,700        | 6,300,584        |
| Securities Pledged as Collateral  | 4    | —                 | —                  | —                | —             | —                 | —                 | —                 | —                 | 350,147          |
| Dividends Receivable  |      | 52,907            | —                  | —                | —             | 21,895            | 72,797            | 12,565            | 91,990            | 8,158            |
| Unrealised Gains on Open Spot Currency Contracts  |      | —                 | —                  | —                | —             | —                 | —                 | —                 | 6                 | —                |
| Unrealised Gains on Open Forward Foreign Currency Exchange Contracts                        |      | —                 | 2,878,929          | 149,658          | —             | —                 | —                 | —                 | —                 | 45,940           |
| Unrealised Gains on Open Future Contracts   |      | —                 | —                  | 8,822            | —             | —                 | —                 | —                 | —                 | —                |
| Unrealised Gains on Option Contracts  |      | —                 | 28,127             | —                | —             | —                 | —                 | —                 | —                 | —                |
| Other Assets  |      | —                 | —                  | —                | —             | 25,661            | 2,640             | 10,241            | 3,066             | 50,092           |
| <b>Total Current Assets</b>   |      | <b>64,320,566</b> | <b>880,961,281</b> | <b>4,867,663</b> | <b>70,395</b> | <b>17,800,470</b> | <b>96,002,811</b> | <b>16,168,421</b> | <b>63,039,684</b> | <b>7,248,655</b> |
| <b>Current Liabilities:</b>   |      |                   |                    |                  |               |                   |                   |                   |                   |                  |
| Management Fees Payable   | 7    | (52,778)          | (460,339)          | (5,734)          | —             | (16,551)          | (78,340)          | (77,450)          | (46,824)          | (5,869)          |
| Performance Fees Payable  | 7    | —                 | (7,236)            | —                | —             | —                 | —                 | —                 | —                 | —                |
| Trustee Fees Payable  | 7    | (3,929)           | (50,918)           | (3,890)          | (3,890)       | (14,527)          | (23,297)          | (376)             | (3,906)           | (3,410)          |
| Depository Fees Payable <sup>1</sup>  | 7    | (16,536)          | (9,275)            | (6,224)          | (4,902)       | (14,527)          | (21,798)          | (7,798)           | (26,410)          | (17,070)         |
| Audit Fees Payable  |      | (11,744)          | (10,505)           | (11,632)         | (6,927)       | (6,932)           | (6,932)           | (6,932)           | (7,996)           | (6,932)          |
| Administration Fees Payable   | 7    | —                 | (2,862)            | —                | —             | (472)             | (1)               | —                 | —                 | —                |
| Due to Unitholders  |      | —                 | (19,396,043)       | (1,473)          | —             | —                 | —                 | —                 | (5,228,724)       | (17,806)         |
| Purchase of Securities Payable  |      | (1)               | —                  | —                | —             | —                 | (3)               | —                 | (968)             | —                |
| Unrealised Loss on Open Spot Currency Contracts   |      | —                 | —                  | (161,396)        | —             | —                 | —                 | —                 | —                 | —                |
| Unrealised Loss on Open Forward Foreign Currency Exchange Contracts                         |      | —                 | (6,973,130)        | —                | —             | —                 | —                 | —                 | —                 | (2,040)          |
| Unrealised Loss on Open Future Contracts  |      | (32,059)          | (32,309)           | (32,452)         | (54,676)      | (34,792)          | (33,322)          | (34,250)          | (40,278)          | (47,374)         |
| Other Payables  |      | (117,047)         | (26,935,381)       | (226,147)        | (70,395)      | (73,275)          | (163,693)         | (126,806)         | (5,355,106)       | (100,503)        |
| <b>Total Current Liabilities</b>  |      | <b>64,203,519</b> | <b>854,025,900</b> | <b>4,641,516</b> | <b>—</b>      | <b>17,727,195</b> | <b>95,839,118</b> | <b>16,041,615</b> | <b>57,684,578</b> | <b>7,148,152</b> |
| <b>Net Assets Attributable to Redeemable Participating Unitholders at Mid Market Prices</b> |      |                   |                    |                  |               |                   |                   |                   |                   |                  |

<sup>1</sup>EDGE Small/Mid-Cap Equity Income Fund terminated on 31 May 2016.

<sup>2</sup>Custodian (until 17 March 2016) and Depository (from 18 March 2016).

**PRINCIPAL GLOBAL INVESTORS FUNDS  
STATEMENT OF FINANCIAL POSITION as at 30 September 2016 (continued)**

|  | Note | CLAF<br>USD       | FEIMDF<br>USD      | GCSF<br>USD       | SDHY**<br>USD | CSOF<br>USD       | GCAF<br>USD      | REDF**<br>USD    | Total<br>USD         |
|--|------|-------------------|--------------------|-------------------|---------------|-------------------|------------------|------------------|----------------------|
| <b>Current Assets:</b>   |      |                   |                    |                   |               |                   |                  |                  |                      |
| Cash at Bank   | 4    | 357,029           | 13,804,394         | 604,526           | 63,262        | 242,270           | 915,245          | 17,838           | 178,024,361          |
| Cash Collateral  | 4    | —                 | 45,980,000         | —                 | —             | —                 | —                | —                | 45,980,000           |
| Margin Cash Receivable   | 4    | —                 | 10,648,939         | 38,303            | —             | 16,723            | 80,490           | —                | 10,805,597           |
| Sale of Securities Receivable  | —    | 151,774           | 48,501,555         | —                 | —             | —                 | 30,600           | —                | 71,262,664           |
| Investments in Securities at Fair Value (Mid Prices)                 | —    | 11,979,391        | 241,092,666        | 24,043,018        | —             | 10,447,489        | 7,954,557        | 9,559,670        | 4,345,630,477        |
| Securities Pledged as Collateral                                     | 4    | —                 | —                  | —                 | —             | —                 | —                | —                | 350,147              |
| Dividends Receivable   | —    | 12,483            | —                  | —                 | —             | —                 | —                | —                | 1,736,246            |
| Due from Unitholders   | —    | —                 | 30,808,709         | —                 | —             | —                 | —                | —                | 45,228,002           |
| Unrealised Gains on Open Spot Currency Contracts                     | —    | —                 | 215,799            | —                 | —             | —                 | —                | —                | 224,909              |
| Unrealised Gains on Open Forward Foreign Currency Exchange Contracts | —    | —                 | 28,350,134         | 27,611            | —             | 4                 | 508              | —                | 35,614,106           |
| Unrealised Gains on Open Future Contracts                            | —    | —                 | 463,841            | 4,474             | —             | 1,406             | 547              | —                | 516,208              |
| Unrealised Gains on Swap Contracts                                   | —    | —                 | 10,940,259         | —                 | —             | —                 | —                | —                | 10,940,259           |
| Unrealised Gains on Option Contracts                                 | —    | —                 | 5,856,095          | 131,016           | —             | —                 | —                | —                | 5,995,933            |
| Other Assets   | —    | 52,932            | 20,973             | 47,528            | —             | 43,132            | 30,159           | 45,031           | 568,650              |
| <b>Total Current Assets</b>  |      | <b>12,553,609</b> | <b>435,683,364</b> | <b>24,896,476</b> | <b>63,262</b> | <b>10,751,024</b> | <b>9,012,106</b> | <b>9,622,539</b> | <b>4,752,877,559</b> |

|   |   |                  |                      |                  |                 |                 |                  |                 |                      |
|---|---|------------------|----------------------|------------------|-----------------|-----------------|------------------|-----------------|----------------------|
| <b>Current Liabilities:</b>   |   |                  |                      |                  |                 |                 |                  |                 |                      |
| Bank Overdraft  | 4 | —                | (522,908)            | —                | —               | —               | —                | —               | (522,908)            |
| Management Fees Payable   | 7 | (10,189)         | (243,498)            | (14,245)         | —               | (5,722)         | (4,458)          | (4,279)         | (3,011,662)          |
| Performance Fees Payable  | 7 | —                | (109,023)            | —                | —               | —               | —                | —               | (116,259)            |
| Trustee Fees Payable  | 7 | (3,319)          | (37,003)             | —                | —               | —               | —                | (651)           | (306,090)            |
| Depository Fees Payable <sup>1</sup>                                | 7 | (45,386)         | (13,982)             | (3,191)          | (1,807)         | (5,000)         | (5,355)          | —               | (488,898)            |
| Audit Fees Payable  | — | (6,934)          | (19,464)             | (14,231)         | (10,459)        | (10,503)        | (10,481)         | (11,254)        | (240,335)            |
| Administration Fees Payable   | 7 | —                | (286)                | (1)              | —               | —               | —                | —               | (164,624)            |
| Due to Unitholders  | — | —                | —                    | —                | —               | —               | —                | —               | (13,787,057)         |
| Purchase of Securities Payable                                      | — | (93,249)         | (71,147,066)         | —                | —               | —               | (528,767)        | —               | (145,834,504)        |
| Unrealised Loss on Open Spot Currency Contracts                     | — | —                | (70,937)             | —                | —               | —               | —                | —               | (77,962)             |
| Unrealised Loss on Open Forward Foreign Currency Exchange Contracts | — | —                | (25,964,400)         | (116,995)        | —               | (1)             | (1)              | —               | (38,959,383)         |
| Unrealised Loss on Forward Rate Agreements                          | — | —                | (278,642)            | —                | —               | —               | —                | —               | (278,642)            |
| Unrealised Loss on Open Future Contracts                            | — | —                | (347,280)            | —                | —               | (2,570)         | (2,857)          | —               | (354,747)            |
| Unrealised Loss on Swap Contracts                                   | — | —                | (17,031,300)         | —                | —               | —               | (37,416)         | —               | (17,068,716)         |
| Unrealised Loss on Option Contracts                                 | — | —                | (6,312,659)          | (79,219)         | —               | —               | —                | —               | (6,391,878)          |
| Other Payables  | — | (36,018)         | (119,891)            | (39,175)         | (50,996)        | (31,970)        | (26,955)         | (63,617)        | (1,074,496)          |
| <b>Total Current Liabilities</b>                                    |   | <b>(195,095)</b> | <b>(122,218,329)</b> | <b>(267,057)</b> | <b>(63,262)</b> | <b>(95,766)</b> | <b>(616,290)</b> | <b>(79,801)</b> | <b>(228,688,161)</b> |

**Net Assets Attributable to Redeemable Participating Unitholders at Mid Market Prices** 12,358,514 314,465,035 24,629,419 — 10,695,258 8,395,816 9,542,738 4,524,189,398

\*\*Global Short Duration High Yield Fund terminated on 1 July 2016.

\*\*\*Real Estate Debt Fund launched on 21 March 2016.

<sup>1</sup>Custodian (until 17 March 2016) and Depository (from 18 March 2016).

Signed on behalf of Principal Global Investors (Ireland) Limited on 24 January 2017.

Director: \_\_\_\_\_ Director: \_\_\_\_\_

**PRINCIPAL GLOBAL INVESTORS FUNDS**  
**STATEMENT OF FINANCIAL POSITION as at 30 September 2016 (continued)**

|  | GEF       | AEF     | EEF       | EMEF    | JEF       | PSF        | USEF      | HYF       | GPSF      |
|--|-----------|---------|-----------|---------|-----------|------------|-----------|-----------|-----------|
| <b>Number of redeemable participating Units in issue</b>         |           |         |           |         |           |            |           |           |           |
| A Class Income units in issue at end of year                     | 105,017   | 79,657  | 76,837    | -       | -         | 29,110,096 | -         | 223,900   | -         |
| A Class Income (AUD hedged) units in issue at end of year        | -         | -       | -         | -       | -         | -          | -         | 42,816    | -         |
| A Class Income (EUR hedged) units in issue at end of year        | -         | -       | -         | -       | -         | 607,697    | -         | -         | -         |
| A Class Income (GBP hedged) units in issue at end of year        | -         | -       | -         | -       | -         | 836,374    | -         | -         | -         |
| A Class Accumulation units in issue at end of year               | 81,326    | 102,980 | 172,357   | 55,359  | 104,357   | 10,178,468 | 31,510    | 1,721,874 | -         |
| A Class Accumulation (CHF hedged) units in issue at end of year  | -         | -       | -         | -       | -         | 239,899    | -         | -         | -         |
| A Class Accumulation (EUR hedged) units in issue at end of year  | -         | -       | -         | -       | -         | 5,353,421  | -         | -         | -         |
| A Class Accumulation (JPY hedged) units in issue at end of year  | -         | -       | -         | -       | -         | 17,422     | -         | -         | -         |
| I Class Income units in issue at end of year                     | -         | -       | -         | -       | -         | 10,051,034 | -         | -         | -         |
| I Class Income (EUR hedged) units in issue at end of year        | -         | -       | -         | -       | -         | 3,381,441  | -         | -         | -         |
| I Class Income (GBP hedged) units in issue at end of year        | -         | -       | -         | -       | -         | 8,081,961  | -         | -         | -         |
| I Class Income (JPY hedged) units in issue at end of year        | -         | -       | -         | -       | -         | 4,627,637  | -         | -         | -         |
| I Class Accumulation units in issue at end of year               | 1,929,944 | 27,801  | 2,041,436 | 104,992 | 1,134,032 | 19,325,092 | 3,214,442 | 2,646,725 | 1,131,693 |
| I Class Accumulation (BRL hedged) units in issue at end of year  | -         | -       | -         | -       | -         | -          | -         | 2,434,372 | -         |
| I Class Accumulation (CHF hedged) units in issue at end of year  | -         | -       | -         | -       | -         | 132,834    | -         | -         | -         |
| I Class Accumulation (EUR hedged) units in issue at end of year  | -         | -       | -         | -       | -         | 25,646,596 | -         | 559,185   | -         |
| I Class Accumulation (JPY hedged) units in issue at end of year  | -         | -       | 2,307,774 | -       | -         | -          | -         | -         | -         |
| I Class Accumulation (GBP) units in issue at end of year         | -         | -       | -         | -       | -         | -          | 1,521,666 | -         | -         |
| I Class Accumulation (JPY) units in issue at end of year         | -         | -       | -         | -       | 1,354,059 | -          | -         | -         | -         |
| I Class Accumulation (USD hedged) units in issue at end of year  | -         | -       | -         | -       | -         | 15,052,976 | -         | -         | 1,235,006 |
| I2 Class Accumulation (USD hedged) units in issue at end of year | -         | -       | -         | -       | -         | -          | -         | -         | 3,983,759 |
| D Class Income units in issue at end of year                     | -         | -       | -         | -       | -         | -          | -         | -         | -         |
| D Class Income units in issue at end of year                     | -         | -       | -         | -       | -         | 26,300,866 | -         | -         | -         |
| D2 Class Accumulation units in issue at end of year              | -         | -       | -         | -       | -         | 9,970,842  | -         | 1,200,095 | -         |
| D2 Class Income units in issue at end of year                    | -         | -       | -         | -       | -         | 103,581    | -         | -         | -         |
| F Class Income units in issue at end of year                     | -         | -       | -         | -       | -         | 6,286,733  | -         | -         | -         |
| F2 Class Accumulation units in issue at end of year              | 6,670     | -       | -         | -       | 5,245     | 3,017,617  | -         | 124,119   | 36,352    |
| N Class Accumulation units in issue at end of year               | -         | -       | -         | -       | -         | 151,016    | -         | -         | -         |
| P Class Income units in issue at end of year                     | -         | -       | -         | -       | -         | 4,185      | -         | -         | -         |
| P Class Income units in issue at end of year                     | -         | -       | -         | -       | -         | 3,156,274  | -         | -         | -         |
| P Class Accumulation units in issue at end of year               | -         | -       | -         | -       | -         | 1,782,525  | -         | -         | -         |

**PRINCIPAL GLOBAL INVESTORS FUNDS**  
**STATEMENT OF FINANCIAL POSITION as at 30 September 2016 (continued)**

|  | GEJF      | GLTHY      | GTDARF  | EEIF* | GSCEF   | OGEMF     | OGEF      | OGSCF     | LSGOF   |
|--|-----------|------------|---------|-------|---------|-----------|-----------|-----------|---------|
| <b>Number of redeemable participating Units in issue</b>         |           |            |         |       |         |           |           |           |         |
| A Class Income units in issue at end of year                     | —         | 1,884,248  | —       | —     | —       | —         | —         | —         | —       |
| A Class Accumulation units in issue at end of year               | —         | 291,181    | —       | —     | 250,125 | —         | —         | —         | —       |
| I Class Income (EUR hedged) units in issue at end of year        | —         | 2,126,984  | —       | —     | —       | —         | —         | —         | —       |
| I Class Income (GBP hedged) units in issue at end of year        | —         | 2,541,090  | —       | —     | —       | —         | —         | —         | —       |
| I Class Accumulation units in issue at end of year               | 3,321,494 | 1,330,196  | 464,015 | —     | 874,622 | 9,123,108 | —         | 2,592,605 | 750,000 |
| I Class Accumulation (CHF hedged) units in issue at end of year  | —         | 66,744     | —       | —     | —       | —         | —         | —         | —       |
| I Class Accumulation (EUR hedged) units in issue at end of year  | —         | 24,307,639 | —       | —     | —       | —         | —         | —         | —       |
| I Class Accumulation (GBP hedged) units in issue at end of year  | —         | 1,235,572  | —       | —     | —       | 69,262    | 1,237,633 | 1,600,148 | —       |
| I Class Accumulation (GBP) units in issue at end of year         | 369,891   | —          | —       | —     | —       | —         | —         | —         | —       |
| I Class Accumulation (JPY) units in issue at end of year         | —         | 28,992,090 | —       | —     | —       | —         | —         | —         | —       |
| I Class Accumulation (SGD hedged) units in issue at end of year  | —         | 111,541    | —       | —     | —       | —         | —         | —         | —       |
| I2 Class Accumulation units in issue at end of year              | —         | 5,645,369  | —       | —     | —       | —         | —         | —         | —       |
| I2 Class Accumulation (EUR hedged) units in issue at end of year | —         | 4,076,817  | —       | —     | —       | —         | —         | —         | —       |
| I2 Class Accumulation (GBP hedged) units in issue at end of year | —         | 14,521,902 | —       | —     | —       | —         | —         | —         | —       |
| F2 Class Accumulation units in issue at end of year              | —         | —          | —       | —     | —       | 2,185     | —         | —         | —       |

\*EDGE Small/Mid-Cap Equity Income Fund terminated on 31 May 2016.



**PRINCIPAL GLOBAL INVESTORS FUNDS  
STATEMENT OF FINANCIAL POSITION as at 30 September 2016 (continued)**

|   | CLAF      | FE MDF     | GCSF      | SDHY** | C SOF     | GCAF    | REDF*** |
|---|-----------|------------|-----------|--------|-----------|---------|---------|
| <b>Number of redeemable participating Units in issue</b>        |           |            |           |        |           |         |         |
| A Class Income units in issue at end of year                    | -         | 50,000     | -         | -      | -         | -       | -       |
| A Class Accumulation units in issue at end of year              | -         | 151,785    | 1,000     | -      | -         | -       | -       |
| A Class Accumulation (CHF hedged) units in issue at end of year | -         | 1,040      | -         | -      | -         | -       | -       |
| A Class Accumulation (EUR hedged) units in issue at end of year | -         | 88,892     | -         | -      | -         | -       | -       |
| A Class Accumulation (GBP hedged) units in issue at end of year | -         | 1,487      | -         | -      | -         | -       | -       |
| A Class Accumulation (SGD hedged) units in issue at end of year | -         | 731        | -         | -      | -         | -       | -       |
| I Class Income units in issue at end of year                    | 1,621,607 | 4,561,882  | 1,000,000 | -      | 1,001,473 | 745,725 | 454,808 |
| I Class Accumulation (EUR hedged) units in issue at end of year | -         | -          | 1,295,409 | -      | -         | -       | 447,917 |
| I Class Accumulation (GBP hedged) units in issue at end of year | -         | 1,487      | -         | -      | -         | -       | -       |
| I2 Class Income (EUR hedged) units in issue at end of year      | -         | 31,508,853 | -         | -      | -         | -       | -       |

\*\*Global Short Duration High Yield Fund terminated on 1 July 2016.

\*\*\*Real Estate Debt Fund launched on 21 March 2016.

Signed on behalf of Principal Global Investors (Ireland) Limited on 24 January 2017.

Director: \_\_\_\_\_

**PRINCIPAL GLOBAL INVESTORS FUNDS  
STATEMENT OF FINANCIAL POSITION as at 30 September 2015**

|   | GEF               | AEF              | EEF                | EMEF             | JEF               | PSF                  | USEF               | HYF                |
|---|-------------------|------------------|--------------------|------------------|-------------------|----------------------|--------------------|--------------------|
| Note  | USD               | USD              | USD                | USD              | USD               | USD                  | USD                | USD                |
| <b>Current Assets:</b>  |                   |                  |                    |                  |                   |                      |                    |                    |
| Cash at Bank  | 2,335,500         | 158,857          | 3,537,385          | 95,131           | 1,742,311         | 63,049,131           | 1,616,474          | 5,022,621          |
| Sale of Securities Receivable   | 802,172           | 83               | 196,926            | 26,162           | —                 | —                    | —                  | 521,225            |
| Investments in Securities at Fair Value (Mid Prices) <sup>1</sup>                           | 51,806,107        | 7,573,559        | 100,117,394        | 8,387,412        | 20,433,676        | 1,696,026,558        | 133,897,903        | 125,052,002        |
| Dividends Receivable  | 49,241            | 14,683           | 49,862             | 17,875           | 161,085           | 612,594              | 58,844             | —                  |
| Due from Unitholders  | 70                | —                | 561,335            | 32               | 831,636           | 1,992,995            | 70                 | —                  |
| Unrealised Gains on Open Spot Currency Contracts  | 238               | —                | 206                | —                | 307               | 257                  | —                  | —                  |
| Unrealised Gains on Open Forward Foreign Currency Exchange Contracts                        | —                 | —                | —                  | 4                | —                 | 1,613,812            | —                  | 303,495            |
| Other Assets  | 7,615             | 38,994           | 24,720             | 38,527           | 7,174             | 11,527               | 13,759             | 13,033             |
| <b>Total Current Assets</b>   | <b>55,000,943</b> | <b>7,786,176</b> | <b>104,487,828</b> | <b>8,565,143</b> | <b>23,176,189</b> | <b>1,763,306,974</b> | <b>135,687,050</b> | <b>130,912,376</b> |
| <b>Current Liabilities:</b>   |                   |                  |                    |                  |                   |                      |                    |                    |
| Management Fees Payable   | (44,801)          | (7,475)          | (93,771)           | (3,528)          | (18,577)          | (1,130,724)          | (112,802)          | (97,568)           |
| Trustee Fees Payable  | (2,466)           | (517)            | (6,992)            | (2,111)          | (1,070)           | (36,125)             | (5,244)            | (5,370)            |
| Custodian Fees Payable  | (6,067)           | (17,845)         | (20,983)           | (19,530)         | (7,565)           | (11,844)             | (6,931)            | (3,104)            |
| Audit Fees Payable  | (11,377)          | (11,577)         | (11,577)           | (11,577)         | (11,577)          | (19,588)             | (11,577)           | (19,571)           |
| Administration Fees Payable   | (777)             | (647)            | (7,102)            | (680)            | (6)               | (110,825)            | (65)               | (7,263)            |
| Due to Unitholders  | —                 | —                | —                  | (13,991)         | —                 | (1,062,397)          | (850)              | (136,042)          |
| Purchase of Securities Payable  | (444,436)         | (35,387)         | —                  | (16,881)         | (387,832)         | (72,066)             | (5)                | (1,305,000)        |
| Unrealised Loss on Open Spot Currency Contracts   | (46)              | (10)             | (37)               | (51)             | (58)              | (1,212)              | (5)                | (2,018,239)        |
| Unrealised Loss on Open Forward Foreign Currency Exchange Contracts                         | (21,663)          | (22,857)         | (63,723)           | (32,054)         | (11,660)          | (72,343)             | (2,533)            | (2,775)            |
| Other Payables  | (531,833)         | (96,315)         | (204,185)          | (100,303)        | (438,347)         | (3,030,198)          | (140,007)          | (3,594,952)        |
| <b>Total Current Liabilities</b>  |                   |                  |                    |                  |                   |                      |                    |                    |
| <b>Net Assets Attributable to Redeemable Participating Unitholders at Mid Market Prices</b> | <b>54,469,110</b> | <b>7,689,861</b> | <b>104,283,643</b> | <b>8,464,840</b> | <b>22,737,842</b> | <b>1,760,276,776</b> | <b>135,447,043</b> | <b>127,317,424</b> |

<sup>1</sup>Investments in Securities at Fair Value have been restated from Bid to Mid in accordance with FRS 102.

**PRINCIPAL GLOBAL INVESTORS FUNDS**  
**STATEMENT OF FINANCIAL POSITION as at 30 September 2015 (continued)**

|   | Note | GPSF<br>USD         | GEJF<br>USD        | GLTH<br>USD        | GTDARF<br>USD    | EEIF<br>USD      | GSCEF<br>USD      | OGEMF<br>USD       |                   |
|---|------|---------------------|--------------------|--------------------|------------------|------------------|-------------------|--------------------|-------------------|
| <b>Current Assets:</b>  |      |                     |                    |                    |                  |                  |                   |                    |                   |
| Cash at Bank  | 4    | 1,039,930           | 860,104            | 22,923,202         | 174,803          | 89,770           | 254,347           | 1,224,404          |                   |
| Sale of Securities Receivable   |      | –                   | 2,360,985          | 3,158,750          | –                | –                | 15,239            | 1,210,347          |                   |
| Investments in Securities at Fair Value (Mid Prices) <sup>1</sup>                           |      | 89,823,452          | 59,842,266         | 521,356,918        | 3,798,380        | 4,582,102        | 20,811,058        | 51,863,196         |                   |
| Dividends Receivable  |      | 171,548             | 38,417             | –                  | –                | 10,614           | 29,471            | 84,630             |                   |
| Due from Unitholders  |      | 20,216,935          | –                  | –                  | –                | –                | 97                | 15,287             |                   |
| Unrealised Gains on Open Spot Currency Contracts  |      | 2,714               | 511                | 13,839,440         | –                | –                | –                 | –                  |                   |
| Unrealised Gains on Open Forward Foreign Currency Exchange Contracts                        |      | 80,190              | –                  | 1,455,893          | 163,752          | –                | 1                 | 82                 |                   |
| Other Assets  |      | 14,802              | 3,078              | 7,194              | 20,154           | 13,554           | 67,817            | 7,267              |                   |
| <b>Total Current Assets</b>   |      | <b>111,349,571</b>  | <b>63,125,361</b>  | <b>562,745,630</b> | <b>4,157,089</b> | <b>4,696,040</b> | <b>21,176,030</b> | <b>54,379,845</b>  | <b>16,107,833</b> |
| <b>Current Liabilities:</b>   |      |                     |                    |                    |                  |                  |                   |                    |                   |
| Management Fees Payable   | 7    | (48,742)            | (50,465)           | (321,367)          | (4,068)          | (4,777)          | (9,232)           | (44,120)           |                   |
| Trustee Fees Payable  | 7    | (3,199)             | (2,661)            | (15,181)           | (1,753)          | (2,548)          | (4,961)           | (18,684)           |                   |
| Custodian Fees Payable  | 7    | (13,911)            | (11,022)           | (2,356)            | (2,426)          | (4,292)          | (1,535)           | (9,520)            |                   |
| Audit Fees Payable  |      | (12,634)            | (11,577)           | (15,060)           | (16,137)         | (11,578)         | (11,577)          | (11,574)           |                   |
| Administration Fees Payable   | 7    | –                   | –                  | –                  | –                | (294)            | (445)             | –                  |                   |
| Due to Unitholders  |      | (209,708)           | –                  | (1,000,000)        | –                | –                | (1)               | –                  |                   |
| Purchase of Securities Payable  |      | (11,036,531)        | (2,770,543)        | (4,975,000)        | –                | –                | (10,515)          | (996,823)          |                   |
| Unrealised Loss on Open Spot Currency Contracts   |      | (2,568)             | (2,617)            | –                  | –                | –                | –                 | (782)              |                   |
| Unrealised Loss on Open Forward Foreign Currency Exchange Contracts                         |      | (10,076)            | –                  | (1,011,352)        | (58,329)         | –                | –                 | (6,029)            |                   |
| Other Payables  |      | (12,827)            | (29,132)           | (22,812)           | (16,185)         | (30,561)         | (43,522)          | (18,064)           |                   |
| <b>Total Current Liabilities</b>  |      | <b>(11,350,196)</b> | <b>(2,878,017)</b> | <b>(7,363,128)</b> | <b>(98,898)</b>  | <b>(54,050)</b>  | <b>(81,788)</b>   | <b>(1,105,599)</b> | <b>(654,606)</b>  |
| <b>Net Assets Attributable to Redeemable Participating Unitholders at Mid Market Prices</b> |      | <b>99,999,375</b>   | <b>60,247,344</b>  | <b>555,382,502</b> | <b>4,058,191</b> | <b>4,641,990</b> | <b>21,096,242</b> | <b>53,274,246</b>  | <b>15,453,227</b> |

<sup>1</sup>Investments in Securities at Fair Value have been restated from Bid to Mid in accordance with FRS 102.

**PRINCIPAL GLOBAL INVESTORS FUNDS  
STATEMENT OF FINANCIAL POSITION as at 30 September 2015 (continued)**

|   | Note | OGSCF              | LSGOF            | CLAF              | FEWDF               | GCSF*             | SDHY**           | CSOF***           | GCAF****         | Total                |
|---|------|--------------------|------------------|-------------------|---------------------|-------------------|------------------|-------------------|------------------|----------------------|
|   |      | USD                | USD              | USD               | USD                 | USD               | USD              | USD               | USD              | USD                  |
| <b>Current Assets:</b>  |      |                    |                  |                   |                     |                   |                  |                   |                  |                      |
| Cash at Bank  | 4    | 935,156            | 407,509          | 435,132           | 76,840,314          | 598,243           | 605,660          | 393,174           | 405,936          | 184,954,227          |
| Cash Collateral   | 4    | —                  | —                | —                 | 43,449,192          | —                 | —                | —                 | —                | 43,449,192           |
| Margin Cash Securities Receivable   | 4    | —                  | —                | —                 | 1,010,892           | —                 | —                | 91,822            | —                | 1,102,714            |
| Sale of Securities Receivable   | —    | —                  | —                | 31,729            | 2,647,031           | —                 | —                | 304,966           | —                | 16,778,125           |
| Investments in Securities at Fair Value (Mid Prices) <sup>1</sup>                           | —    | 33,277,177         | 7,326,728        | 11,203,608        | 329,008,890         | 20,458,330        | 7,989,053        | 9,452,587         | 7,509,718        | 3,336,766,334        |
| Dividends Receivable  | —    | 46,884             | 6,972            | 4,897             | —                   | —                 | —                | —                 | —                | 1,373,004            |
| Due from Unitholders  | —    | —                  | —                | —                 | —                   | —                 | —                | —                 | —                | 37,442,610           |
| Unrealised Gains on Open Spot Currency Contracts  | —    | 2,815              | 37               | —                 | 152,419             | —                 | —                | —                 | —                | 163,821              |
| Unrealised Gains on Open Forward Foreign Currency Exchange Contracts                        | —    | —                  | —                | —                 | 40,646,215          | 60,337            | 31               | —                 | —                | 44,323,729           |
| Unrealised Gains on Open Future Contracts   | —    | —                  | 172,710          | —                 | —                   | —                 | —                | —                 | —                | 172,710              |
| Unrealised Gains on Swap Contracts  | —    | —                  | —                | —                 | 2,904,487           | —                 | —                | —                 | 1,840            | 2,906,327            |
| Unrealised Gains on Option Contracts  | —    | —                  | —                | —                 | 14,608,742          | 202,934           | —                | —                 | —                | 14,811,676           |
| Other Assets  | —    | 9,890              | 33,297           | 124,205           | 220,796             | 77,481            | 46,572           | 51,984            | 35,742           | 900,851              |
| <b>Total Current Assets</b>   |      | <b>38,953,046</b>  | <b>8,055,237</b> | <b>11,799,571</b> | <b>511,488,978</b>  | <b>21,397,325</b> | <b>8,641,316</b> | <b>10,294,633</b> | <b>7,953,236</b> | <b>3,685,145,320</b> |
| <b>Current Liabilities:</b>   |      |                    |                  |                   |                     |                   |                  |                   |                  |                      |
| Margin Cash Payable   | 4    | —                  | (239,270)        | —                 | —                   | —                 | —                | —                 | (13)             | (239,283)            |
| Management Fees Payable   | 7    | (32,613)           | (6,198)          | (10,392)          | (484,321)           | (12,494)          | (4,311)          | (5,476)           | (4,309)          | (2,561,745)          |
| Trustee Fees Payable  | —    | (12,055)           | (11,666)         | (10,766)          | (23,536)            | (850)             | (432)            | (508)             | (419)            | (181,257)            |
| Custodian Fees Payable  | 7    | (6,517)            | (3,552)          | (37,391)          | —                   | (1,417)           | (874)            | (911)             | (3,687)          | (198,559)            |
| Audit Fees Payable  | —    | (12,622)           | (11,574)         | (11,572)          | (23,467)            | (18,541)          | (15,059)         | (15,053)          | (14,973)         | (333,196)            |
| Administration Fees Payable   | 7    | —                  | —                | (202,622)         | (246)               | —                 | —                | —                 | —                | (28,272)             |
| Due to Unitholders  | —    | —                  | —                | —                 | —                   | —                 | —                | —                 | —                | (2,625,611)          |
| Purchase of Securities Payable  | —    | (3,478,611)        | (54,998)         | —                 | (1,742,141)         | —                 | —                | —                 | (1,840)          | (27,896,303)         |
| Unrealised Loss on Open Spot Currency Contracts   | —    | (7,648)            | (7)              | —                 | (1,324,261)         | —                 | —                | —                 | —                | (1,339,848)          |
| Unrealised Loss on Open Forward Foreign Currency Exchange Contracts                         | —    | —                  | —                | —                 | (30,261,296)        | (11,654)          | (47)             | (3)               | (1)              | (33,890,100)         |
| Unrealised Loss on Open Future Contracts  | —    | —                  | —                | —                 | (81,250)            | —                 | —                | (37,516)          | —                | (118,766)            |
| Unrealised Loss on Swap Contracts   | —    | —                  | —                | —                 | (4,200,347)         | —                 | —                | —                 | (3,135)          | (4,203,482)          |
| Unrealised Loss on Option Contracts   | —    | —                  | —                | —                 | (10,139,992)        | (105,725)         | —                | —                 | —                | (10,245,717)         |
| Other Payables  | —    | (31,716)           | (19,341)         | (30,975)          | (63,453)            | —                 | —                | (537)             | (8,483)          | (604,967)            |
| <b>Total Current Liabilities</b>  |      | <b>(3,581,782)</b> | <b>(346,606)</b> | <b>(303,718)</b>  | <b>(48,344,310)</b> | <b>(150,681)</b>  | <b>(20,723)</b>  | <b>(60,004)</b>   | <b>(36,866)</b>  | <b>(84,567,106)</b>  |
| <b>Net Assets Attributable to Redeemable Participating Unitholders at Mid Market Prices</b> |      | <b>35,371,264</b>  | <b>7,708,631</b> | <b>11,495,853</b> | <b>463,144,668</b>  | <b>21,246,644</b> | <b>8,620,593</b> | <b>10,234,629</b> | <b>7,916,376</b> | <b>3,600,578,214</b> |

\*Spectrum Global Capital Securities Fund launched on 30 October 2014.

\*\*Global Short Duration High Yield Fund launched on 10 December 2014.

\*\*\*Global Capital Structure Opportunities Fund launched on 11 December 2014.

\*\*\*\*Global Credit Alpha Fund commenced operations under the PGIF umbrella on 23 June 2015.

<sup>1</sup>Investments in Securities at Fair Value have been restated from Bid to Mid in accordance with FRS 102.

**PRINCIPAL GLOBAL INVESTORS FUNDS**  
**STATEMENT OF FINANCIAL POSITION as at 30 September 2015 (continued)**

|   | GEF       | AEF     | EEF       | EMEF    | JEF       | PSF        | USEF      | HYF       |
|---|-----------|---------|-----------|---------|-----------|------------|-----------|-----------|
| <b>Number of redeemable participating Units in issue</b>        |           |         |           |         |           |            |           |           |
| A Class Income units in issue at end of year                    | 110,775   | 84,117  | 79,324    | -       | -         | 23,003,029 | -         | 174,660   |
| A Class Income (AUD hedged) units in issue at end of year       | -         | -       | -         | -       | -         | -          | -         | 51,778    |
| A Class Income (EUR hedged) units in issue at end of year       | -         | -       | -         | -       | -         | 56,002     | -         | -         |
| A Class Income (GBP hedged) units in issue at end of year       | -         | -       | -         | -       | -         | 639,878    | -         | -         |
| A Class Accumulation units in issue at end of year              | 105,978   | 105,138 | 182,212   | 53,356  | 10,668    | 5,050,052  | 27,204    | 2,292,413 |
| A Class Accumulation (CHF hedged) units in issue at end of year | -         | -       | -         | -       | -         | 107,690    | -         | -         |
| A Class Accumulation (EUR hedged) units in issue at end of year | -         | -       | -         | -       | -         | 1,443,572  | -         | -         |
| A Class Accumulation (JPY hedged) units in issue at end of year | -         | -       | -         | -       | -         | 11,282,990 | -         | -         |
| I Class Income (EUR hedged) units in issue at end of year       | -         | -       | -         | -       | -         | 3,171,024  | -         | -         |
| I Class Income (GBP hedged) units in issue at end of year       | -         | -       | -         | -       | -         | 856,345    | -         | -         |
| I Class Income (JPY hedged) units in issue at end of year       | -         | -       | -         | -       | -         | 3,183,726  | -         | -         |
| I Class Accumulation units in issue at end of year              | 2,315,997 | 37,196  | 2,086,381 | 152,054 | 1,353,967 | 18,963,837 | 4,244,823 | 2,648,810 |
| I Class Accumulation (BRL hedged) units in issue at end of year | -         | -       | -         | -       | -         | -          | -         | 2,070,296 |
| I Class Accumulation (CHF hedged) units in issue at end of year | -         | -       | -         | -       | -         | 37,561     | -         | -         |
| I Class Accumulation (EUR hedged) units in issue at end of year | -         | -       | -         | -       | -         | 15,711,629 | -         | 499,573   |
| I Class Accumulation (GBP hedged) units in issue at end of year | -         | -       | 2,574,057 | -       | -         | -          | -         | -         |
| I Class Accumulation (JPY hedged) units in issue at end of year | -         | -       | -         | -       | -         | -          | 1,612,866 | -         |
| I Class Accumulation (JPY hedged) units in issue at end of year | -         | -       | -         | -       | 858,510   | -          | -         | -         |
| D Class Income units in issue at end of year                    | -         | -       | -         | -       | -         | 24,000,663 | -         | -         |
| D Class Accumulation units in issue at end of year              | -         | -       | -         | -       | -         | 7,040,069  | -         | 1,552,608 |
| F Class Income units in issue at end of year                    | -         | -       | -         | -       | -         | 6,777,290  | -         | -         |
| F Class Accumulation units in issue at end of year              | -         | -       | -         | -       | -         | 2,801,073  | -         | -         |
| P Class Income units in issue at end of year                    | -         | -       | -         | -       | -         | 2,689,637  | -         | -         |
| P Class Accumulation units in issue at end of year              | -         | -       | -         | -       | -         | 1,932,222  | -         | -         |

**PRINCIPAL GLOBAL INVESTORS FUNDS**  
**STATEMENT OF FINANCIAL POSITION as at 30 September 2015 (continued)**

|   | GFSF      | GEJF      | GLTHY      | GTDARF  | EEIF    | GSCEF     | OGEMF     | OGEF      |
|---|-----------|-----------|------------|---------|---------|-----------|-----------|-----------|
| <b>Number of redeemable participating Units in issue</b>        |           |           |            |         |         |           |           |           |
| A Class Accumulation units in issue at end of year              | 1,132,282 | —         | —          | —       | 200,509 | 250,028   | —         | —         |
| I Class Accumulation (JPY hedged) units in issue at end of year | 1,727,055 | 3,305,939 | 7,276,147  | 453,087 | 198,257 | 1,227,872 | 5,605,985 | —         |
| I Class Accumulation (CHF hedged) units in issue at end of year | —         | —         | 10,000     | —       | —       | —         | —         | —         |
| I Class Accumulation (EUR hedged) units in issue at end of year | —         | —         | 17,455,502 | —       | —       | —         | —         | —         |
| I Class Accumulation (GBP) units in issue at end of year        | —         | —         | 5,907,659  | —       | —       | —         | 67,619    | 1,218,864 |
| I Class Accumulation (GBP hedged) units in issue at end of year | —         | —         | 29,742,069 | —       | —       | —         | —         | —         |
| I Class Accumulation (JPY hedged) units in issue at end of year | —         | 385,649   | —          | —       | —       | —         | —         | —         |
| I Class Accumulation (JPY) units in issue at end of year        | 849,860   | —         | —          | —       | —       | —         | —         | —         |
| I Class Accumulation (USD hedged) units in issue at end of year | 3,929,722 | —         | —          | —       | —       | —         | —         | —         |
| I2 Class Income units in issue at end of year                   |           |           |            |         |         |           |           |           |

**PRINCIPAL GLOBAL INVESTORS FUNDS**  
**STATEMENT OF FINANCIAL POSITION as at 30 September 2015 (continued)**

| Number of redeemable participating Units in issue               | OGSCF     | LSGOF   | CLAF      | FEMDF      | GCSE*     | SDHY**  | CSOF***   | GCAF*** |
|---|-----------|---------|-----------|------------|-----------|---------|-----------|---------|
| A Class Income units in issue at end of year                    | -         | -       | -         | 50,000     | -         | -       | -         | -       |
| A Class Income units in issue at end of year                    | -         | -       | -         | 50,000     | -         | -       | -         | -       |
| A Class Accumulation units in issue at end of year              | -         | -       | -         | 215,841    | -         | -       | -         | -       |
| A Class Accumulation (CHF hedged) units in issue at end of year | -         | -       | -         | 1,040      | -         | -       | -         | -       |
| A Class Accumulation (EUR hedged) units in issue at end of year | -         | -       | -         | 1,092      | -         | -       | -         | -       |
| A Class Accumulation (GBP hedged) units in issue at end of year | -         | -       | -         | 1,487      | -         | -       | -         | -       |
| A Class Accumulation (SGD hedged) units in issue at end of year | -         | -       | -         | 731        | -         | -       | -         | -       |
| I Class Accumulation units in issue at end of year              | 928,227   | 750,000 | 2,002,532 | 8,624,284  | 1,000,000 | 849,260 | 1,000,000 | 745,725 |
| I Class Accumulation (EUR hedged) units in issue at end of year | -         | -       | -         | 13,875,971 | 1,092,896 | -       | -         | -       |
| I Class Accumulation (GBP hedged) units in issue at end of year | 1,913,179 | -       | -         | 2,933      | -         | -       | -         | -       |
| I2 Class Income (EUR hedged) units in issue at end of year      | -         | -       | -         | 32,681,701 | -         | -       | -         | -       |

\*Spectrum Global Capital Securities Fund launched on 30 October 2014.

\*\*Global Short Duration High Yield Fund launched on 10 December 2014.

\*\*\*Global Capital Structure Opportunities Fund launched on 11 December 2014.

\*\*\*\*Global Credit Alpha Fund commenced operations under the PCIF umbrella on 23 June 2015.

**PRINCIPAL GLOBAL INVESTORS FUNDS  
STATEMENT OF COMPREHENSIVE INCOME**

for the year ended 30 September 2016

|  | Notes | GEF<br>USD       | AEF<br>USD       | EEF<br>USD         | EIMEF<br>USD     | JEF<br>USD       | PSF<br>USD          | USEF<br>USD        | HYF<br>USD         | GPSF<br>USD        |
|--|-------|------------------|------------------|--------------------|------------------|------------------|---------------------|--------------------|--------------------|--------------------|
| <b>Income</b>  |       |                  |                  |                    |                  |                  |                     |                    |                    |                    |
| Dividend Income  | 2     | 1,318,495        | 193,636          | 3,693,087          | 190,106          | 770,444          | 21,732,168          | 3,006,891          | —                  | 5,220,324          |
| Deposit Interest   |       | 79               | —                | 2                  | —                | —                | —                   | 3,736              | 31,889             | —                  |
| Other Income   |       | 5,057            | 3,113            | 4,429              | 3,839            | 4,016            | 10,976              | 4,455              | 6,060              | 4,576              |
| Net Gain/(Loss) on investment activities   |       | 2,478,139        | 969,376          | 477,122            | 716,506          | 2,704,121        | 160,948,932         | 8,382,077          | 20,286,948         | 14,204,716         |
| <b>Total investment income and Net gain/(loss)</b>   |       | <b>3,801,770</b> | <b>1,166,125</b> | <b>4,174,640</b>   | <b>910,451</b>   | <b>3,478,581</b> | <b>182,682,076</b>  | <b>11,397,159</b>  | <b>20,324,887</b>  | <b>19,429,616</b>  |
| <b>Expenses</b>  |       |                  |                  |                    |                  |                  |                     |                    |                    |                    |
| Management Fees  | 7     | (586,222)        | (106,714)        | (1,175,582)        | (89,416)         | (296,571)        | (15,565,284)        | (1,364,901)        | (1,145,726)        | (1,187,427)        |
| Trustee Fees   | 7     | (10,986)         | (1,571)          | (21,516)           | (1,553)          | (6,082)          | (272,937)           | (24,910)           | (24,668)           | (27,080)           |
| Depository Fees <sup>1</sup>   | 7     | (65,106)         | (38,360)         | (64,506)           | (37,860)         | (88,952)         | (139,336)           | (25,505)           | (34,786)           | (126,458)          |
| Audit Fees   |       | (12,322)         | (12,322)         | (12,322)           | (12,322)         | (12,322)         | (19,173)            | (12,322)           | (18,685)           | (13,081)           |
| Administration Fees  | 7     | (14,214)         | (8,799)          | (20,437)           | (2,490)          | (562)            | (1,567,780)         | (864)              | (69,871)           | (152)              |
| Other Expenses   |       | (71,675)         | (78,620)         | (50,006)           | (104,511)        | (67,367)         | (251,834)           | (83,057)           | (101,026)          | (104,672)          |
| Rebate to the Fund due to capping  |       | 4,331            | 76,321           | —                  | 101,586          | 31,203           | —                   | 2,955              | 4,415              | 6,011              |
| <b>Total operating expenses</b>  |       | <b>(756,194)</b> | <b>(170,065)</b> | <b>(1,344,369)</b> | <b>(146,566)</b> | <b>(450,653)</b> | <b>(17,816,344)</b> | <b>(1,508,604)</b> | <b>(1,390,347)</b> | <b>(1,452,859)</b> |
| <b>Net income and Net gain/(loss)</b>  |       | <b>3,045,576</b> | <b>996,060</b>   | <b>2,830,271</b>   | <b>763,885</b>   | <b>3,027,928</b> | <b>164,875,732</b>  | <b>9,888,555</b>   | <b>18,934,550</b>  | <b>17,976,757</b>  |
| <b>Finance Costs</b>   |       |                  |                  |                    |                  |                  |                     |                    |                    |                    |
| Bank Interest  |       | (24)             | (6)              | (1,035)            | (18)             | (7)              | (1,201)             | —                  | (3,575)            | (288)              |
| Distributions  | 6     | (719)            | —                | (43,366)           | —                | —                | (37,586,083)        | —                  | (113,370)          | (722,450)          |
| <b>Gain/(Loss) for the period before taxation</b>  |       | <b>3,044,833</b> | <b>996,054</b>   | <b>2,785,870</b>   | <b>763,867</b>   | <b>3,027,921</b> | <b>127,288,448</b>  | <b>9,888,555</b>   | <b>18,817,605</b>  | <b>17,254,019</b>  |
| Withholding Tax on dividends   | 2, 3  | (271,489)        | (21,834)         | (284,669)          | (25,529)         | (116,287)        | 30,332              | (836,609)          | —                  | (1,232,475)        |
| Withholding Tax on coupon income   | 2, 3  | —                | —                | —                  | —                | —                | (356,205)           | —                  | (16,801)           | —                  |
| <b>Increase/(Decrease) in Net Assets Attributable to Redeemable Participating Unitholders at Mid Market Prices</b> |       | <b>2,773,344</b> | <b>974,220</b>   | <b>2,501,201</b>   | <b>738,338</b>   | <b>2,911,634</b> | <b>126,962,575</b>  | <b>9,051,946</b>   | <b>18,800,804</b>  | <b>16,021,544</b>  |

<sup>1</sup>Custodian (until 17 March 2016) and Depository (from 18 March 2016).



**PRINCIPAL GLOBAL INVESTORS FUNDS  
STATEMENT OF COMPREHENSIVE INCOME**

for the year ended 30 September 2016 (continued)

|  | Notes | GEJF<br>USD      | GLTHY<br>USD       | GTDARF<br>USD   | EEIF*<br>USD    | GSCEF<br>USD     | OGEMF<br>USD      | OGEF<br>USD      | OGSCF<br>USD     | LSGOF<br>USD     |
|--|-------|------------------|--------------------|-----------------|-----------------|------------------|-------------------|------------------|------------------|------------------|
| <b>Income</b>  |       |                  |                    |                 |                 |                  |                   |                  |                  |                  |
| Dividend Income  | 2     | 1,695,243        | 121,667            | -               | 129,054         | 456,913          | 1,604,871         | 246,484          | 918,174          | 179,230          |
| Deposit Interest   |       | 219              | 590,931            | -               | 1,373           | -                | 4                 | -                | 1,017            | -                |
| Other Income   |       | 4,710            | 8,798              | 4,531           | 1,841           | 4,711            | 21,544            | 3,773            | 4,198            | 4,162            |
| Net Gain/(Loss) on investment activities   |       | 3,271,571        | 63,767,937         | 577,688         | 627,406         | 2,080,694        | 9,854,994         | 300,786          | 4,182,152        | (570,809)        |
| <b>Total investment income and Net gain/(loss)</b>   |       | <b>4,971,743</b> | <b>64,489,333</b>  | <b>582,219</b>  | <b>758,301</b>  | <b>2,543,691</b> | <b>11,481,413</b> | <b>551,043</b>   | <b>5,105,541</b> | <b>(387,417)</b> |
| <b>Expenses</b>  |       |                  |                    |                 |                 |                  |                   |                  |                  |                  |
| Management Fees  | 7     | (631,174)        | (4,578,801)        | (59,938)        | (38,947)        | (230,230)        | (653,439)         | (99,660)         | (498,669)        | (75,184)         |
| Performance Fees   | 7     | -                | -                  | (7,236)         | -               | -                | -                 | -                | -                | -                |
| Trustee Fees   | 7     | (12,902)         | (102,101)          | (15,416)        | (18,037)        | (14,184)         | (22,967)          | (10,558)         | (13,401)         | (9,306)          |
| Custodian Fees   | 7     | (55,183)         | (35,912)           | (17,539)        | (14,936)        | (57,861)         | (66,980)          | (21,076)         | (49,963)         | (37,068)         |
| Audit Fees   |       | (12,322)         | (15,214)           | (16,104)        | (12,317)        | (12,322)         | (12,322)          | (12,326)         | (13,182)         | (12,325)         |
| Administration Fees  | 7     | -                | (15,181)           | -               | (2,483)         | (5,417)          | (4)               | -                | -                | -                |
| Other Expenses   |       | (16,538)         | (133,395)          | (66,279)        | (70,979)        | (75,593)         | (82,075)          | (58,654)         | (70,842)         | (90,797)         |
| Rebate to the Fund due to capping  | 7     | -                | -                  | 83,667          | 105,614         | 52,182           | 4,310             | 44,741           | 6,348            | 87,692           |
| <b>Total operating expenses</b>  |       | <b>(728,119)</b> | <b>(4,860,604)</b> | <b>(98,825)</b> | <b>(52,085)</b> | <b>(343,425)</b> | <b>(833,477)</b>  | <b>(157,533)</b> | <b>(639,709)</b> | <b>(136,988)</b> |
| <b>Net income and Net gain/(loss)</b>  |       | <b>4,243,624</b> | <b>59,608,729</b>  | <b>483,394</b>  | <b>706,216</b>  | <b>2,200,266</b> | <b>10,647,936</b> | <b>393,510</b>   | <b>4,465,832</b> | <b>(524,405)</b> |
| <b>Finance Costs</b>   |       |                  |                    |                 |                 |                  |                   |                  |                  |                  |
| Bank Interest  |       | (6)              | (301)              | (62)            | (2)             | (3)              | (11)              | (13)             | (4)              | (93)             |
| Distributions  | 6     | (6)              | (411,437)          | -               | -               | -                | -                 | -                | -                | -                |
| <b>Gain/(Loss) for the period before taxation</b>  |       | <b>4,243,618</b> | <b>59,196,991</b>  | <b>483,332</b>  | <b>706,214</b>  | <b>2,200,263</b> | <b>10,647,925</b> | <b>393,497</b>   | <b>4,465,828</b> | <b>(524,498)</b> |
| Withholding Tax on dividends   | 2, 3  | (348,828)        | -                  | -               | (28,820)        | (89,256)         | (196,389)         | (44,829)         | (133,695)        | (35,981)         |
| Withholding Tax on coupon income   | 2, 3  | -                | (116,256)          | -               | -               | -                | -                 | -                | -                | -                |
| <b>Increase/(Decrease) in Net Assets Attributable to Redeemable Participating Unitholders at Mid Market Prices</b> |       | <b>3,894,790</b> | <b>59,080,735</b>  | <b>483,332</b>  | <b>677,394</b>  | <b>2,111,007</b> | <b>10,451,536</b> | <b>348,668</b>   | <b>4,332,133</b> | <b>(560,479)</b> |

\*EDGE Small/Mid-Cap Equity Income Fund terminated on 31 May 2016.

<sup>1</sup>Custodian (until 17 March 2016) and Depository (from 18 March 2016).

**PRINCIPAL GLOBAL INVESTORS FUNDS  
STATEMENT OF COMPREHENSIVE INCOME**

for the year ended 30 September 2016 (continued)

|  | Notes | CLAF<br>USD      | FEMDF<br>USD       | GCSF<br>USD      | SDHY**<br>USD   | CSOF<br>USD     | GCAP<br>USD     | REDF**<br>USD   | Total<br>USD        |
|--|-------|------------------|--------------------|------------------|-----------------|-----------------|-----------------|-----------------|---------------------|
| <b>Income</b>  |       |                  |                    |                  |                 |                 |                 |                 |                     |
| Dividend Income  | 2     | 328,459          | -                  | -                | -               | -               | -               | -               | 41,805,246          |
| Deposit Interest   | 4     | 2,860            | 7,041              | 4,703            | 2,399           | 5,409           | 2,595           | -               | 634,709             |
| Other Income   |       | 3,934            | 16,545,131         | 1,651,203        | 349,956         | 563,253         | 545,692         | 581,745         | 132,468             |
| Net Gain/(Loss) on investment activities   |       | 3,111,666        | 16,545,131         | 1,651,203        | 349,956         | 563,253         | 545,692         | 581,745         | 318,609,002         |
| <b>Total investment income and Net gain/(loss)</b>   |       | <b>3,444,063</b> | <b>16,555,032</b>  | <b>1,655,906</b> | <b>352,355</b>  | <b>568,662</b>  | <b>552,500</b>  | <b>581,745</b>  | <b>361,181,445</b>  |
| <b>Expenses</b>  |       |                  |                    |                  |                 |                 |                 |                 |                     |
| Management Fees  | 7     | (116,931)        | (3,780,192)        | (159,876)        | (39,508)        | (67,598)        | (56,373)        | (25,894)        | (32,630,257)        |
| Performance Fees   | 7     | -                | (109,207)          | -                | -               | -               | -               | -               | (116,443)           |
| Trustee Fees   | 7     | (9,188)          | (57,722)           | (4,688)          | (3,715)         | (2,133)         | (1,635)         | (989)           | (690,245)           |
| Custodian Fees   | 7     | (88,692)         | (137,982)          | (16,286)         | (8,951)         | (16,635)        | (16,486)        | (1,000)         | (1,243,419)         |
| Audit Fees   | 7     | (13,327)         | (22,487)           | (18,260)         | (15,169)        | (15,278)        | (15,277)        | (16,065)        | (358,108)           |
| Administration Fees  | 7     | -                | (3,103)            | (2)              | -               | -               | -               | -               | (1,711,359)         |
| Listing Expense  |       | -                | -                  | -                | -               | -               | -               | -               | (16,185)            |
| Other Expenses   |       | (68,203)         | (152,177)          | (105,009)        | (105,661)       | (107,092)       | (68,552)        | (65,574)        | (2,240,188)         |
| Rebate to the Fund due to capping  | 7     | 58,988           | -                  | 116,760          | 141,132         | 110,068         | 86,915          | 76,741          | 1,202,000           |
| <b>Total operating expenses</b>  |       | <b>(206,353)</b> | <b>(4,262,870)</b> | <b>(187,361)</b> | <b>(31,872)</b> | <b>(98,608)</b> | <b>(71,408)</b> | <b>(38,966)</b> | <b>(37,804,204)</b> |
| <b>Net income and Net gain/(loss)</b>  |       | 3,237,710        | 12,292,162         | 1,468,545        | 320,483         | 470,054         | 481,092         | 542,779         | 323,377,241         |
| <b>Finance Costs</b>   |       |                  |                    |                  |                 |                 |                 |                 |                     |
| Bank Interest  |       |                  |                    |                  |                 |                 |                 |                 |                     |
| Distributions  | 6     | (61)             | (85,939)           | (2,609)          | (208)           | (14)            | -               | (41)            | (95,521)            |
| <b>Gain/(Loss) for the period before taxation</b>  |       | <b>3,237,649</b> | <b>11,748,644</b>  | <b>1,465,936</b> | <b>320,275</b>  | <b>470,040</b>  | <b>481,092</b>  | <b>471,699</b>  | <b>283,875,677</b>  |
| Withholding Tax on dividends   | 2, 3  | (25,023)         | -                  | (11,206)         | 493             | (21,543)        | -               | -               | (3,661,381)         |
| Withholding Tax on coupon income   | 2, 3  | -                | (53,379)           | -                | -               | -               | (1,652)         | -               | (576,549)           |
| <b>Increase/(Decrease) in Net Assets Attributable to Redeemable Participating Unitholders at Mid Market Prices</b> |       | <b>3,212,626</b> | <b>11,695,265</b>  | <b>1,454,730</b> | <b>320,768</b>  | <b>448,497</b>  | <b>479,440</b>  | <b>471,699</b>  | <b>279,637,747</b>  |

\*Custodian (until 17 March 2016) and Depository (from 18 March 2016).

Gains and losses arose solely from continuing investment activities. There were no gains or losses other than those dealt with in the Statement of Comprehensive Income

\*\*Global Short Duration High Yield Fund terminated on 1 July 2016.

\*\*\*Real Estate Debt Fund launched on 21 March 2016.

Signed on behalf of Principal Global Investors (Ireland) Limited on 24 January 2017.

Director: \_\_\_\_\_ Director: \_\_\_\_\_

**PRINCIPAL GLOBAL INVESTORS FUNDS  
STATEMENT OF COMPREHENSIVE INCOME**

for the year ended 30 September 2015

|  |      | GEF                | AEF                | EEF                | EMEF               | JEF                | PSF                 | USEF               | HYF                 |
|--|------|--------------------|--------------------|--------------------|--------------------|--------------------|---------------------|--------------------|---------------------|
| Notes  |      | USD                | USD                | USD                | USD                | USD                | USD                 | USD                | USD                 |
| <b>Income</b>  |      |                    |                    |                    |                    |                    |                     |                    |                     |
| Dividend Income  | 2    | 1,325,105          | 237,111            | 2,784,142          | 283,428            | 532,880            | 22,903,105          | 2,842,203          | —                   |
| Deposit Interest   |      | 7,143              | —                  | 140                | —                  | —                  | —                   | —                  | 170,162             |
| Other Income   |      | 7,143              | 7,194              | 7,175              | 7,268              | 7,174              | 16,151              | 14,917             | 8,295               |
| Net Gain/(Loss) on investment activities   |      | (3,345,433)        | (1,193,066)        | (5,754,072)        | (1,781,545)        | (1,213,897)        | (8,679,150)         | (4,563,153)        | (10,422,234)        |
| <b>Total investment income and Net gain/(loss)</b>   |      | <b>(2,013,185)</b> | <b>(948,761)</b>   | <b>(2,962,615)</b> | <b>(1,490,849)</b> | <b>(673,843)</b>   | <b>14,240,106</b>   | <b>(1,706,033)</b> | <b>(10,243,777)</b> |
| <b>Expenses</b>  |      |                    |                    |                    |                    |                    |                     |                    |                     |
| Management Fees  | 7    | (610,291)          | (117,460)          | (1,048,331)        | (127,429)          | (293,528)          | (12,703,644)        | (1,481,607)        | (996,117)           |
| Trustee Fees   | 7    | (10,845)           | (1,739)            | (18,901)           | (2,143)            | (5,840)            | (163,185)           | (24,797)           | (21,126)            |
| Custodian Fees   | 7    | (77,852)           | (43,894)           | (99,012)           | (54,118)           | (47,802)           | (123,812)           | (44,979)           | (30,917)            |
| Audit Fees   |      | (11,867)           | (12,012)           | (11,923)           | (10,087)           | (11,820)           | (20,298)            | (11,912)           | (21,406)            |
| Administration Fees  | 7    | (20,405)           | (9,148)            | (27,800)           | (3,632)            | (442)              | (1,220,901)         | (536)              | (70,209)            |
| Other Expenses   |      | (41,000)           | (20,566)           | (67,047)           | (18,638)           | (21,500)           | (12,945)            | (6,327)            | (49,276)            |
| Rebate to the Fund due to capping  | 7    | —                  | 12,178             | 6,057              | 5,203              | 101                | —                   | 287                | —                   |
| Recharge to the Fund due to capping  | 7    | (13,219)           | —                  | —                  | —                  | —                  | —                   | —                  | (11,554)            |
| <b>Total operating expenses</b>  |      | <b>(785,479)</b>   | <b>(192,641)</b>   | <b>(1,266,957)</b> | <b>(210,844)</b>   | <b>(380,831)</b>   | <b>(14,244,785)</b> | <b>(1,569,871)</b> | <b>(1,200,605)</b>  |
| <b>Net income and Net gain/(loss)</b>  |      | <b>(2,798,664)</b> | <b>(1,141,402)</b> | <b>(4,229,572)</b> | <b>(1,701,693)</b> | <b>(1,054,674)</b> | <b>(4,679)</b>      | <b>(3,275,904)</b> | <b>(11,444,382)</b> |
| <b>Finance Costs</b>   |      |                    |                    |                    |                    |                    |                     |                    |                     |
| Bank Interest  |      | (76)               | (3)                | (7)                | (14)               | (238)              | (6,884)             | (29)               | (1,542)             |
| Distributions  | 6    | —                  | (12,310)           | (23,271)           | —                  | —                  | (33,036,842)        | —                  | (128,439)           |
| <b>Gain/(Loss) for the period before taxation</b>  |      | <b>(2,798,740)</b> | <b>(1,153,715)</b> | <b>(4,252,850)</b> | <b>(1,701,707)</b> | <b>(1,054,912)</b> | <b>(33,048,405)</b> | <b>(3,275,933)</b> | <b>(11,574,363)</b> |
| Withholding Tax on dividends   | 2, 3 | (260,967)          | (28,979)           | (129,740)          | (23,621)           | (79,932)           | 37                  | (798,910)          | —                   |
| Withholding Tax on coupon income   | 2, 3 | —                  | —                  | —                  | —                  | —                  | (11,186)            | —                  | (37,682)            |
| <b>Increase/(Decrease) in Net Assets Attributable to Redeemable Participating Unitholders at Mid Market Prices</b> |      | <b>(3,059,707)</b> | <b>(1,182,694)</b> | <b>(4,382,590)</b> | <b>(1,725,328)</b> | <b>(1,134,844)</b> | <b>(33,059,554)</b> | <b>(4,074,843)</b> | <b>(11,612,045)</b> |

**PRINCIPAL GLOBAL INVESTORS FUNDS**  
**STATEMENT OF COMPREHENSIVE INCOME**  
for the year ended 30 September 2015 (continued)

|  | Notes | GPSF<br>USD      | GEJF<br>USD        | GLTHY<br>USD        | GTDARF<br>USD   | EEIF<br>USD      | GSCEF            | OGEMF<br>USD       | OGEF<br>USD      |
|--|-------|------------------|--------------------|---------------------|-----------------|------------------|------------------|--------------------|------------------|
| <b>Income</b>  |       |                  |                    |                     |                 |                  |                  |                    |                  |
| Dividend Income  | 2     | 2,364,642        | 1,839,636          | 1,216,969           | —               | 209,988          | 616,709          | 1,608,567          | 276,631          |
| Deposit Interest   |       | 1,550            | 7                  | 485,748             | 13              | 1                | 11               | 16                 | 1                |
| Other Income   |       | 8,347            | 5,307              | 13,301              | 7,385           | 7,175            | 7,453            | 7,267              | 7,189            |
| Net Gain/(Loss) on investment activities   |       | 1,336,217        | (4,247,390)        | (39,787,261)        | (10,172)        | (494,158)        | 1,748,695        | (7,344,665)        | (15,113)         |
| <b>Total investment income and Net gain/(loss)</b>   |       | <b>3,710,756</b> | <b>(2,402,440)</b> | <b>(38,071,243)</b> | <b>(2,774)</b>  | <b>(276,984)</b> | <b>2,372,868</b> | <b>(5,728,815)</b> | <b>268,608</b>   |
| <b>Expenses</b>  |       |                  |                    |                     |                 |                  |                  |                    |                  |
| Management Fees  | 7     | (538,800)        | (740,964)          | (4,258,892)         | (40,772)        | (59,994)         | (283,388)        | (607,775)          | (116,279)        |
| Trustee Fees   | 7     | (15,636)         | (14,818)           | (70,845)            | (15,196)        | (19,077)         | (13,320)         | (27,186)           | (18,105)         |
| Custodian Fees   | 7     | (134,915)        | (52,857)           | (27,039)            | (16,997)        | (26,276)         | (81,447)         | (62,278)           | (25,651)         |
| Audit Fees   |       | (15,171)         | (12,081)           | (15,424)            | (16,076)        | (11,900)         | (12,074)         | (11,782)           | (10,721)         |
| Administration Fees  | 7     | —                | —                  | —                   | —               | (3,926)          | (5,541)          | —                  | —                |
| Other Expenses   | 7     | (33,888)         | (12,177)           | 19,206              | (28,370)        | (36,311)         | 14,331           | (23,026)           | (12,136)         |
| Rebate to the Fund due to capping  | 7     | —                | —                  | —                   | 30,304          | 36,922           | 177              | —                  | 165              |
| Recharge to the Fund due to capping  | 7     | (13,965)         | —                  | —                   | —               | —                | —                | (6,216)            | —                |
| <b>Total operating expenses</b>  |       | <b>(752,375)</b> | <b>(832,897)</b>   | <b>(4,352,994)</b>  | <b>(87,107)</b> | <b>(120,562)</b> | <b>(381,262)</b> | <b>(738,263)</b>   | <b>(182,727)</b> |
| <b>Net income and Net gain/(loss)</b>  |       | <b>2,958,381</b> | <b>(3,235,337)</b> | <b>(42,424,237)</b> | <b>(89,881)</b> | <b>(397,556)</b> | <b>1,991,606</b> | <b>(6,467,078)</b> | <b>85,881</b>    |
| <b>Finance Costs</b>   |       |                  |                    |                     |                 |                  |                  |                    |                  |
| Bank Interest  |       | (91)             | —                  | (2,238)             | (24)            | (1)              | (2)              | (2)                | (21)             |
| Distributions  | 6     | (134,406)        | —                  | (282,774)           | —               | —                | —                | —                  | —                |
| <b>Gain/(Loss) for the period before taxation</b>  |       | <b>2,823,884</b> | <b>(3,235,337)</b> | <b>(42,709,249)</b> | <b>(89,905)</b> | <b>(397,557)</b> | <b>1,991,604</b> | <b>(6,467,080)</b> | <b>85,860</b>    |
| Withholding Tax on dividends   | 2, 3  | (532,611)        | (398,246)          | (75,944)            | —               | (59,785)         | (111,032)        | (198,567)          | (52,185)         |
| Withholding Tax on coupon income   | 2, 3  | —                | —                  | (5,354)             | —               | —                | —                | —                  | —                |
| <b>Increase/(Decrease) in Net Assets Attributable to Redeemable Participating Unitholders at Mid Market Prices</b> |       | <b>2,291,273</b> | <b>(3,633,583)</b> | <b>(42,790,547)</b> | <b>(89,905)</b> | <b>(457,342)</b> | <b>1,880,572</b> | <b>(6,665,647)</b> | <b>33,675</b>    |

**PRINCIPAL GLOBAL INVESTORS FUNDS  
STATEMENT OF COMPREHENSIVE INCOME**

for the year ended 30 September 2015 (continued)

|  | Notes | OGSFC<br>USD     | LSGOF<br>USD     | CLAF<br>USD        | FEMDF<br>USD        | GCSF*<br>USD    | SDHY**<br>USD   | CSOF***<br>USD  | GCAF****<br>USD  | Total<br>USD         |
|--|-------|------------------|------------------|--------------------|---------------------|-----------------|-----------------|-----------------|------------------|----------------------|
| <b>Income</b>  |       |                  |                  |                    |                     |                 |                 |                 |                  |                      |
| Dividend Income  | 2     | 604,306          | 181,506          | 438,830            | —                   | —               | —               | 1,844           | —                | 40,267,502           |
| Deposit Interest   | 1     | —                | —                | 10                 | 20,016              | —               | —               | 4               | 1,622            | 679,303              |
| Other Income   | 1     | 7,138            | 7,477            | 7,174              | 18,685              | 7,326           | 4,329           | 5,257           | —                | 196,127              |
| Net Gain/(Loss) on investment activities   |       | (395,890)        | (53,378)         | (7,727,092)        | (56,505,281)        | 422,047         | 186,446         | 322,454         | (417,049)        | (149,934,140)        |
| <b>Total investment income and Net gain/(loss)</b>   |       | <b>215,555</b>   | <b>135,605</b>   | <b>(7,281,078)</b> | <b>(56,466,580)</b> | <b>429,374</b>  | <b>190,775</b>  | <b>329,559</b>  | <b>(415,427)</b> | <b>(108,791,208)</b> |
| <b>Expenses</b>  |       |                  |                  |                    |                     |                 |                 |                 |                  |                      |
| Management Fees  | 7     | (370,487)        | (77,739)         | (159,612)          | (6,728,871)         | (65,324)        | (29,171)        | (49,773)        | (9,187)          | (31,505,435)         |
| Performance Fees   | 7     | —                | —                | (421,164)          | —                   | —               | —               | —               | —                | (421,164)            |
| Trustee Fees   | 7     | (17,930)         | (19,112)         | (18,424)           | (73,272)            | (2,228)         | (1,374)         | (1,644)         | (442)            | (577,185)            |
| Custodian Fees   | 7     | (30,592)         | (38,995)         | (68,287)           | (84,673)            | (12,985)        | (8,236)         | (10,125)        | (4,734)          | (1,208,473)          |
| Audit Fees   | 7     | (12,120)         | (10,852)         | (10,069)           | (28,760)            | (18,541)        | (15,058)        | (15,054)        | (14,972)         | (341,980)            |
| Administration Fees  | 7     | —                | —                | (1,164)            | —                   | —               | —               | —               | —                | (1,363,704)          |
| Other Expenses   | 7     | (16,624)         | (33,719)         | (57,461)           | (122,955)           | (44,744)        | (54,597)        | (35,327)        | (17,372)         | (732,469)            |
| Rebate to the Fund due to capping  | 7     | 94               | 25,301           | 36,435             | 74,045              | 39,261          | 36,263          | 32,668          | 29,029           | 364,500              |
| Recharge to the Fund due to capping  | 7     | —                | —                | —                  | —                   | —               | —               | —               | —                | (44,954)             |
| <b>Total operating expenses</b>  |       | <b>(447,659)</b> | <b>(155,116)</b> | <b>(277,418)</b>   | <b>(7,386,814)</b>  | <b>(94,561)</b> | <b>(72,153)</b> | <b>(79,265)</b> | <b>(17,678)</b>  | <b>(35,830,864)</b>  |
| <b>Net income and Net gain/(loss)</b>  |       | <b>(232,104)</b> | <b>(19,511)</b>  | <b>(7,558,496)</b> | <b>(63,853,394)</b> | <b>334,813</b>  | <b>118,622</b>  | <b>250,294</b>  | <b>(433,105)</b> | <b>(144,622,072)</b> |
| <b>Finance Costs</b>   |       |                  |                  |                    |                     |                 |                 |                 |                  |                      |
| Bank Interest  | 6     | (71)             | (45)             | (57)               | (368,245)           | (610)           | (1)             | —               | (90)             | (380,291)            |
| Distributions  |       | —                | —                | —                  | —                   | —               | —               | —               | —                | (33,618,042)         |
| <b>Gain/(Loss) for the period before taxation</b>  |       | <b>(232,175)</b> | <b>(19,556)</b>  | <b>(7,558,553)</b> | <b>(64,221,639)</b> | <b>334,203</b>  | <b>118,621</b>  | <b>250,294</b>  | <b>(433,195)</b> | <b>(178,620,405)</b> |
| Withholding Tax on dividends   | 2, 3  | (104,324)        | (39,159)         | (27,184)           | —                   | —               | —               | —               | —                | (2,921,149)          |
| Withholding Tax on coupon income   | 2, 3  | —                | —                | —                  | (76,736)            | (14,059)        | (512)           | (15,765)        | (2,544)          | (163,838)            |
| <b>Increase/(Decrease) in Net Assets Attributable to Redeemable Participating Unitholders at Mid Market Prices</b> |       | <b>(336,499)</b> | <b>(58,715)</b>  | <b>(7,585,737)</b> | <b>(64,298,375)</b> | <b>320,144</b>  | <b>118,109</b>  | <b>234,529</b>  | <b>(435,739)</b> | <b>(181,705,392)</b> |

\*Spectrum Global Capital Securities Fund launched on 30 October 2014.

\*\*Global Short Duration High Yield Fund launched on 10 December 2014.

\*\*\*Global Capital Structure Opportunities Fund launched on 11 December 2014.

\*\*\*\*Global Credit Alpha Fund commenced operations under the PGIF umbrella on 23 June 2015.

Gains and losses arose solely from continuing investment activities. There were no gains or losses other than those dealt with in the Statement of Comprehensive Income.

**PRINCIPAL GLOBAL INVESTORS FUNDS**  
**STATEMENT OF MOVEMENT IN NET ASSETS ATTRIBUTABLE TO REDEEMABLE PARTICIPATING UNITHOLDERS**  
for the year ended 30 September 2016

| <b>Net Assets Attributable to Redeemable Participating Unitholders at the start of the year</b>                  | <b>GEF<br/>USD</b> | <b>AEF<br/>USD</b> | <b>EEF<br/>USD</b> | <b>EMEF<br/>USD</b> | <b>JEF<br/>USD</b> | <b>PSF<br/>USD</b>   | <b>USEF<br/>USD</b> | <b>HYF<br/>USD</b> | <b>GPSF<br/>USD</b> |
|--|--------------------|--------------------|--------------------|---------------------|--------------------|----------------------|---------------------|--------------------|---------------------|
|  | 54,469,110         | 7,689,861          | 104,283,643        | 8,464,840           | 22,737,842         | 1,760,276,776        | 135,447,043         | 127,317,424        | 98,999,375          |
| Movement due to sales and repurchases of units   | 4,885,582          | 18,736             | 20,164,283         | 418,814             | 37,144,382         | 1,147,068,025        | 7,999,213           | 35,444,737         | 85,479,534          |
| Add: Amounts received on creation of units   | (13,846,384)       | (746,879)          | (26,425,098)       | (2,281,597)         | (32,402,019)       | (623,723,422)        | (35,315,351)        | (42,770,609)       | (35,742,442)        |
| Less: Amounts paid on cancellation of units  |                    |                    |                    |                     |                    |                      |                     |                    |                     |
| Increase/(Decrease) in Net Assets Attributable to Redeemable Participating Unitholders resulting from operations | 2,773,344          | 974,220            | 2,501,201          | 738,338             | 2,911,634          | 126,962,575          | 9,051,946           | 18,800,804         | 16,021,544          |
| <b>Net Assets Attributable to Redeemable Participating Unitholders at the end of the year</b>                    | <b>48,281,652</b>  | <b>7,935,938</b>   | <b>100,524,029</b> | <b>7,340,395</b>    | <b>30,391,839</b>  | <b>2,410,583,954</b> | <b>117,182,851</b>  | <b>138,792,356</b> | <b>165,758,011</b>  |

**PRINCIPAL GLOBAL INVESTORS FUNDS**  
**STATEMENT OF MOVEMENT IN NET ASSETS ATTRIBUTABLE TO REDEEMABLE PARTICIPATING UNITHOLDERS**  
for the year ended 30 September 2016 (continued)

|  | GEJF<br>USD       | GLTHY<br>USD       | GTDARF<br>USD    | EIF*<br>USD | GSCEF<br>USD      | OGEMF<br>USD      | OGEF<br>USD       | OGSCF<br>USD      | LSGOF<br>USD     |
|--|-------------------|--------------------|------------------|-------------|-------------------|-------------------|-------------------|-------------------|------------------|
| <b>Net Assets Attributable to Redeemable Participating Unitholders at the start of the year</b>                  | 60,247,344        | 555,382,502        | 4,058,191        | 4,641,990   | 21,096,242        | 53,274,246        | 15,453,227        | 35,371,264        | 7,708,631        |
| Movement due to sales and repurchases of units   | 5,236,329         | 467,485,348        | 385,426          | 556         | 1,201,705         | 32,301,122        | 250,627           | 22,914,208        | –                |
| Add: Amounts received on creation of units   | (5,174,944)       | (227,922,685)      | (285,433)        | (5,319,940) | (6,681,759)       | (187,786)         | (10,907)          | (4,933,027)       | –                |
| Less: Amounts paid on cancellation of units  |                   |                    |                  |             |                   |                   |                   |                   |                  |
| Increase/(Decrease) in Net Assets Attributable to Redeemable Participating Unitholders resulting from operations | 3,894,790         | 59,080,735         | 483,332          | 677,394     | 2,111,007         | 10,451,536        | 348,668           | 4,332,133         | (560,479)        |
| <b>Net Assets Attributable to Redeemable Participating Unitholders at the end of the year</b>                    | <b>64,203,519</b> | <b>654,025,900</b> | <b>4,641,516</b> | <b>–</b>    | <b>17,727,195</b> | <b>95,839,118</b> | <b>16,041,615</b> | <b>57,684,578</b> | <b>7,148,152</b> |

\*EDGE Small/Mid-Cap Equity Income Fund terminated on 31 May 2016.

**PRINCIPAL GLOBAL INVESTORS FUNDS**  
**STATEMENT OF MOVEMENT IN NET ASSETS ATTRIBUTABLE TO REDEEMABLE PARTICIPATING UNITHOLDERS**  
for the year ended 30 September 2016 (continued)

| Net Assets Attributable to Redeemable Participating Unitholders at the start of the year                         | CLAF<br>USD       | FEMDF<br>USD       | GCSF<br>USD       | SDHY**<br>USD | CSOF<br>USD       | GCAF<br>USD      | REDF***<br>USD   | Total<br>USD         |
|--|-------------------|--------------------|-------------------|---------------|-------------------|------------------|------------------|----------------------|
|  | 11,495,853        | 463,144,668        | 21,246,644        | 8,620,593     | 10,234,529        | 7,916,376        | -                | 3,600,578,214        |
| Movement due to sales and repurchases of units   | -                 | 60,911,278         | 5,087,699         | 400,601       | 309,051           | -                | -9,071,039       | 1,944,178,295        |
| Add: Amounts received on creation of units   | (2,349,965)       | (221,286,176)      | (3,159,654)       | (9,341,962)   | (296,819)         | -                | -                | (1,300,204,868)      |
| Less: Amounts paid on cancellation of units  |                   |                    |                   |               |                   |                  |                  |                      |
| Increase/(Decrease) in Net Assets Attributable to Redeemable Participating Unitholders resulting from operations | 3,212,626         | 11,695,265         | 1,454,730         | 320,768       | 448,497           | 479,440          | 471,689          | 279,637,747          |
| <b>Net Assets Attributable to Redeemable Participating Unitholders at the end of the year</b>                    | <b>12,358,514</b> | <b>314,465,035</b> | <b>24,629,419</b> | <b>-</b>      | <b>10,695,288</b> | <b>8,395,816</b> | <b>9,542,738</b> | <b>4,524,189,396</b> |

\*\*Global Short Duration High Yield Fund terminated on 1 July 2016.

\*\*\*Real Estate Debt Fund launched on 21 March 2016.

Signed on behalf of Principal Global Investors (Ireland) Limited on 24 January 2017.

Director: \_\_\_\_\_



**PRINCIPAL GLOBAL INVESTORS FUNDS**  
**STATEMENT OF MOVEMENT IN NET ASSETS ATTRIBUTABLE TO REDEEMABLE PARTICIPATING UNITHOLDERS**  
for the year ended 30 September 2015

|  | GEF<br>USD        | AEF<br>USD       | EEF<br>USD         | EMEF<br>USD       | JEF<br>USD        | PSF<br>USD           | USEF<br>USD        | HYF<br>USD         |
|--|-------------------|------------------|--------------------|-------------------|-------------------|----------------------|--------------------|--------------------|
| <b>Net Assets Attributable to Redeemable Participating Unitholders at the start of the year</b>                  | <b>56,148,523</b> | <b>8,883,958</b> | <b>118,279,145</b> | <b>13,086,417</b> | <b>63,282,578</b> | <b>1,260,808,686</b> | <b>170,471,828</b> | <b>110,054,732</b> |
| Movement due to sales and repurchases of units   | 27,036,065        | 1,896,445        | 44,797,520         | 1,031,859         | 16,185,074        | 965,137,601          | 30,477,508         | 84,133,697         |
| Add: Amounts received on creation of units   | (25,655,771)      | (1,907,848)      | (54,410,432)       | (3,928,108)       | (55,594,966)      | (432,609,957)        | (61,427,450)       | (55,258,960)       |
| Less: Amounts paid on cancellation of units  |                   |                  |                    |                   |                   |                      |                    |                    |
| Increase/(Decrease) in Net Assets Attributable to Redeemable Participating Unitholders resulting from operations | (3,059,707)       | (1,182,694)      | (4,382,590)        | (1,725,328)       | (1,134,844)       | (33,059,554)         | (4,074,843)        | (11,612,045)       |
| <b>Net Assets Attributable to Redeemable Participating Unitholders at the end of the year</b>                    | <b>54,469,110</b> | <b>7,689,861</b> | <b>104,283,643</b> | <b>8,464,840</b>  | <b>22,737,842</b> | <b>1,760,276,776</b> | <b>135,447,043</b> | <b>127,317,424</b> |

**PRINCIPAL GLOBAL INVESTORS FUNDS**  
**STATEMENT OF MOVEMENT IN NET ASSETS ATTRIBUTABLE TO REDEEMABLE PARTICIPATING UNITHOLDERS**  
for the year ended 30 September 2015 (continued)

|  | GPSF<br>USD       | GEJF<br>USD       | GLTHY<br>USD       | GTDARF<br>USD    | EEIF<br>USD      | GSCEF<br>USD      | OGEMF<br>USD      | OGEF<br>USD       |
|--|-------------------|-------------------|--------------------|------------------|------------------|-------------------|-------------------|-------------------|
| <b>Net Assets Attributable to Redeemable Participating Unitholders at the start of the year</b>                  | <b>67,821,567</b> | <b>77,735,822</b> | <b>657,614,003</b> | <b>4,850,950</b> | <b>5,099,332</b> | <b>33,819,803</b> | <b>59,451,774</b> | <b>21,853,954</b> |
| Movement due to sales and repurchases of units   | 60,785,341        | 345,105           | 140,597,647        | 4,200,000        | -                | 3,928,516         | 938,078           | 575,994           |
| Add: Amounts received on creation of units   | (30,898,806)      | (14,200,000)      | (200,038,601)      | (4,902,854)      | -                | (18,532,649)      | (449,959)         | (7,010,396)       |
| Less: Amounts paid on cancellation of units  |                   |                   |                    |                  |                  |                   |                   |                   |
| Increase/(Decrease) in Net Assets Attributable to Redeemable Participating Unitholders resulting from operations | 2,291,273         | (3,633,583)       | (42,790,547)       | (89,905)         | (457,342)        | 1,880,572         | (6,665,647)       | 33,675            |
| <b>Net Assets Attributable to Redeemable Participating Unitholders at the end of the year</b>                    | <b>99,999,375</b> | <b>60,247,344</b> | <b>555,382,502</b> | <b>4,066,191</b> | <b>4,641,990</b> | <b>21,096,242</b> | <b>53,274,246</b> | <b>15,453,227</b> |

**PRINCIPAL GLOBAL INVESTORS FUNDS**  
**STATEMENT OF MOVEMENT IN NET ASSETS ATTRIBUTABLE TO REDEEMABLE PARTICIPATING UNITHOLDERS**  
for the year ended 30 September 2015 (continued)

| <b>Net Assets Attributable to Redeemable Participating Unitholders at the start of the year</b>                  | OGSCF<br>USD      | LSGOF<br>USD     | CLAF<br>USD       | FEMDF<br>USD       | GCSF*<br>USD      | SDHY**<br>USD    | CSOF***<br>USD    | GCAF****<br>USD  | Total<br>USD         |
|--|-------------------|------------------|-------------------|--------------------|-------------------|------------------|-------------------|------------------|----------------------|
|  | 35,121,170        | 7,767,346        | 15,571,289        | 442,446,674        | -                 | -                | -                 | -                | 3,230,169,551        |
| Movement due to sales and repurchases of units   | 1,129,086         | -                | 5,479,200         | 325,250,710        | 20,926,500        | 8,520,336        | 10,000,000        | 8,352,115        | 1,761,724,397        |
| Add: Amounts received on creation of units   | (542,493)         | -                | (1,968,899)       | (240,254,341)      | -                 | (17,852)         | -                 | -                | (1,209,610,342)      |
| Less: Amounts paid on cancellation of units  | (336,499)         | (58,715)         | (7,585,737)       | (64,298,375)       | 320,144           | 118,109          | 234,529           | (435,739)        | (181,705,392)        |
| Increase/(Decrease) in Net Assets Attributable to Redeemable Participating Unitholders resulting from operations |                   |                  |                   |                    |                   |                  |                   |                  |                      |
| <b>Net Assets Attributable to Redeemable Participating Unitholders at the end of the year</b>                    | <b>35,371,264</b> | <b>7,708,631</b> | <b>11,495,853</b> | <b>463,144,668</b> | <b>21,246,644</b> | <b>8,620,593</b> | <b>10,234,529</b> | <b>7,916,376</b> | <b>3,600,578,214</b> |

\*Spectrum Global Capital Securities Fund launched on 30 October 2014.

\*\*Global Short Duration High Yield Fund launched on 10 December 2014.

\*\*\*Global Capital Structure Opportunities Fund launched on 11 December 2014.

\*\*\*\*Global Credit Alpha Fund commenced operations under the PGIF umbrella on 23 June 2015.

**PRINCIPAL GLOBAL INVESTORS FUNDS**  
**NOTES TO THE ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**for the year ended 30 September 2016**

**1. FORMATION**

The Principal Global Investors Funds (“the Trust”) was constituted under the laws of Ireland by a Trust Deed dated 13 October 1992 as an open-ended umbrella Unit Trust established as an Undertaking for Collective Investment in Transferable Securities (“UCITS”). It is an umbrella Unit Trust in that different classes of units may be issued from time to time by the Manager. Units of certain classes of the Trust are listed on the Irish Stock Exchange. The Trust has been authorised by the Central Bank of Ireland (the “Central Bank”) pursuant to the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2011 (as amended), the Central Bank (Supervision and Enforcement Act 2013 (Section 48(1)) (Undertakings for Collective Investment in Transferable Securities) Regulations 2015, and the Central Bank (Supervision and Enforcement) Act 2013 (Section 48 (1)) (Undertakings for Collective Investment in Transferable Securities) (Amendment) Regulations 2016 (the “UCITS Regulations”).

The Financial Statements have been prepared for the year ended 30 September 2016.

The investment portfolios (“Funds”) of the Trust are listed on pages 4 to 6. The Portfolios of Investments are listed on pages 30 to 99 of which there is a change in presentation basis from country of incorporation to country of risk.

**2. PRINCIPAL ACCOUNTING POLICIES**

**Accounting Convention and Basis of Accounting**

The financial statements are prepared in accordance with accounting standards generally accepted in Ireland (“Irish GAAP”) including Financial Reporting Standard (“FRS”) 102, the financial reporting standard applicable in the United Kingdom and Republic of Ireland and the provisions of the UCITS Regulations and the Hong Kong Securities and Futures Commission’s Code on Unit Trusts and Mutual Funds. Irish GAAP used in preparing financial statements which present a true and fair view are those standards published by the Institute of Chartered Accountants in Ireland (the “Institute”) and issued by the Financial Reporting Council (“FRC”). The Trust has also applied the “Amendments to FRS 102 – Fair value hierarchy disclosures” which were issued in March 2016 and are applicable for accounting periods beginning on or after 1 January 2017 with early application permitted. The Trust has taken the option to early adopt the amendments.

The Trust has availed of the exemption available to open ended investment funds that hold a substantial proportion of highly liquid and fair valued investments under Section 7 “Statement of Cash Flows” of FRS 102 and is not presenting cash flow statements.

The report has been prepared on a going concern basis for all Funds in the Trust under the historical cost convention, as modified by the revaluation of financial assets at fair value through profit or loss except for the EDGE Small/Mid-Cap Equity Income Fund and Global Short Duration High Yield Fund which have terminated during the period – these have been prepared on a non-going concern basis. The report has been prepared in USD for all Funds on the platform. The functional and presentation currency of the Trust is the USD.

The format and certain wordings of the financial statements have been adapted from those contained in Irish statute so that, in the opinion of the Directors, they more appropriately reflect the nature of the Trusts business as an investment fund.

Under FRS 102, in accounting for its financial instruments a reporting entity is required to apply either (a) the full provisions of Section 11 “Basic Financial Instruments” and Section 12 “Other Financial Instruments Issues” of FRS 102, (b) the recognition and measurement provisions of International Accounting Standards (“IAS”) 39 “Financial Instruments: Recognition and Measurement” (“IAS 39”) and only the disclosure requirements of Sections 11 and 12 of FRS 102; or (c) the recognition and measurement provisions of International Financial Reporting Standards (“IFRS”) 9 “Financial Instruments” (“IFRS 9”) and the disclosure requirements of Sections 11 and 12. The Trust has elected to apply the recognition and measurement provisions of IAS 39 and the disclosure requirements of Sections 11 and 12. The Trust has also early adopted the “Amendments to FRS 102 – Fair value hierarchy disclosures”.

The information required by FRS 102, to be included in a Statement of Total Recognised Gains and Losses and a Reconciliation of Movements in Shareholders’ Funds are, in the opinion of the Directors, contained in the Statements of Comprehensive Income and the Statements of Movement in Net Assets Attributable to Redeemable Participating Unitholders on pages 118 to 120. In arriving at the results for the period, all amounts in the Statements of Comprehensive Income on pages 112 to 114 relate to continuing activities except for the EDGE Small/Mid-Cap Equity Income Fund and Global Short Duration High Yield Fund which have terminated. In the opinion of the Directors, the financial statements give, in all other respects, the information required by the UCITS Regulations and the Hong Kong Securities and Futures Commission’s Code on Unit Trusts and Mutual Funds.

All gains or losses for the period are reflected in the Statements of Comprehensive Income on pages 112 to 114.

**PRINCIPAL GLOBAL INVESTORS FUNDS**  
**NOTES TO THE ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**for the year ended 30 September 2016 (continued)**

**2. PRINCIPAL ACCOUNTING POLICIES (continued)**

**Financial Instruments at Fair Value through Profit or Loss**

This category has two sub-categories: financial assets and liabilities held for trading, and those designated by the Investment Adviser at fair value through profit or loss at inception. All instruments on the Portfolio of Investments are classified as held at fair value through profit or loss. Subsequent to initial recognition, all instruments classified at fair value through profit or loss are measured at fair value with changes in their fair value recognised in the Statement of Comprehensive Income. Financial assets are derecognised when the rights to receive the cashflow from the investments have expired or the Funds have transferred substantially all of the risks or rewards of ownership

**Accounting for Investments**

Investments are recognised at the trade date at mid or last traded prices. Realised gains or losses on investment disposals are calculated using the average cost method. Realised gains or losses on investment transactions in debt instruments are calculated using the amortised cost method based on the effective interest rate.

**Valuation of Investments**

The year end valuation date was 30 September 2016, the last business day of the year. Securities listed on a recognised stock exchange or traded on any other organised market, are valued at the current mid price at each valuation point on the stock exchange or market which constitutes the principal market for such securities. If trades are received after the dealing cut-off time they will be accounted for in the next valuation. If for specific assets the current mid prices do not, in the opinion of the Manager, reflect their fair value or are not available, the price of the most recent transaction provides evidence of the current fair value as long as there has not been a significant change in economic circumstances since the time of the transaction or the Manager may also apply a fair value adjustment where they deem appropriate in order to reflect fair value.

In the case of any security not listed, quoted or dealt on a regulated market or for which no quotation or value is available which would provide a fair valuation, or in respect of which the price is unrepresentative, the fair value of such security is determined on the basis of the probable realisation value and is determined by the Investment Adviser, Sub-Investment Adviser, a stockbroker or other competent person appointed by the Investment Adviser and approved for the purpose by the Trustee, using valuation techniques.

**Futures**

A futures contract obligates one party to sell and the other party to purchase a specific instrument for an agreed price at an agreed future date. Futures may be used subject to the conditions and limits laid down by the Central Bank and the Trust Deed and subject to any other restrictions or regulations which may affect the portfolio management of the Funds or the Investment Adviser/Sub-Investment Adviser. Certain Funds may buy or sell futures to provide an efficient, liquid and effective method for the management of risks by "locking in" gains and/or protecting against future declines in value. The fair value of open future contracts is calculated as the difference between the contracted rate and the current rate that would close out the contract on the Statement of Financial Position date. Gains or losses on futures are included in the Unrealised Gain/(Loss) on Open Future Contracts on the Statement of Financial Position and are shown in the Portfolio of Investments. When the contract is terminated, the Fund will recognise a realised gain or loss in the Statement of Comprehensive Income equal to the difference between the value of the contract at the time it was entered into and the time it was closed.

**Forward Foreign Currency Exchange Contracts**

In a Forward Foreign Currency Exchange Contract, the Fund agrees to receive or deliver a fixed quantity of one currency for another, at a pre-determined price at a future date. The fair value of Forward Foreign Currency Exchange Contracts is calculated as the difference between the contracted rate and the current forward rate that would close out the contract on the Statement of Financial Position date. Gains or losses on Forward Foreign Currency Exchange Contracts are included in the Unrealised Gain/(Loss) on Forward Foreign Currency Exchange Contracts on the Statement of Financial Position and are shown in the Portfolio of Investments. Any realised gains or losses are recognised in the Statement of Comprehensive Income at trade date. The Funds may enter into these contracts to hedge against changes in currency exchange rates. The Forward Foreign Currency Exchange Contracts are used to hedge the currency exposure on individual positions taken by the Funds and to hedge non base currency investors.

**Spot Currency Contracts**

In a Spot Currency Contract the Fund agrees to receive or deliver a fixed quantity of one currency for another, at a pre-determined price at a future date (the spot date) this date is typically within three business days of inception of the contract. The fair value of Open Spot Currency Contracts is calculated as the difference between the contracted rate and the current forward rate that would close out the contract on the Statement of Financial Position date. Gains or losses on Spot Currency Contracts are included in the Unrealised Gain/(Loss) on Open Spot Currency Contracts on the Statement of Financial Position and are shown in the Portfolio of Investments. Any realised gains or losses are recognised in the Statement of Comprehensive Income at trade date. The Funds may enter into these contracts to hedge against changes in currency exchange rates.

**PRINCIPAL GLOBAL INVESTORS FUNDS**  
**NOTES TO THE ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**for the year ended 30 September 2016 (continued)**

**2. PRINCIPAL ACCOUNTING POLICIES (continued)**

**Forward Rate Agreements**

A Forward Rate Agreement ("FRA") is a forward contract on a short-term interest rate, usually Libor, in which cash flow obligations at maturity are calculated on a notional amount and based on the difference between a predetermined forward rate and the market rate prevailing on that date. The settlement rate of an FRA is the date on which cash flow obligations are determined. Gains or losses on FRA's are included in the Unrealised Gain/(Loss) on Forward Rate Agreements on the Statement of Financial Position and are shown in the Portfolio of Investments. Any realised gains or losses are recognised in the Statement of Comprehensive Income at trade date. The Funds may enter into these contracts to hedge against changes in currency exchange rates.

**Credit Default Swaps**

A Credit Default Swap is a credit derivative transaction in which two parties enter into an agreement, whereby one party pays the other a fixed periodic coupon for the specified life of the agreement. The other party makes no payments unless a credit event, relating to a predetermined reference asset occurs. If such an event occurs, the party will then make a payment to the first party and the swap will terminate. When the swap terminates any gains or losses arising are reflected in the Statement of Comprehensive Income as part of the Net Gain/(Loss) on investment activities. A Credit Default Swap provides the Fund with an alternative to investing in assets themselves for a potentially higher return with the same risk or they may be used to obtain exposure to assets which the Fund could not otherwise acquire due to illiquidity in the relevant market. The Fund recognises the swap when it becomes party to the contract. The Credit Default Swaps are marked to market daily based upon quotations from market makers and recorded in the Statement of Financial Position as Unrealised Gain on Swap Contracts. At 30 September 2016, there was Cash Collateral pledged by the Funds. This collateral is pledged with the counterparty to the contract.

**Interest Rate Swaps**

An Interest Rate Swap is a bilateral agreement in which each of the parties agrees to exchange a series of interest payments for another series of payments (usually fixed/floating) based on a notional amount that serves as a computation basis and that is usually not exchanged. The Interest Rate Swaps are marked to market daily based upon quotations from market makers and recorded in the Statement of Financial Position as Unrealised Gain on Swap Contracts. When the swap terminates any gains or losses arising are reflected in the Statement of Comprehensive Income as part of the Net Gain/(Loss) on investment activities. At 30 September 2016, there was Cash Collateral pledged by the Funds. This collateral is pledged with the counterparty to the contract.

**Cross Currency Swaps**

A Cross Currency Swap is an interest rate swap in which the cash flows are in different currencies. Upon initiation of a Cross Currency Swap, the counterparties make an initial exchange of notional principles in the two currencies. During the life of the swap, each party pays interest (in the currency of the principle received) to the other at fixed dates and at the maturity of the swap, the parties make the final exchange of the initial principle amounts, reversing the initial exchange at the same spot rate. The Cross Currency Swaps are marked to market daily based upon quotations from market makers and recorded in the Statement of Financial Position as Unrealised Gain on Swap Contracts. When the swap terminates any gains or losses arising are reflected in the Statement of Comprehensive Income as part of the Net Gain/(Loss) on investment activities. At 30 September 2016, there was Cash Collateral pledged by the Funds. This collateral is pledged with the counterparty to the contract.

**Total Return Swaps**

A Total Return Swap is a financial contract whereby one party agrees to pay another party the total return of a defined asset in return for receiving a floating rate return. The Trust enters into unfunded swap agreements on behalf of the Fund. Total Return Swaps are marked to market using valuation sources/methods and the fair value is recorded in the Statement of Financial Position as Unrealised Gain on Swap Contracts. The change in unrealised gains and losses is shown in Net gain/(loss) on investment activities in the Statement of Comprehensive Income.

Total Return Swap positions are valued using models which utilise observable data to the extent practicable and contain assumptions on the application of this data. Changes in data inputs and assumptions about these factors could affect the reported fair value of the Total Return Swaps.

**Option Contracts**

Options are Financial Derivative Instruments ("FDIs") that give the buyer, in exchange for a premium payment, the right, but not the obligation, to either purchase (call option) or to sell to (put option) the writer a specified underlying instrument at a specified price on or before a specified date. The Funds enter into exchange-traded contracts to meet the requirements of its risk management and trading activities. All open option positions are detailed in the Unrealised Gain/(Loss) on Option Contracts in the Statement of Financial Position.

**PRINCIPAL GLOBAL INVESTORS FUNDS**  
**NOTES TO THE ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**for the year ended 30 September 2016 (continued)**

**2. PRINCIPAL ACCOUNTING POLICIES (continued)**

**Option Contracts (continued)**

When options are closed, the difference between the premium and the amount paid or received, net of brokerage commissions, or the full amount of the premium if the option expires worthless, is treated as a realised gain or loss and is included in Net Gain/Loss on investment activities in the Statement of Comprehensive Income. The Funds may enter into these contracts to hedge against changes in currency exchange rates.

**Foreign Currency Transactions**

In accordance with Section 30 "Foreign Currency Translation" of FRS 102, items included in the individual Fund's financial statements are measured using the currency of the primary economic environment in which it operates (functional currency). The Fund's selection of the functional currency is attributable to the functional currency being: a) the major component of the Fund's benchmark and b) the common proxy for most clients in the Fund's varied client base. The functional currency assessment was completed at a Fund level. The Funds' presentation currencies equated to their respective functional currencies when assessed under FRS 102. The functional currency of each Fund of the Trust is USD.

**For each Fund:**

- (i) Currency gains or losses can arise where there is a difference between the amounts of foreign dividends and interest is recorded on the Fund's books and the Fund's functional currency equivalent of the amounts actually received or paid. These gains or losses are included where appropriate in the dividend and interest income figure in the individual Fund's Statement of Comprehensive Income on pages 112 to 114;
- (ii) Currency gains or losses realised on securities purchases and sales transactions are included in Net Gain/(Loss) on investment activities in the individual Fund's Statement of Comprehensive Income on pages 112 to 114;
- (iii) Unrealised currency gains or losses on securities held at year end are included in Net Gain/(Loss) on investment activities in the individual Fund's Statement of Comprehensive Income on pages 112 to 114; and
- (iv) Monetary assets and liabilities denominated in currencies other than the Fund's functional currency are translated at the rate of exchange ruling at the close of business on the Statement of Financial Position date and exchange differences are included in Net Gain/(Loss) on investment activities in the individual Fund's Statement of Comprehensive Income on pages 112 to 114.

**Income from Investments**

Dividends are credited to the Statement of Comprehensive Income on the dates on which the relevant securities are listed as "ex-dividend". Interest income is accounted for daily on an effective yield basis. Income is shown gross of any non-recoverable withholding taxes, which are disclosed separately in the Statement of Comprehensive Income, and net of any tax credits. Realised gains or losses on investment transactions in debt instruments are calculated using the amortised cost method based on the effective interest rate.

**Net Gain/(Loss) on Investment Activities**

In respect of each instrument type classified as Financial Instruments at Fair Value through Profit or Loss, the movement in unrealised gains/(losses) since the prior period end and realised gains/(losses) are included in Net Gain/(Loss) on investment activities in the Statement of Comprehensive Income. Interest earned on fixed income securities such as bonds are included here also.

**Expenses**

Operating expenses inclusive of Performance Fees, are recognised on an accruals basis in the Statement of Comprehensive Income.

**Formation Costs**

As at 30 September 2016 on the EDGE Small/Mid-Cap Equity Income Fund and Global Short Duration High Yield Fund, formation costs of USD Nil (30 September 2015: USD 39,256) and USD Nil (30 September 2015: USD 18,738) were expensed as incurred in line with Irish GAAP requirements. However, formation costs per the dealing valuation are being written off over a five year period.

**Anti Dilution Levy**

The Manager may exercise its discretion to apply an anti dilution levy in relation to subscriptions and redemptions of units. The levy is an allowance for fiscal and other charges that may be deducted from the Net Asset Value per Unit of the relevant class to reflect the costs of acquiring or disposing of underlying assets to fund subscriptions or redemptions from the Fund, respectively. The levy is intended to be used to ensure that all investors in the Trust are treated equitably by allocating transaction costs to the investors whose transactions give rise to those costs.

**PRINCIPAL GLOBAL INVESTORS FUNDS**  
**NOTES TO THE ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**for the year ended 30 September 2016 (continued)**

**2. PRINCIPAL ACCOUNTING POLICIES (continued)**

**Cash at Bank**

Cash is valued at amortised cost, which approximates fair value. Cash is held with the Bank of New York Mellon Trust Company (Ireland) Limited.

**Cash Collateral & Pledged Collateral**

Cash Collateral provided by the Fund is identified in the Statement of Financial Position as Cash Collateral and is not included as a component of Cash at Bank. For collateral other than cash, if the party to whom the collateral is provided has the right by contract or custom to sell or re-pledge the collateral, the Fund classifies that asset in its Statement of Financial Position separately from Other Assets and identifies the asset as pledged collateral. Where the party to whom the collateral is provided does not have the right to sell or re-pledge; a disclosure of the collateral provided is made in the notes to the financial statements.

**Margin Cash Receivable/Payable**

Cash Collateral Receivable/Payable to the Trust in relation to the open Futures Contracts and open Swap Contracts is identified in the Statement of Financial Position as Margin Cash Receivable/Payable and is not included as a component of Cash at Bank. Margin Cash Receivable/Payable at 30 September 2016 is held with the brokers Citigroup, JP Morgan Chase & Co and Morgan Stanley.

**Distributions**

The Preferred Securities Fund will declare and pay quarterly distributions to Unitholders holding the A, I, D, F, N and P Income Unit Classes.

The High Yield Fund will declare and pay quarterly distributions to Unitholders holding the A Income Unit Class.

The Post Global Limited Term High Yield Fund will declare and pay quarterly distributions to Unitholders holding the I Income Unit Class and A Income Unit Class.

The A Income Unit Classes from the Global Equity Fund, Asian Equity Fund, European Equity Fund and Finisterre Emerging Market Debt Fund will declare and pay annual distributions to Unitholders.

The I and I2 Income Unit Classes from the Global Property Securities Fund and the I2 Income Unit Class from the Finisterre Emerging Market Debt Fund will also declare and pay annual distributions to Unitholders.

The Real Estate Debt Fund will declare and pay quarterly distribution to Unitholders holding the I Income Unit Class.

The D2 Income Unit Classes from the Preferred Securities Fund, High Yield Fund, Global Property Securities Fund and Real Estate Debt Fund will declare and pay monthly distributions to Unitholders.

Distributions are recorded by each Fund on ex-dividend date in the Statement of Comprehensive Income once approved by the board.

**Offsetting**

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position when there is a legally enforceable right to set-off the recognised amounts and there is an intention to settle on a net basis, or minimise the assets and settle the liability simultaneously.

**Participating Units**

All participating units issued by the Funds provide the investors the right to acquire redemptions for cash at the value proportionate to the investor's share in the Fund's net assets at the redemption date. Such instruments give rise to a financial liability for the present value of the redemption amount. In accordance with the issued prospectus the Funds are contractually obliged to redeem units at the traded Net Asset Value per unit which is calculated at each valuation point.



**PRINCIPAL GLOBAL INVESTORS FUNDS**  
**NOTES TO THE ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**for the year ended 30 September 2016 (continued)**

**3. TAXATION**

Under current law and practice the Trust qualifies as an investment undertaking as defined in Section 739B of the Taxes Consolidation Act, 1997, as amended. On that basis, it is not chargeable to Irish tax on its income or gains.

However, Irish tax may arise on the happening of a "chargeable event". A chargeable event includes any distribution payments to Unitholders, any encashment, redemption, cancellation or transfer of units and the holding of units at the end of each eight year period beginning with the acquisition of such units.

No Irish tax will arise on the Trust in respect of chargeable events in respect of:

- (i) a Unitholder who is neither Irish resident nor ordinarily resident in Ireland for tax purposes, at the time of the chargeable event, provided appropriate valid declarations in accordance with the provisions of the Taxes Consolidation Act, 1997, as amended, are held by the Trust or the Trust has been authorised by the Irish Revenue to make gross payments in the absence of appropriate declarations; and
- (ii) certain exempted Irish tax resident Unitholders who have provided the Trust with the necessary signed statutory declarations.

Dividends, interest and capital gains (if any) received on investments made by the Trust may be subject to taxes imposed by the country from which the investment income/gains are received and such taxes may not be recoverable by the Trust or its Unitholders.

**Redeeming Units**

When a redemption request has been submitted by a Unitholder who is or is deemed to be an Irish resident, or is acting on behalf of an Irish resident, the Manager shall deduct from the redemption proceeds an amount which is equal to the tax payable by the Unit Trust to the Revenue Commissioners in Ireland in respect of the relevant transaction.

**PRINCIPAL GLOBAL INVESTORS FUNDS**  
**NOTES TO THE ANNUAL REPORT AND FINANCIAL STATEMENTS**  
for the year ended 30 September 2016 (continued)

**4. CASH AND BANK BALANCES**

| At 30 September 2016             | GEF              | AEF            | EEF            | EMEF           | JEF              | PSF                | USEF             | HYF               | GPSF             | GEJF           | GLTHY            | GTDARF         |
|----------------------------------|------------------|----------------|----------------|----------------|------------------|--------------------|------------------|-------------------|------------------|----------------|------------------|----------------|
|                                  | USD              | USD            | USD            | USD            | USD              | USD                | USD              | USD               | USD              | USD            | USD              | USD            |
| Cash at Bank                     | 1,588,637        | 162,816        | 21,765         | 216,523        | 256,631          | 135,154,790        | 1,118,720        | 6,139,310         | 2,724,236        | 876,615        | 9,067,269        | 684,268        |
|                                  | <u>1,588,637</u> | <u>162,816</u> | <u>21,765</u>  | <u>216,523</u> | <u>256,631</u>   | <u>135,154,790</u> | <u>1,118,720</u> | <u>6,139,310</u>  | <u>2,724,236</u> | <u>876,615</u> | <u>9,067,269</u> | <u>684,268</u> |
| At 30 September 2016             | EEIF*            | GSCEF          | OGEMF          | OGEF           | OGSCF            | LSGOF              | CLAF             | FEMDF             | GCSF             | SDHY**         | CSOF             | GCAF           |
|                                  | USD              | USD            | USD            | USD            | USD              | USD                | USD              | USD               | USD              | USD            | USD              | USD            |
| Cash at Bank                     | 70,395           | 166,683        | 895,602        | 426,511        | 1,976,657        | 472,367            | 357,029          | 13,804,394        | 604,526          | 63,262         | 242,270          | 915,245        |
| Cash Collateral                  | -                | -              | -              | -              | -                | -                  | -                | 45,980,000        | -                | -              | -                | -              |
| Margin Cash Receivable           | -                | -              | -              | -              | -                | 21,142             | -                | 10,646,939        | 38,303           | -              | 16,723           | 80,490         |
| Bank Overdraft                   | -                | -              | -              | -              | -                | -                  | -                | (522,908)         | -                | -              | -                | -              |
| Securities Pledged as Collateral | -                | -              | -              | -              | -                | 350,147            | -                | -                 | -                | -              | -                | -              |
|                                  | <u>70,395</u>    | <u>166,683</u> | <u>895,602</u> | <u>426,511</u> | <u>1,976,657</u> | <u>843,656</u>     | <u>357,029</u>   | <u>69,910,425</u> | <u>642,829</u>   | <u>63,262</u>  | <u>258,993</u>   | <u>995,735</u> |

| At 30 September 2016             | REDF**        | Total              |
|----------------------------------|---------------|--------------------|
|                                  | USD           | USD                |
| Cash at Bank                     | 17,838        | 178,024,361        |
| Cash Collateral                  | -             | 45,980,000         |
| Margin Cash Receivable           | -             | 10,805,597         |
| Bank Overdraft                   | -             | (522,908)          |
| Securities Pledged as Collateral | -             | 350,147            |
|                                  | <u>17,838</u> | <u>234,637,197</u> |

\*EDGE Small/Mid-Cap Equity Income Fund terminated on 31 May 2016.

\*\*Global Short Duration High Yield Fund terminated on 1 July 2016.

\*\*\*Real Estate Debt Fund launched on 21 March 2016.

All Cash at Bank balances are held with BNY Mellon Trust Company (Ireland) Limited.

Cash Collateral is held with the following counterparties: Barclays, BNP Paribas, Citigroup, Deutsche Bank, Goldman Sachs, HSBC, JP Morgan Chase & Co, Merrill Lynch, Morgan Stanley and Nomura.

Margin Cash Receivable/Payable is held with Citigroup, JP Morgan Chase & Co and Morgan Stanley.

**PRINCIPAL GLOBAL INVESTORS FUNDS**  
**NOTES TO THE ANNUAL REPORT AND FINANCIAL STATEMENTS**  
for the year ended 30 September 2016 (continued)

**4. CASH AND BANK BALANCES (continued)**

| At 30 September 2015        | GEF           |                | AEF              |                | EEF            |                | EMEF           |                    | JEF            |                | PSF            |                | USEF          |                | HYF              |                | GSPF           |                | GEJF           |                    | GLTHY          |                | GTDARF         |                |
|-----------------------------|---------------|----------------|------------------|----------------|----------------|----------------|----------------|--------------------|----------------|----------------|----------------|----------------|---------------|----------------|------------------|----------------|----------------|----------------|----------------|--------------------|----------------|----------------|----------------|----------------|
|                             | USD           | USD            | USD              | USD            | USD            | USD            | USD            | USD                | USD            | USD            | USD            | USD            | USD           | USD            | USD              | USD            | USD            | USD            | USD            | USD                | USD            | USD            | USD            | USD            |
| Cash at Bank                | 2,335,500     | 158,857        | 3,537,385        | 95,131         | 1,742,311      | 63,049,131     | 1,616,474      | 5,022,621          | 1,039,930      | 880,104        | 22,923,202     | 174,803        | 2,335,500     | 158,857        | 3,537,385        | 95,131         | 1,742,311      | 63,049,131     | 1,616,474      | 5,022,621          | 1,039,930      | 880,104        | 22,923,202     | 174,803        |
| <b>At 30 September 2015</b> | <b>89,770</b> | <b>254,347</b> | <b>1,224,404</b> | <b>189,133</b> | <b>935,156</b> | <b>407,509</b> | <b>435,132</b> | <b>76,840,314</b>  | <b>598,243</b> | <b>605,660</b> | <b>383,174</b> | <b>405,936</b> | <b>89,770</b> | <b>254,347</b> | <b>1,224,404</b> | <b>189,133</b> | <b>935,156</b> | <b>407,509</b> | <b>435,132</b> | <b>76,840,314</b>  | <b>598,243</b> | <b>605,660</b> | <b>383,174</b> | <b>405,936</b> |
| Cash at Bank                | —             | —              | —                | —              | —              | —              | —              | —                  | —              | —              | —              | —              | —             | —              | —                | —              | —              | —              | —              | —                  | —              | —              | —              | —              |
| Cash Collateral             | —             | —              | —                | —              | —              | —              | —              | —                  | —              | —              | —              | —              | —             | —              | —                | —              | —              | —              | —              | —                  | —              | —              | —              | —              |
| Margin Cash Receivable      | —             | —              | —                | —              | —              | —              | —              | —                  | —              | —              | —              | —              | —             | —              | —                | —              | —              | —              | —              | —                  | —              | —              | —              | —              |
| Margin Cash Payable         | —             | —              | —                | —              | —              | (239,270)      | —              | —                  | —              | —              | —              | —              | —             | —              | —                | —              | —              | —              | —              | —                  | —              | —              | —              | —              |
| <b>At 30 September 2015</b> | <b>89,770</b> | <b>254,347</b> | <b>1,224,404</b> | <b>189,133</b> | <b>935,156</b> | <b>168,239</b> | <b>435,132</b> | <b>121,300,398</b> | <b>598,243</b> | <b>605,660</b> | <b>484,996</b> | <b>405,923</b> | <b>89,770</b> | <b>254,347</b> | <b>1,224,404</b> | <b>189,133</b> | <b>935,156</b> | <b>168,239</b> | <b>435,132</b> | <b>121,300,398</b> | <b>598,243</b> | <b>605,660</b> | <b>484,996</b> | <b>405,923</b> |

| At 30 September 2015   | Total              |             |
|------------------------|--------------------|-------------|
|                        | USD                | USD         |
| Cash at Bank           | 184,954,227        | —           |
| Cash Collateral        | 43,449,192         | —           |
| Margin Cash Receivable | 1,102,714          | —           |
| Margin Cash Payable    | (239,283)          | —           |
|                        | <b>229,266,850</b> | <b>(13)</b> |

\*Spectrum Global Capital Securities Fund launched on 30 October 2014.

\*\*Global Short Duration High Yield Fund launched on 10 December 2014.

\*\*\*Global Capital Structure Opportunities Fund launched on 11 December 2014.

\*\*\*\* Global Credit Alpha Fund commenced operations under the PGIF umbrella on 23 June 2015.

All Cash at Bank balances are held with BNY Mellon Trust Company (Ireland) Limited.

Cash Collateral is held with the following counterparties: Barclays, BNP Paribas, Citigroup, Credit Suisse, Deutsche Bank, Goldman Sachs, HSBC, JP Morgan Chase & Co, Morgan Stanley and Nomura.

Margin Cash Receivable/Payable is held with Citigroup and JP Morgan Chase & Co.

**PRINCIPAL GLOBAL INVESTORS FUNDS**  
**NOTES TO THE ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**for the year ended 30 September 2016 (continued)**

**5. MOVEMENT IN REDEEMABLE PARTICIPATING UNITS**

**For the year ended 30 September 2016**

|   | Units in issue<br>at beginning<br>of the year | Issued during<br>the year | Redeemed<br>during<br>the year | Units in issue<br>at end<br>of the year |
|---|---|---------------------------|--------------------------------|---|
| <b>Global Equity Fund</b>               |   |                           |                                |   |
| A Class Income units                    | 110,775                                       | 17                        | (5,775)                        | 105,017                                 |
| A Class Accumulation units              | 105,978                                       | 64,057                    | (88,709)                       | 81,326                                  |
| I Class Accumulation units              | 2,315,997                                     | 90,270                    | (476,323)                      | 1,929,944                               |
| F2 Class Accumulation units             | -   | 7,688                     | (1,018)                        | 6,670                                   |
| <b>Asian Equity Fund</b>                |   |                           |                                |   |
| A Class Income units                    | 84,117  | -                         | (4,460)                        | 79,657                                  |
| A Class Accumulation units              | 105,138                                       | 185                       | (2,343)                        | 102,980                                 |
| I Class Accumulation units              | 37,156  | 239                       | (9,594)                        | 27,801                                  |
| <b>European Equity Fund</b>             |   |                           |                                |   |
| A Class Income units                    | 79,324  | 1,531                     | (4,018)                        | 76,837                                  |
| A Class Accumulation units              | 182,212                                       | 11,057                    | (20,912)                       | 172,357                                 |
| I Class Accumulation units              | 2,086,382                                     | 458,538                   | (503,484)                      | 2,041,436                               |
| I Class Accumulation (EUR) units        | 2,574,057                                     | 538,445                   | (804,728)                      | 2,307,774                               |
| <b>Emerging Markets Equity Fund</b>     |   |                           |                                |   |
| A Class Accumulation units              | 53,356  | 10,054                    | (8,051)                        | 55,359                                  |
| I Class Accumulation units              | 152,054                                       | 269                       | (47,331)                       | 104,992                                 |
| <b>Japanese Equity Fund</b>             |   |                           |                                |   |
| A Class Accumulation units              | 10,669  | 1,243,981                 | (1,150,293)                    | 104,357                                 |
| I Class Accumulation units              | 1,353,967                                     | 449,335                   | (669,270)                      | 1,134,032                               |
| I Class Accumulation (JPY) units        | 858,510                                       | 1,762,101                 | (1,266,552)                    | 1,354,059                               |
| F2 Class Accumulation units             | -   | 6,245                     | (1,000)                        | 5,245                                   |
| <b>Preferred Securities Fund</b>        |   |                           |                                |   |
| A Class Income units                    | 23,003,029                                    | 13,601,241                | (7,494,174)                    | 29,110,096                              |
| A Class Income (EUR hedged) units       | 56,002  | 580,451                   | (28,756)                       | 607,697                                 |
| A Class Income (GBP hedged) units       | 639,878                                       | 585,427                   | (388,931)                      | 836,374                                 |
| A Class Accumulation units              | 5,050,052                                     | 7,688,131                 | (2,559,715)                    | 10,178,468                              |
| A Class Accumulation (CHF hedged) units | 107,690                                       | 186,299                   | (54,090)                       | 239,899                                 |
| A Class Accumulation (EUR hedged) units | 1,443,572                                     | 4,931,850                 | (1,022,001)                    | 5,353,421                               |
| A Class Accumulation (JPY hedged) units | -   | 17,422                    | -                              | 17,422                                  |
| I Class Income units                    | 11,282,990                                    | 5,133,521                 | (6,365,477)                    | 10,051,034                              |
| I Class Income (EUR hedged) units       | 3,171,024                                     | 1,406,307                 | (1,195,890)                    | 3,381,441                               |
| I Class Income (GBP hedged) units       | 856,345                                       | 7,655,665                 | (430,049)                      | 8,081,961                               |
| I Class Income (JPY hedged) units       | 3,183,726                                     | 1,455,069                 | (11,158)                       | 4,627,637                               |
| I Class Accumulation units              | 18,563,837                                    | 11,498,264                | (10,737,009)                   | 19,325,092                              |
| I Class Accumulation (CHF hedged) units | 37,561  | 138,189                   | (42,916)                       | 132,834                                 |
| I Class Accumulation (EUR hedged) units | 15,711,629                                    | 12,876,873                | (2,941,906)                    | 25,646,596                              |
| I Class Accumulation (JPY hedged) units | 12,487,561                                    | 3,482,748                 | (917,333)                      | 15,052,976                              |
| D Class Income units                    | 24,000,663                                    | 8,734,781                 | (6,434,578)                    | 26,300,866                              |
| D Class Accumulation units              | 7,040,069                                     | 5,596,549                 | (2,665,776)                    | 9,970,842                               |
| D2 Class Income units                   | -   | 114,340                   | (10,759)                       | 103,581                                 |
| F Class Income units                    | 6,777,290                                     | 866,559                   | (1,357,116)                    | 6,286,733                               |
| F Class Accumulation units              | 2,801,073                                     | 908,780                   | (692,236)                      | 3,017,617                               |
| F2 Class Accumulation units             | -   | 162,031                   | (11,015)                       | 151,016                                 |
| N Class Income units                    | -   | 4,185                     | -                              | 4,185                                   |
| P Class Income units                    | 2,689,637                                     | 1,112,661                 | (646,024)                      | 3,156,274                               |
| P Class Accumulation units              | 1,932,222                                     | 826,019                   | (975,716)                      | 1,782,525                               |
| <b>U.S. Equity Fund</b>                 |   |                           |                                |   |
| A Class Accumulation units              | 27,204  | 10,583                    | (6,277)                        | 31,510                                  |
| I Class Accumulation units              | 4,244,823                                     | 237,998                   | (1,268,379)                    | 3,214,442                               |
| I Class Accumulation (GBP) units        | 1,612,866                                     | 85,854                    | (177,054)                      | 1,521,666                               |

**PRINCIPAL GLOBAL INVESTORS FUNDS**  
**NOTES TO THE ANNUAL REPORT AND FINANCIAL STATEMENTS**  
for the year ended 30 September 2016 (continued)

**5. MOVEMENT IN REDEEMABLE PARTICIPATING UNITS (continued)**

For the year ended 30 September 2016 (continued)

|   | Units in issue<br>at beginning<br>of the year | Issued during<br>the year | Redeemed<br>during<br>the year | Units in issue<br>at end<br>of the year |
|---|---|---------------------------|--------------------------------|---|
| <b>High Yield Fund</b>                              |   |                           |                                |   |
| A Class Income units                                | 174,650                                       | 134,897                   | (85,647)                       | 223,900                                 |
| A Class Income (AUD hedged) units                   | 51,778  | 2,127                     | (11,089)                       | 42,816                                  |
| A Class Accumulation units                          | 2,292,413                                     | 201,144                   | (771,683)                      | 1,721,874                               |
| I Class Accumulation units                          | 2,648,810                                     | 830,360                   | (832,445)                      | 2,646,725                               |
| I Class Accumulation (BRL hedged) units             | 2,070,296                                     | 446,886                   | (82,810)                       | 2,434,372                               |
| I Class Accumulation (EUR hedged) units             | 499,573                                       | 545,821                   | (486,209)                      | 559,185                                 |
| D Class Accumulation units                          | 1,552,608                                     | 320,593                   | (673,106)                      | 1,200,095                               |
| F Class Accumulation units                          | –   | 128,352                   | (4,233)                        | 124,119                                 |
| <b>Global Property Securities Fund</b>              |   |                           |                                |   |
| A Class Accumulation units                          | –   | 18,472                    | (18,472)                       | –                                       |
| I Class Income (JPY hedged) units                   | 1,132,282                                     | –                         | (589)                          | 1,131,693                               |
| I Class Accumulation units                          | 1,727,055                                     | 3,108,597                 | (1,282,760)                    | 3,552,892                               |
| I Class Accumulation (USD hedged) units             | 849,860                                       | 608,793                   | (223,647)                      | 1,235,006                               |
| I2 Class Income units                               | 3,929,722                                     | 54,037                    | –                              | 3,983,759                               |
| F Class Accumulation units                          | –   | 38,864                    | (2,512)                        | 36,352                                  |
| <b>Global Equity (ex-Japan) Fund</b>                |   |                           |                                |   |
| I Class Accumulation units                          | 3,305,939                                     | 15,555                    | –                              | 3,321,494                               |
| I Class Accumulation (JPY) units                    | 385,649                                       | 369,891                   | (385,649)                      | 369,891                                 |
| <b>Post Global Limited Term High Yield Fund</b>     |   |                           |                                |   |
| A Class Income units                                | –   | 2,255,353                 | (371,105)                      | 1,884,248                               |
| A Class Accumulation units                          | –   | 591,181                   | (300,000)                      | 291,181                                 |
| I Class Income (EUR hedged) units                   | –   | 2,126,984                 | –                              | 2,126,984                               |
| I Class Income (GBP hedged) units                   | –   | 2,541,090                 | –                              | 2,541,090                               |
| I Class Accumulation units                          | 7,276,147                                     | 2,140,367                 | (8,086,318)                    | 1,330,196                               |
| I Class Accumulation (CHF hedged) units             | 10,000  | 68,789                    | (12,045)                       | 66,744                                  |
| I Class Accumulation (EUR hedged) units             | 17,455,502                                    | 9,780,150                 | (2,928,013)                    | 24,307,639                              |
| I Class Accumulation (GBP hedged) units             | 5,907,659                                     | 53,010                    | (4,725,097)                    | 1,235,572                               |
| I Class Accumulation (JPY hedged) units             | 29,742,069                                    | 422,275                   | (1,172,254)                    | 28,992,090                              |
| I Class Accumulation (SGD hedged) units             | –   | 111,541                   | –                              | 111,541                                 |
| I2 Class Accumulation units                         | –   | 6,590,415                 | (945,046)                      | 5,645,369                               |
| I2 Class Accumulation (EUR hedged) units            | –   | 5,256,897                 | (1,180,080)                    | 4,076,817                               |
| I2 Class Accumulation (GBP hedged) units            | –   | 15,421,414                | (899,512)                      | 14,521,902                              |
| <b>Global Time Diversified Absolute Return Fund</b> |   |                           |                                |   |
| I Class Accumulation units                          | 453,087                                       | 41,587                    | (30,659)                       | 464,015                                 |
| <b>EDGE Small/Mid-Cap Equity Income Fund*</b>       |   |                           |                                |   |
| A Class Accumulation units                          | 200,509                                       | –                         | (200,509)                      | –                                       |
| I Class Accumulation units                          | 198,257                                       | –                         | (198,257)                      | –                                       |
| <b>Global Small Cap Equity Fund</b>                 |   |                           |                                |   |
| A Class Accumulation units                          | 250,028                                       | 118                       | (21)                           | 250,125                                 |
| I Class Accumulation units                          | 1,227,872                                     | 84,547                    | (437,797)                      | 874,622                                 |
| <b>Origin Global Emerging Markets Fund</b>          |   |                           |                                |   |
| I Class Accumulation units                          | 5,605,985                                     | 3,527,702                 | (10,579)                       | 9,123,108                               |
| I Class Accumulation (GBP) units                    | 67,619  | 9,952                     | (8,309)                        | 69,262                                  |
| F2 Class Accumulation units                         | –   | 3,185                     | (1,000)                        | 2,185                                   |
| <b>Origin Global Equity Fund</b>                    |   |                           |                                |   |
| I Class Accumulation (GBP) units                    | 1,218,864                                     | 19,616                    | (847)                          | 1,237,633                               |

\*EDGE Small/Mid-Cap Equity Income Fund terminated on 31 May 2016.

**PRINCIPAL GLOBAL INVESTORS FUNDS**  
**NOTES TO THE ANNUAL REPORT AND FINANCIAL STATEMENTS**  
for the year ended 30 September 2016 (continued)

**5. MOVEMENT IN REDEEMABLE PARTICIPATING UNITS (continued)**

For the year ended 30 September 2016 (continued)

|  | Units in issue<br>at beginning<br>of the year | Issued during<br>the year | Redeemed<br>during<br>the year | Units in issue<br>at end<br>of the year |
|--|---|---------------------------|--------------------------------|---|
| <b>Origin Global Smaller Companies Fund</b>        |   |                           |                                |   |
| I Class Accumulation units                         | 928,227                                       | 1,664,378                 | –                              | 2,592,605                               |
| I Class Accumulation (GBP) units                   | 1,913,179                                     | 55,259                    | (368,290)                      | 1,600,148                               |
| <b>Long/Short Global Opportunities Equity Fund</b> |   |                           |                                |   |
| I Class Accumulation units                         | 750,000                                       | –                         | –                              | 750,000                                 |
| <b>Claritas Latin American Equity Fund</b>         |   |                           |                                |   |
| I Class Accumulation units                         | 2,002,532                                     | –                         | (380,925)                      | 1,621,607                               |
| <b>Finisterre Emerging Market Debt Fund</b>        |   |                           |                                |   |
| A Class Income units                               | 50,000  | –                         | –                              | 50,000                                  |
| A Class Accumulation units                         | 215,841                                       | 113,819                   | (177,875)                      | 151,785                                 |
| A Class Accumulation (CHF hedged) units            | 1,040   | –                         | –                              | 1,040                                   |
| A Class Accumulation (EUR hedged) units            | 1,092   | 87,800                    | –                              | 88,892                                  |
| A Class Accumulation (GBP hedged) units            | 1,487   | –                         | –                              | 1,487                                   |
| A Class Accumulation (SGD hedged) units            | 731   | –                         | –                              | 731                                     |
| I Class Accumulation units                         | 8,624,284                                     | 4,500,669                 | (8,563,071)                    | 4,561,882                               |
| I Class Accumulation (EUR hedged) units            | 13,875,971                                    | 43,300                    | (13,919,271)                   | –                                       |
| I Class Accumulation (GBP hedged) units            | 2,933   | –                         | (1,446)                        | 1,487                                   |
| I2 Class Income (EUR hedged) units                 | 32,681,701                                    | 1,223,127                 | (2,395,975)                    | 31,508,853                              |
| <b>Spectrum Global Capital Securities Fund</b>     |   |                           |                                |   |
| A Class Accumulation units                         | –   | 1,000                     | –                              | 1,000                                   |
| I Class Accumulation units                         | 1,000,000                                     | 24,546                    | (24,546)                       | 1,000,000                               |
| I Class Accumulation (EUR hedged) units            | 1,092,896                                     | 477,589                   | (275,076)                      | 1,295,409                               |
| <b>Global Short Duration High Yield Fund**</b>     |   |                           |                                |   |
| I Class Accumulation units                         | 849,260                                       | 38,526                    | (887,786)                      | –                                       |
| <b>Global Capital Structure Opportunities Fund</b> |   |                           |                                |   |
| I Class Accumulation units                         | 1,000,000                                     | 29,418                    | (27,945)                       | 1,001,473                               |
| <b>Global Credit Alpha Fund</b>                    |   |                           |                                |   |
| I Class Accumulation units                         | 745,725                                       | –                         | –                              | 745,725                                 |
| <b>Real Estate Debt Fund***</b>                    |   |                           |                                |   |
| I Class Income units                               | –   | 454,808                   | –                              | 454,808                                 |
| I Class Accumulation units                         | –   | 447,917                   | –                              | 447,917                                 |

\*\*Global Short Duration High Yield Fund terminated on 1 July 2016.

\*\*\*Real Estate Debt Fund launched on 21 March 2016.

**PRINCIPAL GLOBAL INVESTORS FUNDS**  
**NOTES TO THE ANNUAL REPORT AND FINANCIAL STATEMENTS**  
for the year ended 30 September 2016 (continued)

**5. MOVEMENT IN REDEEMABLE PARTICIPATING UNITS (continued)**

**For the year ended 30 September 2015**

|   | Units in issue<br>at beginning<br>of the year | Issued during<br>the year | Redeemed<br>during<br>the year | Units in issue<br>at end<br>of the year |
|---|---|---------------------------|--------------------------------|---|
| <b>Global Equity Fund</b>               |   |                           |                                |   |
| A Class Income units                    | 116,310                                       | 48                        | (5,583)                        | 110,775                                 |
| A Class Accumulation units              | 363,584                                       | 162,607                   | (420,213)                      | 105,978                                 |
| I Class Accumulation units              | 1,637,356                                     | 921,591                   | (242,950)                      | 2,315,997                               |
| <b>Asian Equity Fund</b>                |   |                           |                                |   |
| A Class Income units                    | 100,222                                       | 388                       | (16,493)                       | 84,117                                  |
| A Class Accumulation units              | 72,942  | 45,892                    | (13,696)                       | 105,138                                 |
| I Class Accumulation units              | 50,548  | 299                       | (13,691)                       | 37,156                                  |
| <b>European Equity Fund</b>             |   |                           |                                |   |
| A Class Income units                    | 83,888  | 1,251                     | (5,815)                        | 79,324                                  |
| A Class Accumulation units              | 209,197                                       | 29,662                    | (56,647)                       | 182,212                                 |
| I Class Accumulation units              | 3,643,474                                     | 214,200                   | (1,771,292)                    | 2,086,382                               |
| I Class Accumulation (EUR) units        | 707,070                                       | 2,314,645                 | (447,658)                      | 2,574,057                               |
| <b>Emerging Markets Equity Fund</b>     |   |                           |                                |   |
| A Class Accumulation units              | 67,163  | 5,036                     | (18,843)                       | 53,356                                  |
| I Class Accumulation units              | 195,017                                       | 18,453                    | (61,416)                       | 152,054                                 |
| <b>Japanese Equity Fund</b>             |   |                           |                                |   |
| A Class Accumulation units              | 12,701  | 616,231                   | (618,263)                      | 10,669                                  |
| I Class Accumulation units              | 5,557,390                                     | 587,442                   | (4,790,865)                    | 1,353,967                               |
| I Class Accumulation (JPY) units        | 1,029,672                                     | 440,960                   | (612,122)                      | 858,510                                 |
| <b>Preferred Securities Fund</b>        |   |                           |                                |   |
| A Class Income units                    | 20,798,894                                    | 7,384,997                 | (5,180,862)                    | 23,003,029                              |
| A Class Income (EUR hedged) units       | 19,329  | 60,150                    | (23,477)                       | 56,002                                  |
| A Class Income (GBP hedged) units       | 463,384                                       | 252,019                   | (75,525)                       | 639,878                                 |
| A Class Accumulation units              | 3,632,794                                     | 2,650,958                 | (1,233,700)                    | 5,050,052                               |
| A Class Accumulation (CHF hedged) units | 60,478  | 57,158                    | (9,946)                        | 107,690                                 |
| A Class Accumulation (EUR hedged) units | 971,499                                       | 1,866,121                 | (1,394,048)                    | 1,443,572                               |
| I Class Income units                    | 9,052,481                                     | 6,737,633                 | (4,507,124)                    | 11,282,990                              |
| I Class Income (EUR hedged) units       | 54,392  | 3,225,180                 | (108,548)                      | 3,171,024                               |
| I Class Income (GBP hedged) units       | 1,655,337                                     | 228,697                   | (1,027,689)                    | 856,345                                 |
| I Class Income (JPY hedged) units       | 1,486,439                                     | 1,697,287                 | -                              | 3,183,726                               |
| I Class Accumulation units              | 9,074,087                                     | 15,700,539                | (6,210,789)                    | 18,563,837                              |
| I Class Accumulation (CHF hedged) units | 11,612  | 27,842                    | (1,893)                        | 37,561                                  |
| I Class Accumulation (EUR hedged) units | 9,028,297                                     | 7,396,816                 | (713,484)                      | 15,711,629                              |
| I Class Accumulation (JPY hedged) units | 7,567,066                                     | 4,921,129                 | (634)                          | 12,487,561                              |
| D Class Income units                    | 18,928,521                                    | 11,209,113                | (6,136,971)                    | 24,000,663                              |
| D Class Accumulation units              | 4,531,787                                     | 4,337,871                 | (1,829,589)                    | 7,040,069                               |
| F Class Income units                    | 7,240,321                                     | 1,279,434                 | (1,742,465)                    | 6,777,290                               |
| F Class Accumulation units              | 3,225,068                                     | 603,534                   | (1,027,529)                    | 2,801,073                               |
| P Class Income units                    | 2,228,367                                     | 924,815                   | (463,545)                      | 2,689,637                               |
| P Class Accumulation units              | 974,730                                       | 1,368,010                 | (410,518)                      | 1,932,222                               |
| <b>U.S. Equity Fund</b>                 |   |                           |                                |   |
| A Class Accumulation units              | 13,706  | 21,025                    | (7,527)                        | 27,204                                  |
| I Class Accumulation units              | 5,604,279                                     | 947,846                   | (2,307,302)                    | 4,244,823                               |
| I Class Accumulation (GBP) units        | 1,584,309                                     | 264,209                   | (235,652)                      | 1,612,866                               |

**PRINCIPAL GLOBAL INVESTORS FUNDS**  
**NOTES TO THE ANNUAL REPORT AND FINANCIAL STATEMENTS**  
for the year ended 30 September 2016 (continued)

**5. MOVEMENT IN REDEEMABLE PARTICIPATING UNITS (continued)**

For the year ended 30 September 2015 (continued)

|   | Units in issue<br>at beginning<br>of the year | Issued during<br>the year | Redeemed<br>during<br>the year | Units in issue<br>at end<br>of the year |
|---|---|---------------------------|--------------------------------|---|
| <b>High Yield Fund</b>                              |   |                           |                                |   |
| A Class Income units                                | 354,761                                       | 110,377                   | (290,488)                      | 174,650                                 |
| A Class Income (AUD hedged) units                   | –   | 64,499                    | (12,721)                       | 51,778                                  |
| A Class Accumulation units                          | 2,068,851                                     | 882,294                   | (658,732)                      | 2,292,413                               |
| I Class Accumulation units                          | 1,549,027                                     | 2,073,525                 | (973,742)                      | 2,648,810                               |
| I Class Accumulation (BRL hedged) units             | 2,171,804                                     | 35,804                    | (137,312)                      | 2,070,296                               |
| I Class Accumulation (EUR hedged) units             | 1,877,001                                     | 498,114                   | (1,875,542)                    | 499,573                                 |
| D Class Accumulation units                          | –   | 1,747,339                 | (194,731)                      | 1,552,608                               |
| <b>Global Property Securities Fund</b>              |   |                           |                                |   |
| I Class Income (JPY hedged) units                   | –   | 1,132,282                 | –                              | 1,132,282                               |
| I Class Accumulation units                          | 79,873  | 1,727,055                 | (79,873)                       | 1,727,055                               |
| I Class Accumulation (EUR hedged) units             | 397,533                                       | –                         | (397,533)                      | –                                       |
| I Class Accumulation (GBP hedged) units             | 200,734                                       | –                         | (200,734)                      | –                                       |
| I Class Accumulation (JPY hedged) units             | 942,444                                       | 115,041                   | (1,057,485)                    | –                                       |
| I Class Accumulation (USD hedged) units             | 1,458,951                                     | 562,289                   | (1,171,380)                    | 849,860                                 |
| I2 Class Income units                               | 3,918,141                                     | 11,581                    | –                              | 3,929,722                               |
| <b>Global Equity (ex-Japan) Fund</b>                |   |                           |                                |   |
| I Class Accumulation units                          | 4,054,447                                     | 19,051                    | (767,559)                      | 3,305,939                               |
| I Class Accumulation (JPY) units                    | 385,649                                       | –                         | –                              | 385,649                                 |
| <b>Post Global Limited Term High Yield Fund</b>     |   |                           |                                |   |
| I Class Income (GBP hedged) units                   | 611,621                                       | –                         | (611,621)                      | –                                       |
| I Class Accumulation units                          | 11,643,680                                    | 2,413,909                 | (6,781,442)                    | 7,276,147                               |
| I Class Accumulation (CHF hedged) units             | –   | 10,000                    | –                              | 10,000                                  |
| I Class Accumulation (EUR hedged) units             | 21,643,021                                    | 3,892,013                 | (8,079,532)                    | 17,455,502                              |
| I Class Accumulation (GBP hedged) units             | 2,628,599                                     | 4,792,664                 | (1,513,604)                    | 5,907,659                               |
| I Class Accumulation (JPY hedged) units             | 29,820,427                                    | 2,128,544                 | (2,206,902)                    | 29,742,069                              |
| <b>Global Time Diversified Absolute Return Fund</b> |   |                           |                                |   |
| I Class Accumulation units                          | 530,659                                       | 422,428                   | (500,000)                      | 453,087                                 |
| <b>EDGE Small/Mid-Cap Equity Income Fund</b>        |   |                           |                                |   |
| A Class Accumulation units                          | 200,509                                       | –                         | –                              | 200,509                                 |
| I Class Accumulation units                          | 198,257                                       | –                         | –                              | 198,257                                 |
| <b>Global Small Cap Equity Fund</b>                 |   |                           |                                |   |
| A Class Accumulation units                          | 250,000                                       | 28                        | –                              | 250,028                                 |
| I Class Accumulation units                          | 2,152,100                                     | 263,212                   | (1,187,440)                    | 1,227,872                               |
| <b>Origin Global Emerging Markets Fund</b>          |   |                           |                                |   |
| I Class Accumulation units                          | 5,551,466                                     | 65,098                    | (10,579)                       | 5,605,985                               |
| I Class Accumulation (GBP) units                    | 76,902  | 22,332                    | (31,615)                       | 67,619                                  |
| <b>Origin Global Equity Fund</b>                    |   |                           |                                |   |
| I Class Accumulation (GBP) units                    | 1,709,549                                     | 41,824                    | (532,509)                      | 1,218,864                               |
| <b>Origin Global Smaller Companies Fund</b>         |   |                           |                                |   |
| I Class Accumulation units                          | 917,571                                       | 50,428                    | (39,772)                       | 928,227                                 |
| I Class Accumulation (GBP) units                    | 1,879,507                                     | 33,672                    | –                              | 1,913,179                               |



**PRINCIPAL GLOBAL INVESTORS FUNDS**  
**NOTES TO THE ANNUAL REPORT AND FINANCIAL STATEMENTS**  
for the year ended 30 September 2016 (continued)

**5. MOVEMENT IN REDEEMABLE PARTICIPATING UNITS (continued)**

For the year ended 30 September 2015 (continued)

|   | Units in issue<br>at beginning<br>of the year | Issued during<br>the year | Redeemed<br>during<br>the year | Units in issue<br>at end<br>of the year |
|---|---|---------------------------|--------------------------------|---|
| <b>Long/Short Global Opportunities Equity Fund</b>    |   |                           |                                |   |
| I Class Accumulation units                            | 750,000                                       | –                         | –                              | 750,000                                 |
| <b>Claritas Latin American Equity Fund</b>            |   |                           |                                |   |
| I Class Accumulation units                            | 1,636,588                                     | 635,324                   | (269,380)                      | 2,002,532                               |
| <b>Finisterre Emerging Market Debt Fund</b>           |   |                           |                                |   |
| A Class Income units                                  | –   | 50,000                    | –                              | 50,000                                  |
| A Class Accumulation units                            | –   | 225,723                   | (9,882)                        | 215,841                                 |
| A Class Accumulation (CHF hedged) units               | –   | 1,040                     | –                              | 1,040                                   |
| A Class Accumulation (EUR hedged) units               | –   | 1,092                     | –                              | 1,092                                   |
| A Class Accumulation (GBP hedged) units               | –   | 1,487                     | –                              | 1,487                                   |
| A Class Accumulation (SGD hedged) units               | –   | 731                       | –                              | 731                                     |
| I Class Accumulation units                            | 9,009,569                                     | 9,084,084                 | (9,469,369)                    | 8,624,284                               |
| I Class Accumulation (EUR hedged) units               | 2,840,232                                     | 17,819,282                | (6,783,543)                    | 13,875,971                              |
| I Class Accumulation (GBP hedged) units               | –   | 2,933                     | –                              | 2,933                                   |
| I2 Class Income (EUR hedged) units                    | 34,079,993                                    | 8,535,473                 | (9,933,765)                    | 32,681,701                              |
| <b>Spectrum Global Capital Securities Fund*</b>       |   |                           |                                |   |
| I Class Accumulation units                            | –   | 1,000,000                 | –                              | 1,000,000                               |
| I Class Accumulation (EUR hedged) units               | –   | 1,092,896                 | –                              | 1,092,896                               |
| <b>Global Short Duration High Yield Fund**</b>        |   |                           |                                |   |
| I Class Accumulation units                            | –   | 850,995                   | (1,735)                        | 849,260                                 |
| <b>Global Capital Structure Opportunities Fund***</b> |   |                           |                                |   |
| I Class Accumulation units                            | –   | 1,000,001                 | (1)                            | 1,000,000                               |
| <b>Global Credit Alpha Fund****</b>                   |   |                           |                                |   |
| I Class Accumulation units                            | –   | 745,725                   | –                              | 745,725                                 |

\*Spectrum Global Capital Securities Fund launched on 30 October 2014.

\*\*Global Short Duration High Yield Fund launched on 10 December 2014.

\*\*\*Global Capital Structure Opportunities Fund launched on 11 December 2014.

\*\*\*\* Global Credit Alpha Fund commenced operations under the PGIF umbrella on 23 June 2015.

**PRINCIPAL GLOBAL INVESTORS FUNDS**  
**NOTES TO THE ANNUAL REPORT AND FINANCIAL STATEMENTS**  
for the year ended 30 September 2016 (continued)

**6. DISTRIBUTIONS**

**For the year ended 30 September 2016**

Distributions reflect income earned on the Funds below during the year to 30 September 2016 and 30 September 2015 and were declared on 1 October 2016 and 1 October 2015 respectively. Distributions declared on 1 October 2016 or nearest business day have not been included in the Statement of Comprehensive Income for 30 September 2016. These will be included in the financial statements for 30 September 2017.

**Accumulation Classes**

The Accumulation Unit Classes did not declare Distributions on 30 September 2016 or 30 September 2015.

**Quarterly and Annual Distributions**

|   | For the year ended 30 September 2016 |              | For the year ended 30 September 2015 |              |
|---|--------------------------------------|--------------|--------------------------------------|--------------|
|   | 31 December 2015                     | 30 June 2016 | 31 December 2014                     | 30 June 2015 |
|   | USD/Unit                             | USD/Unit     | USD/Unit                             | USD/Unit     |
| <b>Global Equity Fund*</b>              | -                                    | -            | -                                    | -            |
| A Class Income units                    | -                                    | -            | -                                    | 0.00650      |
| <b>Asian Equity Fund*</b>               | -                                    | -            | -                                    | -            |
| A Class Income units                    | -                                    | -            | -                                    | -            |
| <b>European Equity Fund*</b>            | -                                    | -            | -                                    | -            |
| A Class Income units                    | -                                    | 0.71800      | -                                    | 0.54670      |
| <b>Preferred Securities Fund**</b>      |                                      |              |                                      |              |
| A Class Income units                    | 0.10080                              | 0.10350      | 0.10630                              | 0.10020      |
| A Class Income (EUR hedged) units       | 0.09616                              | 0.09949      | 0.11652                              | 0.09649      |
| A Class Income (GBP hedged) units       | 0.11634                              | 0.11436      | 0.12948                              | 0.12163      |
| I Class Income units                    | 0.13030                              | 0.13270      | 0.13690                              | 0.13300      |
| I Class Income (EUR hedged) units       | 0.10156                              | 0.10415      | 0.11104                              | 0.10526      |
| I Class Income (GBP hedged) units       | 0.12838                              | 0.12401      | 0.14241                              | 0.13390      |
| I Class Income (JPY hedged) units       | 0.09736                              | 0.10235      | 0.10980                              | 0.09782      |
| D Class Income units                    | 0.12560                              | 0.12950      | 0.13280                              | 0.12860      |
| F Class Income units                    | 0.10990                              | 0.11430      | 0.11680                              | 0.11270      |
| N Class Income units                    | -                                    | -            | -                                    | -            |
| P Class Income units                    | 0.11850                              | 0.12130      | 0.12700                              | 0.11800      |
| <b>High Yield Fund**</b>                |                                      |              |                                      |              |
| A Class Income units                    | 0.11000                              | 0.11650      | 0.11930                              | 0.10760      |
| A Class Income (AUD hedged) units       | 0.10430                              | 0.11155      | -                                    | 0.11168      |
| <b>Global Property Securities Fund*</b> |                                      |              |                                      |              |
| I Class Income (JPY hedged) units       | -                                    | -            | -                                    | -            |
| I2 Class Income units                   | -                                    | 0.16926      | -                                    | -            |
|   | -                                    | 0.22560      | -                                    | -            |

**PRINCIPAL GLOBAL INVESTORS FUNDS**  
**NOTES TO THE ANNUAL REPORT AND FINANCIAL STATEMENTS**  
for the year ended 30 September 2016 (continued)

**6. DISTRIBUTIONS (continued)**

**Accumulation Classes (continued)**

**Quarterly and Annual Distributions (continued)**

|   | For the year ended 30 September 2016 |               |              |                   | For the year ended 30 September 2015 |               |              |                   |
|---|--------------------------------------|---------------|--------------|-------------------|--------------------------------------|---------------|--------------|-------------------|
|   | 31 December 2015                     | 31 March 2016 | 30 June 2016 | 30 September 2016 | 31 December 2014                     | 31 March 2015 | 30 June 2015 | 30 September 2015 |
|   | USD/Unit                             | USD/Unit      | USD/Unit     | USD/Unit          | USD/Unit                             | USD/Unit      | USD/Unit     | USD/Unit          |
| <b>Post Global Limited Term High Yield Fund**</b> | -                                    | -             | -            | -                 | -                                    | -             | -            | -                 |
| A Class Income units                              | -                                    | 0.02620       | 0.08030      | 0.07360           | -                                    | -             | -            | -                 |
| I Class Income (EUR hedged) units                 | -                                    | -             | -            | 0.03455           | -                                    | -             | -            | -                 |
| I Class Income (GBP hedged) units                 | -                                    | 0.05108       | 0.09113      | 0.07946           | 0.12122                              | -             | 0.10018      | -                 |
| <b>Finistierre Emerging Market Debt Fund*</b>     | -                                    | -             | -            | -                 | -                                    | -             | -            | -                 |
| A Class Income units                              | -                                    | -             | -            | 0.06686           | -                                    | -             | -            | -                 |
| I2 Class Income (EUR hedged) units                | -                                    | -             | -            | -                 | -                                    | -             | -            | 0.0140            |
| <b>Real Estate Debt Fund**</b>                    | -                                    | -             | 0.15860      | 0.18960           | -                                    | -             | -            | -                 |
| I Class Income units                              | -                                    | -             | -            | -                 | -                                    | -             | -            | -                 |

**Monthly Distributions**

**Preferred Securities Fund**

| D2 Class Income units <sup>2</sup> | For the year ended 30 September 2016 |               |             |              | For the year ended 30 September 2015 |                |                   |                   |
|------------------------------------|--------------------------------------|---------------|-------------|--------------|--------------------------------------|----------------|-------------------|-------------------|
|                                    | 31 March 2016                        | 30 April 2016 | 31 May 2016 | 30 June 2016 | 31 July 2016                         | 31 August 2016 | 30 September 2016 | 30 September 2015 |
|                                    | USD/Unit                             | USD/Unit      | USD/Unit    | USD/Unit     | USD/Unit                             | USD/Unit       | USD/Unit          | USD/Unit          |
|                                    | 0.00100                              | 0.03320       | 0.03760     | 0.04030      | 0.03280                              | 0.04120        | 0.03510           | -                 |

\*These Funds offer annual distributions to investors.

\*\*These Funds offer quarterly distributions to investors except for D2 Class Income units which offer monthly distributions to investors.

<sup>1</sup>Real Estate Debt Fund launched on 21 March 2016.

<sup>2</sup>This unit class offers monthly distributions and launched on 30 March 2016.

**PRINCIPAL GLOBAL INVESTORS FUNDS**  
**NOTES TO THE ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**for the year ended 30 September 2016 (continued)**

**7. SIGNIFICANT CONTRACTS AND TRANSACTIONS WITH RELATED PARTIES**

**Management Fee**

Pursuant to the Trust Deed dated 13 October 1992, Principal Global Investors (Ireland) Limited ("the Manager") acts as Manager to the Trust and is responsible for its management and administration. For services rendered, the Trust will pay to the Manager an annual fee, accrued daily in the unit price and payable monthly in arrears. The Management Fee is currently calculated as a percentage of the Net Asset Value of each Fund at rates attributable to "Investor" and "Institutional" units. These related party transactions have been entered into in the ordinary course of business. The Management Fee expense is shown in the Statement of Comprehensive Income and the accrued amount is shown in the Statement of Financial Position. Management Fee rates for each unit class are listed in the supplement for each Fund. These are available from [www.principalglobal.com](http://www.principalglobal.com).

**Management Fee Rebate**

I Class Investors in certain Funds, in agreement with the Investment Adviser, are entitled to a reduction in their effective annual Management Fee. This fee reduction is effected by way of a Management Fee Rebate, paid as cash and/or additional units purchased on the investors behalf by the Manager of the Fund. The effective Management Fees paid/accrued by these investors are disclosed in the Statement of Comprehensive Income and Statement of Financial Position. Those Funds to which the rebate applies, the ranges and the amount of the rebate applicable to those ranges are disclosed in the supplements for each Fund.

**Expense Cap**

The Manager, at its discretion, may absorb (directly by waiving a portion of its fees or by reimbursement to the account of each Fund), certain additional fees, costs or expenses for each Fund that may arise in respect of the management and operation of the Trust attributable to each Fund. This Expense Cap fee is shown as Rebate/Recharge to the Fund due to capping in the Statement of Comprehensive Income and the accrual/prepaid amount is shown as part of Other Assets or Other Payables in the Statement of Financial Position.

**Administration Fee**

In addition to the Management Fee, the Trust Deed permits the Manager to charge an Administration Fee of up to 0.15% per annum of the value of the units in the Funds for administering the Trust. Currently the Manager only charges this fee on the Net Asset Value of the Funds attributable to A, D, F and N Class units. This fee is calculated as a percentage of the Net Asset Value of each Fund attributable to A, D, F and N Class units and is accrued every Business Day, and the total accrued amount is paid monthly in arrears. All fees and expenses payable to the Administrator in respect of the administration services it provides to the Manager will be met by the Manager. Administration Fee expense is shown in the Statement of Comprehensive Income and the accrued amount is shown in the Statement of Financial Position.

**Trustee**

The Manager appointed BNY Mellon Trust Company (Ireland) Limited to act as the Trustee to the Trust. The principal activity of the Trustee is to act as the Depositary and Trustee of the assets of collective investment schemes ("CISs"). For the period to 30 June 2016, the Trustee retained for its own use out of each Fund a fee of up to 0.02% per annum of the Net Asset Value of the Units up to US\$100 million, and thereafter, a fee of 0.01% calculated on each Business Day during the month, accrued and deducted from the Fund the following month - subject to a minimum fee of US\$20,000 per annum which may be waived. Effective 1 July 2016, the Trustee may retain for its own use out of each Fund a fee of up to 0.022% per annum of the Net Asset Value of the units calculated on each Business Day during the month, accrued and deducted from the Fund the following month - subject to a minimum fee of US\$15,000 per annum which may be waived. The fee currently charged by the Trustee per Fund is disclosed in the relevant supplement for each Fund. The Trustee Fee expense is shown in the Statement of Comprehensive Income and the accrued amount is shown in the Statement of Financial Position.

**Directors' Remuneration**

Mr. David Shubotham, Mr. John O'Connell, Mr. Denis Murphy (resigned 3 August 2016), Ms. Bronwyn Wright and Mr. Jim Finn (appointed 3 August 2016) are independent non-executive Directors of the Manager and have no executive function with the Investment Adviser or its related party companies. The Manager pays each independent non-executive Director an annual fee of €25,000 (€20,000 prior to 1 July 2016) for their services rendered to the Trust. Mr. Christopher J. Reddy (resigned 26 January 2016), Mr. Nicholas Lyster, Mr. Christopher Henderson and Mr. Mike Beer (appointed 26 January 2016) are related parties to the Investment Adviser and receive no compensation from the Trust.

**Depositary Fee**

The Depositary will be paid a fee at normal commercial rates and such fee shall be paid out of the Fund. The level of Sub-Custodian Fees and expenses will vary depending on the investment profile of the Fund including, in particular, the nature of the securities markets in which the Fund invests, the size of the Fund and the amount of trading in the assets of the Fund. Such fees will be charged at normal commercial rates and will only be reimbursed from a Fund where they are less than 0.50% per annum of the Net Asset Value of the Fund. The Manager will pay any fees that exceed this level. Depositary Fee expense is shown in the Statement of Comprehensive Income and the accrued amount is shown in the Statement of Financial Position. In accordance UCITS V: BNY Mellon Trust Company (Ireland) Limited was the Custodian for the Funds until 17 March 2016 and from 18 March 2016 assumed the role of Depositary for the Funds.

**PRINCIPAL GLOBAL INVESTORS FUNDS**  
**NOTES TO THE ANNUAL REPORT AND FINANCIAL STATEMENTS**  
for the year ended 30 September 2016 (continued)

**7. SIGNIFICANT CONTRACTS AND TRANSACTIONS WITH RELATED PARTIES (continued)**

**Performance Fees**

The Investment Adviser is entitled to receive out of the Net Asset Value of the Global Time Diversified Absolute Return Fund and the Finisterre Emerging Market Debt Fund a Performance Fee. The Performance Fee is accrued on each Business Day as an expense of the relevant Unit Class. It is calculated and paid by the Administrator in respect of each period of one calendar year (a Performance Period). For each Performance Period, the Performance Fee in respect of each unit will be equal to 20% for the Global Time Diversified Absolute Return Fund and 15% on the Finisterre Emerging Market Debt Fund (20% for any A Class Units) of the appreciation in the Net Asset Value per Unit before the deduction of any accrued Performance Fee during the Performance Period above the Initial Issue Price of that Unit Class or, if higher, above the highest Net Asset Value per Unit Class achieved as of the end of any previous Performance Period where a Performance Fee was paid (the Peak Net Asset Value). The Peak Net Asset Value is recalculated at the end of each Performance Period.

**8. COMPARATIVE NET ASSET VALUES AT DEALING PRICES**

|                                     | 30 September 2016<br>Net Asset Value<br>and USD /unit | 30 September 2015<br>Net Asset Value<br>and USD /unit | 30 September 2014<br>Net Asset Value<br>and USD /unit |
|-------------------------------------|---|---|---|
| <b>Global Equity Fund</b>           |   |   |   |
| <i>Total Income Class</i>           | 4,304,046   | 4,314,950   | 4,821,231   |
| A Class Income units                | 40.98   | 38.95   | 41.45   |
| <i>Total Accumulation Class</i>     | 43,977,606  | 50,154,160  | 51,327,292  |
| A Class Accumulation units          | 47.30   | 44.98   | 47.86   |
| I Class Accumulation units          | 20.76   | 19.60   | 20.72   |
| F2 Class Accumulation units         | 10.14   | -   | -   |
| <b>Asian Equity Fund</b>            |   |   |   |
| <i>Total Income Class</i>           | 2,545,174   | 2,378,520   | 3,246,646   |
| A Class Income units                | 31.95   | 28.28   | 32.39   |
| <i>Total Accumulation Class</i>     | 5,390,764   | 5,311,341   | 5,637,312   |
| A Class Accumulation units          | 36.59   | 32.38   | 36.95   |
| I Class Accumulation units          | 58.35   | 51.33   | 58.20   |
| <b>European Equity Fund</b>         |   |   |   |
| <i>Total Income Class</i>           | 4,236,896   | 4,345,627   | 4,781,541   |
| A Class Income units                | 55.14   | 54.78   | 57.00   |
| <i>Total Accumulation Class</i>     | 96,287,133  | 99,938,016  | 113,497,604   |
| A Class Accumulation units          | 69.51   | 68.38   | 70.80   |
| I Class Accumulation units          | 23.95   | 23.42   | 24.09   |
| I Class Accumulation (EUR) units    | 15.34   | 15.00   | 15.43   |
| <b>Emerging Markets Equity Fund</b> |   |   |   |
| <i>Total Accumulation Class</i>     | 7,340,395   | 8,464,840   | 13,086,417  |
| A Class Accumulation units          | 40.65   | 36.22   | 44.04   |
| I Class Accumulation units          | 48.48   | 42.96   | 51.94   |
| <b>Japanese Equity Fund</b>         |   |   |   |
| <i>Total Accumulation Class</i>     | 30,391,839  | 22,737,842  | 63,282,578  |
| A Class Accumulation units          | 8.30  | 7.64  | 7.90  |
| I Class Accumulation units          | 9.54  | 8.74  | 8.97  |
| I Class Accumulation (JPY) units    | 13.77   | 12.61   | 12.94   |
| F2 Class Accumulation units         | 11.23   | -   | -   |

**PRINCIPAL GLOBAL INVESTORS FUNDS**  
**NOTES TO THE ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**for the year ended 30 September 2016 (continued)**

**8. COMPARATIVE NET ASSET VALUES AT DEALING PRICES (continued)**

|   | 30 September 2016<br>Net Asset Value<br>and USD /unit | 30 September 2015<br>Net Asset Value<br>and USD /unit | 30 September 2014<br>Net Asset Value<br>and USD /unit |
|---|---|---|---|
| <b>Preferred Securities Fund</b>        |   |   |   |
| <i>Total Income Class</i>               | 948,320,200   | 776,891,353   | 660,488,795   |
| A Class Income units                    | 9.09  | 8.92  | 9.12  |
| A Class Income (EUR hedged) units       | 8.79  | 8.74  | 10.11   |
| A Class Income (GBP hedged) units       | 8.99  | 10.33   | 11.27   |
| I Class Income units                    | 10.27   | 10.08   | 10.31   |
| I Class Income (EUR hedged) units       | 8.11  | 8.06  | 9.34  |
| I Class Income (GBP hedged) units       | 8.66  | 9.98  | 10.90   |
| I Class Income (JPY hedged) units       | 9.07  | 7.55  | 8.51  |
| D Class Income units                    | 12.13   | 11.90   | 12.17   |
| D2 Class Income units                   | 10.47   | -   | -   |
| F Class Income units                    | 12.04   | 11.81   | 12.08   |
| N Class Income units                    | 10.04   | -   | -   |
| P Class Income units                    | 10.24   | 10.04   | 10.28   |
| <i>Total Accumulation Class</i>         | 1,462,263,754   | 983,385,423   | 600,319,891   |
| A Class Accumulation units              | 13.58   | 12.72   | 12.42   |
| A Class Accumulation (CHF hedged) units | 11.15   | 10.54   | 10.61   |
| A Class Accumulation (EUR hedged) units | 17.89   | 16.98   | 18.70   |
| A Class Accumulation (JPY hedged) units | 10.89   | -   | -   |
| I Class Accumulation units              | 20.07   | 18.68   | 18.12   |
| I Class Accumulation (CHF hedged) units | 11.52   | 10.83   | 10.85   |
| I Class Accumulation (EUR hedged) units | 11.98   | 11.29   | 12.38   |
| I Class Accumulation (JPY hedged) units | 14.87   | 11.76   | 12.57   |
| D Class Accumulation units              | 21.90   | 20.57   | 20.15   |
| F Class Accumulation units              | 21.03   | 19.85   | 19.54   |
| F2 Class Accumulation units             | 10.63   | -   | -   |
| P Class Accumulation units              | 12.07   | 11.28   | 10.99   |
| <b>U.S. Equity Fund</b>                 |   |   |   |
| <i>Total Accumulation Class</i>         | 117,182,851   | 135,447,043   | 170,471,828   |
| A Class Accumulation units              | 22.38   | 21.09   | 21.83   |
| I Class Accumulation units              | 24.57   | 23.01   | 23.66   |
| I Class Accumulation (GBP) units        | 24.64   | 23.06   | 23.72   |
| <b>High Yield Fund</b>                  |   |   |   |
| <i>Total Income Class</i>               | 2,531,259   | 2,010,079   | 3,419,904   |
| A Class Income units                    | 9.43  | 8.99  | 9.64  |
| A Class Income (AUD hedged) units       | 9.81  | 8.49  | -   |
| <i>Total Accumulation Class</i>         | 136,261,097   | 125,307,345   | 106,634,828   |
| A Class Accumulation units              | 16.80   | 15.25   | 15.58   |
| I Class Accumulation units              | 23.66   | 21.39   | 21.76   |
| I Class Accumulation (BRL hedged) units | 10.36   | 6.87  | 10.22   |
| I Class Accumulation (EUR hedged) units | 9.38  | 8.57  | 9.85  |
| D Class Accumulation units              | 10.75   | 9.79  | -   |
| F Class Accumulation units              | 10.99   | -   | -   |
| <b>Global Property Securities Fund</b>  |   |   |   |
| <i>Total Income Class</i>               | 57,612,614  | 50,142,849  | 37,793,125  |
| I Class Income (JPY hedged) units       | 12.01   | 9.30  | -   |
| I2 Class Income units                   | 11.05   | 10.08   | 9.65  |
| <i>Total Accumulation Class</i>         | 108,145,397   | 49,856,526  | 30,028,442  |
| I Class Accumulation units              | 26.42   | 23.82   | 22.85   |
| I Class Accumulation (EUR hedged) units | -   | -   | 8.54  |
| I Class Accumulation (GBP hedged) units | -   | -   | 7.56  |
| I Class Accumulation (JPY hedged) units | -   | -   | 10.07   |
| I Class Accumulation (USD hedged) units | 11.27   | 10.25   | 9.46  |
| F Class Accumulation units              | 10.24   | -   | -   |

**PRINCIPAL GLOBAL INVESTORS FUNDS**  
**NOTES TO THE ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**for the year ended 30 September 2016 (continued)**

**8. COMPARATIVE NET ASSET VALUES AT DEALING PRICES (continued)**

|   | 30 September 2016<br>Net Asset Value<br>and USD /unit | 30 September 2015<br>Net Asset Value<br>and USD /unit | 30 September 2014<br>Net Asset Value<br>and USD /unit |
|---|---|---|---|
| <b>Global Equity (ex-Japan) Fund</b>                |   |   |   |
| <i>Total Accumulation Class</i>                     | 64,203,519  | 60,247,344  | 77,735,822  |
| I Class Accumulation units                          | 17.83   | 16.75   | 17.89   |
| I Class Accumulation (JPY) units                    | 13.44   | 12.62   | 13.48   |
| <b>Post Global Limited Term High Yield Fund</b>     |   |   |   |
| <i>Total Income Class</i>                           | 63,877,919  | –   | 6,569,188   |
| A Class Income units                                | 10.22   | –   | –   |
| I Class Income (EUR hedged) units                   | 9.88  | –   | –   |
| I Class Income (GBP hedged) units                   | 9.30  | –   | 10.74   |
| <i>Total Accumulation Class</i>                     | 790,147,981   | 555,382,502   | 651,044,815   |
| A Class Accumulation units                          | 10.27   | –   | –   |
| I Class Accumulation units                          | 12.58   | 11.91   | 11.72   |
| I Class Accumulation (CHF hedged) units             | 10.35   | 9.91  | –   |
| I Class Accumulation (EUR hedged) units             | 9.77  | 9.39  | 10.44   |
| I Class Accumulation (GBP hedged) units             | 10.54   | 11.69   | 12.27   |
| I Class Accumulation (JPY hedged) units             | 9.84  | 7.92  | 8.59  |
| I Class Accumulation (SGD hedged) units             | 10.20   | –   | –   |
| I2 Class Accumulation units                         | 10.54   | –   | –   |
| I2 Class Accumulation (EUR hedged) units            | 10.42   | –   | –   |
| I2 Class Accumulation (GBP hedged) units            | 9.00  | –   | –   |
| <b>Global Time Diversified Absolute Return Fund</b> |   |   |   |
| <i>Total Accumulation Class</i>                     | 4,641,516   | 4,058,191   | 4,850,950   |
| I Class Accumulation units                          | 10.00   | 8.96  | 9.14  |
| <b>EDGE Small/Mid-Cap Equity Income Fund*</b>       |   |   |   |
| <i>Total Accumulation Class</i>                     | –   | 4,641,990   | 5,099,332   |
| A Class Accumulation units                          | –   | 11.61   | 12.70   |
| I Class Accumulation units                          | –   | 11.87   | 12.88   |
| <b>Global Small Cap Equity Fund</b>                 |   |   |   |
| <i>Total Accumulation Class</i>                     | 17,727,195  | 21,096,242  | 33,819,803  |
| A Class Accumulation units                          | 15.43   | 14.03   | 13.92   |
| I Class Accumulation units                          | 15.86   | 14.33   | 14.10   |
| <b>Origin Global Emerging Markets Fund</b>          |   |   |   |
| <i>Total Accumulation Class</i>                     | 95,839,118  | 53,274,246  | 59,451,774  |
| I Class Accumulation units                          | 10.42   | 9.39  | 10.56   |
| I Class Accumulation (GBP) units                    | 10.68   | 9.62  | 10.81   |
| F2 Class Accumulation units                         | 11.15   | –   | –   |
| <b>Origin Global Equity Fund</b>                    |   |   |   |
| <i>Total Accumulation Class</i>                     | 16,041,615  | 15,453,227  | 21,853,954  |
| I Class Accumulation (GBP) units                    | 12.96   | 12.68   | 12.78   |
| <b>Origin Global Smaller Companies Fund</b>         |   |   |   |
| <i>Total Accumulation Class</i>                     | 57,684,578  | 35,371,264  | 35,121,170  |
| I Class Accumulation units                          | 13.74   | 12.42   | 12.53   |
| I Class Accumulation (GBP) units                    | 13.79   | 12.46   | 12.57   |
| <b>Long/Short Global Opportunities Equity Fund</b>  |   |   |   |
| <i>Total Accumulation Class</i>                     | 7,148,152   | 7,708,631   | 7,767,346   |
| I Class Accumulation units                          | 9.53  | 10.28   | 10.36   |
| <b>Claritas Latin American Equity Fund</b>          |   |   |   |
| <i>Total Accumulation Class</i>                     | 12,358,514  | 11,495,853  | 15,571,289  |
| I Class Accumulation units                          | 7.62  | 5.74  | 9.51  |

\*EDGE Small/Mid-Cap Equity Income Fund terminated on 31 May 2016.

**PRINCIPAL GLOBAL INVESTORS FUNDS**  
**NOTES TO THE ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**for the year ended 30 September 2016 (continued)**

**8. COMPARATIVE NET ASSET VALUES AT DEALING PRICES (continued)**

|  | 30 September 2016<br>Net Asset Value<br>and USD /unit | 30 September 2015<br>Net Asset Value<br>and USD /unit | 30 September 2014<br>Net Asset Value<br>and USD /unit |
|--|---|---|---|
| <b>Finisterre Emerging Market Debt Fund</b>        |   |   |   |
| <i>Total Income Class</i>                          | 262,133,618   | 259,785,965   | 317,694,623   |
| A Class Income units                               | 9.75  | 9.38  | –   |
| I2 Class Income (EUR hedged) units                 | 8.30  | 7.93  | 9.32  |
| <i>Total Accumulation Class</i>                    | 52,331,417  | 203,358,703   | 124,752,051   |
| A Class Accumulation units                         | 9.85  | 9.47  | –   |
| A Class Accumulation (CHF hedged) units            | 9.53  | 9.25  | –   |
| A Class Accumulation (EUR hedged) units            | 10.00   | 9.66  | –   |
| A Class Accumulation (GBP hedged) units            | 8.63  | 9.63  | –   |
| A Class Accumulation (SGD hedged) units            | 9.95  | 9.14  | –   |
| I Class Accumulation units                         | 10.94   | 10.47   | 10.87   |
| I Class Accumulation (EUR hedged) units            | –   | 8.00  | 9.44  |
| I Class Accumulation (GBP hedged) units            | 8.71  | 9.67  | –   |
| <b>Spectrum Global Capital Securities Fund</b>     |   |   |   |
| <i>Total Accumulation Class</i>                    | 24,629,419  | 21,246,644  | –   |
| A Class Accumulation units                         | 10.00   | 10.28   | –   |
| I Class Accumulation units                         | 10.94   | 10.28   | –   |
| I Class Accumulation (EUR hedged) units            | 10.57   | 10.03   | –   |
| <b>Global Short Duration High Yield Fund**</b>     |   |   |   |
| <i>Total Accumulation Class</i>                    | –   | 8,620,593   | –   |
| I Class Accumulation units                         | –   | 10.15   | –   |
| <b>Global Capital Structure Opportunities Fund</b> |   |   |   |
| <i>Total Accumulation Class</i>                    | 10,695,258  | 10,234,529  | –   |
| I Class Accumulation units                         | 10.68   | 10.23   | –   |
| <b>Global Credit Alpha Fund</b>                    |   |   |   |
| <i>Total Accumulation Class</i>                    | 8,395,816   | 7,916,376   | –   |
| I Class Accumulation units                         | 11.26   | 10.62   | –   |
| <b>Real Estate Debt Fund***</b>                    |   |   |   |
| <i>Total Income Class</i>                          | 4,770,969   | –   | –   |
| I Class Income units                               | 10.49   | –   | –   |
| <i>Total Accumulation Class</i>                    | 4,771,769   | –   | –   |
| I Class Accumulation units                         | 10.65   | –   | –   |

\*\*Global Short Duration High Yield Fund terminated on 1 July 2016.

\*\*\*Real Estate Debt Fund launched on 21 March 2016.

**9. EFFICIENT PORTFOLIO MANAGEMENT**

The Funds are denominated in USD but purchase assets denominated in a range of currencies. During the year, transactions were entered into which are economically appropriate to the reduction of relevant risks or costs to improve investment performance.

Subject to the conditions and within the limits from time to time laid down by the Central Bank, and except as otherwise stated in the investment objective and policies of a Fund, the Investment Adviser and/or Sub-Investment Adviser(s) may employ, for certain Funds, investment techniques and instruments such as futures, options, forward foreign currency exchange contracts and other derivatives for Efficient Portfolio Management ("EPM") purposes. Furthermore, new techniques and instruments may be developed which may be suitable for use by a Fund in the future, and a Fund may employ such techniques and instruments subject to the prior approval of, and any restrictions imposed by, the Central Bank.

For UCITS which have engaged in EPM techniques, certain disclosures are required under Chapter 4 of the Central Bank UCITS Regulations. The Investment Advisers of the Funds have identified all FDIs which are used for EPM. A UCITS is required to disclose the revenues arising from EPM techniques for the entire reporting period together with the direct and indirect operational costs and fees incurred.



**PRINCIPAL GLOBAL INVESTORS FUNDS**  
**NOTES TO THE ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**for the year ended 30 September 2016 (continued)**

**9. EFFICIENT PORTFOLIO MANAGEMENT (continued)**

The Investment Adviser considers only repurchase agreements, reverse repurchase agreements and securities lending to be EPM techniques. None of the Funds held repurchase agreements, reverse repurchase agreements or took part in securities lending as at year end date 30 September 2016 or at 30 September 2015.

Details of all open transactions at the year end are disclosed in the Portfolios of Investments.

**10. DEALING COMMISSION ARRANGEMENTS**

The Investment Adviser appointed in relation to each Fund is responsible for the selection of brokers with whom they deal. In relation to certain equity funds, the Investment Advisers have entered into dealing commission arrangements with brokers whereby they obtain services or benefits from them, or from third parties – which are paid for out of commissions charged to the Funds. Such services or benefits relate primarily to research and portfolio management, and their purchase is compliant with relevant local regulation; including being a permitted service. The relevant Investment Advisers are satisfied that trades generating soft commissions comply with the relevant local regulations requiring best execution – which requires consideration of relevant factors, including price and execution quality.

**11. FINANCIAL RISK MANAGEMENT**

**Strategy in Using Financial Instruments**

The activities of each Fund expose it to a variety of financial risks such as market risk (including currency risk, interest rate risk and price risk), credit risk and liquidity risk. The Funds' overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Funds' financial performance. The Funds make use of FDIs to moderate certain risk exposures. The general risk factors set out in the "Special Investment Considerations and Risks" section of the Prospectus apply to the Funds and risks specific to these Funds are set out below. These risk factors do not purport to be an exhaustive or complete explanation of all the risks associated with an investment in the Funds and persons considering purchasing units should inform themselves as to (i) the legal requirements within their own countries for the purchase of units, (ii) any foreign exchange restrictions which may be applicable and (iii) the income and other tax consequences of purchase and repurchase of units.

The risk management process operates at a number of levels. In addition to the Investment Adviser monitoring investment activity and exposure at the point of execution ensuring a Fund is managed according to its guidelines and objectives, the Depositary and the Trustee of the Funds also provide an independent analysis of financial instrument exposure by monitoring investment limits in accordance with the UCITS Regulations and the Funds' Prospectus.

The Funds' overall market positions are monitored on a daily basis by the Investment Adviser and compliance with the Funds' investment guidelines are monitored on an ongoing basis by the Investment Adviser/Sub Investment Adviser(s) and Trustee. The Board of Directors of the Manager have oversight of the risk management process and receive monthly and quarterly reports from the Investment Adviser/Sub-Investment Adviser(s) and the Trustee. The Funds' investments in securities are subject to normal market fluctuations and other risks inherent in investing in securities. The value of investments and the income from them, and therefore the value of the units can go down as well as up and an investor may not get back the amount they invest.

The strategies as enumerated for the funds below and overleaf are summarised, please refer to the prospectus and supplements of the individual funds for greater detail. These are available on the [www.principalglobal.com](http://www.principalglobal.com) website.

**Global Equity Fund**

The Fund seeks to achieve capital growth by investing principally in equity securities from investment markets around the world. Investments can also include unlisted securities (limited to 10% of the net assets), bank deposits, debt securities, and fixed interest and money market securities. The Fund may also invest in Real Estate Investment Trusts ("REITS") and in other Funds of the Trust. No more than 15% of the net assets will be invested in Russia.

**Asian Equity Fund**

The Fund seeks to achieve capital growth by investing principally in the equity securities of companies domiciled or with their core business in the Asian region (excluding Japan). Investments can also include unlisted securities (limited to 10% of the net assets), bank deposits, debt securities, fixed interest and money market securities. The Fund may also invest in REITS and in other Funds of the Trust. No more than 30% of the net assets will be invested in Pakistan.

**PRINCIPAL GLOBAL INVESTORS FUNDS**  
**NOTES TO THE ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**for the year ended 30 September 2016 (continued)**

**11. FINANCIAL RISK MANAGEMENT (continued)**

**Strategy in Using Financial Instruments (continued)**

**European Equity Fund**

The Fund seeks to achieve capital growth by investing principally in the equity securities of companies domiciled or with their core business in Europe (including Eastern Europe). Investments can also include unlisted securities (limited to 10% of the net assets), bank deposits, debt securities, and fixed interest and money market securities. The Fund may also invest in REITS and in other Funds of the Trust. No more than 15% of the net assets will be invested in Russia.

**Emerging Markets Equity Fund**

The Fund seeks to achieve capital growth by investing principally in the equity securities of companies domiciled or with their core business in the world's emerging investment markets as identified by the International Finance Corporation (a division of the World Bank). Investments can also include unlisted securities (limited to 10% of the net assets), bank deposits, debt securities, fixed interest, money market securities and other CISs. The Fund may also invest in REITS and in other Funds of the Trust. No more than 15% of the net assets will be invested in Russia.

**Japanese Equity Fund**

The Fund seeks to achieve capital growth by investing principally in the equity securities of companies domiciled or with their core business in Japan. Investments can also include unlisted securities (limited to 10% of the net assets), bank deposits, debt securities, fixed interest and money market securities. The Fund may also invest in REITS and in other Funds of the Trust.

**Preferred Securities Fund**

The Fund will seek to provide a return consisting of income and capital preservation by investing primarily in a portfolio of USD denominated preferred securities and debt securities. Investments can also include ancillary liquid assets such as bank deposits. The Fund's investment universe will include REITS.

**U.S. Equity Fund**

The Fund seeks to achieve capital growth by investing principally in the equity securities of companies domiciled or with their core business in the United States, which the Investment Adviser believes are mispriced by the market and have the potential for significant growth. 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 debt securities, as set out in the Prospectus, as well as REITS and other Funds of the Trust.

**High Yield Fund**

The Fund will seek to provide a return consisting of income and, over the long term, capital appreciation by investing primarily in a portfolio of USD denominated public and private issued high-yield fixed income securities. The Fund may also hold ancillary liquid assets such as bank deposits as well as invest in REITS and in other Funds of the Trust.

**Global Property Securities Fund**

The Fund will seek to provide a total return primarily through investment in a global portfolio of publicly traded securities of companies engaged in the property industry or whose value is derived from property assets. The Fund's investments will include no less than 80% of the net assets in REITS or real estate operating companies ("REOCs"). The Fund may also invest in common and preferred equity securities, debt securities, options, warrants (up to 5% of the Fund), convertible securities, exchange traded funds ("ETFs") and depositary receipts.

**Global Equity (ex-Japan) Fund**

The Fund seeks to achieve capital growth by investing in equity securities from investment markets around the world, with the exception of Japan. Investments can also include unlisted securities (limited to 10% of the net assets), bank deposits, debt securities, fixed interest and money market securities. The Fund may also invest in REITS and in other Funds of the Trust.

**PRINCIPAL GLOBAL INVESTORS FUNDS**  
**NOTES TO THE ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**for the year ended 30 September 2016 (continued)**

**11. FINANCIAL RISK MANAGEMENT (continued)**

**Strategy in Using Financial Instruments (continued)**

**Post Global Limited Term High Yield Fund**

The Fund aims to provide a high rate of return with low volatility relative to typical high yield investments by investing primarily in a portfolio of global short-term, lower volatility high yield debt securities with an average duration of approximately 12-24 months. These securities will generally be rated below investment grade. The portfolio will be diversified, consisting from time to time of securities including fixed and floating rate global corporate bonds, debt issued in the leveraged loan market such as bank loan assignments and participations, convertible bonds, commercial paper, private placements, such as section 144A securities, preferred securities, hybrids and taxable municipal bonds. The Fund may also invest in other Funds of the Trust in order to obtain its objective.

**Global Time Diversified Absolute Return Fund**

The Global Time Diversified Absolute Return Fund will seek to provide a consistent stream of positive returns in excess of USD 3 month LIBOR ("London Inter-Bank Offer Rate") over a 3-5 year horizon by investing primarily in FDIs to gain exposure to a portfolio of cross currency positions on a leveraged basis. The FDIs will gain exposure to an investible currency universe which will primarily comprise 12 currencies which the Sub-Investment Adviser considers to be the most tradable currencies in the developed world at any given time.

**EDGE Small/Mid-Cap Equity Income Fund**

The investment objective of the Fund was to provide income with long-term growth in both income and capital. The Fund sought to achieve its objective by investing primarily in dividend paying equity securities. The majority of the portfolio was generally invested in the equity securities of US listed companies, but the Fund could also invest in the equity securities of non-US listed companies. The Fund could also hold securities throughout the capitalisation spectrum including mid and small cap securities. The Fund could also invest in REITs and Master Limited Partnerships that were eligible for investment by the Fund. The Fund terminated on 31 May 2016.

**Global Small Cap Equity Fund**

The investment objective of the Fund is to provide medium to long-term capital growth. The Fund seeks to achieve its objective by investing primarily in publicly listed equity securities of smaller capitalisation companies in markets globally. It is anticipated that the Fund will usually hold at least 70% in such securities. The Fund can also invest in REITs and equity securities of issuers that derive income or profits from products or services related to the global property industry. It may also invest in other Funds of the Trust in order to seek to meet its objective.

**Origin Global Emerging Markets Fund**

The objective of the Fund is to seek to achieve capital growth through investment in global emerging market equities. The Fund will invest in transferable equity and equity-related securities of a diversified range of companies in what the Sub-Investment Adviser considers to be emerging economies of the world, normally with a minimum market capitalisation on purchase of USD250 million. These securities will primarily be common stocks and other securities with equity characteristics, including but not limited to preferred stocks, warrants (only held where an existing holding is subject to an issuance of warrants and, in aggregate, normally not more than 5% of the Fund's Net Asset Value) and rights as well as depositary receipts for such securities, all of which are traded on securities exchanges or regulated markets.

**Origin Global Equity Fund**

The objective of the Fund is to seek to achieve capital growth through investment in global equities. The Fund will invest in transferable equity and equity-related securities of a diversified range of companies throughout the globe, normally with a minimum market capitalisation on purchase of USD1 billion. The Fund is constructed with very limited regard to the characteristics of any market capitalisation weighted global equity indices. These securities will primarily be common stocks and other securities with equity characteristics, including but not limited to preferred stocks, warrants (only held where an existing holding is subject to an issuance of warrants and, in aggregate, normally not more than 5% of the Fund's Net Asset Value) and rights as well as depositary receipts for such securities, all of which are traded on securities exchanges or regulated markets.

**Origin Global Smaller Companies Fund**

The objective of the Fund is to seek to achieve capital growth through investment in global smaller companies. The Fund will invest in transferable equity and equity-related securities of a diversified range of companies throughout the globe, normally with a maximum market capitalisation on purchase of up to USD5 billion. These securities will primarily be common stocks and other securities with equity characteristics, including but not limited to preferred stocks, warrants (only held where an existing holding is subject to an issuance of warrants and, in aggregate, normally not more than 5% of the Fund's Net Asset Value) and rights as well as depositary receipts for such securities, all of which are traded on securities exchanges or regulated markets.

**PRINCIPAL GLOBAL INVESTORS FUNDS**  
**NOTES TO THE ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**for the year ended 30 September 2016 (continued)**

**11. FINANCIAL RISK MANAGEMENT (continued)**

**Strategy in Using Financial Instruments (continued)**

**Long/Short Global Opportunities Equity Fund**

The investment objective of the Fund is to seek capital growth over the medium to long term with the secondary objective of seeking to limit volatility. The Fund seeks to achieve its objective by investing principally in both long and short positions in equity securities and equity related securities (comprising American Depository Receipts and Global Depository Receipts) from investment markets around the world. The Fund will hold short positions synthetically through the use of FDIs. The Fund may also invest in eligible REITs or other REIT-like structures which will be the equivalent of REITs. It may also invest in other Funds of the Trust and eligible ETFs.

**Claritas Latin American Equity Fund**

The investment objective of the Fund is to provide capital growth over the medium to long term. The Fund will invest primarily in equity securities of Latin American companies, which are, companies with their principal place of business or principal office in Latin American countries and/or companies for which their principal securities trading market is a Latin American country. "Latin American" is defined as all countries located in the American continent, except Canada and the United States of America.

**Finisterre Emerging Market Debt Fund**

The investment objective of the Fund is to generate medium to long term positive total returns from a combination of current income and capital appreciation by investing in global emerging market securities. The Fund seeks to achieve its objective by investing primarily in fixed income instruments of sovereign and quasi-sovereign issuers and corporate debt obligations in emerging markets. The types of fixed income instruments and corporate debt obligations that the Fund may invest in are bonds, asset-backed securities, convertible bonds, CoCos, credit and index linked securities, Rule 144A and/or Regulation S securities. The Fund may use FDIs for investment purposes as well as for hedging and/or EPM purposes. From time to time, the Fund may hold an unlimited amount of investments which are traded in Russia.

**Spectrum Global Capital Securities Fund**

The investment objective of the Fund is to generate positive total return over the medium to long term including capital preservation. The Fund seeks to achieve its objective by investing the majority of its assets in below investment grade CoCos from around the world, together with volatility mitigation strategies to mitigate the credit and interest rate volatility associated with CoCos. The Fund may also invest in UCITS eligible ETFs.

**Global Short Duration High Yield Fund**

The Fund aimed to provide a high rate of return with lower price volatility relative to typical high yield investments by investing in limited duration high yield securities. The Fund sought to achieve its objective by investing the majority of its assets in global short-term, high yield debt securities with lower price volatility, as measured by the Investment Adviser, relative to typical high yield investments and with an average duration of approximately 12-24 months. These securities were generally rated below investment grade. The Fund could also invest in UCITS eligible CISs, including other Funds of the Trust and ETFs. The Fund terminated on 31 July 2016.

**Global Capital Structure Opportunities Fund**

The Fund aims to provide high single digit returns over any given market cycle while minimising drawdown risk. The Fund seeks to achieve its objective primarily by investing across the capital structure of companies around the world which, together with investment in FDI's, will seek to minimise certain risks associated with such investments. In certain market conditions the Fund may also invest in government debt. The Fund may also invest in UCITS eligible CISs and ETFs.

**Global Credit Alpha Fund**

The investment objective of the Fund is to seek a high rate of total return over the medium to long term. The Fund seeks to achieve its objective by investing the majority of its assets in high yield corporate bonds, securitised debt, emerging markets bonds as well as government bonds and investment grade corporate bonds from markets around the world. The Fund may invest in UCITS eligible CISs, including other Funds of the Unit Trust and ETFs.

**Real Estate Debt Fund**

The objective of the Fund is to provide attractive long term risk adjusted returns. The Fund seeks to achieve the investment objective by investing the majority of its assets in a diversified portfolio of U.S. commercial mortgage-backed securities ("CMBS"). CMBS are structured debt securities, typically secured by diversified pools of mortgages on commercial real estate properties located across the U.S. While the Fund will primarily invest in CMBS, it may also invest in unsecured bonds issued by companies primarily engaged in a real estate or real estate related business. The CMBS and unsecured bonds may include Rule 144A securities. The Fund may also use certain FDI's for investment purposes and the Fund may also hold ancillary liquid assets such as bank deposits and U.S. Treasury Securities.

**PRINCIPAL GLOBAL INVESTORS FUNDS**  
**NOTES TO THE ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**for the year ended 30 September 2016 (continued)**

**11. FINANCIAL RISK MANAGEMENT (continued)**

**Market Price Risk**

All securities and investments present a risk of loss of capital. The Investment Adviser/Sub-Investment Adviser(s) moderates this risk through diversification and a careful selection of securities and other financial instruments within the limits defined in the Prospectus.

Except for derivatives, the maximum risk resulting from financial instruments is determined by the fair value of the financial instruments. Possible losses from written options can be unlimited and losses on forwards and futures can result from the movement in currency exchange rates in the time between the forward trade date and the settlement date depending on the volatility of the currencies.

The maximum risk of the Interest Rate Swaps, Credit Default Swaps, Cross Currency Swaps and Total Return Swaps is determined by the fair value of the swaps. The Funds' overall market positions are monitored on a daily basis by the Funds' Sub-Investment Adviser.

The Investment Adviser reviews the portfolio characteristics of each Fund in its entirety. This review may include as appropriate a review of country allocations, country weights, capitalization, distribution, industry sector weights, price/book levels, currency exposure, portfolio maturity, portfolio duration, sector exposure, quality exposure and other key risk measures.

The Funds may employ investment techniques and FDIs for EPM and/or investment purposes within the limits set out in the Prospectus as described in the sections 'General Information' and 'Special Investment Considerations and Risks'. The Funds may hold a combination of FDIs such as options, futures, options on futures, forward foreign currency exchange contracts, repurchase contracts, reverse repurchase agreements, sale and buyback agreements, stock lending agreements, credit default swaps, interest rate swaps and other over the counter derivative instruments may be used subject to the conditions and limits laid down by the Central Bank and the Trust Deed and subject to any other restrictions or regulations which may affect the portfolio management of the Funds.

**Sensitivity Analysis**

Sensitivity Analysis is an indication based on historical data showing what an impact of 5% movement in the Benchmark would do to the net asset of the Funds at the Statement of Financial Position date.

**Limitations of Sensitivity Analysis:**

Some limitations of sensitivity analysis are;

- the models are based on historical data and cannot take account of the fact that future market price movements, correlations between markets and levels of market liquidity in conditions of market stress may bear no relation to historical patterns;
- the market price risk information is a relative estimate of risk rather than a precise and accurate number;
- the market price information represents a hypothetical outcome and is not intended to be predictive; and future market conditions could vary significantly from those experienced in the past.

**PRINCIPAL GLOBAL INVESTORS FUNDS**  
**NOTES TO THE ANNUAL REPORT AND FINANCIAL STATEMENTS**  
for the year ended 30 September 2016 (continued)

**11. FINANCIAL RISK MANAGEMENT (continued)**

**Market Price Risk (continued)**

**NAV following a 5% Increase/Decrease in Benchmark Return**

As at 30 September 2016

| Fund Name   | Benchmark  | Currency | Change in Net Asset Value* |               |
|---|--|----------|----------------------------|---------------|
|   |  |          | 5% Increase                | 5% Decrease   |
| Global Equity Fund  | MSCI AC World Index  | USD      | 1,984,948                  | (1,984,948)   |
| Asian Equity Fund   | MSCI AC Asia ex-Japan Index  | USD      | 382,757                    | (382,757)     |
| European Equity Fund                                      | MSCI Europe Index  | USD      | 4,842,698                  | (4,842,698)   |
| Emerging Markets Equity Fund                              | MSCI Emerging Markets Index  | USD      | 349,490                    | (349,490)     |
| Japanese Equity Fund                                      | MSCI Japan Index   | USD      | 1,480,652                  | (1,480,652)   |
| Preferred Securities Fund                                 | 50% BofA Merrill Lynch Fixed Rate Preferred Securities Index<br>50% BofA Merrill Lynch US Capital Securities Index | USD      | 142,873,757                | (142,873,757) |
| U.S. Equity Fund  | S&P 500 Index  | USD      | 5,597,037                  | (5,597,037)   |
| High Yield Fund   | BofA Merrill Lynch Global High Yield Hedged Index  | USD      | 5,956,049                  | (5,956,049)   |
| Global Property Securities Fund                           | FTSE-EPRA-NAREIT Developed NTR Index   | USD      | 8,658,413                  | (8,658,413)   |
| Global Equity (ex-Japan) Fund                             | MSCI Kokusai (World ex-Japan) Index  | USD      | 2,995,865                  | (2,995,865)   |
| Post Global Limited Term High Yield Fund                  | Barclays Capital US Government 1-2 Year Index  | USD      | 14,087,047                 | (14,087,047)  |
| Global Time Diversified Absolute Return Fund <sup>1</sup> | N/A  | USD      | N/A                        | N/A           |
| EDGE Small/Mid-Cap Equity Income Fund                     | Russell 2500 Value Index   | USD      | N/A                        | N/A           |
| Global Small Cap Equity Fund                              | MSCI ACWI Small Cap Index  | USD      | 843,409                    | (843,409)     |
| Origin Global Emerging Markets Fund                       | MSCI Emerging Markets Index  | USD      | 3,960,369                  | (3,960,369)   |
| Origin Global Equity Fund                                 | MSCI World Index   | USD      | 795,367                    | (795,367)     |
| Origin Global Smaller Companies Fund                      | MSCI ACWI Small Cap Index  | USD      | 2,481,050                  | (2,481,050)   |
| Long/Short Global Opportunities Equity Fund <sup>4</sup>  | N/A  | USD      | N/A                        | N/A           |
| Claritas Latin American Equity Fund <sup>5</sup>          | N/A  | USD      | N/A                        | N/A           |
| Finisterre Emerging Market Debt Fund <sup>4</sup>         | N/A  | USD      | N/A                        | N/A           |
| Spectrum Global Capital Securities Fund                   | BofA Merrill Lynch Global Non-Sovereign Index  | USD      | 358,732                    | (358,732)     |
| Global Short Duration High Yield Fund <sup>2</sup>        | Barclays Capital Mutual Fund (1-2) US Government Index   | USD      | N/A                        | N/A           |
| Global Capital Structure Opportunities Fund               | 3 Month US LIBOR   | USD      | 14,078,885                 | (14,078,885)  |
| Global Credit Alpha Fund                                  | 3 Month US LIBOR   | USD      | 21,313,651                 | (21,313,651)  |
| Real Estate Debt Fund <sup>3</sup>                        | Barclays Capital CMBS Investment Grade Index   | USD      | 457,128                    | (457,128)     |

\*The changes in Net Asset Value have been calculated by applying a beta calculation based on performance for the period multiplied by a 5% increase/(decrease) in the index. The Manager considers this movement to be reasonable.

<sup>1</sup>EDGE Small/Mid-Cap Equity Income Fund terminated on 31 May 2016.

<sup>2</sup>Global Short Duration High Yield Fund terminated on 1 July 2016.

<sup>3</sup>Real Estate Debt Fund launched on 21 March 2016.

<sup>4</sup>The Finisterre Emerging Market Debt Fund, Long/Short Global Opportunities Equity Fund and Global Time Diversified Absolute Return Fund do not have applicable benchmark indices, and as a result there is no sensitivity analysis prepared for these Funds.

<sup>5</sup>For the Claritas Latin American Equity Fund there is currently no license for the benchmark index and as a result there is no sensitivity prepared for this Fund.

**PRINCIPAL GLOBAL INVESTORS FUNDS**  
**NOTES TO THE ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**for the year ended 30 September 2016 (continued)**

**11. FINANCIAL RISK MANAGEMENT (continued)**

**Market Price Risk (continued)**

**NAV following a 5% Increase/Decrease in Benchmark Return**

**As at 30 September 2015**

| Fund Name   | Benchmark  | Currency | Change in Net Asset Value* |              |
|---|--|----------|----------------------------|--------------|
|   |  |          | 5% Increase                | 5% Decrease  |
| Global Equity Fund  | MSCI AC World Index  | USD      | 2,891,438                  | (2,891,438)  |
| Asian Equity Fund <sup>3</sup>                            | MSCI AC Asia ex-Japan Index                                  | USD      | 366,775                    | (366,775)    |
| European Equity Fund                                      | MSCI Europe Index  | USD      | 1,546,316                  | (1,546,316)  |
| Emerging Markets Equity Fund                              | MSCI Emerging Markets Index                                  | USD      | 379,488                    | (379,488)    |
| Japanese Equity Fund                                      | MSCI Japan Index   | USD      | 1,265,016                  | (1,265,016)  |
| Preferred Securities Fund                                 | 50% BofA Merrill Lynch Fixed Rate Preferred Securities Index |          |                            |              |
|   | 50% BofA Merrill Lynch US Capital Securities Index           | USD      | 68,256,801                 | (68,256,801) |
| U.S. Equity Fund  | S&P 500 Index  | USD      | 30,276,253                 | (30,276,253) |
|   | BofA Merrill Lynch Global High Yield Blended Index           | USD      | 2,906,194                  | (2,906,194)  |
| High Yield Fund <sup>7</sup>                              | FTSE-EPRA-NAREIT Developed NTR Index                         | USD      | 7,307,522                  | (7,307,522)  |
| Global Property Securities Fund                           | MSCI Kokusai (World ex-Japan) Index                          | USD      | 3,310,525                  | (3,310,525)  |
| Global Equity (ex-Japan) Fund                             | Barclays Capital US Government 1-2 Year Index                | USD      | 63,271,361                 | (63,271,361) |
| Post Global Limited Term High Yield Fund                  |  |          |                            |              |
| Global Time Diversified Absolute Return Fund <sup>5</sup> | N/A  | USD      | N/A                        | N/A          |
| EDGE Small/Mid-Cap Equity Income Fund                     | Russell 2500 Value Index                                     | USD      | 826,842                    | (826,842)    |
| Global Small Cap Equity Fund                              | MSCI ACWI Small Cap Index                                    | USD      | 524,083                    | (524,083)    |
| Origin Global Emerging Markets Fund                       | MSCI Emerging Markets Index                                  | USD      | 1,530,536                  | (1,530,536)  |
| Origin Global Equity Fund                                 | MSCI World Index   | USD      | 206,266                    | (206,266)    |
| Origin Global Smaller Companies Fund                      | MSCI ACWI Small Cap Index                                    | USD      | 472,910                    | (472,910)    |
| Long/Short Global Opportunities Equity Fund <sup>5</sup>  | N/A  | USD      | N/A                        | N/A          |
| Claritas Latin American Equity Fund <sup>6</sup>          | N/A  | USD      | N/A                        | N/A          |
| Finisterre Emerging Market Debt Fund <sup>5</sup>         | N/A  | USD      | N/A                        | N/A          |
| Spectrum Global Capital Securities Fund <sup>1</sup>      | BofA Merrill Lynch Global Non-Sovereign Index                | USD      | 1,000,720                  | (1,000,720)  |
| Global Short Duration High Yield Fund <sup>2</sup>        | Barclays Capital Mutual Fund (1-2) US Government Index       | USD      | 1,253,103                  | (1,253,103)  |
| Global Capital Structure Opportunities Fund <sup>3</sup>  | 3 Month US LIBOR   | USD      | 5,826,193                  | (5,826,193)  |
| Global Credit Alpha Fund <sup>4</sup>                     | 3 Month US LIBOR   | USD      | 24,328,596                 | (24,328,596) |

\*The changes in Net Asset Value have been calculated by applying a beta calculation based on performance for the period multiplied by a 5% increase/(decrease) in the index. The Manager considers this movement to be reasonable.

<sup>1</sup>Spectrum Global Capital Securities Fund launched on 30 October 2014.

<sup>2</sup>Global Short Duration High Yield Fund launched on 10 December 2014.

<sup>3</sup>Global Capital Structure Opportunities Fund launched on 11 December 2014.

<sup>4</sup>Global Credit Alpha Fund commenced operations under the PGIF umbrella on 23 June 2015.

<sup>5</sup>The Finisterre Emerging Market Debt Fund, Long/Short Global Opportunities Equity Fund and the Global Time Diversified Absolute Return Funds do not have applicable benchmark indices, and as a result there is no sensitivity analysis prepared for these Funds.

<sup>6</sup>For the Claritas Latin American Equity Fund there is currently no license for the benchmark index and as a result there is no sensitivity prepared for this Fund.

<sup>7</sup>High Yield Fund changed Benchmark from the BofA Merrill Lynch Global High Yield Index to the BofA Merrill Lynch Global High Yield Hedged Index on the 1 January 2015.

<sup>8</sup>Asian Equity Fund changed Benchmark from the MSCI Far East ex-Japan Index to the MSCI AC Asia ex-Japan index on the 31 March 2015.

**PRINCIPAL GLOBAL INVESTORS FUNDS**  
**NOTES TO THE ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**for the year ended 30 September 2016 (continued)**

**11. FINANCIAL RISK MANAGEMENT (continued)**

**Market Price Risk (continued)**

The Funds' market price risk is managed through investment selection and diversification in accordance with 'The UCITS Regulations' and the limits set out in the Prospectus. The Investment Adviser uses their portfolio management selection tool and makes use of tracking errors to monitor deviation with the benchmark. Monthly performance reports are reviewed by the Investment Adviser/Sub-Investment Adviser and quarterly by the Board of Directors of the Manager. Each Fund's overall market exposures and notional exposures for derivatives are disclosed in the Portfolio of Investments.

Global Time Diversified Absolute Return Fund, Finisterre Emerging Market Debt Fund, Global Capital Structure Opportunities Fund and Global Credit Alpha Fund use an Absolute Value at Risk ("VaR") model to assess the Fund's market risk. The Global Time Diversified Absolute Return Fund's proprietary model uses a non-parametric approach based on a confidence level of 99% for a daily horizon and considering no less than two years of historical data. The Finisterre Emerging Market Debt Fund uses a third-party independent VaR provider; they use a parametric approach with 1 year history based on a confidence level of 99% with a daily horizon. The Global Capital Structure Opportunities Fund calculates VaR using an historical parametric approach with a one-tailed 99% confidence level for a daily holding period and considering at least one year of historical data.

It is noted that the use of VaR models to assess risk has limitations; these models use historical market data as a basis for their estimates, and assume that future conditions will be like those in the past. The estimates may be unreliable, especially under new or extreme market conditions. As there are frequent changes in a Fund's holdings, the sensitivity analysis should not be relied upon as a measure of future performance.

The VaR as of 30 September 2016 and 30 September 2015 based on a confidence level of 99% is included in the table below:

|  | <b>30 September 2016</b> | <b>30 September 2015</b> |
|--|--------------------------|--------------------------|
|  | %                        | %                        |
| Global Time Diversified Absolute Return Fund | 1.8                      | 1.4                      |
| Finisterre Emerging Market Debt Fund         | 1.2                      | 0.2                      |
| Global Capital Structure Opportunities Fund  | 0.6                      | 1.3                      |
| Global Credit Alpha Fund                     | 0.3                      | 0.9                      |

The lowest, highest, and average utilisation of the VaR limit, using an Absolute VaR approach based on the above inputs are included in the tables below:

**During the year ended 30 September 2016**

| <b>Fund</b>                                  | <b>Lowest</b> | <b>Highest</b> | <b>Average</b> |
|--|---------------|----------------|----------------|
|  | %             | %              | %              |
| Global Time Diversified Absolute Return Fund | 1.2           | 2.7            | 1.8            |
| Finisterre Emerging Market Debt Fund         | 0.5           | 1.2            | 0.6            |
| Global Capital Structure Opportunities Fund  | 0.5           | 2.1            | 1.2            |
| Global Credit Alpha Fund                     | 0.3           | 1.5            | 0.8            |



**PRINCIPAL GLOBAL INVESTORS FUNDS**  
**NOTES TO THE ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**for the year ended 30 September 2016 (continued)**

**11. FINANCIAL RISK MANAGEMENT (continued)**

**Market Price Risk (continued)**

**During the year ended 30 September 2015**

| Fund   | Lowest<br>% | Highest<br>% | Average<br>% |
|--|-------------|--------------|--------------|
| Global Time Diversified Absolute Return Fund*  | 1.4         | 3.4          | 2.0          |
| Global Time Diversified Absolute Return Fund** | 1.8         | 3.8          | 2.9          |
| Finisterre Emerging Market Debt Fund           | 0.1         | 1.0          | 0.5          |
| Global Capital Structure Opportunities Fund*** | 0.1         | 1.6          | 1.2          |
| Global Credit Alpha Fund****                   | 0.7         | 1.1          | 0.9          |

\*VaR is displayed for 2 January 2015 to 30 September 2015. Global Time Diversified Absolute Return Fund relaunched with a new strategy on 2 January 2015 including a new currency universe and modified risk target.

\*\*VaR is displayed for 1 October 2014 to 31 December 2014. Global Time Diversified Absolute Return Fund relaunched with a new strategy on 2 January 2015 including a new currency universe and modified risk target.

\*\*\*Global Capital Structure Opportunities Fund launched on 11 December 2014.

\*\*\*\*Global Credit Alpha Fund commenced operations under the PGIF umbrella on 23 June 2015.

**Financial Assets at Fair Value through Profit or Loss**

Under FRS 102, the Trust is required to classify fair value measurement using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Level 1 The unadjusted quoted price in an active market for identical assets or liabilities that the entity can access at the measurement date.
- Level 2 Inputs other than quoted prices included within Level 1 that are observable (i.e. developed using market data) for the asset or liability, either directly or indirectly.
- Level 3 Inputs are unobservable (i.e. for which market data is unavailable) for the asset or liability.

The level in the fair value hierarchy within which the fair value measurement is categorised in its entirety is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety. For this purpose, the significance of an input is assessed against the fair value measurement in its entirety. If a fair value measurement uses observable inputs that require significant adjustment based on unobservable inputs, that measurement is a level 3 measurement. Assessing the significance of a particular input to the fair value measurement in its entirety requires judgement, considering factors specific to the asset or liability. The above levels of fair value hierarchy have changed from those previously disclosed by the Trust under Irish GAAP.

The FRC has issued "Amendments to FRS 102 - Fair value hierarchy disclosures", effective for accounting periods beginning on or after 1 January 2017, with early adoption permitted. FRED 62 proposed to amend paragraphs 34.22 and 34.42 of FRS 102 to require disclosure of financial instruments held at fair value on the basis of a fair value hierarchy consistent with EU-adopted IFRS based on Level 1, 2 and 3 classifications. The Trust has availed of early adoption thus the financial statements have been prepared in accordance with these amendments and fair value measurement is categorised based on Levels 1, 2 and 3.

The only securities held in Level 3 for the year ended 30 September 2016 were nil valued securities which have been indicated by an asterisk on any relevant funds.

**PRINCIPAL GLOBAL INVESTORS FUNDS**  
**NOTES TO THE ANNUAL REPORT AND FINANCIAL STATEMENTS**  
for the year ended 30 September 2016 (continued)

**11. FINANCIAL RISK MANAGEMENT (continued)**

**Market Price Risk (continued)**

**Financial Assets at Fair Value through Profit or Loss (continued)**

The following tables analyse the financial assets of each Fund against the fair value hierarchy and measures them at fair value for 30 September 2016 and 30 September 2015 in accordance with FRS 102.

**As at 30 September 2016**

| Global Equity Fund                      | Level 1<br>Quoted prices in<br>active markets<br>USD | Level 2<br>Other observable<br>inputs<br>USD | Level 3<br>Unobservable<br>inputs<br>USD |
|---|--|--|--|
| <b>Assets</b>                           |  |  |  |
| Investments in Securities at Fair Value | 46,883,996   | –  | –  |
| <b>Total Assets</b>                     | <b>46,883,996</b>                                    | <b>–</b>                                     | <b>–</b>                                 |

|   |          |            |          |
|---|----------|------------|----------|
| <b>Liabilities</b>                              |          |            |          |
| Unrealised Loss on Open Spot Currency Contracts | –        | (3)        | –        |
| <b>Total Liabilities</b>                        | <b>–</b> | <b>(3)</b> | <b>–</b> |

| Asian Equity Fund                                | Level 1<br>Quoted prices in<br>active markets<br>USD | Level 2<br>Other observable<br>inputs<br>USD | Level 3<br>Unobservable<br>inputs<br>USD |
|--|--|--|--|
| <b>Assets</b>                                    |  |  |  |
| Investments in Securities at Fair Value*         | 7,923,003  | –  | –  |
| Unrealised Gains on Open Spot Currency Contracts | –  | 13   | –  |
| <b>Total Assets</b>                              | <b>7,923,003</b>                                     | <b>13</b>                                    | <b>–</b>                                 |

|   |          |            |          |
|---|----------|------------|----------|
| <b>Liabilities</b>                              |          |            |          |
| Unrealised Loss on Open Spot Currency Contracts | –        | (1)        | –        |
| <b>Total Liabilities</b>                        | <b>–</b> | <b>(1)</b> | <b>–</b> |

| European Equity Fund                             | Level 1<br>Quoted prices in<br>active markets<br>USD | Level 2<br>Other observable<br>inputs<br>USD | Level 3<br>Unobservable<br>inputs<br>USD |
|--|--|--|--|
| <b>Assets</b>                                    |  |  |  |
| Investments in Securities at Fair Value          | 99,847,516   | –  | –  |
| Unrealised Gains on Open Spot Currency Contracts | –  | 1,419  | –  |
| <b>Total Assets</b>                              | <b>99,847,516</b>                                    | <b>1,419</b>                                 | <b>–</b>                                 |

|   |          |              |          |
|---|----------|--------------|----------|
| <b>Liabilities</b>                              |          |              |          |
| Unrealised Loss on Open Spot Currency Contracts | –        | (178)        | –        |
| <b>Total Liabilities</b>                        | <b>–</b> | <b>(178)</b> | <b>–</b> |

| Emerging Markets Equity Fund                     | Level 1<br>Quoted prices in<br>active markets<br>USD | Level 2<br>Other observable<br>inputs<br>USD | Level 3<br>Unobservable<br>inputs<br>USD |
|--|--|--|--|
| <b>Assets</b>                                    |  |  |  |
| Investments in Securities at Fair Value          | 7,143,329  | –  | –  |
| Unrealised Gains on Open Spot Currency Contracts | –  | 211  | –  |
| <b>Total Assets</b>                              | <b>7,143,329</b>                                     | <b>211</b>                                   | <b>–</b>                                 |

|   |          |             |          |
|---|----------|-------------|----------|
| <b>Liabilities</b>                              |          |             |          |
| Unrealised Loss on Open Spot Currency Contracts | –        | (19)        | –        |
| <b>Total Liabilities</b>                        | <b>–</b> | <b>(19)</b> | <b>–</b> |

\*Contains Level 3 security at Nil market value.

**PRINCIPAL GLOBAL INVESTORS FUNDS**  
**NOTES TO THE ANNUAL REPORT AND FINANCIAL STATEMENTS**  
for the year ended 30 September 2016 (continued)

**11. FINANCIAL RISK MANAGEMENT (continued)**

**Market Price Risk (continued)**

**Financial Assets at Fair Value through Profit or Loss (continued)**

**As at 30 September 2016 (continued)**

| <b>Japanese Equity Fund</b>  | <b>Level 1</b><br><b>Quoted prices in</b><br><b>active markets</b><br><b>USD</b> | <b>Level 2</b><br><b>Other observable</b><br><b>inputs</b><br><b>USD</b> | <b>Level 3</b><br><b>Unobservable</b><br><b>inputs</b><br><b>USD</b> |
|--|--|--|--|
| <b>Assets</b>  |  |  |  |
| Investments in Securities at Fair Value                              | 30,847,380   | –  | –  |
| <b>Total Assets</b>  | <b>30,847,380</b>  | <b>–</b>   | <b>–</b>   |
| <b>Liabilities</b>   |  |  |  |
| Unrealised Loss on Open Spot Currency Contracts                      | –  | (22)   | –  |
| <b>Total Liabilities</b>   | <b>–</b>   | <b>(22)</b>  | <b>–</b>   |
| <b>Preferred Securities Fund</b>                                     |  |  |  |
| <b>Preferred Securities Fund</b>                                     | <b>Level 1</b><br><b>Quoted prices in</b><br><b>active markets</b><br><b>USD</b> | <b>Level 2</b><br><b>Other observable</b><br><b>inputs</b><br><b>USD</b> | <b>Level 3</b><br><b>Unobservable</b><br><b>inputs</b><br><b>USD</b> |
| <b>Assets</b>  |  |  |  |
| Investments in Securities at Fair Value                              | 334,676,926  | 1,958,228,663  | –  |
| Unrealised Gains on Open Spot Currency Contracts                     | –  | 6,906  | –  |
| Unrealised Gains on Open Forward Foreign Currency Exchange Contracts | –  | 3,393,824  | –  |
| <b>Total Assets</b>  | <b>334,676,926</b>   | <b>1,961,629,393</b>   | <b>–</b>   |
| <b>Liabilities</b>   |  |  |  |
| Unrealised Loss on Open Spot Currency Contracts                      | –  | (5,073)  | –  |
| Unrealised Loss on Open Forward Foreign Currency Exchange Contracts  | –  | (5,627,972)  | –  |
| <b>Total Liabilities</b>   | <b>–</b>   | <b>(5,633,045)</b>   | <b>–</b>   |
| <b>U.S. Equity Fund</b>  |  |  |  |
| <b>U.S. Equity Fund</b>  | <b>Level 1</b><br><b>Quoted prices in</b><br><b>active markets</b><br><b>USD</b> | <b>Level 2</b><br><b>Other observable</b><br><b>inputs</b><br><b>USD</b> | <b>Level 3</b><br><b>Unobservable</b><br><b>inputs</b><br><b>USD</b> |
| <b>Assets</b>  |  |  |  |
| Investments in Securities at Fair Value                              | 115,953,843  | –  | –  |
| <b>Total Assets</b>  | <b>115,953,843</b>   | <b>–</b>   | <b>–</b>   |
| <b>Liabilities</b>   |  |  |  |
| Unrealised Loss on Open Spot Currency Contracts                      | –  | (463)  | –  |
| <b>Total Liabilities</b>   | <b>–</b>   | <b>(463)</b>   | <b>–</b>   |
| <b>High Yield Fund</b>   |  |  |  |
| <b>High Yield Fund</b>   | <b>Level 1</b><br><b>Quoted prices in</b><br><b>active markets</b><br><b>USD</b> | <b>Level 2</b><br><b>Other observable</b><br><b>inputs</b><br><b>USD</b> | <b>Level 3</b><br><b>Unobservable</b><br><b>inputs</b><br><b>USD</b> |
| <b>Assets</b>  |  |  |  |
| Investments in Securities at Fair Value*                             | 216,902  | 130,684,238  | –  |
| Unrealised Gains on Open Forward Foreign Currency Exchange Contracts | –  | 617,621  | –  |
| <b>Total Assets</b>  | <b>216,902</b>   | <b>131,301,859</b>   | <b>–</b>   |
| <b>Liabilities</b>   |  |  |  |
| Unrealised Loss on Open Forward Foreign Currency Exchange Contracts  | –  | (36,840)   | –  |
| <b>Total Liabilities</b>   | <b>–</b>   | <b>(36,840)</b>  | <b>–</b>   |

\*Contains Level 3 security at Nil market value.

**PRINCIPAL GLOBAL INVESTORS FUNDS**  
**NOTES TO THE ANNUAL REPORT AND FINANCIAL STATEMENTS**  
for the year ended 30 September 2016 (continued)

**11. FINANCIAL RISK MANAGEMENT (continued)**

**Market Price Risk (continued)**

**Financial Assets at Fair Value through Profit or Loss (continued)**

**As at 30 September 2016 (continued)**

| <b>Global Property Securities Fund</b>                               | <b>Level 1</b>          | <b>Level 2</b>          | <b>Level 3</b>      |
|--|-------------------------|-------------------------|---------------------|
|  | <b>Quoted prices in</b> | <b>Other observable</b> | <b>Unobservable</b> |
|  | <b>active markets</b>   | <b>inputs</b>           | <b>inputs</b>       |
|  | <b>USD</b>              | <b>USD</b>              | <b>USD</b>          |
| <b>Assets</b>  |                         |                         |                     |
| Investments in Securities at Fair Value                              | 162,351,791             | –                       | –                   |
| Unrealised Gains on Open Spot Currency Contracts                     | –                       | 130                     | –                   |
| Unrealised Gains on Open Forward Foreign Currency Exchange Contracts | –                       | 195,817                 | –                   |
| <b>Total Assets</b>  | <b>162,351,791</b>      | <b>195,947</b>          | <b>–</b>            |

|   |          |                 |          |
|---|----------|-----------------|----------|
| <b>Liabilities</b>  |          |                 |          |
| Unrealised Loss on Open Spot Currency Contracts                     | –        | (293)           | –        |
| Unrealised Loss on Open Forward Foreign Currency Exchange Contracts | –        | (78,648)        | –        |
| <b>Total Liabilities</b>  | <b>–</b> | <b>(78,941)</b> | <b>–</b> |

**Global Equity (ex-Japan) Fund**

|   | <b>Level 1</b>          | <b>Level 2</b>          | <b>Level 3</b>      |
|---|-------------------------|-------------------------|---------------------|
|   | <b>Quoted prices in</b> | <b>Other observable</b> | <b>Unobservable</b> |
|   | <b>active markets</b>   | <b>inputs</b>           | <b>inputs</b>       |
|   | <b>USD</b>              | <b>USD</b>              | <b>USD</b>          |
| <b>Assets</b>                           |                         |                         |                     |
| Investments in Securities at Fair Value | 63,391,044              | –                       | –                   |
| <b>Total Assets</b>                     | <b>63,391,044</b>       | <b>–</b>                | <b>–</b>            |

|   |          |            |          |
|---|----------|------------|----------|
| <b>Liabilities</b>                              |          |            |          |
| Unrealised Loss on Open Spot Currency Contracts | –        | (1)        | –        |
| <b>Total Liabilities</b>                        | <b>–</b> | <b>(1)</b> | <b>–</b> |

**Post Global Limited Term High Yield Fund**

|  | <b>Level 1</b>          | <b>Level 2</b>          | <b>Level 3</b>      |
|--|-------------------------|-------------------------|---------------------|
|  | <b>Quoted prices in</b> | <b>Other observable</b> | <b>Unobservable</b> |
|  | <b>active markets</b>   | <b>inputs</b>           | <b>inputs</b>       |
|  | <b>USD</b>              | <b>USD</b>              | <b>USD</b>          |
| <b>Assets</b>  |                         |                         |                     |
| Investments in Securities at Fair Value                              | –                       | 847,166,830             | –                   |
| Unrealised Gains on Open Forward Foreign Currency Exchange Contracts | –                       | 2,878,929               | –                   |
| <b>Total Assets</b>  | <b>–</b>                | <b>850,045,759</b>      | <b>–</b>            |

|   |          |                    |          |
|---|----------|--------------------|----------|
| <b>Liabilities</b>  |          |                    |          |
| Unrealised Loss on Open Forward Foreign Currency Exchange Contracts | –        | (6,973,130)        | –        |
| <b>Total Liabilities</b>  | <b>–</b> | <b>(6,973,130)</b> | <b>–</b> |

**Global Time Diversified Absolute Return Fund**

|  | <b>Level 1</b>          | <b>Level 2</b>          | <b>Level 3</b>      |
|--|-------------------------|-------------------------|---------------------|
|  | <b>Quoted prices in</b> | <b>Other observable</b> | <b>Unobservable</b> |
|  | <b>active markets</b>   | <b>inputs</b>           | <b>inputs</b>       |
|  | <b>USD</b>              | <b>USD</b>              | <b>USD</b>          |
| <b>Assets</b>  |                         |                         |                     |
| Investments in Securities at Fair Value                              | 3,996,788               | –                       | –                   |
| Unrealised Gains on Open Forward Foreign Currency Exchange Contracts | –                       | 149,658                 | –                   |
| Unrealised Gains on Option Contracts                                 | 8,822                   | –                       | –                   |
| <b>Total Assets</b>  | <b>4,005,610</b>        | <b>149,658</b>          | <b>–</b>            |

|   |          |                  |          |
|---|----------|------------------|----------|
| <b>Liabilities</b>  |          |                  |          |
| Unrealised Loss on Open Forward Foreign Currency Exchange Contracts | –        | (161,396)        | –        |
| <b>Total Liabilities</b>  | <b>–</b> | <b>(161,396)</b> | <b>–</b> |

**PRINCIPAL GLOBAL INVESTORS FUNDS**  
**NOTES TO THE ANNUAL REPORT AND FINANCIAL STATEMENTS**  
for the year ended 30 September 2016 (continued)

**11. FINANCIAL RISK MANAGEMENT (continued)**

**Market Price Risk (continued)**

**Financial Assets at Fair Value through Profit or Loss (continued)**

**As at 30 September 2016 (continued)**

**Global Small Cap Equity Fund**

|  | Level 1<br>Quoted prices in<br>active markets<br>USD | Level 2<br>Other observable<br>inputs<br>USD | Level 3<br>Unobservable<br>inputs<br>USD |
|--|--|--|--|
| <b>Assets</b>                                    |  |  |  |
| Investments in Securities at Fair Value          | 17,498,134   | –  | –  |
| Unrealised Gains on Open Spot Currency Contracts | –  | 425  | –  |
| <b>Total Assets</b>                              | <b>17,498,134</b>                                    | <b>425</b>                                   | <b>–</b>                                 |
| <b>Liabilities</b>                               |  |  |  |
| Unrealised Loss on Open Spot Currency Contracts  | –  | (1)  | –  |
| <b>Total Liabilities</b>                         | <b>–</b>   | <b>(1)</b>                                   | <b>–</b>                                 |

**Origin Global Emerging Markets Fund**

|   | Level 1<br>Quoted prices in<br>active markets<br>USD | Level 2<br>Other observable<br>inputs<br>USD | Level 3<br>Unobservable<br>inputs<br>USD |
|---|--|--|--|
| <b>Assets</b>                                   |  |  |  |
| Investments in Securities at Fair Value         | 95,026,728   | –  | –  |
| <b>Total Assets</b>                             | <b>95,026,728</b>                                    | <b>–</b>                                     | <b>–</b>                                 |
| <b>Liabilities</b>                              |  |  |  |
| Unrealised Loss on Open Spot Currency Contracts | –  | (3)  | –  |
| <b>Total Liabilities</b>                        | <b>–</b>   | <b>(3)</b>                                   | <b>–</b>                                 |

**Origin Global Equity Fund**

|   | Level 1<br>Quoted prices in<br>active markets<br>USD | Level 2<br>Other observable<br>inputs<br>USD | Level 3<br>Unobservable<br>inputs<br>USD |
|---|--|--|--|
| <b>Assets</b>                           |  |  |  |
| Investments in Securities at Fair Value | 15,719,084   | –  | –  |
| <b>Total Assets</b>                     | <b>15,719,084</b>                                    | <b>–</b>                                     | <b>–</b>                                 |

**Origin Global Smaller Companies Fund**

|  | Level 1<br>Quoted prices in<br>active markets<br>USD | Level 2<br>Other observable<br>inputs<br>USD | Level 3<br>Unobservable<br>inputs<br>USD |
|--|--|--|--|
| <b>Assets</b>                                    |  |  |  |
| Investments in Securities at Fair Value*         | 56,355,700   | –  | –  |
| Unrealised Gains on Open Spot Currency Contracts | –  | 6  | –  |
| <b>Total Assets</b>                              | <b>56,355,700</b>                                    | <b>6</b>                                     | <b>–</b>                                 |
| <b>Liabilities</b>                               |  |  |  |
| Unrealised Loss on Open Spot Currency Contracts  | –  | (968)  | –  |
| <b>Total Liabilities</b>                         | <b>–</b>   | <b>(968)</b>                                 | <b>–</b>                                 |

\*Contains Level 3 security at Nil market value.

**PRINCIPAL GLOBAL INVESTORS FUNDS**  
**NOTES TO THE ANNUAL REPORT AND FINANCIAL STATEMENTS**  
for the year ended 30 September 2016 (continued)

**11. FINANCIAL RISK MANAGEMENT (continued)**

**Market Price Risk (continued)**

**Financial Assets at Fair Value through Profit or Loss (continued)**

**As at 30 September 2016 (continued)**

**Long/Short Global Opportunities Equity Fund**

|  | Level 1<br>Quoted prices in<br>active markets<br>USD | Level 2<br>Other observable<br>inputs<br>USD | Level 3<br>Unobservable<br>inputs<br>USD |
|--|--|--|--|
| <b>Assets</b>                              |  |  |  |
| Investments in Securities at Fair Value    | 6,650,731  | –  | –  |
| Unrealised Gains on Open Futures Contracts | 45,940   | –  | –  |
| <b>Total Assets</b>                        | <b>6,696,671</b>                                     | –  | –  |
| <b>Liabilities</b>                         |  |  |  |
| Unrealised Loss on Open Futures Contracts  | (2,040)  | –  | –  |
| <b>Total Liabilities</b>                   | <b>(2,040)</b>                                       | –  | –  |

**Claritas Latin American Equity Fund**

|   | Level 1<br>Quoted prices in<br>active markets<br>USD | Level 2<br>Other observable<br>inputs<br>USD | Level 3<br>Unobservable<br>inputs<br>USD |
|---|--|--|--|
| <b>Assets</b>                           |  |  |  |
| Investments in Securities at Fair Value | 11,979,391   | –  | –  |
| <b>Total Assets</b>                     | <b>11,979,391</b>                                    | –  | –  |

**Finisterre Emerging Market Debt Fund**

|  | Level 1<br>Quoted prices in<br>active markets<br>USD | Level 2<br>Other observable<br>inputs<br>USD | Level 3<br>Unobservable<br>inputs<br>USD |
|--|--|--|--|
| <b>Assets</b>  |  |  |  |
| Investments in Securities at Fair Value                              | –  | 238,686,667                                  | –  |
| Unrealised Gains on Open Spot Currency Contracts                     | –  | 215,799                                      | –  |
| Unrealised Gains on Open Forward Foreign Currency Exchange Contracts | –  | 28,350,134                                   | –  |
| Unrealised Gains on Open Futures Contracts                           | 463,841  | –  | –  |
| Unrealised Gains on Swap Contracts                                   | –  | 10,940,259                                   | –  |
| Unrealised Gains on Option Contracts                                 | 5,856,095  | –  | –  |
| <b>Total Assets</b>  | <b>6,319,936</b>                                     | <b>278,192,859</b>                           | –  |
| <b>Liabilities</b>   |  |  |  |
| Unrealised Loss on Open Spot Currency Contracts                      | –  | (70,937)                                     | –  |
| Unrealised Loss on Open Forward Foreign Currency Exchange Contracts  | –  | (25,964,400)                                 | –  |
| Unrealised Loss on Forward Rate Agreements                           | –  | (278,642)                                    | –  |
| Unrealised Loss on Open Futures Contracts                            | (347,280)  | –  | –  |
| Unrealised Loss on Swap Contracts                                    | –  | (17,031,300)                                 | –  |
| Unrealised Loss on Option Contracts                                  | (6,312,659)  | –  | –  |
| <b>Total Liabilities</b>   | <b>(6,659,939)</b>                                   | <b>(43,345,279)</b>                          | –  |

**PRINCIPAL GLOBAL INVESTORS FUNDS**  
**NOTES TO THE ANNUAL REPORT AND FINANCIAL STATEMENTS**  
for the year ended 30 September 2016 (continued)

**11. FINANCIAL RISK MANAGEMENT (continued)**

**Market Price Risk (continued)**

**Financial Assets at Fair Value through Profit or Loss (continued)**

**As at 30 September 2016 (continued)**

**Spectrum Global Capital Securities Fund**

|  | Level 1<br>Quoted prices in<br>active markets<br>USD | Level 2<br>Other observable<br>inputs<br>USD | Level 3<br>Unobservable<br>inputs<br>USD |
|--|--|--|--|
| <b>Assets</b>  |  |  |  |
| Investments in Securities at Fair Value                              | –  | 23,714,402                                   | –  |
| Unrealised Gains on Open Forward Foreign Currency Exchange Contracts | –  | 27,611                                       | –  |
| Unrealised Gains on Open Futures Contracts                           | 4,474  | –  | –  |
| Unrealised Gains on Option Contracts                                 | 131,016  | –  | –  |
| <b>Total Assets</b>  | <b>135,490</b>                                       | <b>23,742,013</b>                            | –  |

**Liabilities**

|   |                 |                  |   |
|---|-----------------|------------------|---|
| Unrealised Loss on Open Forward Foreign Currency Exchange Contracts | –               | (116,995)        | – |
| Unrealised Loss on Option Contracts                                 | (79,219)        | –                | – |
| <b>Total Liabilities</b>  | <b>(79,219)</b> | <b>(116,995)</b> | – |

**Global Capital Structure Opportunities Fund**

|  | Level 1<br>Quoted prices in<br>active markets<br>USD | Level 2<br>Other observable<br>inputs<br>USD | Level 3<br>Unobservable<br>inputs<br>USD |
|--|--|--|--|
| <b>Assets</b>  |  |  |  |
| Investments in Securities at Fair Value                              | –  | 10,316,746                                   | –  |
| Unrealised Gains on Open Forward Foreign Currency Exchange Contracts | –  | 4  | –  |
| Unrealised Gains on Open Futures Contracts                           | 1,406  | –  | –  |
| <b>Total Assets</b>  | <b>1,406</b>   | <b>10,316,750</b>                            | –  |

**Liabilities**

|   |                |            |   |
|---|----------------|------------|---|
| Unrealised Loss on Open Forward Foreign Currency Exchange Contracts | –              | (1)        | – |
| Unrealised Loss on Open Futures Contracts                           | (2,570)        | –          | – |
| <b>Total Liabilities</b>  | <b>(2,570)</b> | <b>(1)</b> | – |

**Global Credit Alpha Fund**

|  | Level 1<br>Quoted prices in<br>active markets<br>USD | Level 2<br>Other observable<br>inputs<br>USD | Level 3<br>Unobservable<br>inputs<br>USD |
|--|--|--|--|
| <b>Assets</b>  |  |  |  |
| Investments in Securities at Fair Value                              | 704,561  | 7,158,274                                    | –  |
| Unrealised Gains on Open Forward Foreign Currency Exchange Contracts | –  | 508  | –  |
| Unrealised Gains on Open Futures Contracts                           | 547  | –  | –  |
| <b>Total Assets</b>  | <b>705,108</b>                                       | <b>7,158,782</b>                             | –  |

**Liabilities**

|   |                |                 |   |
|---|----------------|-----------------|---|
| Unrealised Loss on Open Forward Foreign Currency Exchange Contracts | –              | (1)             | – |
| Unrealised Loss on Open Futures Contracts                           | (2,857)        | –               | – |
| Unrealised Loss on Swap Contracts                                   | –              | (37,416)        | – |
| <b>Total Liabilities</b>  | <b>(2,857)</b> | <b>(37,417)</b> | – |

**Real Estate Debt Fund\*\***

|   | Level 1<br>Quoted prices in<br>active markets<br>USD | Level 2<br>Other observable<br>inputs<br>USD | Level 3<br>Unobservable<br>inputs<br>USD |
|---|--|--|--|
| <b>Assets</b>                           |  |  |  |
| Investments in Securities at Fair Value | –  | 9,502,885                                    | –  |
| <b>Total Assets</b>                     | –  | <b>9,502,885</b>                             | –  |

\*\*Real Estate Debt Fund launched on 21 March 2016.

**PRINCIPAL GLOBAL INVESTORS FUNDS**  
**NOTES TO THE ANNUAL REPORT AND FINANCIAL STATEMENTS**  
for the year ended 30 September 2016 (continued)

**11. FINANCIAL RISK MANAGEMENT (continued)**

**Market Price Risk (continued)**

**Financial Assets at Fair Value through Profit or Loss (continued)**

**As at 30 September 2015**

| Global Equity Fund   | Level 1<br>Quoted prices in<br>active markets<br>USD | Level 2<br>Other observable<br>inputs<br>USD | Level 3<br>Unobservable<br>inputs<br>USD |
|--|--|--|--|
| <b>Assets</b>  |  |  |  |
| Investments in Securities at Fair Value                              | 51,806,107   | –  | –  |
| Unrealised Gains on Open Spot Currency Contracts                     | –  | 238  | –  |
| <b>Total Assets</b>  | <b>51,806,107</b>                                    | <b>238</b>                                   | <b>–</b>                                 |
| <b>Liabilities</b>   |  |  |  |
| Unrealised Loss on Open Spot Currency Contracts                      | –  | (46)   | –  |
| <b>Total Liabilities</b>   | <b>–</b>   | <b>(46)</b>                                  | <b>–</b>                                 |
| <b>Asian Equity Fund</b>   |  |  |  |
| Asian Equity Fund  | Level 1<br>Quoted prices in<br>active markets<br>USD | Level 2<br>Other observable<br>inputs<br>USD | Level 3<br>Unobservable<br>inputs<br>USD |
| <b>Assets</b>  |  |  |  |
| Investments in Securities at Fair Value*                             | 7,573,559  | –  | –  |
| <b>Total Assets</b>  | <b>7,573,559</b>                                     | <b>–</b>                                     | <b>–</b>                                 |
| <b>Liabilities</b>   |  |  |  |
| Unrealised Loss on Open Spot Currency Contracts                      | –  | (10)   | –  |
| <b>Total Liabilities</b>   | <b>–</b>   | <b>(10)</b>                                  | <b>–</b>                                 |
| <b>European Equity Fund</b>  |  |  |  |
| European Equity Fund   | Level 1<br>Quoted prices in<br>active markets<br>USD | Level 2<br>Other observable<br>inputs<br>USD | Level 3<br>Unobservable<br>inputs<br>USD |
| <b>Assets</b>  |  |  |  |
| Investments in Securities at Fair Value                              | 100,117,394  | –  | –  |
| Unrealised Gains on Open Spot Currency Contracts                     | –  | 206  | –  |
| <b>Total Assets</b>  | <b>100,117,394</b>                                   | <b>206</b>                                   | <b>–</b>                                 |
| <b>Liabilities</b>   |  |  |  |
| Unrealised Loss on Open Spot Currency Contracts                      | –  | (37)   | –  |
| <b>Total Liabilities</b>   | <b>–</b>   | <b>(37)</b>                                  | <b>–</b>                                 |
| <b>Emerging Markets Equity Fund</b>                                  |  |  |  |
| Emerging Markets Equity Fund   | Level 1<br>Quoted prices in<br>active markets<br>USD | Level 2<br>Other observable<br>inputs<br>USD | Level 3<br>Unobservable<br>inputs<br>USD |
| <b>Assets</b>  |  |  |  |
| Investments in Securities at Fair Value                              | 8,387,412  | –  | –  |
| Unrealised Gains on Open Forward Foreign Currency Exchange Contracts | –  | 4  | –  |
| <b>Total Assets</b>  | <b>8,387,412</b>                                     | <b>4</b>                                     | <b>–</b>                                 |
| <b>Liabilities</b>   |  |  |  |
| Unrealised Loss on Open Spot Currency Contracts                      | –  | (51)   | –  |
| <b>Total Liabilities</b>   | <b>–</b>   | <b>(51)</b>                                  | <b>–</b>                                 |

\*Contains Level 3 security at Nil market value.



**PRINCIPAL GLOBAL INVESTORS FUNDS**  
**NOTES TO THE ANNUAL REPORT AND FINANCIAL STATEMENTS**  
for the year ended 30 September 2016 (continued)

**11. FINANCIAL RISK MANAGEMENT (continued)**

**Market Price Risk (continued)**

**Financial Assets at Fair Value through Profit or Loss (continued)**

**As at 30 September 2015 (continued)**

**Japanese Equity Fund**

|  | Level 1<br>Quoted prices in<br>active markets<br>USD | Level 2<br>Other observable<br>inputs<br>USD | Level 3<br>Unobservable<br>inputs<br>USD |
|--|--|--|--|
| <b>Assets</b>                                    |  |  |  |
| Investments in Securities at Fair Value          | 20,433,676   | –  | –  |
| Unrealised Gains on Open Spot Currency Contracts | –  | 307  | –  |
| <b>Total Assets</b>                              | <b>20,433,676</b>                                    | <b>307</b>                                   | <b>–</b>                                 |
| <b>Liabilities</b>                               |  |  |  |
| Unrealised Loss on Open Spot Currency Contracts  | –  | (58)   | –  |
| <b>Total Liabilities</b>                         | <b>–</b>   | <b>(58)</b>                                  | <b>–</b>                                 |

**Preferred Securities Fund**

|  | Level 1<br>Quoted prices in<br>active markets<br>USD | Level 2<br>Other observable<br>inputs<br>USD | Level 3<br>Unobservable<br>inputs<br>USD |
|--|--|--|--|
| <b>Assets</b>  |  |  |  |
| Investments in Securities at Fair Value                              | 374,169,428  | 1,302,197,949                                | –  |
| Unrealised Gains on Open Spot Currency Contracts                     | –  | 257  | –  |
| Unrealised Gains on Open Forward Foreign Currency Exchange Contracts | –  | 1,613,812                                    | –  |
| <b>Total Assets</b>  | <b>374,169,428</b>                                   | <b>1,303,812,018</b>                         | <b>–</b>                                 |
| <b>Liabilities</b>   |  |  |  |
| Unrealised Loss on Open Spot Currency Contracts                      | –  | (1,212)                                      | –  |
| Unrealised Loss on Open Forward Foreign Currency Exchange Contracts  | –  | (513,074)                                    | –  |
| <b>Total Liabilities</b>   | <b>–</b>   | <b>(514,286)</b>                             | <b>–</b>                                 |

**U.S. Equity Fund**

|   | Level 1<br>Quoted prices in<br>active markets<br>USD | Level 2<br>Other observable<br>inputs<br>USD | Level 3<br>Unobservable<br>inputs<br>USD |
|---|--|--|--|
| <b>Assets</b>                                   |  |  |  |
| Investments in Securities at Fair Value         | 133,897,903  | –  | –  |
| <b>Total Assets</b>                             | <b>133,897,903</b>                                   | <b>–</b>                                     | <b>–</b>                                 |
| <b>Liabilities</b>                              |  |  |  |
| Unrealised Loss on Open Spot Currency Contracts | –  | (5)  | –  |
| <b>Total Liabilities</b>                        | <b>–</b>   | <b>(5)</b>                                   | <b>–</b>                                 |

**High Yield Fund**

|  | Level 1<br>Quoted prices in<br>active markets<br>USD | Level 2<br>Other observable<br>inputs<br>USD | Level 3<br>Unobservable<br>inputs<br>USD |
|--|--|--|--|
| <b>Assets</b>  |  |  |  |
| Investments in Securities at Fair Value                              | –  | 122,653,524                                  | –  |
| Unrealised Gains on Open Forward Foreign Currency Exchange Contracts | –  | 303,495                                      | –  |
| <b>Total Assets</b>  | <b>–</b>   | <b>122,957,019</b>                           | <b>–</b>                                 |
| <b>Liabilities</b>   |  |  |  |
| Unrealised Loss on Open Forward Foreign Currency Exchange Contracts  | –  | (2,018,239)                                  | –  |
| <b>Total Liabilities</b>   | <b>–</b>   | <b>(2,018,239)</b>                           | <b>–</b>                                 |

**PRINCIPAL GLOBAL INVESTORS FUNDS**  
**NOTES TO THE ANNUAL REPORT AND FINANCIAL STATEMENTS**  
for the year ended 30 September 2016 (continued)

**11. FINANCIAL RISK MANAGEMENT (continued)**

**Market Price Risk (continued)**

**Financial Assets at Fair Value through Profit or Loss (continued)**

**As at 30 September 2015 (continued)**

**Global Property Securities Fund**

|  | Level 1<br>Quoted prices in<br>active markets<br>USD | Level 2<br>Other observable<br>inputs<br>USD | Level 3<br>Unobservable<br>inputs<br>USD |
|--|--|--|--|
| <b>Assets</b>  |  |  |  |
| Investments in Securities at Fair Value                              | 89,823,452   | -  | -  |
| Unrealised Gains on Open Spot Currency Contracts                     | -  | 2,714  | -  |
| Unrealised Gains on Open Forward Foreign Currency Exchange Contracts | -  | 80,190                                       | -  |
| <b>Total Assets</b>  | <b>89,823,452</b>                                    | <b>82,904</b>                                | <b>-</b>                                 |
| <b>Liabilities</b>   |  |  |  |
| Unrealised Loss on Open Spot Currency Contracts                      | -  | (2,568)                                      | -  |
| Unrealised Loss on Open Forward Foreign Currency Exchange Contracts  | -  | (10,076)                                     | -  |
| <b>Total Liabilities</b>   | <b>-</b>   | <b>(12,644)</b>                              | <b>-</b>                                 |

**Global Equity (ex-Japan) Fund**

|  | Level 1<br>Quoted prices in<br>active markets<br>USD | Level 2<br>Other observable<br>inputs<br>USD | Level 3<br>Unobservable<br>inputs<br>USD |
|--|--|--|--|
| <b>Assets</b>                                    |  |  |  |
| Investments in Securities at Fair Value          | 59,842,266   | -  | -  |
| Unrealised Gains on Open Spot Currency Contracts | -  | 511  | -  |
| <b>Total Assets</b>                              | <b>59,842,266</b>                                    | <b>511</b>                                   | <b>-</b>                                 |
| <b>Liabilities</b>                               |  |  |  |
| Unrealised Loss on Open Spot Currency Contracts  | -  | (2,617)                                      | -  |
| <b>Total Liabilities</b>                         | <b>-</b>   | <b>(2,617)</b>                               | <b>-</b>                                 |

**Post Global Limited Term High Yield Fund**

|  | Level 1<br>Quoted prices in<br>active markets<br>USD | Level 2<br>Other observable<br>inputs<br>USD | Level 3<br>Unobservable<br>inputs<br>USD |
|--|--|--|--|
| <b>Assets</b>  |  |  |  |
| Investments in Securities at Fair Value                              | 1,581,000  | 512,659,676                                  | -  |
| Unrealised Gains on Open Spot Currency Contracts                     | -  | 4,233  | -  |
| Unrealised Gains on Open Forward Foreign Currency Exchange Contracts | -  | 1,455,893                                    | -  |
| <b>Total Assets</b>  | <b>1,581,000</b>                                     | <b>514,119,802</b>                           | <b>-</b>                                 |
| <b>Liabilities</b>   |  |  |  |
| Unrealised Loss on Open Forward Foreign Currency Exchange Contracts  | -  | (1,011,352)                                  | -  |
| <b>Total Liabilities</b>   | <b>-</b>   | <b>(1,011,352)</b>                           | <b>-</b>                                 |

**Global Time Diversified Absolute Return Fund**

|  | Level 1<br>Quoted prices in<br>active markets<br>USD | Level 2<br>Other observable<br>inputs<br>USD | Level 3<br>Unobservable<br>inputs<br>USD |
|--|--|--|--|
| <b>Assets</b>  |  |  |  |
| Investments in Securities at Fair Value                              | 3,798,380  | -  | -  |
| Unrealised Gains on Open Forward Foreign Currency Exchange Contracts | -  | 163,752                                      | -  |
| <b>Total Assets</b>  | <b>3,798,380</b>                                     | <b>163,752</b>                               | <b>-</b>                                 |
| <b>Liabilities</b>   |  |  |  |
| Unrealised Loss on Open Forward Foreign Currency Exchange Contracts  | -  | (58,329)                                     | -  |
| <b>Total Liabilities</b>   | <b>-</b>   | <b>(58,329)</b>                              | <b>-</b>                                 |

**PRINCIPAL GLOBAL INVESTORS FUNDS**  
**NOTES TO THE ANNUAL REPORT AND FINANCIAL STATEMENTS**  
for the year ended 30 September 2016 (continued)

**11. FINANCIAL RISK MANAGEMENT (continued)**

**Market Price Risk (continued)**

**Financial Assets at Fair Value through Profit or Loss (continued)**

**As at 30 September 2015 (continued)**

**EDGE Small/Mid-Cap Equity Income Fund**

|   | Level 1<br>Quoted prices in<br>active markets<br>USD | Level 2<br>Other observable<br>inputs<br>USD | Level 3<br>Unobservable<br>inputs<br>USD |
|---|--|--|--|
| <b>Assets</b>                           |  |  |  |
| Investments in Securities at Fair Value | 4,582,102  | –  | –  |
| <b>Total Assets</b>                     | <b>4,582,102</b>                                     | <b>–</b>                                     | <b>–</b>                                 |

**Global Small Cap Equity Fund**

|  | Level 1<br>Quoted prices in<br>active markets<br>USD | Level 2<br>Other observable<br>inputs<br>USD | Level 3<br>Unobservable<br>inputs<br>USD |
|--|--|--|--|
| <b>Assets</b>                                    |  |  |  |
| Investments in Securities at Fair Value          | 20,811,058   | –  | –  |
| Unrealised Gains on Open Spot Currency Contracts | –  | 1  | –  |
| <b>Total Assets</b>                              | <b>20,811,058</b>                                    | <b>1</b>                                     | <b>–</b>                                 |

**Origin Global Emerging Markets Fund**

|   | Level 1<br>Quoted prices in<br>active markets<br>USD | Level 2<br>Other observable<br>inputs<br>USD | Level 3<br>Unobservable<br>inputs<br>USD |
|---|--|--|--|
| <b>Assets</b>   |  |  |  |
| Investments in Securities at Fair Value                             | 51,853,196   | –  | –  |
| Unrealised Gains on Open Spot Currency Contracts                    | –  | 1  | –  |
| <b>Total Assets</b>   | <b>51,853,196</b>                                    | <b>1</b>                                     | <b>–</b>                                 |
| <b>Liabilities</b>  |  |  |  |
| Unrealised Loss on Open Spot Currency Contracts                     | –  | (782)  | –  |
| Unrealised Loss on Open Forward Foreign Currency Exchange Contracts | –  | (6,029)                                      | –  |
| <b>Total Liabilities</b>  | <b>–</b>   | <b>(6,811)</b>                               | <b>–</b>                                 |

**Origin Global Equity Fund**

|  | Level 1<br>Quoted prices in<br>active markets<br>USD | Level 2<br>Other observable<br>inputs<br>USD | Level 3<br>Unobservable<br>inputs<br>USD |
|--|--|--|--|
| <b>Assets</b>                                    |  |  |  |
| Investments in Securities at Fair Value          | 15,178,260   | –  | –  |
| Unrealised Gains on Open Spot Currency Contracts | –  | 82   | –  |
| <b>Total Assets</b>                              | <b>15,178,260</b>                                    | <b>82</b>                                    | <b>–</b>                                 |
| <b>Liabilities</b>                               |  |  |  |
| Unrealised Loss on Open Spot Currency Contracts  | –  | (546)  | –  |
| <b>Total Liabilities</b>                         | <b>–</b>   | <b>(546)</b>                                 | <b>–</b>                                 |

**Origin Global Smaller Companies Fund**

|  | Level 1<br>Quoted prices in<br>active markets<br>USD | Level 2<br>Other observable<br>inputs<br>USD | Level 3<br>Unobservable<br>inputs<br>USD |
|--|--|--|--|
| <b>Assets</b>                                    |  |  |  |
| Investments in Securities at Fair Value*         | 33,277,177   | –  | –  |
| Unrealised Gains on Open Spot Currency Contracts | –  | 2,815  | –  |
| <b>Total Assets</b>                              | <b>33,277,177</b>                                    | <b>2,815</b>                                 | <b>–</b>                                 |
| <b>Liabilities</b>                               |  |  |  |
| Unrealised Loss on Open Spot Currency Contracts  | –  | (7,648)                                      | –  |
| <b>Total Liabilities</b>                         | <b>–</b>   | <b>(7,648)</b>                               | <b>–</b>                                 |

\*Contains Level 3 security at Nil market value.

**PRINCIPAL GLOBAL INVESTORS FUNDS**  
**NOTES TO THE ANNUAL REPORT AND FINANCIAL STATEMENTS**  
for the year ended 30 September 2016 (continued)

**11. FINANCIAL RISK MANAGEMENT (continued)**

**Market Price Risk (continued)**

**Financial Assets at Fair Value through Profit or Loss (continued)**

**As at 30 September 2015 (continued)**

**Long/Short Global Opportunities Equity Fund**

|  | Level 1<br>Quoted prices in<br>active markets<br>USD | Level 2<br>Other observable<br>inputs<br>USD | Level 3<br>Unobservable<br>inputs<br>USD |
|--|--|--|--|
| <b>Assets</b>                                    |  |  |  |
| Investments in Securities at Fair Value          | 7,326,728  | –  | –  |
| Unrealised Gains on Open Spot Currency Contracts | –  | 37   | –  |
| Unrealised Gains on Open Futures Contracts       | 172,710  | –  | –  |
| <b>Total Assets</b>                              | <b>7,499,438</b>                                     | <b>37</b>                                    | <b>–</b>                                 |

**Liabilities**

|   |          |            |          |
|---|----------|------------|----------|
| Unrealised Loss on Open Spot Currency Contracts | –        | (7)        | –        |
| <b>Total Liabilities</b>                        | <b>–</b> | <b>(7)</b> | <b>–</b> |

**Claritas Latin American Equity Fund**

|   | Level 1<br>Quoted prices in<br>active markets<br>USD | Level 2<br>Other observable<br>inputs<br>USD | Level 3<br>Unobservable<br>inputs<br>USD |
|---|--|--|--|
| <b>Assets</b>                           |  |  |  |
| Investments in Securities at Fair Value | 11,203,608   | –  | –  |
| <b>Total Assets</b>                     | <b>11,203,608</b>                                    | <b>–</b>                                     | <b>–</b>                                 |

**Finisterre Emerging Market Debt Fund**

|  | Level 1<br>Quoted prices in<br>active markets<br>USD | Level 2<br>Other observable<br>inputs<br>USD | Level 3<br>Unobservable<br>inputs<br>USD |
|--|--|--|--|
| <b>Assets</b>  |  |  |  |
| Investments in Securities at Fair Value                              | 244,742,505  | 83,340,778                                   | –  |
| Unrealised Gains on Open Spot Currency Contracts                     | –  | 152,419                                      | –  |
| Unrealised Gains on Open Forward Foreign Currency Exchange Contracts | –  | 40,646,215                                   | –  |
| Unrealised Gains on Swap Contracts                                   | –  | 2,904,487                                    | –  |
| Unrealised Gains on Option Contracts                                 | 14,608,742   | –  | –  |
| <b>Total Assets</b>  | <b>259,351,247</b>                                   | <b>127,043,899</b>                           | <b>–</b>                                 |

**Liabilities**

|   |                     |                     |          |
|---|---------------------|---------------------|----------|
| Unrealised Loss on Open Spot Currency Contracts                     | –                   | (1,324,261)         | –        |
| Unrealised Loss on Open Forward Foreign Currency Exchange Contracts | –                   | (30,261,296)        | –        |
| Unrealised Loss on Open Futures Contracts                           | (81,250)            | –                   | –        |
| Unrealised Loss on Swap Contracts                                   | –                   | (4,200,347)         | –        |
| Unrealised Loss on Option Contracts                                 | (10,139,992)        | –                   | –        |
| <b>Total Liabilities</b>  | <b>(10,221,242)</b> | <b>(35,785,904)</b> | <b>–</b> |

**Spectrum Global Capital Securities Fund\*\*\***

|  | Level 1<br>Quoted prices in<br>active markets<br>USD | Level 2<br>Other observable<br>inputs<br>USD | Level 3<br>Unobservable<br>inputs<br>USD |
|--|--|--|--|
| <b>Assets</b>  |  |  |  |
| Investments in Securities at Fair Value                              | –  | 20,179,966                                   | –  |
| Unrealised Gains on Open Forward Foreign Currency Exchange Contracts | –  | 60,337                                       | –  |
| Unrealised Gains on Option Contracts                                 | 202,934  | –  | –  |
| <b>Total Assets</b>  | <b>202,934</b>                                       | <b>20,240,303</b>                            | <b>–</b>                                 |

**Liabilities**

|   |                  |                 |          |
|---|------------------|-----------------|----------|
| Unrealised Loss on Open Forward Foreign Currency Exchange Contracts | –                | (11,654)        | –        |
| Unrealised Loss on Option Contracts                                 | (105,725)        | –               | –        |
| <b>Total Liabilities</b>  | <b>(105,725)</b> | <b>(11,654)</b> | <b>–</b> |

**PRINCIPAL GLOBAL INVESTORS FUNDS**  
**NOTES TO THE ANNUAL REPORT AND FINANCIAL STATEMENTS**  
for the year ended 30 September 2016 (continued)

**11. FINANCIAL RISK MANAGEMENT (continued)**

**Market Price Risk (continued)**

**Financial Assets at Fair Value through Profit or Loss (continued)**

**As at 30 September 2015 (continued)**

**Global Short Duration High Yield Fund\*\*\*\***

|  | Level 1<br>Quoted prices in<br>active markets<br>USD | Level 2<br>Other observable<br>inputs<br>USD | Level 3<br>Unobservable<br>inputs<br>USD |
|--|--|--|--|
| <b>Assets</b>  |  |  |  |
| Investments in Securities at Fair Value                              | –  | 7,835,698                                    | –  |
| Unrealised Gains on Open Forward Foreign Currency Exchange Contracts | –  | 31   | –  |
| <b>Total Assets</b>  | <b>–</b>   | <b>7,835,729</b>                             | <b>–</b>                                 |
| <b>Liabilities</b>   |  |  |  |
| Unrealised Loss on Open Forward Foreign Currency Exchange Contracts  | –  | (47)   | –  |
| <b>Total Liabilities</b>   | <b>–</b>   | <b>(47)</b>                                  | <b>–</b>                                 |

**Global Capital Structure Opportunities Fund\*\*\*\*\***

|   | Level 1<br>Quoted prices in<br>active markets<br>USD | Level 2<br>Other observable<br>inputs<br>USD | Level 3<br>Unobservable<br>inputs<br>USD |
|---|--|--|--|
| <b>Assets</b>   |  |  |  |
| Investments in Securities at Fair Value                             | –  | 9,329,020                                    | –  |
| <b>Total Assets</b>   | <b>–</b>   | <b>9,329,020</b>                             | <b>–</b>                                 |
| <b>Liabilities</b>  |  |  |  |
| Unrealised Loss on Open Forward Foreign Currency Exchange Contracts | –  | (3)  | –  |
| Unrealised Loss on Open Futures Contracts                           | (37,516)   | –  | –  |
| <b>Total Liabilities</b>  | <b>(37,516)</b>                                      | <b>(3)</b>                                   | <b>–</b>                                 |

**Global Credit Alpha Fund\*\*\*\*\***

|   | Level 1<br>Quoted prices in<br>active markets<br>USD | Level 2<br>Other observable<br>inputs<br>USD | Level 3<br>Unobservable<br>inputs<br>USD |
|---|--|--|--|
| <b>Assets</b>   |  |  |  |
| Investments in Securities at Fair Value                             | –  | 7,372,425                                    | –  |
| Unrealised Gains on Swap Contracts                                  | –  | 1,840  | –  |
| <b>Total Assets</b>   | <b>–</b>   | <b>7,374,265</b>                             | <b>–</b>                                 |
| <b>Liabilities</b>  |  |  |  |
| Unrealised Loss on Open Forward Foreign Currency Exchange Contracts | –  | (1)  | –  |
| Unrealised Loss on Swap Contracts                                   | –  | (3,135)                                      | –  |
| <b>Total Liabilities</b>  | <b>–</b>   | <b>(3,136)</b>                               | <b>–</b>                                 |

\*\*\*Spectrum Global Capital Securities Fund launched on 30 October 2014.

\*\*\*\*Global Short Duration High Yield Fund launched on 10 December 2014.

\*\*\*\*\*Global Capital Structure Opportunities Fund launched on 11 December 2014.

\*\*\*\*\*Global Credit Alpha Fund commenced operations under the PGIF umbrella on 23 June 2015.

**PRINCIPAL GLOBAL INVESTORS FUNDS**  
**NOTES TO THE ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**for the year ended 30 September 2016 (continued)**

**11. FINANCIAL RISK MANAGEMENT (continued)**

**Interest Rate Risk**

Funds which hold interest bearing financial assets and liabilities are exposed to interest rate risk, where the value of the securities may fluctuate as a result of a change in interest rate.

This risk is managed by the setting of limits on the level of cash holdings in the Funds and such limits are set out in the Funds' Prospectus. With the fixed income Funds, the Investment Adviser has set limits of exposure and uses an internal process to monitor macroeconomic factors affecting interest rate risk.

The Global Equity Fund, Asian Equity Fund, European Equity Fund, Emerging Markets Equity Fund, Japanese Equity Fund, U.S. Equity Fund, Global Property Securities Fund, Global Equity (ex-Japan) Fund, EDGE Small/Mid-Cap Equity Income Fund, Global Small Cap Equity Fund, Origin Global Emerging Markets Fund, Origin Global Equity Fund, Origin Global Smaller Companies Fund, Long/Short Global Opportunities Equity Fund and Claritas Latin American Equity Fund are not included in the below chart as the majority of the financial assets and liabilities of those Funds are non-interest bearing or have a very short time to maturity. As a result, those Funds are not subject to significant amounts of risk due to fluctuations in the market interest rates.

The following tables summarise the exposure to interest rate risk for the Preferred Securities Fund, High Yield Fund, Post Global Limited Term High Yield Fund, Global Time Diversified Absolute Return Fund, Finisterre Emerging Market Debt Fund, Spectrum Global Capital Securities Fund, Global Capital Structure Opportunities Fund, Global Credit Alpha Fund and Real Estate Debt Fund. They include each Fund's assets and trading liabilities at fair values, categorised by the earlier of contractual re-pricing or maturity dates. Global Short Duration High Yield Fund terminated on 1 July 2016.

**As at 30 September 2016**

| <b>Preferred Securities Fund</b>      | <b>Up to<br/>1 year<br/>USD</b> | <b>1-5 years<br/>USD</b> | <b>Over<br/>5 years<br/>USD</b> | <b>Non-interest<br/>bearing<br/>USD</b> | <b>Total<br/>USD</b> |
|---------------------------------------|---------------------------------|--------------------------|---------------------------------|---|----------------------|
| <b>Assets</b>                         |                                 |                          |                                 |   |                      |
| Cash and cash equivalents             | –                               | –                        | –                               | 135,154,790                             | 135,154,790          |
| Transferable securities               | –                               | 83,808,785               | 2,209,096,804                   | –                                       | 2,292,905,589        |
| Financial Derivative Instruments      | –                               | –                        | –                               | 3,400,730                               | 3,400,730            |
| Other Assets                          | –                               | –                        | –                               | 46,266,036                              | 46,266,036           |
| <b>Total Assets</b>                   | <b>–</b>                        | <b>83,808,785</b>        | <b>2,209,096,804</b>            | <b>184,821,556</b>                      | <b>2,477,727,145</b> |
| <b>Liabilities</b>                    |                                 |                          |                                 |   |                      |
| Bank Overdraft                        | –                               | –                        | –                               | –                                       | –                    |
| Financial Derivative Instruments      | –                               | –                        | –                               | (5,633,045)                             | (5,633,045)          |
| Creditors                             | –                               | –                        | –                               | (61,510,146)                            | (61,510,146)         |
| <b>Total Liabilities</b>              | <b>–</b>                        | <b>–</b>                 | <b>–</b>                        | <b>(67,143,191)</b>                     | <b>(67,143,191)</b>  |
| <b>Total interest sensitivity gap</b> | <b>–</b>                        | <b>83,808,785</b>        | <b>2,209,096,804</b>            | <b>117,678,365</b>                      | <b>2,410,573,954</b> |

**PRINCIPAL GLOBAL INVESTORS FUNDS**  
**NOTES TO THE ANNUAL REPORT AND FINANCIAL STATEMENTS**  
for the year ended 30 September 2016 (continued)

**11. FINANCIAL RISK MANAGEMENT (continued)**

**Interest Rate Risk (continued)**

**As at 30 September 2016 (continued)**

| <b>High Yield Fund</b>           | <b>Up to<br/>1 year<br/>USD</b> | <b>1-5 years<br/>USD</b> | <b>Over<br/>5 years<br/>USD</b> | <b>Non-interest<br/>bearing<br/>USD</b> | <b>Total<br/>USD</b> |
|----------------------------------|---------------------------------|--------------------------|---------------------------------|---|----------------------|
| <b>Assets</b>                    |                                 |                          |                                 |   |                      |
| Cash and cash equivalents        | –                               | –                        | –                               | 6,139,310                               | 6,139,310            |
| Transferable securities          | 1,098,488                       | 47,507,844               | 82,077,906                      | 216,902                                 | 130,901,140          |
| Financial Derivative Instruments | –                               | –                        | –                               | 617,621                                 | 617,621              |
| Other Assets                     | –                               | –                        | –                               | 2,209,966                               | 2,209,966            |
| <b>Total Assets</b>              | <b>1,098,488</b>                | <b>47,507,844</b>        | <b>82,077,906</b>               | <b>9,183,799</b>                        | <b>139,868,037</b>   |

|                                       |                  |                   |                   |                    |                    |
|---------------------------------------|------------------|-------------------|-------------------|--------------------|--------------------|
| <b>Liabilities</b>                    |                  |                   |                   |                    |                    |
| Bank Overdraft                        | –                | –                 | –                 | –                  | –                  |
| Financial Derivative Instruments      | –                | –                 | –                 | (36,840)           | (36,840)           |
| Creditors                             | –                | –                 | –                 | (1,038,841)        | (1,038,841)        |
| <b>Total Liabilities</b>              | <b>–</b>         | <b>–</b>          | <b>–</b>          | <b>(1,075,681)</b> | <b>(1,075,681)</b> |
| <b>Total interest sensitivity gap</b> | <b>1,098,488</b> | <b>47,507,844</b> | <b>82,077,906</b> |                    |                    |

| <b>Post Global Limited Term High Yield Fund</b> | <b>Up to<br/>1 year<br/>USD</b> | <b>1-5 years<br/>USD</b> | <b>Over<br/>5 years<br/>USD</b> | <b>Non-interest<br/>bearing<br/>USD</b> | <b>Total<br/>USD</b> |
|---|---------------------------------|--------------------------|---------------------------------|---|----------------------|
| <b>Assets</b>                                   |                                 |                          |                                 |   |                      |
| Cash and cash equivalents                       | –                               | –                        | –                               | 9,067,269                               | 9,067,269            |
| Transferable securities                         | 71,217,038                      | 693,769,512              | 82,180,280                      | –                                       | 847,166,830          |
| Financial Derivative Instruments                | –                               | –                        | –                               | 2,878,929                               | 2,878,929            |
| Other Assets                                    | –                               | –                        | –                               | 21,848,253                              | 21,848,253           |
| <b>Total Assets</b>                             | <b>71,217,038</b>               | <b>693,769,512</b>       | <b>82,180,280</b>               | <b>33,794,451</b>                       | <b>880,961,281</b>   |

|                                       |                   |                    |                   |                     |                     |
|---------------------------------------|-------------------|--------------------|-------------------|---------------------|---------------------|
| <b>Liabilities</b>                    |                   |                    |                   |                     |                     |
| Bank Overdraft                        | –                 | –                  | –                 | –                   | –                   |
| Financial Derivative Instruments      | –                 | –                  | –                 | (6,973,130)         | (6,973,130)         |
| Creditors                             | –                 | –                  | –                 | (19,962,251)        | (19,962,251)        |
| <b>Total Liabilities</b>              | <b>–</b>          | <b>–</b>           | <b>–</b>          | <b>(26,935,381)</b> | <b>(26,935,381)</b> |
| <b>Total interest sensitivity gap</b> | <b>71,217,038</b> | <b>693,769,512</b> | <b>82,180,280</b> |                     |                     |

| <b>Global Time Diversified Absolute Return Fund</b> | <b>Up to<br/>1 year<br/>USD</b> | <b>1-5 years<br/>USD</b> | <b>Over<br/>5 years<br/>USD</b> | <b>Non-interest<br/>bearing<br/>USD</b> | <b>Total<br/>USD</b> |
|---|---------------------------------|--------------------------|---------------------------------|---|----------------------|
| <b>Assets</b>                                       |                                 |                          |                                 |   |                      |
| Cash and cash equivalents                           | –                               | –                        | –                               | 684,268                                 | 684,268              |
| Transferable securities                             | 3,996,788                       | –                        | –                               | –                                       | 3,996,788            |
| Financial Derivative Instruments                    | –                               | –                        | –                               | 158,480                                 | 158,480              |
| Other Assets  | –                               | –                        | –                               | 28,127                                  | 28,127               |
| <b>Total Assets</b>                                 | <b>3,996,788</b>                | <b>–</b>                 | <b>–</b>                        | <b>870,875</b>                          | <b>4,867,663</b>     |

|                                       |                  |          |          |                  |                  |
|---------------------------------------|------------------|----------|----------|------------------|------------------|
| <b>Liabilities</b>                    |                  |          |          |                  |                  |
| Bank Overdraft                        | –                | –        | –        | –                | –                |
| Financial Derivative Instruments      | –                | –        | –        | (161,396)        | (161,396)        |
| Creditors                             | –                | –        | –        | (64,751)         | (64,751)         |
| <b>Total Liabilities</b>              | <b>–</b>         | <b>–</b> | <b>–</b> | <b>(226,147)</b> | <b>(226,147)</b> |
| <b>Total interest sensitivity gap</b> | <b>3,996,788</b> | <b>–</b> | <b>–</b> |                  |                  |

**PRINCIPAL GLOBAL INVESTORS FUNDS**  
**NOTES TO THE ANNUAL REPORT AND FINANCIAL STATEMENTS**  
for the year ended 30 September 2016 (continued)

**11. FINANCIAL RISK MANAGEMENT (continued)**

**Interest Rate Risk (continued)**

**As at 30 September 2016 (continued)**

| Finisterre Emerging Market Debt Fund           | Up to<br>1 year<br>USD | 1-5 years<br>USD  | Over<br>5 years<br>USD | Non-interest<br>bearing<br>USD | Total<br>USD         |
|--|------------------------|-------------------|------------------------|--------------------------------|----------------------|
| <b>Assets</b>                                  |                        |                   |                        |                                |                      |
| Cash and cash equivalents                      | –                      | –                 | –                      | 70,433,333                     | 70,433,333           |
| Transferable securities                        | 24,207,920             | 51,910,895        | 162,567,852            | –                              | 238,686,667          |
| Financial Derivative Instruments               | –                      | –                 | –                      | 45,826,128                     | 45,826,128           |
| Other Assets                                   | –                      | –                 | –                      | 81,737,236                     | 81,737,236           |
| <b>Total Assets</b>                            | <b>24,207,920</b>      | <b>51,910,895</b> | <b>162,567,852</b>     | <b>197,996,697</b>             | <b>436,683,364</b>   |
| <b>Liabilities</b>                             |                        |                   |                        |                                |                      |
| Bank Overdraft                                 | –                      | –                 | –                      | (522,908)                      | (522,908)            |
| Financial Derivative Instruments               | –                      | –                 | –                      | (50,005,218)                   | (50,005,218)         |
| Creditors                                      | –                      | –                 | –                      | (71,690,203)                   | (71,690,203)         |
| <b>Total Liabilities</b>                       | <b>–</b>               | <b>–</b>          | <b>–</b>               | <b>(122,218,329)</b>           | <b>(122,218,329)</b> |
| <b>Total interest sensitivity gap</b>          | <b>24,207,920</b>      | <b>51,910,895</b> | <b>162,567,852</b>     |                                |                      |
| <b>Spectrum Global Capital Securities Fund</b> |                        |                   |                        |                                |                      |
|  | Up to<br>1 year<br>USD | 1-5 years<br>USD  | Over<br>5 years<br>USD | Non-interest<br>bearing<br>USD | Total<br>USD         |
| <b>Assets</b>                                  |                        |                   |                        |                                |                      |
| Cash and cash equivalents                      | –                      | –                 | –                      | 642,829                        | 642,829              |
| Transferable securities                        | –                      | –                 | 23,714,402             | –                              | 23,714,402           |
| Financial Derivative Instruments               | –                      | –                 | –                      | 163,101                        | 163,101              |
| Other Assets                                   | –                      | –                 | –                      | 376,144                        | 376,144              |
| <b>Total Assets</b>                            | <b>–</b>               | <b>–</b>          | <b>23,714,402</b>      | <b>1,182,074</b>               | <b>24,896,476</b>    |
| <b>Liabilities</b>                             |                        |                   |                        |                                |                      |
| Bank Overdraft                                 | –                      | –                 | –                      | –                              | –                    |
| Financial Derivative Instruments               | –                      | –                 | –                      | (196,214)                      | (196,214)            |
| Creditors                                      | –                      | –                 | –                      | (70,843)                       | (70,843)             |
| <b>Total Liabilities</b>                       | <b>–</b>               | <b>–</b>          | <b>–</b>               | <b>(267,057)</b>               | <b>(267,057)</b>     |
| <b>Total interest sensitivity gap</b>          | <b>–</b>               | <b>–</b>          | <b>23,714,402</b>      |                                |                      |



**PRINCIPAL GLOBAL INVESTORS FUNDS**  
**NOTES TO THE ANNUAL REPORT AND FINANCIAL STATEMENTS**  
for the year ended 30 September 2016 (continued)

**11. FINANCIAL RISK MANAGEMENT (continued)**

**Interest Rate Risk (continued)**

**As at 30 September 2016 (continued)**

| Global Capital Structure Opportunities Fund | Up to    | 1-5 years        | Over 5 years     | Non-interest bearing | Total             |
|---|----------|------------------|------------------|----------------------|-------------------|
|   | 1 year   |                  |                  |                      |                   |
|   | USD      | USD              | USD              | USD                  | USD               |
| <b>Assets</b>                               |          |                  |                  |                      |                   |
| Cash and cash equivalents                   | -        | -                | -                | 258,993              | 258,993           |
| Transferable securities                     | -        | 1,025,028        | 9,291,718        | -                    | 10,316,746        |
| Financial Derivative Instruments            | -        | -                | -                | 1,410                | 1,410             |
| Other Assets                                | -        | -                | -                | 173,875              | 173,875           |
| <b>Total Assets</b>                         | <b>-</b> | <b>1,025,028</b> | <b>9,291,718</b> | <b>434,278</b>       | <b>10,751,024</b> |

|                                       |          |                  |                  |                 |                 |
|---------------------------------------|----------|------------------|------------------|-----------------|-----------------|
| <b>Liabilities</b>                    |          |                  |                  |                 |                 |
| Bank Overdraft                        | -        | -                | -                | -               | -               |
| Financial Derivative Instruments      | -        | -                | -                | (2,571)         | (2,571)         |
| Creditors                             | -        | -                | -                | (53,195)        | (53,195)        |
| <b>Total Liabilities</b>              | <b>-</b> | <b>-</b>         | <b>-</b>         | <b>(55,766)</b> | <b>(55,766)</b> |
| <b>Total interest sensitivity gap</b> | <b>-</b> | <b>1,025,028</b> | <b>9,291,718</b> |                 |                 |

| Global Credit Alpha Fund         | Up to          | 1-5 years        | Over 5 years     | Non-interest bearing | Total            |
|----------------------------------|----------------|------------------|------------------|----------------------|------------------|
|                                  | 1 year         |                  |                  |                      |                  |
|                                  | USD            | USD              | USD              | USD                  | USD              |
| <b>Assets</b>                    |                |                  |                  |                      |                  |
| Cash and cash equivalents        | -              | -                | -                | 995,735              | 995,735          |
| Transferable securities          | 699,997        | 2,562,822        | 4,595,452        | 4,564                | 7,862,835        |
| Financial Derivative Instruments | -              | -                | -                | 1,055                | 1,055            |
| Other Assets                     | -              | -                | -                | 152,481              | 152,481          |
| <b>Total Assets</b>              | <b>699,997</b> | <b>2,562,822</b> | <b>4,595,452</b> | <b>1,153,835</b>     | <b>9,012,106</b> |

|                                       |                |                  |                  |                  |                  |
|---------------------------------------|----------------|------------------|------------------|------------------|------------------|
| <b>Liabilities</b>                    |                |                  |                  |                  |                  |
| Bank Overdraft                        | -              | -                | -                | -                | -                |
| Financial Derivative Instruments      | -              | -                | -                | (40,274)         | (40,274)         |
| Creditors                             | -              | -                | -                | (576,016)        | (576,016)        |
| <b>Total Liabilities</b>              | <b>-</b>       | <b>-</b>         | <b>-</b>         | <b>(616,290)</b> | <b>(616,290)</b> |
| <b>Total interest sensitivity gap</b> | <b>699,997</b> | <b>2,562,822</b> | <b>4,595,452</b> |                  |                  |

| Real Estate Debt Fund*           | Up to    | 1-5 years | Over 5 years     | Non-interest bearing | Total            |
|----------------------------------|----------|-----------|------------------|----------------------|------------------|
|                                  | 1 year   |           |                  |                      |                  |
|                                  | USD      | USD       | USD              | USD                  | USD              |
| <b>Assets</b>                    |          |           |                  |                      |                  |
| Cash and cash equivalents        | -        | -         | -                | 17,838               | 17,838           |
| Transferable securities          | -        | -         | 9,502,885        | -                    | 9,502,885        |
| Financial Derivative Instruments | -        | -         | -                | -                    | -                |
| Other Assets                     | -        | -         | -                | 101,816              | 101,816          |
| <b>Total Assets</b>              | <b>-</b> | <b>-</b>  | <b>9,502,885</b> | <b>119,654</b>       | <b>9,622,539</b> |

|                                       |          |          |                  |                 |                 |
|---------------------------------------|----------|----------|------------------|-----------------|-----------------|
| <b>Liabilities</b>                    |          |          |                  |                 |                 |
| Bank Overdraft                        | -        | -        | -                | -               | -               |
| Financial Derivative Instruments      | -        | -        | -                | -               | -               |
| Creditors                             | -        | -        | -                | (79,801)        | (79,801)        |
| <b>Total Liabilities</b>              | <b>-</b> | <b>-</b> | <b>-</b>         | <b>(79,801)</b> | <b>(79,801)</b> |
| <b>Total interest sensitivity gap</b> | <b>-</b> | <b>-</b> | <b>9,502,885</b> |                 |                 |

\*Real Estate Debt Fund launched on 21 March 2016.

**PRINCIPAL GLOBAL INVESTORS FUNDS**  
**NOTES TO THE ANNUAL REPORT AND FINANCIAL STATEMENTS**  
for the year ended 30 September 2016 (continued)

**11. FINANCIAL RISK MANAGEMENT (continued)**

**Interest Rate Risk (continued)**

**As at 30 September 2015**

| <b>Preferred Securities Fund</b> | <b>Up to<br/>1 year<br/>USD</b> | <b>1-5 years<br/>USD</b> | <b>Over<br/>5 years<br/>USD</b> | <b>Non-interest<br/>bearing<br/>USD</b> | <b>Total<br/>USD</b> |
|----------------------------------|---------------------------------|--------------------------|---------------------------------|---|----------------------|
| <b>Assets</b>                    |                                 |                          |                                 |   |                      |
| Cash and cash equivalents        | –                               | –                        | –                               | 63,049,131                              | 63,049,131           |
| Transferable securities          | –                               | 65,385,870               | 1,610,981,507                   | –                                       | 1,676,367,377        |
| Financial Derivative Instruments | –                               | –                        | –                               | 1,614,069                               | 1,614,069            |
| Other Assets                     | –                               | –                        | –                               | 22,276,397                              | 22,276,397           |
| <b>Total Assets</b>              | <b>–</b>                        | <b>65,385,870</b>        | <b>1,610,981,507</b>            | <b>86,939,597</b>                       | <b>1,763,306,974</b> |

|                                       |          |                   |                      |                    |                      |
|---------------------------------------|----------|-------------------|----------------------|--------------------|----------------------|
| <b>Liabilities</b>                    |          |                   |                      |                    |                      |
| Bank Overdraft                        | –        | –                 | –                    | –                  | –                    |
| Financial Derivative Instruments      | –        | –                 | –                    | (514,286)          | (514,286)            |
| Creditors                             | –        | –                 | –                    | (2,515,912)        | (2,515,912)          |
| <b>Total Liabilities</b>              | <b>–</b> | <b>–</b>          | <b>–</b>             | <b>(3,030,198)</b> | <b>(3,030,198)</b>   |
| <b>Total interest sensitivity gap</b> | <b>–</b> | <b>65,385,870</b> | <b>1,610,981,507</b> | <b>86,939,597</b>  | <b>1,763,306,974</b> |

| <b>High Yield Fund</b>           | <b>Up to<br/>1 year<br/>USD</b> | <b>1-5 years<br/>USD</b> | <b>Over<br/>5 years<br/>USD</b> | <b>Non-interest<br/>bearing<br/>USD</b> | <b>Total<br/>USD</b> |
|----------------------------------|---------------------------------|--------------------------|---------------------------------|---|----------------------|
| <b>Assets</b>                    |                                 |                          |                                 |   |                      |
| Cash and cash equivalents        | –                               | –                        | –                               | 5,022,621                               | 5,022,621            |
| Transferable securities          | –                               | 35,238,023               | 87,415,501                      | –                                       | 122,653,524          |
| Financial Derivative Instruments | –                               | –                        | –                               | 303,495                                 | 303,495              |
| Other Assets                     | –                               | –                        | –                               | 2,932,736                               | 2,932,736            |
| <b>Total Assets</b>              | <b>–</b>                        | <b>35,238,023</b>        | <b>87,415,501</b>               | <b>8,258,852</b>                        | <b>130,912,376</b>   |

|                                       |          |                   |                   |                    |                    |
|---------------------------------------|----------|-------------------|-------------------|--------------------|--------------------|
| <b>Liabilities</b>                    |          |                   |                   |                    |                    |
| Bank Overdraft                        | –        | –                 | –                 | –                  | –                  |
| Financial Derivative Instruments      | –        | –                 | –                 | (2,018,239)        | (2,018,239)        |
| Creditors                             | –        | –                 | –                 | (1,576,713)        | (1,576,713)        |
| <b>Total Liabilities</b>              | <b>–</b> | <b>–</b>          | <b>–</b>          | <b>(3,594,952)</b> | <b>(3,594,952)</b> |
| <b>Total interest sensitivity gap</b> | <b>–</b> | <b>35,238,023</b> | <b>87,415,501</b> | <b>8,258,852</b>   | <b>130,912,376</b> |

| <b>Post Global Limited Term High Yield Fund</b> | <b>Up to<br/>1 year<br/>USD</b> | <b>1-5 years<br/>USD</b> | <b>Over<br/>5 years<br/>USD</b> | <b>Non-interest<br/>bearing<br/>USD</b> | <b>Total<br/>USD</b> |
|---|---------------------------------|--------------------------|---------------------------------|---|----------------------|
| <b>Assets</b>                                   |                                 |                          |                                 |   |                      |
| Cash and cash equivalents                       | –                               | –                        | –                               | 22,923,202                              | 22,923,202           |
| Transferable securities                         | 13,690,031                      | 485,307,650              | 15,242,995                      | –                                       | 514,240,676          |
| Financial Derivative Instruments                | –                               | –                        | –                               | 1,460,126                               | 1,460,126            |
| Other Assets                                    | –                               | –                        | –                               | 24,121,626                              | 24,121,626           |
| <b>Total Assets</b>                             | <b>13,690,031</b>               | <b>485,307,650</b>       | <b>15,242,995</b>               | <b>48,504,954</b>                       | <b>562,745,630</b>   |

|                                       |                   |                    |                   |                    |                    |
|---------------------------------------|-------------------|--------------------|-------------------|--------------------|--------------------|
| <b>Liabilities</b>                    |                   |                    |                   |                    |                    |
| Bank Overdraft                        | –                 | –                  | –                 | –                  | –                  |
| Financial Derivative Instruments      | –                 | –                  | –                 | (1,011,352)        | (1,011,352)        |
| Creditors                             | –                 | –                  | –                 | (6,351,776)        | (6,351,776)        |
| <b>Total Liabilities</b>              | <b>–</b>          | <b>–</b>           | <b>–</b>          | <b>(7,363,128)</b> | <b>(7,363,128)</b> |
| <b>Total interest sensitivity gap</b> | <b>13,690,031</b> | <b>485,307,650</b> | <b>15,242,995</b> | <b>48,504,954</b>  | <b>562,745,630</b> |

**PRINCIPAL GLOBAL INVESTORS FUNDS**  
**NOTES TO THE ANNUAL REPORT AND FINANCIAL STATEMENTS**  
for the year ended 30 September 2016 (continued)

**11. FINANCIAL RISK MANAGEMENT (continued)**

**Interest Rate Risk (continued)**

**As at 30 September 2015 (continued)**

| Global Time Diversified Absolute Return Fund | Up to            |               |                  |                          | Total            |
|--|------------------|---------------|------------------|--------------------------|------------------|
|  | 1 year USD       | 1-5 years USD | Over 5 years USD | Non-interest bearing USD |                  |
| <b>Assets</b>                                |                  |               |                  |                          |                  |
| Cash and cash equivalents                    | –                | –             | –                | 174,803                  | 174,803          |
| Transferable securities                      | 3,798,380        | –             | –                | –                        | 3,798,380        |
| Financial Derivative Instruments             | –                | –             | –                | 163,752                  | 163,752          |
| Other Assets                                 | –                | –             | –                | 20,154                   | 20,154           |
| <b>Total Assets</b>                          | <b>3,798,380</b> | <b>–</b>      | <b>–</b>         | <b>358,709</b>           | <b>4,157,089</b> |

|                                       |                  |          |          |                 |                 |
|---------------------------------------|------------------|----------|----------|-----------------|-----------------|
| <b>Liabilities</b>                    |                  |          |          |                 |                 |
| Financial Derivative Instruments      | –                | –        | –        | (58,329)        | (58,329)        |
| Creditors                             | –                | –        | –        | (40,569)        | (40,569)        |
| <b>Total Liabilities</b>              | <b>–</b>         | <b>–</b> | <b>–</b> | <b>(98,898)</b> | <b>(98,898)</b> |
| <b>Total interest sensitivity gap</b> | <b>3,798,380</b> | <b>–</b> | <b>–</b> | <b>–</b>        | <b>–</b>        |

| Finisterre Emerging Market Debt Fund | Up to              |                   |                  |                          | Total              |
|--------------------------------------|--------------------|-------------------|------------------|--------------------------|--------------------|
|                                      | 1 year USD         | 1-5 years USD     | Over 5 years USD | Non-interest bearing USD |                    |
| <b>Assets</b>                        |                    |                   |                  |                          |                    |
| Cash and cash equivalents            | –                  | –                 | –                | 121,300,398              | 121,300,398        |
| Transferable securities              | 263,688,166        | 56,271,929        | 8,123,188        | –                        | 328,083,283        |
| Financial Derivative Instruments     | –                  | –                 | –                | 58,311,863               | 58,311,863         |
| Other Assets                         | –                  | –                 | –                | 3,793,434                | 3,793,434          |
| <b>Total Assets</b>                  | <b>263,688,166</b> | <b>56,271,929</b> | <b>8,123,188</b> | <b>183,405,695</b>       | <b>511,488,978</b> |

|                                       |                    |                   |                  |                     |                     |
|---------------------------------------|--------------------|-------------------|------------------|---------------------|---------------------|
| <b>Liabilities</b>                    |                    |                   |                  |                     |                     |
| Financial Derivative Instruments      | –                  | –                 | –                | (46,007,146)        | (46,007,146)        |
| Creditors                             | –                  | –                 | –                | (2,337,164)         | (2,337,164)         |
| <b>Total Liabilities</b>              | <b>–</b>           | <b>–</b>          | <b>–</b>         | <b>(48,344,310)</b> | <b>(48,344,310)</b> |
| <b>Total interest sensitivity gap</b> | <b>263,688,166</b> | <b>56,271,929</b> | <b>8,123,188</b> | <b>–</b>            | <b>–</b>            |

| Spectrum Global Capital Securities Fund* | Up to      |               |                   |                          | Total             |
|--|------------|---------------|-------------------|--------------------------|-------------------|
|  | 1 year USD | 1-5 years USD | Over 5 years USD  | Non-interest bearing USD |                   |
| <b>Assets</b>                            |            |               |                   |                          |                   |
| Cash and cash equivalents                | –          | –             | –                 | 598,243                  | 598,243           |
| Transferable securities                  | –          | –             | 20,179,966        | –                        | 20,179,966        |
| Financial Derivative Instruments         | –          | –             | –                 | 263,271                  | 263,271           |
| Other Assets                             | –          | –             | –                 | 355,845                  | 355,845           |
| <b>Total Assets</b>                      | <b>–</b>   | <b>–</b>      | <b>20,179,966</b> | <b>1,217,359</b>         | <b>21,397,325</b> |

|                                       |          |          |                   |                  |                  |
|---------------------------------------|----------|----------|-------------------|------------------|------------------|
| <b>Liabilities</b>                    |          |          |                   |                  |                  |
| Financial Derivative Instruments      | –        | –        | –                 | (117,379)        | (117,379)        |
| Creditors                             | –        | –        | –                 | (33,302)         | (33,302)         |
| <b>Total Liabilities</b>              | <b>–</b> | <b>–</b> | <b>–</b>          | <b>(150,681)</b> | <b>(150,681)</b> |
| <b>Total interest sensitivity gap</b> | <b>–</b> | <b>–</b> | <b>20,179,966</b> | <b>–</b>         | <b>–</b>         |

\*Spectrum Global Capital Securities Fund launched on 30 October 2014.

**PRINCIPAL GLOBAL INVESTORS FUNDS**  
**NOTES TO THE ANNUAL REPORT AND FINANCIAL STATEMENTS**  
for the year ended 30 September 2016 (continued)

**11. FINANCIAL RISK MANAGEMENT (continued)**

**Interest Rate Risk (continued)**

**As at 30 September 2015 (continued)**

| <b>Global Short Duration High Yield Fund**</b> | <b>Up to<br/>1 year<br/>USD</b> | <b>1-5 years<br/>USD</b> | <b>Over<br/>5 years<br/>USD</b> | <b>Non-interest<br/>bearing<br/>USD</b> | <b>Total<br/>USD</b> |
|--|---------------------------------|--------------------------|---------------------------------|---|----------------------|
| <b>Assets</b>                                  |                                 |                          |                                 |   |                      |
| Cash and cash equivalents                      | –                               | –                        | –                               | 605,660                                 | 605,660              |
| Transferable securities                        | –                               | 6,692,838                | 1,142,860                       | –                                       | 7,835,698            |
| Financial Derivative Instruments               | –                               | –                        | –                               | 31                                      | 31                   |
| Other Assets                                   | –                               | –                        | –                               | 199,927                                 | 199,927              |
| <b>Total Assets</b>                            | <b>–</b>                        | <b>6,692,838</b>         | <b>1,142,860</b>                | <b>805,618</b>                          | <b>8,641,316</b>     |

|                                       |          |                  |                  |                 |                 |
|---------------------------------------|----------|------------------|------------------|-----------------|-----------------|
| <b>Liabilities</b>                    |          |                  |                  |                 |                 |
| Financial Derivative Instruments      | –        | –                | –                | (47)            | (47)            |
| Creditors                             | –        | –                | –                | (20,676)        | (20,676)        |
| <b>Total Liabilities</b>              | <b>–</b> | <b>–</b>         | <b>–</b>         | <b>(20,723)</b> | <b>(20,723)</b> |
| <b>Total interest sensitivity gap</b> | <b>–</b> | <b>6,692,838</b> | <b>1,142,860</b> |                 |                 |

| <b>Global Capital Structure Opportunities<br/>Fund***</b> | <b>Up to<br/>1 year<br/>USD</b> | <b>1-5 years<br/>USD</b> | <b>Over<br/>5 years<br/>USD</b> | <b>Non-interest<br/>bearing<br/>USD</b> | <b>Total<br/>USD</b> |
|---|---------------------------------|--------------------------|---------------------------------|---|----------------------|
| <b>Assets</b>   |                                 |                          |                                 |   |                      |
| Cash and cash equivalents                                 | –                               | –                        | –                               | 484,996                                 | 484,996              |
| Transferable securities                                   | –                               | 563,931                  | 8,765,089                       | –                                       | 9,329,020            |
| Other Assets  | –                               | –                        | –                               | 480,517                                 | 480,517              |
| <b>Total Assets</b>                                       | <b>–</b>                        | <b>563,931</b>           | <b>8,765,089</b>                | <b>965,513</b>                          | <b>10,294,533</b>    |

|                                       |          |                |                  |                 |                 |
|---------------------------------------|----------|----------------|------------------|-----------------|-----------------|
| <b>Liabilities</b>                    |          |                |                  |                 |                 |
| Financial Derivative Instruments      | –        | –              | –                | (37,519)        | (37,519)        |
| Creditors                             | –        | –              | –                | (22,485)        | (22,485)        |
| <b>Total Liabilities</b>              | <b>–</b> | <b>–</b>       | <b>–</b>         | <b>(60,004)</b> | <b>(60,004)</b> |
| <b>Total interest sensitivity gap</b> | <b>–</b> | <b>563,931</b> | <b>8,765,089</b> |                 |                 |

| <b>Global Credit Alpha Fund****</b> | <b>Up to<br/>1 year<br/>USD</b> | <b>1-5 years<br/>USD</b> | <b>Over<br/>5 years<br/>USD</b> | <b>Non-interest<br/>bearing<br/>USD</b> | <b>Total<br/>USD</b> |
|-------------------------------------|---------------------------------|--------------------------|---------------------------------|---|----------------------|
| <b>Assets</b>                       |                                 |                          |                                 |   |                      |
| Cash and cash equivalents           | –                               | –                        | –                               | 405,936                                 | 405,936              |
| Transferable securities             | –                               | 2,317,935                | 5,054,490                       | –                                       | 7,372,425            |
| Financial Derivative Instruments    | –                               | –                        | –                               | 1,840                                   | 1,840                |
| Other Assets                        | –                               | –                        | –                               | 173,035                                 | 173,035              |
| <b>Total Assets</b>                 | <b>–</b>                        | <b>2,317,935</b>         | <b>5,054,490</b>                | <b>580,811</b>                          | <b>7,953,236</b>     |

|                                       |          |                  |                  |                 |                 |
|---------------------------------------|----------|------------------|------------------|-----------------|-----------------|
| <b>Liabilities</b>                    |          |                  |                  |                 |                 |
| Bank Overdraft                        | –        | –                | –                | (13)            | (13)            |
| Financial Derivative Instruments      | –        | –                | –                | (3,136)         | (3,136)         |
| Creditors                             | –        | –                | –                | (33,711)        | (33,711)        |
| <b>Total Liabilities</b>              | <b>–</b> | <b>–</b>         | <b>–</b>         | <b>(36,860)</b> | <b>(36,860)</b> |
| <b>Total interest sensitivity gap</b> | <b>–</b> | <b>2,317,935</b> | <b>5,054,490</b> |                 |                 |

\*\*Global Short Duration High Yield Fund launched on 10 December 2014.

\*\*\*Global Capital Structure Opportunities Fund launched on 11 December 2014.

\*\*\*\*Global Credit Alpha Fund commenced operations under the PGIF umbrella on 23 June 2015.

**PRINCIPAL GLOBAL INVESTORS FUNDS**  
**NOTES TO THE ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**for the year ended 30 September 2016 (continued)**

**11. FINANCIAL RISK MANAGEMENT (continued)**

**Interest Rate Risk (continued)**

The below interest rate sensitivity information is a relative estimate of risk and is not intended to be a precise and accurate number. The calculations are based on historical data. Future price movements and correlations between securities could vary significantly from those experienced in the past.

**Approximate increase or decrease in net asset value due to a 1% change in market interest rates**

| Fund Name                                     | Currency | Change in Net Asset Value |                         |
|---|----------|---------------------------|-------------------------|
|   |          | As at 30 September 2016   | As at 30 September 2015 |
| Preferred Securities Fund                     | USD      | 22,929,056                | 16,763,674              |
| High Yield Fund                               | USD      | 1,306,842                 | 1,226,535               |
| Post Global Limited Term High Yield Fund      | USD      | 8,471,668                 | 5,142,407               |
| Global Time Diversified Absolute Return Fund* | USD      | N/A                       | N/A                     |
| Finisterre Emerging Market Debt Fund*         | USD      | N/A                       | N/A                     |
| Spectrum Global Capital Securities Fund       | USD      | 237,144                   | 201,800                 |
| Global Short Duration High Yield Fund**       | USD      | -                         | 78,357                  |
| Global Capital Structure Opportunities Fund*  | USD      | N/A                       | N/A                     |
| Global Credit Alpha Fund*                     | USD      | N/A                       | N/A                     |
| Real Estate Debt Fund***                      | USD      | 95,029                    | -                       |

The Investment Adviser considers a 1% movement to be reasonable.

\*The Global Time Diversified Absolute Return Fund, Finisterre Emerging Market Debt Fund, Global Capital Structure Opportunities Fund and the Global Credit Alpha Fund use the VaR model for sensitivity risk, and as a result there is no sensitivity analysis prepared for these funds.

\*\*Global Short Duration High Yield Fund terminated on 1 July 2016.

\*\*\*Real Estate Debt Fund launched on 21 March 2016.

**PRINCIPAL GLOBAL INVESTORS FUNDS**  
**NOTES TO THE ANNUAL REPORT AND FINANCIAL STATEMENTS**  
for the year ended 30 September 2016 (continued)

**11. FINANCIAL RISK MANAGEMENT (continued)**

**Currency Risk**

The Funds may hold assets denominated in currencies other than the functional currency of a Fund. They are therefore exposed to currency risk, as the value of the securities denominated in other currencies will fluctuate due to changes in exchange rates. A Fund may utilise financial instruments to hedge against fluctuations in the relative values of their portfolio positions.

The Investment Adviser monitors the currency positions on a daily basis utilizing quantitative and fundamental models.

The following tables detail the material monetary currency exposures.

**As at 30 September 2016**

**Global Equity Fund**

| Foreign Currency Exposure | Monetary<br>Assets<br>USD | Non-Monetary<br>Assets<br>USD | Forward FX<br>Contracts<br>USD | Net Financial<br>Assets<br>USD |
|---------------------------|---------------------------|-------------------------------|--------------------------------|--------------------------------|
| Brazilian Real            | (117,214)                 | 603,487                       | –                              | 486,273                        |
| Canadian Dollar           | 3,091                     | 2,355,396                     | (1,513)                        | 2,356,974                      |
| Danish Krone              | –                         | 224,463                       | –                              | 224,463                        |
| Euro                      | (2,116)                   | 6,977,166                     | –                              | 6,975,050                      |
| Hong Kong Dollar          | –                         | 1,194,401                     | –                              | 1,194,401                      |
| Indonesian Rupiah         | –                         | 380,245                       | –                              | 380,245                        |
| Japanese Yen              | 36,728                    | 3,212,665                     | –                              | 3,249,393                      |
| Malaysian Ringgit         | –                         | 243,088                       | –                              | 243,088                        |
| Mexican Peso              | –                         | 224,099                       | –                              | 224,099                        |
| Pound Sterling            | 10,206                    | 4,172,752                     | (3,617)                        | 4,179,341                      |
| South African Rand        | 1                         | –                             | –                              | 1                              |
| South Korean Won          | –                         | 1,379,456                     | –                              | 1,379,456                      |
| Swiss Franc               | –                         | 1,077,397                     | –                              | 1,077,397                      |
| Taiwan Dollar             | –                         | 279,466                       | –                              | 279,466                        |
| U.S. Dollar               | 1,466,963                 | 24,559,915                    | 5,127                          | 26,032,005                     |
|                           | <b>1,397,659</b>          | <b>46,883,996</b>             | <b>(3)</b>                     | <b>48,281,652</b>              |

**Asian Equity Fund**

| Foreign Currency Exposure | Monetary<br>Assets<br>USD | Non-Monetary<br>Assets<br>USD | Forward FX<br>Contracts<br>USD | Net Financial<br>Assets<br>USD |
|---------------------------|---------------------------|-------------------------------|--------------------------------|--------------------------------|
| Chinese Renminbi          | 1,933                     | –                             | –                              | 1,933                          |
| Euro                      | (1,253)                   | –                             | –                              | (1,253)                        |
| Hong Kong Dollar          | (10,162)                  | 3,133,421                     | 15,131                         | 3,138,390                      |
| Indian Rupee              | 86,979                    | 920,780                       | –                              | 1,007,759                      |
| Indonesian Rupiah         | –                         | 237,437                       | –                              | 237,437                        |
| Singapore Dollar          | 2,066                     | 145,916                       | (2,066)                        | 145,916                        |
| South Korean Won          | (29,159)                  | 1,390,614                     | –                              | 1,361,455                      |
| Taiwan Dollar             | –                         | 1,202,416                     | –                              | 1,202,416                      |
| Thailand Baht             | –                         | 348,186                       | –                              | 348,186                        |
| U.S. Dollar               | (37,481)                  | 544,233                       | (13,053)                       | 493,699                        |
|                           | <b>12,923</b>             | <b>7,923,003</b>              | <b>12</b>                      | <b>7,935,938</b>               |

**PRINCIPAL GLOBAL INVESTORS FUNDS**  
**NOTES TO THE ANNUAL REPORT AND FINANCIAL STATEMENTS**  
for the year ended 30 September 2016 (continued)

**11. FINANCIAL RISK MANAGEMENT (continued)**

**Currency Risk (continued)**

**As at 30 September 2016 (continued)**

**European Equity Fund**

| <b>Foreign Currency Exposure</b> | <b>Monetary<br/>Assets<br/>USD</b> | <b>Non-Monetary<br/>Assets<br/>USD</b> | <b>Forward FX<br/>Contracts<br/>USD</b> | <b>Net Financial<br/>Assets<br/>USD</b> |
|----------------------------------|------------------------------------|--|---|---|
| Danish Krone                     | –                                  | 7,875,264                              | –                                       | 7,875,264                               |
| Euro                             | 499,219                            | 45,400,003                             | (472,980)                               | 45,426,242                              |
| Hong Kong Dollar                 | 9,216                              | –                                      | –                                       | 9,216                                   |
| Norwegian Krone                  | –                                  | 1,406,021                              | –                                       | 1,406,021                               |
| Pound Sterling                   | 209,965                            | 28,296,722                             | (171,250)                               | 28,335,437                              |
| Swedish Krona                    | –                                  | 4,572,932                              | –                                       | 4,572,932                               |
| Swiss Franc                      | 176,786                            | 12,296,574                             | (176,786)                               | 12,296,574                              |
| U.S. Dollar                      | (219,914)                          | –                                      | 822,257                                 | 602,343                                 |
|                                  | <b>675,272</b>                     | <b>99,847,516</b>                      | <b>1,241</b>                            | <b>100,524,029</b>                      |

**Emerging Markets Equity Fund**

| <b>Foreign Currency Exposure</b> | <b>Monetary<br/>Assets<br/>USD</b> | <b>Non-Monetary<br/>Assets<br/>USD</b> | <b>Forward FX<br/>Contracts<br/>USD</b> | <b>Net Financial<br/>Assets<br/>USD</b> |
|----------------------------------|------------------------------------|--|---|---|
| Brazilian Real                   | 526                                | 534,367                                | –                                       | 534,893                                 |
| Chilean Peso                     | –                                  | 84,467                                 | –                                       | 84,467                                  |
| Chinese Renminbi                 | 1,779                              | –                                      | –                                       | 1,779                                   |
| Euro                             | (130)                              | –                                      | –                                       | (130)                                   |
| Hong Kong Dollar                 | 6,431                              | 1,537,117                              | (6,747)                                 | 1,536,801                               |
| Hungarian Forint                 | –                                  | 76,422                                 | –                                       | 76,422                                  |
| Indian Rupee                     | 64,789                             | 682,605                                | –                                       | 747,394                                 |
| Indonesian Rupiah                | –                                  | 189,636                                | –                                       | 189,636                                 |
| Malaysian Ringgit                | –                                  | 110,892                                | –                                       | 110,892                                 |
| Mexican Peso                     | 10                                 | 240,955                                | –                                       | 240,965                                 |
| South African Rand               | 4,392                              | 469,243                                | (4,392)                                 | 469,243                                 |
| South Korean Won                 | (23,167)                           | 1,039,595                              | –                                       | 1,016,428                               |
| Taiwan Dollar                    | –                                  | 991,552                                | –                                       | 991,552                                 |
| Thailand Baht                    | –                                  | 197,090                                | –                                       | 197,090                                 |
| U.S. Dollar                      | 142,244                            | 989,388                                | 11,331                                  | 1,142,963                               |
|                                  | <b>196,874</b>                     | <b>7,143,329</b>                       | <b>192</b>                              | <b>7,340,395</b>                        |

**Japanese Equity Fund**

| <b>Foreign Currency Exposure</b> | <b>Monetary<br/>Assets<br/>USD</b> | <b>Non-Monetary<br/>Assets<br/>USD</b> | <b>Forward FX<br/>Contracts<br/>USD</b> | <b>Net Financial<br/>Assets<br/>USD</b> |
|----------------------------------|------------------------------------|--|---|---|
| Euro                             | (2,133)                            | –                                      | –                                       | (2,133)                                 |
| Japanese Yen                     | 254,627                            | 30,209,860                             | (3,257)                                 | 30,461,230                              |
| U.S. Dollar                      | (708,013)                          | 637,520                                | 3,235                                   | (67,258)                                |
|                                  | <b>(455,519)</b>                   | <b>30,847,380</b>                      | <b>(22)</b>                             | <b>30,391,839</b>                       |

**PRINCIPAL GLOBAL INVESTORS FUNDS**  
**NOTES TO THE ANNUAL REPORT AND FINANCIAL STATEMENTS**  
for the year ended 30 September 2016 (continued)

**11. FINANCIAL RISK MANAGEMENT (continued)**

**Currency Risk (continued)**

**As at 30 September 2016 (continued)**

**Preferred Securities Fund**

| <b>Foreign Currency Exposure</b> | <b>Monetary<br/>Assets<br/>USD</b> | <b>Non-Monetary<br/>Assets<br/>USD</b> | <b>Forward FX<br/>Contracts<br/>USD</b> | <b>Net Financial<br/>Assets<br/>USD</b> |
|----------------------------------|------------------------------------|--|---|---|
| Euro                             | 805,812                            | 20,949,123                             | 410,267,422                             | 432,022,357                             |
| Japanese Yen                     | -                                  | -                                      | 263,837,046                             | 263,837,046                             |
| Pound Sterling                   | 909,762                            | 27,809,275                             | 47,410,450                              | 76,129,487                              |
| Swiss Franc                      | -                                  | -                                      | 3,580,837                               | 3,580,837                               |
| U.S. Dollar                      | 118,195,106                        | 2,244,147,191                          | (727,328,070)                           | 1,635,014,227                           |
|                                  | <b>119,910,680</b>                 | <b>2,292,905,589</b>                   | <b>(2,232,315)</b>                      | <b>2,410,583,954</b>                    |

**U.S. Equity Fund**

| <b>Foreign Currency Exposure</b> | <b>Monetary<br/>Assets<br/>USD</b> | <b>Non-Monetary<br/>Assets<br/>USD</b> | <b>Forward FX<br/>Contracts<br/>USD</b> | <b>Net Financial<br/>Assets<br/>USD</b> |
|----------------------------------|------------------------------------|--|---|---|
| Euro                             | (2,545)                            | -                                      | -                                       | (2,545)                                 |
| Pound Sterling                   | (77,995)                           | -                                      | 114,965                                 | 36,970                                  |
| U.S. Dollar                      | 1,310,011                          | 115,953,843                            | (115,428)                               | 117,148,426                             |
|                                  | <b>1,229,471</b>                   | <b>115,953,843</b>                     | <b>(463)</b>                            | <b>117,182,851</b>                      |

**High Yield Fund**

| <b>Foreign Currency Exposure</b> | <b>Monetary<br/>Assets<br/>USD</b> | <b>Non-Monetary<br/>Assets<br/>USD</b> | <b>Forward FX<br/>Contracts<br/>USD</b> | <b>Net Financial<br/>Assets<br/>USD</b> |
|----------------------------------|------------------------------------|--|---|---|
| Australian Dollar                | 19                                 | -                                      | 412,783                                 | 412,802                                 |
| Brazilian Real                   | -                                  | -                                      | 25,232,336                              | 25,232,336                              |
| Euro                             | 1,162,787                          | 28,245,002                             | (23,587,970)                            | 5,819,819                               |
| Pound Sterling                   | 113,791                            | 4,579,548                              | (4,698,961)                             | (5,622)                                 |
| Swiss Franc                      | -                                  | -                                      | (82)                                    | (82)                                    |
| U.S. Dollar                      | 6,033,838                          | 98,076,590                             | 3,222,675                               | 107,333,103                             |
|                                  | <b>7,310,435</b>                   | <b>130,901,140</b>                     | <b>580,781</b>                          | <b>138,792,356</b>                      |

**Global Property Securities Fund**

| <b>Foreign Currency Exposure</b> | <b>Monetary<br/>Assets<br/>USD</b> | <b>Non-Monetary<br/>Assets<br/>USD</b> | <b>Forward FX<br/>Contracts<br/>USD</b> | <b>Net Financial<br/>Assets<br/>USD</b> |
|----------------------------------|------------------------------------|--|---|---|
| Australian Dollar                | -                                  | 11,186,744                             | (1,826,706)                             | 9,360,038                               |
| Euro                             | 972                                | 16,889,412                             | (2,880,495)                             | 14,009,889                              |
| Hong Kong Dollar                 | 3,868                              | 10,283,529                             | (1,735,523)                             | 8,551,874                               |
| Japanese Yen                     | 256,751                            | 20,999,365                             | 10,133,879                              | 31,389,995                              |
| Mexican Peso                     | (2,587)                            | 1,201,387                              | (194,917)                               | 1,003,883                               |
| Pound Sterling                   | 42,963                             | 6,940,547                              | (1,193,110)                             | 5,790,400                               |
| Singapore Dollar                 | -                                  | 859,401                                | (142,741)                               | 716,660                                 |
| Swedish Krona                    | -                                  | 4,366,501                              | (742,678)                               | 3,623,823                               |
| Swiss Franc                      | -                                  | -                                      | (13)                                    | (13)                                    |
| U.S. Dollar                      | 2,987,247                          | 89,624,905                             | (1,300,690)                             | 91,311,462                              |
|                                  | <b>3,289,214</b>                   | <b>162,351,791</b>                     | <b>117,006</b>                          | <b>165,758,011</b>                      |



**PRINCIPAL GLOBAL INVESTORS FUNDS**  
**NOTES TO THE ANNUAL REPORT AND FINANCIAL STATEMENTS**  
for the year ended 30 September 2016 (continued)

**11. FINANCIAL RISK MANAGEMENT (continued)**

**Currency Risk (continued)**

**As at 30 September 2016 (continued)**

**Global Equity (ex-Japan) Fund**

| Foreign Currency Exposure | Monetary       | Non-Monetary      | Forward FX       | Net Financial     |
|---------------------------|----------------|-------------------|------------------|-------------------|
|                           | Assets<br>USD  | Assets<br>USD     | Contracts<br>USD | Assets<br>USD     |
| Australian Dollar         | 9,821          | 520,698           | –                | 530,519           |
| Canadian Dollar           | 5,053          | 3,634,034         | –                | 3,639,087         |
| Danish Krone              | –              | 692,031           | –                | 692,031           |
| Euro                      | 1,102          | 8,458,386         | –                | 8,459,488         |
| Hong Kong Dollar          | 2,075          | 935,689           | –                | 937,764           |
| Norwegian Krone           | –              | 295,291           | –                | 295,291           |
| Pound Sterling            | 14,999         | 5,635,366         | (3,217)          | 5,647,148         |
| Swedish Krona             | –              | 384,301           | –                | 384,301           |
| Swiss Franc               | –              | 1,970,619         | –                | 1,970,619         |
| U.S. Dollar               | 779,426        | 40,864,629        | 3,216            | 41,647,271        |
|                           | <b>812,476</b> | <b>63,391,044</b> | <b>(1)</b>       | <b>64,203,519</b> |

**Post Global Limited Term High Yield Fund**

| Foreign Currency Exposure | Monetary          | Non-Monetary       | Forward FX         | Net Financial      |
|---------------------------|-------------------|--------------------|--------------------|--------------------|
|                           | Assets<br>USD     | Assets<br>USD      | Contracts<br>USD   | Assets<br>USD      |
| Euro                      | (5,107)           | –                  | 301,055,265        | 301,050,158        |
| Japanese Yen              | –                 | –                  | 285,048,822        | 285,048,822        |
| Pound Sterling            | 1,044             | –                  | 167,223,594        | 167,224,638        |
| Singapore Dollar          | –                 | –                  | 1,138,073          | 1,138,073          |
| Swiss Franc               | –                 | –                  | 690,196            | 690,196            |
| U.S. Dollar               | 10,957,334        | 847,166,830        | (759,250,151)      | 98,874,013         |
|                           | <b>10,953,271</b> | <b>847,166,830</b> | <b>(4,094,201)</b> | <b>854,025,900</b> |

**Global Time Diversified Absolute Return Fund**

| Foreign Currency Exposure | Monetary       | Non-Monetary     | Forward FX       | Net Financial    |
|---------------------------|----------------|------------------|------------------|------------------|
|                           | Assets<br>USD  | Assets<br>USD    | Contracts<br>USD | Assets<br>USD    |
| Australian Dollar         | 1,831          | –                | (1,853,874)      | (1,852,043)      |
| Canadian Dollar           | –              | –                | 379,269          | 379,269          |
| Euro                      | 83             | –                | (1,690,628)      | (1,690,545)      |
| Japanese Yen              | –              | –                | 2,514,255        | 2,514,255        |
| New Zealand Dollar        | 674            | –                | 863,395          | 864,069          |
| Norwegian Krone           | –              | –                | 166,725          | 166,725          |
| Pound Sterling            | –              | –                | 702,626          | 702,626          |
| Swedish Krona             | –              | –                | (513,100)        | (513,100)        |
| Swiss Franc               | 200            | –                | (2,473,780)      | (2,473,580)      |
| U.S. Dollar               | 647,644        | 4,002,822        | 1,893,374        | 6,543,840        |
|                           | <b>650,432</b> | <b>4,002,822</b> | <b>(11,738)</b>  | <b>4,641,516</b> |

**PRINCIPAL GLOBAL INVESTORS FUNDS**  
**NOTES TO THE ANNUAL REPORT AND FINANCIAL STATEMENTS**  
for the year ended 30 September 2016 (continued)

**11. FINANCIAL RISK MANAGEMENT (continued)**

**Currency Risk (continued)**

**As at 30 September 2016 (continued)**

**EDGE Small/Mid-Cap Equity Income Fund\***

| Foreign Currency Exposure | Monetary      | Non-Monetary  | Forward FX       | Net Financial |
|---------------------------|---------------|---------------|------------------|---------------|
|                           | Assets<br>USD | Assets<br>USD | Contracts<br>USD | Assets<br>USD |
| Canadian Dollar           | 214           | –             | –                | 214           |
| Euro                      | 411           | –             | –                | 411           |
| Pound Sterling            | 1             | –             | –                | 1             |
| U.S. Dollar               | (626)         | –             | –                | (626)         |
|                           | <b>0</b>      | <b>–</b>      | <b>–</b>         | <b>–</b>      |

**Global Small Cap Equity Fund**

| Foreign Currency Exposure | Monetary       | Non-Monetary      | Forward FX       | Net Financial     |
|---------------------------|----------------|-------------------|------------------|-------------------|
|                           | Assets<br>USD  | Assets<br>USD     | Contracts<br>USD | Assets<br>USD     |
| Australian Dollar         | 28,071         | 381,621           | (24,025)         | 385,667           |
| Canadian Dollar           | 2,086          | 819,054           | (998)            | 820,142           |
| Euro                      | (730)          | 1,681,615         | –                | 1,680,885         |
| Hong Kong Dollar          | 1,233          | 306,349           | –                | 307,582           |
| Indian Rupee              | –              | 74,739            | –                | 74,739            |
| Japanese Yen              | 71,414         | 1,860,398         | (63,647)         | 1,868,165         |
| Mexican Peso              | –              | 283,033           | –                | 283,033           |
| New Zealand Dollar        | –              | 155,671           | –                | 155,671           |
| Norwegian Krone           | –              | 90,047            | –                | 90,047            |
| Pound Sterling            | –              | 1,156,123         | –                | 1,156,123         |
| South African Rand        | –              | 119,788           | –                | 119,788           |
| South Korean Won          | –              | 422,748           | –                | 422,748           |
| Swedish Krona             | –              | 297,779           | –                | 297,779           |
| Swiss Franc               | –              | 180,739           | –                | 180,739           |
| Taiwan Dollar             | –              | 578,220           | –                | 578,220           |
| U.S. Dollar               | 126,563        | 9,090,210         | 89,094           | 9,305,867         |
|                           | <b>228,637</b> | <b>17,498,134</b> | <b>424</b>       | <b>17,727,195</b> |

\*EDGE Small/Mid-Cap Equity Income Fund terminated on 31 May 2016.

**PRINCIPAL GLOBAL INVESTORS FUNDS**  
**NOTES TO THE ANNUAL REPORT AND FINANCIAL STATEMENTS**  
for the year ended 30 September 2016 (continued)

**11. FINANCIAL RISK MANAGEMENT (continued)**

**Currency Risk (continued)**

**As at 30 September 2016 (continued)**

**Origin Global Emerging Markets Fund**

| Foreign Currency Exposure | Monetary       | Non-Monetary      | Forward FX       | Net Financial     |
|---------------------------|----------------|-------------------|------------------|-------------------|
|                           | Assets<br>USD  | Assets<br>USD     | Contracts<br>USD | Assets<br>USD     |
| Brazilian Real            | 9,974          | 4,271,849         | –                | 4,281,823         |
| Euro                      | (2,186)        | –                 | –                | (2,186)           |
| Hong Kong Dollar          | 46,125         | 31,451,367        | (25,441)         | 31,472,051        |
| Hungarian Forint          | –              | 1,013,042         | –                | 1,013,042         |
| Mexican Peso              | –              | 1,002,704         | –                | 1,002,704         |
| Pound Sterling            | 82,379         | 973,028           | –                | 1,055,407         |
| South African Rand        | 3              | 3,373,257         | –                | 3,373,260         |
| South Korean Won          | –              | 21,060,053        | –                | 21,060,053        |
| Taiwan Dollar             | 68,604         | 8,902,471         | –                | 8,971,075         |
| Thailand Baht             | –              | 3,377,296         | –                | 3,377,296         |
| Turkish Yen               | –              | 709,843           | –                | 709,843           |
| U.S. Dollar               | 607,494        | 18,891,818        | 25,438           | 19,524,750        |
|                           | <b>812,393</b> | <b>95,026,728</b> | <b>(3)</b>       | <b>95,839,118</b> |

**Origin Global Equity Fund**

| Foreign Currency Exposure | Monetary       | Non-Monetary      | Forward FX       | Net Financial     |
|---------------------------|----------------|-------------------|------------------|-------------------|
|                           | Assets<br>USD  | Assets<br>USD     | Contracts<br>USD | Assets<br>USD     |
| Australian Dollar         | –              | 219,326           | –                | 219,326           |
| Brazilian Real            | 381            | –                 | –                | 381               |
| Canadian Dollar           | –              | 168,606           | –                | 168,606           |
| Danish Krone              | –              | 95,538            | –                | 95,538            |
| Euro                      | (1,814)        | 802,297           | –                | 800,483           |
| Hong Kong Dollar          | –              | 1,000,947         | –                | 1,000,947         |
| Hungarian Forint          | –              | 80,720            | –                | 80,720            |
| Japanese Yen              | 11,724         | 1,615,384         | –                | 1,627,108         |
| Pound Sterling            | 13,649         | 431,159           | –                | 444,808           |
| South African Rand        | –              | –                 | –                | –                 |
| South Korean Won          | –              | 798,506           | –                | 798,506           |
| Swedish Krona             | –              | 76,087            | –                | 76,087            |
| Swiss Franc               | –              | 305,000           | –                | 305,000           |
| Taiwan Dollar             | –              | 709,409           | –                | 709,409           |
| U.S. Dollar               | 298,591        | 9,416,105         | –                | 9,714,696         |
|                           | <b>322,531</b> | <b>15,719,084</b> | <b>–</b>         | <b>16,041,615</b> |

**PRINCIPAL GLOBAL INVESTORS FUNDS**  
**NOTES TO THE ANNUAL REPORT AND FINANCIAL STATEMENTS**  
for the year ended 30 September 2016 (continued)

**11. FINANCIAL RISK MANAGEMENT (continued)**

**Currency Risk (continued)**

**As at 30 September 2016 (continued)**

**Origin Global Smaller Companies Fund**

| <b>Foreign Currency Exposure</b> | <b>Monetary<br/>Assets<br/>USD</b> | <b>Non-Monetary<br/>Assets<br/>USD</b> | <b>Forward FX<br/>Contracts<br/>USD</b> | <b>Net Financial<br/>Assets<br/>USD</b> |
|----------------------------------|------------------------------------|--|---|---|
| Australian Dollar                | 9,292                              | 2,679,825                              | -                                       | 2,689,117                               |
| Brazilian Real                   | (623,766)                          | 1,517,508                              | -                                       | 893,742                                 |
| Canadian Dollar                  | (204,026)                          | 1,866,656                              | (948)                                   | 1,661,682                               |
| Euro                             | (137,346)                          | 4,922,346                              | 135,399                                 | 4,920,399                               |
| Hong Kong Dollar                 | 7,455                              | 3,039,652                              | -                                       | 3,047,107                               |
| Japanese Yen                     | 31,245                             | 6,747,252                              | -                                       | 6,778,497                               |
| Malaysian Ringgit                | 1,933                              | 550,780                                | (1,932)                                 | 550,781                                 |
| Norwegian Krone                  | -                                  | 422,036                                | -                                       | 422,036                                 |
| Polish Zloty                     | -                                  | 201,636                                | -                                       | 201,636                                 |
| Pound Sterling                   | 18,133                             | 4,052,589                              | -                                       | 4,070,722                               |
| South African Rand               | 5                                  | 376,302                                | -                                       | 376,307                                 |
| South Korean Won                 | -                                  | 3,398,458                              | -                                       | 3,398,458                               |
| Swiss Franc                      | -                                  | 889,147                                | -                                       | 889,147                                 |
| Taiwan Dollar                    | 41,754                             | 6,197,515                              | -                                       | 6,239,269                               |
| Thailand Baht                    | -                                  | 585,115                                | -                                       | 585,115                                 |
| Turkish Yeni                     | -                                  | 284,234                                | -                                       | 284,234                                 |
| U.S. Dollar                      | 2,185,161                          | 18,624,649                             | (133,481)                               | 20,676,329                              |
|                                  | <b>1,329,840</b>                   | <b>56,355,700</b>                      | <b>(962)</b>                            | <b>57,684,578</b>                       |

**Long/Short Global Opportunities Equity Fund**

| <b>Foreign Currency Exposure</b> | <b>Monetary<br/>Assets<br/>USD</b> | <b>Non-Monetary<br/>Assets<br/>USD</b> | <b>Forward FX<br/>Contracts<br/>USD</b> | <b>Net Financial<br/>Assets<br/>USD</b> |
|----------------------------------|------------------------------------|--|---|---|
| Brazilian Real                   | (17,583)                           | 95,494                                 | -                                       | 77,911                                  |
| Canadian Dollar                  | (4,321)                            | 333,350                                | (225)                                   | 328,804                                 |
| Danish Krone                     | -                                  | 33,024                                 | -                                       | 33,024                                  |
| Euro                             | (1,798)                            | 954,867                                | -                                       | 953,069                                 |
| Hong Kong Dollar                 | -                                  | 172,795                                | -                                       | 172,795                                 |
| Indonesian Rupiah                | -                                  | 53,206                                 | -                                       | 53,206                                  |
| Japanese Yen                     | 5,532                              | 492,000                                | -                                       | 497,532                                 |
| Malaysian Ringgit                | -                                  | 35,962                                 | -                                       | 35,962                                  |
| Mexican Peso                     | -                                  | 30,901                                 | -                                       | 30,901                                  |
| Pound Sterling                   | 1,477                              | 589,413                                | (506)                                   | 590,384                                 |
| South African Rand               | -                                  | -                                      | -                                       | -                                       |
| South Korean Won                 | -                                  | 189,603                                | -                                       | 189,603                                 |
| Swiss Franc                      | -                                  | 163,421                                | -                                       | 163,421                                 |
| Taiwan Dollar                    | -                                  | 40,755                                 | -                                       | 40,755                                  |
| U.S. Dollar                      | 514,114                            | 3,465,940                              | 731                                     | 3,980,785                               |
|                                  | <b>497,421</b>                     | <b>6,650,731</b>                       | <b>0</b>                                | <b>7,148,152</b>                        |

**PRINCIPAL GLOBAL INVESTORS FUNDS**  
**NOTES TO THE ANNUAL REPORT AND FINANCIAL STATEMENTS**  
for the year ended 30 September 2016 (continued)

**11. FINANCIAL RISK MANAGEMENT (continued)**

**Currency Risk (continued)**

**As at 30 September 2016 (continued)**

**Claritas Latin American Equity Fund**

| Foreign Currency Exposure | Monetary<br>Assets<br>USD | Non-Monetary<br>Assets<br>USD | Forward FX<br>Contracts<br>USD | Net Financial<br>Assets<br>USD |
|---------------------------|---------------------------|-------------------------------|--------------------------------|--------------------------------|
| Brazilian Real            | 73,921                    | 6,766,242                     | –                              | 6,840,163                      |
| Chilean Peso              | –                         | 1,014,440                     | –                              | 1,014,440                      |
| Colombian Peso            | 1,024                     | 396,875                       | –                              | 397,899                        |
| Euro                      | (2,037)                   | –                             | –                              | (2,037)                        |
| Mexican Peso              | 39,150                    | 3,393,217                     | –                              | 3,432,367                      |
| U.S. Dollar               | 267,065                   | 408,617                       | –                              | 675,682                        |
|                           | <b>379,123</b>            | <b>11,979,391</b>             | <b>–</b>                       | <b>12,358,514</b>              |

**Finisterre Emerging Market Debt Fund**

| Foreign Currency Exposure | Monetary<br>Assets<br>USD | Non-Monetary<br>Assets<br>USD | Forward FX<br>Contracts<br>USD | Net Financial<br>Assets<br>USD |
|---------------------------|---------------------------|-------------------------------|--------------------------------|--------------------------------|
| Brazilian Real            | 309,871                   | –                             | 162,897                        | 472,768                        |
| Chinese Renminbi          | 44,274                    | –                             | 43,373,518                     | 43,417,792                     |
| Czech Krone               | (218,016)                 | –                             | 35,575,593                     | 35,357,577                     |
| Euro                      | 156,211                   | 27,110,806                    | 205,937,899                    | 233,204,916                    |
| Hong Kong Dollar          | (3)                       | –                             | (50,181,664)                   | (50,181,667)                   |
| Hungarian Forint          | 326,258                   | 21,160,527                    | (22,697,422)                   | (1,210,637)                    |
| Indian Rupee              | (121,696)                 | –                             | 34,110,614                     | 33,988,918                     |
| Indonesian Rupiah         | –                         | –                             | 3,916,593                      | 3,916,593                      |
| Israeli Shekel            | 96,251                    | 64,117,468                    | (63,614,648)                   | 599,071                        |
| Japanese Yen              | –                         | –                             | 10,186,958                     | 10,186,958                     |
| Malaysian Ringgit         | (321,684)                 | –                             | (15,727)                       | (337,411)                      |
| Mexican Peso              | 20,473,357                | –                             | (40,255,484)                   | (19,782,127)                   |
| Omani Rial                | –                         | –                             | (10,073,953)                   | (10,073,953)                   |
| Polish Zloty              | 1,839                     | –                             | –                              | 1,839                          |
| Pound Sterling            | (168,479)                 | –                             | 25,668                         | (142,811)                      |
| Russian Ruble             | –                         | –                             | 14,749                         | 14,749                         |
| Saudi Riyal               | –                         | –                             | (19,841,094)                   | (19,841,094)                   |
| Singapore Dollar          | (5,234,758)               | 18,288,197                    | (11,437,971)                   | 1,615,468                      |
| South African Rand        | (278,641)                 | –                             | –                              | (278,641)                      |
| South Korean Won          | 742,102                   | –                             | (6,424,240)                    | (5,682,138)                    |
| Swiss Franc               | –                         | –                             | 9,825                          | 9,825                          |
| Taiwan Dollar             | (100,894)                 | –                             | –                              | (100,894)                      |
| Thailand Baht             | (11,774)                  | –                             | –                              | (11,774)                       |
| Turkish Yeni              | –                         | –                             | (6,728,190)                    | (6,728,190)                    |
| UAE Dirham                | 102,096                   | –                             | (30,130,947)                   | (30,028,851)                   |
| U.S. Dollar               | (7,993,319)               | 173,454,446                   | (69,382,378)                   | 96,078,749                     |
|                           | <b>7,802,995</b>          | <b>304,131,444</b>            | <b>2,530,596</b>               | <b>314,465,035</b>             |

**PRINCIPAL GLOBAL INVESTORS FUNDS**  
**NOTES TO THE ANNUAL REPORT AND FINANCIAL STATEMENTS**  
for the year ended 30 September 2016 (continued)

**11. FINANCIAL RISK MANAGEMENT (continued)**

**Currency Risk (continued)**

**As at 30 September 2016 (continued)**

**Spectrum Global Capital Securities Fund**

| <b>Foreign Currency Exposure</b> | <b>Monetary<br/>Assets<br/>USD</b> | <b>Non-Monetary<br/>Assets<br/>USD</b> | <b>Forward FX<br/>Contracts<br/>USD</b> | <b>Net Financial<br/>Assets<br/>USD</b> |
|----------------------------------|------------------------------------|--|---|---|
| Euro                             | 213,928                            | 2,423,798                              | 10,979,581                              | 13,617,307                              |
| Pound Sterling                   | 82,019                             | 731,728                                | (830,867)                               | (17,120)                                |
| Swiss Franc                      | –                                  | –                                      | (83)                                    | (83)                                    |
| U.S. Dollar                      | 577,438                            | 20,689,892                             | (10,238,015)                            | 11,029,315                              |
|                                  | <b>873,385</b>                     | <b>23,845,418</b>                      | <b>(89,384)</b>                         | <b>24,629,419</b>                       |

**Global Short Duration High Yield Fund\*\***

| <b>Foreign Currency Exposure</b> | <b>Monetary<br/>Assets<br/>USD</b> | <b>Non-Monetary<br/>Assets<br/>USD</b> | <b>Forward FX<br/>Contracts<br/>USD</b> | <b>Net Financial<br/>Assets<br/>USD</b> |
|----------------------------------|------------------------------------|--|---|---|
|                                  | –                                  | –                                      | –                                       | –                                       |

**Global Capital Structure Opportunities Fund**

| <b>Foreign Currency Exposure</b> | <b>Monetary<br/>Assets<br/>USD</b> | <b>Non-Monetary<br/>Assets<br/>USD</b> | <b>Forward FX<br/>Contracts<br/>USD</b> | <b>Net Financial<br/>Assets<br/>USD</b> |
|----------------------------------|------------------------------------|--|---|---|
| Euro                             | (2,434)                            | –                                      | (3,650)                                 | (6,084)                                 |
| Swiss Franc                      | –                                  | –                                      | (83)                                    | (83)                                    |
| U.S. Dollar                      | 380,943                            | 10,316,746                             | 3,736                                   | 10,701,425                              |
|                                  | <b>378,509</b>                     | <b>10,316,746</b>                      | <b>3</b>                                | <b>10,695,258</b>                       |

**Global Credit Alpha Fund**

| <b>Foreign Currency Exposure</b> | <b>Monetary<br/>Assets<br/>USD</b> | <b>Non-Monetary<br/>Assets<br/>USD</b> | <b>Forward FX<br/>Contracts<br/>USD</b> | <b>Net Financial<br/>Assets<br/>USD</b> |
|----------------------------------|------------------------------------|--|---|---|
| Euro                             | (2,155)                            | –                                      | (3,734)                                 | (5,889)                                 |
| Pound Sterling                   | 21,439                             | –                                      | (21,990)                                | (551)                                   |
| Swiss Franc                      | –                                  | –                                      | (83)                                    | (83)                                    |
| U.S. Dollar                      | 493,921                            | 7,882,104                              | 26,314                                  | 8,402,339                               |
|                                  | <b>513,205</b>                     | <b>7,882,104</b>                       | <b>507</b>                              | <b>8,395,816</b>                        |

**Real Estate Debt Fund\*\*\***

| <b>Foreign Currency Exposure</b> | <b>Monetary<br/>Assets<br/>USD</b> | <b>Non-Monetary<br/>Assets<br/>USD</b> | <b>Forward FX<br/>Contracts<br/>USD</b> | <b>Net Financial<br/>Assets<br/>USD</b> |
|----------------------------------|------------------------------------|--|---|---|
| U.S. Dollar                      | 39,853                             | 9,502,885                              | –                                       | 9,542,738                               |
|                                  | <b>39,853</b>                      | <b>9,502,885</b>                       | <b>–</b>                                | <b>9,542,738</b>                        |

\*\*Global Short Duration High Yield Fund terminated on 1 July 2016.

\*\*\*Real Estate Debt Fund launched on 21 March 2016.

**PRINCIPAL GLOBAL INVESTORS FUNDS**  
**NOTES TO THE ANNUAL REPORT AND FINANCIAL STATEMENTS**  
for the year ended 30 September 2016 (continued)

**11. FINANCIAL RISK MANAGEMENT (continued)**

**Currency Risk (continued)**

**As at 30 September 2015**

**Global Equity Fund**

| <b>Foreign Currency Exposure</b> | <b>Monetary<br/>Assets<br/>USD</b> | <b>Non-Monetary<br/>Assets<br/>USD</b> | <b>Forward FX<br/>Contracts<br/>USD</b> | <b>Net Financial<br/>Assets<br/>USD</b> |
|----------------------------------|------------------------------------|--|---|---|
| Canadian Dollar                  | –                                  | 1,599,504                              | (2,349)                                 | 1,597,155                               |
| Danish Krone                     | –                                  | 847,108                                | –                                       | 847,108                                 |
| Euro                             | 40,369                             | 4,822,494                              | –                                       | 4,862,863                               |
| Hong Kong Dollar                 | –                                  | 306,192                                | –                                       | 306,192                                 |
| Japanese Yen                     | 161,177                            | 4,224,298                              | (132,477)                               | 4,252,998                               |
| Mexican Peso                     | –                                  | 279,297                                | –                                       | 279,297                                 |
| Pound Sterling                   | 21,735                             | 4,016,068                              | (21,387)                                | 4,016,416                               |
| South Korean Won                 | –                                  | 394,794                                | –                                       | 394,794                                 |
| Swedish Krona                    | –                                  | 475,641                                | –                                       | 475,641                                 |
| Swiss Franc                      | –                                  | 2,546,567                              | –                                       | 2,546,567                               |
| Taiwan Dollar                    | –                                  | 333,405                                | –                                       | 333,405                                 |
| U.S. Dollar                      | 2,439,530                          | 31,960,739                             | 156,405                                 | 34,556,674                              |
|                                  | <b>2,662,811</b>                   | <b>51,806,107</b>                      | <b>192</b>                              | <b>54,469,110</b>                       |

**Asian Equity Fund**

| <b>Foreign Currency Exposure</b> | <b>Monetary<br/>Assets<br/>USD</b> | <b>Non-Monetary<br/>Assets<br/>USD</b> | <b>Forward FX<br/>Contracts<br/>USD</b> | <b>Net Financial<br/>Assets<br/>USD</b> |
|----------------------------------|------------------------------------|--|---|---|
| Chinese Renminbi                 | 1,886                              | –                                      | –                                       | 1,886                                   |
| Hong Kong Dollar                 | (795)                              | 2,761,056                              | 7,099                                   | 2,767,360                               |
| Indian Rupee                     | 702                                | 944,451                                | –                                       | 945,153                                 |
| Indonesian Rupiah                | –                                  | 105,386                                | –                                       | 105,386                                 |
| Malaysian Ringgit                | 2,384                              | 28,879                                 | –                                       | 31,263                                  |
| Singapore Dollar                 | 1,606                              | 213,677                                | (1,607)                                 | 213,676                                 |
| South Korean Won                 | (20,958)                           | 1,463,466                              | –                                       | 1,442,508                               |
| Taiwan Dollar                    | (88,248)                           | 1,571,503                              | –                                       | 1,483,255                               |
| Thailand Baht                    | (76)                               | 123,171                                | –                                       | 123,095                                 |
| U.S. Dollar                      | 219,811                            | 361,970                                | (5,502)                                 | 576,279                                 |
|                                  | <b>116,312</b>                     | <b>7,573,559</b>                       | <b>(10)</b>                             | <b>7,689,861</b>                        |

**European Equity Fund**

| <b>Foreign Currency Exposure</b> | <b>Monetary<br/>Assets<br/>USD</b> | <b>Non-Monetary<br/>Assets<br/>USD</b> | <b>Forward FX<br/>Contracts<br/>USD</b> | <b>Net Financial<br/>Assets<br/>USD</b> |
|----------------------------------|------------------------------------|--|---|---|
| Danish Krone                     | –                                  | 9,070,552                              | –                                       | 9,070,552                               |
| Euro                             | 732,256                            | 38,634,316                             | (196,926)                               | 39,169,646                              |
| Norwegian Krone                  | –                                  | 1,355,595                              | –                                       | 1,355,595                               |
| Pound Sterling                   | 53,814                             | 31,157,499                             | (27,262)                                | 31,184,051                              |
| Swedish Krona                    | –                                  | 6,992,670                              | –                                       | 6,992,670                               |
| Swiss Franc                      | –                                  | 12,906,762                             | –                                       | 12,906,762                              |
| U.S. Dollar                      | 3,380,010                          | –                                      | 224,357                                 | 3,604,367                               |
|                                  | <b>4,166,080</b>                   | <b>100,117,394</b>                     | <b>169</b>                              | <b>104,283,643</b>                      |

**PRINCIPAL GLOBAL INVESTORS FUNDS**  
**NOTES TO THE ANNUAL REPORT AND FINANCIAL STATEMENTS**  
for the year ended 30 September 2016 (continued)

**11. FINANCIAL RISK MANAGEMENT (continued)**

**Currency Risk (continued)**

**As at 30 September 2015 (continued)**

**Emerging Markets Equity Fund**

| Foreign Currency Exposure | Monetary      | Non-Monetary     | Forward FX       | Net Financial    |
|---------------------------|---------------|------------------|------------------|------------------|
|                           | Assets<br>USD | Assets<br>USD    | Contracts<br>USD | Assets<br>USD    |
| Brazilian Real            | 1,448         | 378,890          | –                | 380,338          |
| Chinese Renminbi          | 2,319         | –                | –                | 2,319            |
| Hong Kong Dollar          | 7,229         | 1,917,411        | (6,656)          | 1,917,984        |
| Hungarian Forint          | –             | 45,858           | –                | 45,858           |
| Indian Rupee              | 375           | 927,161          | –                | 927,536          |
| Indonesian Rupiah         | –             | 100,836          | –                | 100,836          |
| Mexican Peso              | –             | 616,885          | –                | 616,885          |
| Polish Zloty              | 7,632         | 142,293          | –                | 149,925          |
| Pound Sterling            | –             | 81,262           | –                | 81,262           |
| South African Rand        | (276)         | 628,274          | 276              | 628,274          |
| South Korean Won          | –             | 1,357,378        | –                | 1,357,378        |
| Taiwan Dollar             | 5,082         | 1,385,156        | –                | 1,390,238        |
| Thailand Baht             | –             | 69,408           | –                | 69,408           |
| Turkish Yen               | 9,492         | 127,070          | (9,492)          | 127,070          |
| UAE Dirham                | –             | 48,229           | –                | 48,229           |
| U.S. Dollar               | 44,174        | 561,301          | 15,825           | 621,300          |
|                           | <b>77,475</b> | <b>8,387,412</b> | <b>(47)</b>      | <b>8,464,840</b> |

**Japanese Equity Fund**

| Foreign Currency Exposure | Monetary         | Non-Monetary      | Forward FX       | Net Financial     |
|---------------------------|------------------|-------------------|------------------|-------------------|
|                           | Assets<br>USD    | Assets<br>USD     | Contracts<br>USD | Assets<br>USD     |
| Japanese Yen              | (17,368)         | 20,433,676        | 178,454          | 20,594,762        |
| U.S. Dollar               | 2,321,285        | –                 | (178,205)        | 2,143,080         |
|                           | <b>2,303,917</b> | <b>20,433,676</b> | <b>249</b>       | <b>22,737,842</b> |

**Preferred Securities Fund**

| Foreign Currency Exposure | Monetary          | Non-Monetary         | Forward FX       | Net Financial        |
|---------------------------|-------------------|----------------------|------------------|----------------------|
|                           | Assets<br>USD     | Assets<br>USD        | Contracts<br>USD | Assets<br>USD        |
| Euro                      | 239,188           | 6,713,567            | 221,972,442      | 228,925,197          |
| Japanese Yen              | –                 | –                    | 171,518,225      | 171,518,225          |
| Pound Sterling            | 969,834           | 30,464,884           | (16,431,118)     | 15,003,600           |
| Swiss Franc               | –                 | –                    | 1,555,904        | 1,555,904            |
| U.S. Dollar               | 81,600,594        | 1,639,188,926        | (377,515,670)    | 1,343,273,850        |
|                           | <b>82,809,616</b> | <b>1,676,367,377</b> | <b>1,099,783</b> | <b>1,760,276,776</b> |

**U.S. Equity Fund**

| Foreign Currency Exposure | Monetary         | Non-Monetary       | Forward FX       | Net Financial      |
|---------------------------|------------------|--------------------|------------------|--------------------|
|                           | Assets<br>USD    | Assets<br>USD      | Contracts<br>USD | Assets<br>USD      |
| Pound Sterling            | 1,743            | –                  | (1,743)          | –                  |
| U.S. Dollar               | 1,547,402        | 133,897,903        | 1,738            | 135,447,043        |
|                           | <b>1,549,145</b> | <b>133,897,903</b> | <b>(5)</b>       | <b>135,447,043</b> |



**PRINCIPAL GLOBAL INVESTORS FUNDS**  
**NOTES TO THE ANNUAL REPORT AND FINANCIAL STATEMENTS**  
for the year ended 30 September 2016 (continued)

**11. FINANCIAL RISK MANAGEMENT (continued)**

**Currency Risk (continued)**

**As at 30 September 2015 (continued)**

**High Yield Fund**

| <b>Foreign Currency Exposure</b> | <b>Monetary<br/>Assets<br/>USD</b> | <b>Non-Monetary<br/>Assets<br/>USD</b> | <b>Forward FX<br/>Contracts<br/>USD</b> | <b>Net Financial<br/>Assets<br/>USD</b> |
|----------------------------------|------------------------------------|--|---|---|
| Australian Dollar                | 17                                 | –                                      | 448,691                                 | 448,708                                 |
| Brazilian Real                   | –                                  | –                                      | 14,471,062                              | 14,471,062                              |
| Euro                             | 592,742                            | 21,866,510                             | (18,462,933)                            | 3,996,319                               |
| Pound Sterling                   | 373,273                            | 3,109,341                              | (3,476,993)                             | 5,621                                   |
| U.S. Dollar                      | 5,412,612                          | 97,677,673                             | 5,305,429                               | 108,395,714                             |
|                                  | <b>6,378,644</b>                   | <b>122,653,524</b>                     | <b>(1,714,744)</b>                      | <b>127,317,424</b>                      |

**Global Property Securities Fund**

| <b>Foreign Currency Exposure</b> | <b>Monetary<br/>Assets<br/>USD</b> | <b>Non-Monetary<br/>Assets<br/>USD</b> | <b>Forward FX<br/>Contracts<br/>USD</b> | <b>Net Financial<br/>Assets<br/>USD</b> |
|----------------------------------|------------------------------------|--|---|---|
| Australian Dollar                | (416,471)                          | 4,798,680                              | (645,232)                               | 3,736,977                               |
| Euro                             | (754,822)                          | 8,781,388                              | (1,131,189)                             | 6,895,377                               |
| Hong Kong Dollar                 | (387,375)                          | 5,629,591                              | (894,859)                               | 4,347,357                               |
| Japanese Yen                     | (574,394)                          | 6,840,830                              | 9,604,452                               | 15,870,888                              |
| Pound Sterling                   | (691,028)                          | 8,028,807                              | (1,046,791)                             | 6,290,988                               |
| Singapore Dollar                 | (81,028)                           | 907,862                                | (123,982)                               | 702,852                                 |
| Swedish Krona                    | –                                  | 1,449,707                              | (340,855)                               | 1,108,852                               |
| U.S. Dollar                      | 13,010,782                         | 53,386,586                             | (5,351,284)                             | 61,046,084                              |
|                                  | <b>10,105,664</b>                  | <b>89,823,451</b>                      | <b>70,260</b>                           | <b>99,999,375</b>                       |

**Global Equity (ex-Japan) Fund**

| <b>Foreign Currency Exposure</b> | <b>Monetary<br/>Assets<br/>USD</b> | <b>Non-Monetary<br/>Assets<br/>USD</b> | <b>Forward FX<br/>Contracts<br/>USD</b> | <b>Net Financial<br/>Assets<br/>USD</b> |
|----------------------------------|------------------------------------|--|---|---|
| Australian Dollar                | 29,528                             | 1,103,765                              | (20,742)                                | 1,112,551                               |
| Canadian Dollar                  | 1,818                              | 1,950,615                              | (1,354)                                 | 1,951,079                               |
| Danish Krone                     | –                                  | 677,827                                | –                                       | 677,827                                 |
| Euro                             | (100,966)                          | 8,397,565                              | 140,644                                 | 8,437,243                               |
| Israeli Shekel                   | –                                  | 444,393                                | –                                       | 444,393                                 |
| Norwegian Krone                  | 294,005                            | –                                      | (294,005)                               | –                                       |
| Pound Sterling                   | (213,456)                          | 5,680,643                              | 214,797                                 | 5,681,984                               |
| Swedish Krona                    | 211,108                            | 936,435                                | (211,108)                               | 936,435                                 |
| Swiss Franc                      | –                                  | 2,085,602                              | –                                       | 2,085,602                               |
| U.S. Dollar                      | 185,147                            | 38,565,421                             | 169,662                                 | 38,920,230                              |
|                                  | <b>407,184</b>                     | <b>59,842,266</b>                      | <b>(2,106)</b>                          | <b>60,247,344</b>                       |

**Post Global Limited Term High Yield Fund**

| <b>Foreign Currency Exposure</b> | <b>Monetary<br/>Assets<br/>USD</b> | <b>Non-Monetary<br/>Assets<br/>USD</b> | <b>Forward FX<br/>Contracts<br/>USD</b> | <b>Net Financial<br/>Assets<br/>USD</b> |
|----------------------------------|------------------------------------|--|---|---|
| Euro                             | 86,977                             | 2,794,078                              | 163,117,809                             | 165,998,864                             |
| Japanese Yen                     | –                                  | –                                      | 238,462,240                             | 238,462,240                             |
| Pound Sterling                   | 1,222                              | –                                      | 64,724,669                              | 64,725,891                              |
| Swiss Franc                      | –                                  | –                                      | 100,296                                 | 100,296                                 |
| U.S. Dollar                      | 40,604,853                         | 511,446,598                            | (465,956,240)                           | 86,095,211                              |
|                                  | <b>40,693,052</b>                  | <b>514,240,676</b>                     | <b>448,774</b>                          | <b>555,382,502</b>                      |

**PRINCIPAL GLOBAL INVESTORS FUNDS**  
**NOTES TO THE ANNUAL REPORT AND FINANCIAL STATEMENTS**  
for the year ended 30 September 2016 (continued)

**11. FINANCIAL RISK MANAGEMENT (continued)**

**Currency Risk (continued)**

**As at 30 September 2015 (continued)**

**Global Time Diversified Absolute Return Fund**

| Foreign Currency Exposure | Monetary<br>Assets<br>USD | Non-Monetary<br>Assets<br>USD | Forward FX<br>Contracts<br>USD | Net Financial<br>Assets<br>USD |
|---------------------------|---------------------------|-------------------------------|--------------------------------|--------------------------------|
| Australian Dollar         | –                         | –                             | (1,591,101)                    | (1,591,101)                    |
| Canadian Dollar           | –                         | –                             | (69,643)                       | (69,643)                       |
| Euro                      | –                         | –                             | (1,136,175)                    | (1,136,175)                    |
| Japanese Yen              | –                         | –                             | 1,932,694                      | 1,932,694                      |
| New Zealand Dollar        | –                         | –                             | 1,556,592                      | 1,556,592                      |
| Norwegian Krone           | –                         | –                             | (311,575)                      | (311,575)                      |
| Pound Sterling            | –                         | –                             | (616,519)                      | (616,519)                      |
| Singapore Dollar          | –                         | –                             | 1,677                          | 1,677                          |
| Swedish Krona             | –                         | –                             | (190)                          | (190)                          |
| Swiss Franc               | –                         | –                             | (912,904)                      | (912,904)                      |
| U.S. Dollar               | 154,388                   | 3,798,380                     | 1,252,567                      | 5,205,335                      |
|                           | <b>154,388</b>            | <b>3,798,380</b>              | <b>105,423</b>                 | <b>4,058,191</b>               |

**EDGE Small/Mid-Cap Equity Income Fund**

| Foreign Currency Exposure | Monetary<br>Assets<br>USD | Non-Monetary<br>Assets<br>USD | Forward FX<br>Contracts<br>USD | Net Financial<br>Assets<br>USD |
|---------------------------|---------------------------|-------------------------------|--------------------------------|--------------------------------|
| Canadian Dollar           | 301                       | 99,358                        | –                              | 99,659                         |
| Euro                      | 414                       | –                             | –                              | 414                            |
| Pound Sterling            | 1                         | –                             | –                              | 1                              |
| U.S. Dollar               | 59,172                    | 4,482,744                     | –                              | 4,541,916                      |
|                           | <b>59,888</b>             | <b>4,582,102</b>              | <b>–</b>                       | <b>4,641,990</b>               |

**Global Small Cap Equity Fund**

| Foreign Currency Exposure | Monetary<br>Assets<br>USD | Non-Monetary<br>Assets<br>USD | Forward FX<br>Contracts<br>USD | Net Financial<br>Assets<br>USD |
|---------------------------|---------------------------|-------------------------------|--------------------------------|--------------------------------|
| Australian Dollar         | 2,179                     | 418,236                       | –                              | 420,415                        |
| Brazilian Real            | –                         | 78,064                        | –                              | 78,064                         |
| Canadian Dollar           | 17,003                    | 588,661                       | (2,535)                        | 603,129                        |
| Euro                      | –                         | 2,195,897                     | –                              | 2,195,897                      |
| Hong Kong Dollar          | –                         | 691,381                       | –                              | 691,381                        |
| Japanese Yen              | 9,921                     | 2,175,081                     | –                              | 2,185,002                      |
| Mexican Peso              | –                         | 378,789                       | –                              | 378,789                        |
| New Zealand Dollar        | –                         | 279,762                       | –                              | 279,762                        |
| Norwegian Krone           | –                         | 154,620                       | –                              | 154,620                        |
| Pound Sterling            | 4,960                     | 1,902,151                     | –                              | 1,907,111                      |
| South Korean Won          | –                         | 294,756                       | –                              | 294,756                        |
| Swedish Krona             | –                         | 307,868                       | –                              | 307,868                        |
| Swiss Franc               | –                         | 159,303                       | –                              | 159,303                        |
| Taiwan Dollar             | 2,337                     | 514,444                       | –                              | 516,781                        |
| U.S. Dollar               | 248,783                   | 10,672,045                    | 2,536                          | 10,923,364                     |
|                           | <b>285,183</b>            | <b>20,811,058</b>             | <b>1</b>                       | <b>21,096,242</b>              |

**PRINCIPAL GLOBAL INVESTORS FUNDS**  
**NOTES TO THE ANNUAL REPORT AND FINANCIAL STATEMENTS**  
for the year ended 30 September 2016 (continued)

**11. FINANCIAL RISK MANAGEMENT (continued)**

**Currency Risk (continued)**

**As at 30 September 2015 (continued)**

**Origin Global Emerging Markets Fund**

| Foreign Currency Exposure | Monetary<br>Assets<br>USD | Non-Monetary<br>Assets<br>USD | Forward FX<br>Contracts<br>USD | Net Financial<br>Assets<br>USD |
|---------------------------|---------------------------|-------------------------------|--------------------------------|--------------------------------|
| Brazilian Real            | 5,976                     | 2,331,104                     | –                              | 2,337,080                      |
| Hong Kong Dollar          | (125,094)                 | 18,399,849                    | 148,026                        | 18,422,781                     |
| Hungarian Forint          | –                         | 510,728                       | –                              | 510,728                        |
| Polish Zloty              | 4,928                     | –                             | –                              | 4,928                          |
| Pound Sterling            | 176,086                   | 1,054,186                     | (176,086)                      | 1,054,186                      |
| South African Rand        | 376,569                   | 1,616,593                     | (376,344)                      | 1,616,818                      |
| South Korean Won          | –                         | 4,514,696                     | –                              | 4,514,696                      |
| Taiwan Dollar             | 38,678                    | 10,017,910                    | –                              | 10,056,588                     |
| Thailand Baht             | –                         | 1,072,242                     | –                              | 1,072,242                      |
| Turkish Yen               | –                         | 715,088                       | –                              | 715,088                        |
| UAE Dirham                | (156,443)                 | 1,449,989                     | 156,443                        | 1,449,989                      |
| U.S. Dollar               | 1,107,160                 | 10,170,811                    | 241,151                        | 11,519,122                     |
|                           | <b>1,427,860</b>          | <b>51,853,196</b>             | <b>(6,810)</b>                 | <b>53,274,246</b>              |

**Origin Global Equity Fund**

| Foreign Currency Exposure | Monetary<br>Assets<br>USD | Non-Monetary<br>Assets<br>USD | Forward FX<br>Contracts<br>USD | Net Financial<br>Assets<br>USD |
|---------------------------|---------------------------|-------------------------------|--------------------------------|--------------------------------|
| Australian Dollar         | –                         | 74,836                        | –                              | 74,836                         |
| Brazilian Real            | 357                       | 88,270                        | –                              | 88,627                         |
| Canadian Dollar           | –                         | 391,514                       | –                              | 391,514                        |
| Danish Krone              | –                         | 174,324                       | –                              | 174,324                        |
| Euro                      | –                         | 829,193                       | –                              | 829,193                        |
| Hong Kong Dollar          | (21,993)                  | 885,934                       | 23,366                         | 887,307                        |
| Japanese Yen              | 83,840                    | 1,567,923                     | (72,458)                       | 1,579,305                      |
| Norwegian Krone           | –                         | 186,368                       | –                              | 186,368                        |
| Pound Sterling            | 129,401                   | 1,116,812                     | (128,740)                      | 1,117,473                      |
| South Korean Won          | –                         | 122,290                       | –                              | 122,290                        |
| Swedish Krona             | –                         | 177,268                       | –                              | 177,268                        |
| Taiwan Dollar             | 1,883                     | 718,733                       | –                              | 720,616                        |
| U.S. Dollar               | 81,943                    | 8,844,795                     | 177,368                        | 9,104,106                      |
|                           | <b>275,431</b>            | <b>15,178,260</b>             | <b>(464)</b>                   | <b>15,453,227</b>              |

**PRINCIPAL GLOBAL INVESTORS FUNDS**  
**NOTES TO THE ANNUAL REPORT AND FINANCIAL STATEMENTS**  
for the year ended 30 September 2016 (continued)

**11. FINANCIAL RISK MANAGEMENT (continued)**

**Currency Risk (continued)**

**As at 30 September 2015 (continued)**

**Origin Global Smaller Companies Fund**

| Foreign Currency Exposure | Monetary         | Non-Monetary      | Forward FX       | Net Financial     |
|---------------------------|------------------|-------------------|------------------|-------------------|
|                           | Assets<br>USD    | Assets<br>USD     | Contracts<br>USD | Assets<br>USD     |
| Australian Dollar         | 155,569          | 138,605           | (154,245)        | 139,929           |
| Brazilian Real            | 459              | 185,252           | –                | 185,711           |
| Canadian Dollar           | (127,890)        | 662,476           | 127,890          | 662,476           |
| Euro                      | (189,033)        | 3,120,873         | 58,659           | 2,990,499         |
| Hong Kong Dollar          | 41,389           | 2,485,738         | (37,113)         | 2,490,014         |
| Japanese Yen              | 29,558           | 3,919,738         | (13,017)         | 3,936,279         |
| Malaysian Ringgit         | (131,573)        | 135,731           | –                | 4,158             |
| Norwegian Krone           | –                | 551,899           | –                | 551,899           |
| Polish Zloty              | –                | 159,537           | –                | 159,537           |
| Pound Sterling            | 373,250          | 3,113,543         | (496,869)        | 2,989,924         |
| South Korean Won          | –                | 1,938,921         | –                | 1,938,921         |
| Swedish Krona             | –                | 217,936           | –                | 217,936           |
| Swiss Franc               | (133,978)        | 838,991           | 133,978          | 838,991           |
| Taiwan Dollar             | 23,346           | 2,607,853         | –                | 2,631,199         |
| Thailand Baht             | 335,360          | 423,673           | –                | 759,033           |
| Turkish Yeni              | 87,851           | 332,410           | (87,852)         | 332,409           |
| U.S. Dollar               | 1,634,612        | 12,444,001        | 463,736          | 14,542,349        |
|                           | <b>2,098,920</b> | <b>33,277,177</b> | <b>(4,833)</b>   | <b>35,371,264</b> |

**Long/Short Global Opportunities Equity Fund**

| Foreign Currency Exposure | Monetary       | Non-Monetary     | Forward FX       | Net Financial    |
|---------------------------|----------------|------------------|------------------|------------------|
|                           | Assets<br>USD  | Assets<br>USD    | Contracts<br>USD | Assets<br>USD    |
| Canadian Dollar           | –              | 226,120          | (320)            | 225,800          |
| Danish Krone              | –              | 124,424          | –                | 124,424          |
| Euro                      | –              | 676,989          | –                | 676,989          |
| Hong Kong Dollar          | –              | 42,983           | –                | 42,983           |
| Japanese Yen              | 24,497         | 609,256          | (20,316)         | 613,437          |
| Mexican Peso              | –              | 39,058           | –                | 39,058           |
| Pound Sterling            | 3,129          | 556,363          | (3,080)          | 556,412          |
| South Korean Won          | –              | 48,781           | –                | 48,781           |
| Swedish Krona             | –              | 73,802           | –                | 73,802           |
| Swiss Franc               | –              | 362,866          | –                | 362,866          |
| Taiwan Dollar             | –              | 48,297           | –                | 48,297           |
| U.S. Dollar               | 354,247        | 4,517,789        | 23,746           | 4,895,782        |
|                           | <b>381,873</b> | <b>7,326,728</b> | <b>30</b>        | <b>7,708,631</b> |

**PRINCIPAL GLOBAL INVESTORS FUNDS**  
**NOTES TO THE ANNUAL REPORT AND FINANCIAL STATEMENTS**  
for the year ended 30 September 2016 (continued)

**11. FINANCIAL RISK MANAGEMENT (continued)**

**Currency Risk (continued)**

**As at 30 September 2015 (continued)**

**Claritas Latin American Equity Fund**

| Foreign Currency Exposure | Monetary<br>Assets<br>USD | Non-Monetary<br>Assets<br>USD | Forward FX<br>Contracts<br>USD | Net Financial<br>Assets<br>USD |
|---------------------------|---------------------------|-------------------------------|--------------------------------|--------------------------------|
| Brazilian Real            | 38,649                    | 4,983,684                     | –                              | 5,022,333                      |
| Chilean Peso              | 70                        | 1,029,286                     | –                              | 1,029,356                      |
| Colombian Peso            | 1,085                     | 447,246                       | –                              | 448,331                        |
| Mexican Peso              | 44,406                    | 4,366,865                     | –                              | 4,411,271                      |
| U.S. Dollar               | 208,035                   | 376,527                       | –                              | 584,562                        |
|                           | <b>292,245</b>            | <b>11,203,608</b>             | <b>–</b>                       | <b>11,495,853</b>              |

**Finisterre Emerging Market Debt Fund**

| Foreign Currency Exposure | Monetary<br>Assets<br>USD | Non-Monetary<br>Assets<br>USD | Forward FX<br>Contracts<br>USD | Net Financial<br>Assets<br>USD |
|---------------------------|---------------------------|-------------------------------|--------------------------------|--------------------------------|
| Australian Dollar         | 320                       | –                             | –                              | 320                            |
| Brazilian Real            | –                         | –                             | 570,981                        | 570,981                        |
| Canadian Dollar           | (348)                     | –                             | –                              | (348)                          |
| Chinese Renminbi          | 1,401                     | 281,556                       | (23,135,501)                   | (22,852,544)                   |
| Colombian Peso            | –                         | –                             | (200,048)                      | (200,048)                      |
| Czech Krone               | (1,882)                   | 66,887,940                    | (67,322,742)                   | (436,684)                      |
| Euro                      | 1,787,388                 | 126,955,639                   | 261,316,477                    | 390,059,504                    |
| Hong Kong Dollar          | –                         | –                             | (60,590)                       | (60,590)                       |
| Hungarian Forint          | 698,867                   | 8,987,677                     | (9,273,198)                    | 413,346                        |
| Indian Rupee              | –                         | –                             | 4,105                          | 4,105                          |
| Indonesian Rupiah         | –                         | –                             | (4,949)                        | (4,949)                        |
| Israeli Shekel            | 36,818                    | 10,589,137                    | (10,717,381)                   | (91,426)                       |
| Japanese Yen              | –                         | –                             | 20,003,922                     | 20,003,922                     |
| Malaysian Ringgit         | –                         | –                             | 10,665,441                     | 10,665,441                     |
| Mexican Peso              | 40                        | –                             | (19,887)                       | (19,847)                       |
| Omani Rial                | –                         | –                             | (9,920,079)                    | (9,920,079)                    |
| Philippines Peso          | –                         | –                             | 329,922                        | 329,922                        |
| Polish Zloty              | 397,362                   | 51,205,371                    | (62,774,174)                   | (11,171,441)                   |
| Pound Sterling            | 352,666                   | –                             | 43,008                         | 395,674                        |
| Saudi Riyal               | –                         | –                             | (19,904,605)                   | (19,904,605)                   |
| Singapore Dollar          | (240,109)                 | (130,896)                     | (9,815,155)                    | (10,186,160)                   |
| South African Rand        | (4,760)                   | –                             | (7,029,658)                    | (7,034,418)                    |
| South Korean Won          | –                         | –                             | (9,940,683)                    | (9,940,683)                    |
| Swiss Franc               | –                         | –                             | 9,692                          | 9,692                          |
| Thailand Baht             | 114,398                   | (26,098)                      | 74,316                         | 162,616                        |
| Turkish Yen               | (10)                      | –                             | (197,121)                      | (197,131)                      |
| U.S. Dollar               | 75,955,641                | 110,083,473                   | (53,489,016)                   | 132,550,098                    |
|                           | <b>79,097,792</b>         | <b>374,833,799</b>            | <b>9,213,077</b>               | <b>463,144,668</b>             |

**PRINCIPAL GLOBAL INVESTORS FUNDS**  
**NOTES TO THE ANNUAL REPORT AND FINANCIAL STATEMENTS**  
for the year ended 30 September 2016 (continued)

**11. FINANCIAL RISK MANAGEMENT (continued)**

**Currency Risk (continued)**

**As at 30 September 2015 (continued)**

**Spectrum Global Capital Securities Fund\***

| Foreign Currency Exposure | Monetary<br>Assets<br>USD | Non-Monetary<br>Assets<br>USD | Forward FX<br>Contracts<br>USD | Net Financial<br>Assets<br>USD |
|---------------------------|---------------------------|-------------------------------|--------------------------------|--------------------------------|
| Euro                      | 188,608                   | 2,870,820                     | 7,535,896                      | 10,595,324                     |
| Pound Sterling            | 64,179                    | 846,689                       | (928,021)                      | (17,153)                       |
| U.S. Dollar               | 590,517                   | 16,637,148                    | (6,559,192)                    | 10,668,473                     |
|                           | <b>843,304</b>            | <b>20,354,657</b>             | <b>48,683</b>                  | <b>21,246,644</b>              |

**Global Short Duration High Yield Fund\*\***

| Foreign Currency Exposure | Monetary<br>Assets<br>USD | Non-Monetary<br>Assets<br>USD | Forward FX<br>Contracts<br>USD | Net Financial<br>Assets<br>USD |
|---------------------------|---------------------------|-------------------------------|--------------------------------|--------------------------------|
| Euro                      | 190,208                   | 337,063                       | (530,133)                      | (2,862)                        |
| U.S. Dollar               | 594,703                   | 7,498,635                     | 530,117                        | 8,623,455                      |
|                           | <b>784,911</b>            | <b>7,835,698</b>              | <b>(16)</b>                    | <b>8,620,593</b>               |

**Global Capital Structure Opportunities Fund\*\*\***

| Foreign Currency Exposure | Monetary<br>Assets<br>USD | Non-Monetary<br>Assets<br>USD | Forward FX<br>Contracts<br>USD | Net Financial<br>Assets<br>USD |
|---------------------------|---------------------------|-------------------------------|--------------------------------|--------------------------------|
| Euro                      | –                         | –                             | (962)                          | (962)                          |
| U.S. Dollar               | 905,512                   | 9,329,020                     | 959                            | 10,235,491                     |
|                           | <b>905,512</b>            | <b>9,329,020</b>              | <b>(3)</b>                     | <b>10,234,529</b>              |

**Global Credit Alpha Fund\*\*\*\***

| Foreign Currency Exposure | Monetary<br>Assets<br>USD | Non-Monetary<br>Assets<br>USD | Forward FX<br>Contracts<br>USD | Net Financial<br>Assets<br>USD |
|---------------------------|---------------------------|-------------------------------|--------------------------------|--------------------------------|
| Euro                      | 84                        | –                             | (663)                          | (579)                          |
| U.S. Dollar               | 509,422                   | 7,406,871                     | 662                            | 7,916,955                      |
|                           | <b>509,506</b>            | <b>7,406,871</b>              | <b>(1)</b>                     | <b>7,916,376</b>               |

\*Spectrum Global Capital Securities Fund launched on 30 October 2014.

\*\*Global Short Duration High Yield Fund launched on 10 December 2014.

\*\*\*Global Capital Structure Opportunities Fund launched on 11 December 2014.

\*\*\*\*Global Credit Alpha Fund commenced operations under the PGIF umbrella on 23 June 2015.

**PRINCIPAL GLOBAL INVESTORS FUNDS**  
**NOTES TO THE ANNUAL REPORT AND FINANCIAL STATEMENTS**  
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**11. FINANCIAL RISK MANAGEMENT (continued)**

**Currency Sensitivity Analysis**

The table below details the approximate increase or decrease in Net Assets Attributable to Redeemable Participating Unitholders had the exchange rate between the base currency of the relevant Fund and the relevant foreign currency increased by 5% (or 10% for emerging market currencies), for forward foreign currency exchange contracts the 5% (or 10% for emerging market currencies) has been applied to the contract price. The Investment Adviser considers this movement to be reasonable.

Emerging market countries are those that have low or middle per capita income as determined by the World Bank for at least two consecutive years based on data lagging one year, or those countries that either had restructured external/local debt during the past 10 years or currently have restructured external/local debt outstanding. Investments denominated in emerging market currencies may experience more volatility, can be subject to significant depreciation and may not be freely convertible.

| Funds  | As at 30 September 2016 |            |             | As at 30 September 2015 |            |             |
|--|-------------------------|------------|-------------|-------------------------|------------|-------------|
|  | Monetary                | Non-       | Forward FX  | Monetary                | Non-       | Forward FX  |
|  | Assets                  | Assets     | Contracts   | Assets                  | Assets     | Contracts   |
|  | USD                     | USD        | USD         | USD                     | USD        | USD         |
| Global Equity Fund                           | (9,326)                 | 1,331,418  | (257)       | 11,164                  | 1,057,953  | (7,811)     |
| Asian Equity Fund                            | 5,103                   | 737,878    | 1,306       | (10,351)                | 721,160    | 549         |
| European Equity Fund                         | 45,220                  | 4,992,376  | (41,051)    | 39,304                  | 5,005,871  | (11,209)    |
| Emerging Markets Equity Fund                 | 5,469                   | 615,396    | (1,114)     | 3,330                   | 778,548    | (1,587)     |
| Japanese Equity Fund                         | 12,624                  | 1,510,493  | (163)       | (868)                   | 1,021,684  | 8,923       |
| Preferred Securities Fund                    | 85,779                  | 2,437,920  | 36,254,788  | 60,451                  | 1,858,923  | 18,930,773  |
| U.S. Equity Fund                             | (4,027)                 | –          | 5,748       | 87                      | –          | (87)        |
| High Yield Fund                              | 63,830                  | 1,641,227  | 1,129,522   | 48,302                  | 1,248,793  | 372,544     |
| Global Property Securities Fund              | 15,163                  | 4,253,560  | (32,775)    | (168,676)               | 2,148,716  | 220,135     |
| Global Equity (ex-Japan) Fund                | 1,757                   | 1,173,106  | (161)       | 11,101                  | 1,086,061  | (8,588)     |
| Post Global Limited Term High Yield Fund     | (203)                   | –          | 37,814,701  | 4,410                   | 139,704    | 23,320,251  |
| Global Time Diversified Absolute Return Fund | 140                     | –          | (95,256)    | –                       | –          | 57,273      |
| EDGE Small/Mid-Cap Equity Income Fund*       | 32                      | –          | –           | 36                      | 4,968      | –           |
| Global Small Cap Equity Fund                 | 5,165                   | 509,641    | (4,433)     | 1,937                   | 604,822    | (127)       |
| Origin Global Emerging Markets Fund          | 16,480                  | 7,564,839  | (2,544)     | 23,266                  | 4,115,529  | (15,992)    |
| Origin Global Equity Fund                    | 1,215                   | 444,628    | –           | 8,687                   | 407,435    | (7,723)     |
| Origin Global Smaller Companies Fund         | (71,396)                | 2,694,113  | 6,530       | 41,057                  | 1,455,115  | (29,677)    |
| Long/Short Global Opportunities Equity Fund  | (1,713)                 | 190,176    | (36)        | 1,381                   | 149,403    | (1,186)     |
| Claritas Latin American Equity Fund          | 11,307                  | 1,157,078  | –           | 8,421                   | 1,082,708  | –           |
| Finisterre Emerging Market Debt Fund         | 1,580,245               | 11,712,160 | (3,616,720) | 109,057                 | 20,117,061 | (7,798,446) |
| Spectrum Global Capital Securities Fund      | 14,797                  | 157,776    | 507,432     | 12,639                  | 185,875    | 330,394     |
| Global Short Duration High Yield Fund**      | –                       | –          | –           | 9,510                   | 16,853     | (26,507)    |
| Global Capital Structure Opportunities Fund  | (122)                   | –          | (187)       | –                       | –          | (48)        |
| Global Credit Alpha Fund                     | 964                     | –          | (1,291)     | 4                       | –          | (33)        |
| Real Estate Debt Fund***                     | –                       | –          | –           | –                       | –          | –           |

\*EDGE Small/Mid-Cap Equity Income Fund terminated on 31 May 2016.

\*\*Global Short Duration High Yield Fund terminated on 1 July 2016.

\*\*\*Real Estate Debt Fund launched on 21 March 2016.

**PRINCIPAL GLOBAL INVESTORS FUNDS**  
**NOTES TO THE ANNUAL REPORT AND FINANCIAL STATEMENTS**  
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**11. FINANCIAL RISK MANAGEMENT (continued)**

**Depository Risk**

The Trust's Depository is the Bank of New York Mellon Trust Company (Ireland) Limited ("the Depository"). Substantially all of the Cash at Bank and investments in debt securities of the Trust are held by the Depository. The Trust is exposed to credit risk through the use of the Depository for their cash and investments. Bankruptcy or insolvency of the Depository may cause the Trust's rights with respect to its cash and investments in debt securities held by the Depository to be delayed or limited. The maximum exposure to this risk at 30 September 2016 and 30 September 2015 is the amount of Cash at Bank disclosed in Note 4 and the investments in securities, liquidity instruments and forward foreign currency exchange contracts disclosed in the relevant Funds' Portfolio of Investments.

To mitigate the risks the Trust is exposed to from the use of the Depository, the Manager employs appropriate procedures to ensure that the counterparties are reputable institutions and that the credit risk is acceptable to the Trust. The Trust only transacts with Depository's that are regulated entities subject to prudential supervision, or with high credit-ratings assigned by international credit-rating agencies. In addition, the Trust's non-cash assets are maintained by the Depository in segregated accounts. Thus in the event of insolvency or bankruptcy of the Depository the Trust's non-cash assets are segregated and protected and this further reduces counterparty risk. The Trust will, however, be exposed to the credit risk of the Depository or counterparty/Sub-Custodian used by the Depository, in relation to the Trust's Cash at Bank held by the Depository. In the event of the insolvency or bankruptcy of the Depository, the Trust will be treated as a general creditor of the Depository in relation to cash holdings of the Trust. To mitigate these risks the Investment Adviser ensures that the Trust transacts only with Depository's that are regulated entities subject to prudential supervision or with high credit-ratings assigned by international credit-rating agencies.

**Credit Risk**

The Funds will be exposed to credit risk, which is the risk that a counterparty or issuer will be unable to pay amounts in full when due. Impairment provisions are provided for losses that have been incurred by the Statement of Financial Position date, if any. The carrying amount of financial assets best represents its maximum exposure to credit risk at the reporting date.

The Funds' main credit risk concentrations arise from trading equity and debt securities and FDIs in addition to Cash at Bank balances held at the Depository, Trustee and other counterparties. The Funds' Prospectus lists various investment restrictions with regard to issuer and counterparty concentration limits.

All transactions in listed securities are settled/paid for upon delivery using approved brokers. The risk of default is considered minimal, as delivery of securities sold is only made once the broker has received payment. Payment is made on a purchase once the securities have been received by the broker. The trade will fail if either party fails to meet their obligation.

Interest Rate Swaps may be traded bilaterally between a Fund and a counterparty or centrally cleared through a central counterparty clearing house ("CCP"). The Funds that engage in swaps trading bilaterally restrict their exposure to credit losses on the trading of derivative instruments held by entering into master netting arrangements with counterparties. Netting arrangements do not result in an offset of Statement of Financial Position assets and liabilities, as transactions are usually disclosed on a gross basis and settled on a net basis. However, the credit risk associated with favourable contracts is reduced by a netting arrangement to the extent that if an event of default occurs, all amounts with the counterparty are terminated and settled on a net basis. The Funds that engage in swaps trading through a CCP restrict their exposure to credit losses on the trading of derivative instruments held by entering into master netting arrangements with the CCP. The CCPs at the 30 September 2016 are Barclays, Citigroup, Goldman Sachs and HSBC.

The Investment Adviser may utilise over-the-counter and exchange traded derivatives. Derivatives traded on exchanges will usually be supported by daily margin calls and therefore not carry the same degree of counterparty risk.

The Investment Adviser may use Futures and Options as part of its investment strategy. The Funds' ability to use these strategies may be limited by market conditions, regulatory requirements and tax considerations.

As part of its investing in derivatives the Funds may pledge or receive collateral. This collateral can be pledged or received either in the form of cash and cash equivalents or securities. There is a risk that the value of such collateral may fall below the value of the underlying derivatives. In addition, as the Funds may invest in Cash Collateral received, subject to conditions, the Funds may be exposed to the risk associated with such investments, such as failure or default of the issuer of the relevant security.



**PRINCIPAL GLOBAL INVESTORS FUNDS**  
**NOTES TO THE ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**for the year ended 30 September 2016 (continued)**

**11. FINANCIAL RISK MANAGEMENT (continued)**

**Credit Risk (continued)**

The prices of all derivative instruments, including Futures, Forward Foreign Currency Exchange Contracts, Options, Interest Rate Swaps, Credit Default Swaps, Cross Currency Swaps and Total Return Swaps are highly volatile. The Fund is also subject to the risk of the failure of any of the exchanges on which the open exchange traded Futures Contracts are traded and backed by the exchange. Margin Cash Receivable/Payable consists primarily of cash receivable/payable from the Trust's clearing broker. Derivative instruments held with counterparties are held on an unsecured basis.

The counterparties for the various investments held by the Funds are listed below along with their credit rating at 30 September 2016:

| Financial Instrument Type                          | Counterparty                                | Credit Rating at 30 September 2016 |
|--|---|------------------------------------|
| <b>Forward Foreign Currency Exchange Contracts</b> | Bank of America Merrill Lynch               | BBB+                               |
|  | Barclays                                    | BBB                                |
|  | Citigroup                                   | BBB+                               |
|  | Credit Suisse                               | BBB+                               |
|  | Deutsche Bank                               | BBB+                               |
|  | Goldman Sachs                               | BBB+                               |
|  | HSBC  | A                                  |
|  | JP Morgan Chase & Co                        | A-                                 |
|  | Royal Bank of Canada                        | AA-                                |
|  | Societe Generale                            | A                                  |
|  | Standard Bank                               | BBB-                               |
|  | Standard Chartered                          | BBB+                               |
|  | State Street Global Markets                 | A                                  |
|  | The Australia and New Zealand Banking Group | AA-                                |
| The Bank of New York Mellon                        | A   |                                    |
| UBS  | A-  |                                    |
| <b>Spot Currency Contracts</b>                     | Citigroup                                   | BBB+                               |
|  | Deutsche Bank                               | BBB+                               |
|  | JP Morgan Chase & Co                        | A-                                 |
|  | Standard Bank                               | BBB-                               |
|  | State Street Global Markets                 | A                                  |
|  | The Bank of New York Mellon                 | A                                  |
| <b>Forward Rate Agreements</b>                     | Barclays                                    | BBB                                |
| <b>Futures Contracts</b>                           | Citigroup                                   | BBB+                               |
|  | JP Morgan Chase & Co                        | A-                                 |
|  | Morgan Stanley                              | BBB+                               |
| <b>Option Contracts</b>                            | Barclays                                    | BBB                                |
|  | Citigroup                                   | BBB+                               |
|  | Goldman Sachs                               | BBB+                               |
|  | Morgan Stanley                              | BBB+                               |
|  | Royal Bank of Canada                        | AA-                                |
|  | SEB   | A+                                 |
| The Australia and New Zealand Banking Group        | AA-   |                                    |

**PRINCIPAL GLOBAL INVESTORS FUNDS**  
**NOTES TO THE ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**for the year ended 30 September 2016 (continued)**

**11. FINANCIAL RISK MANAGEMENT (continued)**

**Credit Risk (continued)**

| Financial Instrument Type | Counterparty                  | Credit Rating at 30 September 2016 |
|---------------------------|-------------------------------|------------------------------------|
| <b>Swap Contracts</b>     | Bank of America Merrill Lynch | BBB+                               |
|                           | Barclays                      | BBB                                |
|                           | BNP Paribas                   | A                                  |
|                           | Citigroup                     | BBB+                               |
|                           | Deutsche Bank                 | BBB+                               |
|                           | Goldman Sachs                 | BBB+                               |
|                           | HSBC                          | A                                  |
|                           | JP Morgan Chase & Co          | A-                                 |
|                           | Morgan Stanley                | BBB+                               |
|                           | Nomura                        | BBB+                               |
| Societe Generale          | A                             |                                    |

There were no assets held by the Funds with counterparties that were past due or impaired at 30 September 2016 or 30 September 2015.

The Funds reduce issuer risk by having investment restrictions in place and subjecting issuers to a selection process that includes a review of their rating.

The Funds' exposure and the credit quality of financial assets invested in are continuously monitored by the Investment Adviser.

**PRINCIPAL GLOBAL INVESTORS FUNDS**  
**NOTES TO THE ANNUAL REPORT AND FINANCIAL STATEMENTS**  
for the year ended 30 September 2016 (continued)

**11. FINANCIAL RISK MANAGEMENT (continued)**

**Credit Risk (continued)**

The Preferred Securities Fund, High Yield Fund, Post Global Limited Term High Yield Fund, Global Time Diversified Absolute Return Fund, Finisterre Emerging Market Debt Fund, Spectrum Global Capital Securities Fund, Global Capital Structure Opportunities Fund, Global Credit Alpha Fund and Real Estate Debt Fund had the following exposure to counterparty and issuer credit risk at 30 September 2016. The Global Short Duration High Yield Fund terminated on 1 July 2016.

|   |                 |   |                 |   |                 |
|---|-----------------|---|-----------------|---|-----------------|
| <b>Preferred Securities Fund</b>                    |                 | <b>High Yield Fund</b>                      |                 | <b>Post Global Limited Term High Yield Fund</b> |                 |
| <b>Credit Rating</b>                                | <b>Rating %</b> | <b>Credit Rating</b>                        | <b>Rating %</b> | <b>Credit Rating</b>                            | <b>Rating %</b> |
| A   | 9.76%           | A   | 0.01%           | B   | 26.82%          |
| AA  | 1.25%           | B   | 41.02%          | BB  | 49.98%          |
| B   | 3.94%           | BB  | 34.87%          | BBB   | 11.58%          |
| BB  | 19.60%          | BBB   | 6.20%           | CCC   | 8.00%           |
| BBB   | 60.27%          | CC  | 0.51%           | NR  | 2.82%           |
| NR  | 0.30%           | CCC   | 8.22%           | <b>Total Portfolio</b>                          | <b>99.20%</b>   |
| <b>Total Portfolio</b>                              | <b>95.12%</b>   | D   | 0.13%           |   |                 |
|   |                 | NR  | 3.19%           |   |                 |
|   |                 | <b>Total Portfolio</b>                      | <b>94.15%</b>   |   |                 |
| <b>Global Time Diversified Absolute Return Fund</b> |                 | <b>Finisterre Emerging Market Debt Fund</b> |                 | <b>Spectrum Global Capital Securities Fund</b>  |                 |
| <b>Credit Rating</b>                                | <b>Rating %</b> | <b>Credit Rating</b>                        | <b>Rating %</b> | <b>Credit Rating</b>                            | <b>Rating %</b> |
| NR  | 86.11%          | A   | 6.74%           | A   | 12.21%          |
| <b>Total Portfolio</b>                              | <b>86.11%</b>   | B   | 4.10%           | B   | 16.04%          |
|   |                 | BB  | 12.10%          | BB  | 36.08%          |
|   |                 | BBB   | 17.65%          | BBB   | 30.24%          |
|   |                 | CC  | 0.54%           | NR  | 1.71%           |
|   |                 | CCC   | 0.51%           | <b>Total Portfolio</b>                          | <b>96.28%</b>   |
|   |                 | NR  | 34.26%          |   |                 |
|   |                 | <b>Total Portfolio</b>                      | <b>75.90%</b>   |   |                 |
| <b>Global Capital Structure Opportunities Fund</b>  |                 | <b>Global Credit Alpha Fund</b>             |                 | <b>Real Estate Debt Fund*</b>                   |                 |
| <b>Credit Rating</b>                                | <b>Rating %</b> | <b>Credit Rating</b>                        | <b>Rating %</b> | <b>Credit Rating</b>                            | <b>Rating %</b> |
| A   | 13.45%          | A   | 4.17%           | A   | 4.70%           |
| B   | 4.83%           | AA  | 1.89%           | B   | 6.23%           |
| BB  | 10.01%          | B   | 31.57%          | D   | 4.46%           |
| BBB   | 64.75%          | BB  | 13.48%          | NR  | 84.19%          |
| NR  | 3.42%           | BBB   | 17.26%          | <b>Total Portfolio</b>                          | <b>99.58%</b>   |
| <b>Total Portfolio</b>                              | <b>96.46%</b>   | CCC   | 7.34%           |   |                 |
|   |                 | NR  | 17.89%          |   |                 |
|   |                 | <b>Total Portfolio</b>                      | <b>93.60%</b>   |   |                 |

\*Real Estate Debt Fund launched on 21 March 2016.  
These ratings are based on the Standard & Poors, Moodys and Fitch bond rating services.

**PRINCIPAL GLOBAL INVESTORS FUNDS**  
**NOTES TO THE ANNUAL REPORT AND FINANCIAL STATEMENTS**  
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**11. FINANCIAL RISK MANAGEMENT (continued)**

**Credit Risk (continued)**

The Preferred Securities Fund, High Yield Fund, Post Global Limited Term High Yield Fund, Global Time Diversified Absolute Return Fund, Finisterre Emerging Market Debt Fund, Spectrum Global Capital Securities Fund, Global Short Duration High Yield Fund, Global Capital Structure Opportunities Fund and Global Credit Alpha Fund had the following exposure to counterparty and issuer credit risk at 30 September 2015:

| <b>Preferred Securities Fund</b> |                 |
|----------------------------------|-----------------|
| <b>Credit Rating</b>             | <b>Rating %</b> |
| A                                | 11.44%          |
| AA                               | 1.47%           |
| B                                | 2.68%           |
| BB                               | 21.41%          |
| BBB                              | 57.89%          |
| NR                               | 0.34%           |
| <b>Total Portfolio</b>           | <b>95.23%</b>   |

| <b>High Yield Fund</b> |                 |
|------------------------|-----------------|
| <b>Credit Rating</b>   | <b>Rating %</b> |
| A                      | 0.02%           |
| B                      | 37.96%          |
| BB                     | 37.22%          |
| BBB                    | 4.86%           |
| CC                     | 0.03%           |
| CCC                    | 15.56%          |
| D                      | 0.19%           |
| NR                     | 0.50%           |
| <b>Total Portfolio</b> | <b>96.34%</b>   |

| <b>Post Global Limited Term High Yield Fund</b> |                 |
|---|-----------------|
| <b>Credit Rating</b>                            | <b>Rating %</b> |
| B   | 36.10%          |
| BB  | 41.28%          |
| BBB   | 8.69%           |
| CCC   | 4.13%           |
| NR  | 2.39%           |
| <b>Total Portfolio</b>                          | <b>92.59%</b>   |

| <b>Global Time Diversified Absolute Return Fund</b> |                 |
|---|-----------------|
| <b>Credit Rating</b>                                | <b>Rating %</b> |
| AA  | 93.60%          |
| <b>Total Portfolio</b>                              | <b>93.60%</b>   |

| <b>Finisterre Emerging Market Debt Fund</b> |                 |
|---|-----------------|
| <b>Credit Rating</b>                        | <b>Rating %</b> |
| A   | 35.15%          |
| AA  | 30.82%          |
| B   | 0.46%           |
| BB  | 2.30%           |
| BBB   | 0.62%           |
| CCC   | 0.31%           |
| NR  | 1.18%           |
| <b>Total Portfolio</b>                      | <b>70.84%</b>   |

| <b>Spectrum Global Capital Securities Fund*</b> |                 |
|---|-----------------|
| <b>Credit Rating</b>                            | <b>Rating %</b> |
| A   | 4.47%           |
| AA  | 2.01%           |
| B   | 13.38%          |
| BB  | 48.89%          |
| BBB   | 19.32%          |
| NR  | 6.91%           |
| <b>Total Portfolio</b>                          | <b>94.98%</b>   |

| <b>Global Short Duration High Yield Fund**</b> |                 |
|--|-----------------|
| <b>Credit Rating</b>                           | <b>Rating %</b> |
| B  | 38.19%          |
| BB   | 38.48%          |
| BBB  | 2.87%           |
| CCC  | 11.36%          |
| <b>Total Portfolio</b>                         | <b>90.90%</b>   |

| <b>Global Capital Structure Opportunities Fund***</b> |                 |
|---|-----------------|
| <b>Credit Rating</b>                                  | <b>Rating %</b> |
| A   | 9.78%           |
| B   | 5.76%           |
| BB  | 12.11%          |
| BBB   | 63.50%          |
| <b>Total Portfolio</b>                                | <b>91.15%</b>   |

| <b>Global Credit Alpha Fund****</b> |                 |
|-------------------------------------|-----------------|
| <b>Credit Rating</b>                | <b>Rating %</b> |
| B                                   | 32.89%          |
| BB                                  | 28.92%          |
| BBB                                 | 14.02%          |
| CCC                                 | 14.65%          |
| D                                   | 0.63%           |
| NR                                  | 2.02%           |
| <b>Total Portfolio</b>              | <b>93.13%</b>   |

\*Spectrum Global Capital Securities Fund launched on 30 October 2014.

\*\*Global Short Duration High Yield Fund launched on 10 December 2014 and terminated on 1 July 2016.

\*\*\*Global Capital Structure Opportunities Fund launched on 11 December 2014.

\*\*\*\*Global Credit Alpha Fund commenced operations under the PGIF umbrella on 23 June 2015.

These ratings are based on the Standard & Poors, Moodys and Fitch bond rating services.

**PRINCIPAL GLOBAL INVESTORS FUNDS**  
**NOTES TO THE ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**for the year ended 30 September 2016 (continued)**

**11. FINANCIAL RISK MANAGEMENT (continued)**

**Liquidity Risk**

Liquidity risk is the risk that the Funds will experience difficulty in either realising assets or otherwise raising sufficient funds to satisfy commitments associated with financial instruments. This arises when trading volume, lack of a market maker or legal restrictions impair the Funds' ability to sell particular securities at an advantageous time or price.

The Funds, with the exception of the Post Global Limited Term High Yield Fund which is exposed to bi-monthly cash redemptions and the Finisterre Emerging Market Debt Fund and the Global Time Diversified Absolute Return Fund which are exposed to weekly redemptions, are exposed to daily cash redemptions by Unitholders. Therefore, the Funds invest the majority of their assets in investments that are traded in an active market and can be readily disposed of; only a limited proportion of the assets are invested in assets not actively traded on a stock exchange. In addition, the Funds may restrict redemptions and have the ability to borrow in the short term to ensure settlement.

The Investment Adviser monitors the Funds' liquidity positions on a daily basis.

As at 30 September 2016 and 30 September 2015, all of the Funds' financial liabilities and all of the Funds' FDIs were due or settled within 1 month of the Statement of Financial Position date with the exception of the following:

- Audit Fees Payable which will be due or settled within 3 months to 1 year of the Statement of Financial Position date. These fees payable are detailed on each individual Fund's Statement of Financial Position as at 30 September 2016 on pages 100 to 105 and as at 30 September 2015 on pages 106 to 111.
- Open Forward Foreign Exchange Contracts which will be due or settled within 1 month to 3 months of the Statement of Financial Position date on High Yield Fund (see page 58) and Global Time Diversified Absolute Return Fund (see page 66), and for periods within 1 month to 3 months, 3 months to 1 year, and 1 year to 5 years of the Statement of Financial Position date on Finisterre Emerging Market Debt Fund (see pages 85 to 88).
- Credit Default Swaps which will be due or settled within 1 year to 5 years and over 5 years of the Statement of Financial Position date on Finisterre Emerging Market Debt Fund (see page 90) and for periods within 1 year to 5 years of the Statement of Financial Position date on Global Credit Alpha Fund (see page 99).
- Interest Rate Swaps which will be due or settled up to 1 year, within 1 year to 5 years and over 5 years of the Statement of Financial Position date on Finisterre Emerging Market Debt Fund (see page 91).
- Cross Currency Swaps which will be due or settled within 1 year to 5 years and over 5 years of the Statement of Financial Position date on Finisterre Emerging Market Debt Fund (see page 92).
- Forward Rate Agreements which will be due or settled up to 1 year of the Statement of Financial Position date on Finisterre Emerging Market Debt Fund (see page 92).
- Total Return Swaps which will be due or settled up to 1 year of the Statement of Financial Position date on Global Credit Alpha Fund (see page 99).

**PRINCIPAL GLOBAL INVESTORS FUNDS**  
**NOTES TO THE ANNUAL REPORT AND FINANCIAL STATEMENTS**  
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**11. FINANCIAL RISK MANAGEMENT (continued)**

**Liquidity Risk (continued)**

The following table shows the individual percentage holding, of each registered Unitholder, owning greater than 20% of the units of each class of each Fund.

|   | 30 September 2016   |                    |                    | 30 September 2015  |                    |                    |
|---|---------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
|   | Unitholder %        | Unitholder %       | Unitholder %       | Unitholder %       | Unitholder %       | Unitholder %       |
| <b>Global Equity Fund</b>               |                     |                    |                    |                    |                    |                    |
| A Class Income units                    | 37.21               | –                  | –                  | 35.27              | –                  | –                  |
| A Class Accumulation units              | –                   | –                  | –                  | –                  | –                  | –                  |
| I Class Accumulation units              | 33.60 <sup>1</sup>  | 31.29 <sup>1</sup> | 26.64 <sup>1</sup> | 42.57 <sup>1</sup> | 28.14 <sup>1</sup> | 22.09 <sup>1</sup> |
| F2 Class Accumulation units             | 100.00              | –                  | –                  | –                  | –                  | –                  |
| <b>Asian Equity Fund</b>                |                     |                    |                    |                    |                    |                    |
| A Class Income units                    | 22.97               | –                  | –                  | 21.75              | –                  | –                  |
| A Class Accumulation units              | 43.37               | –                  | –                  | 42.48              | –                  | –                  |
| I Class Accumulation units              | 81.99               | –                  | –                  | 81.79              | –                  | –                  |
| <b>European Equity Fund</b>             |                     |                    |                    |                    |                    |                    |
| A Class Income units                    | 28.92               | –                  | –                  | 27.75              | –                  | –                  |
| A Class Accumulation units              | 64.59               | –                  | –                  | 65.22              | –                  | –                  |
| I Class Accumulation units              | 52.65               | 35.20              | –                  | 43.55              | 39.12              | –                  |
| I Class Accumulation (EUR) units        | 66.86 <sup>1</sup>  | 32.51              | –                  | 74.98 <sup>1</sup> | 24.45              | –                  |
| <b>Emerging Markets Equity Fund</b>     |                     |                    |                    |                    |                    |                    |
| A Class Accumulation units              | 31.18 <sup>1</sup>  | –                  | –                  | –                  | –                  | –                  |
| I Class Accumulation units              | 47.83 <sup>1</sup>  | 32.37 <sup>1</sup> | –                  | 34.50 <sup>1</sup> | 26.39 <sup>1</sup> | 24.48              |
| <b>Japanese Equity Fund</b>             |                     |                    |                    |                    |                    |                    |
| A Class Accumulation units              | 48.89               | 41.52              | –                  | 23.34              | –                  | –                  |
| I Class Accumulation units              | 59.70               | 24.23              | –                  | 53.64              | 26.44              | –                  |
| I Class Accumulation (JPY) units        | 82.54 <sup>1</sup>  | –                  | –                  | 72.55 <sup>1</sup> | 27.45              | –                  |
| F2 Class Accumulation units             | 100.00              | –                  | –                  | –                  | –                  | –                  |
| <b>Preferred Securities Fund</b>        |                     |                    |                    |                    |                    |                    |
| A Class Income units                    | 25.71               | –                  | –                  | 39.55              | –                  | –                  |
| A Class Income (EUR hedged) units       | 53.64               | 25.83              | –                  | –                  | –                  | –                  |
| A Class Income (GBP hedged) units       | 56.08               | 39.47              | –                  | 90.56              | –                  | –                  |
| A Class Accumulation units              | 32.24               | 29.26              | 25.95              | 42.25              | 33.04              | –                  |
| A Class Accumulation (CHF hedged) units | 33.35               | 33.26              | 31.78              | 85.97              | –                  | –                  |
| A Class Accumulation (EUR hedged) units | 43.20               | 20.00              | –                  | 64.75              | –                  | –                  |
| A Class Accumulation (JPY hedged) units | 100.00 <sup>1</sup> | –                  | –                  | –                  | –                  | –                  |
| I Class Income units                    | 30.47               | 21.70              | –                  | 45.31              | 26.49              | –                  |
| I Class Income (EUR hedged) units       | 53.92               | 29.70              | –                  | 68.70              | –                  | –                  |
| I Class Income (GBP hedged) units       | 84.29               | –                  | –                  | 53.85              | 31.24 <sup>1</sup> | –                  |
| I Class Income (JPY hedged) units       | 64.29               | 35.71              | –                  | 50.69              | 49.31              | –                  |
| I Class Accumulation units              | 31.34               | 21.86              | –                  | 34.75              | 25.64              | –                  |
| I Class Accumulation (CHF hedged) units | 84.69               | –                  | –                  | 43.83              | 26.22              | 25.16              |
| I Class Accumulation (EUR hedged) units | 31.63               | –                  | –                  | 44.40              | –                  | –                  |
| I Class Accumulation (JPY hedged) units | 61.49               | 38.51              | –                  | 64.52              | 28.17              | –                  |
| D Class Income units                    | 43.67               | –                  | –                  | 41.08              | –                  | –                  |
| D Class Accumulation units              | 20.77               | –                  | –                  | 21.72              | –                  | –                  |
| D2 Class Income units                   | 84.66               | –                  | –                  | –                  | –                  | –                  |
| F Class Income units                    | 34.38               | –                  | –                  | 42.23              | –                  | –                  |
| F Class Accumulation units              | 39.59               | –                  | –                  | 56.98              | –                  | –                  |
| F2 Class Accumulation units             | 100.00              | –                  | –                  | –                  | –                  | –                  |
| N Class Income units                    | 100.00              | –                  | –                  | –                  | –                  | –                  |
| P Class Income units                    | 99.55               | –                  | –                  | 100.00             | –                  | –                  |
| P Class Accumulation units              | 82.90               | –                  | –                  | 99.77              | –                  | –                  |

<sup>1</sup>Unitholder is a related party fund.

**PRINCIPAL GLOBAL INVESTORS FUNDS**  
**NOTES TO THE ANNUAL REPORT AND FINANCIAL STATEMENTS**  
for the year ended 30 September 2016 (continued)

**11. FINANCIAL RISK MANAGEMENT (continued)**

**Liquidity Risk (continued)**

|   | 30 September 2016   |                    |                 | 30 September 2015   |                    |                 |
|---|---------------------|--------------------|-----------------|---------------------|--------------------|-----------------|
|   | Unitholder<br>%     | Unitholder<br>%    | Unitholder<br>% | Unitholder<br>%     | Unitholder<br>%    | Unitholder<br>% |
| <b>U.S. Equity Fund</b>                             |                     |                    |                 |                     |                    |                 |
| A Class Accumulation units                          | 79.23               | —                  | —               | 62.21               | —                  | —               |
| I Class Accumulation units                          | 53.59               | 32.07              | —               | 44.41               | 31.75              | —               |
| I Class Accumulation (GBP) units                    | 100.00              | —                  | —               | 100.00              | —                  | —               |
| <b>High Yield Fund</b>                              |                     |                    |                 |                     |                    |                 |
| A Class Income units                                | 63.55               | —                  | —               | 99.71               | —                  | —               |
| A Class Income (AUD hedged) units                   | 85.09               | —                  | —               | 87.43               | —                  | —               |
| A Class Accumulation units                          | —                   | —                  | —               | 23.11               | —                  | —               |
| I Class Accumulation units                          | 60.32 <sup>1</sup>  | —                  | —               | 49.56               | —                  | —               |
| I Class Accumulation (BRL hedged) units             | 100.00 <sup>1</sup> | —                  | —               | 100.00              | —                  | —               |
| I Class Accumulation (EUR hedged) units             | 67.47               | 27.51              | —               | 61.66               | 26.02              | —               |
| D Class Accumulation units                          | 56.89               | —                  | —               | 31.82               | —                  | —               |
| F Class Accumulation units                          | 93.54               | —                  | —               | —                   | —                  | —               |
| <b>Global Property Securities Fund</b>              |                     |                    |                 |                     |                    |                 |
| I Class Income (JPY hedged) units                   | 100.00              | —                  | —               | 100.00              | —                  | —               |
| I Class Accumulation units                          | 35.44               | 24.28              | —               | 48.78 <sup>1</sup>  | 43.90              | —               |
| I Class Accumulation (USD hedged) units             | 60.66 <sup>1</sup>  | —                  | —               | 56.39 <sup>1</sup>  | 22.49 <sup>1</sup> | —               |
| I2 Class Income units                               | 100.00              | —                  | —               | 100.00              | —                  | —               |
| F Class Accumulation units                          | 100.00              | —                  | —               | —                   | —                  | —               |
| <b>Global Equity (ex-Japan) Fund</b>                |                     |                    |                 |                     |                    |                 |
| I Class Accumulation units                          | 100.00              | —                  | —               | 100.00              | —                  | —               |
| I Class Accumulation (JPY) units                    | 100.00 <sup>1</sup> | —                  | —               | 100.00 <sup>1</sup> | —                  | —               |
| <b>Post Global Limited Term High Yield Fund</b>     |                     |                    |                 |                     |                    |                 |
| A Class Income units                                | 100.00              | —                  | —               | —                   | —                  | —               |
| A Class Accumulation units                          | 100.00              | —                  | —               | —                   | —                  | —               |
| I Class Income (EUR hedged) units                   | 100.00              | —                  | —               | —                   | —                  | —               |
| I Class Income (GBP hedged) units                   | 74.61               | 25.39              | —               | —                   | —                  | —               |
| I Class Accumulation units                          | 43.49               | 24.16              | 21.07           | 69.26               | —                  | —               |
| I Class Accumulation (CHF hedged) units             | 53.62               | 46.38              | —               | 100.00              | —                  | —               |
| I Class Accumulation (EUR hedged) units             | 43.09               | 25.70              | —               | 33.46               | 22.45              | 20.65           |
| I Class Accumulation (GBP hedged) units             | 95.47               | —                  | —               | 42.58               | 40.09              | —               |
| I Class Accumulation (JPY hedged) units             | 45.81               | 41.32              | —               | 44.66               | 42.78              | —               |
| I Class Accumulation (SGD hedged) units             | 75.05               | 24.95              | —               | —                   | —                  | —               |
| I2 Class Accumulation units                         | 33.48               | 24.17              | —               | —                   | —                  | —               |
| I2 Class Accumulation (EUR hedged) units            | 57.61               | 26.05              | —               | —                   | —                  | —               |
| I2 Class Accumulation (GBP hedged) units            | 34.62               | 27.25              | —               | —                   | —                  | —               |
| <b>Global Time Diversified Absolute Return Fund</b> |                     |                    |                 |                     |                    |                 |
| I Class Accumulation units                          | 82.14               | —                  | —               | 84.04 <sup>1</sup>  | —                  | —               |
| <b>EDGE Small/Mid-Cap Equity Income Fund*</b>       |                     |                    |                 |                     |                    |                 |
| A Class Accumulation units                          | —                   | —                  | —               | 100.00 <sup>1</sup> | —                  | —               |
| I Class Accumulation units                          | —                   | —                  | —               | 100.00 <sup>1</sup> | —                  | —               |
| <b>Global Small Cap Equity Fund</b>                 |                     |                    |                 |                     |                    |                 |
| A Class Accumulation units                          | 99.95 <sup>1</sup>  | —                  | —               | 100.00 <sup>1</sup> | —                  | —               |
| I Class Accumulation units                          | 67.88 <sup>1</sup>  | 28.58 <sup>1</sup> | —               | 76.22 <sup>1</sup>  | 20.36 <sup>1</sup> | —               |

<sup>1</sup>Unitholder is a related party fund.

**PRINCIPAL GLOBAL INVESTORS FUNDS**  
**NOTES TO THE ANNUAL REPORT AND FINANCIAL STATEMENTS**  
for the year ended 30 September 2016 (continued)

**11. FINANCIAL RISK MANAGEMENT (continued)**

**Liquidity Risk (continued)**

|  | 30 September 2016   |                    |                 | 30 September 2015   |                 |                 |
|--|---------------------|--------------------|-----------------|---------------------|-----------------|-----------------|
|  | Unitholder<br>%     | Unitholder<br>%    | Unitholder<br>% | Unitholder<br>%     | Unitholder<br>% | Unitholder<br>% |
| <b>Origin Global Emerging Markets Fund</b>         |                     |                    |                 |                     |                 |                 |
| I Class Accumulation units                         | 87.66               | —                  | —               | 81.16               | —               | —               |
| I Class Accumulation (GBP) units                   | 38.49               | 22.96              | 22.51           | 38.56               | 23.00           | 22.54           |
| F2 Class Accumulation units                        | 100.00              | —                  | —               | —                   | —               | —               |
| <b>Origin Global Equity Fund</b>                   |                     |                    |                 |                     |                 |                 |
| I Class Accumulation (GBP) units                   | 79.44               | —                  | —               | 79.41               | —               | —               |
| <b>Origin Global Smaller Companies Fund</b>        |                     |                    |                 |                     |                 |                 |
| I Class Accumulation units                         | 63.67               | 34.76 <sup>1</sup> | —               | 95.69 <sup>1</sup>  | —               | —               |
| I Class Accumulation (GBP) units                   | 54.41               | 35.25              | —               | 64.01               | 29.06           | —               |
| <b>Long/Short Global Opportunities Equity</b>      |                     |                    |                 |                     |                 |                 |
| I Class Accumulation units                         | 100.00 <sup>1</sup> | —                  | —               | 100.00 <sup>1</sup> | —               | —               |
| <b>Claritas Latin American Equity Fund</b>         |                     |                    |                 |                     |                 |                 |
| I Class Accumulation units                         | 63.44 <sup>1</sup>  | —                  | —               | 51.38 <sup>1</sup>  | —               | —               |
| <b>Finisterre Emerging Market Debt Fund</b>        |                     |                    |                 |                     |                 |                 |
| A Class Income units                               | 100.00              | —                  | —               | 100.00              | —               | —               |
| A Class Accumulation units                         | 54.98               | 40.94              | —               | 77.53               | 22.01           | —               |
| A Class Accumulation (CHF hedged) units            | 100.00 <sup>1</sup> | —                  | —               | 100.00 <sup>1</sup> | —               | —               |
| A Class Accumulation (EUR hedged) units            | 98.77               | —                  | —               | 100.00 <sup>1</sup> | —               | —               |
| A Class Accumulation (GBP hedged) units            | 100.00 <sup>1</sup> | —                  | —               | 100.00 <sup>1</sup> | —               | —               |
| A Class Accumulation (SGD hedged) units            | 100.00 <sup>1</sup> | —                  | —               | 100.00 <sup>1</sup> | —               | —               |
| I Class Accumulation units                         | 60.12               | 33.07              | —               | 51.59               | 32.12           | —               |
| I Class Accumulation (EUR hedged) units            | —                   | —                  | —               | 39.36               | 37.05           | —               |
| I Class Accumulation (GBP hedged) units            | 100.00 <sup>1</sup> | —                  | —               | 50.68 <sup>1</sup>  | 49.32           | —               |
| I2 Class Income (EUR hedged) units                 | 24.51               | —                  | —               | 23.59               | —               | —               |
| <b>Spectrum Global Capital Securities</b>          |                     |                    |                 |                     |                 |                 |
| A Class Accumulation units                         | 100.00              | —                  | —               | —                   | —               | —               |
| I Class Accumulation units                         | 100.00 <sup>1</sup> | —                  | —               | 100.00 <sup>1</sup> | —               | —               |
| I Class Accumulation (EUR) units                   | 33.87               | 29.56              | —               | 40.00               | 40.00           | 20.00           |
| <b>Global Short Duration High Yield**</b>          |                     |                    |                 |                     |                 |                 |
| I Class Accumulation units                         | —                   | —                  | —               | 94.20 <sup>1</sup>  | —               | —               |
| <b>Global Capital Structure Opportunities Fund</b> |                     |                    |                 |                     |                 |                 |
| I Class Accumulation units                         | 99.85 <sup>1</sup>  | —                  | —               | 100.00 <sup>1</sup> | —               | —               |
| <b>Global Credit Alpha Fund</b>                    |                     |                    |                 |                     |                 |                 |
| I Class Accumulation units                         | 100.00 <sup>1</sup> | —                  | —               | 100.00 <sup>1</sup> | —               | —               |
| <b>Real Estate Debt Fund***</b>                    |                     |                    |                 |                     |                 |                 |
| I Class Income units                               | 100.00 <sup>1</sup> | —                  | —               | —                   | —               | —               |
| I Class Accumulation units                         | 100.00 <sup>1</sup> | —                  | —               | —                   | —               | —               |

<sup>1</sup>Unitholder is a related party fund.

\*EDGE Small/Mid-Cap Equity Income Fund terminated on 31 May 2016.

\*\*Global Short Duration High Yield Fund terminated on 1 July 2016.

\*\*\*Real Estate Debt Fund launched on 21 March 2016.



**PRINCIPAL GLOBAL INVESTORS FUNDS**  
**NOTES TO THE ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**for the year ended 30 September 2016 (continued)**

**11. FINANCIAL RISK MANAGEMENT (continued)**

**Cybersecurity Risk**

Cybersecurity breaches may occur allowing an unauthorised party to gain access to assets of the Funds, Unitholder data, or proprietary information, or may cause the Trust, the Investment Manager, the Distributor, the Administrator or the Depository to suffer data corruption or lose operational functionality.

The Funds may be affected by intentional cybersecurity breaches which include unauthorised access to systems, networks, or devices (such as through "hacking" activity); infection from computer viruses or other malicious software code; and attacks that shut down, disable, slow, or otherwise disrupt operations, business processes, or website access or functionality. In addition, unintentional incidents can occur, such as the inadvertent release of confidential information (possibly resulting in the violation of applicable privacy laws). A cybersecurity breach could result in the loss or theft of Unitholder data or funds, the inability to access electronic systems, loss or theft of proprietary information or corporate data, physical damage to a computer or network system, or costs associated with system repairs. Such incidents could cause the Trust, the Investment Manager, the Distributor, the Administrator, the Depository, or other service providers to incur regulatory penalties, reputational damage, additional compliance costs, or financial loss. Consequently, Unitholders may lose some or all of their invested capital. In addition, such incidents could affect issuers in which a Fund invests, and thereby cause a Fund's investments to lose value, as a result of which investors, including the relevant Fund and its Unitholders, could potentially lose all or a portion of their investment with that issuer.

**12. TRANSACTIONS COSTS**

Each Sub-Fund's transaction costs incurred during the year ended 30 September 2016 relate to the purchase or sale of transferable securities, derivatives or other eligible assets. Transaction costs include commission costs, settlement fees, broker fees and custody transaction fees.

The transaction costs incurred are as follows:

|   | <b>30 September 2016</b> | <b>30 September 2015</b> |
|---|--------------------------|--------------------------|
|   | <b>USD</b>               | <b>USD</b>               |
| Global Equity Fund  | 188,503                  | 170,962                  |
| Asian Equity Fund   | 49,187                   | 51,107                   |
| European Equity Fund                                      | 208,533                  | 235,749                  |
| Emerging Markets Equity Fund                              | 53,306                   | 60,248                   |
| Japanese Equity Fund                                      | 72,079                   | 33,310                   |
| Preferred Securities Fund                                 | 44,949                   | 24,858                   |
| U.S. Equity Fund  | 76,380                   | 95,561                   |
| High Yield Fund <sup>1</sup>                              | –                        | –                        |
| Global Property Securities Fund                           | 371,128                  | 154,589                  |
| Global Equity (ex-Japan) Fund                             | 159,812                  | 125,160                  |
| Post Global Limited Term High Yield Fund <sup>1</sup>     | –                        | –                        |
| Global Time Diversified Absolute Return Fund <sup>1</sup> | –                        | –                        |
| EDGE Small/Mid-Cap Equity Income Fund*                    | 6,884                    | 3,637                    |
| Global Small Cap Equity Fund                              | 48,432                   | 86,620                   |
| Origin Global Emerging Markets Fund                       | 129,232                  | 108,778                  |
| Origin Global Equity Fund                                 | 15,686                   | 19,350                   |
| Origin Global Smaller Companies Fund                      | 55,327                   | 46,273                   |
| Long/Short Global Opportunities Equity Fund               | 25,953                   | 23,175                   |
| Claritas Latin American Equity Fund                       | 19,961                   | 39,529                   |
| Finisterre Emerging Market Debt Fund <sup>1</sup>         | –                        | –                        |
| Spectrum Global Capital Securities Fund <sup>1</sup>      | –                        | –                        |
| Global Short Duration High Yield Fund** <sup>1</sup>      | –                        | –                        |
| Global Capital Structure Opportunities Fund               | –                        | 5                        |
| Global Credit Alpha Fund <sup>1</sup>                     | –                        | –                        |
| Real Estate Debt Fund*** <sup>1</sup>                     | –                        | –                        |

\* EDGE Small/Mid-Cap Equity Income terminated on 31 May 2016.

\*\*Global Short Duration High Yield Fund terminated on 1 July 2016.

\*\*\*Real Estate Debt Fund launched on 21 March 2016.

<sup>1</sup>The transaction costs for these Funds are embedded within the purchase and sale prices and cannot be separately identified.

**PRINCIPAL GLOBAL INVESTORS FUNDS**  
**NOTES TO THE ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**for the year ended 30 September 2016 (continued)**

**13. GLOBAL EXPOSURE**

The Investment Adviser employs a documented Risk Management Process in relation to the use of FDIs, which ensures the risk associated with the positions is measured, monitored and managed. In respect of the Global Time Diversified Absolute Return Fund, Finisterre Emerging Markets Debt Fund, Global Capital Structure Opportunities Fund and the Global Credit Alpha Fund an Absolute VaR Approach, based on a confidence level of 99% for a daily horizon and considering no less than one years of historical data, is used to manage risk (refer to note 11 for more details on VaR). In relation to the remaining Funds, the Commitment approach is used; which entails monitoring global exposure and counterparty exposure associated with the positions.

**14. EXCHANGE RATES**

The foreign exchange rates used in the Financial Statements as at 30 September 2016 expressed as USD are as follows:

|     |              |     |               |     |           |
|-----|--------------|-----|---------------|-----|-----------|
| ARS | 15.256005    | EUR | 0.889838      | NZD | 1.375135  |
| AUD | 1.306774     | GBP | 0.769823      | PHP | 48.494996 |
| BRL | 3.248845     | HKD | 7.755966      | PLN | 3.827367  |
| CAD | 1.314280     | HUF | 275.017821    | RUB | 63.021286 |
| CHF | 0.969400     | IDR | 13,051.000616 | SEK | 8.567360  |
| CLP | 658.910008   | ILS | 3.752079      | SGD | 1.363433  |
| CNH | 6.673480     | INR | 66.579985     | THB | 34.650000 |
| CNY | 6.670015     | JPY | 101.265012    | TRY | 3.000693  |
| COP | 2,880.000154 | KRW | 1,101.350038  | TWD | 31.345497 |
| CZK | 24.045227    | MXN | 19.353503     | ZAR | 13.751270 |
| DKK | 6.625982     | MYR | 4.135489      |     |           |
| EGP | 8.879946     | NOK | 7.992302      |     |           |

The foreign exchange rates used in the Financial Statements as at 30 September 2015 expressed as USD are as follows:

|     |              |     |               |     |           |
|-----|--------------|-----|---------------|-----|-----------|
| ARS | 9.418683     | EUR | 0.895857      | NZD | 1.563228  |
| AUD | 1.423997     | GBP | 0.660175      | PHP | 46.740023 |
| BRL | 3.981944     | HKD | 7.750058      | PLN | 3.802542  |
| CAD | 1.340716     | HUF | 280.600297    | RUB | 65.605942 |
| CHF | 0.977125     | IDR | 14,650.000825 | SEK | 8.387061  |
| CLP | 697.670045   | INR | 65.640007     | SGD | 1.421885  |
| CNH | 6.365242     | ILS | 3.924905      | THB | 36.294999 |
| CNY | 6.357089     | JPY | 119.765011    | TRY | 3.027727  |
| COP | 3,087.125202 | KRW | 1,185.300050  | TWD | 32.927513 |
| CZK | 24.344908    | MXN | 16.946757     | ZAR | 13.827001 |
| DKK | 6.683248     | MYR | 4.395742      |     |           |
| EGP | 7.830038     | NOK | 8.529988      |     |           |

**15. SIGNIFICANT EVENTS DURING THE YEAR**

There have been no other significant events affecting the Funds during the year other than those disclosed on pages 11 and 12.

**16. POST STATEMENT OF FINANCIAL POSITION EVENTS**

There have been no significant events affecting the Funds since the year end other than those disclosed on page 13.

**17. APPROVAL OF FINANCIAL STATEMENTS**

The Financial Statements were approved by the Board of Directors of the Manager on 24 January 2017.

**PRINCIPAL GLOBAL INVESTORS FUNDS  
FUND PERFORMANCE & LEVERAGE (UNAUDITED)**

for the year ended 30 September 2016

| <b>Global Equity Fund<br/>Year Ended</b> | <b>Highest Price<br/>Per Unit<br/>USD</b> | <b>Lowest Price<br/>Per Unit<br/>USD</b> |
|--|---|--|
| <i>A Class – Income</i>                  |   |  |
| 30/09/07                                 | 52.0300                                   | 32.6091                                  |
| 30/09/08                                 | 41.3700                                   | 25.5100                                  |
| 30/09/09                                 | 28.4400                                   | 16.3500                                  |
| 31/01/11                                 | 29.9400                                   | 25.2100                                  |
| 30/09/11                                 | 30.9598                                   | 25.7157                                  |
| 30/09/12                                 | 32.4142                                   | 25.0525                                  |
| 30/09/13                                 | 37.6150                                   | 30.0371                                  |
| 30/09/14                                 | 42.6771                                   | 36.5926                                  |
| 30/09/15                                 | 44.1125                                   | 38.6605                                  |
| 30/09/16                                 | 42.2319                                   | 36.7872                                  |
| <i>A Class – Accumulation</i>            |   |  |
| 30/09/07                                 | 59.4400                                   | 37.2519                                  |
| 30/09/08                                 | 47.2600                                   | 31.4300                                  |
| 30/09/09                                 | 32.4900                                   | 18.6700                                  |
| 31/01/11                                 | 34.3100                                   | 28.8400                                  |
| 30/09/11                                 | 34.4502                                   | 29.4456                                  |
| 30/09/12                                 | 37.3021                                   | 28.8299                                  |
| 30/09/13                                 | 43.4380                                   | 35.0714                                  |
| 30/09/14                                 | 49.2827                                   | 42.2575                                  |
| 30/09/15                                 | 50.9351                                   | 44.6408                                  |
| 30/09/16                                 | 48.7700                                   | 42.4826                                  |
| <i>I Class – Accumulation</i>            |   |  |
| 30/09/07                                 | 24.4900                                   | 15.2954                                  |
| 30/09/08                                 | 19.5500                                   | 13.0700                                  |
| 30/09/09                                 | 13.5200                                   | 7.7900                                   |
| 31/01/11                                 | 14.5000                                   | 12.0800                                  |
| 30/09/11                                 | 15.0083                                   | 12.4988                                  |
| 30/09/12                                 | 15.9350                                   | 12.2392                                  |
| 30/09/13                                 | 18.6764                                   | 14.9969                                  |
| 30/09/14                                 | 21.3220                                   | 18.1753                                  |
| 30/09/15                                 | 22.1414                                   | 19.3300                                  |
| 30/09/16                                 | 21.2641                                   | 18.5557                                  |
| <i>F2 Class – Accumulation</i>           |   |  |
| 30/09/16                                 | 10.3716                                   | 9.5493                                   |

| <b>Asian Equity Fund<br/>Year Ended</b> | <b>Highest Price<br/>Per Unit<br/>USD</b> | <b>Lowest Price<br/>Per Unit<br/>USD</b> |
|---|---|--|
| <i>A Class – Income</i>                 |   |  |
| 30/09/07                                | 33.0100                                   | 19.8745                                  |
| 30/09/08                                | 36.0800                                   | 19.2300                                  |
| 30/09/09                                | 23.7300                                   | 12.6700                                  |
| 31/01/11                                | 30.0500                                   | 21.2000                                  |
| 30/09/11                                | 31.1640                                   | 22.5918                                  |
| 30/09/12                                | 29.4625                                   | 21.9952                                  |
| 30/09/13                                | 33.0203                                   | 27.9958                                  |
| 30/09/14                                | 34.6294                                   | 29.1798                                  |
| 30/09/15                                | 36.0380                                   | 27.0588                                  |
| 30/09/16                                | 32.5186                                   | 24.9087                                  |
| <i>A Class – Accumulation</i>           |   |  |
| 30/09/07                                | 33.6900                                   | 22.0281                                  |
| 30/09/08                                | 40.2700                                   | 21.4600                                  |
| 30/09/09                                | 26.5600                                   | 14.1800                                  |
| 31/01/11                                | 34.0700                                   | 23.9900                                  |
| 30/09/11                                | 35.3241                                   | 25.6075                                  |
| 30/09/12                                | 33.4933                                   | 25.0041                                  |
| 30/09/13                                | 37.6606                                   | 31.9300                                  |
| 30/09/14                                | 39.4987                                   | 33.2824                                  |
| 30/09/15                                | 41.2619                                   | 30.9827                                  |
| 30/09/16                                | 37.2441                                   | 28.5208                                  |
| <i>I Class – Accumulation</i>           |   |  |
| 30/09/07                                | 55.0500                                   | 32.9506                                  |
| 30/09/08                                | 60.6300                                   | 32.5100                                  |
| 30/09/09                                | 40.4800                                   | 21.5000                                  |
| 31/01/11                                | 52.3800                                   | 36.7300                                  |
| 30/09/11                                | 54.4998                                   | 39.5520                                  |
| 30/09/12                                | 52.0711                                   | 38.6263                                  |
| 30/09/13                                | 58.7902                                   | 49.8861                                  |
| 30/09/14                                | 62.1917                                   | 52.2075                                  |
| 30/09/15                                | 65.2406                                   | 49.0899                                  |
| 30/09/16                                | 59.3644                                   | 45.3280                                  |

**PRINCIPAL GLOBAL INVESTORS FUNDS**  
**FUND PERFORMANCE & LEVERAGE (UNAUDITED)**  
for the year ended 30 September 2016 (continued)

| <b>European Equity Fund</b>         |   |  |
|-------------------------------------|---|--|
| <b>Year Ended</b>                   | <b>Highest Price<br/>Per Unit<br/>USD</b> | <b>Lowest Price<br/>Per Unit<br/>USD</b> |
| <i>A Class – Income</i>             |   |  |
| 30/09/07                            | 67.0000                                   | 50.5968                                  |
| 30/09/08                            | 68.4600                                   | 44.2900                                  |
| 30/09/09                            | 44.4000                                   | 25.3700                                  |
| 31/01/11                            | 47.7300                                   | 33.9500                                  |
| 30/09/11                            | 52.1720                                   | 36.8345                                  |
| 30/09/12                            | 46.3178                                   | 35.1792                                  |
| 30/09/13                            | 55.5073                                   | 43.2032                                  |
| 30/09/14                            | 62.6333                                   | 53.0940                                  |
| 30/09/15                            | 62.1594                                   | 51.7888                                  |
| 30/09/16                            | 57.9715                                   | 49.6667                                  |
| <i>A Class – Accumulation</i>       |   |  |
| 30/09/07                            | 77.6200                                   | 58.6099                                  |
| 30/09/08                            | 79.6100                                   | 51.5000                                  |
| 30/09/09                            | 52.2100                                   | 29.8300                                  |
| 31/01/11                            | 57.3300                                   | 40.4700                                  |
| 30/09/11                            | 62.6694                                   | 44.2458                                  |
| 30/09/12                            | 56.5221                                   | 42.9296                                  |
| 30/09/13                            | 68.5398                                   | 53.3458                                  |
| 30/09/14                            | 77.8029                                   | 65.9516                                  |
| 30/09/15                            | 77.5908                                   | 64.6455                                  |
| 30/09/16                            | 73.0862                                   | 62.6160                                  |
| <i>I Class – Accumulation</i>       |   |  |
| 30/09/07                            | 25.2000                                   | 18.9300                                  |
| 30/09/08                            | 25.8900                                   | 16.8500                                  |
| 30/09/09                            | 17.0900                                   | 9.7900                                   |
| 31/01/11                            | 19.0400                                   | 13.3800                                  |
| 30/09/11                            | 20.8542                                   | 14.7620                                  |
| 30/09/12                            | 18.9802                                   | 14.3257                                  |
| 30/09/13                            | 23.1650                                   | 17.9316                                  |
| 30/09/14                            | 26.4185                                   | 22.2980                                  |
| 30/09/15                            | 26.5066                                   | 22.0016                                  |
| 30/09/16                            | 25.0602                                   | 21.4956                                  |
| <i>I Class – Accumulation (EUR)</i> |   |  |
| 30/09/11                            | 13.3479                                   | 9.4472                                   |
| 30/09/12                            | 12.1515                                   | 9.1679                                   |
| 30/09/13                            | 14.8469                                   | 11.4805                                  |
| 30/09/14                            | 16.9207                                   | 14.2913                                  |
| 30/09/15                            | 16.9785                                   | 14.0920                                  |
| 30/09/16                            | 16.0527                                   | 13.7697                                  |

| <b>Emerging Markets Equity Fund</b>        |   |  |
|--|---|--|
| <b>Year Ended</b>                          | <b>Highest Price<br/>Per Unit<br/>USD</b> | <b>Lowest Price<br/>Per Unit<br/>USD</b> |
| <i>A Class – Income &amp; Accumulation</i> |   |  |
| 30/09/05                                   | 26.4200                                   | 17.7500                                  |
| 30/09/06                                   | 37.0400                                   | 24.1200                                  |
| 30/09/07                                   | 52.0500                                   | 32.2339                                  |
| <i>A Class – Accumulation</i>              |   |  |
| 30/09/08                                   | 58.5900                                   | 32.2900                                  |
| 30/09/09                                   | 38.4600                                   | 20.0100                                  |
| 31/01/11                                   | 49.3500                                   | 35.6400                                  |
| 30/09/11                                   | 51.4657                                   | 37.1612                                  |
| 30/09/12                                   | 47.0355                                   | 36.3329                                  |
| 30/09/13                                   | 48.9823                                   | 39.4535                                  |
| 30/09/14                                   | 48.1970                                   | 40.0211                                  |
| 30/09/15                                   | 46.9024                                   | 35.4950                                  |
| 30/09/16                                   | 41.7074                                   | 31.6638                                  |
| <i>I Class – Accumulation</i>              |   |  |
| 30/09/07                                   | 58.7000                                   | 36.1172                                  |
| 30/09/08                                   | 66.1200                                   | 36.6700                                  |
| 30/09/09                                   | 43.9400                                   | 22.7300                                  |
| 31/01/11                                   | 55.4700                                   | 42.6000                                  |
| 30/09/11                                   | 59.3884                                   | 42.9981                                  |
| 30/09/12                                   | 54.5744                                   | 42.0465                                  |
| 30/09/13                                   | 57.1693                                   | 46.1471                                  |
| 30/09/14                                   | 56.8134                                   | 46.9978                                  |
| 30/09/15                                   | 55.4692                                   | 42.0659                                  |
| 30/09/16                                   | 49.7199                                   | 37.6258                                  |

**PRINCIPAL GLOBAL INVESTORS FUNDS**  
**FUND PERFORMANCE & LEVERAGE (UNAUDITED)**

for the year ended 30 September 2016 (continued)

| <b>Japanese Equity Fund</b>         |   |  |
|-------------------------------------|---|--|
| <b>Year Ended</b>                   | <b>Highest Price<br/>Per Unit<br/>USD</b> | <b>Lowest Price<br/>Per Unit<br/>USD</b> |
| <i>A Class – Accumulation</i>       |   |  |
| 30/09/07                            | 10.5400                                   | 9.0379                                   |
| 30/09/08                            | 10.4100                                   | 6.6000                                   |
| 30/09/09                            | 6.6100                                    | 4.3700                                   |
| 31/01/11                            | 7.1100                                    | 5.6100                                   |
| 30/09/11                            | 7.4027                                    | 5.8799                                   |
| 30/09/12                            | 6.8592                                    | 6.0022                                   |
| 30/09/13                            | 8.1676                                    | 6.0733                                   |
| 30/09/14                            | 8.3227                                    | 7.3328                                   |
| 30/09/15                            | 8.9650                                    | 7.2032                                   |
| 30/09/16                            | 8.5556                                    | 6.7934                                   |
| <i>I Class – Accumulation</i>       |   |  |
| 30/09/07                            | 11.4100                                   | 9.7312                                   |
| 30/09/08                            | 11.2800                                   | 7.2000                                   |
| 30/09/09                            | 7.2100                                    | 4.7800                                   |
| 31/01/11                            | 7.8800                                    | 6.1700                                   |
| 30/09/11                            | 8.2053                                    | 6.5192                                   |
| 30/09/12                            | 7.6586                                    | 6.7157                                   |
| 30/09/13                            | 9.2142                                    | 6.8087                                   |
| 30/09/14                            | 9.4163                                    | 8.2961                                   |
| 30/09/15                            | 10.2188                                   | 8.1815                                   |
| 30/09/16                            | 9.7903                                    | 7.7838                                   |
| <i>I Class – Accumulation (JPY)</i> |   |  |
| 30/09/11                            | 11.5669                                   | 9.9698                                   |
| 30/09/12                            | 11.0263                                   | 9.6688                                   |
| 30/09/13                            | 13.2639                                   | 9.8028                                   |
| 30/09/14                            | 13.5759                                   | 11.9591                                  |
| 30/09/15                            | 14.7464                                   | 11.7972                                  |
| 30/09/16                            | 14.1284                                   | 11.2331                                  |
| <i>F2 Class – Accumulation</i>      |   |  |
| 30/09/16                            | 11.4680                                   | 9.9944                                   |

| <b>Preferred Securities Fund</b>           |   |  |
|--|---|--|
| <b>Year Ended</b>                          | <b>Highest Price<br/>Per Unit<br/>USD</b> | <b>Lowest Price<br/>Per Unit<br/>USD</b> |
| <i>A Class – Income</i>                    |   |  |
| 30/09/07                                   | 13.4500                                   | 8.6300                                   |
| 30/09/08                                   | 9.0000                                    | 6.3100                                   |
| 30/09/09                                   | 7.6000                                    | 3.8500                                   |
| 31/01/11                                   | 8.3500                                    | 7.4100                                   |
| 30/09/11                                   | 8.5998                                    | 7.7352                                   |
| 30/09/12                                   | 8.7411                                    | 8.2035                                   |
| 30/09/13                                   | 9.0838                                    | 8.5256                                   |
| 30/09/14                                   | 9.2122                                    | 8.4992                                   |
| 30/09/15                                   | 9.2314                                    | 8.9034                                   |
| 30/09/16                                   | 9.1189                                    | 8.4586                                   |
| <i>A Class – Income (EUR hedged)</i>       |   |  |
| 30/09/13                                   | 10.4611                                   | 9.6696                                   |
| 30/09/14                                   | 11.0625                                   | 10.0862                                  |
| 30/09/15                                   | 10.1238                                   | 8.4627                                   |
| 30/09/16                                   | 8.8930                                    | 8.0775                                   |
| <i>A Class – Income (GBP hedged)</i>       |   |  |
| 30/09/13                                   | 10.3203                                   | 9.3483                                   |
| 30/09/14                                   | 11.5291                                   | 9.9358                                   |
| 30/09/15                                   | 11.1365                                   | 10.2011                                  |
| 30/09/16                                   | 10.5295                                   | 8.6120                                   |
| <i>A Class – Accumulation</i>              |   |  |
| 30/09/12                                   | 10.7317                                   | 9.9265                                   |
| 30/09/13                                   | 11.5922                                   | 10.7199                                  |
| 30/09/14                                   | 12.4959                                   | 11.1334                                  |
| 30/09/15                                   | 12.9394                                   | 12.4116                                  |
| 30/09/16                                   | 13.6223                                   | 12.3412                                  |
| <i>A Class – Accumulation (CHF hedged)</i> |   |  |
| 30/09/13                                   | 10.0567                                   | 9.9671                                   |
| 30/09/14                                   | 11.3870                                   | 9.9973                                   |
| 30/09/15                                   | 11.9932                                   | 10.0475                                  |
| 30/09/16                                   | 11.2364                                   | 10.0002                                  |
| <i>A Class – Accumulation (EUR hedged)</i> |   |  |
| 30/09/07                                   | 13.7500                                   | 12.3692                                  |
| 30/09/08                                   | 14.8000                                   | 10.3300                                  |
| 30/09/09                                   | 13.7600                                   | 5.8100                                   |
| 31/01/11                                   | 15.2800                                   | 13.6700                                  |
| 30/09/11                                   | 17.2854                                   | 14.4541                                  |
| 30/09/12                                   | 16.7447                                   | 14.6901                                  |
| 30/09/13                                   | 18.1792                                   | 16.4962                                  |
| 30/09/14                                   | 20.2261                                   | 17.9465                                  |
| 30/09/15                                   | 18.9622                                   | 16.0915                                  |
| 30/09/16                                   | 18.1141                                   | 16.0572                                  |
| <i>A Class – Accumulation (JPY hedged)</i> |   |  |
| 30/09/16                                   | 10.9587                                   | 10.1092                                  |
| <i>I Class – Income</i>                    |   |  |
| 30/09/13                                   | 10.2546                                   | 9.6267                                   |
| 30/09/14                                   | 10.4085                                   | 9.5878                                   |
| 30/09/15                                   | 10.4352                                   | 10.0495                                  |
| 30/09/16                                   | 10.3048                                   | 9.5549                                   |

**PRINCIPAL GLOBAL INVESTORS FUNDS**  
**FUND PERFORMANCE & LEVERAGE (UNAUDITED)**  
for the year ended 30 September 2016 (continued)

| <b>Preferred Securities Fund (continued)</b> |                                   |                                  |  |
|--|-----------------------------------|----------------------------------|--|
| <b>Year Ended</b>                            | <b>Highest Price Per Unit USD</b> | <b>Lowest Price Per Unit USD</b> |  |
| <i>I Class – Income (EUR hedged)</i>         |                                   |                                  |  |
| 30/09/11                                     | 9.9857                            | 8.3824                           |  |
| 30/09/12                                     | 9.1318                            | 8.1286                           |  |
| 30/09/13                                     | 9.7762                            | 8.8735                           |  |
| 30/09/14                                     | 10.2125                           | 9.2929                           |  |
| 30/09/15                                     | 9.3385                            | 7.7983                           |  |
| 30/09/16                                     | 8.2073                            | 7.4487                           |  |
| <i>I Class – Income (GBP hedged)</i>         |                                   |                                  |  |
| 30/09/12                                     | 10.7776                           | 9.5226                           |  |
| 30/09/13                                     | 10.9087                           | 9.6985                           |  |
| 30/09/14                                     | 11.9328                           | 10.3022                          |  |
| 30/09/15                                     | 10.7487                           | 9.8379                           |  |
| 30/09/16                                     | 10.1567                           | 8.2991                           |  |
| <i>I Class – Income (JPY hedged)</i>         |                                   |                                  |  |
| 31/01/11                                     | 10.5300                           | 9.9200                           |  |
| 30/09/11                                     | 11.0024                           | 9.9326                           |  |
| 30/09/12                                     | 11.3161                           | 10.0475                          |  |
| 30/09/13                                     | 11.1480                           | 8.6820                           |  |
| 30/09/14                                     | 9.2954                            | 8.3061                           |  |
| 30/09/15                                     | 8.6868                            | 7.3326                           |  |
| 30/09/16                                     | 9.1295                            | 7.3270                           |  |
| <i>I Class – Accumulation</i>                |                                   |                                  |  |
| 30/09/07                                     | 12.1400                           | 10.9400                          |  |
| 30/09/08                                     | 11.5600                           | 8.4600                           |  |
| 30/09/09                                     | 15.4545                           | 14.2619                          |  |
| 31/01/11                                     | 13.3300                           | 11.0600                          |  |
| 30/09/11                                     | 14.0466                           | 12.8371                          |  |
| 30/09/12                                     | 15.4545                           | 14.2619                          |  |
| 30/09/13                                     | 16.7636                           | 15.4389                          |  |
| 30/09/14                                     | 18.2219                           | 16.1386                          |  |
| 30/09/15                                     | 18.9476                           | 18.1144                          |  |
| 30/09/16                                     | 20.1300                           | 18.1707                          |  |
| <i>I Class – Accumulation (CHF hedged)</i>   |                                   |                                  |  |
| 30/09/13                                     | 10.2732                           | 9.5180                           |  |
| 30/09/14                                     | 11.6347                           | 10.1555                          |  |
| 30/09/15                                     | 12.2599                           | 10.2931                          |  |
| 30/09/16                                     | 11.6029                           | 10.3053                          |  |
| <i>I Class – Accumulation (EUR hedged)</i>   |                                   |                                  |  |
| 30/09/07                                     | 12.4100                           | 11.1253                          |  |
| 30/09/08                                     | 13.4200                           | 9.3900                           |  |
| 30/09/09                                     | 9.5500                            | 9.2600                           |  |
| 31/01/11                                     | 10.2300                           | 7.5800                           |  |
| 30/09/11                                     | 11.1817                           | 9.3789                           |  |
| 30/09/12                                     | 10.9406                           | 9.5765                           |  |
| 30/09/13                                     | 11.9183                           | 10.7842                          |  |
| 30/09/14                                     | 13.3495                           | 11.8047                          |  |
| 30/09/15                                     | 12.5538                           | 10.6669                          |  |
| 30/09/16                                     | 12.1195                           | 10.7074                          |  |

| <b>Preferred Securities Fund (continued)</b> |                                   |                                  |  |
|--|-----------------------------------|----------------------------------|--|
| <b>Year Ended</b>                            | <b>Highest Price Per Unit USD</b> | <b>Lowest Price Per Unit USD</b> |  |
| <i>I Class – Accumulation (JPY hedged)</i>   |                                   |                                  |  |
| 31/01/11                                     | 12.6100                           | 9.6300                           |  |
| 30/09/11                                     | 13.7718                           | 12.2321                          |  |
| 30/09/12                                     | 15.1465                           | 13.2389                          |  |
| 30/09/13                                     | 15.1396                           | 12.0823                          |  |
| 30/09/14                                     | 13.5687                           | 11.9043                          |  |
| 30/09/15                                     | 12.9986                           | 11.3433                          |  |
| 30/09/16                                     | 14.9687                           | 11.5640                          |  |
| <i>D Class – Income</i>                      |                                   |                                  |  |
| 31/01/11                                     | 11.2300                           | 9.9500                           |  |
| 30/09/11                                     | 11.4707                           | 10.3149                          |  |
| 30/09/12                                     | 11.6659                           | 10.9491                          |  |
| 30/09/13                                     | 12.1311                           | 11.3844                          |  |
| 30/09/14                                     | 12.2954                           | 11.3528                          |  |
| 30/09/15                                     | 12.3212                           | 11.8921                          |  |
| 30/09/16                                     | 12.1736                           | 11.2942                          |  |
| <i>D2 Class – Income</i>                     |                                   |                                  |  |
| 30/09/16                                     | 10.5133                           | 9.9933                           |  |
| <i>D Class – Accumulation</i>                |                                   |                                  |  |
| 30/09/09                                     | 12.9500                           | 6.3000                           |  |
| 31/01/11                                     | 15.3100                           | 12.8300                          |  |
| 30/09/11                                     | 16.0549                           | 14.6259                          |  |
| 30/09/12                                     | 17.5076                           | 16.2104                          |  |
| 30/09/13                                     | 18.8856                           | 17.4876                          |  |
| 30/09/14                                     | 20.2809                           | 18.1180                          |  |
| 30/09/15                                     | 20.9608                           | 20.1362                          |  |
| 30/09/16                                     | 21.9747                           | 19.9426                          |  |
| <i>F Class – Income</i>                      |                                   |                                  |  |
| 31/01/11                                     | 11.1400                           | 9.8800                           |  |
| 30/09/11                                     | 11.3850                           | 10.2334                          |  |
| 30/09/12                                     | 11.5712                           | 10.8698                          |  |
| 30/09/13                                     | 12.0440                           | 11.3055                          |  |
| 30/09/14                                     | 12.2041                           | 11.2822                          |  |
| 30/09/15                                     | 12.2300                           | 11.8142                          |  |
| 30/09/16                                     | 12.0871                           | 11.2175                          |  |
| <i>F Class – Accumulation</i>                |                                   |                                  |  |
| 30/09/09                                     | 12.8800                           | 6.2800                           |  |
| 31/01/11                                     | 15.1400                           | 12.7500                          |  |
| 30/09/11                                     | 15.8385                           | 14.4045                          |  |
| 30/09/12                                     | 17.1555                           | 15.9119                          |  |
| 30/09/13                                     | 18.4482                           | 17.1348                          |  |
| 30/09/14                                     | 19.6814                           | 17.6628                          |  |
| 30/09/15                                     | 20.2776                           | 19.5278                          |  |
| 30/09/16                                     | 21.1099                           | 19.2115                          |  |
| <i>F2 Class – Accumulation</i>               |                                   |                                  |  |
| 30/09/16                                     | 10.6740                           | 9.9838                           |  |
| <i>N Class – Income</i>                      |                                   |                                  |  |
| 30/09/16                                     | 10.0589                           | 10.0047                          |  |

**PRINCIPAL GLOBAL INVESTORS FUNDS**  
**FUND PERFORMANCE & LEVERAGE (UNAUDITED)**

for the year ended 30 September 2016 (continued)

| <b>Preferred Securities Fund (continued)</b> |   |  |
|--|---|--|
| <b>Year Ended</b>                            | <b>Highest Price<br/>Per Unit<br/>USD</b> | <b>Lowest Price<br/>Per Unit<br/>USD</b> |
| <i>P Class – Income</i>                      |   |  |
| 30/09/13                                     | 10.2171                                   | 9.6008                                   |
| 30/09/14                                     | 10.3762                                   | 9.5669                                   |
| 30/09/15                                     | 10.3956                                   | 10.0210                                  |
| 30/09/16                                     | 10.2683                                   | 9.5229                                   |
| <i>P Class – Accumulation</i>                |   |  |
| 30/09/13                                     | 10.2180                                   | 9.6954                                   |
| 30/09/14                                     | 11.0586                                   | 9.8262                                   |
| 30/09/15                                     | 11.4692                                   | 10.9889                                  |
| 30/09/16                                     | 12.1087                                   | 10.9577                                  |
| <b>U.S. Equity Fund</b>                      |   |  |
| <i>A Class – Accumulation</i>                |   |  |
| 30/09/07                                     | 16.9500                                   | 14.2225                                  |
| 30/09/08                                     | 17.4600                                   | 12.3200                                  |
| 30/09/09                                     | 12.9800                                   | 7.9600                                   |
| 31/01/11                                     | 14.0600                                   | 11.0100                                  |
| 30/09/11                                     | 14.8473                                   | 12.0846                                  |
| 30/09/12                                     | 16.2110                                   | 11.9309                                  |
| 30/09/13                                     | 18.7785                                   | 14.7574                                  |
| 30/09/14                                     | 22.3104                                   | 18.1695                                  |
| 30/09/15                                     | 23.7955                                   | 20.1307                                  |
| 30/09/16                                     | 23.0272                                   | 19.5142                                  |
| <i>I Class – Accumulation</i>                |   |  |
| 30/09/07                                     | 17.6000                                   | 14.6721                                  |
| 30/09/08                                     | 18.1300                                   | 12.8800                                  |
| 30/09/09                                     | 13.5700                                   | 8.3400                                   |
| 31/01/11                                     | 14.9300                                   | 11.6400                                  |
| 30/09/11                                     | 15.7819                                   | 12.8629                                  |
| 30/09/12                                     | 17.3386                                   | 12.7061                                  |
| 30/09/13                                     | 20.2154                                   | 15.7999                                  |
| 30/09/14                                     | 24.1748                                   | 19.5672                                  |
| 30/09/15                                     | 25.9266                                   | 21.8242                                  |
| 30/09/16                                     | 25.1391                                   | 21.3411                                  |
| <i>I Class – Accumulation (GBP)</i>          |   |  |
| 30/09/09                                     | 12.5800                                   | 8.3700                                   |
| 31/01/11                                     | 14.9700                                   | 11.6800                                  |
| 30/09/11                                     | 15.8258                                   | 12.8986                                  |
| 30/09/12                                     | 17.3863                                   | 12.7425                                  |
| 30/09/13                                     | 20.2675                                   | 15.8430                                  |
| 30/09/14                                     | 24.2327                                   | 19.6175                                  |
| 30/09/15                                     | 25.9887                                   | 21.8771                                  |
| 30/09/16                                     | 25.1994                                   | 21.3997                                  |

| <b>High Yield Fund</b>                     |   |  |
|--|---|--|
| <b>Year Ended</b>                          | <b>Highest Price<br/>Per Unit<br/>USD</b> | <b>Lowest Price<br/>Per Unit<br/>USD</b> |
| <i>A Class – Income</i>                    |   |  |
| 30/09/14                                   | 10.0035                                   | 9.6400                                   |
| 30/09/15                                   | 9.6179                                    | 8.9926                                   |
| 30/09/16                                   | 9.4442                                    | 8.3408                                   |
| <i>A Class – Income (AUD hedged)</i>       |   |  |
| 30/09/15                                   | 10.3624                                   | 8.4830                                   |
| 30/09/16                                   | 9.8952                                    | 7.8787                                   |
| <i>A Class – Accumulation</i>              |   |  |
| 30/09/07                                   | 13.3260                                   | 12.3000                                  |
| 30/09/08                                   | 15.1034                                   | 12.5574                                  |
| 30/09/09                                   | 12.8190                                   | 8.6134                                   |
| 31/01/11                                   | 11.8517                                   | 9.9868                                   |
| 30/09/11                                   | 12.3484                                   | 11.2509                                  |
| 30/09/12                                   | 13.4333                                   | 10.8980                                  |
| 30/09/13                                   | 14.7514                                   | 13.3002                                  |
| 30/09/14                                   | 16.1918                                   | 14.6640                                  |
| 30/09/15                                   | 16.1049                                   | 14.9615                                  |
| 30/09/16                                   | 16.8242                                   | 14.479                                   |
| <i>A Class – Accumulation (EUR hedged)</i> |   |  |
| 30/09/05                                   | 10.8016                                   | 10.6587                                  |
| 30/09/06                                   | 9.0100                                    | 8.7000                                   |
| 30/09/07                                   | 11.0912                                   | 10.5679                                  |
| 30/09/08                                   | 11.1702                                   | 10.4006                                  |
| 30/09/09                                   | 11.3513                                   | 8.0747                                   |
| <i>I Class – Income (EUR hedged)</i>       |   |  |
| 30/09/07                                   | 10.9700                                   | 10.3900                                  |
| 30/09/08                                   | 12.0221                                   | 10.1322                                  |
| 30/09/09                                   | 9.6881                                    | 6.7883                                   |
| <i>I Class – Income (GBP hedged)</i>       |   |  |
| 30/09/07                                   | 10.0983                                   | 9.5078                                   |
| 30/09/08                                   | 10.3507                                   | 8.1556                                   |
| 30/09/09                                   | 7.7904                                    | 4.8234                                   |
| <i>I Class – Accumulation</i>              |   |  |
| 30/09/07                                   | 12.5000                                   | 11.9173                                  |
| 30/09/08                                   | 12.6372                                   | 11.7839                                  |
| 30/09/09                                   | 13.4163                                   | 9.1563                                   |
| 31/01/11                                   | 16.3159                                   | 13.3501                                  |
| 30/09/11                                   | 17.0341                                   | 15.5313                                  |
| 30/09/12                                   | 18.6159                                   | 15.0452                                  |
| 30/09/13                                   | 20.4948                                   | 18.4341                                  |
| 30/09/14                                   | 22.5981                                   | 20.4059                                  |
| 30/09/15                                   | 22.5618                                   | 20.9232                                  |
| 30/09/16                                   | 23.6879                                   | 20.3412                                  |
| <i>I Class – Accumulation (BRL hedged)</i> |   |  |
| 30/09/13                                   | 10.3186                                   | 8.4000                                   |
| 30/09/14                                   | 10.2342                                   | 9.4043                                   |
| 30/09/15                                   | 10.6546                                   | 6.6445                                   |
| 30/09/16                                   | 10.4569                                   | 6.5907                                   |
| <i>I Class – Accumulation (EUR hedged)</i> |   |  |
| 30/09/06                                   | 7.9100                                    | 7.9000                                   |
| 30/09/07                                   | 11.6994                                   | 10.7978                                  |
| 30/09/08                                   | 13.3370                                   | 11.4431                                  |
| 30/09/09                                   | 11.6607                                   | 7.8647                                   |

**PRINCIPAL GLOBAL INVESTORS FUNDS**  
**FUND PERFORMANCE & LEVERAGE (UNAUDITED)**  
for the year ended 30 September 2016 (continued)

| <b>High Yield Fund (continued)</b>         |                                   |                                  |
|--|-----------------------------------|----------------------------------|
| <b>Year Ended</b>                          | <b>Highest Price Per Unit USD</b> | <b>Lowest Price Per Unit USD</b> |
| <i>I Class – Accumulation (EUR hedged)</i> |                                   |                                  |
| 30/09/14                                   | 11.1959                           | 9.8539                           |
| 30/09/15                                   | 10.0559                           | 8.3747                           |
| 30/09/16                                   | 9.5081                            | 7.9321                           |
| <i>D Class – Accumulation</i>              |                                   |                                  |
| 30/09/15                                   | 10.3548                           | 9.7915                           |
| 30/09/16                                   | 10.7703                           | 9.2867                           |
| <i>F Class – Accumulation</i>              |                                   |                                  |
| 30/09/16                                   | 11.0072                           | 9.9792                           |
| <b>Global Property Securities Fund</b>     |                                   |                                  |
| <i>A Class – Accumulation</i>              |                                   |                                  |
| 30/09/09                                   | 12.9600                           | 7.0900                           |
| 30/09/16                                   | 11.3781                           | 9.6578                           |
| <i>A Class – Accumulation (EUR hedged)</i> |                                   |                                  |
| 30/09/07                                   | 10.0800                           | 8.2800                           |
| 30/09/08                                   | 10.1700                           | 6.4700                           |
| 30/09/09                                   | 6.5800                            | 2.8600                           |
| <i>A Class – Accumulation (USD hedged)</i> |                                   |                                  |
| 30/09/07                                   | 10.0700                           | 8.3500                           |
| 30/09/08                                   | 9.7400                            | 6.0800                           |
| 30/09/09                                   | 6.3000                            | 3.0900                           |
| <i>I Class – Income (JPY hedged)</i>       |                                   |                                  |
| 30/09/15                                   | 9.9619                            | 9.0018                           |
| 30/09/16                                   | 12.3569                           | 9.0139                           |
| <i>I Class – Accumulation</i>              |                                   |                                  |
| 30/09/09                                   | 14.1000                           | 7.1000                           |
| 31/01/11                                   | 17.6000                           | 13.0300                          |
| 30/09/11                                   | 18.8075                           | 14.7481                          |
| 30/09/12                                   | 20.0921                           | 14.0862                          |
| 30/09/13                                   | 23.6266                           | 19.1917                          |
| 30/09/14                                   | 24.3106                           | 20.9195                          |
| 30/09/15                                   | 26.5148                           | 22.5036                          |
| 30/09/16                                   | 27.3327                           | 22.0264                          |
| <i>I Class – Accumulation (EUR hedged)</i> |                                   |                                  |
| 30/09/07                                   | 10.0800                           | 8.3000                           |
| 30/09/08                                   | 10.2000                           | 6.5300                           |
| 30/09/09                                   | 6.6500                            | 2.8900                           |
| 31/01/11                                   | 7.0800                            | 4.8700                           |
| 30/09/11                                   | 7.7396                            | 5.6882                           |
| 30/09/12                                   | 7.3729                            | 5.3467                           |
| 30/09/13                                   | 8.8367                            | 6.9042                           |
| 30/09/14                                   | 9.4480                            | 8.2823                           |
| 30/09/15                                   | 9.2448                            | 8.1263                           |

| <b>Global Property Securities Fund (continued)</b> |                                   |                                  |
|--|-----------------------------------|----------------------------------|
| <b>Year Ended</b>                                  | <b>Highest Price Per Unit USD</b> | <b>Lowest Price Per Unit USD</b> |
| <i>I Class – Accumulation (GBP hedged)</i>         |                                   |                                  |
| 30/09/07   | 10.0200                           | 8.2400                           |
| 30/09/08   | 9.9400                            | 5.6500                           |
| 30/09/09   | 6.3600                            | 3.1300                           |
| 31/01/11   | 5.5200                            | 3.9600                           |
| 30/09/11   | 5.9170                            | 4.4596                           |
| 30/09/12   | 6.2583                            | 4.2561                           |
| 30/09/13   | 7.1959                            | 5.9002                           |
| 30/09/14   | 8.2188                            | 6.8055                           |
| 30/09/15   | 8.5315                            | 7.3467                           |
| <i>I Class – Accumulation (JPY hedged)</i>         |                                   |                                  |
| 30/09/13   | 10.6003                           | 9.7822                           |
| 30/09/14   | 11.2671                           | 9.6159                           |
| 30/09/15   | 11.2566                           | 9.9832                           |
| <i>I Class – Accumulation (USD hedged)</i>         |                                   |                                  |
| 30/09/07   | 10.0700                           | 8.3700                           |
| 30/09/08   | 9.7700                            | 6.1400                           |
| 30/09/09   | 5.7500                            | 2.1800                           |
| 31/01/11   | 7.0300                            | 5.3900                           |
| 30/09/11   | 7.3675                            | 5.8787                           |
| 30/09/12   | 7.8894                            | 5.6513                           |
| 30/09/13   | 9.5905                            | 7.6050                           |
| 30/09/14   | 9.9467                            | 8.5425                           |
| 30/09/15   | 11.3814                           | 9.3048                           |
| 30/09/16   | 11.6151                           | 9.4306                           |
| <i>I2 Class Income</i>                             |                                   |                                  |
| 30/09/14   | 10.2710                           | 9.6324                           |
| 30/09/15   | 11.1847                           | 9.4680                           |
| 30/09/16   | 11.4287                           | 9.1801                           |
| <i>F Class – Accumulation</i>                      |                                   |                                  |
| 30/09/16   | 10.6454                           | 9.6854                           |
| <b>Global Equity (ex-Japan) Fund</b>               |                                   |                                  |
| <i>I Class – Accumulation</i>                      |                                   |                                  |
| 31/01/11   | 12.3900                           | 9.9300                           |
| 30/09/11   | 13.2037                           | 10.3249                          |
| 30/09/12   | 13.5542                           | 10.0165                          |
| 30/09/13   | 15.9845                           | 12.6645                          |
| 30/09/14   | 18.4787                           | 15.5073                          |
| 30/09/15   | 19.1420                           | 16.5766                          |
| 30/09/16   | 18.2820                           | 15.7675                          |
| <i>I Class – Accumulation (JPY)</i>                |                                   |                                  |
| 30/09/08   | 8.3500                            | 10.1900                          |
| 30/09/09   | 8.6700                            | 4.9200                           |
| 31/01/11   | 9.3300                            | 7.1800                           |
| 30/09/11   | 9.9499                            | 7.7805                           |
| 30/09/12   | 10.2145                           | 7.5481                           |
| 30/09/13   | 12.0460                           | 9.5440                           |
| 30/09/14   | 13.9253                           | 11.6863                          |
| 30/09/15   | 14.4254                           | 12.4919                          |
| 30/09/16   | 13.7771                           | 11.8822                          |



**PRINCIPAL GLOBAL INVESTORS FUNDS**  
**FUND PERFORMANCE & LEVERAGE (UNAUDITED)**

for the year ended 30 September 2016 (continued)

| <b>Post Global Limited Term High Yield Fund</b> | <b>Highest Price</b> | <b>Lowest Price</b> |
|---|----------------------|---------------------|
| <b>Year Ended</b>                               | <b>Per Unit</b>      | <b>Per Unit</b>     |
|   | <b>USD</b>           | <b>USD</b>          |
| <i>A Class – Income</i>                         |                      |                     |
| 30/09/16  | 10.2248              | 10.0274             |
| <i>A Class – Accumulation</i>                   |                      |                     |
| 30/09/16  | 10.2742              | 9.9439              |
| <i>I Class – Income (EUR hedged)</i>            |                      |                     |
| 30/09/16  | 9.9675               | 9.8262              |
| <i>I Class – Income (GBP hedged)</i>            |                      |                     |
| 30/09/13  | 10.9442              | 9.8062              |
| 30/09/14  | 11.5692              | 10.6287             |
| 30/09/15  | 10.6472              | 9.5874              |
| 30/09/16  | 10.5625              | 9.1573              |
| <i>I Class – Accumulation</i>                   |                      |                     |
| 30/09/11  | 10.0723              | 9.8764              |
| 30/09/12  | 10.8391              | 9.7556              |
| 30/09/13  | 11.4202              | 10.8305             |
| 30/09/14  | 11.8921              | 11.4000             |
| 30/09/15  | 12.1027              | 11.5901             |
| 30/09/16  | 12.5783              | 11.8593             |
| <i>I Class – Accumulation (CHF hedged)</i>      |                      |                     |
| 30/09/15  | 10.1883              | 9.8824              |
| 30/09/16  | 10.4712              | 9.4109              |
| <i>I Class – Accumulation (EUR hedged)</i>      |                      |                     |
| 30/09/11  | 10.2355              | 9.6207              |
| 30/09/12  | 10.0258              | 9.1293              |
| 30/09/13  | 10.8850              | 9.7655              |
| 30/09/14  | 11.5811              | 10.4446             |
| 30/09/15  | 10.6291              | 8.8766              |
| 30/09/16  | 10.0073              | 8.9114              |
| <i>I Class – Accumulation (GBP hedged)</i>      |                      |                     |
| 30/09/12  | 10.9363              | 10.0011             |
| 30/09/13  | 11.8649              | 10.6384             |
| 30/09/14  | 13.1522              | 10.6287             |
| 30/09/15  | 12.3863              | 11.3227             |
| 30/09/16  | 12.1073              | 10.3942             |
| <i>I Class – Accumulation (JPY hedged)</i>      |                      |                     |
| 30/09/11  | 10.5306              | 10.0332             |
| 30/09/12  | 11.2300              | 10.0432             |
| 30/09/13  | 11.1905              | 8.8011              |
| 30/09/14  | 9.5128               | 8.5930              |
| 30/09/15  | 8.8711               | 7.7108              |
| 30/09/16  | 9.9210               | 7.7624              |
| <i>I Class – Accumulation (SGD hedged)</i>      |                      |                     |
| 30/09/16  | 10.3781              | 9.8965              |
| <i>I2 Class Accumulation</i>                    |                      |                     |
| 30/09/16  | 10.5431              | 9.9264              |
| <i>I2 Class Accumulation (EUR hedged)</i>       |                      |                     |
| 30/09/16  | 10.6532              | 9.4809              |

| <b>Post Global Limited Term High Yield Fund (continued)</b>       | <b>Highest Price</b> | <b>Lowest Price</b> |
|---|----------------------|---------------------|
| <b>Year Ended</b>   | <b>Per Unit</b>      | <b>Per Unit</b>     |
|   | <b>USD</b>           | <b>USD</b>          |
| <i>I2 Class Accumulation (GBP hedged)</i>                         |                      |                     |
| 30/09/16  | 10.3251              | 8.8651              |
| <b>Global Time Diversified Absolute Return Fund</b>               |                      |                     |
| <i>I Class – Accumulation</i>                                     |                      |                     |
| 30/09/12  | 10.2720              | 9.8056              |
| 30/09/13  | 10.2537              | 8.7169              |
| 30/09/14  | 9.3654               | 8.3907              |
| 30/09/15  | 10.0121              | 8.3446              |
| 30/09/16  | 10.2238              | 8.7709              |
| <b>EDGE Small/Mid Cap Equity Income Fund*</b>                     |                      |                     |
| <i>A Class – Accumulation</i>                                     |                      |                     |
| 30/09/12  | 10.3388              | 9.9018              |
| 30/09/13  | 11.7757              | 9.5700              |
| 30/09/14  | 13.6892              | 11.3529             |
| 30/09/15  | 13.5970              | 11.6074             |
| <i>I Class – Accumulation</i>                                     |                      |                     |
| 30/09/12  | 10.3457              | 9.9066              |
| 30/09/13  | 11.8608              | 9.5867              |
| 30/09/14  | 13.8593              | 11.4390             |
| 30/09/15  | 13.8398              | 11.8727             |
| <b>Global Small Cap Equity Fund</b>                               |                      |                     |
| <i>A Class – Accumulation</i>                                     |                      |                     |
| 30/09/13  | 13.1734              | 9.6244              |
| 30/09/14  | 15.4289              | 12.9942             |
| 30/09/15  | 16.0445              | 12.8613             |
| 30/09/16  | 15.6074              | 12.3971             |
| <i>I Class – Accumulation</i>                                     |                      |                     |
| 30/09/13  | 13.2533              | 9.6287              |
| 30/09/14  | 15.5998              | 13.0761             |
| 30/09/15  | 16.3509              | 13.0337             |
| 30/09/16  | 16.0323              | 12.6937             |
| <b>Origin Global Emerging Markets Fund</b>                        |                      |                     |
| <i>I Class – Accumulation</i>                                     |                      |                     |
| 30/09/14  | 11.6512              | 9.8683              |
| 30/09/15  | 12.0757              | 9.0280              |
| 30/09/16  | 10.6273              | 7.9924              |
| <i>I Class – Accumulation (GBP)</i>                               |                      |                     |
| 30/09/13  | 10.6758              | 9.0414              |
| 30/09/14  | 11.9326              | 10.1071             |
| 30/09/15  | 12.3678              | 9.2502              |
| 30/09/16  | 10.8910              | 8.1891              |
| <i>F2 Class – Accumulation</i>                                    |                      |                     |
| 30/09/16  | 11.4230              | 9.7001              |
| *EDGE Small/Mid-Cap Equity Income Fund terminated on 31 May 2016. |                      |                     |

**PRINCIPAL GLOBAL INVESTORS FUNDS**  
**FUND PERFORMANCE & LEVERAGE (UNAUDITED)**

for the year ended 30 September 2016 (continued)

| <b>Origin Global Equity Fund</b>                   |                                   |                                  |
|--|-----------------------------------|----------------------------------|
| <b>Year Ended</b>                                  | <b>Highest Price Per Unit USD</b> | <b>Lowest Price Per Unit USD</b> |
| <i>I Class – Accumulation (GBP)</i>                |                                   |                                  |
| 30/09/13   | 11.0200                           | 9.7758                           |
| 30/09/14   | 13.3334                           | 10.8108                          |
| 30/09/15   | 15.0618                           | 11.8150                          |
| 30/09/16   | 13.6213                           | 11.0046                          |
| <b>Origin Global Smaller Companies Fund</b>        |                                   |                                  |
| <i>I Class – Accumulation</i>                      |                                   |                                  |
| 30/09/13   | 11.1695                           | 9.7097                           |
| 30/09/14   | 13.3136                           | 11.0280                          |
| 30/09/15   | 14.3960                           | 11.6425                          |
| 30/09/16   | 13.9164                           | 11.2870                          |
| <i>I Class – Accumulation (GBP)</i>                |                                   |                                  |
| 30/09/13   | 11.2084                           | 9.7440                           |
| 30/09/14   | 13.3599                           | 11.0774                          |
| 30/09/15   | 14.4458                           | 11.6828                          |
| 30/09/16   | 13.9670                           | 11.3273                          |
| <b>Long/Short Global Opportunities Equity Fund</b> |                                   |                                  |
| <i>I Class – Accumulation</i>                      |                                   |                                  |
| 30/09/13   | 10.0053                           | 9.8734                           |
| 30/09/14   | 10.4298                           | 9.8876                           |
| 30/09/15   | 10.5379                           | 10.0729                          |
| 30/09/16   | 10.4804                           | 9.4990                           |
| <b>Claritas Latin American Equity Fund</b>         |                                   |                                  |
| <i>I Class – Accumulation</i>                      |                                   |                                  |
| 30/09/13   | 10.0000                           | 9.8070                           |
| 30/09/14   | 11.0759                           | 8.5998                           |
| 30/09/15   | 9.8352                            | 5.6600                           |
| 30/09/16   | 7.9824                            | 5.0958                           |
| <b>Finisterre Emerging Market Debt Fund</b>        |                                   |                                  |
| <i>A Class – Income</i>                            |                                   |                                  |
| 30/09/15   | 10.0240                           | 9.3765                           |
| 30/09/16   | 9.8288                            | 9.1521                           |
| <i>A Class – Accumulation</i>                      |                                   |                                  |
| 30/09/15   | 10.1036                           | 9.4697                           |
| 30/09/16   | 9.9240                            | 9.2430                           |
| <i>A Class – Accumulation (CHF hedged)</i>         |                                   |                                  |
| 30/09/15   | 10.5696                           | 9.2477                           |
| 30/09/16   | 9.7129                            | 8.6891                           |
| <i>A Class – Accumulation (EUR hedged)</i>         |                                   |                                  |
| 30/09/15   | 10.4850                           | 9.6575                           |
| 30/09/16   | 10.1495                           | 9.0814                           |
| <i>A Class – Accumulation (GBP hedged)</i>         |                                   |                                  |
| 30/09/15   | 10.6338                           | 9.6344                           |
| 30/09/16   | 9.8428                            | 8.5325                           |
| <i>A Class – Accumulation (SGD hedged)</i>         |                                   |                                  |
| 30/09/15   | 10.4915                           | 9.10478                          |
| 30/09/16   | 10.2112                           | 8.8283                           |

| <b>Finisterre Emerging Market Debt Fund (continued)</b> |                                   |                                  |
|---|-----------------------------------|----------------------------------|
| <b>Year Ended</b>                                       | <b>Highest Price Per Unit USD</b> | <b>Lowest Price Per Unit USD</b> |
| <i>I Class – Accumulation</i>                           |                                   |                                  |
| 30/09/14  | 10.8949                           | 9.9668                           |
| 30/09/15  | 11.1185                           | 10.4638                          |
| 30/09/16  | 11.0059                           | 10.2330                          |
| <i>I Class – Accumulation (EUR hedged)</i>              |                                   |                                  |
| 30/09/14  | 10.0504                           | 9.4417                           |
| 30/09/15  | 9.5255                            | 7.9115                           |
| 30/09/16  | 8.4321                            | 7.5328                           |
| <i>I Class – Accumulation (GBP hedged)</i>              |                                   |                                  |
| 30/09/15  | 10.6439                           | 9.6699                           |
| 30/09/16  | 9.8845                            | 8.6051                           |
| <i>I2 Class – Income (EUR hedged)</i>                   |                                   |                                  |
| 30/09/14  | 10.0668                           | 9.3220                           |
| 30/09/15  | 9.4058                            | 7.8215                           |
| 30/09/16  | 8.4074                            | 7.4711                           |
| <b>Spectrum Global Capital Securities Fund</b>          |                                   |                                  |
| <i>A Class – Accumulation</i>                           |                                   |                                  |
| 30/09/16  | 10.1298                           | 9.9584                           |
| <i>I Class – Accumulation</i>                           |                                   |                                  |
| 30/09/15  | 10.6473                           | 9.8576                           |
| 30/09/16  | 11.0747                           | 9.5185                           |
| <i>I Class – Accumulation (EUR hedged)</i>              |                                   |                                  |
| 30/09/15  | 10.4912                           | 10.0313                          |
| 30/09/16  | 10.7888                           | 9.2749                           |
| <b>Global Short Duration High Yield Fund**</b>          |                                   |                                  |
| <i>I Class – Accumulation</i>                           |                                   |                                  |
| 30/09/15  | 10.3847                           | 9.9542                           |
| <b>Global Capital Structure Opportunities Fund</b>      |                                   |                                  |
| <i>I Class – Accumulation</i>                           |                                   |                                  |
| 30/09/15  | 10.4073                           | 9.9775                           |
| 30/09/16  | 10.6928                           | 9.8177                           |
| <b>Global Credit Alpha Fund</b>                         |                                   |                                  |
| <i>I Class – Accumulation</i>                           |                                   |                                  |
| 30/09/15  | 11.1952                           | 10.6157                          |
| 30/09/16  | 11.2820                           | 10.0418                          |
| <b>Real Estate Debt Fund***</b>                         |                                   |                                  |
| <i>I Class – Income</i>                                 |                                   |                                  |
| 30/09/16  | 10.4901                           | 9.9568                           |
| <i>I Class – Accumulation</i>                           |                                   |                                  |
| 30/09/16  | 10.6532                           | 9.9568                           |

\*\*Global Short Duration High Yield Fund terminated on 1 July 2016.

\*\*\*Real Estate Debt Fund launched on 21 March 2016.

**PRINCIPAL GLOBAL INVESTORS FUNDS**  
**FUND PERFORMANCE & LEVERAGE (UNAUDITED)**  
for the year ended 30 September 2016 (continued)

**FUND PERFORMANCE**  
As at 30 September 2016  
Calculated In USD

|   | One Year<br>% | Three Years<br>% | Five Years<br>% |
|---|---------------|------------------|-----------------|
| Global Equity Fund  | 5.92          | 12.95            | 61.56           |
| MSCI AC World Index   | 11.96         | 16.22            | 69.87           |
| Asian Equity Fund   | 13.68         | 5.88             | 40.77           |
| MSCI AC Asia ex-Japan Index                                   | 16.84         | 8.41             | 40.57           |
| European Equity Fund  | 2.26          | 5.93             | 56.23           |
| MSCI Europe Index   | 2.49          | (1.67)           | 43.31           |
| Emerging Markets Equity Fund                                  | 12.85         | (4.62)           | 8.55            |
| MSCI Emerging Markets Index                                   | 16.78         | (1.68)           | 16.10           |
| Japanese Equity Fund  | 9.15          | 5.18             | 31.22           |
| MSCI Japan Index  | 12.13         | 10.31            | 42.62           |
| Preferred Securities Fund                                     |               |                  |                 |
| 50% BofA Merrill Lynch Fixed Rate Preferred Securities Index; | 7.44          | 24.35            | 55.82           |
| 50% BofA Merrill Lynch US Capital Securities Index            | 9.04          | 26.44            | 52.61           |
| U.S. Equity Fund  | 6.78          | 24.22            | 83.36           |
| S&P 500 Index   | 15.43         | 37.36            | 113.44          |
| High Yield Fund   | 10.61         | 15.81            | 52.35           |
| BofA Merrill Lynch Global High Yield Hedged Index             | 13.51         | 16.10            | 51.73           |
| Global Property Securities Fund                               | 10.92         | 21.70            | 75.78           |
| FTSE EPRA/NAREIT Developed NTR Index                          | 14.85         | 24.96            | 78.53           |
| Global Equity ex-Japan Fund                                   | 5.78          | 13.41            | 68.22           |
| MSCI Kokusai (World ex-Japan) Index                           | 11.28         | 19.41            | 76.80           |
| Post Global Limited Term High Yield Fund                      | 5.63          | 10.25            | 27.33           |
| Barclays Capital US Government 1-2 Year                       | 0.66          | 1.80             | 2.65            |
| Global Time Diversified Absolute Return Fund <sup>4</sup>     | 11.61         | N/A              | N/A             |
| <i>No benchmark for this Fund</i>                             | N/A           | N/A              | N/A             |
| EDGE Small/Mid-Cap Equity Income Fund <sup>1</sup>            | N/A           | N/A              | N/A             |
| Russell 2500 Value Index                                      | N/A           | N/A              | N/A             |
| Global Small Cap Equity Fund                                  | 10.68         | 20.24            | N/A             |
| MSCI ACWI Small Cap Index                                     | 14.21         | 17.99            | N/A             |
| Origin Global Emerging Markets Fund                           | 10.97         | N/A              | N/A             |
| MSCI Emerging Markets Index                                   | 16.78         | N/A              | N/A             |
| Origin Global Equity Fund                                     | 2.83          | 19.01            | N/A             |
| MSCI World Index  | 11.36         | 18.58            | N/A             |
| Origin Global Smaller Companies Fund                          | 10.63         | 23.34            | N/A             |
| MSCI ACWI Small Cap Index                                     | 14.21         | 17.99            | N/A             |
| Long/Short Global Opportunities Equity Fund <sup>4</sup>      | (7.30)        | (3.64)           | N/A             |
| <i>No benchmark for this Fund</i>                             | N/A           | N/A              | N/A             |

**PRINCIPAL GLOBAL INVESTORS FUNDS**  
**FUND PERFORMANCE & LEVERAGE (UNAUDITED)**  
for the year ended 30 September 2016 (continued)

**FUND PERFORMANCE (continued)**  
As at 30 September 2016 (continued)

| Calculated in USD  | One Year | Three Years | Five Years |
|--|----------|-------------|------------|
|  | %        | %           | %          |
| Claritas Latin American Equity Fund <sup>5</sup>         | 32.75    | (22.40)     | N/A        |
| <i>No benchmark for this Fund</i>                        | N/A      | N/A         | N/A        |
| Finisterre Emerging Market Debt Fund <sup>4</sup>        | 4.49     | N/A         | N/A        |
| <i>No benchmark for this Fund</i>                        | N/A      | N/A         | N/A        |
| Spectrum Global Capital Securities Fund                  | 6.42     | N/A         | N/A        |
| BofA Merrill Lynch Global Non-Sovereign Index            | 6.54     | N/A         | N/A        |
| Global Short Duration High Yield Fund <sup>2</sup>       | N/A      | N/A         | N/A        |
| Barclays Capital Mutual Fund (1-2) U.S. Government Index | N/A      | N/A         | N/A        |
| Global Capital Structure Opportunities Fund              | 4.40     | N/A         | N/A        |
| 3 Month US LIBOR   | 0.57     | N/A         | N/A        |
| Global Credit Alpha Fund                                 | 6.03     | N/A         | N/A        |
| 3 Month US LIBOR   | 0.57     | N/A         | N/A        |
| Real Estate Debt Fund <sup>3</sup>                       | 6.50     | N/A         | N/A        |
| Barclays Capital CMBS Investment Grade Index             | 4.13     | N/A         | N/A        |

<sup>1</sup>EDGE Small/Mid-Cap Equity Income Fund terminated on 31 May 2016.

<sup>2</sup>Global Short Duration High Yield Fund terminated on 1 July 2016.

<sup>3</sup>Real Estate Debt Fund launched on 21 March 2016.

<sup>4</sup>The Finisterre Emerging Market Debt Fund, Long/Short Global Opportunities Equity Fund and the Global Time Diversified Absolute Return Funds do not have applicable benchmark indices, and as a result there is no sensitivity analysis prepared for these Funds.

<sup>5</sup>For the Claritas Latin American Equity Fund there is currently no license for the benchmark index and as a result there is no sensitivity prepared for this Fund.

Notes: Fund performance calculated using 10 a.m. NAVs.

The data is based on the USD I class of each Fund showing the total return over each time period.

Past performance is not indicative of future results.

The information above has been derived from sources believed to be accurate as of 30 September 2016. It contains general information only on investment matters and should not be considered as a comprehensive statement on any matter and should not be relied upon as such. The information it contains does not take account of any investor's investment objectives, particular needs or financial situation. Past performance is not a reliable indicator of future performance and should not be relied upon as a significant basis for an investment decision. Subject to any contrary provisions of applicable law, no company in the Principal Financial Group nor any of their employees or directors gives any warranty of reliability or accuracy nor accepts any responsibility arising in any other way (including by reason of negligence) for errors or omissions in this document. You should consider whether an investment fits your investment objectives, particular needs and financial situation before making any investment decision.

**Leverage**

The use of derivatives adds leverage to the funds and can increase volatility. Leverage is calculated using the sum of the derivatives used by the funds. The levels of leverage are as follows:

**As at 30 September 2016**

|  |         |
|--|---------|
| Global Time Diversified Absolute Return Fund | 1,015%  |
| Finisterre Emerging Market Debt Fund         | 13,360% |
| Global Capital Structure Opportunities Fund  | 109%    |
| Global Credit Alpha Fund                     | 133%    |

**PRINCIPAL GLOBAL INVESTORS FUNDS**  
**TOTAL EXPENSE RATIOS (UNAUDITED)**  
for the year ended 30 September 2016

**TOTAL EXPENSE RATIOS**

Outlined below and overlaid are total expense ratios for the year ended 30 September 2016 on a fund by fund basis. This disclosure is a requirement for funds regulated in Switzerland.

|  | Average       | Total Expense Ratio % |         |         |          |         |          |         |         |       |   |
|--|---------------|-----------------------|---------|---------|----------|---------|----------|---------|---------|-------|---|
|  | NAV (USD)     | A Class               | I Class | D Class | D2 Class | F Class | F2 Class | N Class | P Class |       |   |
| Global Equity Fund                           | 53,698,446    | 1.97%                 | 1.28%   | -       | -        | -       | -        | 2.89%   | -       | -     | - |
| Asian Equity Fund                            | 7,651,150     | 2.32%                 | 1.74%   | -       | -        | -       | -        | -       | -       | -     | - |
| European Equity Fund                         | 109,075,352   | 1.74%                 | 1.13%   | -       | -        | -       | -        | -       | -       | -     | - |
| Emerging Markets Equity Fund                 | 7,585,440     | 2.30%                 | 1.74%   | -       | -        | -       | -        | -       | -       | -     | - |
| Japanese Equity Fund                         | 29,568,603    | 2.18%                 | 1.50%   | -       | -        | -       | -        | 3.16%   | -       | -     | - |
| Preferred Securities Fund                    | 1,985,798,244 | 1.08%                 | 0.43%   | -       | 1.38%    | 1.88%   | 1.39%    | 2.34%   | 0.69%   | 0.88% | - |
| U.S. Equity Fund                             | 135,951,588   | 1.75%                 | 1.10%   | -       | -        | -       | -        | -       | -       | -     | - |
| High Yield Fund                              | 130,910,706   | 1.27%                 | 0.88%   | -       | 1.62%    | -       | -        | 2.12%   | -       | -     | - |
| Global Property Securities Fund              | 142,642,248   | -                     | 1.18%   | 0.61%   | -        | -       | -        | 2.37%   | -       | -     | - |
| Global Equity (ex-Japan) Fund                | 62,875,339    | -                     | 1.15%   | -       | -        | -       | -        | -       | -       | -     | - |
| Post Global Limited Term High Yield Fund     | 733,322,692   | 1.19%                 | 0.74%   | 0.54%   | -        | -       | -        | -       | -       | -     | - |
| Global Time Diversified Absolute Return Fund | 4,408,133     | -                     | 1.97%   | -       | -        | -       | -        | -       | -       | -     | - |
| EDGE Small/Mid-Cap Equity Income Fund*       | 3,328,110     | 2.79%                 | 1.98%   | -       | -        | -       | -        | -       | -       | -     | - |
| Global Small Cap Equity Fund                 | 20,625,385    | 2.15%                 | 1.53%   | -       | -        | -       | -        | -       | -       | -     | - |
| Origin Global Emerging Markets Fund          | 65,339,589    | -                     | 1.27%   | -       | -        | -       | -        | 2.90%   | -       | -     | - |
| Origin Global Equity Fund                    | 15,466,827    | -                     | 0.99%   | -       | -        | -       | -        | -       | -       | -     | - |
| Origin Global Smaller Companies Fund         | 50,125,917    | -                     | 1.26%   | -       | -        | -       | -        | -       | -       | -     | - |
| Long/Short Global Opportunities Equity Fund  | 7,491,126     | -                     | 1.77%   | -       | -        | -       | -        | -       | -       | -     | - |
| Clairias Latin American Equity Fund          | 11,706,503    | -                     | 1.72%   | -       | -        | -       | -        | -       | -       | -     | - |
| Finsterre Emerging Market Debt Fund          | 317,367,541   | 2.25%                 | 1.60%   | 1.11%   | -        | -       | -        | -       | -       | -     | - |
| Spectrum Global Capital Securities Fund      | 22,829,030    | 1.73%                 | 0.80%   | -       | -        | -       | -        | -       | -       | -     | - |

**PRINCIPAL GLOBAL INVESTORS FUNDS**  
**TOTAL EXPENSE RATIOS (UNAUDITED)**  
for the year ended 30 September 2016 (continued)

**TOTAL EXPENSE RATIOS (continued)**

|   | Average<br>NAV (USD) | Total Expense Ratio % |         |          |         |          |         |          |         |         |   |
|---|----------------------|-----------------------|---------|----------|---------|----------|---------|----------|---------|---------|---|
|   |                      | A Class               | I Class | I2 Class | D Class | D2 Class | F Class | F2 Class | N Class | P Class |   |
| Global Short Duration High Yield Fund**     | 6,578,752            | -                     | 0.73%   | -        | -       | -        | -       | -        | -       | -       | - |
| Global Capital Structure Opportunities Fund | 10,391,856           | -                     | 0.89%   | -        | -       | -        | -       | -        | -       | -       | - |
| Global Credit Alpha Fund                    | 7,964,422            | -                     | 0.78%   | -        | -       | -        | -       | -        | -       | -       | - |
| Real Estate Debt Fund***                    | 8,928,197            | -                     | 0.83%   | -        | -       | -        | -       | -        | -       | -       | - |

\*\*EDGE Small/Mid-Cap Equity Income Fund terminated on 31 May 2016.

\*\*\*Global Short Duration High Yield Fund terminated on 1 July 2016.

\*\*\*\*Real Estate Debt Fund launched on 21 March 2016.

**PRINCIPAL GLOBAL INVESTORS FUNDS**  
**UCITS V Remuneration Policy (UNAUDITED)**  
**for the year ended 30 September 2016 (continued)**

**UCITS V Remuneration Policy (Unaudited)**

**1 INTRODUCTION**

The Company has been authorised by the Central Bank as a UCITS management company pursuant to the UCITS Regulations.

Regulation 24A of the UCITS Regulations requires UCITS management companies, such as the Company to, "establish and apply remuneration policies and practices that (a) are consistent with and promote sound and effective risk management, (b) do not encourage risk taking that is inconsistent with the risk profiles, rules or instruments of incorporation of the UCITS that the management company manages, and (c) do not impair compliance with the management company's duty to act in the best interest of the UCITS that it manages."

The Company has prepared this remuneration policy (the "**Remuneration Policy**") to outline how it adheres to the remuneration requirements set out in the UCITS Regulations.

The purpose of this Remuneration Policy is to provide a clear direction and policy regarding the Company's remuneration policies and practices consistent with the principles in the UCITS Regulations.

This document forms the written element of the remuneration policy for the Company. This supplements and should be read in conjunction with, the Company's regulatory framework documentation, in particular its UCITS business plan.

The board of directors of the Company (the "Board") recognises the important role played by sound risk management in protecting its stakeholders. Moreover, the Board acknowledges that inappropriate remuneration structures could, in certain circumstances; result in situations whereby individuals assume more risk on the relevant institution's behalf than they would have done had they not been remunerated in this way.

In addition to ensuring that this Remuneration Policy aligns the risk taking behaviour of staff with the Company's risk appetite, the remuneration policy is designed to ensure that the Company is able to attract, retain and motivate highly qualified staff in order to produce long term value creation for shareholders.

In preparing this Remuneration Policy, the Company has taken into account the nature, scale and complexity of its business. In determining the range of activities to be undertaken by the Company, the Company has given due consideration to the number of funds it acts as UCITS management company for, the type of investments of such funds, the investment strategies of such funds, the investment location, the distribution model and the investor base of such funds. Due consideration has also been given to the resources available to the Company and the resources and expertise of the various third parties engaged to support the Company and carry out certain functions on its behalf.

The Company is also authorised by the Central Bank as an alternative investment fund manager ("**AIFM**") under the Part 2 of the AIFM Regulations and applies a separate remuneration policy in accordance with the AIFM Regulations in respect of the funds it acts as AIFM for.

**2 APPLICABLE REGULATIONS AND INTERPRETATION**

For the purposes of this Remuneration Policy, the following defined terms and legislative/regulatory references are of particular note:

|                                  |   |
|----------------------------------|---|
| "AIFM Regulations"               | means the European Union (Alternative Investment Fund Managers Directive) Regulations (S.I. No. 257 of 2013), as amended;   |
| "AIFMD"                          | means the Alternative Investment Fund Managers Directive (Directive 2011/61/EU);  |
| "Applicable UCITS Regulation"    | means collectively the UCITS Directive, the UCITS Regulations, and the Central Bank UCITS Regulations, as appropriate;  |
| "Central Bank"                   | means the Central Bank of Ireland;  |
| "Central Bank UCITS Regulations" | means the Central Bank (Supervision and Enforcement) Act 2013 (Section 48(1)) (Undertakings for Collective Investment in Transferable Securities) Regulations 2015 as amended, consolidated or substituted from time to time; |
| "ESMA"                           | means the European Securities and Market Authority;   |
| "ESMA UCITS Q&A"                 | means ESMA's Questions and Answers on the Application of the UCITS Directive (ESMA/2016/569);   |
| "Fund"                           | means Principal Global Investors Funds, or any other fund pursuant to which the Company acts as a UCITS management company;   |

**PRINCIPAL GLOBAL INVESTORS FUNDS**  
**UCITS V Remuneration Policy (UNAUDITED)**  
**for the year ended 30 September 2016 (continued)**

**UCITS V Remuneration Policy (Unaudited) (continued)**

**2 APPLICABLE REGULATIONS AND INTERPRETATION (continued)**

|                     |   |
|---------------------|---|
| "Guidelines"        | means ESMA's Guidelines on sound remuneration policies under the UCITS Directive, applicable from 1 January 2017 (ESMA/2016/575);   |
| "UCITS Regulations" | means the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2011 (S.I. No. 352 of 2011), as amended, consolidated or substituted from time to time. |

All other stated defined terms used in this Remuneration Policy shall have the same meaning as in the Company's UCITS business plan.

In relation to various aspects of this Remuneration Policy where there is any perceived ambiguity or lack of clarity in the Applicable UCITS Regulation and/or the Guidelines, the Company will have regard to any published guidance on the relevant point by the Central Bank or ESMA or in the absence of any such published guidance that of any other EU national competent authority, if appropriate.

In the absence of such additional supporting guidance in relevant instances regard may also be had to any guidance published by any of the relevant regulatory bodies in the context of AIFMD remuneration requirements, to the extent it provides guidance on corresponding elements to the UCITS requirements being considered.

The Company has reviewed and understands all regulatory requirements applicable to its Remuneration Policy set out in the Applicable UCITS Regulation and has addressed these requirements in this Remuneration Policy and/or materials referenced herein.

**3 SCOPE OF REMUNERATION**

Remuneration consists of all forms of payments or benefits made directly by, or indirectly, but on behalf of the Company, in exchange for professional services rendered by staff. This shall include where appropriate:

- (i) all forms of payments or benefits paid by the Company;
- (ii) any amount paid by the Funds, including any portion of performance fees; and/or
- (iii) any transfer of units or shares of any Funds;

in exchange for professional services rendered by the Identified Staff (as defined in section 4 below).

For the purpose of item (ii) above, whenever payments, excluding reimbursements of costs and expenses, are made directly by the Funds to the Company for the benefit of the relevant categories of Identified Staff, for professional services rendered, which may otherwise result in a circumvention of the relevant remuneration rules, they shall be considered remuneration for the purpose of this Remuneration Policy.

Fixed remuneration means payments or benefits without consideration of any performance criteria.

Variable remuneration means additional payments or benefits depending on performance or, in certain cases, other contractual criteria

**4 IDENTIFIED STAFF**

The provisions of this Remuneration Policy only apply only to "**Identified Staff**". Pursuant to the term as defined in the Guidelines, Identified Staff are staff members who have a material impact on the Company's risk profile, as follows:

*"categories of staff, including senior management, risk takers, Control Functions and any employee receiving total remuneration that falls into the remuneration bracket of senior management and risk takers, whose professional activities have a material impact on the management company's risk profile or the risk profiles of the UCITS that it manages and categories of staff of the entity(ies) to which investment management activities have been delegated by the management company, whose professional activities have a material impact on the risk profiles of the UCITS that the management company manages"*

For the above purposes, "**Control Functions**" means:



**PRINCIPAL GLOBAL INVESTORS FUNDS**  
**UCITS V Remuneration Policy (UNAUDITED)**  
**for the year ended 30 September 2016 (continued)**

**UCITS V Remuneration Policy (Unaudited) (continued)**

**4 IDENTIFIED STAFF (continued)**

*"staff (other than senior management) responsible for risk management, compliance, internal audit and similar functions within a management company (e.g. the CFO to the extent that he/she is responsible for the preparation of the financial statements)."*

For the above purposes, **"remuneration bracket"** means:

*"the range of the total remuneration of each of the staff members in the senior manager and risk taker categories – from the highest paid to the lowest paid in these categories."*

The following categories of staff, unless it is demonstrated that they have no material impact on the Company's risk profile or on a UCITS it manages, should be included as the Identified Staff:

- directors;
- senior management;
- staff responsible for Control Functions;
- staff responsible for heading the investment management, administration, marketing, human resources;
- other risk takers – such as staff members who acting individually or as part of a group can exert material influence on the Company's risk profile or on a UCITS it manages;

Additionally, staff whose remuneration takes them into the same bracket as senior managers and risk takers but who don't fall into one of the categories above must be assessed to determine whether they have a material impact on the risk profile of the Company or of a UCITS it manages and should be included as Identified Staff.

A list of the Company's Identified Staff is appended herewith (at Schedule 1). It should be noted that the inclusions of persons in Schedule 1 shall relate specifically to their role within the Company and their remuneration (if any) received directly by the Company and shall not affect any other role or remuneration such persons may otherwise receive from entities connected with the Company, delegates of the Company or otherwise.

Any new staff will be considered for inclusion on this list when they are hired or if their role changes. It will be the responsibility of the Chairman of the Board in consultation with the Compliance Officer to make recommendations to the Board to include staff on this list.

The list will be reviewed by the Board on an annual basis.

**5 REMUNERATION PROCESS AND PRINCIPLES**

**5.1 Variable remuneration**

Variable remuneration is an important tool to incentivise staff. It also gives the Company flexibility such that, in years where the Company performs poorly, variable remuneration may be reduced or eliminated and the capital of the Company can be preserved. In some circumstances, however, variable remuneration, if inappropriately structured, can lead to excessive risk taking as employees may be incentivised to keep taking risk to maintain or increase their variable remuneration.

In deciding the mix between fixed and variable remuneration of Identified Staff, the Company is mindful of the need to ensure that the basic pay of staff is adequate to remunerate the professional services rendered taking into account, inter alia, the level of education, the degree of seniority, the level and expertise and skills required. Because the Company is a trading business its revenues may be more volatile than non-trading businesses. Variable remuneration allows the Company to reduce the risk that its capital base is eroded due to the need to pay fixed remuneration cost should trading revenues decline. For these reasons, the Company's ratio of variable pay to fixed pay may be higher than other businesses with more steady income streams.

**5.2 Remuneration process**

Following the finalisation of the annual financial statements and during the first quarter of each financial year in respect of the Company, the Company shall decide what, if any, variable compensation to award staff.

**PRINCIPAL GLOBAL INVESTORS FUNDS**  
**UCITS V Remuneration Policy (UNAUDITED)**  
**for the year ended 30 September 2016 (continued)**

**UCITS V Remuneration Policy (Unaudited) (continued)**

**5 REMUNERATION PROCESS AND PRINCIPLES (continued)**

**5.2 Remuneration process (continued)**

The factors that are taken into account in deciding the quantum of the variable remuneration are as follows:

- the profit that the Company made during the previous year;
- for revenue producing roles, the risk and resource adjusted profit or loss in comparison to the expected profit or loss in addition to the achievement of any specific objectives;
- the resources that were consumed (for example IT, capital, legal and compliance resources);
- for non-revenue producing roles, achievement against objectives and whether the individual exceeded what was expected of them during the year;
- for all roles, compliance by the individual with all relevant compliance and risk requirements and other firm policies and procedures;
- for all roles, the achievement of objectives which are set during the annual review process and updated during the year;
- whether the individual helped to develop new businesses, improved processes, worked in a collegial way and assisted in the training, education and mentoring of other employees;
- other factors as may be determined from time to time by the Board.

**5.3 Remuneration principles – in compliance with UCITS requirements**

It is primarily the responsibility of the Company to assess its own characteristics and to develop and implement remuneration policies and practices which appropriately align the risks faced and provide adequate and effective incentives to its Identified Staff.

When establishing and applying the total remuneration, inclusive of salaries and discretionary pension benefits for Identified Staff, the Company shall comply with the following general principles in a way and to the extent that is appropriate taking into account its size, internal organisation and the nature, scope and complexity of its activities:

- a) Identified Staff engaged in Control Functions are compensated in accordance with the achievement of the objectives linked to their functions, independently of the performance of the business areas that they control in order to avoid any conflict of interest;
- b) where remuneration is performance related, the total amount of remuneration is based on a combination of the assessment as to the performance of the individual and of the business unit or Fund concerned and as to their risks and of the overall results of the Company when assessing individual performance, taking into account financial and non-financial criteria;
- c) the assessment of performance is set in a multi-year framework appropriate to the holding period recommended to the investors of the Fund managed by the Company in order to ensure that the assessment process is based on the longer-term performance of the Fund and its investment risks and that the actual payment of performance-based components of remuneration is spread over the same period;
- d) guaranteed variable remuneration is exceptional, occurs only in the context of hiring new staff and is limited to the first year of engagement;
- e) fixed and variable components of total remuneration are appropriately balanced and the fixed component represents a sufficiently high proportion of the total remuneration to allow the operation of a fully flexible policy on variable remuneration components, including the possibility to pay no variable remuneration component;
- f) payments relating to the early termination of a contract reflect performance achieved over time and are designed in a way that does not reward failure;
- g) the measurement of performance used to calculate variable remuneration components or pools of variable remuneration components includes a comprehensive adjustment mechanism to integrate all relevant types of current and future risks;

**PRINCIPAL GLOBAL INVESTORS FUNDS**  
**UCITS V Remuneration Policy (UNAUDITED)**  
**for the year ended 30 September 2016 (continued)**

**UCITS V Remuneration Policy (Unaudited) (continued)**

**5 REMUNERATION PROCESS AND PRINCIPLES (continued)**

**5.3 Remuneration principles – in compliance with UCITS requirements (continued)**

- h) subject to the legal structure of the Funds and its rules or instruments of incorporation, a substantial portion, and in any event at least 50 %, of any variable remuneration component consists of units or shares of the Funds concerned, equivalent ownership interests, or share-linked instruments or equivalent non-cash instruments with equally effective incentives as any of the instruments referred to in this point (h), unless the management of the Funds accounts for less than 50 % of the total portfolio managed by the Company, in which case the minimum of 50 % does not apply;
- i) a substantial portion, and in any event at least 40 %, of the variable remuneration component, is deferred over a period which is appropriate in view of the holding period recommended to the investors of the Funds concerned and is correctly aligned with the nature of the risks of the Funds in question. The period referred to in this point shall be at least three years; remuneration payable under deferral arrangements vests no faster than on a pro-rata basis; in the case of a variable remuneration component of a particularly high amount, at least 60 % of the amount shall be deferred;
- j) the variable remuneration, including the deferred portion, is paid or vests only if it is sustainable according to the financial situation of the Company as a whole, and justified according to the performance of the business unit, the Funds and the individual concerned. The total variable remuneration shall generally be considerably contracted where subdued or negative financial performance of the Company or of the Funds concerned occurs, taking into account both current compensation and reductions in payouts of amounts previously earned, including through malus or clawback arrangements;
- k) any pension policy (if such policy is put in place in the future) is in line with the business strategy, objectives, values and long-term interests of the Company and the Funds that it manages. If the employee leaves the Company before retirement, discretionary pension benefits, if any, shall be held by the Company for a period of five years in the form of instruments defined in point (h) above. In the case of an employee reaching retirement, discretionary pension benefits shall be paid to the employee in the form of instruments defined in point (h) above, subject to a five-year retention period;
- l) Identified Staff are required to undertake not to use personal hedging strategies or remuneration- and liability-related insurance to undermine the risk alignment effects embedded in their remuneration arrangements; and
- m) variable remuneration may not be paid through vehicles or methods that facilitate the avoidance of the requirements of the UCITS Regulations.

**6 SCOPE OF THE REMUNERATION POLICY AND APPLICATION OF THE PRINCIPLES**

**6.1 Delegates**

The Company has the facility to appoint delegates to carry out investment management functions (including risk management) on its behalf.

In accordance with the Guidelines, where the UCITS remuneration rules would otherwise be circumvented, the Company will seek to ensure that affected delegates (i.e. those entities to which investment activities have been delegated) are subject to regulatory requirements on remuneration that are "equally as effective" as those applicable under the Guidelines or that appropriate contractual agreements are in place to ensure that the delegation arrangements do not circumvent the remuneration requirements contained in the Guidelines.

[It is noted that in certain confined circumstances it may be determined that the scope of the mandate granted to a particular delegate is such that no staff of the delegate will constitute Identified Staff for the purposes of this Remuneration Policy, i.e. have the capacity to carry out their professional activities under the delegation arrangement in a manner which could have a material impact on the risk profile of the relevant UCITS. This could be the case where the Company retains a sufficient degree of control and supervision over the activities of the delegate and restricts the discretionary nature of their activities (for example, through the application of detailed contractual restrictions set by the Company which tightly constrain how the delegate may discharge its delegated functions).]

**6.2 Proportionality**

Regulation 24B(1) of the UCITS Regulations states that UCITS management companies shall comply with the UCITS

**PRINCIPAL GLOBAL INVESTORS FUNDS**  
**UCITS V Remuneration Policy (UNAUDITED)**  
**for the year ended 30 September 2016 (continued)**

**UCITS V Remuneration Policy (Unaudited) (continued)**

**6 SCOPE OF THE REMUNERATION POLICY AND APPLICATION OF THE PRINCIPLES (continued)**

**6.2 Proportionality (continued)**

remuneration principles *"in a manner and to the extent that is appropriate to their size, internal organisation and the nature, scope and complexity of their activities."*

While it is noted that the Guidelines do not expressly provide for the disapplication of certain UCITS remuneration principles on the grounds of proportionality, this is not expressly prohibited either. Indeed, ESMA indicated, in a letter to the European Commission on this issue<sup>1</sup>, that

*"there might be cases where the application of the payout process rules to the staff of the delegate would not be proportionate and would not achieve the outcome of aligning the delegates' staff interests with those of the investors in the UCITS."*

In the absence of further guidance or legal clarification from the European Commission, ESMA or the Central Bank, it is noted by the Company that an applicable delegate may determine to disapply the principles outlined in sections 5.3(h) and (i) respectively on the grounds of proportionality - based on the proportionality criteria outlined in the Guidelines on (i) size, (ii) internal organisation and (iii) nature, scope and complexity of the relevant delegate's business.

Factors that the relevant delegate may consider in arriving at such a conclusion may include the size of the delegate's balance sheet, the proportionate value of UCITS assets managed relative to non-UCITS assets managed (and resultant UCITS/non-UCITS revenue generated) and therefore whether the UCITS assets managed by the relevant delegate are not *"potentially systemically important (e.g. in terms of total assets under management)"*<sup>2</sup>.

This approach will be reviewed and reassessed, as necessary for subsequent financial periods following the issuance of any further regulatory guidance or legal clarification that conflicts with this current position.

In respect of the Company itself, the Board finds that it is not necessary to consider further the proportionality provisions as it will not wish to disapply the principles outlined in section 5.3(h) and (i) to the Company's Identified Staff.

**6.3 "Equally as Effective" Regimes**

Pursuant to the Guidelines, the UCITS remuneration principles are not required to be applied to delegates performing investment management functions when such delegates are subject to regulatory requirements on remuneration that are *"equally as effective"* as the UCITS remuneration principles.

It is noted that the Guidelines provide that entities that are subject to the remuneration rules under AIFMD or CRD IV (Directive 2013/36/EU) can be considered to meet this condition.

Based on prior guidance issued by the Central Bank on the corresponding and identical requirement in the context of the AIFMD remuneration principles and in the absence of further specific guidance or legal clarification from the European Commission, ESMA or the Central Bank in the context of the UCITS remuneration requirements, the Company considers that the following categories of delegate entities also meet this condition:

- i. CRD/MiFID firms (including firms still subject to CRD III and which have availed of the CRD IV exemptions); and
- ii. non-EU firms which are subject to group remuneration policies that are equally as effective as MiFID or CRD.

This approach will be reviewed and reassessed, as necessary for subsequent financial periods following the issuance of any further regulatory guidance or legal clarification that conflicts with this current position.

**7 ABSENCE OF A REMUNERATION COMMITTEE**

It is noted that the requirement for a UCITS management company to establish a remuneration committee (pursuant to Regulation 24B(3) of the UCITS Regulations) applies to a management company *"that is significant in terms of its size or the size of the UCITS that it manages, its internal organisation and the nature, scope and complexity of its activities."* This criteria is to be assessed in accordance with the Guidelines.

The Guidelines (paragraph 55) provide that:

**PRINCIPAL GLOBAL INVESTORS FUNDS**  
**UCITS V Remuneration Policy (UNAUDITED)**  
**for the year ended 30 September 2016 (continued)**

**UCITS V Remuneration Policy (Unaudited) (continued)**

**7 ABSENCE OF A REMUNERATION COMMITTEE (continued)**

*"When assessing whether or not a management company is significant, a management company should consider the cumulative presence of all the three factors (i.e. its size or the size of the UCITS it manages, its internal organisation and the nature, scope and complexity of its activities). A management company which is significant only with respect to one or two of the three above factors should not be required to set up a remuneration committee."*

In terms of what "internal organisation" means, the Guidelines elsewhere state as follows: *"Internal organization: this can relate to the legal structure of the management company or the UCITS it manages, the complexity of the internal governance structure of the management company, the listing on regulated markets of the management company or the UCITS it manages. This criterion should be assessed having regard to the entire organisation of the management company including all the UCITS it manages, meaning that for instance the listing of one UCITS should not by itself be sufficient for considering the management company as having a complex internal organisation"*

Having assessed this, the Company has determined that it is not "significant" with respect to its *internal organisation* and therefore shall not be required to establish a remuneration committee.

**8 BOARD OVERSIGHT AND UPDATES TO THIS REMUNERATION POLICY**

The Board will be responsible for the oversight of compliance with this Remuneration Policy. It will review the appropriateness of this Remuneration Policy annually and will ensure that it is operating as intended. It will also review this Remuneration Policy to ensure that it continues to be compliant with applicable national and international regulations, principles and standards. This Remuneration Policy shall be reviewed and updated as necessary on at least an annual basis or as and when is required or deemed necessary by the Company. Material changes to this Remuneration Policy will be approved by the Board.

**9 FIRST ANNUAL PERFORMANCE PERIOD**

Pursuant to paragraph 5 of the Guidelines, the variable remuneration rules contained in the Guidelines should first apply for the calculation of payments relating to new awards of variable remuneration to Identified Staff for the first full performance period commencing after 1 January 2017.

Pursuant to the ESMA UCITS Q&A, for any intervening periods, the Company shall include the remuneration related information in the Funds' annual report on a best efforts basis and to the extent possible, explaining the basis for any omission.

<sup>1</sup>[https://www.esma.europa.eu/sites/default/files/library/2016412\\_letter\\_to\\_european\\_commission\\_european\\_council\\_and\\_european\\_parliament\\_on\\_the\\_proportionality\\_principle\\_and\\_remuneration\\_rules\\_in\\_the\\_financial\\_sector.pdf](https://www.esma.europa.eu/sites/default/files/library/2016412_letter_to_european_commission_european_council_and_european_parliament_on_the_proportionality_principle_and_remuneration_rules_in_the_financial_sector.pdf)

<sup>2</sup> Paragraph 25 of the Guidelines; guidance on the "size" criteria for proportionality purposes.

**PRINCIPAL GLOBAL INVESTORS FUNDS**  
**STATEMENT OF MATERIAL PORTFOLIO CHANGES (UNAUDITED)**

**for the year ended 30 September 2016**

**Global Equity Fund**

|                                    | <b>Major Purchases</b> |                                    | <b>Major Sales</b>  |
|------------------------------------|------------------------|------------------------------------|---------------------|
|                                    | <b>Cost USD</b>        |                                    | <b>Proceeds USD</b> |
| Alphabet Inc 'A'                   | 1,246,425              | Apple Inc                          | 1,804,958           |
| Exelon Corp                        | 1,189,422              | Wells Fargo & Co                   | 1,773,521           |
| British American Tobacco Plc       | 1,166,345              | Toyota Motor Corp                  | 1,751,473           |
| Toyota Motor Corp                  | 1,118,660              | Mitsubishi UFJ Financial Group Inc | 1,649,295           |
| Mitsubishi UFJ Financial Group Inc | 1,117,514              | Nippon Telegraph & Telephone Corp  | 1,299,533           |
| Fuji Heavy Industries Ltd          | 1,117,164              | EOG Resources Inc                  | 1,158,801           |
| TransCanada Corp                   | 1,094,883              | Cigna Corp                         | 1,155,179           |
| SunTrust Banks Inc                 | 1,077,922              | Imperial Brands Plc                | 1,118,852           |
| AbbVie Inc                         | 1,046,039              | Teva Pharmaceutical Industries Ltd | 1,096,886           |
| Philip Morris International Inc    | 979,168                | Novartis AG                        | 1,083,758           |
| BNP Paribas SA                     | 969,690                | Philip Morris International Inc    | 1,065,123           |
| Orange SA                          | 967,573                | Hannover Rueck SE                  | 1,043,677           |
| Total System Services Inc          | 960,502                | Fuji Heavy Industries Ltd          | 1,024,412           |
| NN Group NV                        | 919,837                | SunTrust Banks Inc                 | 1,007,366           |
| ConocoPhillips                     | 901,917                | General Dynamics Corp              | 993,845             |
| Samsung Electronics Co Ltd         | 878,689                | Exelon Corp                        | 948,723             |
| JPMorgan Chase & Co                | 873,021                | Daimler AG                         | 948,571             |
| Extra Space Storage Inc            | 870,074                | Wal-Mart Stores Inc                | 922,294             |
| Suncor Energy Inc                  | 817,368                | JPMorgan Chase & Co                | 914,781             |
| CVS Health Corp                    | 817,106                | Cardinal Health Inc                | 885,889             |
| Veolia Environnement SA            | 807,636                | Pfizer Inc                         | 872,277             |
| EOG Resources Inc                  | 798,740                | McKesson Corp                      | 856,543             |
|                                    |                        | Direct Line Insurance Group Plc    | 851,251             |

The Material Portfolio Changes reflect the aggregate purchases of a security exceeding one per cent of the total value of purchases for the year and aggregate disposals greater than one per cent of the total value of the sales.

**PRINCIPAL GLOBAL INVESTORS FUNDS**  
**STATEMENT OF MATERIAL PORTFOLIO CHANGES (UNAUDITED)**  
for the year ended 30 September 2016 (continued)

**Asian Equity Fund**

|   | <b>Major Purchases</b> |   | <b>Major Sales</b>  |
|---|------------------------|---|---------------------|
|   | <b>Cost USD</b>        |   | <b>Proceeds USD</b> |
| Alibaba Group Holding Ltd                 | 245,425                | Infosys Ltd                               | 173,082             |
| Samsung Electronics Co Ltd                | 186,893                | China Construction Bank Corp              | 170,560             |
| Largan Precision Co Ltd                   | 178,765                | Hon Hai Precision Industry Co Ltd         | 155,388             |
| AIA Group Ltd                             | 172,889                | Largan Precision Co Ltd                   | 150,056             |
| Industrial & Commercial Bank of China Ltd | 162,908                | Reliance Industries Ltd                   | 148,637             |
| Reliance Industries Ltd                   | 136,285                | SK Innovation Co Ltd                      | 132,037             |
| CNOOC Ltd                                 | 121,050                | Air China Ltd                             | 128,317             |
| Bank of China Ltd                         | 119,689                | CNOOC Ltd                                 | 123,419             |
| PTT PCL                                   | 111,718                | SKC Co Ltd                                | 118,863             |
| China Overseas Land & Investment Ltd      | 107,701                | Shinsegae Co Ltd                          | 107,305             |
| Shinhan Financial Group Co Ltd            | 106,146                | Korea Electric Power Corp                 | 106,824             |
| Larsen & Toubro Ltd                       | 105,681                | Telekomunikasi Indonesia Persero Tbk PT   | 105,672             |
| Sun Hung Kai Properties Ltd               | 102,073                | Axis Bank Ltd                             | 104,070             |
| Ping An Insurance Group Co of China Ltd   | 101,639                | Uni-President Enterprises Corp            | 103,310             |
| Sands China Ltd                           | 100,748                | Industrial & Commercial Bank of China Ltd | 102,547             |
| Baidu Inc                                 | 100,108                | China Overseas Land & Investment Ltd      | 102,469             |
| SK Innovation Co Ltd                      | 97,628                 | LG Chem Ltd                               | 98,232              |
| Hong Kong Exchanges & Clearing Ltd        | 96,023                 | Maruti Suzuki India Ltd                   | 95,511              |
| Air China Ltd                             | 94,574                 | Baidu Inc                                 | 93,628              |
| Tata Motors Ltd                           | 92,551                 | Lotte Chemical Corp                       | 92,626              |
| Indiabulls Housing Finance Ltd            | 87,643                 | Cheung Kong Infrastructure Holdings Ltd   | 91,469              |
| Guangzhou Automobile Group Co Ltd         | 84,654                 |   |                     |

The Material Portfolio Changes reflect the aggregate purchases of a security exceeding one per cent of the total value of purchases for the year and aggregate disposals greater than one per cent of the total value of the sales.

**PRINCIPAL GLOBAL INVESTORS FUNDS**  
**STATEMENT OF MATERIAL PORTFOLIO CHANGES (UNAUDITED)**

for the year ended 30 September 2016 (continued)

**European Equity Fund**

|                                | <b>Major Purchases</b> |  | <b>Major Sales</b>  |
|--------------------------------|------------------------|--|---------------------|
|                                | <b>Cost USD</b>        |  | <b>Proceeds USD</b> |
| Nestle SA                      | 2,151,486              | Novartis AG                                  | 1,960,151           |
| SAP SE                         | 1,973,377              | Bayer AG                                     | 1,523,788           |
| British American Tobacco Plc   | 1,898,599              | Daimler AG                                   | 1,396,089           |
| Diageo Plc                     | 1,403,984              | Ubisoft Entertainment SA                     | 1,374,111           |
| Siemens AG                     | 1,382,170              | ITV Plc                                      | 1,209,653           |
| AXA SA                         | 1,344,540              | ARM Holdings Plc                             | 1,173,608           |
| Vinci SA                       | 1,264,185              | Pandora A/S                                  | 1,150,394           |
| National Grid Plc              | 1,199,353              | Novo Nordisk A/S                             | 1,146,430           |
| BNP Paribas SA                 | 1,161,954              | Imperial Brands Plc                          | 1,130,804           |
| ABB Ltd                        | 1,123,686              | Anheuser-Busch InBev SA/NV                   | 1,102,193           |
| Royal Dutch Shell Plc 'A'      | 1,060,126              | AXA SA                                       | 1,014,257           |
| AstraZeneca Plc                | 906,690                | UBS Group AG                                 | 946,554             |
| NN Group NV                    | 899,086                | Prudential Plc                               | 884,026             |
| Swiss Re AG                    | 845,808                | KBC Groep NV                                 | 881,505             |
| Koninklijke Ahold Delhaize NV  | 821,044                | Barclays Bank Plc                            | 833,430             |
| Compass Group Plc              | 818,913                | International Consolidated Airlines Group SA | 828,651             |
| Erste Group Bank AG            | 800,854                | Proximus SADP                                | 807,059             |
| adidas AG                      | 788,233                | Roche Holding AG                             | 803,275             |
| Atos SE                        | 774,419                | Next Plc                                     | 788,730             |
| TOTAL SA                       | 761,158                | Dialog Semiconductor Plc                     | 776,228             |
| Valeo SA                       | 753,205                | ProSiebenSat.1 Media SE                      | 764,069             |
| Thales SA                      | 698,608                | Peugeot SA                                   | 758,477             |
| ING Groep NV                   | 665,414                | Koninklijke Ahold Delhaize NV                | 741,380             |
| Koninklijke KPN NV             | 660,191                | Renault SA                                   | 726,426             |
| METRO AG                       | 645,437                | Investor AB                                  | 701,209             |
| Intermediate Capital Group Plc | 593,358                | BT Group Plc                                 | 677,305             |
|                                |                        | easyJet Plc                                  | 648,056             |
|                                |                        | Sampo Oyj                                    | 644,556             |
|                                |                        | Legal & General Group Plc                    | 639,645             |
|                                |                        | Veolia Environnement SA                      | 639,398             |
|                                |                        | Elisa OYJ                                    | 634,425             |
|                                |                        | SAP SE                                       | 627,875             |
|                                |                        | Svenska Handelsbanken AB                     | 611,493             |
|                                |                        | DNB ASA                                      | 606,311             |
|                                |                        | Koninklijke KPN NV                           | 597,774             |
|                                |                        | Cable & Wireless Communications Plc          | 596,609             |
|                                |                        | Whitbread Plc                                | 595,971             |
|                                |                        | Hannover Rueck SE                            | 588,921             |
|                                |                        | Direct Line Insurance Group Plc              | 577,841             |
|                                |                        | Deutsche Telekom AG                          | 573,890             |

The Material Portfolio Changes reflect the aggregate purchases of a security exceeding one per cent of the total value of purchases for the year and aggregate disposals greater than one per cent of the total value of the sales



**PRINCIPAL GLOBAL INVESTORS FUNDS**  
**STATEMENT OF MATERIAL PORTFOLIO CHANGES (UNAUDITED)**

for the year ended 30 September 2016 (continued)

**Emerging Markets Equity Fund**

|                                      | <b>Major Purchases</b> |   | <b>Major Sales</b>  |
|--------------------------------------|------------------------|---|---------------------|
|                                      | <b>Cost USD</b>        |   | <b>Proceeds USD</b> |
| Alibaba Group Holding Ltd            | 248,055                | China Mobile Ltd                          | 198,811             |
| Lukoil PJSC                          | 239,838                | Largan Precision Co Ltd                   | 192,770             |
| Largan Precision Co Ltd              | 211,166                | Infosys Ltd                               | 180,479             |
| Samsung Electronics Co Ltd           | 201,804                | Ambev SA                                  | 169,992             |
| NetEase Inc                          | 193,463                | Samsung Electronics Co Ltd                | 165,408             |
| AIA Group Ltd                        | 182,593                | Reliance Industries Ltd                   | 147,583             |
| Steinhoff International Holdings Ltd | 166,471                | Korea Electric Power Corp                 | 142,017             |
| Tenaga Nasional Bhd                  | 137,948                | Tencent Holdings Ltd                      | 138,149             |
| Reliance Industries Ltd              | 136,151                | Gruma SAB de CV                           | 134,220             |
| Itausa - Investimentos Itau SA       | 128,683                | Taiwan Semiconductor Manufacturing Co Ltd | 125,939             |
| Sberbank of Russia PJSC              | 120,120                | Hon Hai Precision Industry Co Ltd         | 123,772             |
| Kia Motors Corp                      | 118,013                | CNOOC Ltd                                 | 120,239             |
| China Overseas Land & Investment Ltd | 113,943                | Telekomunikasi Indonesia Persero Tbk PT   | 118,497             |
| Siam Commercial Bank PCL/The         | 105,543                | Aurobindo Pharma Ltd                      | 113,886             |
| CNOOC Ltd                            | 104,687                | KB Financial Group Inc                    | 108,335             |
| OTP Bank Plc                         | 102,967                | China Construction Bank Corp              | 106,209             |
| Baidu Inc                            | 99,251                 | Naspers Ltd                               | 105,477             |
| Chunghwa Telecom Co Ltd              | 99,047                 | Steinhoff International Holdings Ltd      | 104,698             |
| Itau Unibanco Holding SA             | 95,140                 | China Petroleum & Chemical Corp           | 103,680             |
| POSCO                                | 90,419                 | Axis Bank Ltd                             | 101,590             |

The Material Portfolio Changes reflect the aggregate purchases of a security exceeding one per cent of the total value of purchases for the year and aggregate disposals greater than one per cent of the total value of the sales.

**PRINCIPAL GLOBAL INVESTORS FUNDS**  
**STATEMENT OF MATERIAL PORTFOLIO CHANGES (UNAUDITED)**

for the year ended 30 September 2016 (continued)

**Japanese Equity Fund**

|                                     | <b>Major Purchases</b> |                                     | <b>Major Sales</b>  |
|-------------------------------------|------------------------|-------------------------------------|---------------------|
|                                     | <b>Cost USD</b>        |                                     | <b>Proceeds USD</b> |
| iShares MSCI Japan ETF              | 14,301,352             | iShares MSCI Japan ETF              | 13,641,438          |
| Toyota Motor Corp                   | 2,200,048              | Toyota Motor Corp                   | 1,972,655           |
| KDDI Corp                           | 969,398                | Canon Inc                           | 1,069,562           |
| Mitsubishi UFJ Financial Group Inc  | 896,471                | KDDI Corp                           | 858,353             |
| East Japan Railway Co               | 833,095                | Nippon Telegraph & Telephone Corp   | 853,017             |
| Nippon Telegraph & Telephone Corp   | 829,483                | NTT DOCOMO Inc                      | 842,168             |
| NTT DOCOMO Inc                      | 822,549                | Mitsubishi UFJ Financial Group Inc  | 838,958             |
| ORIX Corp                           | 798,914                | Lion Corp                           | 791,822             |
| Nissan Motor Co Ltd                 | 770,034                | Mizuho Financial Group Inc          | 646,050             |
| Haseko Corp                         | 737,408                | Tokyo Electron Ltd                  | 630,818             |
| Mitsui & Co Ltd                     | 732,445                | Keyence Corp                        | 555,424             |
| Mitsubishi Electric Corp            | 729,631                | ORIX Corp                           | 548,034             |
| Panasonic Corp                      | 722,383                | Shionogi & Co Ltd                   | 536,441             |
| Mizuho Financial Group Inc          | 703,315                | Central Japan Railway Co            | 529,101             |
| SoftBank Group Corp                 | 670,887                | Mitsui & Co Ltd                     | 517,274             |
| Central Japan Railway Co            | 669,171                | Fuji Heavy Industries Ltd           | 507,520             |
| Hankyu Hanshin Holdings Inc         | 665,982                | Sumitomo Mitsui Financial Group Inc | 506,567             |
| Sumitomo Mitsui Financial Group Inc | 663,129                | Tokio Marine Holdings Inc           | 492,495             |
| Fuji Heavy Industries Ltd           | 658,694                | Daiichi Sankyo Co Ltd               | 487,486             |
| Nippon Steel & Sumitomo Metal Corp  | 649,902                | Dai-ichi Life Insurance Co Ltd/The  | 470,612             |
| ITOCHU Corp                         | 615,323                |                                     |                     |
| NTT Data Corp                       | 615,036                |                                     |                     |
| Tokyo Electron Ltd                  | 610,609                |                                     |                     |
| Canon Inc                           | 608,006                |                                     |                     |
| Bridgestone Corp                    | 608,002                |                                     |                     |
| Dai-ichi Life Insurance Co Ltd/The  | 604,824                |                                     |                     |

The Material Portfolio Changes reflect the aggregate purchases of a security exceeding one per cent of the total value of purchases for the year and aggregate disposals greater than one per cent of the total value of the sales.

**PRINCIPAL GLOBAL INVESTORS FUNDS**  
**STATEMENT OF MATERIAL PORTFOLIO CHANGES (UNAUDITED)**

for the year ended 30 September 2016 (continued)

**Preferred Securities Fund**

|   | <b>Major Purchases</b> |  | <b>Major Sales</b>  |
|---|------------------------|--|---------------------|
|   | <b>Cost USD</b>        |  | <b>Proceeds USD</b> |
| HSBC Capital Funding Dollar1 LP           | 45,157,638             | Electricite de France SA                 | 37,321,875          |
| Nordea Bank AB                            | 34,425,917             | RWE AG                                   | 27,934,875          |
| Enterprise Products Operating LLC         | 33,691,844             | General Electric Capital Corp            | 26,776,733          |
| BNP Paribas*                              | 33,032,250             | Credit Suisse AG                         | 26,435,000          |
| Svenska Handelsbanken AB                  | 27,636,965             | UBS AG/Jersey                            | 26,312,500          |
| Credit Agricole SA                        | 25,000,000             | QBE Capital Funding III Ltd              | 18,377,120          |
| Transcanada Trust                         | 22,000,000             | Bellsouth Capital Funding Corp           | 13,625,000          |
| Friends Life Holdings Plc                 | 21,925,000             | Hongkong & Shanghai Banking Corp Ltd/The | 12,821,625          |
| Voya Financial Inc                        | 21,576,781             | HSBC Holdings Plc                        | 10,477,500          |
| Credit Suisse Group AG                    | 19,785,000             | Royal Bank of Scotland Group Plc         | 10,211,250          |
| Lloyds Banking Group Plc*                 | 18,017,271             | PartnerRe Ltd                            | 9,428,427           |
| Emera Inc                                 | 18,000,000             | UBS AG/Stamford CT                       | 8,835,000           |
| UBS Group AG                              | 17,947,480             | Swiss Re Capital I LP                    | 8,662,500           |
| Royal Bank of Scotland Group Plc          | 17,450,250             | PartnerRe Ltd                            | 7,442,083           |
| Reinsurance Group of America Inc          | 17,114,465             | Qwest Corp                               | 7,369,975           |
| BNP Paribas*                              | 16,970,080             | BNP Paribas SA                           | 6,777,500           |
| Chubb Corp/The                            | 15,618,350             | Dominion Resources Inc/VA                | 6,399,000           |
| Lloyds Banking Group Plc*                 | 14,748,750             | Sinochem Global Capital Co Ltd           | 6,195,000           |
| Royal Bank of Scotland Group Plc          | 14,500,000             | Credit Suisse Group Guernsey I Ltd       | 6,157,500           |
| Banco Bilbao Vizcaya Argentaria SA*       | 14,171,000             | Telephone & Data Systems Inc             | 5,597,324           |
| Banco Bilbao Vizcaya Argentaria SA*       | 13,881,563             | Morgan Stanley Capital Trust III         | 5,553,675           |
| Credit Suisse AG                          | 13,652,500             | Barclays Bank Plc                        | 5,341,483           |
| QBE Insurance Group Ltd                   | 13,500,000             | GE Capital Trust I                       | 4,899,683           |
| Barclays Bank Plc                         | 13,168,680             | Credit Suisse Group AG                   | 4,712,500           |
| Australia & New Zealand Banking Group Ltd | 12,993,760             | Lloyds Bank Plc                          | 4,550,000           |
| MetLife Inc                               | 12,790,800             | Goldman Sachs Group Inc/The              | 4,456,425           |
| HSBC Holdings Plc                         | 12,738,750             | State Street Capital Trust I             | 4,379,000           |
| SunTrust Capital I                        | 12,150,000             | Integrus Holding Inc                     | 4,225,000           |
| Allstate Corp/The                         | 11,634,250             | Credit Suisse Group AG                   | 4,163,250           |
| Demeter Investments BV for Swiss Re Ltd   | 11,500,000             | Societe Generale SA                      | 4,080,000           |
| Royal Bank of Scotland Group Plc          | 10,455,000             |  |                     |
| Bellsouth Capital Funding Corp            | 10,423,800             |  |                     |
| Meiji Yasuda Life Insurance Co            | 10,000,000             |  |                     |
| Royal Bank of Scotland Group Plc*         | 9,924,680              |  |                     |
| BNSF Funding Trust I                      | 9,678,248              |  |                     |
| Hongkong & Shanghai Banking Corp Ltd/The  | 9,545,250              |  |                     |

\*Maturity date is different for these securities.

The Material Portfolio Changes reflect the aggregate purchases of a security exceeding one per cent of the total value of purchases for the year and aggregate disposals greater than one per cent of the total value of the sales.

**PRINCIPAL GLOBAL INVESTORS FUNDS**  
**STATEMENT OF MATERIAL PORTFOLIO CHANGES (UNAUDITED)**

for the year ended 30 September 2016 (continued)

**U.S. Equity Fund**

|                                  | <b>Major Purchases</b> |                                     | <b>Major Sales</b>  |
|----------------------------------|------------------------|-------------------------------------|---------------------|
|                                  | <b>Cost USD</b>        |                                     | <b>Proceeds USD</b> |
| Wal-Mart Stores Inc              | 4,104,308              | Wells Fargo & Co                    | 4,925,710           |
| Alphabet Inc 'A'                 | 3,769,969              | Apple Inc                           | 4,201,581           |
| Johnson & Johnson                | 3,673,275              | Equity Residential                  | 3,704,392           |
| Aflac Inc                        | 3,311,758              | Kroger Co/The                       | 3,465,103           |
| Boeing Co/The                    | 2,987,516              | Cardinal Health Inc                 | 3,448,817           |
| UnitedHealth Group Inc           | 2,946,779              | General Dynamics Corp               | 3,399,409           |
| Exxon Mobil Corp                 | 2,917,660              | Public Service Enterprise Group Inc | 3,293,618           |
| Alphabet Inc 'C'                 | 2,897,904              | Valero Energy Corp                  | 3,016,952           |
| Waste Management Inc             | 2,611,866              | Synchrony Financial                 | 3,012,891           |
| Public Storage                   | 2,561,813              | AT&T Inc                            | 2,828,486           |
| Amazon.com Inc                   | 2,445,770              | Gilead Sciences Inc                 | 2,646,839           |
| Microsoft Corp                   | 2,388,447              | Microsoft Corp                      | 2,579,908           |
| AT&T Inc                         | 2,338,754              | Boeing Co/The                       | 2,514,477           |
| Bank of America Corp             | 2,288,540              | Honeywell International Inc         | 2,494,107           |
| CME Group Inc                    | 2,228,693              | Public Storage                      | 2,424,222           |
| Facebook Inc                     | 2,218,363              | Amazon.com Inc                      | 2,276,829           |
| Bristol-Myers Squibb Co          | 2,217,776              | LyondellBasell Industries NV        | 2,271,470           |
| Altria Group Inc                 | 2,142,683              | Electronic Arts Inc                 | 2,258,028           |
| Eli Lilly & Co                   | 2,071,659              | FirstEnergy Corp                    | 2,255,578           |
| CenterPoint Energy Inc           | 2,032,992              | Goldman Sachs Group Inc/The         | 2,233,600           |
| Illinois Tool Works Inc          | 1,960,684              | CME Group Inc                       | 2,208,117           |
| Jacobs Engineering Group Inc     | 1,930,982              | Target Corp                         | 2,192,625           |
| Scripps Networks Interactive Inc | 1,845,445              | Foot Locker Inc                     | 2,127,493           |
| Synchrony Financial              | 1,804,353              | McKesson Corp                       | 2,075,791           |
| CA Inc                           | 1,766,693              | Amgen Inc                           | 2,073,428           |
| L-3 Communications Holdings Inc  | 1,761,720              | Archer-Daniels-Midland Co           | 1,939,135           |
| Nucor Corp                       | 1,726,183              | NiSource Inc                        | 1,936,791           |
| T Rowe Price Group Inc           | 1,700,208              | Alphabet Inc                        | 1,884,317           |
| Ford Motor Co                    | 1,688,707              | Eli Lilly & Co                      | 1,881,997           |
| Baxter International Inc         | 1,644,248              | Bristol-Myers Squibb Co             | 1,868,474           |
| Verizon Communications Inc       | 1,609,815              | Comcast Corp                        | 1,819,072           |
| Aetna Inc                        | 1,606,327              | Equifax Inc                         | 1,799,345           |
| Prudential Financial Inc         | 1,551,133              | Accenture PLC                       | 1,783,383           |
| Exelon Corp                      | 1,546,769              | Berkshire Hathaway Inc              | 1,782,938           |
| NiSource Inc                     | 1,475,320              | Macy's Inc                          | 1,705,376           |
| Extra Space Storage Inc          | 1,448,328              |                                     |                     |
| Ingersoll-Rand PLC               | 1,425,938              |                                     |                     |
| Diamond Offshore Drilling Inc    | 1,425,938              |                                     |                     |
| Masco Corp                       | 1,418,233              |                                     |                     |

The Material Portfolio Changes reflect the aggregate purchases of a security exceeding one per cent of the total value of purchases for the year and aggregate disposals greater than one per cent of the total value of the sales.

**PRINCIPAL GLOBAL INVESTORS FUNDS**  
**STATEMENT OF MATERIAL PORTFOLIO CHANGES (UNAUDITED)**

for the year ended 30 September 2016 (continued)

**High Yield Fund**

|   | <b>Major Purchases</b> |   | <b>Major Sales</b>  |
|---|------------------------|---|---------------------|
|   | <b>Cost USD</b>        |   | <b>Proceeds USD</b> |
| JPMorgan Chase & Co                     | 1,342,019              | Matterhorn Telecom SA                   | 1,850,072           |
| JH-Holding Finance SA                   | 1,225,608              | Ardagh Finance Holdings SA              | 1,407,335           |
| Petrobras Global Finance BV             | 1,188,024              | Altice Financing SA                     | 1,403,900           |
| Rite Aid Corp-REGS                      | 1,171,250              | Unitymedia GmbH                         | 1,305,065           |
| Swissport Investments SA                | 1,035,228              | JPMorgan Chase & Co                     | 1,283,500           |
| eircorn Finance DAC                     | 978,253                | Rite Aid Corp                           | 1,171,250           |
| Huntington Ingalls Industries Inc       | 915,275                | Barclays Plc                            | 1,168,819           |
| Huntington Ingalls Industries Inc-REGS  | 915,275                | MPH Acquisition Holdings LLC            | 948,000             |
| ARD Finance SA                          | 910,863                | Huntington Ingalls Industries Inc       | 915,275             |
| Altice Luxembourg SA                    | 908,317                | Grupo Antolin Dutch BV                  | 849,682             |
| Rite Aid Corp                           | 865,438                | Mallinckrodt International Finance SA / |                     |
| Mallinckrodt International Finance SA / |                        | Mallinckrodt CB LLC                     | 779,094             |
| Mallinckrodt CB LLC                     | 779,094                | NOVA Chemicals Corp*                    | 767,000             |
| Cemex SAB de CV                         | 759,188                | Regal Entertainment Group               | 764,174             |
| Schaeffler Holding Finance BV           | 748,500                | Schaeffler Holding Finance BV           | 748,500             |
| DISH DBS Corp                           | 730,506                | JLL/Delta Dutch Pledgeco BV             | 734,400             |
| CSC Holdings LLC                        | 720,000                | Neptune Finco Corp                      | 720,000             |
| Adria Topco Bv                          | 717,326                | Teck Resources Ltd                      | 708,750             |
| New Look Secured Issuer Plc             | 712,691                | Picard Bondco SA                        | 700,605             |
| Codere Finance 2 Luxembourg SA          | 694,419                | ghd Bondco Plc                          | 699,089             |
| SIG Combibloc Holdings SCA              | 679,075                | NOVA Chemicals Corp*                    | 687,189             |

\*Maturity date is different for these securities.

The Material Portfolio Changes reflect the aggregate purchases of a security exceeding one per cent of the total value of purchases for the year and aggregate disposals greater than one per cent of the total value of the sales.

**PRINCIPAL GLOBAL INVESTORS FUNDS**  
**STATEMENT OF MATERIAL PORTFOLIO CHANGES (UNAUDITED)**

for the year ended 30 September 2016 (continued)

**Global Property Securities Fund**

|                                      | <b>Major Purchases</b> |   | <b>Major Sales</b>  |
|--------------------------------------|------------------------|---|---------------------|
|                                      | <b>Cost USD</b>        |   | <b>Proceeds USD</b> |
| Sun Hung Kai Properties Ltd          | 7,833,295              | Sun Hung Kai Properties Ltd               | 4,992,335           |
| Sumitomo Realty & Development Co Ltd | 6,447,913              | Westfield Corp                            | 3,518,119           |
| Welltower Inc                        | 6,050,824              | Public Storage                            | 3,433,562           |
| Simon Property Group Inc             | 5,701,795              | Mitsubishi Estate Co Ltd                  | 3,432,367           |
| Land Securities Group Plc            | 3,887,741              | Sumitomo Realty & Development Co Ltd      | 2,858,408           |
| Mitsui Fudosan Co Ltd                | 3,432,645              | Cheung Kong Property Holdings Ltd         | 2,719,705           |
| Dexus Property Group                 | 3,426,515              | Simon Property Group Inc                  | 2,702,899           |
| Link REIT                            | 3,109,661              | Ventas Inc                                | 2,689,488           |
| Scentre Group                        | 3,005,179              | Land Securities Group Plc                 | 2,638,557           |
| AvalonBay Communities Inc            | 2,922,126              | Equity Residential                        | 2,529,812           |
| Cheung Kong Property Holdings Ltd    | 2,877,060              | Link REIT                                 | 2,238,786           |
| Kleipierre                           | 2,796,190              | Great Portland Estates Plc                | 1,927,889           |
| Goodman Group                        | 2,670,275              | Prologis Inc                              | 1,916,936           |
| Deutsche Wohnen AG                   | 2,616,501              | Unibail-Rodamco SE                        | 1,874,916           |
| Japan Retail Fund Investment Corp    | 2,576,366              | Aeon Mall Co Ltd                          | 1,840,997           |
| Essex Property Trust Inc             | 2,545,117              | Henderson Land Development Co Ltd         | 1,800,882           |
| Equity Residential                   | 2,488,245              | Welltower Inc                             | 1,768,591           |
| Equinix Inc                          | 2,366,313              | Scentre Group                             | 1,747,434           |
| Aeon Mall Co Ltd                     | 2,273,394              | CapitaLand Ltd                            | 1,730,070           |
| Prologis Inc                         | 2,252,081              | Hongkong Land Holdings Ltd                | 1,721,275           |
| Boston Properties Inc                | 2,231,999              | General Growth Properties Inc             | 1,596,448           |
| Nomura Real Estate Master Fund Inc   | 2,165,442              | Vonovia SE                                | 1,586,434           |
| Extra Space Storage Inc              | 2,108,553              | Essex Property Trust Inc                  | 1,528,240           |
| Hongkong Land Holdings Ltd           | 2,040,888              | Kilroy Realty Corp                        | 1,516,931           |
| Segro Plc                            | 2,012,885              | Goodman Group                             | 1,451,763           |
| Unibail-Rodamco SE                   | 1,987,879              | SL Green Realty Corp                      | 1,413,960           |
| General Growth Properties Inc        | 1,951,190              | Federal Realty Investment Trust           | 1,345,356           |
| Vonovia SE                           | 1,937,958              | Advance Residence Investment Corp         | 1,322,473           |
| Crown Castle International Corp      | 1,933,672              | City Developments Limited                 | 1,297,071           |
| SL Green Realty Corp                 | 1,932,159              | Derwent London Plc                        | 1,257,631           |
| Public Storage                       | 1,813,416              | Wharf Holdings Ltd/The                    | 1,225,694           |
| Senior Housing Properties Trust      | 1,783,154              | Merlin Properties Socimi SA               | 1,183,597           |
| Mirvac Group                         | 1,755,996              | Nomura Real Estate Master Fund Inc        | 1,168,518           |
| Mitsubishi Estate Co Ltd             | 1,701,192              | CubeSmart                                 | 1,166,540           |
| China Resources Land Ltd             | 1,654,508              | Workspace Group Plc                       | 1,158,435           |
| Henderson Land Development Co Ltd    | 1,613,698              | Dalian Wanda Commercial Properties Co Ltd | 1,140,765           |
|                                      |                        | Host Hotels & Resorts Inc                 | 1,097,227           |
|                                      |                        | Hammerson Plc                             | 1,072,776           |
|                                      |                        | Boston Properties Inc                     | 1,055,987           |
|                                      |                        | Accor SA                                  | 1,032,947           |

The Material Portfolio Changes reflect the aggregate purchases of a security exceeding one per cent of the total value of purchases for the year and aggregate disposals greater than one per cent of the total value of the sales.

**PRINCIPAL GLOBAL INVESTORS FUNDS**  
**STATEMENT OF MATERIAL PORTFOLIO CHANGES (UNAUDITED)**

for the year ended 30 September 2016 (continued)

**Global Equity (ex-Japan) Fund**

|                               | <b>Major Purchases</b> |   | <b>Major Sales</b>  |
|-------------------------------|------------------------|---|---------------------|
|                               | <b>Cost USD</b>        |   | <b>Proceeds USD</b> |
| Facebook Inc                  | 968,076                | Wells Fargo & Co                          | 1,358,802           |
| British American Tobacco Plc  | 823,103                | Northrop Grumman Corp                     | 963,082             |
| Wells Fargo & Co              | 811,613                | LyondellBasell Industries NV              | 874,906             |
| Alphabet Inc 'A'              | 793,955                | Royal Bank of Canada                      | 867,671             |
| Intel Corp                    | 789,408                | Bunge Ltd                                 | 862,530             |
| Capgemini SA                  | 752,109                | General Electric Co                       | 848,143             |
| NN Group NV                   | 741,295                | Foot Locker Inc                           | 790,895             |
| CVS Health Corp               | 740,564                | ConocoPhillips                            | 772,572             |
| AbbVie Inc                    | 717,076                | Home Depot Inc/The                        | 761,154             |
| AT&T Inc                      | 707,072                | Anheuser-Busch InBev SA/NV                | 760,062             |
| Dow Chemical Co/The           | 696,440                | Apple Inc                                 | 748,456             |
| Raytheon Co                   | 688,290                | Royal Dutch Shell Plc 'A'                 | 725,680             |
| Bunge Ltd                     | 682,947                | Commonwealth Bank of Australia            | 696,104             |
| General Electric Co           | 666,679                | EOG Resources Inc                         | 695,072             |
| Verizon Communications Inc    | 665,786                | Dr Pepper Snapple Group Inc               | 686,202             |
| TransCanada Corp              | 647,530                | PepsiCo Inc                               | 664,781             |
| Merck & Co Inc                | 641,852                | AT&T Inc                                  | 655,880             |
| Siemens AG                    | 635,316                | Royal Dutch Shell Plc 'B'                 | 644,515             |
| Toronto-Dominion Bank/The     | 628,577                | Canadian Imperial Bank of Commerce/Canada | 623,174             |
| Goodyear Tire & Rubber Co/The | 623,789                | Novartis AG                               | 599,439             |

The Material Portfolio Changes reflect the aggregate purchases of a security exceeding one per cent of the total value of purchases for the year and aggregate disposals greater than one per cent of the total value of the sales.

**PRINCIPAL GLOBAL INVESTORS FUNDS**  
**STATEMENT OF MATERIAL PORTFOLIO CHANGES (UNAUDITED)**

**for the year ended 30 September 2016 (continued)**

**Post Global Limited Term High Yield Fund**

|  | <b>Major Purchases</b> |  | <b>Major Sales</b>  |
|--|------------------------|--|---------------------|
|  | <b>Cost USD</b>        |  | <b>Proceeds USD</b> |
| Yum! Brands Inc                            | 38,433,558             | ADT Corp/The                                   | 20,756,520          |
| TransDigm Inc                              | 30,254,775             | Reynolds Group Issuer Inc / Reynolds Group     |                     |
| Reynolds Group Issuer Inc / Reynolds Group |                        | Issuer LLC / Reynolds Group Issuer Lu          | 18,840,500          |
| Issuer LLC / Reynolds Group Issuer Lu*     | 27,336,435             | AVINTIV Specialty Materials Inc                | 18,724,508          |
| CCO Holdings LLC /                         |                        | Ally Financial Inc                             | 18,489,188          |
| CCO Holdings Capital Corp                  | 26,579,503             | Novelis Inc                                    | 16,754,249          |
| Hughes Satellite Systems Corp              | 25,732,973             | SunGard Data Systems Inc                       | 15,683,976          |
| GLP Capital LP / GLP Financing II Inc      | 22,193,109             | General Motors Financial Co Inc                | 14,067,880          |
| L-3 Communications Corp                    | 21,382,474             | CIT Group Inc                                  | 13,500,156          |
| Reynolds Group Issuer Inc / Reynolds Group |                        | Charter Communications Operating LLC           | 12,681,150          |
| Issuer LLC / Reynolds Group Issuer Lu*     | 17,806,375             | Ford Motor Credit Co LLC                       | 12,300,120          |
| Sophia LP                                  | 17,650,000             | Hughes Satellite Systems Corp                  | 11,606,976          |
| Station Casinos LLC                        | 16,630,360             | Kinetic Concepts Inc / KCI USA Inc             | 11,151,525          |
| Cablevision Systems Corp                   | 15,156,498             | CNH Industrial Capital LLC                     | 10,475,794          |
| TEGNA Inc                                  | 15,012,813             | CCO Holdings LLC /                             |                     |
| Orbital ATK Inc                            | 14,829,596             | CCO Holdings Capital Corp                      | 10,261,405          |
| LifePoint Health Inc                       | 14,319,750             | L-3 Communications Corp                        | 9,541,240           |
| General Motors Financial Co Inc            | 13,849,300             | Nationstar Mortgage LLC /                      |                     |
| Sinclair Television Group Inc              | 13,181,873             | Nationstar Capital Corp                        | 9,424,938           |
| Frontier Communications Corp               | 12,495,188             | Truven Health Analytics Inc                    | 9,179,659           |
| Hilton Worldwide Finance LLC /             |                        | Mallinckrodt International Finance SA          | 9,130,925           |
| Hilton Worldwide Finance Corp              | 12,420,000             | Intelsat Jackson Holdings SA                   | 9,096,184           |
| HCA Inc                                    | 12,070,770             | SBA Communications Corp                        | 8,231,902           |
| Ford Motor Credit Co LLC                   | 12,006,750             | CHS/Community Health Systems Inc               | 8,034,386           |
| Shire Acquisitions Investments Ireland DAC | 11,990,280             | Aleris International Inc                       | 7,756,766           |
| CHS/Community Health Systems Inc           | 11,300,688             | Yum! Brands Inc                                | 7,686,039           |
| ADT Corp/The                               | 10,793,895             | Valeant Pharmaceuticals International Inc      | 7,350,125           |
| Alere Inc                                  | 10,624,500             | Starz LLC / Starz Finance Corp                 | 7,286,745           |
| Aircastle Ltd                              | 10,426,688             | Icahn Enterprises LP /                         |                     |
| ADT Corp/The                               | 10,403,969             | Icahn Enterprises Finance Corp                 | 7,276,575           |
| CIT Group Inc                              | 9,860,025              | American Capital Ltd                           | 6,976,295           |
| ViaSat Inc                                 | 9,038,625              | GLP Capital LP / GLP Financing II Inc          | 6,666,531           |
| Activision Blizzard Inc                    | 8,989,020              | HRG Group Inc                                  | 6,511,720           |
| CNH Industrial Capital LLC                 | 8,947,608              | HCA Inc  | 6,325,948           |
| CenturyLink Inc                            | 8,611,831              | Denali International LLC / Denali Finance Corp | 6,270,199           |
| Ardagh Packaging Finance Plc /             |                        | IAC/InterActiveCorp                            | 6,206,375           |
| Ardagh Holdings USA Inc                    | 8,478,500              | Dollar Tree Inc                                | 5,557,000           |
|  |                        | Numericable-SFR SA                             | 5,187,500           |
|  |                        | CenturyLink Inc                                | 5,170,625           |

\*Maturity date is different for these securities.

The Material Portfolio Changes reflect the aggregate purchases of a security exceeding one per cent of the total value of purchases for the year and aggregate disposals greater than one per cent of the total value of the sales.



**PRINCIPAL GLOBAL INVESTORS FUNDS**  
**STATEMENT OF MATERIAL PORTFOLIO CHANGES (UNAUDITED)**

**for the year ended 30 September 2016 (continued)**

**Global Time Diversified Absolute Return Fund\***

|                             | <b>Major Purchases</b> |                             | <b>Major Sales</b>  |
|-----------------------------|------------------------|-----------------------------|---------------------|
|                             | <b>Cost USD</b>        |                             | <b>Proceeds USD</b> |
| United States Treasury Bill | 598,892                | United States Treasury Bill | 600,000             |
| United States Treasury Bill | 598,804                | United States Treasury Bill | 600,000             |
| United States Treasury Bill | 598,760                | United States Treasury Bill | 600,000             |
| United States Treasury Bill | 598,619                | United States Treasury Bill | 600,000             |
| United States Treasury Bill | 598,595                | United States Treasury Bill | 600,000             |
| United States Treasury Bill | 598,432                | United States Treasury Bill | 600,000             |
| United States Treasury Bill | 499,782                | United States Treasury Bill | 500,000             |
| United States Treasury Bill | 499,316                | United States Treasury Bill | 500,000             |
| United States Treasury Bill | 498,966                | United States Treasury Bill | 500,000             |
| United States Treasury Bill | 498,816                | United States Treasury Bill | 500,000             |
| United States Treasury Bill | 498,429                | United States Treasury Bill | 300,000             |
| United States Treasury Bill | 299,997                | United States Treasury Bill | 300,000             |
| United States Treasury Bill | 299,962                | United States Treasury Bill | 300,000             |
| United States Treasury Bill | 299,958                | United States Treasury Bill | 300,000             |

\*Maturity date is different for all securities.

The Global Time Diversified Absolute Return Fund has less than 20 significant purchases and sales during the year ended 30 September 2016. All purchases and sales pertaining to the fund for the year have been listed above.

The Material Portfolio Changes reflect the aggregate purchases of a security exceeding one per cent of the total value of purchases for the year and aggregate disposals greater than one per cent of the total value of the sales.

**PRINCIPAL GLOBAL INVESTORS FUNDS**  
**STATEMENT OF MATERIAL PORTFOLIO CHANGES (UNAUDITED)**

for the year ended 30 September 2016 (continued)

**EDGE Small/Mid-Cap Equity Income Fund\***

|                                       | <b>Major Purchases</b> |                                     | <b>Major Sales</b>  |
|---------------------------------------|------------------------|-------------------------------------|---------------------|
|                                       | <b>Cost USD</b>        |                                     | <b>Proceeds USD</b> |
| Gramercy Property Trust               | 136,807                | Gramercy Property Trust             | 153,906             |
| Harman International Industries Inc   | 109,901                | Sinclair Broadcast Group Inc        | 131,010             |
| Pebblebrook Hotel Trust               | 74,719                 | PacWest Bancorp                     | 130,565             |
| STERIS Plc                            | 68,497                 | EPR Properties                      | 128,289             |
| Allied World Assurance Co Holdings AG | 58,473                 | Albemarle Corp                      | 124,515             |
| LaSalle Hotel Properties              | 55,740                 | AmTrust Financial Services Inc      | 124,491             |
| AmTrust Financial Services Inc        | 52,409                 | Medical Properties Trust Inc        | 122,711             |
| Hubbell Inc                           | 50,254                 | j2 Global Inc                       | 120,387             |
| BGC Partners Inc                      | 48,680                 | Colony Capital Inc                  | 116,570             |
| Nordson Corp                          | 46,938                 | Digital Realty Trust Inc            | 115,806             |
| Nordstrom Inc                         | 40,461                 | Huntsman Corp                       | 114,090             |
| BOK Financial Corp                    | 40,347                 | Hasbro Inc                          | 112,878             |
| Flowserve Corp                        | 37,886                 | Omega Healthcare Investors Inc      | 112,698             |
| Colony Capital Inc                    | 35,392                 | Validus Holdings Ltd                | 112,377             |
| EastGroup Properties Inc              | 34,702                 | Harman International Industries Inc | 109,065             |
| PacWest Bancorp                       | 30,145                 | Cullen/Frost Bankers Inc            | 107,507             |
| Huntsman Corp                         | 28,159                 | BioMed Realty Trust Inc             | 106,684             |
| EnLink Midstream Partners LP          | 21,598                 | Alliant Energy Corp                 | 106,327             |
| Alexandria Real Estate Equities Inc   | 20,408                 | Ares Capital Corp                   | 101,919             |
| Alliance Resource Partners LP         | 19,306                 | New Flyer Industries Inc            | 100,560             |
| Cullen/Frost Bankers Inc              | 18,975                 | EnLink Midstream Partners LP        | 97,139              |
| Targa Resources Partners LP           | 16,873                 | Banco Latinoamericano de            |                     |
| MSA Safety Inc                        | 16,599                 | Comercio Exterior SA                | 97,042              |
| Validus Holdings Ltd                  | 16,430                 | Targa Resources Corp                | 95,159              |
| Omega Healthcare Investors Inc        | 15,363                 | B&G Foods Inc                       | 93,476              |
| B&G Foods Inc                         | 14,568                 | Microchip Technology Inc            | 92,204              |
| Banco Latinoamericano de              |                        | Garmin Ltd                          | 89,857              |
| Comercio Exterior SA                  | 14,351                 | STERIS Plc                          | 88,801              |
| HollyFrontier Corp                    | 13,075                 | Avnet Inc                           | 88,551              |
| EPR Properties                        | 12,735                 | Copa Holdings SA                    | 88,380              |
|                                       |                        | Applied Industrial Technologies Inc | 87,622              |
|                                       |                        | ITC Holdings Corp                   | 85,823              |
|                                       |                        | Crane Co                            | 84,475              |
|                                       |                        | Cabot Corp                          | 79,536              |
|                                       |                        | Alexandria Real Estate Equities Inc | 76,487              |
|                                       |                        | Ingredion Inc                       | 75,443              |
|                                       |                        | Teleflex Inc                        | 73,091              |
|                                       |                        | Oaktree Capital Group LLC           | 73,088              |
|                                       |                        | Harris Corp                         | 72,435              |
|                                       |                        | IDEX Corp                           | 71,567              |
|                                       |                        | Snap-on Inc                         | 69,217              |
|                                       |                        | Autoliv Inc                         | 68,647              |
|                                       |                        | MSA Safety Inc                      | 68,116              |
|                                       |                        | ALLETE Inc                          | 67,931              |
|                                       |                        | Alliance Resource Partners LP       | 67,306              |
|                                       |                        | Maxim Integrated Products Inc       | 66,618              |
|                                       |                        | Tupperware Brands Corp              | 64,689              |
|                                       |                        | Pebblebrook Hotel Trust             | 64,223              |
|                                       |                        | Vectren Corp                        | 64,066              |
|                                       |                        | Lincoln Electric Holdings Inc       | 63,404              |

\*EDGE Small/Mid-Cap Equity Income Fund terminated on 31 May 2016.

The Material Portfolio Changes reflect the aggregate purchases of a security exceeding one per cent of the total value of purchases for the year and aggregate disposals greater than one per cent of the total value of the sales.

**PRINCIPAL GLOBAL INVESTORS FUNDS**  
**STATEMENT OF MATERIAL PORTFOLIO CHANGES (UNAUDITED)**

**for the year ended 30 September 2016 (continued)**

**Global Small Cap Equity Fund**

|                                       | <b>Major Purchases</b> |                                       | <b>Major Sales</b>  |
|---------------------------------------|------------------------|---------------------------------------|---------------------|
|                                       | <b>Cost USD</b>        |                                       | <b>Proceeds USD</b> |
| Monmouth Real Estate Investment Corp  | 205,507                | AmTrust Financial Services Inc        | 328,845             |
| KION Group AG                         | 199,804                | Spirit AeroSystems Holdings Inc       | 296,771             |
| Visteon Corp                          | 195,968                | CubeSmart                             | 247,754             |
| American Financial Group Inc/OH       | 194,199                | QTS Realty Trust Inc                  | 212,796             |
| Intermediate Capital Group Plc        | 184,824                | Paddy Power Betfair Plc               | 209,758             |
| Vicinity Centres                      | 181,045                | Direct Line Insurance Group Plc       | 208,543             |
| Unipres Corp                          | 178,840                | Manhattan Associates Inc              | 207,807             |
| Sykes Enterprises Inc                 | 176,269                | Mid-America Apartment Communities Inc | 206,211             |
| Michaels Cos Inc/The                  | 175,310                | Grand City Properties SA              | 202,628             |
| CYS Investments Inc                   | 175,136                | Loomis AB                             | 195,700             |
| Teleperformance                       | 174,440                | Fujikura Ltd                          | 193,466             |
| QTS Realty Trust Inc                  | 172,683                | Wintrust Financial Corp Npv           | 190,151             |
| Advanced Energy Industries Inc        | 172,173                | Validus Holdings Ltd                  | 187,745             |
| CDW Corp/DE                           | 171,642                | PrivateBancorp Inc                    | 186,720             |
| Dean Foods Co                         | 169,347                | Lion Corp                             | 182,000             |
| Mid-America Apartment Communities Inc | 169,124                | Wheelock & Co Ltd                     | 181,034             |
| Argo Group International Holdings Ltd | 168,678                | Herman Miller Inc                     | 180,718             |
| Murphy USA Inc                        | 165,879                | Wilshire Bancorp Inc Npv              | 180,584             |
| Castellum AB                          | 164,877                | LEG Immobilien AG                     | 175,216             |
| Il-VI Inc                             | 163,805                | Isle of Capri Casinos Inc             | 172,747             |
| PacWest Bancorp                       | 161,820                |                                       |                     |
| Hiscox Ltd                            | 160,767                |                                       |                     |
| Alexandria Real Estate Equities Inc   | 160,597                |                                       |                     |
| Moelis & Co                           | 160,084                |                                       |                     |
| Ichigo Inc                            | 159,466                |                                       |                     |
| Briggs & Stratton Corp                | 157,143                |                                       |                     |
| Interface Inc                         | 156,725                |                                       |                     |
| Valora Holding AG                     | 156,690                |                                       |                     |
| CBOE Holdings Inc                     | 156,637                |                                       |                     |

The Material Portfolio Changes reflect the aggregate purchases of a security exceeding one per cent of the total value of purchases for the year and aggregate disposals greater than one per cent of the total value of the sales.

**PRINCIPAL GLOBAL INVESTORS FUNDS**  
**STATEMENT OF MATERIAL PORTFOLIO CHANGES (UNAUDITED)**

for the year ended 30 September 2016 (continued)

**Origin Global Emerging Markets Fund**

|   | <b>Major Purchases</b> |   | <b>Major Sales</b>  |
|---|------------------------|---|---------------------|
|   | <b>Cost USD</b>        |   | <b>Proceeds USD</b> |
| Korea Electric Power Corp                       | 2,765,032              | Cognizant Technology Solutions Corp           | 1,920,886           |
| Chunghwa Telecom Co Ltd                         | 2,218,394              | Tupras Turkiye Petrol Rafinerileri AS         | 1,828,658           |
| KT&G Corp                                       | 2,165,009              | Sunny Optical Technology Group Co Ltd         | 1,608,454           |
| Sinopharm Group Co Ltd                          | 2,021,876              | Sino Biopharmaceutical Ltd                    | 1,431,208           |
| Samsung Electronics Co Ltd                      | 2,011,424              | Mega Financial Holding Co Ltd                 | 1,250,027           |
| Steinhoff International Holdings Ltd            | 1,836,360              | Catcher Technology Co Ltd                     | 1,226,076           |
| China Construction Bank Corp                    | 1,827,303              | Largan Precision Co Ltd                       | 1,131,430           |
| Alibaba Group Holding Ltd                       | 1,822,914              | Infosys Ltd                                   | 1,108,293           |
| NAVER Corp                                      | 1,735,271              | NetEase Inc                                   | 1,056,998           |
| Tupras Turkiye Petrol Rafinerileri AS           | 1,678,532              | People's Insurance Co Group of China Ltd/The  | 990,955             |
| Tencent Holdings Ltd                            | 1,670,857              | AAC Technologies Holdings Inc                 | 972,837             |
| Silicon Motion Technology Corp                  | 1,515,961              | CTBC Financial Holding Co Ltd                 | 965,101             |
| NetEase Inc                                     | 1,466,209              | Raia Drogasil SA                              | 931,021             |
| Industrial & Commercial Bank of China Ltd       | 1,412,530              | Com2uSCorp                                    | 907,251             |
| Taiwan Semiconductor Manufacturing Co Ltd       | 1,408,329              | Dr Reddy's Laboratories Ltd                   | 874,983             |
| Infosys Ltd                                     | 1,239,698              | CJ E&M Corp                                   | 857,428             |
| Geely Automobile Holdings Ltd                   | 1,239,678              | Abu Dhabi Commercial Bank PJSC                | 830,428             |
| New Oriental Education & Technology Group Inc   | 1,133,285              | Fubon Financial Holding Co Ltd                | 766,437             |
| LG Household & Health Care Ltd                  | 1,064,556              | China Merchants Bank Co Ltd                   | 742,137             |
| om2uSCorp                                       | 1,037,655              | China Mobile Ltd                              | 739,042             |
| Lotte Chemical Corp                             | 982,796                | ANTA Sports Products Ltd                      | 676,716             |
| Great Wall Motor Co Ltd                         | 963,581                | Truworths International Ltd                   | 668,412             |
| Cia de Saneamento Basico do Estado de Sao Paulo | 960,605                | New Oriental Education & Technology Group Inc | 640,673             |
| CJ E&M Corp                                     | 939,740                | Gigasolar Materials Corp                      | 623,122             |
| Tata Motors Ltd                                 | 931,926                | Lojas Renner SA                               | 611,414             |
| PTT PCL   | 923,922                | Mondi Plc                                     | 594,099             |
| LG Chem Ltd                                     | 923,458                | PICC Property & Casualty Co Ltd               | 553,911             |
| Gigasolar Materials Corp                        | 876,209                | JBS SA  | 548,074             |
| Zhuzhou CRRC Times Electric Co Ltd              | 868,382                | Pegatron Corp                                 | 508,891             |
| SK Innovation Co Ltd                            | 833,761                | China Life Insurance Co Ltd                   | 501,194             |
| X5 Retail Group NV                              | 822,644                | Credit Suisse AG/Nassau                       | 497,176             |
| China Vanke Co Ltd                              | 809,888                | Cathay Financial Holding Co Ltd               | 462,421             |
| Siam Cement PCL/The                             | 800,136                | Ping An Insurance Group Co of China Ltd       | 461,233             |
| Guangdong Investment Ltd                        | 786,659                | CRRC Corp Ltd                                 | 447,148             |
| Truworths International Ltd                     | 755,902                | CLP Holdings Ltd                              | 443,391             |
|   |                        | Techtronic Industries Co Ltd                  | 411,920             |
|   |                        | MMC Norilsk Nickel PJSC                       | 411,358             |
|   |                        | Huaneng Power International Inc               | 403,285             |
|   |                        | Coway Co Ltd                                  | 385,635             |

The Material Portfolio Changes reflect the aggregate purchases of a security exceeding one per cent of the total value of purchases for the year and aggregate disposals greater than one per cent of the total value of the sales.

**PRINCIPAL GLOBAL INVESTORS FUNDS**  
**STATEMENT OF MATERIAL PORTFOLIO CHANGES (UNAUDITED)**

for the year ended 30 September 2016 (continued)

**Origin Global Equity Fund**

|  | <b>Major Purchases</b> |   | <b>Major Sales</b>  |         |
|--|------------------------|---|---------------------|---------|
|  | <b>Cost USD</b>        |   | <b>Proceeds USD</b> |         |
| Cardinal Health Inc                      | 288,483                | Fuji Heavy Industries Ltd               |                     | 293,126 |
| Samsung Electronics Co Ltd               | 252,481                | Snap-on Inc                             |                     | 273,403 |
| Biogen Inc                               | 236,104                | Cardinal Health Inc                     |                     | 264,450 |
| Amazon.com Inc                           | 229,669                | Shire Plc                               |                     | 260,512 |
| Central Japan Railway Co                 | 226,872                | Apple Inc                               |                     | 255,262 |
| Citrix Systems Inc                       | 225,222                | Largan Precision Co Ltd                 |                     | 235,626 |
| UnitedHealth Group Inc                   | 224,728                | Goldman Sachs Group Inc/The             |                     | 222,790 |
| Aflac Inc                                | 221,082                | Cognizant Technology Solutions Corp     |                     | 222,585 |
| Travelers Cos Inc/The                    | 216,399                | Cigna Corp                              |                     | 214,881 |
| Taiwan Semiconductor Manufacturing Co td | 215,131                | Gilead Sciences Inc                     |                     | 210,826 |
| Johnson & Johnson                        | 215,087                | Japan Airlines Co Ltd                   |                     | 192,106 |
| Tencent Holdings Ltd                     | 211,220                | Celgene Corp                            |                     | 191,886 |
| Actelion Ltd                             | 210,989                | Sino Biopharmaceutical Ltd              |                     | 172,977 |
| Alimentation Couche-Tard Inc             | 194,621                | NetEase Inc                             |                     | 172,599 |
| Chunghwa Telecom Co Ltd                  | 185,661                | Ingenico Group                          |                     | 169,805 |
| Sinclair Broadcast Group Inc             | 185,552                | Regeneron Pharmaceuticals Inc           |                     | 169,131 |
| TransDigm Group Inc                      | 174,517                | Nitto Denko Corp                        |                     | 168,200 |
| Alphabet Inc 'A'                         | 172,007                | F5 Networks Inc                         |                     | 162,866 |
| Thor Industries Inc                      | 168,318                | Moody's Corp                            |                     | 162,140 |
| AXA SA                                   | 167,038                | Constellation Software Inc/Canada       |                     | 153,258 |
| NAVER Corp                               | 165,487                | Marathon Petroleum Corp                 |                     | 151,575 |
| Atos SE                                  | 158,743                | Teledyne Technologies Inc               |                     | 151,115 |
| LKQ Corp                                 | 157,193                | Magna International Inc                 |                     | 150,976 |
| AMN Healthcare Services Inc              | 155,438                | Jones Lang LaSalle Inc                  |                     | 150,532 |
| Tupras Turkiye Petrol Rafinerileri AS    | 155,231                | CommScope Holding Co Inc                |                     | 145,376 |
| Synopsys Inc                             | 154,763                | Valero Energy Corp                      |                     | 144,497 |
| PAREXEL International Corp               | 148,138                | G-III Apparel Group Ltd                 |                     | 135,974 |
| Broadcom Ltd                             | 146,650                | Brocade Communications Systems Inc      |                     | 133,784 |
| Kubota Corp                              | 133,796                | Everest Re Group Ltd                    |                     | 126,315 |
| Continental AG                           | 133,319                | Japan Aviation Electronics Industry Ltd |                     | 125,984 |
| AAC Technologies Holdings Inc            | 132,326                | Wells Fargo & Co                        |                     | 125,743 |
| CBRE Group Inc                           | 131,056                | Assurant Inc                            |                     | 124,827 |
| Japan Airlines Co Ltd                    | 129,203                | AXA SA                                  |                     | 124,301 |
| Teradyne Inc                             | 127,553                | Tokio Marine Holdings Inc               |                     | 124,153 |
| Facebook Inc                             | 126,619                | Tupras Turkiye Petrol Rafinerileri AS   |                     | 121,640 |
| Arrow Electronics Inc                    | 126,077                | Helen of Troy Ltd                       |                     | 121,575 |
| Priceline Group Inc/The                  | 120,990                | Sunny Optical Technology Group Co Ltd   |                     | 120,847 |
| Amgen Inc                                | 118,579                | Lojas Renner SA                         |                     | 116,888 |
|  |                        | CVS Health Corp                         |                     | 115,239 |

The Material Portfolio Changes reflect the aggregate purchases of a security exceeding one per cent of the total value of purchases for the year and aggregate disposals greater than one per cent of the total value of the sales.

**PRINCIPAL GLOBAL INVESTORS FUNDS**  
**STATEMENT OF MATERIAL PORTFOLIO CHANGES (UNAUDITED)**

for the year ended 30 September 2016 (continued)

**Origin Global Smaller Companies Fund**

|                              | <b>Major Purchases</b> |   | <b>Major Sales</b>  |
|------------------------------|------------------------|---|---------------------|
|                              | <b>Cost USD</b>        |   | <b>Proceeds USD</b> |
| Innospec Inc                 | 571,807                | Bakkafrost P/F                          | 362,701             |
| Synchronoss Technologies Inc | 444,393                | Brocade Communications Systems Inc      | 359,722             |
| Mixi Inc                     | 440,599                | USANA Health Sciences Inc               | 346,294             |
| Mayne Pharma Group Ltd       | 401,272                | Super Micro Computer Inc                | 344,176             |
| Ambarella Inc                | 327,989                | Surgical Care Affiliates Inc            | 329,877             |
| Tenneco Inc                  | 324,552                | GFT Technologies SE                     | 313,453             |
| Multiplus SA                 | 319,650                | CSG Systems International Inc           | 305,602             |
| ON Semiconductor Corp        | 318,834                | G-III Apparel Group Ltd                 | 300,470             |
| BRP Inc/CA                   | 318,516                | MTI Ltd                                 | 287,106             |
| Sanderson Farms Inc          | 317,855                | Japan Aviation Electronics Industry Ltd | 284,441             |
| Norbord Inc                  | 315,138                | Jack Henry & Associates Inc             | 283,786             |
| Entegris Inc                 | 314,178                | S&T Motiv Co Ltd                        | 282,189             |
| InterDigital Inc/PA          | 313,784                | Richter Gedeon Nyrt                     | 274,296             |
| Smith & Wesson Holding Corp  | 313,246                | Credit Acceptance Corp                  | 271,558             |
| USANA Health Sciences Inc    | 312,842                | EZchip Semiconductor Ltd                | 268,082             |
| Smiles SA                    | 312,498                | Solarwinds Inc                          | 266,844             |
| Cavium Inc                   | 312,170                | Inari Amertron Bhd                      | 262,405             |
| Rudolph Technologies Inc     | 312,056                | Unid Co Ltd                             | 257,744             |
| Silicon Works Co Ltd         | 308,212                | Prestige Brands Holdings Inc            | 257,549             |
| Deutsche Beteiligungs AG     | 300,852                | Grand City Properties SA                | 256,905             |

The Material Portfolio Changes reflect the aggregate purchases of a security exceeding one per cent of the total value of purchases for the year and aggregate disposals greater than one per cent of the total value of the sales.

**PRINCIPAL GLOBAL INVESTORS FUNDS**  
**STATEMENT OF MATERIAL PORTFOLIO CHANGES (UNAUDITED)**

**for the year ended 30 September 2016 (continued)**

**Long/Short Global Opportunities Equity Fund**

|                                    | <b>Major Purchases</b> |                                    | <b>Major Sales</b>  |
|------------------------------------|------------------------|------------------------------------|---------------------|
|                                    | <b>Cost USD</b>        |                                    | <b>Proceeds USD</b> |
| Alphabet Inc 'A'                   | 198,428                | Apple Inc                          | 266,423             |
| Mitsubishi UFJ Financial Group Inc | 163,155                | Wells Fargo & Co                   | 245,285             |
| British American Tobacco Plc       | 155,809                | Mitsubishi UFJ Financial Group Inc | 241,789             |
| Exelon Corp                        | 152,369                | Toyota Motor Corp                  | 234,092             |
| SunTrust Banks Inc                 | 150,069                | Imperial Brands Plc                | 181,808             |
| TransCanada Corp                   | 143,228                | Nippon Telegraph & Telephone Corp  | 179,032             |
| Fuji Heavy Industries Ltd          | 142,249                | Cigna Corp                         | 172,525             |
| Toyota Motor Corp                  | 136,475                | Teva Pharmaceutical Industries Ltd | 165,181             |
| AbbVie Inc                         | 135,831                | Pfizer Inc*                        | 164,940             |
| Orange SA                          | 135,712                | Novartis AG                        | 154,906             |
| Pfizer Inc*                        | 131,362                | EOG Resources Inc                  | 153,850             |
| Total System Services Inc          | 126,423                | General Dynamics Corp              | 144,332             |
| Extra Space Storage Inc            | 126,189                | Hannover Rueck SE                  | 142,954             |
| NN Group NV                        | 125,073                | SunTrust Banks Inc                 | 137,425             |
| ConocoPhillips                     | 123,114                | Daimler AG                         | 135,095             |
| Siemens AG                         | 121,754                | Fuji Heavy Industries Ltd          | 130,242             |
| Samsung Electronics Co Ltd         | 118,949                | Alimentation Couche-Tard Inc       | 130,065             |
| JPMorgan Chase & Co                | 116,781                | Cardinal Health Inc                | 129,475             |
| Gilead Sciences Inc*               | 111,031                | Novo Nordisk A/S                   | 129,077             |
| Veolia Environnement SA            | 109,428                | Exxon Mobil Corp                   | 126,988             |
| BNP Paribas SA                     | 109,238                | McKesson Corp                      | 126,594             |
| Suncor Energy Inc                  | 108,187                | NIKE Inc                           | 123,355             |
| Philip Morris International Inc    | 108,072                | Alphabet Inc 'A'                   | 121,505             |
|                                    |                        | Exelon Corp                        | 120,855             |
|                                    |                        | Direct Line Insurance Group Plc    | 119,422             |
|                                    |                        | Wal-Mart Stores Inc                | 119,093             |
|                                    |                        | Kroger Co/The                      | 118,735             |

\* Alphabet Inc 'A' - 205 nominal pledged as collateral, Gilead Sciences Inc - 1,100 nominal pledged as collateral and Pfizer Inc - 3,000 nominal pledged as collateral in relation to the futures contracts held with JPMorgan Chase & Co. at 30 September 2016.

The Material Portfolio Changes reflect the aggregate purchases of a security exceeding one per cent of the total value of purchases for the year and aggregate disposals greater than one per cent of the total value of the sales.

**PRINCIPAL GLOBAL INVESTORS FUNDS**  
**STATEMENT OF MATERIAL PORTFOLIO CHANGES (UNAUDITED)**

for the year ended 30 September 2016 (continued)

**Claritas Latin American Equity Fund**

|   | <b>Major Purchases</b> |   | <b>Major Sales</b>  |
|---|------------------------|---|---------------------|
|   | <b>Cost USD</b>        |   | <b>Proceeds USD</b> |
| Itau Unibanco Holding SA                        | 1,399,288              | Itau Unibanco Holding SA                                | 1,340,087           |
| Itausa - Investimentos Itau SA                  | 985,890                | Itausa - Investimentos Itau SA                          | 1,072,957           |
| Petroleo Brasileiro SA PFD                      | 698,171                | Petroleo Brasileiro SA                                  | 686,058             |
| Vale SA   | 267,805                | Fibria Celulose SA                                      | 436,948             |
| Cosan SA Industria e Comercio                   | 265,943                | EDP - Energias do Brasil SA                             | 434,292             |
| Grupo Aeroportuario del Pacifico SAB de CV      | 244,903                | Banco Bradesco SA                                       | 414,516             |
| CVC Brasil Operadora e Agencia de Viagens SA    | 226,704                | America Movil SAB de CV                                 | 406,384             |
| Fibria Celulose SA                              | 226,062                | Vale SA   | 391,515             |
| Ambev SA  | 223,831                | Ambev SA  | 316,273             |
| Cia de Saneamento Basico do Estado de Sao Paulo | 197,719                | Klabin SA   | 305,314             |
| Banco Bradesco SA                               | 186,683                | Cosan SA Industria e Comercio                           | 267,947             |
| EDP - Energias do Brasil SA                     | 182,970                | BRF SA  | 255,306             |
| BRF SA  | 181,811                | CVC Brasil Operadora e Agencia de Viagens SA            | 237,854             |
| Cielo SA  | 180,925                | BM&FBovespa SA - Bolsa de Valores Mercadorias e Futuros | 213,103             |
| America Movil SAB de CV                         | 176,706                | Cia de Saneamento Basico do Estado de Sao Paulo         | 210,907             |
| Wal-Mart de Mexico SAB de CV                    | 163,669                | Grupo Televisa SAB                                      | 179,988             |
| Grupo Aeroportuario del Centro Norte SAB de CV  | 153,459                | Cielo SA  | 179,523             |
| Petroleo Brasileiro SA                          | 151,532                | Cemex SAB de CV   | 170,573             |
| Cia Energetica de Sao Paulo                     | 151,377                | CETIP SA - Mercados Organizados                         | 168,940             |
| Cia de Saneamento do Parana                     | 133,566                | Grupo Aeroportuario del Centro Norte SAB de CV          | 155,179             |
| Nemak SAB de CV                                 | 122,758                | JBS SA  | 137,287             |
| Ez Tec Empreendimentos e Participacoes SA       | 119,648                | Sao Martinho SA   | 137,048             |
| Gerdau SA                                       | 113,159                | Grupo Financiero Banorte SAB de CV                      | 124,547             |
| Alsea SAB de CV                                 | 107,807                | Grupo Famsa SAB de CV                                   | 120,723             |
| Cia Paranaense de Energia                       | 105,398                | Kroton Educacional SA                                   | 119,614             |
| Ultrapar Participacoes SA                       | 102,715                |   |                     |
| Usinas Siderurgicas de Minas Gerais SA          | 101,914                |   |                     |
| Mexichem SAB de CV                              | 91,150                 |   |                     |
| Suzano Papel e Celulose SA                      | 89,740                 |   |                     |
| Klabin SA                                       | 89,402                 |   |                     |

The Material Portfolio Changes reflect the aggregate purchases of a security exceeding one per cent of the total value of purchases for the year and aggregate disposals greater than one per cent of the total value of the sales.



**PRINCIPAL GLOBAL INVESTORS FUNDS**  
**STATEMENT OF MATERIAL PORTFOLIO CHANGES (UNAUDITED)**

for the year ended 30 September 2016 (continued)

**Finisterre Emerging Market Debt Fund\***

|  | <b>Major Purchases</b> |   | <b>Major Sales</b>  |
|--|------------------------|---|---------------------|
|  | <b>Cost USD</b>        |   | <b>Proceeds USD</b> |
| Republic of South Africa Bond              | 79,693,960             | Republic of South Africa Bond           | 80,339,003          |
| Poland Government Bond                     | 68,964,241             | United States Treasury Bill             | 69,999,983          |
| Israel Government Bond                     | 64,265,364             | Poland Government Bond                  | 67,962,394          |
| United States Treasury Bill                | 49,993,675             | Spain Letras del Tesoro                 | 51,458,712          |
| Hungary Government Bond                    | 41,808,228             | United States Treasury Bill             | 50,000,000          |
| United States Treasury Bill                | 39,996,963             | United States Treasury Bill             | 39,999,861          |
| United States Treasury Bill                | 39,992,729             | United States Treasury Bill             | 39,996,944          |
| Petrobras Global Finance BV                | 39,682,304             | United States Treasury Bill             | 34,999,822          |
| United States Treasury Bill                | 34,999,408             | Czech Republic Ministry of Finance Bill | 33,309,662          |
| Czech Republic Ministry of Finance Bill    | 34,988,147             | Malaysia Government Bond                | 31,471,131          |
| Malaysia Government Bond                   | 31,225,924             | Mexico Cetes                            | 31,334,179          |
| Mexico Cetes                               | 30,610,567             | Petrobras Global Finance BV             | 29,181,700          |
| Turkey Government International Bond       | 28,404,106             | Italy Buoni Ordinari del Tesoro BOT     | 28,552,401          |
| Italy Buoni Ordinari del Tesoro BOT        | 27,824,945             | Spain Letras del Tesoro                 | 28,263,522          |
| Spain Letras del Tesoro                    | 27,018,702             | Turkey Government International Bond    | 28,099,602          |
| Spain Letras del Tesoro                    | 26,883,025             | Spain Letras del Tesoro                 | 27,817,216          |
| Spain Government Bond                      | 26,269,591             | Spain Government Bond                   | 26,610,307          |
| United States Treasury Bill                | 25,000,015             | France Treasury Bill BTF                | 26,132,942          |
| Oman Government International Bond         | 23,647,372             | France Treasury Bill BTF                | 25,443,762          |
| Spain Government Bond                      | 21,900,868             | United States Treasury Bill             | 25,000,000          |
| Italy Buoni Poliennali Del Tesoro          | 21,884,775             | Poland Government Bond                  | 24,743,858          |
| Italy Buoni Ordinari del Tesoro BOT        | 21,825,377             | Poland Government Bond                  | 24,346,065          |
| Slovenia Government Bond                   | 20,509,482             | Spain Letras del Tesoro                 | 24,057,045          |
| Mexico Cetes                               | 20,063,914             | Italy Buoni Poliennali Del Tesoro       | 22,590,460          |
| United States Treasury Bill                | 20,000,400             | Italy Buoni Ordinari del Tesoro BOT     | 22,264,397          |
| United States Treasury Bill                | 20,000,322             | Spain Government Bond                   | 21,655,978          |
| United States Treasury Bill                | 19,999,806             | Czech Republic Ministry of Finance Bill | 20,896,312          |
| United States Treasury Bill                | 19,999,067             | Mexico Cetes                            | 20,642,349          |
| United States Treasury Bill                | 19,998,178             | Hungary Government Bond                 | 20,513,690          |
| United States Treasury Bill                | 19,998,125             | Mexico Cetes                            | 20,420,013          |
| United States Treasury Bill                | 19,997,978             | Hungary Government Bond                 | 20,182,618          |
| Mexico Cetes                               | 19,929,488             | United States Treasury Bill             | 20,000,000          |
| Hungary Government Bond                    | 19,140,382             | United States Treasury Bill             | 20,000,000          |
| Hungary Government Bond                    | 18,843,073             | United States Treasury Bill             | 20,000,000          |
| Singapore Government Bond                  | 18,294,919             | United States Treasury Bill             | 19,999,694          |
| Hungary Government Bond                    | 17,895,822             | United States Treasury Bill             | 19,999,481          |
| South Africa Government International Bond | 17,500,000             | United States Treasury Bill             | 19,999,203          |
| Malaysia Treasury Bill                     | 16,396,866             | Hungary Government Bond                 | 19,473,230          |
|  |                        | Czech Republic Ministry of Finance Bill | 19,263,419          |
|  |                        | Hungary Government Bond                 | 17,938,146          |

\*Maturity date is different for all securities.

The Material Portfolio Changes reflect the aggregate purchases of a security exceeding one per cent of the total value of purchases for the year and aggregate disposals greater than one per cent of the total value of the sales.

**PRINCIPAL GLOBAL INVESTORS FUNDS**  
**STATEMENT OF MATERIAL PORTFOLIO CHANGES (UNAUDITED)**

**for the year ended 30 September 2016 (continued)**

**Spectrum Global Capital Securities Fund**

|                                    | <b>Major Purchases</b> |                                  | <b>Major Sales</b>  |
|------------------------------------|------------------------|----------------------------------|---------------------|
|                                    | <b>Cost USD</b>        |                                  | <b>Proceeds USD</b> |
| UBS Group AG                       | 1,988,750              | BNP Paribas SA                   | 1,769,650           |
| HSBC Holdings Plc                  | 1,911,250              | UBS Group AG                     | 1,133,300           |
| Societe Generale SA                | 1,000,000              | Societe Generale SA              | 1,020,000           |
| BNP Paribas SA                     | 1,000,000              | HSBC Holdings Plc                | 952,500             |
| Credit Suisse Group AG             | 952,500                | Standard Chartered Plc           | 483,850             |
| Banco Bilbao Vizcaya Argentaria SA | 910,183                | Cooperatieve Rabobank UA         | 416,000             |
| Royal Bank of Scotland Group Plc   | 500,000                | Deutsche Bank AG                 | 278,023             |
| Barclays PLC*                      | 499,980                | Royal Bank of Scotland Group Plc | 260,000             |
| Barclays PLC*                      | 481,250                |                                  |                     |
| Credit Agricole SA                 | 450,000                |                                  |                     |

\*Coupon rate is different for these securities

The Spectrum Global Capital Securities Fund had less than 20 significant purchases and sales during the year ended 30 September 2016. All purchases and sales pertaining to the fund for the year have been listed above.

The Material Portfolio Changes reflect the aggregate purchases of a security exceeding one per cent of the total value of purchases for the year and aggregate disposals greater than one per cent of the total value of the sales.

**PRINCIPAL GLOBAL INVESTORS FUNDS**  
**STATEMENT OF MATERIAL PORTFOLIO CHANGES (UNAUDITED)**

for the year ended 30 September 2016 (continued)

**Global Short Duration High Yield Fund\*\***

|                                       | <b>Major Purchases</b> |  | <b>Major Sales</b>  |
|---------------------------------------|------------------------|--|---------------------|
|                                       | <b>Cost USD</b>        |  | <b>Proceeds USD</b> |
| HCA Inc                               | 248,773                | Kinetic Concepts Inc / KCI USA Inc       | 363,175             |
| CIT Group Inc                         | 168,300                | HCA Inc                                  | 252,375             |
| Frontier Communications Corp          | 165,535                | Play Finance 2 SA                        | 232,748             |
| AerCap Ireland Capital Ltd /          |                        | ArcelorMittal                            | 230,175             |
| AerCap Global Aviation Trust          | 155,625                | Petco Holdings Inc                       | 228,375             |
| CNH Industrial Capital LLC            | 154,143                | NRG Energy Inc                           | 214,666             |
| Kinetic Concepts Inc / KCI USA Inc    | 141,795                | Spectrum Brands Inc                      | 209,420             |
| GLP Capital LP / GLP Financing II Inc | 132,350                | Altice Financing SA                      | 207,876             |
| Reynolds Group Issuer Inc             | 100,812                | DISH DBS Corp                            | 204,500             |
| iStar Inc                             | 90,000                 | Landry's Holdings II Inc                 | 202,000             |
| Netflix Inc                           | 85,200                 | Sprint Communications Inc                | 201,862             |
| Level 3 Financing Inc                 | 65,703                 | Crescent Resources LLC /                 |                     |
| Tri Pointe Group Inc                  | 64,634                 | Crescent Ventures Inc                    | 200,500             |
| VEREIT Operating Partnership LP       | 60,106                 | ConvaTec Finance International SA        | 199,000             |
| Diamond 1 Finance Corp /              |                        | HD Supply Inc                            | 193,563             |
| Diamond 2 Finance Corp                | 44,989                 | Tenet Healthcare Corp                    | 185,556             |
| DuPont Fabros Technology LP           | 42,100                 | Sanmina Corp                             | 178,500             |
| Air Canada                            | 42,075                 | Nielsen Finance LLC / Nielsen Finance Co | 174,488             |
| Clean Harbors Inc*                    | 40,100                 | Icahn Enterprises LP /                   |                     |
| Clean Harbors Inc*                    | 40,095                 | Icahn Enterprises Finance Corp           | 172,415             |
| United States Steel Anleihen          | 35,000                 | Frontier Communications Corp             | 170,082             |
| Teck Resources Ltd                    | 30,000                 | CIT Group Inc                            | 169,575             |
| Ally Financial Inc                    | 24,861                 | Greif Inc                                | 168,000             |
|                                       |                        | Level 3 Financing Inc                    | 166,337             |
|                                       |                        | Bombardier Inc                           | 163,020             |
|                                       |                        | FMG Resources August 2006 Pty Ltd        | 156,188             |
|                                       |                        | CNH Industrial Capital LLC               | 155,775             |
|                                       |                        | Ally Financial Inc                       | 155,581             |
|                                       |                        | AerCap Ireland Capital Ltd /             |                     |
|                                       |                        | AerCap Global Aviation Trust             | 154,950             |
|                                       |                        | Smithfield Foods Inc                     | 151,875             |
|                                       |                        | UPCB Finance VI Ltd                      | 142,088             |
|                                       |                        | Boyd Gaming Corp                         | 141,778             |
|                                       |                        | CNO Financial Group Inc                  | 134,460             |
|                                       |                        | GLP Capital LP / GLP Financing II Inc    | 133,494             |
|                                       |                        | Dollar Tree Inc                          | 130,013             |
|                                       |                        | NCL Corp Ltd                             | 128,125             |
|                                       |                        | Reynolds Group Issuer Inc                | 128,048             |
|                                       |                        | Sabine Pass LNG LP                       | 127,538             |
|                                       |                        | Clean Harbors Inc                        | 127,423             |
|                                       |                        | KB Home                                  | 124,939             |
|                                       |                        | Mirant Mid-Atlantic Series B             |                     |
|                                       |                        | Pass Through Trust                       | 120,400             |
|                                       |                        | Centene Corp                             | 113,575             |
|                                       |                        | Cablevision Systems Corp                 | 111,300             |
|                                       |                        | TVN Finance Corp III AB                  | 107,123             |
|                                       |                        | Commercial Metals Co                     | 106,050             |
|                                       |                        | Dell Inc                                 | 104,755             |
|                                       |                        | Reynolds Group Issuer Inc                | 103,625             |
|                                       |                        | T-Mobile USA Inc                         | 102,020             |
|                                       |                        | Intelsat Luxembourg SA                   | 101,938             |

\*\*Global Short Duration High Yield Fund terminated on 1 July 2016.

The Material Portfolio Changes reflect the aggregate purchases of a security exceeding one per cent of the total value of purchases for the year and aggregate disposals greater than one per cent of the total value of the sales.

**PRINCIPAL GLOBAL INVESTORS FUNDS**  
**STATEMENT OF MATERIAL PORTFOLIO CHANGES (UNAUDITED)**

**for the year ended 30 September 2016 (continued)**

**Global Capital Structure Opportunities Fund**

|   | <b>Major Purchases</b> |                                   | <b>Major Sales</b>  |
|---|------------------------|-----------------------------------|---------------------|
|   | <b>Cost USD</b>        |                                   | <b>Proceeds USD</b> |
| Royal Bank of Scotland Group Plc*       | 675,000                | Royal Bank of Scotland Group Plc  | 687,844             |
| United States Treasury Note/Bond        | 604,992                | United States Treasury Note/Bond  | 599,051             |
| First Republic Bank/CA                  | 546,001                | Intesa Sanpaolo SpA*              | 563,000             |
| United States Treasury Note/Bond        | 507,129                | Bank of America Corp*             | 516,212             |
| Royal Bank of Scotland Group Plc*       | 506,325                | United States Treasury Note/Bond  | 503,477             |
| JPMorgan Chase & Co*                    | 447,838                | Cooperatieve Rabobank UA          | 482,650             |
| General Electric Capital Corp           | 439,629                | General Electric Capital Corp     | 478,113             |
| General Electric Capital Corp           | 439,500                | Liberty Mutual Group Inc          | 465,540             |
| JPMorgan Chase & Co*                    | 429,421                | BBVA Bancomer SA/Texas            | 445,000             |
| Credit Suisse AG/Guernsey               | 411,500                | General Electric Capital Corp     | 440,226             |
| Santander Issuances SAU                 | 400,000                | General Electric Capital Corp     | 439,629             |
| Wells Fargo & Co*                       | 399,908                | Citizens Financial Group Inc      | 410,179             |
| Citizens Financial Group Inc            | 399,580                | Wells Fargo & Co*                 | 402,400             |
| Banco Santander SA                      | 366,000                | Santander Issuances SAU           | 369,698             |
| Lloyds Banking Group Plc*               | 362,943                | Australia & New Zealand           |                     |
| Australia & New Zealand                 |                        | Banking Group Ltd                 | 358,750             |
| Banking Group Ltd                       | 350,000                | Goldman Sachs Group Inc/The*      | 342,563             |
| First Horizon National Corp             | 349,153                | Bank of New York Mellon Corp/The* | 310,300             |
| Nationwide Building Society             | 324,045                | Citigroup Inc*                    | 310,118             |
| Citigroup Inc*                          | 306,981                | Wells Fargo & Co*                 | 307,722             |
| Wells Fargo & Co*                       | 305,625                | Goldman Sachs Group Inc/The*      | 305,941             |
| UBS Group AG                            | 304,875                | Regions Bank/Birmingham AL        | 300,366             |
| Bank of America Corp*                   | 304,688                | UBS Group AG                      | 297,000             |
| Goldman Sachs Group Inc/The             | 299,307                | BNP Paribas SA                    | 295,248             |
| BNP Paribas SA                          | 293,049                | BPCE SA                           | 271,062             |
| Ventas Realty LP / Ventas Capital Corp  | 276,540                | RBC USA Holdco Corporation        | 256,084             |
| Welltower Inc                           | 264,139                | Intesa Sanpaolo SpA*              | 245,975             |
| HCP Inc                                 | 257,223                | Voya Financial Inc                | 235,625             |
| Intesa Sanpaolo SpA*                    | 250,000                | Compass Bank                      | 234,938             |
| BPCE SA                                 | 249,570                | Wells Fargo & Co*                 | 226,260             |
| Intesa Sanpaolo SpA                     | 226,253                | Bank of New York Mellon Corp/The* | 219,698             |
| Bank of New York Mellon Corp/The        | 220,998                | Intesa Sanpaolo SpA*              | 208,431             |
| Skandinaviska Enskilda Banken AB        | 216,000                | ABN AMRO Bank NV                  | 205,342             |
| Standard Chartered Plc                  | 200,000                | Standard Chartered Plc            | 201,400             |
| Lloyds Banking Group Plc*               | 199,732                | Lloyds Banking Group Plc          | 195,944             |
| ABN AMRO Bank NV                        | 199,654                | Bank of America Corp*             | 182,696             |
| Healthcare Trust of America Holdings LP | 199,442                | Wells Fargo & Co                  | 159,531             |
| Bank of America Corp*                   | 195,986                | Citigroup Inc*                    | 149,517             |
| American International Group Inc        | 186,252                | Associated Banc-Corp              | 136,499             |
| Bank of America Corp*                   | 179,959                |                                   |                     |
| Wells Fargo & Co*                       | 159,814                |                                   |                     |
| Wells Fargo & Co*                       | 148,857                |                                   |                     |
| Citigroup Inc*                          | 148,391                |                                   |                     |

\*Maturity date is different for these securities

The Material Portfolio Changes reflect the aggregate purchases of a security exceeding one per cent of the total value of purchases for the year and aggregate disposals greater than one per cent of the total value of the sales.

**PRINCIPAL GLOBAL INVESTORS FUNDS**  
**STATEMENT OF MATERIAL PORTFOLIO CHANGES (UNAUDITED)**

for the year ended 30 September 2016 (continued)

**Global Credit Alpha Fund\***

|                                  | <b>Major Purchases</b> |                                  | <b>Major Sales</b>  |
|----------------------------------|------------------------|----------------------------------|---------------------|
|                                  | <b>Cost USD</b>        |                                  | <b>Proceeds USD</b> |
| United States Treasury Note/Bond | 2,083,145              | United States Treasury Note/Bond | 2,085,841           |
| United States Treasury Note/Bond | 1,258,184              | United States Treasury Note/Bond | 1,255,256           |
| United States Treasury Note/Bond | 1,066,335              | United States Treasury Note/Bond | 1,064,517           |
| United States Treasury Bill      | 799,512                | United States Treasury Note/Bond | 608,699             |
| United States Treasury Note/Bond | 608,691                | Diamond 1 Finance Corporation    | 563,182             |
| Diamond 1 Finance Corporation    | 557,531                | JPMorgan Chase & Co              | 465,675             |
| Mylan NV                         | 449,510                | Mylan NV                         | 453,042             |
| JPMorgan Chase & Co              | 416,919                | Altria Group Inc                 | 376,097             |
| Altria Group Inc                 | 374,299                | Jaguar Land Rover Automotive Plc | 362,640             |
| Kraft Heinz Foods Co             | 321,375                | Kraft Heinz Foods Co             | 331,875             |
| Kraft Heinz Foods Co             | 321,375                | Kraft Heinz Foods Co             | 321,375             |
| American International Group Inc | 300,800                | Anheuser-Busch Inbev Finance     | 303,125             |
| Under Armour Inc                 | 300,428                | American International Group Inc | 302,444             |
| Hewlett Packard Enterprise Co    | 300,210                | Under Armour Inc                 | 301,025             |
| Anheuser-Busch Inbev Finance     | 299,794                | Hewlett Packard Enterprise Co    | 299,016             |
| Molson Coors Brewing Co          | 252,660                | Dominion Resources Inc/VA        | 262,360             |
| Teva Pharmaceutical Finance      | 252,389                | United States Treasury Note/Bond | 254,658             |
| United States Treasury Note/Bond | 251,719                | Anadarko Petroleum Corp          | 254,043             |
| Dominion Resources Inc/VA        | 250,175                | JPMorgan Chase & Co              | 252,965             |
| Wells Fargo & Co                 | 250,000                | Teva Pharmaceutical Finance      | 252,613             |

\*Maturity date is different for all securities.

The Material Portfolio Changes reflect the aggregate purchases of a security exceeding one per cent of the total value of purchases for the year and aggregate disposals greater than one per cent of the total value of the sales.

**PRINCIPAL GLOBAL INVESTORS FUNDS**  
**STATEMENT OF MATERIAL PORTFOLIO CHANGES (UNAUDITED)**

**for the year ended 30 September 2016 (continued)**

**Real Estate Debt Fund**

|   | <b>Major Purchases</b> |
|---|------------------------|
|   | <b>Cost USD</b>        |
| GS Mortgage Securities Trust 2014-GC22                        | 693,704                |
| COMM 2012-CCRE2 Mortgage Trust                                | 559,669                |
| Morgan Stanley Bank of America Merrill Lynch Trust 2013-C13   | 555,559                |
| Morgan Stanley Capital I Trust 2015-MS1                       | 459,299                |
| CFCRE Commercial Mortgage Trust 2011-C2                       | 439,922                |
| Citigroup Commercial Mortgage Trust 2016-GC37                 | 437,743                |
| Morgan Stanley Bank of America Merrill Lynch Trust 2016-C29   | 437,727                |
| JPMBB Commercial Mortgage Securities Trust 2014-C19           | 434,513                |
| Morgan Stanley Bank of America Merrill Lynch Trust 2013-C7    | 422,930                |
| COMM 2012-CCRE5 Mortgage Trust                                | 421,041                |
| UBS-Barclays Commercial Mortgage Trust 2012-C3                | 420,250                |
| WFRBS Commercial Mortgage Trust 2013-C17                      | 419,608                |
| GS Mortgage Securities Trust 2013-GC16                        | 419,063                |
| Wachovia Bank Commercial Mortgage Trust Series 2007-C30       | 418,891                |
| Wells Fargo Commercial Mortgage Trust 2014-LC18               | 418,359                |
| GE Commercial Mortgage Corp Series 2007-C1 Trust              | 416,500                |
| GS Mortgage Securities Corp II                                | 413,977                |
| JP Morgan Chase Commercial Mortgage Securities Trust 2014-C20 | 404,875                |
| UBS-Barclays Commercial Mortgage Trust 2013-C5                | 361,227                |
| COMM 2016-DC2 Mortgage Trust                                  | 344,297                |
| JPMBB Commercial Mortgage Securities Trust 2015-C31           | 226,752                |
| Wachovia Bank Commercial Mortgage Trust Series 2007-C34       | 170,953                |

The Real Estate Debt Fund launched on 21 March 2016 and had no sales during the year ended 30 September 2016.

The Material Portfolio Changes reflect the aggregate purchases of a security exceeding one per cent of the total value of purchases for the year and aggregate disposals greater than one per cent of the total value of the sales.

PRINCIPAL GLOBAL INVESTORS FUNDS

Securities Financing Transactions Regulation (UNAUDITED)  
for the Global Credit Alpha Fund  
for the year ended 30 September 2016

**Securities Financing Transactions on Total Return Swaps**

The following table details the gross aggregate fair value for total return swaps, analysed by counterparty, as at the balance sheet date.

| Counterparty | Counterparty's country of incorporation | Total return swaps<br>USD |
|--------------|---|---------------------------|
| Barclays     | United States                           | (3,722)                   |

The gross aggregate fair value of total return swap as a proportion of the Fund's NAV, as at the balance sheet date, is 0.05%.

The following table provides an analysis of the maturity tenor of open Securities Financing Transactions on Total Return Swaps and associated collateral received/provided, as at the balance sheet date.

| Maturity tenor | OTC derivative transactions<br>(net exposure)<br>USD | Cash collateral<br>received/ (provided)<br>USD | Non-cash collateral<br>received/ (provided)<br>USD |
|----------------|--|--|--|
| 1 day          | -  | -  | -  |
| 2 to 7 days    | -  | -  | -  |
| Open           | (3,722)  | -  | -  |
| <b>Total</b>   | <b>(3,722)</b>                                       | <b>-</b>                                       | <b>-</b>   |

The above maturity tenor analysis has been based on the contractual maturity date of the relevant Securities Financing Transactions on Total Return Swaps and, in case of non-cash collateral, the contractual maturity date of the security received/provided as collateral.

Securities Financing Transactions on Total Return Swaps are entered into by the Fund/s under an International Swaps and Derivatives Associations, Inc. Master Agreement ("ISDA Master Agreement") or similar agreement. An ISDA Master Agreement is a bilateral agreement between the Fund/s and a counterparty that governs Securities Financing Transactions (including total return swaps) entered into by the parties. All Securities Financing Transactions on Total Return Swaps entered under an ISDA Master agreement are netted together for collateral purposes.

Total Return Swaps are marked to market using valuation sources/methods and the fair value is recorded in the Statement of Financial Position as Unrealised Gain on Swap Contracts. The change in unrealised gains and losses is shown in Net gain/(loss) on investment activities in the Statement of Comprehensive Income and is not subject to any returns sharing arrangements with the Fund's Manager or any other third parties.

# PRINCIPAL GLOBAL INVESTORS FUNDS

## DIRECTORY

### Manager

Principal Global Investors (Ireland) Limited  
Registered Office: 25-28 North Wall Quay  
Dublin 1  
Ireland

### Investment Adviser

Principal Global Investors, LLC  
801 Grand Avenue  
Des Moines 50392  
Iowa  
United States of America

### Sub-Investment Advisers

#### Principal Global Investors (Europe) Limited

Global Equity Fund, Asian Equity Fund, European Equity Fund, Emerging Markets Equity Fund, Global Property Securities Fund, Global Equity (ex-Japan) Fund, Global Time Diversified Absolute Return Fund  
1 Wood Street  
London EC2V 7JB  
United Kingdom

#### Principal Global Investors (Australia) Limited

Global Property Securities Fund  
Level 43, 50 Bridge Street  
GPO Box 4169 Sydney  
NSW 2000  
Australia

### Spectrum Asset Management, Inc

Preferred Securities Fund, Spectrum Global Capital Securities Fund  
2 High Ridge Park  
Stamford, CT 06905  
United States of America

### Principal Real Estate Investors, LLC

Global Property Securities Fund  
801 Grand Avenue  
Des Moines 50392  
Iowa  
United States of America

### Principal Global Investors (Japan) Limited

Japanese Equity Fund  
Imperial Tower 18th Floor  
1-1-1 Uchisaiwai-cho  
Chiyoda-ku, Tokyo 100-0011  
Japan

### Post Advisory Group, LLC

2049 Century Park East,  
Suite 3050,  
Los Angeles, CA 90067  
United States of America

### Edge Asset Management, Inc

EDGE Small/Mid-Cap Equity Income Fund  
601 Union Street  
Suite 2200  
Seattle, WA 98101  
United States of America

\* Denotes independent non-executive directors

### Origin Asset Management LLP

Origin Global Emerging Markets Fund, Origin Global Equity Fund, Origin Global Smaller Companies Fund  
One Carey Lane  
London EC2V 8AE  
United Kingdom

### Claritas Administracao De Recursos Ltda

Claritas Latin American Equity Fund  
Avenida Presidente Juscelino Kubitschek,  
50, 10° andar,  
Vila Nova Conceicao,  
CEP 04543-000, Sao Paulo, SP,  
Brasil

### Finisterre Malta Limited

Finisterre Emerging Market Debt Fund  
Level 5, Marina Business Centre  
Abate Rigord Street  
Ta' Xbiex  
BX 1127  
Malta

### Finisterre Capital LLP

Finisterre Emerging Market Debt Fund  
10 New Burlington Street  
London W1S 3BE  
United Kingdom

### Directors of the Manager

Nicholas Lyster (British)  
David Shubotham\* (Irish)  
John O'Connell\* (Irish)  
Denis P. Murphy\* (Irish) (resigned 3 August 2016)  
Christopher J. Reddy (American) (resigned 26 January 2016)  
Bronwyn Wright\* (Irish)  
Christopher Henderson (American)  
Mike Beer (American) (appointed 26 January 2016)  
Jim Finn\* (American & British) (appointed 3 August 2016)

### Administrator

**BNY Mellon Fund Services (Ireland) Designated Activity Company**  
Guild House, Guild Street  
International Financial Services Centre, Dublin 1  
Ireland

### Custodian (until 17 March 2016) and Depositary ( from 18 March 2016)

**BNY Mellon Trust Company (Ireland) Limited**  
Guild House, Guild Street  
International Financial Services Centre, Dublin 1  
Ireland

### Legal Advisers to the Manager as to Irish Law

**A&L Goodbody**  
International Financial Services Centre  
North Wall Quay  
Dublin 1  
Ireland

### Legal Advisers to the Manager as to Hong Kong Law

**Baker & McKenzie**  
14th Floor, Hutchison House  
10 Harcourt Road  
Hong Kong



## PRINCIPAL GLOBAL INVESTORS FUNDS

### DIRECTORY (continued)

The Prospectus, the Trust Deed, the annual and semi-annual reports may be obtained free of charge during normal business hours from the following national representatives:

#### **Sponsoring Broker**

A&L Listing Limited  
International Financial Services Centre  
North Wall Quay  
Dublin 1  
Ireland

#### **France Representative**

Société Générale  
29 Boulevard Hausmann  
75009 Paris  
France

#### **United Kingdom Representative**

Principal Global Investors (Europe) Limited  
Level 1  
1 Wood Street  
London EC2V 7JB  
United Kingdom

#### **Germany Representative**

BHF – Bank Aktiengesellschaft  
Bockenheimer Landstrasse 10  
60323 Frankfurt am Main  
Germany

#### **Spain Representative**

Selección e Inversion de Capital Global A.V. , S.A  
("Selinca")  
Paseo de la Castellano 77  
Edificio Urbagasa  
Madrid 28046  
Spain

#### **Belgium Representative**

BNP Paribas Securities Services - Brussels Branch  
Avenue Louise 489  
1050 Brussels  
Belgium

#### **Switzerland Representative**

ACOLIN Fund Services AG,  
Stadelhoferstrasse 18,  
CH-8001 Zürich

#### **Hong Kong Representative**

Principal Global Investors (Asia) Limited  
27<sup>th</sup> Floor, Hopewell Centre  
183 Queen's Road East  
Hong Kong

#### **Sweden Representative**

SEB Merchant Banking  
Rissneleden 110  
SE-106 40 Stockholm  
Sweden

#### **Independent Auditor**

PricewaterhouseCoopers  
Chartered Accountants and Registered Auditors  
One Spencer Dock  
North Wall Quay  
Dublin 1  
Ireland

#### **Austria Representative**

Erste Bank der oesterreichischen Sparkassen AG  
Am Graben 21, A-1010 Wien  
Austria

#### **Luxembourg Representative**

CACEIS Bank Luxembourg  
5, Allée Scheffer  
L-2520 Luxembourg

#### **Information for investors in Switzerland**

Principal Global Investors Funds are investment funds set up under the laws of the Republic of Ireland. The Swiss Representative is ACOLIN Fund Services AG, Stadelhoferstrasse 18, CH-8001 Zürich. The Swiss Paying Agent is Banque Cantonale de Genève, Case Postale 2251, Quai de l'Île 17, 1211 Genève 2. The Fund related activities of the Representative and Paying Agent are Stadelhoferstrasse 18, CH-8001, Zurich, Switzerland. Communications to the Swiss Representative are to be made to the Zurich branch. Payments to the Swiss Paying Agent are also to be addressed to the Genève branch. The Trust Deed, the Prospectus, the annual and semi-annual reports as well as a list of purchases and sales made on behalf of Principal Global Investors Funds can be obtained free of charge at the Zurich branch of the Representative and Paying Agent during ordinary business hours.

## PRINCIPAL GLOBAL INVESTORS FUNDS

### ENQUIRIES

Requests for subscriptions, conversion or redemption of Units, dealing and administration enquiries:-

#### Hong Kong-based Investors

##### Hong Kong Representative

Principal Investment & Retirement Services Limited

27<sup>th</sup> Floor, Hopewell Centre

183 Queen's Road East

Hong Kong

Tel: 852 2117 8383 (General enquiries)

Fax: 852 2918 1461 (Dealing)

Email: [Investors-Asia@principal.com](mailto:Investors-Asia@principal.com)

#### All Investors (except Hong Kong-based investors)

##### The Administrator

BNY Mellon Fund Services (Ireland) Designated Activity

Company

Guild House, Guild Street

International Financial Services Centre

Dublin 1

Ireland

Tel: 353 1 900 8081

Fax: 353 1 829 0833

### Sales and other enquiries

#### Hong Kong-based Investors

##### Hong Kong Representative

Principal Investment & Retirement Services Limited

27<sup>th</sup> Floor, Hopewell Centre

183 Queen's Road East

Hong Kong

Tel: 852 2117 8383 (General enquiries)

Fax: 852 2918 1461 (Dealing)

Fax: 852 2801 5690 (General enquiries)

Email: [Investors-Asia@principal.com](mailto:Investors-Asia@principal.com)

#### European-based Investors

##### European Representative

Principal Global Investors (Europe) Limited

1 Wood Street

London

EC2V 7JB

United Kingdom

Tel: 44 20 7710 0220 (London)

Tel: 49 89 2421 8155 (Munich)

Tel: 31 20 700 5522 (Amsterdam)

Email: [Investors-Europe@principal.com](mailto:Investors-Europe@principal.com)

#### Middle-East and Africa Investors

Principal Global Investors LLC Dubai

Office 109, Level 1, Gate Village 7

Dubai International Financial Centre

P.O. Box 482006

Dubai, United Arab Emirates

Tel: 971 4346 4555

#### Singaporean Investors

Principal Global Investors (Singapore) Limited

One Raffles Quay #19-01

North Tower

Singapore 048583

Tel: 65 6332 0683

#### Internet

Further information about the Unit Trust and about Principal Global Investors can be found on the following website:

[www.principalglobal.com](http://www.principalglobal.com)