

Principal Mutual Fund

Investment Manager: Principal Pnb Asset Management Company Private Limited
5th Floor, Apeejay House, 3 Dinshaw Vaccha Road, Churchgate, Mumbai 400 020.

Half Yearly Portfolio Statement as on September 30, 2005

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

Principal Equity Fund

Name of Instrument	Industry	Quantity	Market Value (Rs lakhs)	% of NAV
I) Equity & Equity Related Instruments - A. Listed / Awaiting listing on the stock exchanges				
Reliance Industries Ltd.	Petroleum Products	59,000	468.19	4.90
Indian Petrochemicals Corporation Ltd.	Chemicals	192,230	453.86	4.75
Oil & Natural Gas Corporation Ltd.	Oil	31,000	328.91	3.45
Punjab National Bank	Banks	72,685	327.52	3.43
State Bank of India	Banks	33,000	309.61	3.24
Bharat Heavy Electricals Ltd.	Industrial Capital Goods	24,992	305.94	3.20
Larsen & Toubro Ltd.	Industrial Capital Goods	19,000	288.60	3.02
Container Corporation of India Ltd.	Transportation	20,058	265.87	2.78
Siemens Ltd.	Industrial Capital Goods	10,074	262.39	2.75
Jain Irrigation Ltd.	Industrial Products	150,225	256.43	2.69
I T C Ltd.	Consumer Non Durables	184,885	252.83	2.65
Cipla Ltd.	Pharmaceuticals	65,000	246.94	2.59
Infosys Technologies Ltd.	Software	9,499	238.93	2.50
Pfizer Ltd.	Pharmaceuticals	29,183	238.28	2.50
Sundaram Fasteners Ltd.	Auto Ancillaries	159,305	232.74	2.44
Aventis Pharma Ltd.	Pharmaceuticals	15,900	230.38	2.41
Jet Airways (India) Ltd.	Transportation	20,000	223.31	2.34
Finolex Industries Ltd.	Chemicals	285,126	222.26	2.33
SREI Infrastructure Finance Ltd.	Finance	300,000	216.45	2.27
Punjab Tractors Ltd.	Auto	105,000	210.42	2.20
National Thermal Power Corporation Ltd.	Power	196,278	207.96	2.18
Hindustan Petroleum Corporation Ltd.	Petroleum Products	65,000	204.36	2.14
UTI Bank Ltd.	Banks	75,427	200.48	2.10
Grasim Industries Ltd.	Cement	15,000	198.23	2.08
Indian Oil Corporation Ltd.	Petroleum Products	43,000	194.32	2.04
Asian Paints (India) Ltd.	Consumer Non Durables	38,440	194.01	2.03
Associated Cement Companies Ltd.	Cement	39,100	190.48	2.00
Mahindra and Mahindra Ltd.	Auto	50,000	188.75	1.98
Zee Telefilms Ltd.	Media & Entertainment	105,378	182.09	1.91
Ranbaxy Laboratories Ltd.	Pharmaceuticals	37,000	181.93	1.91
Balrampur Industries Ltd.	Paper	150,000	180.53	1.89
IVRCL Infrastructures & Projects Ltd.	Construction	20,994	171.40	1.80
Neyveli Lignite Corporation Ltd.	Power	200,000	166.70	1.75
Hindustan Lever Ltd.	Consumer Non Durables	90,400	163.76	1.72
Jaiprakash Associates Ltd.	Construction	49,000	147.61	1.55
Gujarat Alkalies & Chemicals Ltd.	Chemicals	100,000	145.55	1.52
JSW Steel Ltd.	Ferrous Metals	50,000	144.88	1.52
Chemical Petroleum Corporation Ltd.	Petroleum Products	51,536	138.54	1.43
Novartis India Ltd.	Pharmaceuticals	25,000	130.36	1.37
Hindustan Zinc Ltd.	Non Ferrous Metals	52,925	113.10	1.18
Gokaldas Exports Ltd.	Textile Products	2,632	14.68	0.15
Apollo Tyres Ltd. *	Auto Ancillaries	1,650	-	-
Total			9,037.58	94.69
B. Privately Placed / Unlisted				
Sandur Laminates Ltd. **	Miscellaneous	200,000	0.02	***
Crystal Cable Industries Ltd. **	Miscellaneous	100,000	0.01	***
Volant Textile Mills Ltd. **	Miscellaneous	75,000	0.01	***
Tirihannah Company Ltd. **	Miscellaneous	50,000	0.01	***
Gujarat Petrosynthese Ltd. **	Commodity Chemicals	20,000	-	-
Western Paques (India) Ltd. **	Environmental Services	900	-	-
Total			0.05	0.00
II) Cash & Cash Equivalents			1,523.17	15.96
III) Other Receivables / (Payables)			(1,014.22)	(10.65)
Net Assets			9546.58	100.00

Principal Growth Fund

Name of Instrument	Industry / Rating	Quantity	Market Value (Rs lakhs)	% of NAV
I) Equity & Equity Related Instruments - A. Listed / Awaiting listing on the stock exchanges				
Bharat Heavy Electricals Ltd.	Industrial Capital Goods	128,464	1,572.59	4.18
Gujarat Ambuja Cement Ltd.	Cement	2,037,000	1,568.49	4.17
Crompton Greaves Ltd.	Industrial Capital Goods	235,923	1,564.41	4.16
Bharat Forge Ltd.	Industrial Products	399,864	1,402.32	3.73
Housing Development Finance Corporation Ltd.	Finance	126,298	1,312.74	3.49
Reliance Industries Ltd.	Petroleum Products	157,702	1,251.44	3.32
Greaves Cotton Ltd.	Industrial Products	525,648	1,249.47	3.32
IVRCL Infrastructures & Projects Ltd.	Construction	151,206	1,234.45	3.28
Mahindra and Mahindra Ltd.	Auto	324,650	1,225.55	3.26
I-Flex Solutions Ltd.	Software	120,000	1,171.68	3.11
Larsen & Toubro Ltd.	Industrial Capital Goods	76,954	1,168.89	3.11
Oil & Natural Gas Corporation Ltd.	Oil	109,787	1,164.84	3.09
Bajaj Hindustan Ltd.	Consumer Non Durables	538,755	1,143.51	3.04
HDFC Bank Ltd.	Banks	153,000	1,048.28	2.78
Hindustan Lever Ltd.	Consumer Non Durables	572,000	1,036.18	2.75
Infosys Technologies Ltd.	Software	39,219	986.48	2.62
Gokaldas Exports Ltd.	Textile Products	175,874	980.67	2.61
Balrampur Chini Mills Ltd.	Consumer Non Durables	1,097,420	970.67	2.58
SPI Ltd.	Textiles-Synthetic	300,000	922.95	2.53
GAIL (India) Ltd.	Gas	360,000	948.60	2.52
Bharat Earth Movers Ltd.	Industrial Capital Goods	100,000	929.75	2.47
Ranbaxy Laboratories Ltd.	Pharmaceuticals	180,000	885.06	2.35
Tata Motors Ltd.	Auto	163,000	860.14	2.29
Godrej Industries Ltd.	Chemicals	301,201	792.26	2.10
National Thermal Power Corporation Ltd.	Power	743,000	787.21	2.09
Godrej Consumer Products Ltd.	Consumer Non Durables	165,455	750.34	1.99
Associated Cement Companies Ltd.	Cement	150,066	731.05	1.94
Blue Dart Express Ltd.	Courier	140,798	642.18	1.71
Commins India Ltd.	Industrial Products	428,393	639.38	1.70
Siemens Ltd.	Industrial Capital Goods	24,332	633.76	1.68
HCL Infosystems Ltd.	Hardware	250,000	598.75	1.59
HCL Technologies Ltd.	Software	128,300	574.98	1.53
Industrial Development Bank of India Ltd.	Banks	465,000	572.88	1.52
Neyveli Lignite Corporation Ltd.	Power	646,899	539.19	1.43
KEC International Ltd.	Industrial Capital Goods	210,952	521.16	1.38
Excel Crop Care Ltd.	Pesticides	226,774	517.27	1.37
Punjab National Bank	Banks	109,345	492.71	1.31
Wockhardt Ltd.	Pharmaceuticals	96,954	474.25	1.26
Goodlass Nerolac Paints Ltd.	Consumer Non Durables	473,900	466.34	1.26
I T C Ltd.	Consumer Non Durables	330,000	451.28	1.20
State Bank of India	Banks	46,296	434.35	1.15
Raymond Ltd.	Textile Products	60,246	238.06	0.63
Total			37,495.72	99.60
B. Privately Placed / Unlisted				
Sangam Health Care Products Ltd. **	Health Care Equipment	200,000	0.02	***
Virtual Dynamics Software Ltd. **	IT Consulting & Services	176,305	0.02	***
Mohit Paper Mills Ltd. **	Paper Products	100,000	0.01	***
Sangeeta Granite Ltd. **	Construction Materials	108,000	0.01	***
Noble Brothers Impex Ltd. **	Personal Products	93,200	0.01	***
Niryat Sam Apparel (India) Ltd. **	Textiles	91,200	0.01	***
Balmer Lawrie Freight Containers Ltd. **	Travel	54,000	0.01	***
Mukerian Papers Ltd. **	Paper Products	50,800	0.01	***
Crecent Fintock Ltd. **	Diversified Financial Services	39,500	-	-
Precision Fasteners Ltd. **	Auto Parts & Equipment	200	-	-
Total			0.10	0.00
II) Money Market Instruments				
<i>Commercial Paper</i>				
Panatone Finvest Ltd.	P1+(SO)	1,000,000	995.63	2.64
Total			995.63	2.64
III) Cash & Cash Equivalents			1,119.16	2.97
IV) Other Receivables / (Payables)			(1,968.29)	(5.21)
Net Assets			37,642.32	100.00

Principal Child Benefit Fund

Name of Instrument	Industry	Quantity	Market Value (Rs lakhs)	% of NAV
I) Equity & Equity Related Instruments - A. Listed / Awaiting listing on the stock exchanges				
IBP Company Ltd.	Petroleum Products	15,322	76.10	7.59
State Bank of India	Banks	4,500	42.22	4.21
Goodlass Nerolac Paints Ltd.	Consumer Non Durables	5,000	35.72	3.56
Mahindra and Mahindra Ltd.	Auto	7,000	27.94	2.79
Larsen & Toubro Ltd.	Industrial Capital Goods	1,800	27.34	2.73
Camlin Ltd.	Consumer Non Durables	22,995	25.95	2.59
Gujarat Ambuja Cement Ltd.	Cement	32,250	24.83	2.48
IVRCL Infrastructures & Projects Ltd.	Construction	2,989	24.40	2.43
Hindustan Zinc Ltd.	Non Ferrous Metals	11,000	23.51	2.34
Deepak Fertilisers & Petrochemicals Corp. Ltd.	Chemicals	25,000	22.35	2.23
Container Corporation of India Ltd.	Transportation	1,650	21.87	2.18
WPIL Ltd.	Industrial Products	40,000	21.66	2.16
Neyveli Lignite Corporation Ltd.	Power	24,000	20.00	1.99
HBL Nile Power Systems Ltd.	Industrial Products	6,611	19.29	1.92
Cipla Ltd.	Pharmaceuticals	5,000	19.00	1.90
Bharat Bijlee Ltd.	Industrial Capital Goods	3,750	18.81	1.88
Pantaloon Retail (India) Ltd.	Retailing	1,000	18.75	1.87
Associated Cement Companies Ltd.	Cement	17,000	18.02	1.80
Jaiprakash Associates Ltd.	Construction	6,000	18.08	1.80
Bharat Forge Ltd.	Industrial Products	5,000	17.54	1.75
UTI Bank Ltd.	Banks	6,000	15.95	1.59
Shree Cement Ltd.	Cement	3,000	13.82	1.38
Dabur India Ltd.	Consumer Non Durables	8,000	13.06	1.30
Oil & Natural Gas Corporation Ltd.	Oil	1,000	10.61	1.06
Sundaram Fasteners Ltd.	Auto Ancillaries	6,500	9.50	0.95
Talros Automotive Components Ltd.	Automobile	3,700	4.05	0.40
Total			590.37	58.88
II) Debt Instruments				
Privately Placed / Unlisted**				
<i>Securitized Debt</i>				
RPS Securitisation Trust (Tata Tele Services)	LAAA(SO)	1,000,000	76.81	7.66
Total			76.81	7.66
III) Cash & Cash Equivalents			276.62	27.59
IV) Other Receivables / (Payables)			58.79	5.87
Net Assets			1,002.59	100.00

Principal Balanced Fund

Name of Instrument	Industry / Rating	Quantity	Market Value (Rs lakhs)	% of NAV
I) Equity & Equity Related Instruments - A. Listed / Awaiting listing on the stock exchanges				
Reliance Industries Ltd.	Petroleum Products	82,000	650.71	4.00
Tata Consultancy Services Ltd.	Software	39,000	578.12	3.56
Indian Petrochemicals Corporation Ltd.	Chemicals	2,24,920	531.04	3.27
Grasim Industries Ltd.	Cement	37,000	488.97	3.01
UTI Bank Ltd.	Banks	1,80,000	478.44	2.94
Tata Iron & Steel Company Ltd.	Ferrous Metals	1,10,000	465.85	2.87
State Bank of India	Banks	47,908	449.47	2.76
I T C Ltd.	Consumer Non Durables	3,00,000	410.25	2.52
Bharat Heavy Electricals Ltd.	Industrial Capital Goods	31,215	382.12	2.35
Oil & Natural Gas Corporation Ltd.	Oil	36,065	382.65	2.35
SREI Infrastructure Finance Ltd.	Finance	5,16,746	372.83	2.29
Gujarat Ambuja Cement Ltd.	Cement	4,77,905	367.99	2.26
KEC International Ltd.	Industrial Capital Goods	1,48,000	365.63	2.25
Hindustan Lever Ltd.	Consumer Non Durables	1,95,000	353.24	2.17
Indian Oil Corporation Ltd.	Petroleum Products	78,000	352.48	2.17
Punjab National Bank	Banks	70,142	316.06	1.94
Hindustan Petroleum Corporation Ltd.	Petroleum Products	1,00,000	314.40	1.93
Balrampur Industries Ltd.	Paper	2,40,000	288.84	1.78
Container Corporation of India Ltd.	Transportation	21,291	282.21	1.74
IVRCL Infrastructures & Projects Ltd.	Construction	31,748	259.19	1.59
Ranbaxy Laboratories Ltd.	Pharmaceuticals	50,000	245.85	1.51
National Thermal Power Corporation Ltd.	Power	2,20,603	233.73	1.44
Arvind Mills Ltd.	Textile Products	1,50,000	199.35	1.23
Jaiprakash Associates Ltd.	Construction	65,000	195.81	1.20
JSW Steel Ltd.	Ferrous Metals	63,000	182.54	1.12
Infosys Technologies Ltd.	Software	7,099	178.56	1.10
Moleod Russel (India) Ltd.	Consumer Non Durables	2,25,000	158.08	0.98
Mahindra and Mahindra Ltd.	Auto	40,000	151.00	0.93
Navneet Publications (India) Ltd.	Consumer Non Durables	50,000	143.00	0.88
Crompton Greaves Ltd.	Industrial Capital Goods	14,794	98.10	0.60
Greaves Cotton Ltd.	Industrial Capital Goods	40,000	95.08	0.58
Pfizer Ltd.	Pharmaceuticals	9,571	78.15	0.48
Neyveli Lignite Corporation Ltd.	Power	90,000	75.02	0.46
Ashok Leyland Ltd.	Auto	2,50,000	71.00	0.44
Deepak Fertilisers & Petrochemicals Corporation Ltd.	Chemicals	80,000	71.52	0.44
Indoco Remedies Ltd.	Pharmaceuticals	20,000	69.74	0.43
Jain Irrigation Ltd.	Industrial Products	40,000	69.29	0.42
Grasim Industries Ltd.	Chemicals	70,000	68.27	0.42
Bharat Electronics Ltd.	Industrial Capital Goods	2,484	21.16	0.13
Gokaldas Exports Ltd.	Textile Products	777	4.33	0.03
Total</				

Half Yearly Portfolio Statement as on September 30, 2005 (Contd.)

Principal Dividend Yield Fund

Name of Instrument	Industry / Rating	Quantity	Market Value (Rs lakhs)	% of NAV
I) Equity & Equity Related Instruments - Listed / Awaiting listing on the stock exchanges				
Hindustan Lever Ltd.	Consumer Non Durables	761,790	1,379.98	5.13
Godrej Consumer Products Ltd.	Consumer Non Durables	272,985	1,237.99	4.60
Andhra Bank	Banks	1,071,940	1,112.74	4.13
Glaxo Smithkline Pharma Ltd.	Pharmaceuticals	117,885	1,044.52	3.88
Gujarat Ambuja Cement Ltd.	Cement	1,330,127	1,024.20	3.80
Varun Shipping Company Ltd.	Transportation	1,793,493	1,021.39	3.79
Housing Development Finance Corp. Ltd.	Finance	93,000	966.64	3.59
Oil & Natural Gas Corporation Ltd.	Oil	87,500	928.38	3.45
GAIL (India) Ltd.	Gas	338,257	891.31	3.31
Indian Oil Corporation Ltd.	Petroleum Products	188,370	851.24	3.16
HCL Infosystems Ltd.	Hardware	347,731	834.21	3.10
National Thermal Power Corporation Ltd.	Power	780,000	826.41	3.07
Tamilnadu Newsprint & Papers Ltd	Paper	912,961	819.38	3.04
Greaves Cotton Ltd.	Industrial Products	308,375	733.01	2.72
HCL Technologies Ltd.	Software	151,613	690.22	2.56
Chennai Petroleum Corporation Ltd.	Petroleum Products	258,837	685.79	2.55
Cummins India Ltd.	Industrial Products	456,385	681.15	2.53
Deepak Fertilisers & Petrochemicals Corp. Ltd.	Chemicals	755,689	675.59	2.51
SRF Ltd.	Textiles-Synthetic	212,000	673.42	2.50
Procter & Gamble Ltd.	Consumer Non Durables	81,873	650.77	2.42
Ballarpur Industries Ltd.	Paper	515,667	620.61	2.30
Castrol (India) Ltd.	Petroleum Products	288,668	620.49	2.30
Ashok Leyland Ltd.	Auto	2,005,280	569.50	2.12
Great Eastern Shipping Company Ltd.	Transportation	271,041	540.32	2.01
Chambal Fertilisers & Chemicals Ltd.	Fertilisers	1,389,835	517.71	1.92
Associated Cement Companies Ltd.	Cement	106,000	516.38	1.92
Allahabad Bank	Banks	501,000	460.87	1.71
Colgate Palmolive (India) Ltd.	Consumer Non Durables	177,557	444.69	1.65
Punjab Tractors Ltd.	Auto	192,042	384.85	1.43
Indian Overseas Bank	Banks	393,974	359.02	1.33
Hero Honda Motors Ltd.	Auto	47,353	351.03	1.30
Bajaj Auto Finance Ltd.	Finance	92,821	337.82	1.25
Punjab National Bank	Banks	74,716	336.67	1.25
Glaxo Smithkline Consumer Healthcare Ltd.	Consumer Non Durables	54,685	275.20	1.02
Tata Chemicals Ltd.	Fertilisers	106,959	205.25	0.76
Total			24,288.55	90.11
II) Money Market Instruments				
Commercial Paper				
Panotone Finvest Ltd.	P1+ (SO)	1,000,000	995.63	3.70
Total			995.63	3.70
III) Cash & Cash Equivalents				
IV) Other Receivables / (Payables)				
			860.03	3.19
			801.73	3.00
Net Assets			26,925.94	100.00

Principal Global Opportunities Fund

Name of Instrument	Industry / Rating	Quantity	Market Value (Rs lakhs)	% of NAV
I) International Equity & Equity Related Instruments - Listed / Awaiting listing on the stock exchanges				
SKF AB	Industrial Machinery	16,800	96.62	5.93
Atlas Copco AB	Industrial Machinery	11,280	96.35	5.95
Sumitomo Corporation	Trading Companies & Distributors	19,000	88.40	5.44
Sulzer AG	Industrial Machinery	380	85.10	5.24
Ingersoll-Rand Company Ltd.	Industrial Machinery	4,652	78.28	4.82
Honda Motor Co., Ltd.	Automobile Manufacturers	3,100	77.29	4.76
Wyeth	Pharmaceuticals	3,650	74.33	4.58
Imperial Chemical Industries PLC	Specialty Chemicals	30,400	70.84	4.36
Mitsubishi Corporation	Trading Companies & Distributors	8,000	69.59	4.28
Colgate-Palmolive Company	Household Products	2,700	67.00	3.86
The Gillette Company	Personal Products	2,380	60.97	3.75
BASF AG	Diversified Chemicals	1,700	56.48	3.48
Denso Corporation	Auto Parts & Equipment	3,500	44.72	2.75
Mazda Motor Corporation	Automobile Manufacturers	22,000	42.55	2.62
The Timken Company	Industrial Machinery	2,767	36.09	2.22
3M Company	Industrial Conglomerates	1,005	32.45	2.00
Nestle SA	Packaged Foods & Meals	200	25.88	1.59
Sumitomo Wiring Systems, Ltd.	Electrical Components & Equipment	2,000	24.85	1.53
Novartis AG	Pharmaceuticals	1,020	22.86	1.41
Total			1,146.39	70.57
II) Balance held in US Dollar denominated account				
		34,945	15.38	0.95
III) Cash & Cash Equivalents				
			420.46	25.88
IV) Other Receivables / (Payables)				
			42.11	2.60
Net Assets			1,624.34	100.00

Principal Junior Cap Fund

Name of Instrument	Industry / Rating	Quantity	Market Value (Rs lakhs)	% of NAV
I) Equity & Equity Related Instruments - Listed / Awaiting listing on the stock exchanges				
Sterite Industries (India) Ltd.	Non Ferrous Metals	200,864	1,744.00	5.83
I-Flex Solutions Ltd.	Software	142,000	1,386.49	4.64
Siemens Ltd.	Industrial Capital Goods	50,000	1,302.33	4.36
Bharat Forge Ltd.	Industrial Products	350,000	1,227.98	4.11
Jaiprakash Associates Ltd.	Construction	400,000	1,205.00	4.03
Infrastructure Development Finance Company Ltd.	Finance	1,523,750	1,081.10	3.62
Jindal Steel & Power Ltd.	Ferrous Metals	74,462	1,077.76	3.61
Chennai Petroleum Corporation Ltd.	Petroleum Products	400,000	1,059.80	3.55
Mangalore Refinery & Petrochemicals Ltd.	Petroleum Products	2,000,000	1,052.00	3.52
Automotive Axles Ltd.	Auto Ancillaries	196,620	1,028.81	3.44
Industrial Development Bank of India Ltd.	Banks	835,000	1,028.72	3.44
Raymond Ltd.	Textile Products	230,309	910.07	3.04
Union Bank of India	Banks	672,940	906.79	3.03
Oriental Bank of Commerce	Banks	300,000	821.10	2.75
Indian Overseas Bank	Banks	812,864	780.03	2.54
UTI Bank Ltd.	Banks	283,560	753.70	2.52
HEG Ltd.	Industrial Products	441,267	750.82	2.51
MtC-Day Multimedia Ltd	Media & Entertainment	800,000	735.20	2.46
HCL Infosystems Ltd.	Hardware	300,000	719.70	2.41
Great Eastern Shipping Company Ltd.	Transportation	350,000	697.73	2.33
Cummins India Ltd.	Industrial Products	467,453	697.67	2.33
Graphite India Ltd.	Industrial Products	239,375	678.15	2.27
Omax Autos Ltd.	Auto Ancillaries	428,011	676.69	2.26
Indo Gulf Fertilisers Ltd.	Fertilisers	315,231	632.51	2.12
Canara Bank	Banks	271,782	630.26	2.11
Astra Microwave Products Ltd.	Telecom Equipment & Accessories	23,331	584.69	1.96
Aurobindo Pharma Ltd.	Pharmaceuticals	164,000	582.20	1.95
Cadila Healthcare Ltd.	Pharmaceuticals	100,000	530.15	1.77
Corporation Bank	Banks	117,000	497.13	1.66
Bharat Earth Movers Ltd.	Industrial Capital Goods	50,000	464.88	1.56
Spice Jet Ltd.	Transportation	573,000	443.22	1.48
KSB Pumps Ltd.	Industrial Products	106,111	422.96	1.42
Greaves Cotton Ltd.	Industrial Products	154,497	367.24	1.23
Gujarat Fluorochemicals Ltd.	Industrial Products	13,108	249.68	0.84
Total			27,706.56	92.70
II) Money Market Instruments				
Commercial Paper				
Panotone Finvest Ltd.	P1+ (SO)	1,000,000	995.63	3.33
Total			995.63	3.33
III) Cash & Cash Equivalents				
			534.26	1.79
IV) Other Receivables / (Payables)				
			652.43	2.18
Net Assets			29,888.88	100.00

Principal Income Fund

Name of Instrument	Rating	Quantity	Market Value (Rs lakhs)	% of NAV
I) Debt Instruments				
A. Listed / Awaiting listing on the stock exchanges				
(a) Government Securities				
11.90% Government of India Security 2007	Sovereign	1,000,000	1,090.10	12.46
6.85% Government of India Security 2012	Sovereign	1,000,000	999.20	11.42
7.37% Government of India Security 2014	Sovereign	500,000	510.25	5.83
7.27% Government of India Security 2013	Sovereign	500,000	509.00	5.82
6.20% Government of India Security 2010	Sovereign	500,000	487.75	5.58
Total			3,596.30	41.12
(b) Non-Convertible Debentures				
Housing Development Finance Corporation Ltd.	AAA	500,000	516.50	5.91
Grasim Industries Ltd.	CARE AAA	500,000	516.21	5.90
LIC Housing Finance Ltd.	AAA	50	498.34	5.70
Hindalco Industries Ltd.	INDAAA	100	495.04	5.66
Citi Financial Consumer Finance India Ltd.	AAA	300,000	485.15	5.55
Power Grid Corporation of India Ltd.	AAA	200,000	202.15	2.31
Total			2,530.09	28.93
(c) Floating Rate Notes / Bonds				
Indian Railway Finance Corporation Ltd.	AAA	500,000	500.54	5.72
Total			500.54	5.72
B. Privately Placed / Unlisted				
(a) Non-Convertible Debentures				
Industrial Development Bank of India Ltd.	LAA+	200,000	217.06	2.48
Total			217.06	2.48
(b) Securitised Debt				
Loan Securitisation Trust (PGC)	AAA (SO)	5	356.48	4.08
Total			356.48	4.08
II) Money Market Instruments				
(a) Treasury Bills				
364 Days Treasury Bill 29-Sep-06	Sovereign	500,000	473.18	5.41
Total			473.18	5.41
(b) Commercial Paper				
Essel Mining & Industries Ltd.	A1+	500,000	472.33	5.40
Total			472.33	5.40
III) Cash & Cash Equivalents				
			701.34	8.02
IV) Other Receivables / (Payables)				
			(100.92)	(1.16)
Net Assets			8746.40	100.00

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
I) Equity & Equity Related Instruments - Listed / Awaiting listing on the stock exchanges				
(a) Government Securities				
12.32% Government of India Security 2011	Sovereign	400,000	495.21	4.30
5.66% Government of India Security 2016	Sovereign	500,000	490.00	4.26
Total			985.21	8.56
(b) Non-Convertible Debentures				
Citi Financial Consumer Finance India Ltd.	AAA	600,000	603.71	5.25
Grasim Industries Ltd.	CARE AAA	500,000	516.21	4.49
Rural Electrification Corporation Ltd	AAA	500,000	511.45	4.45
Hindalco Industries Ltd.	INDAAA	100	495.04	4.30
Export Import Bank of India	AAA	300,000	309.34	2.69
Power Grid Corporation of India Ltd.	AAA	200,000	202.15	1.76
Citi Financial Consumer Finance India Ltd.	AAA	200,000	200.37	1.74
Reliance Industries Ltd	AAA	10	101.44	0.88
Total			2,939.71	25.56
(c) Floating Rate Notes / Bonds				
Housing Development Finance Corporation Ltd.	AAA	500,000	503.06	4.37
LIC Housing Finance Ltd.	AAA	50	500.00	4.35
Total			1,003.06	8.72
B. Privately Placed / Unlisted				
(a) Non-Convertible Debentures				
National Bank for Agriculture and Rural Development	AAA	300,000	299.87	2.61
Total			299.87	2.61
(b) Securitised Debt				
Indian Retail ABS Trust Series XI - A1 (ICICI Bank)	AAA (SO)	7	543.12	4.72
RPS Securitisation Trust (Tata Tele Services)	LAAA (SO)	6,000,000	460.88	4.01
Indian Retail ABS Trust Series XIII (ICICI Bank)	AAA (SO)	4	397.26	3.45
Fleet Trust Dec 2003 - A3 (Citicorp)	AAA (SO)	10	209.90	1.82
BHFC Auto Securitisation Trust Sep 2004 Series A4 (Tata Motors)	MAAAA (SO)	3	175.11	1.52
Fleet Trust Sep 2003 - A3 (CFL)	AAA (SO)	2	109.86	0.95
Loan Receivable Trust Mar 2003 Series II (Gujarat Ambuja)	AAA (SO)	1	88.87	0.77
Mumbai Auto Receivables Trust 2003 Series II - A2 (SCB)	AAA (SO)	4	78.24	0.68
Indian Retail ABS Trust Series VII - A2 (ICICI Bank)	MAAAA (SO)	5	42.38	0.37
UBL Trust July 2003 Series II - A1 (ALFL)	AAA (SO)	1	34.73	0.30
PFSL Trust April 2003 (Sundaram Finance)	MAAAA(SO)	2	0.02	0.00
Total			2,140.37	18.59
III) Money Market Instruments				
Certificate of Deposit				
State Bank of Patiala	A1+	500,000	472.52	4.11
Jammu and Kashmir Bank Ltd.	P1+	500,000	471.33	4.10
Total			943.85	8.21
IV) Cash & Cash Equivalents				
			179.36	1.56
V) Other Receivables / (Payables)				
			1,870.63	16.26
Net Assets			11,504.11	100.00

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
I) Equity & Equity Related Instruments - Listed / Awaiting listing on the stock exchanges				
(a) Government Securities				

Half Yearly Portfolio Statement as on September 30, 2005 (Contd.)

Principal Income Fund - Short Term Plan

Name of Instrument	Rating	Quantity	Market Value (Rs lakhs)	% of NAV
I) Debt Instruments				
A. Listed / Awaiting listing on the stock exchanges				
(a) Government Securities				
11.00% Government of India Security 2006	Sovereign	200,000	208.40	0.32
Total			208.40	0.32
(b) Non-Convertible Debentures**				
Reliance Industries Ltd.	AAA	1,500,000	1,539.74	2.39
LIC Housing Finance Ltd.	AAA	150	1,495.03	2.32
Housing Development Finance Corporation Ltd.	AAA	1,500,000	1,487.85	2.31
Shriram Transport Finance Company Ltd.	F1+	1,400,000	1,403.77	2.18
Hindalco Industries Ltd.	INDAAA	240	1,243.15	1.93
Citi Financial Consumer Finance India Ltd.	AAA	1,100,000	1,102.05	1.71
Industrial Development Bank of India Ltd.	LAA+	1,000,000	1,098.87	1.67
Export Import Bank of India	AAA	1,000,000	1,030.36	1.60
Reliance Industries Ltd.	AAA	1,000,000	1,027.14	1.59
National Thermal Power Corporation Ltd.	AAA	1,000,000	1,017.47	1.58
Mahindra & Mahindra Financial Services Ltd.	AA-	1,000,000	1,004.90	1.56
Citi Financial Consumer Finance India Ltd.	AAA	1,000,000	1,006.18	1.56
Citi Financial Consumer Finance India Ltd.	AAA	1,000,000	1,001.98	1.55
Indian Railway Finance Corporation Ltd.	AAA	1,000,000	984.07	1.53
Reliance Industries Ltd.	AAA	90	912.99	1.42
Indian Oil Corporation Ltd.	LAAA	500,000	546.68	0.85
Power Grid Corporation of India Ltd.	AAA	500,000	520.10	0.81
Indian Aluminium Company Ltd.	AAA	500,000	513.35	0.80
Rural Electrification Corporation Ltd.	AAA	500,000	511.45	0.79
Hindalco Industries Ltd.	AAA	500,000	507.67	0.78
Power Grid Corporation of India Ltd.	AAA	40	510.70	0.79
Mahindra & Mahindra Financial Services Ltd.	AA+	500,000	499.27	0.77
Total			20,964.77	32.53
(c) Floating Rate Notes / Bonds**				
Housing Development Finance Corporation Ltd.	AAA	2,000,000	2,012.23	3.12
Industrial Development Bank of India Ltd.	AA+	1,500,000	1,501.74	2.33
Sundaram Finance Ltd.	A1+	1,000,000	1,000.00	1.55
Mahindra & Mahindra Financial Services Ltd.	AA+	500,000	500.00	0.78
Total			5,013.97	7.78
B. Privately Placed / Unlisted**				
(a) Non-Convertible Debentures				
National Bank for Agriculture and Rural Development	AAA	2,000,000	1,999.15	3.10
Export Import Bank of India	AAA	1,000,000	1,000.07	1.55
Bihar Castles & Chemicals Ltd.	Unrated	2,500,000	847.42	1.31
Industrial Development Bank of India Ltd.	LAA+	300,000	325.59	0.50
Total			4,172.23	6.46
(b) Floating Rate Notes / Bonds				
ICICI Securities Ltd.	P1+	500,000	500.00	0.78
Total			500.00	0.78
(c) Securitised Debt				
Auto Receivable Trust Aug 2005 - Series A1 (Sundaram Finance)	AAA (SO)	25	2,420.54	3.75
VE Trust Series IX - A1 (M&MFSL)	AAA (SO)	21	2,053.19	3.19
Indian Retail ABS Trust Series XXXII - A13 (ICICI Bank)	LAAA(SO)	300	2,038.71	3.16
VE Trust Series IX - A2 (M&MFSL)	AAA (SO)	16	1,671.16	2.59
Indian Retail Trust Series XXXIX - A2 (ICICI Bank)	LAAA(SO)	15	1,490.42	2.31
UBL Trust Series XV - A3 (Indusind Bank)	AAA (SO)	10	1,054.44	1.63
UBL Trust Series XV - A2 (Indusind Bank)	P1+(SO)	10	939.01	1.46
UBL Trust Series XV - A1 (Indusind Bank)	AAA (SO)	10	930.24	1.44
Indian Retail ABS Trust Series XXXIII - IO-A1 (ICICI Bank)	AAA (SO)	15	847.10	1.31
Indian Retail ABS Trust Series XXXIII (ICICI Bank)	AAA (SO)	8	794.52	1.23
Indian Retail ABS Trust Series XLII - A1 (ICICI Bank)	P1+(SO)	10	732.22	1.14
Loan Securitisation Trust (PGIC)	AAA (SO)	10	712.96	1.11
Indian Retail ABS Trust Series XXXVII - A1 (ICICI Bank)	LAAA(SO)	5	469.21	0.73
Retail Trust May 2005 - AP1 (HDFC Bank)	AAA (SO)	5	468.77	0.73
UBL Trust Series XIII - A2 (Indusind Bank)	AAA (SO)	5	461.12	0.71
Indian Retail ABS Trust Series XI - A3 (ICICI Bank)	P1+(SO)	5	387.94	0.60
Indian Loan Securitisation Trust Series - IO-A1 (Indusind Bank)	P1+(SO)	5	341.45	0.53
UBL Trust Series VII (Ashok Leyland)	P1+(SO)	5	320.20	0.50
Indian Retail ABS Trust Series XXXIII A1 (ICICI Bank)	AAA (SO)	5	319.26	0.49
Fleet Trust Sep 2003 - A3 (CFL)	INDAAA (SO)	3	164.80	0.26
Securitisation Trust June 2004 - Series A2 (TVS Financial Services Ltd.)	INDAAA (SO)	5	150.65	0.23
Fleet Trust Dec 2003 - A3 (Citicorp)	AAA (SO)	5	104.95	0.16
PFSL Trust April 2003 (Sundaram Finance)	MAAA(SO)	5	0.05	0.00
Total			18,873.91	29.25
(d) Deep Discount Bonds				
SREI Infrastructure Finance Ltd	PR1+	1,000,000	944.41	1.46
Total			944.41	1.46
II) Money Market Instruments				
(a) Commercial Paper				
Essel Mining & Industries Ltd.	A1+	1,800,000	1,700.53	2.64
Total			1,700.53	2.64
(b) Certificate of Deposit				
UCO Bank	P1+	1,500,000	1,420.87	2.20
Total			1,420.87	2.20
(c) Treasury Bills				
364 Days Treasury Bill 29-Sep-2006	Sovereign	1,000,000	946.35	1.47
Total			946.35	1.47
III) Deposits				
Industrial Development Bank of India Ltd.	FAAA	2,000,000	2,000.00	3.10
Oriental Bank of Commerce	FAAA	1,000,000	1,000.00	1.55
Union Bank of India	FAAA	1,000,000	1,000.00	1.55
UTI Bank Ltd.	Unrated	500,000	500.00	0.78
Total			4,500.00	6.98
IV) Cash & Cash Equivalents				
V) Other Receivables / (Payables)				
Net Assets			64,507.56	100.00

Principal Trust Benefit Fund

Name of Instrument	Rating	Quantity	Market Value (Rs lakhs)	% of NAV
I) Mutual Fund Units				
Principal Income Fund - Institutional Plan	AAAF	5,722,508	648.77	97.83
Total			648.77	97.83
II) Cash & Cash Equivalents				
III) Other Receivables / (Payables)				
Net Assets			663.15	100.00

Principal PNB Debt Fund

Name of Instrument	Rating	Quantity	Market Value (Rs lakhs)	% of NAV
I) Debt Instruments				
Listed / Awaiting listing on the stock exchanges				
Government Securities				
9.40% Government of India Security 2012	Sovereign	200	0.23	0.08
Total			0.23	0.08
II) Mutual Fund Units				
Principal Income Fund - Institutional Plan	AAAF	2,492,391	282.56	95.25
Total			282.56	95.25
III) Cash & Cash Equivalents				
IV) Other Receivables / (Payables)				
Net Assets			296.64	100.00

Principal Deposit Fund - 371 days Fixed Maturity Plan - Mar. 05

Name of Instrument	Rating	Quantity	Market Value (Rs lakhs)	% of NAV
I) Debt Instruments				
A. Listed / Awaiting listing on the stock exchanges**				
Non-Convertible Debentures				
State Bank of India	AAA	200	2,054.39	12.01
Kotak Mahindra Primus Ltd.	P1+	2,000,000	1,999.25	11.69
Industrial Development Bank of India Ltd.	LAA+	1,500,000	1,500.04	8.82
Mahindra & Mahindra Financial Services Ltd.	AA+	1,000,000	1,006.55	5.88
Citi Financial Consumer Finance India Ltd.	AAA	500,000	500.34	2.92
Industrial Development Bank of India Ltd.	LAA+	2,000	101.35	0.59
Total			7,169.92	41.91
B. Privately Placed / Unlisted**				
(a) Non-Convertible Debentures				
Industrial Development Bank of India Ltd.	LAA+	50,000	51.33	0.30
Industrial Development Bank of India Ltd.	LAA+	50,000	50.84	0.30
Total			102.17	0.60
(b) Securitised Debt				
UPGE Trust 2005 Series 1 (United Phosphorous)	A1+(SO)	15	1,558.23	9.11
Retail Pool Trust Aug 2005 (Centurion Bank)	AAA(SO)	2	136.18	0.80
Total			1,694.41	9.91
II) Money Market Instruments				
(a) Certificate of Deposit				
UTI Bank Ltd.	A1+	2,500,000	2,353.98	13.76
UCO Bank	P1+	1,500,000	1,412.06	8.25
The Federal Bank Ltd.	P1+	1,000,000	944.93	5.52
Yes Bank Ltd.	A1+	1,000,000	941.15	5.50
Indusind Bank Ltd.	P1+	1,000,000	941.04	5.50
Total			6,593.16	38.53
(b) Commercial Paper				
L&T Finance Ltd.	PR1+	1,000,000	941.48	5.50
Total			941.48	5.50
III) Cash & Cash Equivalents				
IV) Other Receivables / (Payables)				
Net Assets			17,105.76	100.00

Principal Floating Rate Fund - Flexible Maturity Plan

Name of Instrument	Rating	Quantity	Market Value (Rs lakhs)	% of NAV
I) Debt Instruments				
A. Listed / Awaiting listing on the stock exchanges**				
(a) Non-Convertible Debentures				
LIC Housing Finance Ltd.	AAA	250	2,491.71	3.95
Hindalco Industries Ltd.	INDAAA	200	1,035.96	1.64
Citi Financial Consumer Finance India Ltd.	AAA	1,000,000	1,001.31	1.59
Housing Development Finance Corporation Ltd.	AAA	1,000,000	991.92	1.57
Industrial Development Bank of India Ltd.	LAA+	500,000	548.64	0.87
Housing Development Finance Corporation Ltd.	AAA	500,000	541.98	0.86
Mahindra & Mahindra Financial Services Ltd.	AA+	500,000	502.45	0.80
Citi Financial Consumer Finance India Ltd.	AAA	500,000	500.99	0.79
UTI Bank Ltd.	LAA+	300,000	323.31	0.51
Industrial Development Bank of India Ltd.	LAA+	300,000	302.88	0.48
Reliance Industries Ltd.	AAA	250,000	259.04	0.41
ICICI Bank Ltd.	AAA	50,000	51.69	0.08
Industrial Development Bank of India Ltd.	LAA+	25,000	25.96	0.04
Industrial Development Bank of India Ltd.	LAA+	25,000	25.69	0.04
Total			8,603.51	13.63
(b) Floating Rate Notes / Bonds				
National Housing Bank	AAA	1,500,000	1,500.00	2.38
LIC Housing Finance Ltd.	AAA	110	1,100.00	1.74
Indian Railway Finance Corporation Ltd.	AAA	1,000,000	1,033.67	1.64
Indian Railway Finance Corporation Ltd.	AAA	1,000,000	1,009.73	1.60
ICICI Bank Ltd.	LAAA	1,000,000	1,007.46	1.60
Housing Development Finance Corporation Ltd.	AAA	1,000,000	1,006.11	1.59
Indian Railway Finance Corporation Ltd.	AAA	1,000,000	1,001.08	1.59
Industrial Development Bank of India Ltd.	AA+	1,000,000	1,001.16	1.59
Mahindra & Mahindra Financial Services Ltd.	AA+	1,000,000	1,000.19	1.58
Export Import Bank of India	AAA	800,000	801.06	1.27
Indian Railway Finance Corporation Ltd.	AAA	500,000	516.85	0.82
Citicoop Finance (India) Ltd.	AAA	500,000	501.48	0.79
Citi Financial Consumer Finance India Ltd.	AAA	500,000	500.00	0.79
Sundaram Finance Ltd.	A1+	500,000	500.00	0.79
Mahindra & Mahindra Financial Services Ltd.	AA+	500,000	500.00	0.79
Citicoop Finance (India) Ltd.	AAA	400	401.44	0.64
Citicoop Finance (India) Ltd.	AAA	250,000	253.70	0.40
Total			13,633.91	21.60
B. Privately Placed / Unlisted**				
(a) Non-Convertible Debentures				
Canbank Factors Ltd.	P1+	2,500,000	2,500.00	3.96
JM Financial & Investment Consultancy Services Pvt. Ltd.	P1+	500,000	500.00	0.79
Industrial Development Bank of India Ltd.	LAA+	25,000	26.20	0.04
Industrial Development Bank of India Ltd.	LAA+	25,000	25.42	0.04
Total			3,051.62	4.83
(b) Floating Rate Notes / Bonds				
Housing and Urban Development Corporation Ltd.	PR1+	1,000,000	1,000.00	1.58
Rabobank India Finance Pvt.Ltd.	P1+	500,000	500.00	0.79
Total			1,500.00	2.37
(c) Securitised Debt				
Auto Receivable Trust Aug 2005 - Series A1 (Sundaram Fin.)	AAA(SO)	25	2,420.54	3.84
Corporate Loan Securitisation Trust 2005 Series I (KMRL)	LAAA(SO)	20	2,012.18	3.19
Indian Retail ABS Trust Series XXXII - A13 (ICICI Bank)	LAAA(SO)	200	1,359.14	2.15
Asset Securitisation Trust Series A (Chola)	AAA(SO)	13	1,300.35	2.06
Indian Retail ABS Trust Series XIII (ICICI Bank)	AAA(SO)	13	1,291.08	2.05
Indian Retail Trust Series XXXIX - A2 (ICICI Bank)	LAAA(SO)	10	993.61	1.57
UBL Trust Series XIII - A2 (Indusind Bank)	AAA(SO)	10	922.23	1.46
VE Trust Series IX - A1 (M&MFSL)	AAA(SO)	9	879.94	1.39
Asset Securitisation Trust Series B (Chola)	AAA(SO)	7	703.35	1.11
BHP Auto Securitisation Trust Sep 2004 Series A4 (Tata Motors)	MAAA(SO)	12	700.44	1.11
Loan Trust Series 1 Dec 2004 (India Glycols)	A1+(SO)	5	510.04	0.81
Usha Martin Trust Series II (ABN Amro Bank)	A1+(SO)	5	497.04	0.79
Indian Loan Securitisation Trust Series -IV-A1 (Indusind Bank)	AAA(SO)	5	486.31	0.77
Retail Trust May 2005 - AP1 (HDFC Bank)	AAA(SO)	5	469.77	0.74
UBL Trust Series XV - A1 (Indusind Bank)	P1+(SO)	5	468.50	0.74
Indian Retail ABS Trust Series XXXVII - A1 (ICICI Bank)	LAAA(SO)	5	469.21	0.74
Indian Retail ABS Trust Series XXXIII - IO-A1 (ICICI Bank)	AAA(SO)	7	395.31	0.63
Indian Retail ABS Trust Series XLII - A1 (ICICI Bank)	P1+(SO)	5	366.11	0.58
UBL Trust Series VII (Ashok Leyland)	P1+(SO)	5	320.20	0.