

Portfolio Statement of the Schemes of Principal Mutual Fund as on September 30, 2004

(Pursuant to Regulation 59A of SEBI (Mutual Funds) Regulations, 1996)

Principal Equity Fund

Name of Instrument	Industry	Rating	Quantity	Market Value (Rs lakhs)	% of NAV
Equity & equity related instruments Listed / Awaiting listing on the stock exchange					
Ranbaxy Labs Ltd	Pharmaceuticals		26,000	283.88	5.15
Container Corporation Ltd	Highways & Railroads		36,787	275.57	5.00
ITC Ltd	Tobacco		24,159	274.72	4.98
Corporation Bank Ltd	Banks		98,961	273.33	4.96
Larsen & Toubro Ltd	Heavy Electrical Equipment		31,000	265.31	4.81
Punjab National Bank Ltd	Banks		96,000	249.41	4.52
Bharat Petroleum Corporation Ltd	Oil & Gas Refining & Marketing		67,256	238.27	4.28
Reliance Industries Ltd	Commodity Chemicals		45,000	233.06	4.23
State Bank of India	Banks		49,000	229.37	4.16
Bharat Heavy Electricals Ltd	Heavy Electrical Equipment		38,992	223.85	4.06
Pfizer Ltd	Pharmaceuticals		41,766	214.16	3.88
Zee Telefilms Ltd	Broadcasting & Cable TV		140,378	213.37	3.87
Indian Petro Chemicals Ltd	Commodity Chemicals		87,230	180.65	3.28
Tata Motors Ltd	Automobile Manufacturers		44,000	177.43	3.22
Asian Paints Ltd	Commodity Chemicals		50,000	161.78	2.93
Aventis Pharma Ltd	Pharmaceuticals		17,700	154.88	2.81
Associated Cement Company Ltd	Construction Materials		50,000	133.63	2.42
Hindustan Lever Ltd	Household Products		105,400	132.17	2.40
Indian Oil Corporation Ltd	Oil & Gas Refining & Marketing		30,000	131.16	2.38
Novelty Lignite Corp Ltd	Diversified Metals & Mining		200,000	115.70	2.10
Mahindra and Mahindra Ltd	Automobile Manufacturers		20,000	85.57	1.55
Indian Rayon Ltd	Industrial Conglomerates		30,000	80.28	1.46
Tata Consultancy Services Ltd	IT Consulting & Services		6,000	61.63	1.12
Ing Vysya Bank Ltd	Banks		13,161	42.27	0.77
Privately placed / Unlisted					
Sandur Laminates Ltd	Miscellaneous		200,000	0.02	0.00
Crystal Cable Ind	Miscellaneous		100,000	0.01	0.00
Volant Textile Mills	Textiles		75,000	0.01	0.00
Tirahnanh Company Ltd	Industrial Conglomerates		50,000	0.01	0.00
Gujarat Petrochemicals Ltd	Commodity Chemicals		20,000	0.00	0.00
Western Panaps Ltd	Environmental Services		900	0.00	0.00
Apollo Tyres Ltd	Tyres & Rubber		1,650	0.00	0.00
Kashipur Holdings Ltd	Miscellaneous		50	0.00	0.00
Minerava Holdings Ltd	Miscellaneous		20	0.00	0.00
Total				4,429.49	80.32
Debt Instruments Listed / Awaiting listing on the stock exchange					
Government Securities					
6.20% GOI UTI	Sovereign		200,000	197.70	3.59
Redemption receivable Non-convertible Debentures					
Dewan Rubber Ltd	Tyres & Rubber		180,000	0.00	0.00
Cable Corporation Ltd	Electrical Component & Equip.		75,000	0.00	0.00
Kilburn Engineering Ltd	Industrial Machinery		200,000	0.00	0.00
Core Healthcare Ltd	Pharmaceuticals		355,996	0.00	0.00
Total				197.70	3.59
Money Market Instruments					
91 Days T-Bills	Sovereign			498.96	9.05
CBLO				399.93	7.25
Call				2.00	0.04
Total				900.90	16.34
Cash & Other Assets				(13.47)	(0.25)
Net Assets				5,514.62	100.00
Total NPAs provided for and its percentage to NAV Rs 755.93 Lacs, 0% as fully provided					
Total value and percentage of illiquid equity shares Rs 0.05 Lacs, 0%					
NAV at the beginning of the period (Refer point 4.1 of the half yearly results for the period ended 30/9/04)					
NAV at the end of the period (Refer point 4.2 of the half yearly results for the period ended 30/9/04)					
Dividend declared (Refer point 4.3 of the half yearly results for the period ended 30/9/04)					
Total outstanding exposure in derivative instruments at the end of the period Nil					
Total investments in foreign securities/ADRs/GDRs at the end of the period Nil					
Portfolio Turnover Ratio 0.23					

Principal Balanced Fund

Name of Instrument	Industry	Rating	Quantity	Market Value (Rs lakhs)	% of NAV
Equity & equity related instruments Listed / Awaiting listing on the stock exchange					
Sun Pharmaceuticals Ltd	Pharmaceuticals		33,570	143.58	4.13
Indian Oil Corp. Ltd	Oil & Gas Refining & Mrkg.		32,000	139.90	4.03
Jayprakash Associates Ltd	Construction & Engineering		90,000	136.44	3.93
Infosys Technologies Ltd	IT Consulting & Services		8,000	135.64	3.90
Patri Computer Systems Ltd	IT Consulting & Services		40,000	133.62	3.85
Reliance Industries Ltd	Commodity Chemicals		25,582	132.49	3.81
State Bank of India	Banks		28,108	131.57	3.79
Bajaj Hindustan Ltd	Agricultural Products		170,000	126.31	3.64
Indian Petro Chemicals Ltd	Commodity Chemicals		59,420	123.06	3.54
Bharat Heavy Electricals Ltd	Heavy Electrical Equipment		21,215	121.80	3.51
ONGC Ltd	Oil & Gas Exploration & Pro.		16,000	119.89	3.45
National Aluminium Ltd	Automobile Manufacturers		28,000	119.80	3.45
Gujrat Ambuja Cement Ltd	Construction Materials		35,054	118.25	3.40
Novelty Lignite Corp Ltd	Diversified Metals & Mining		200,000	115.70	3.33
KEC International Ltd	Heavy Electrical Equipment		100,000	115.25	3.32
Associated Cement Company Ltd	Construction Materials		42,643	113.96	3.28
Pfizer Ltd	Pharmaceuticals		18,971	97.27	2.80
Crompton Greaves Ltd	Electrical Comp. & Equip.		44,000	94.49	2.72
Indian Rayon Ltd	Industrial Conglomerates		32,986	88.27	2.54
Bharat Electronics Ltd	Electrical Comp. & Equip.		16,000	86.53	2.49
Finolex Industries Ltd	Commodity Chemicals		105,000	69.41	2.00
Total				2,463.23	70.90
Debt Instruments Listed / Awaiting listing on the stock exchange					
Non-convertible Debentures					
6.50% BASF (INDIA) Ltd**	AAA		2	202.17	5.82
9.75% ICICI Bank**	AAA		10	106.75	3.07
9% Hindustan Lever Ltd**	AAA		119,000	7.21	0.21
Total				316.13	9.10
Government Securities					
6.20% GOI UTI SB	Sovereign		300,000	296.55	8.54
9.81% GOI 2013	Sovereign		10,000	12.17	0.35
Total				308.72	8.89
Privately placed / Unlisted Securitized Debt					
PFSL (C&F) FLEET TRST A1	AAA(SO)		5	150.72	4.34
Total				150.72	4.34
Money Market Instruments					
Term Deposit	MAAA		4,000	4.00	0.12
CBLO				499.92	14.39
Call				20.00	0.57
Total				519.92	14.96
Cash & Other Assets				(288.68)	(8.31)
Net Assets				3,474.04	100.00
Total NPAs provided for and its percentage to NAV Nil					
Total value and percentage of illiquid equity shares Nil					
NAV at the beginning of the period (Refer point 4.1 of the half yearly results for the period ended 30/9/04)					
NAV at the end of the period (Refer point 4.2 of the half yearly results for the period ended 30/9/04)					
Dividend declared (Refer point 4.3 of the half yearly results for the period ended 30/9/04)					
Total outstanding exposure in derivative instruments at the end of the period Nil					
Total investments in foreign securities/ADRs/GDRs at the end of the period Nil					
Portfolio Turnover Ratio 0.30					

Principal Growth Fund

Name of Instrument	Industry	Rating	Quantity	Market Value (Rs lakhs)	% of NAV
Equity & equity related instruments Listed / Awaiting listing on the stock exchange					
Tata Consultancy Services Ltd	IT Consulting & Services		82,150	843.76	4.81
Sun Pharmaceuticals Ltd	Pharmaceuticals		174,044	744.39	4.24
Finolex Industries Ltd	Commodity Chemicals		1,111,378	734.62	4.19
Tata Motors Ltd	Automobile Manufacturers		179,905	725.47	4.13
Bharti Tele-Ventures Ltd	Integrated Telecom		495,000	724.19	4.10
Infosys Technologies Ltd	IT Consulting & Services		42,072	713.33	4.07
Hindalco Industries Ltd	Aluminium		52,000	705.22	4.02
Mahindra and Mahindra Ltd	Automobile Manufacturers		163,200	698.25	3.98
ITC Ltd	Tobacco		54,500	619.75	3.53
IVRCL Infra and Projects Ltd	Construction & Engineering		274,617	580.40	3.31
Tata Iron And Steel Company Ltd	Steel		184,200	532.61	3.04
National Aluminium Ltd	Aluminium		305,000	527.50	3.01
Ranbaxy Labs Ltd	Pharmaceuticals		44,000	480.41	2.74
Pantolon Retail (I) Ltd	Textiles		109,423	470.63	2.68
Bajaj Hindustan Ltd	Agricultural Products		618,010	459.18	2.62
Steel Authority of India Ltd	Steel		934,500	436.41	2.49
Associated Cement Company Ltd	Construction Materials		163,000	435.62	2.48
Bharat Petroleum Corporation Ltd	Oil & Gas Refining & Mrktg.		120,000	421.56	2.40
ONGC Ltd	Oil & Gas Exploration & Pro.		55,287	414.27	2.38
Blue Dart Express Ltd	Air Freight & Couriers		191,993	396.95	2.26
Canara Bank Ltd	Banks		252,000	390.85	2.23
Sona Koyo Steering Systems Ltd	Auto Parts & Equipment		879,065	381.95	2.18
Reliance Industries Ltd	Commodity Chemicals		73,720	381.80	2.18
Indian Rayon Ltd	Industrial Conglomerates		141,718	379.24	2.16
Shree Cement Ltd	Construction Materials		188,895	363.53	2.07
Indian Oil Corp. Ltd	Oil & Gas Refining & Mrktg.		78,000	341.02	1.94
Gujrat Ambuja Cement Ltd	Construction Materials		97,600	329.25	1.88
Indian Petro Chemicals Ltd	Commodity Chemicals		140,000	299.94	1.85
Bongopgan Refineries	Oil & Gas Refining & Mrktg.		375,000	282.38	1.81
Grasim Industries Ltd	Industrial Conglomerates		24,000	275.45	1.57
Asahi India Glass Ltd	Building Products		210,002	263.24	1.50
Container Corporation Ltd	Highways & Railroads		28,403	212.77	1.21
Goodlass Nerolac Paints Ltd	Commodity Chemicals		66,345	203.08	1.16
KEC International Ltd	Integrated Telecom		130,000	184.34	1.05
KEC International Ltd	Heavy Electrical Equipment		152,500	175.76	1.00
Glenmark Pharmaceuticals Ltd	Pharmaceuticals		40,784	130.24	0.74
Privately placed / Unlisted					
Givc Ltd	Textiles		273,500	0.03	0.00
Sangam Health Care Products	Health Care Equipment		200,000	0.02	0.00
Virtual Dynamics Software Ltd	IT Consulting & Services		176,305	0.02	0.00
Mohit Paper Mills Ltd	Paper Products		108,000	0.01	0.00
Sangeeta Granite	Construction Materials		100,000	0.01	0.00
Noble Brothers Impex Ltd	Personal Products		93,200	0.01	0.00
Niryat Sam Apparels (India) Ltd	Textiles		91,200	0.01	0.00
Balmer Lawrie Freight Container Ltd	PACKAGING		54,000	0.01	0.00
Mukerian Papers Ltd	Paper Products		50,800	0.01	0.00
Amco India Ltd	Industrial Conglomerates		8,050	0.00	0.00
Crescent Finstock Ltd	Diversified Financial Services		39,500	0.00	0.00
Precision Fasteners Ltd	Auto Parts & Equipment		200	0.00	0.00
Total				16,249.45	92.60
Debt Instruments					
Redemption receivable Non-convertible Debentures					
Sisco 15%	Steel		141,600	0.00	0.00
Gujarat Opt	Telecommunication Equipments		40,000	0.00	0.00
Imperial Craft	Textile Products		50,000	0.00	0.00
Premier Vinyl Flooring	Commodity Chemicals		50,000	0.00	0.00
Listed / Awaiting listing on the stock exchange					
Money Market Instruments					
Term Deposit	MAAA		4,000	4.00	0.02
4.75% PNB				4.00	0.02
91 Days T-Bills	Sovereign		2,000,000	1,986.23	11.32
CBLO				1,699.82	9.69
Call				26.50	0.15
Total				3,712.55	21.16
Cash & Other Assets				(2418.23)	(13.78)
Net Assets				17,547.77	100.00
Total NPAs provided for and its percentage to NAV Rs. 164.86 Lacs, 0% as fully provided					
Total value and percentage of illiquid equity shares Rs. 0.13 Lacs, 0%					
NAV at the beginning of the period (Refer point 4.1 of the half yearly results for the period ended 30/9/04)					
NAV at the end of the period (Refer point 4.2 of the half yearly results for the period ended 30/9/04)					
Dividend declared (Refer point 4.3 of the half yearly results for the period ended 30/9/04)					
Total outstanding exposure in derivative instruments at the end of the period Nil					
Total investments in foreign securities/ADRs/GDRs at the end of the period Nil					
Portfolio Turnover Ratio 2.03					

Principal Tax Savings Fund

Name of Instrument	Industry	Rating	Quantity	Market Value (Rs lakhs)	% of NAV
Equity & equity related instruments Listed / Awaiting listing on the stock exchange					
Container Corporation Ltd	Highways & Railroads		65,870	493.43	6.65
Blue Dart Express Ltd	Air Freight & Couriers		198,062	409.49	5.59
Gujrat Ambuja Cement Ltd	Construction Materials		103,300	348.48	4.61
Infosys Technologies Ltd	IT Consulting & Services		19,540	331.30	4.46
Shree Cement Ltd	Construction Materials		171,000	329.09	4.43
Finolex Industries Ltd	Commodity Chemicals		463,340	306.27	4.12
Canara Bank Ltd	Banks		185,000	286.94	3.86
Goodlass Nerolac Paints Ltd	Commodity Chemicals		93,988	285.86	3.85
Bharti Tele-Ventures Ltd					

Portfolio Statement of the Schemes of Principal Mutual Fund as on September 30, 2004

Principal Cash Management Fund - Liquid Option

Name of Instrument	Rating	Quantity	Market Value (Rs lakhs)	% of NAV
Debt Instruments				
<i>Listed / Awaiting listing on the stock exchange</i>				
<i>Non-Convertible Debentures</i>				
11.90% EXIM**	AAA	3,000,000	3,039.11	1.34
9% Hindustan Lever Ltd**	AAA	9,000,000	545.83	0.23
11.20% PFC**	AAA	500,000	513.67	0.24
8.50% BASF (INDIA) Ltd**	AAA	2	202.17	0.09
14.50% NALCO**	AAA	10,000	34.90	0.02
<i>Floating Rate Notes / Bonds</i>				
IDBI OMNI 2004 1Y INBKM**	LAA+	1,700,000	1,700.00	0.75
HDFC (INBKM+60 BPS)**	AAA	1,000,000	1,002.26	0.44
Sundaram Finance (NM+73bps)**	P1+	550	1,000.00	0.44
Reliance Industries (BM+50)**	AAA	500,000	501.91	0.22
Total			8,539.84	3.77
<i>Privately placed / Unlisted</i>				
<i>Floating Rate Notes / Bonds</i>				
Global Trade Finance (Nm-5bps)**	P1+	3,000,000	3,000.00	1.33
Gujarat Glass (Nm+75bps)**	UNRATED	2,500,000	2,500.00	1.11
Citicorp Finance (Nm+125bps)**	AAA	1,100	2,005.32	0.89
Citicorp Finance (Nm+100bps)**	AAA	250	1,600.00	0.71
CitiFinancial Consumer Finance (Nm+100bp)**	AAA	500,100	1,500.00	0.66
CitiFinancial Consumer Finance (Nm+50bp)**	AAA	1,500,000	1,500.00	0.66
CitiFinancial Consumer Finance (NM+125 B)**	AAA	1,000,050	1,500.00	0.66
G E Caps (Nm+100bps)**	AAA	15	1,500.00	0.66
RABO India Finance (INBKM+70BPS)**	AAA	1,500,000	1,500.00	0.66
Madras Aluminium Company (NM+45BP)**	P1+	1,200,000	1,200.00	0.53
M&M Financial Services (Nm+145bps)**	AA+	100	1,000.00	0.44
M&M Financial Services (Nm+99bps)**	P1+	10	1,000.00	0.44
Rabo India Finance (Nm+65bps)**	P1+	100	1,000.00	0.44
G E Caps (Nm+60)**	AAA	700,000	700.00	0.31
Citicorp Maruti Finance (Nm+1.5)**	AAA	500,000	500.00	0.22
Crompton Greaves (Nm+30bp)**	INDP1+	500,000	500.00	0.22
IDBI Omni (INBKM+130bps)**	LAA+	500,000	500.00	0.22
Kotak Mahindra Primus (Nm+20bp)**	P1+	500,000	500.00	0.22
IDBI (INBKM+115bp)**	LAA+	40	400.00	0.18
<i>Non-Convertible Debentures</i>				
6.15% HDFC**	AAA	2,500,000	2,500.08	1.11
7.25% Tata Industries Ltd**	AA	2,000,000	2,019.44	0.89
4.83% G E Caps**	AAA	2,000,000	2,000.00	0.89
5.45% L&T Finance**	UNRA	2,000,000	2,000.00	0.89
6% Balfourp Industries Ltd**	UNRA	2,000,000	2,000.00	0.89
5.99% IRFC**	AAA	1,000,000	1,004.73	0.44
4.55% Rabo India Finance**	P1+	900,000	899.97	0.40
4.75% Rabo India Finance**	P1+	900,000	898.09	0.40
4.90% Aarti Industries Ltd**	P1+	500,000	500.00	0.22
5% Aarti Industries Ltd**	P1+	500,000	500.00	0.22
<i>Securitized Debt</i>				
Call Debt Trst Srs II RABO**	P1+(SO)	35	3,602.59	1.59
Retail Trst 04 Sries III - A1 HDFC**	INDAAA	40	3,588.37	1.57
LOAN SEC TRT XXIV(CICIBK)**	P1+(SO)	26	2,610.59	1.16
Corp Loan Sec Trst - Ser II-DCB**	P1+(SO)	25	2,201.50	0.97
INDIAN RETABS SERXIII-A1**	P1+(SO)	40	2,156.84	0.95
INDIAN ABS XVIII A1 ICICI**	P1+(SO)	15	1,491.55	0.66
Corp Loan Sec.sries VII Trst 2004**	A1+(SO)	10	1,016.44	0.45
Corp Loan Sec Ser-VIII Trst 04 (UP)**	F1+(SO)	10	1,009.51	0.45
LST (0%BHARTI TELE) S8**	A1+(SO)	1,000,000	992.02	0.44
FLEETTRSTNOV03(CITIBK/CFIL)A1**	AAA(SO)	15	906.90	0.40
INDIAN RETAIL ABS TRST SER X(CICIBK)**	P1+(SO)	30	879.29	0.39
INDIAN RETL ABS TRST -XV**	A1+(SO)	10	804.96	0.36
SFL SECURITISATN Se A1 TRUST**	AAA(SO)	10	741.73	0.33
LST Jun 04 RIF Sr. C**	F1+(SO)	1	689.56	0.31
IND RET ABS TRS SER XI-A1**	AAA(SO)	15	660.82	0.29
MART SERS-II 2003(SCB) A2**	AAA(SO)	7	636.14	0.28
TVS FIN 2 WHEELR RECBLE SECRRN**	F1+(SO)	10	617.91	0.27
FLEETTRSTAP04(CITIBK/CFIL)**	INDP1+	10	531.10	0.24
IND RETAIL ABS TRST(SER-IX)**	A1+(SO)	50	528.54	0.23
LST Jun 04 RIF Sr. D**	F1+(SO)	1	513.70	0.23
TVSFL SEC TRST FEB 04**	F1+	10	366.39	0.16
UBL Trst Se 2(ALFLJU03)**	AAA(SO)	5	194.84	0.09
P F S L - CITI DEC2002-SERIES A1**	LAAA	14	121.73	0.05
PFSL-SUNDARAM FIN APR03**	MAAA(SO)	3	66.40	0.03
PFSL-TELCO-CITIBANK-SER-A1**	AAA(SO)	16	54.73	0.02
Total			65,181.77	28.85
Money Market Instruments				
<i>Term Deposits</i>				
5.25% Vijaya Bank	-	8,000,000	8,000.00	3.54
5% Allahabad Bank	-	7,500,000	7,500.00	3.32
5% State Bank of Bikaner	-	7,500,000	7,500.00	3.32
5.50% OBC	FAAA	7,500,000	7,500.00	3.32
5% State Bank of Indore	FAA	6,050,000	6,050.00	2.68
5.25% State Bank of Patiala	MAAA	5,800,000	5,800.00	2.57
5.25% State Bank of Travancore	-	5,000,000	5,000.00	2.21
6% IndusInd Bank	-	5,000,000	5,000.00	2.21
5.25% UTI Bank	-	4,980,000	4,980.00	2.20
5.10% ICICI Bank	FAAA	4,500,000	4,500.00	1.99
5% State Bank of Patiala	MAAA	4,000,000	4,000.00	1.77
5.5% J&K Bank	-	4,000,000	4,000.00	1.77
5.25% State Bank of Saurashtra	MAA+	3,500,000	3,500.00	1.55
5.40% ING Vysya Bank	-	3,500,000	3,500.00	1.55
5% ICICI Bank Ltd	FAAA	2,850,000	2,850.00	1.26
5% OBC	FAAA	2,500,000	2,500.00	1.11
5% State Bank of Saurashtra	MAA+	2,500,000	2,500.00	1.11
5.15% Federal Bank	P1+	2,500,000	2,500.00	1.11
5.20% J&K Bank	-	2,500,000	2,500.00	1.11
5.25% Canara Bank	-	2,500,000	2,500.00	1.11
5.50% PNB	MAAA	2,500,000	2,500.00	1.11
5.25% J & K Bank	-	2,200,000	2,200.00	0.97
5.1% UTI Bank	-	2,000,000	2,000.00	0.89
5.25% UBI	FAAA	2,000,000	2,000.00	0.89
5.30% IDBI Bank Ltd	-	1,500,000	1,500.00	0.66
5.50% ING Vysya Bank	-	1,500,000	1,500.00	0.66
IndusInd Bank	P1+	1,500,000	1,500.00	0.66
5.10% J&K Bank	-	1,000,000	1,000.00	0.44
5.80% OBC	FAAA	1,000,000	1,000.00	0.44
<i>Certificate of Deposit</i>				
DCB	P1+	2,500,000	2,434.52	1.07
UTI Bank	P1+	1,500,000	1,463.54	0.65
Kotak Mahindra Bank	P1+	1,000,000	987.82	0.44
<i>Commercial Paper</i>				
IDBI	P1+	2,000,000	1,899.32	0.84
G E Capital	P1+	1,500,000	1,482.18	0.66
Balfourp Industries Ltd	F1+	1,500,000	1,426.88	0.63
Blue Star Ltd	PR1+	1,000,000	987.74	0.44
M&M Financial Services	P1+	1,000,000	974.94	0.43
BPL	P1+	500,000	488.92	0.22
Total			119,525.86	52.90
91 Days Treasury Bills	Sovereign	13,414,000	13,309.89	5.89
CBLO	-	85	8,497.87	3.76
Call	-		510.00	0.23
Total			22,317.76	9.88
Cash & Other Assets			10,423.24	4.60
Net Assets			225,988.47	100.00
Total NPAs provided for and its percentage to NAV Nil				
Total value and percentage of illiquid equity shares Nil				
NAV at the beginning of the period (Refer point 4.1 of the half yearly results for the period ended 30/9/04)				
NAV at the end of the period (Refer point 4.2 of the half yearly results for the period ended 30/9/04)				
Dividend declared (Refer point 4.3 of the half yearly results for the period ended 30/9/04)				
Total outstanding exposure in derivative instruments at the end of the period Nil				
Total investments in foreign securities/ADRs/GDRs at the end of the period Nil				
Average Maturity of the Portfolio 128 days				

Principal Income Fund

Name of Instrument	Rating	Quantity	Market Value (Rs lakhs)	% of NAV
Debt Instruments				
<i>Listed / Awaiting listing on the stock exchange</i>				
<i>Non-Convertible Debentures</i>				
8.05% NTPC**	AAA	1,200,000	1,242.46	7.77
9.95% BPCL**	AAA	1,100,000	1,166.21	7.29
10.25% IOCL	LAAA	500,000	555.07	3.47
11.55% SBI**	AAA	50	538.85	3.37
9.75% ICICI Bank**	AAA	50	533.76	3.34
11.10% IRFC**	AAA	1	532.03	3.33
7.70% Reliance Industries Ltd**	AAA	50	514.26	3.22
11.22% HINDALCO**	AAA	400,000	426.64	2.67
5.95% HINDALCO**	INDAAA	60	294.66	1.84
5.85% HDFC	AAA	200,000	192.83	1.21
<i>Government Securities</i>				
6.65% GOI 2009	Sovereign	1,350,000	1,383.08	8.65
7.40% GOI 2012	Sovereign	1,275,000	1,366.60	8.48
9.39% GOI 2011	Sovereign	1,000,000	1,162.50	7.27
12.32% GOVT STOCK 2011	Sovereign	700,000	901.60	5.64
12% GS 2008	Sovereign	500,000	594.75	3.72
Total			11,395.28	71.26
<i>Privately placed / Unlisted</i>				
<i>Floating Rate Notes / Bonds</i>				
LIC Housing Finance (INBKM1YR+60)**	AAA	40	400.00	2.50
<i>Non-Convertible Debentures</i>				
7.95% HINDALCO**	AAA	500,000	518.50	3.24
<i>Securitized Debt</i>				
IND RET ABS TR SER XI-A3(CICIBK)**	AAA(SO)	4	351.90	2.20
Total			1,270.40	7.94
Money Market Instruments				
<i>Commercial Paper</i>				
EXIM Bank Ltd	P1+	500,000	486.54	3.04
Total			486.54	3.04
91 Days TBill	Sovereign	2,331,500	2,320.41	14.51
Call	-		690.00	4.31
CBLO	-		499.88	3.13
Total			3,510.28	21.95
Cash & Other Assets			(671.43)	(4.19)
Net Assets			15,991.07	100.00
Total NPAs provided for and its percentage to NAV Nil				
Total value and percentage of illiquid equity shares Nil				
NAV at the beginning of the period (Refer point 4.1 of the half yearly results for the period ended 30/9/04)				
NAV at the end of the period (Refer point 4.2 of the half yearly results for the period ended 30/9/04)				
Dividend declared (Refer point 4.3 of the half yearly results for the period ended 30/9/04)				
Total outstanding exposure in derivative instruments at the end of the period Nil				
Total investments in foreign securities/ADRs/GDRs at the end of the period Nil				
Average Maturity of the Portfolio 3.1 years				

Principal Monthly Income Plan

(An open-ended fund. Monthly Income is not assured and is subject to the availability of distributable surplus.)

Name of Instrument	Industry	Rating	Quantity	Market Value (Rs lakhs)	% of NAV
Equity & equity related instruments					
<i>Listed / Awaiting listing on the stock exchange</i>					
Hindalco Industries Ltd	Aluminum		18,000	244.12	0.71
ONGC Ltd	Oil & Gas Exploration & Pro.		30,000	224.79	0.66
Infosys Technologies Ltd	IT Consulting & Services		13,000	220.42	0.65
Indian Petro Chemicals Ltd	Commodity Chemicals		90,000	186.39	0.55
Sun Pharmaceuticals Ltd	Pharmaceuticals		38,000	162.53	0.48
Reliance Industries Ltd	Commodity Chemicals		30,000	155.37	0.45
Canara Bank Ltd	Banks		100,000	155.10	0.45
Bharti Tele-Ventures Ltd	Integrated Telecomm		105,000	153.62	0.45
Indian Oil Corp. Ltd	Oil & Gas Refining & Mktg.		35,000	153.02	0.45
Tata Iron and Steel Company Ltd	Steel		50,000	144.58	0.42
Tata Power Company Ltd	Electric Utilities		40,000	125.82	0.37
I T C Ltd	Tobacco		11,000	125.09	0.37
Tata Consultancy Services Ltd	IT Consulting & Services		10,895	111.90	0.33
Gujrat Ambuja Cement Ltd	Construction Materials		30,000	101.21	0.30
National Aluminium Ltd	Aluminum		5,000	86.48	0.25
Finolex Industries Ltd	Commodity Chemicals		130,000	85.93	0.25
Associated Cement Company Ltd	Construction Materials		30,000	80.18	0.23
Shree Cement Ltd	Construction Materials		39,643	76.29	0.22
Union Bank of India	Banks		100,000	73.60	0.22
Mahindra and Mahindra Ltd	Automobile Manufacturers		15,000	64.18	0.19
Bajaj Hindustan Ltd	Agricultural Products		80,000	59.44	0.17
Steel Authority of India Ltd	Steel		100,000	46.70	0.14
Tata Motors Ltd	Automobile Manufacturers		10,000	40.33	0.12
KEC International Ltd	Heavy Electrical Equipment		33,091	38.14	0.11
Mahanagar Telephone Nigam Ltd	Integrated Telecomm		25,000	35.45	0.10
Total			2,950.63	8.64	
Debt Instruments </					

Portfolio Statement of the Schemes of Principal Mutual Fund as on September 30, 2004

Principal Monthly Income Plan - MIP Plus

(An open-ended fund. Monthly Income is not assured and is subject to the availability of distributable surplus.)

Name of Instrument	Industry	Rating	Quantity	Market Value (Rs lakhs)	% of NAV
Equity & equity related instruments					
<i>Listed / Awaiting listing on the stock exchange</i>					
<i>Non-Convertible Debentures</i>					
Intosys Technologies Ltd	IT Consulting & Services		6,000	101.73	1.02
National Aluminium Ltd	Aluminium		50,000	86.48	0.87
Sun Pharmaceuticals Ltd	Pharmaceuticals		20,000	85.54	0.86
Bharti Tele-Ventures Ltd	Integrated Telecom		55,000	80.47	0.81
Indian Petro Chemicals Ltd	Commodity Chemicals		35,000	72.49	0.73
Hindalco Industries Ltd	Aluminium		5,000	67.81	0.68
IPCA Laboratory Ltd	Pharmaceuticals		10,000	64.76	0.65
Jaiprakash Associates Ltd	Construction & Engineering		40,000	60.64	0.61
ONGC Ltd	Oil & Gas Exploration & Pro.		8,000	59.94	0.60
Tata Iron And Steel Company Ltd	Steel		20,000	57.83	0.58
I T C Ltd	Tobacco		5,000	56.86	0.57
Indian Oil Corp. Ltd	Oil & Gas Refining & Mktg.		13,000	56.84	0.57
Canara Bank Ltd	Banks		35,000	54.29	0.55
Bajaj Hindustan Ltd	Agricultural Products		70,000	52.01	0.52
Asahi India Glass Ltd	Building Products		40,000	50.14	0.50
Tata Consultancy Services Ltd	IT Consulting & Services		4,600	47.25	0.48
Tata Power Company Ltd	Electric Utilities		15,000	47.18	0.47
Bharat Heavy Electricals Ltd	Heavy Electrical Equipment		7,500	43.06	0.43
Mahindra And Mahindra Ltd	Automobile Manufacturers		10,000	42.79	0.43
KEC International Ltd	Heavy Electrical Equipment		36,909	42.54	0.43
Reliance Industries Ltd	Commodity Chemicals		8,000	41.43	0.42
Associated Cement Company Ltd	Construction Materials		15,000	40.09	0.40
Union Bank of India	Banks		50,000	36.80	0.37
Gujrat Ambuja Cement Ltd	Construction Materials		10,000	33.74	0.34
Finolex Industries Ltd	Commodity Chemicals		50,000	33.05	0.33
Mahanagar Telephone Nigam Ltd	Integrated Telecom		20,000	28.36	0.29
Sona Koyo Steering Systems Ltd	Auto Parts & Equipment		55,000	23.90	0.24
Total				1,467.97	14.77
Debt Instruments					
<i>Listed / Awaiting listing on the stock exchange</i>					
<i>Non-Convertible Debentures</i>					
14.25% ICICI Bank Ltd**		AAA	500,000	542.42	5.46
11.55% SBI**		AAA	50	538.85	5.42
11.10% IRFC**		AAA	1	532.03	5.35
7.95% ACC Ltd**		LAA	5	516.79	5.20
9.75% ICICI Bank**		AAA	40	427.01	4.30
9.95% BPCL**		AAA	300,000	318.06	3.20
8.70% HINDALCO**		INDAAA	58	304.77	3.07
6% IDBI**		LAA+	240,000	229.58	2.31
8.05% IRFC**		AAA	200,000	207.34	2.09
5.95% LIC Housing Finance**		AAA	20	197.28	1.98
5.90% IDBI**		LAA+	200,000	196.62	1.98
6.08% GRASIM**		AAA	3	147.89	1.49
<i>Government Securities</i>					
12% GS 2008		Sovereign	500,000	594.75	5.98
Total				4,753.38	47.82
Privately placed / Unlisted					
<i>Non-Convertible Debentures</i>					
5.75% G E Caps S-23**		AAA	10	995.36	10.01
6.15% Citicorp Consumer Finance**		AAA	500,000	502.91	5.06
6% L&T Finance Ltd**		CAA	100,000	100.12	1.01
<i>Securitized Debt</i>					
INDIAN RETLASS SE XIII-A3**		AAA(SO)	5	496.57	5.00
LOAN RECBLE TRUST-H-MAR03(GAC/LC/T)**		AA+(SO)	4	358.73	3.61
IND RET ABS TR SER XI-A3(CICIBK)**		AAA(SO)	4	351.90	3.54
CITICORP-FLEET TRST DEC03**		AAA(SO)	5	332.96	3.35
Total				3,138.55	31.58
Money Market Instruments					
CBLO				549.91	5.53
Call				32.00	0.32
Total				581.91	5.85
Cash & Other Assets				(2.20)	(0.02)
Net Assets				9,939.61	100.00
Total NPAs provided for and its percentage to NAV Nil					
Total value and percentage of illiquid equity shares Nil					
NAV at the beginning of the period (Refer point 4.1 of the half yearly results for the period ended 30/9/04)					
NAV at the end of the period (Refer point 4.2 of the half yearly results for the period ended 30/9/04)					
Dividend declared (Refer point 4.3 of the half yearly results for the period ended 30/9/04)					
Total outstanding exposure in derivative instruments at the end of the period Nil					
Total investments in foreign securities/ADRs/GDRs at the end of the period Nil					
Average Maturity of the Portfolio (Debt Component) 1.5 years					

Principal Deposit Fund - 371 days Fixed Maturity Plan - Jan 04

Name of Instrument	Rating	Quantity	Market Value (Rs lakhs)	% of NAV
Debt Instruments				
<i>Privately placed / Unlisted</i>				
<i>Non-Convertible Debentures</i>				
6% L&T Finance Ltd**	CAA	900,000	901.09	12.23
8.75% Citicorp Maruti Finance**	AAA	500,000	505.05	6.85
5.25% M&M Financial Services**	P1+	5	498.90	6.78
5.25% Citicorp Consumer Finance**	P1+	50	498.77	6.78
Total			2,405.80	32.65
Money Market Instruments				
<i>Term Deposits</i>				
5.75% UBI	FAAA	1,050,000	1,050.00	14.25
5.80% OBC	FAAA	1,000,000	1,000.00	13.56
6.10% Federal Bank	P1+	500,000	500.00	6.79
5.75% ICICI Bank	FAAA	120,000	120.00	1.63
<i>Commercial Paper</i>				
Ashok Leyland Finance	P1+	1,000,000	949.03	12.88
<i>Certificate of Deposit</i>				
Development Credit Bank	P1+	1,000,000	943.69	12.81
Total			4,562.72	61.92
Call			136.00	1.84
Total			136.00	1.84
Cash & Other Assets			264.33	3.59
Net Assets			7,368.85	100.00
Total NPAs provided for and its percentage to NAV Nil				
Total value and percentage of illiquid equity shares Nil				
NAV at the beginning of the period (Refer point 4.1 of the half yearly results for the period ended 30/9/04)				
NAV at the end of the period (Refer point 4.2 of the half yearly results for the period ended 30/9/04)				
Dividend declared (Refer point 4.3 of the half yearly results for the period ended 30/9/04)				
Total outstanding exposure in derivative instruments at the end of the period Nil				
Total investments in foreign securities/ADRs/GDRs at the end of the period Nil				
Average Maturity of the Portfolio 97 days				

Principal Money Value Bond Fund

Name of Instrument	Rating	Quantity	Market Value (Rs lakhs)	% of NAV
Debt Instruments				
<i>Listed / Awaiting listing on the stock exchange</i>				
<i>Non-Convertible Debentures</i>				
6.50% EXIM	AAA	5	499.28	14.72
6.08% Grasim	AAA	7	345.08	10.17
7.70% Reliance Industries Ltd	AAA	30	308.56	9.10
8.70% HINDALCO	INDAAA	42	220.70	6.51
8.50% BASF (India) Ltd	AAA	1	101.08	2.98
Total			1,474.71	43.48
<i>Sovereign</i>				
6.65% GOI 2009	Sovereign	600,000	614.70	18.12
7.40% GOI 2012	Sovereign	300,000	319.20	9.41
12.32% GOVT STOCK 2011	Sovereign	100,000	128.80	3.80
12% GS 2008	Sovereign	100,000	118.95	3.51
4.49% Floating Rate GOI	Sovereign	100,000	99.51	2.93
Total			1,281.16	37.77
<i>Privately placed / Unlisted</i>				
<i>Securitized Debt</i>				
INDIA INFRA DEV	AA	11	267.95	7.90
PFSL-SUNDARAM FIN APR03	MAAA(SO)	5	110.67	3.26
PFSL-TELCO-CITIBANK-SER-A1	AAA(SO)	1	3.42	0.10
Total			382.04	11.26
Money Market Instruments				
Call			172.00	5.07
Total			172.00	5.07
Cash & Other Assets			81.78	2.42
Net Assets			3,391.69	100.00
Total NPAs provided for and its percentage to NAV Nil				
Total value and percentage of illiquid equity shares Nil				
NAV at the beginning of the period (Refer point 4.1 of the half yearly results for the period ended 30/9/04)				
NAV at the end of the period (Refer point 4.2 of the half yearly results for the period ended 30/9/04)				
Dividend declared (Refer point 4.3 of the half yearly results for the period ended 30/9/04)				
Total outstanding exposure in derivative instruments at the end of the period Nil				
Total investments in foreign securities/ADRs/GDRs at the end of the period Nil				
Average Maturity of the Portfolio 3.6 years				

Principal Deposit Fund - 371 days Fixed Maturity Plan - June 2004

Name of Instrument	Rating	Quantity	Market Value (Rs lakhs)	% of NAV
Debt Instruments				
<i>Listed / Awaiting listing on the stock exchange</i>				
<i>Non-Convertible Debentures</i>				
11% IDBI	LAA+	1,000,000	1,038.27	11.58
14.25% ICICI Bank Ltd**	AAA	500,000	542.42	6.05
12% ACC Ltd**	LAA	50	525.33	5.86
Total			2,106.02	23.48
<i>Privately placed / Unlisted</i>				
<i>Non-Convertible Debentures</i>				
6.75% M&M Financial Services**	AAA	1,000,000	1,012.05	11.29
9.75% Citicorp Consumer Finance**	AAA	500	515.18	5.74
14.25% ICICI Bank**	AAA	200,000	212.60	2.37
<i>Securitized Debt</i>				
LOAN SEC TRT XXIV(CICIBK)**	P1+SO	6	602.44	6.72
LST POWER GRID CORP.**	AAA	5	420.47	4.69
Total			2,762.74	30.81
Money Market Instruments				
<i>Term Deposits</i>				
5.75% Indusind Bank	-	1,300,000	1,300.00	14.50
5.40% Federal Bank	P1+	1,200,000	1,200.00	13.38
5.50% UCO Bank	-	900,000	900.00	10.04
5.25% State Bank of Indore	FAA	275,000	275.00	3.07
Total			3,675.00	40.98
Call			256.00	2.85
Total			256.00	2.85
Cash & Other Assets			167.76	1.88
Net Assets			8,967.52	100.00
Total NPAs provided for and its percentage to NAV Nil				
Total value and percentage of illiquid equity shares Nil				
NAV at the beginning of the period (Refer point 4.1 of the half yearly results for the period ended 30/9/04)				
NAV at the end of the period (Refer point 4.2 of the half yearly results for the period ended 30/9/04)				
Dividend declared (Refer point 4.3 of the half yearly results for the period ended 30/9/04)				
Total outstanding exposure in derivative instruments at the end of the period Nil				
Total investments in foreign securities/ADRs/GDRs at the end of the period Nil				
Average Maturity of the Portfolio 166 days				

Principal Deposit Fund - 91 days Fixed Maturity Plan - Aug. 2004

Name of Instrument	Rating	Quantity	Market Value (Rs lakhs)	% of NAV
Debt Instruments				
<i>Privately placed / Unlisted</i>				
<i>Non-Convertible Debentures</i>				
4.85% Chambel Fertilizers & Chemicals**	P1+	900,000	900.00	13.91
4.99% M&M Financial Services Ltd**	P1+	900,000	900.00	13.91
5% Citicorp Maruti Finance**	P1+	900,000	900.00	13.91
Total			2,700.00	41.74
Money Market Instruments				
<i>Term Deposits</i>				
4.90% ICICI Bank	FAAA	550,000	550.00	8.50
5.01% UTI Bank	-	550,000	550.00	8.50
4.90% Federal Bank	P1+	500,000	500.00	7.73
<i>Certificate of Deposit</i>				
Development Credit Bank	P1+	500,000	491.10	7.59
<i>Commercial Paper</i>				
G E Capital	P1+	500,000	494.06	7.64
Blue Star Ltd	PR1+	500,000	493.87	7.64
BPCL	P1+	500,000	490.87	7.59
Total			3,569.90	55.20
Call			171.50	2.64
Total			171.50	2.64
Cash & Other Assets			27.00	0.42
Net Assets			6,468.40	100.00
Total NPAs provided for and its percentage to NAV Nil				
Total value and percentage of illiquid equity shares Nil				
NAV at the beginning of the period (Refer point 4.1 of the half yearly results for the period ended 30/9/04)				
NAV at the end of the period (Refer point 4.2 of the half yearly results for the period ended 30/9/04)				
Dividend declared (Refer point 4.3 of the half yearly results for the period ended 30/9/04)				
Total outstanding exposure in derivative instruments at the end of the period Nil				
Total investments in foreign securities/ADRs/GDRs at the end of the period Nil				
Average Maturity of the Portfolio 61 days				

Principal Deposit Fund - Plan 54 EA/EB

Name of Instrument	Rating	Quantity	Market Value (Rs lakhs)	% of NAV
Debt Instruments				
Money Market Instruments				
<i>Mutual Fund Units</i>				
Mutual Fund Units (Money At Call - Growth)	-	2,415,051	301.95	63.10
Mutual Fund Units (Liquid-Insti - Growth)	-	954,636	102.04	21.32
Call			77.00	16.09
Total			480.99	100.51
Cash & Other Assets			(2.45)	(0.51)
Net Assets			478.54	100.00
Total NPAs provided for and its percentage to NAV Nil				
Total value and percentage of illiquid equity shares Nil				
NAV at the beginning of the period (Refer point 4.1 of the half yearly results for the period ended 30/9/04)				
NAV at the end of the period (Refer point 4.2 of the half yearly results for the period ended 30/9/04)				
Dividend declared (Refer point 4.3 of the half yearly results for the period ended 30/9/04)				
Total outstanding exposure in derivative instruments at the end of the period Nil				
Total investments in foreign securities/ADRs/GDRs at the end of the period Nil				
Average Maturity of the Portfolio 1 day				
* Net Assets after excluding intra scheme investment is Rs. 74.55 lacs.				

Principal Floating Rate Fund - Flexible Maturity Plan

Name of Instrument	Rating	Quantity	Market Value (Rs lakhs)	% of NAV
Debt Instruments				
<i>Listed / Awaiting listing on the stock exchange</i>				
<i>Non-Convertible Debentures</i>				
11				