

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 of the Schemes of Principal Mutual Fund as on September 30, 2007

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

Principal Growth Fund

Name of Instrument	Industry	Quantity	Market Value (Rs in lakhs)	% of NAV
I. Equity & Equity Related Instruments - A) Listed / Awaiting listing on the stock exchanges				
Reliance Industries Ltd	Petroleum Products	67,902	1,560.42	5.67
HDFC Bank Ltd	Banks	84,640	1,215.09	4.41
Bharti Airtel Ltd	Telecom - Services	118,713	1,115.78	4.05
I T C Ltd	Consumer Non Durables	574,000	1,089.45	3.96
Oil & Natural Gas Corporation Ltd	Oil	113,285	1,065.38	3.94
Tata Power Company Ltd	Power	121,900	1,041.39	3.78
Ashapura Mincechem Ltd	Minerals/Mining	224,695	1,024.05	3.72
Kalyani Steels Ltd	Ferrous Metals	225,456	968.56	3.52
Great Offshore Limited	Oil	114,145	932.85	3.39
Inraprashta Gas Ltd	Gas	700,824	907.22	3.29
Grasim Industries Ltd	Cement	24,959	876.32	3.18
Infosys Technologies Ltd	Software	45,757	866.07	3.14
Maruti Suzuki India Ltd	Auto	82,500	823.97	2.99
B.L. Kashyap & Sons Ltd	Construction	30,771	739.84	2.69
K E C International Ltd	Power	121,564	732.36	2.66
Ipsa Laboratories Ltd	Pharmaceuticals	102,221	674.86	2.45
ICI (India) Ltd	Banks	63,100	670.37	2.43
Crompton Greaves Ltd	Industrial Capital Goods	190,122	636.24	2.31
Tech Mahindra Ltd	Software	44,000	587.00	2.13
State Bank of India	Banks	30,000	583.76	2.12
Balaji Telefilms Ltd	Media & Entertainment	219,837	576.08	2.09
Mphasis BFL Ltd	Software	197,000	563.32	2.05
Larsen & Toubro Ltd	Diversified	18,708	525.31	1.91
Allied Digital Services Ltd	Hardware	133,700	504.92	1.83
Motor Industries Company Ltd	Auto Ancillaries	11,293	479.97	1.74
Lawless ABS Ltd	Chemicals	237,552	465.36	1.69
ICI (India) Ltd	Consumer Non Durables	84,503	459.91	1.67
JM Financial Limited	Finance	27,427	455.18	1.65
Bharat Heavy Electricals Ltd	Industrial Capital Goods	20,528	418.15	1.52
Man Industries (India) Ltd	Ferrous Metals	143,070	400.17	1.45
Madhucon Projects Ltd	Construction	161,129	392.99	1.43
Kirloskar Electric Company Ltd	Electrical Equipment	142,051	384.53	1.40
Jai Prakash Associates Ltd	Construction	35,000	383.29	1.39
Micro Inks Ltd	Chemicals	94,991	356.56	1.30
Ramsarup Industries Ltd	Ferrous Metals	216,776	318.44	1.16
Thermax Ltd	Industrial Capital Goods	40,000	299.80	1.09
Unity Infprojets Ltd	Construction	45,800	285.13	1.04
Container Corporation of India Ltd	Transportation	12,051	253.73	0.92
Tata Steel Ltd	Ferrous Metals	25,800	219.43	0.80
Ceat Ltd	Auto Ancillaries	126,395	205.08	0.74
Power Grid Corporation of India Ltd #	Power	66,495	34.58	0.13
Man Aluminium Ltd #	Steel Products	30,395	-	-
Total			26,113.33	94.83
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	***
Balmer Lawrie Freight Containers Ltd	Travel	54,000	0.01	***
Mohit Paper Mills Ltd	Paper Products	108,000	0.01	***
Mukerian Papers Ltd	Paper Products	50,800	0.01	***
Niryat Sam Apparels (India) Ltd	Textiles	91,200	0.01	***
Noble Brothers Impex Ltd	Personal Products	93,200	0.01	***
Milestone Global Ltd	Construction Materials	100,000	0.01	***
Rescent Fintstock Ltd	Diversified Financial Services	39,500	-	-
Precision Fasteners Ltd	Auto Parts & Equipment	200	-	-
Total			0.10	0.00
II. Money Market Instruments				
j) Reverse Repo and CBLO			1,574.81	5.72
Total			1,574.81	5.72
III. Cash & Cash Equivalents				
Total			230.37	0.84
IV. Other Receivables / (Payables)				
Total			(379.64)	(1.39)
Net Assets			27,538.97	100.00

Principal Resurgent India Equity Fund

Name of Instrument	Industry	Quantity	Market Value (Rs in lakhs)	% of NAV
I. Equity & Equity Related Instruments - A) Listed / Awaiting listing on the stock exchanges				
Grasim Industries Ltd	Cement	37,000	1,299.09	5.43
Ashapura Mincechem Ltd	Minerals/Mining	277,986	1,266.92	5.30
Kirloskar Electric Company Ltd	Electrical Equipment	434,972	1,177.47	4.92
Nestle India Ltd	Consumer Non Durables	88,309	1,169.39	4.89
Crompton Greaves Ltd	Industrial Capital Goods	337,275	1,128.69	4.72
HDFC Bank Ltd	Banks	77,858	1,117.73	4.67
Reliance Industries Ltd	Petroleum Products	47,000	1,080.08	4.52
Kalyani Steels Ltd	Ferrous Metals	243,836	1,047.52	4.38
Madhucon Projects Ltd	Construction	378,990	924.36	3.86
Infosys Technologies Ltd	Software	47,000	889.59	3.72
Intofech Enterprises Ltd	Software	328,012	877.27	3.67
Zenith Intofech Ltd	Software	171,390	839.21	3.51
GlaxoSmithline Consumer Healthcare Ltd	Consumer Non Durables	117,219	771.54	3.23
Steel Authority of India Ltd	Ferrous Metals	370,000	766.46	3.20
Larsen & Toubro Ltd	Diversified	28,786	752.14	3.14
I-Flex Solutions Ltd	Software	38,888	736.81	3.08
AIA Engineering Ltd	Industrial Capital Goods	54,817	735.56	3.08
Bharti Airtel Ltd	Telecom - Services	77,000	723.02	3.03
Balaji Telefilms Ltd	Media & Entertainment	270,000	707.54	2.96
I T C Ltd	Consumer Non Durables	365,000	692.77	2.90
United Breweries (Holdings) Ltd	Consumer Non Durables	69,840	661.11	2.76
Graphite India Ltd	Industrial Products	1,059,017	613.17	2.56
Vardhman Textiles Ltd	Textiles - Cotton	420,000	610.05	2.55
Hindustan Zinc Ltd	Non Ferrous Metals	70,000	567.77	2.37
Pantaloan Retail (India) Ltd	Retailing	97,563	526.84	2.20
Power Trading Corporation of India Ltd	Power Trading	415,442	380.34	1.59
House of Pearl Fashions Ltd	Textile Products	141,178	378.43	1.58
Mid-Day Multimedia Ltd	Media & Entertainment	347,000	161.18	0.67
Power Grid Corporation of India Ltd #	Power	59,251	30.81	0.13
Total			22,633.56	94.64
II. Money Market Instruments				
j) Reverse Repo and CBLO			902.95	3.78
Total			902.95	3.78
III. Cash & Cash Equivalents				
Total			205.25	0.86
IV. Other Receivables / (Payables)				
Total			174.71	0.72
Net Assets			23,916.47	100.00

Principal Personal Tax Saver Fund

Name of Instrument	Industry	Quantity	Market Value (Rs in lakhs)	% of NAV
I. Equity & Equity Related Instruments - A) Listed / Awaiting listing on the stock exchanges				
JM Financial Ltd	Finance	38,173	633.52	5.39
Larsen & Toubro Ltd	Diversified	19,000	535.51	4.54
Ruby Mills Ltd	Textile Products	27,616	470.81	4.01
Emmett Ltd	Consumer Non Durables	188,478	413.43	3.52
Madhucon Projects Ltd	Construction	159,832	389.83	3.32
Sintex Industries Ltd	Industrial Products	110,000	382.03	3.25
Zenith Intofech Ltd	Software	77,944	381.65	3.25
Mphasis BFL Ltd	Software	127,000	363.16	3.09
Eastun Rayrolle Ltd	Industrial Capital Goods	133,120	352.70	3.00
Shanthi Gears Ltd	Auto Ancillaries	434,921	343.59	2.92
Infosys Technologies Ltd	Software	17,000	321.77	2.74
Lakshmi Machine Works Ltd	Industrial Capital Goods	11,000	320.05	2.72
Kirloskar Electric Company Ltd	Electrical Equipment	116,400	315.09	2.68
Sagar Cements Ltd	Cement	192,930	312.64	2.66
Numeric Power Systems Ltd	Industrial Capital Goods	56,736	260.22	2.21
Super Sales India Ltd	Textiles - Cotton	151,073	247.61	2.11
Intofech Enterprises Ltd	Software	84,400	225.73	1.92
Madras Cements Ltd	Cement	5,106	215.07	1.83
W S Industries (India) Ltd	Electrical Equipment	232,500	213.36	1.82
Ashapura Mincechem Ltd	Minerals/Mining	46,508	211.96	1.80
McDowell Holdings Ltd	Investment Companies	30,000	210.06	1.79
Kalyani Steels Ltd	Ferrous Metals	48,382	207.85	1.77
Bharat Bijlee Ltd	Industrial Capital Goods	7,749	206.72	1.74
Naveent Publication (India) Ltd	Consumer Non Durables	242,482	203.93	1.76
Suprajit Engineering Ltd	Auto Ancillaries	119,831	163.87	1.39
Subros Ltd	Auto Ancillaries	72,006	160.18	1.36
Tata Metals Ltd	Ferrous Metals	102,949	153.03	1.30
Revatli Equipment Ltd	Industrial Capital Goods	19,021	152.21	1.30
EMCO Ltd	Industrial Capital Goods	13,066	145.99	1.24
Graphite India Ltd	Industrial Products	249,800	144.63	1.23
Madras Aluminium Company Ltd	Non Ferrous Metals	22,584	131.48	1.12
Jay Shree Tea & Industries Ltd	Consumer Non Durables	110,246	119.73	1.02
Allied Digital Services Ltd	Hardware	31,599	119.33	1.02
Orient Paper & Industries Ltd	Cement	19,788	107.02	0.91
Om Metals Infprojets Ltd	Construction	194,500	95.60	0.81
Adhunik Metals Ltd	Ferrous Metals	92,398	88.98	0.76
Pearl Global Ltd	Textile Products	87,973	68.75	0.58
Steels India Ltd	Industrial Capital Goods	35,917	52.62	0.45
Finance	Finance	51,538	41.58	0.44
Balmer Lawrie Investments Ltd	Finance	44,856	30.51	0.26
Everonn Systems India Ltd	Software	4,608	30.51	0.26
Power Grid Corporation of India Ltd #	Power	22,914	11.92	0.10
Apollo Tyres Ltd #	Auto Ancillaries	250	-	-
Total			9,533.72	81.13
B) Privately Placed / Unlisted #				
Virtual Dynamics Software Ltd	IT Consulting & Services	200,000	0.02	***
Punjab Wireless Systems Ltd	Telecom - Equipment & Accessories	8,600	0.00	***
Total			0.02	0.00
II. Money Market Instruments				
j) Reverse Repo and CBLO			1,851.39	15.75
Total			1,851.39	15.75
III. Cash & Cash Equivalents				
Total			80.77	0.69
IV. Other Receivables / (Payables)				
Total			286.38	2.43
Net Assets			11,752.28	100.00

Principal Balanced Fund

Name of Instrument	Industry / Rating	Quantity	Market Value (Rs in lakhs)	% of NAV
I. Equity & Equity Related Instruments - A) Listed / Awaiting listing on the stock exchanges				
Tata Chemicals Ltd	Fertilisers	272,600	814.12	4.54
Tata Power Company Ltd	Power	95,070	812.18	4.52
Oil & Natural Gas Corporation Ltd	Oil	71,052	680.75	3.79
Crompton Greaves Ltd	Industrial Capital Goods	197,500	660.93	3.68
Axis Bank Ltd	Banks	84,000	642.26	3.58
I T C Ltd	Consumer Non Durables	333,600	633.17	3.53
Pantaloan Retail (India) Ltd	Retailing	110,000	594.00	3.31
Bharti Airtel Ltd	Telecom - Services	59,950	563.47	3.14
HDFC Bank Ltd	Banks	38,500	552.71	3.08
State Bank of India	Banks	23,058	448.67	2.50
Maruti Suzuki India Ltd	Auto	43,500	434.46	2.42
HCL Technologies Ltd	Software	135,800	408.15	2.27
Tata Consultancy Services Ltd	Software	37,300	395.44	2.20
Indian Oil Corporation Ltd	Petroleum Products	79,000	371.66	2.07
Steel Authority of India Ltd	Ferrous Metals	178,700	370.18	2.06
Larsen & Toubro Ltd	Diversified	12,750	358.01	1.99
Reliance Industries Ltd	Petroleum Products	15,550	357.35	1.99
United Breweries (Holdings) Ltd	Consumer Non Durables	36,918	349.47	1.95
Gillette India Ltd	Consumer Non Durables	36,547	317.76	1.77
Allied Digital Services Ltd	Hardware	81,464	307.65	1.71
Infosys Technologies Ltd	Software	15,711	297.37	1.66
Reliance Capital Ltd	Finance	15,800	250.21	1.39
Ganmon India Ltd	Construction	49,185	227.28	1.27
Kirloskar Electric Company Ltd	Electrical Equipment	80,000	216.56	1.21
Ashapura Mincechem Ltd	Minerals/Mining	43,211	198.93	1.10
Kalyani Steels Ltd	Ferrous Metals	26,497	113.83	0.63
Bank of Maharashtra	Banks	176,147	108.59	0.60
K E C International Ltd	Power	15,048	90.66	0.51
Inraprashta Gas Ltd	Gas	64,750	83.82	0.47
Great Offshore Ltd	Oil	9,400	78.82	0.43
Micro Inks Ltd	Chemicals	16,097	60.49	0.34
Moleod Russel (India) Ltd	Consumer Non Durables	105,000	60.17	0.34
Lawless ABS Ltd	Chemicals	29,862	58.50	0.33
Adhunik Metals Ltd	Ferrous Metals	56,172	54.09	0.30
Punjab National Bank	Banks	9,942	53.94	0.30
Jay Shree Tea & Industries Ltd	Consumer Non Durables	45,126	49.01	0.27
Balaji Telefilms Ltd	Media & Entertainment	18,322	48.01	0.27
Motor Industries Company				

Principal Dividend Yield Fund

Name of Instrument	Industry	Quantity	Market Value (Rs in lakhs)	% of NAV
I. Equity & Equity Related Instruments - A) Listed / Awaiting listing on the stock exchanges				
Tata Chemicals Ltd	Fertilisers	255,400	762.75	5.38
Oil & Natural Gas Corporation Ltd	Oil	73,540	704.59	4.97
Chennai Petroleum Corporation Ltd	Petroleum Products	240,622	675.79	4.76
Bank of Maharashtra	Banks	1,055,081	650.46	4.59
Indraprastha Gas Ltd	Gas	469,676	608.00	4.29
Steel Authority of India Ltd	Ferrous Metals	288,600	597.83	4.22
Berger Paints India Ltd	Consumer Non Durables	970,306	501.16	3.53
National Aluminium Company Ltd	Non Ferrous Metals	163,863	494.54	3.49
Great Offshore Ltd	Oil	58,913	481.47	3.39
Castrol India Ltd	Petroleum Products	165,921	445.83	3.14
Navneet Publication (India) Ltd	Consumer Non Durables	514,809	432.95	3.05
Deepak Fertilisers & Petrochemicals Corp. Ltd	Fertilisers	357,547	427.27	3.01
Gail (India) Ltd	Gas	99,000	375.21	2.65
Balaji Telefilms Ltd	Media & Entertainment	142,996	374.72	2.64
Adhunik Metals Limited	Ferrous Metals	363,953	350.49	2.47
Balmer Lawrie & Co. Ltd	Diversified	70,000	313.85	2.21
Great Eastern Shipping Company Ltd	Transportation	91,653	308.37	2.17
Andhra Bank	Banks	285,628	299.62	2.11
Hero Honda Motors Ltd	Auto	40,000	298.74	2.11
GlaxoSmithkline Consumer Healthcare Ltd	Consumer Non Durables	40,827	268.72	1.89
K E C International Ltd	Power	54,599	268.69	1.89
Lanxess ABS Ltd	Chemicals	128,366	251.47	1.77
ICI (India) Ltd	Consumer Non Durables	44,694	243.25	1.72
Kalyani Steels Ltd	Ferrous Metals	52,227	224.37	1.58
Tamil Nadu Newsprint & Papers Ltd	Paper	206,758	218.03	1.54
Tata Steel Ltd	Ferrous Metals	25,500	216.88	1.53
Sagar Cements Ltd	Cement	129,201	209.37	1.48
Jay Shree Tea & Industries Ltd	Consumer Non Durables	178,961	193.70	1.37
Chambal Fertilisers & Chemicals Ltd	Fertilisers	329,998	192.22	1.36
Thermax Ltd	Industrial Capital Goods	25,121	188.28	1.33
Madras Aluminium Company Ltd	Non Ferrous Metals	30,764	179.11	1.26
Varun Shipping Company Ltd	Transportation	247,321	161.87	1.14
Nestle India Ltd	Consumer Non Durables	11,500	152.28	1.07
Unity InfraProjects Ltd	Construction	22,617	140.80	0.99
Man Industries (India) Ltd	Ferrous Metals	49,640	138.84	0.98
Tech Mahindra Ltd	Software	10,000	133.41	0.94
Colgate-Palmolive (India) Ltd	Consumer Non Durables	32,628	131.00	0.92
Royal Orchid Hotels Ltd	Hotels	84,862	127.97	0.90
GlaxoSmithkline Pharma Ltd	Pharmaceuticals	10,823	121.04	0.85
Ashapura Minechem Ltd	Minerals/Mining	24,034	109.53	0.77
Ceat Ltd	Auto Ancillaries	59,747	96.94	0.68
Power Grid Corporation of India Ltd **	Power	34,213	17.79	0.13
Man Aluminium Ltd **	Steel Products	10,350	-	-
Apollo Tyres Ltd **	Auto Ancillaries	16,500	-	-
Total			13,089.20	92.29
II. Money Market Instruments				
<i>i) Reverse Repo and CBO</i>				
			216.79	1.53
Total			216.79	1.53
III. Cash & Cash Equivalents				
			119.40	0.84
IV. Other Receivables / (Payables)				
			757.02	5.34
Net Assets			14,182.46	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 in lakhs)	% of NAV
I. Equity & Equity Related Instruments - A) Listed / Awaiting listing on the stock exchanges				
JM Financial Ltd	Finance	3,950	65.55	1.53
Sesa Goa Ltd	Minerals / Mining	1,935	48.84	1.14
Rallis India Ltd	Pesticides	11,127	45.93	1.07
Zenith Intotech Ltd	Software	7,500	36.72	0.86
Sagar Cements Ltd	Cement	21,671	35.12	0.82
United Breweries (Holdings) Ltd	Consumer Non Durables	3,450	32.66	0.76
Gillette India Ltd	Consumer Non Durables	3,485	30.30	0.71
Reliance Industries Ltd	Petroleum Products	1,300	29.67	0.70
Ashapura Minechem Ltd	Minerals/Mining	6,436	29.33	0.68
ICI (India) Ltd	Consumer Non Durables	5,184	28.21	0.66
Balmer Lawrie & Co. Ltd	Diversified	6,214	27.86	0.65
Great Offshore Ltd	Oil	3,400	27.79	0.65
Lanxess ABS Ltd	Chemicals	12,500	24.49	0.57
Ruby Mills Ltd	Textile Products	1,404	23.94	0.56
Micro Inks Ltd	Chemicals	6,141	23.08	0.54
Madras Aluminium Company Ltd	Non Ferrous Metals	3,700	21.54	0.50
Adhunik Metals Limited	Ferrous Metals	21,402	20.61	0.48
Madhucon Projects Ltd	Construction	8,406	20.50	0.48
RPG Cables Ltd	Industrial Products	37,768	17.13	0.40
Tata Power Company Ltd	Power	2,000	17.09	0.40
Intotech Enterprises Ltd	Software	3,500	9.36	0.22
Power Grid Corporation of India Ltd **	Power	10,724	5.58	0.13
Man Aluminium Ltd **	Steel Products	1,329	-	-
Total			621.50	14.51
II. Debt Instruments				
A) Listed / Awaiting listing on the stock exchanges**				
<i>i) Non-Convertible Debentures</i>				
Power Grid Corporation of India Ltd	AAA	500,000	413.51	9.64
State Bank of India	AAA	100,000	101.52	2.37
Punjab National Bank	AAA	100,000	100.83	2.35
Total			615.86	14.36
<i>ii) Floating Rate Notes / Bonds</i>				
Indian Railway Finance Corporation	AAA	500,000	486.21	11.34
Mahindra & Mahindra Financial Services Ltd	AAA	300,000	300.00	7.00
Total			786.21	18.34
<i>iii) Deep Discount Bonds</i>				
Kotak Mahindra Prime Ltd	LAA	580,000	493.57	11.51
Total			493.57	11.51
B) Privately Placed / Unlisted**				
<i>i) Non-Convertible Debentures</i>				
Kotak Mahindra Investments Ltd	A1+	300,000	298.91	6.97
Multifaceted Finstock Private Ltd	P1+	200,000	200.00	4.66
Total			498.91	11.63
<i>ii) Securitised Debt</i>				
Corporate Loan Securitisation Series I Trust 2005 (KMBL)	LAAA(SO)	5	500.86	11.68
Asset Securitisation Trust Series B (Chola)	AAA(SO)	5	308.02	7.18
Loan Securitisation Trust Series IX (PGC)	LAAA(SO)	1	47.47	1.11
Retail Pool Trust Aug 2005 (Century Bank)	AAA(Ind)(SO)	17	32.49	0.76
Total			888.84	20.73
III. Money Market Instruments				
<i>i) Reverse Repo and CBO</i>				
			201.59	4.70
Total			201.59	4.70
IV. Cash & Cash Equivalents				
			40.23	0.94
V. Other Receivables / (Payables)				
			141.19	3.28
Net Assets			4,287.90	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 in lakhs)	% of NAV
I. Equity & Equity Related Instruments - A) Listed / Awaiting listing on the stock exchanges				
JM Financial Ltd	Finance	1,750	29.04	1.61
Rallis India Ltd	Pesticides	7,000	28.89	1.60
Gillette India Ltd	Consumer Non Durables	3,200	27.82	1.55
Sagar Cements Ltd	Cement	16,792	27.21	1.51
Reliance Industries Ltd	Petroleum Products	1,100	25.28	1.40
Balmer Lawrie & Co. Ltd	Diversified	5,200	23.31	1.29
Zenith Intotech Ltd	Software	4,700	23.01	1.28
Numeric Power Systems Ltd	Industrial Capital Goods	4,772	21.89	1.22
United Breweries (Holdings) Ltd	Consumer Non Durables	2,300	21.77	1.21
Infosys Technologies Ltd	Software	1,100	20.82	1.16
Berger Paints India Ltd	Consumer Non Durables	38,000	19.63	1.09
ICI (India) Ltd	Consumer Non Durables	3,525	19.18	1.07
Ruby Mills Ltd	Textile Products	1,100	18.75	1.04
RPG Cables Ltd	Industrial Products	36,769	16.67	0.93
Lanxess ABS Ltd	Chemicals	8,500	16.65	0.92
Madras Aluminium Company Ltd	Non Ferrous Metals	2,800	16.30	0.91
Ashapura Minechem Ltd	Minerals/Mining	3,156	14.38	0.80
Adhunik Metals Ltd	Ferrous Metals	14,085	13.56	0.75
Kirloskar Electric Company Ltd	Electrical Equipment	5,000	13.54	0.75
Micro Inks Ltd	Chemicals	3,200	12.03	0.67
Kalyani Steels Ltd	Ferrous Metals	2,770	11.90	0.66
Intotech Enterprises Ltd	Software	1,700	4.55	0.25
Power Grid Corporation of India Ltd **	Power	4,771	2.48	0.14
Man Aluminium Ltd **	Steel Products	898	-	-
Total			428.66	23.81
II. Debt Instruments				
A) Listed / Awaiting listing on the stock exchanges**				
<i>i) Non-Convertible Debentures</i>				
Citi Financial Consumer Finance India Ltd	AAA	200,000	202.70	11.26
TML Financial Services Limited	AA+	100,000	101.28	5.63
Punjab National Bank	AAA	100,000	100.83	5.60
State Bank of India	AAA	50,000	50.76	2.82
Total			455.57	25.31
<i>ii) Floating Rate Notes / Bonds</i>				
Mahindra & Mahindra Financial Services Ltd	AA+	200,000	200.00	11.11
Industrial Development Bank of India Ltd	LAA+	100,000	100.03	5.56
Indian Railway Finance Corporation	AAA	100,000	97.24	5.40
Total			397.27	22.07
B) Privately Placed / Unlisted**				
<i>i) Non-Convertible Debentures</i>				
Kotak Mahindra Investments Ltd	A1+	100,000	99.64	5.53
Total			99.64	5.53
<i>ii) Securitised Debt</i>				
Loan Securitisation Trust Series IX (PGC)	LAAA(SO)	3	142.42	7.91
ULS Trust - Series I A3 (SCB)	A+(Ind)(SO)	1	103.31	5.74
Total			245.73	13.65
III. Money Market Instruments				
<i>i) Reverse Repo and CBO</i>				
			61.70	3.43
Total			61.70	3.43
IV. Cash & Cash Equivalents				
			18.37	1.02
V. Other Receivables / (Payables)				
			93.45	5.18
Net Assets			1,800.39	100.00

Principal Large Cap Fund

Name of Instrument	Industry	Quantity	Market Value (Rs in lakhs)	% of NAV
I. Equity & Equity Related Instruments - A) Listed / Awaiting listing on the stock exchanges				
Larsen & Toubro Ltd	Diversified	59,400	1,667.92	5.69
Infosys Technologies Ltd	Software	87,254	1,651.50	5.63
Reliance Industries Ltd	Petroleum Products	67,625	1,554.06	5.30
Grasim Industries Ltd	Cement	43,723	1,535.14	5.23
State Bank of India	Banks	77,700	1,511.93	5.15
JM Financial Ltd	Finance	79,808	1,324.49	4.52
Bharti Airtel Ltd	Telecom - Services	137,424	1,291.65	4.40
ICI(Bank) Ltd	Banks	117,665	1,250.07	4.26
Lakshmi Machine Works Ltd	Industrial Capital Goods	41,632	1,211.28	4.13
HDFC Bank Ltd	Banks	78,866	1,132.20	3.86
Pantaloon Retail (India) Ltd	Retailing	191,494	1,034.07	3.53
Oil & Natural Gas Corporation Ltd	Oil	97,958	938.54	3.20
Sesa Goa Ltd	Minerals / Mining	37,000	933.97	3.18
Container Corporation of India Ltd	Transportation	43,731	920.76	3.14
Tata Power Company Ltd	Power	107,000	914.10	3.12
I-Flex Solutions Ltd	Software	47,652	902.86	3.08
Jindal Steel & Power Ltd	Ferrous Metals	17,058	884.59	3.02
Jaiprakash Associates Ltd	Construction	70,965	777.14	2.65
Reliance Capital Ltd	Finance	47,700	755.38	2.58
Motor Industries Company Ltd	Auto Ancillaries	17,000	722.53	2.46
MindTree Consulting Ltd	Software	138,226	706.47	2.41
Crompton Greaves Ltd	Industrial Capital Goods	207,000	692.73	2.36
Bharat Heavy Electricals Ltd	Industrial Capital Goods	33,000	672.19	2.29
United Phosphorus Ltd	Pesticides	157,500	625.75	2.13
Tata Chemicals Ltd	Fertilisers	200,000	597.30	2.04
I T C Ltd	Consumer Non Durables	310,000	588.38	2.01
Hindustan Zinc Ltd	Non Ferrous Metals	67,351	546.28	1.86
Power Grid Corporation of India Ltd **	Power	70,026	36.41	0.12
Total			27,379.69	93.35
II. Money Market Instruments				
<i>i) Reverse Repo and CBO</i>				
			1,141.93	3.89
Total			1,141.93	3.89
III. Cash & Cash Equivalents				
			244.19	0.83
IV. Other Receivables / (Payables)				
			568.90	1.93
Net Assets			29,334.71	100.00

Principal Infrastructure & Services Industries Fund

Name of Instrument	Industry	Quantity	Market Value (Rs in lakhs)	% of NAV
I. Equity & Equity Related Instruments - A) Listed / Awaiting listing on the stock exchanges				
Reliance Industries Ltd	Petroleum Products	47,900	1,100.77	5.10
Steel Authority of India Ltd	Ferrous Metals	478,500	991.21	4.59
Grasim Industries Ltd	Cement			

Principal Income Fund

Name of Instrument	Rating	Quantity	Market Value (Rs in lakhs)	% of NAV
I. Debt Instruments				
A) Listed / Awaiting listing on the stock exchanges**				
i) Government Securities				
8.33% Government of India Security 2036	SOVEREIGN	3,950,000	3,912.48	11.21
8.07% Government of India Security 2017	SOVEREIGN	2,000,000	2,009.38	5.76
7.99% Government of India Security 2017	SOVEREIGN	585,700	589.04	1.69
7.95% Government of India Security 2032	SOVEREIGN	200,000	190.26	0.55
Total			6,701.16	19.21
ii) Non-Convertible Debentures**				
State Bank of Indore	AAA	2,500,000	2,513.94	7.21
State Bank of India	AAA	2,250,000	2,294.24	6.55
L&T Finance Ltd	AA	2,000,000	1,994.59	5.69
Kotak Mahindra Prime Ltd	AA	1,500,000	1,505.88	4.32
Export-Import Bank of India	AAA	1,500,000	1,500.79	4.30
TML Financial Services Ltd	AA+	1,000,000	1,021.30	2.93
Housing Development Finance Corporation Ltd	AAA	1,000,000	1,008.44	2.89
Punjab National Bank	AAA	690,000	695.70	1.99
Sundaram Finance Ltd	AA+	500,000	504.63	1.45
Sundaram Finance Ltd	AA+	500,000	495.07	1.42
CitiFinancial Consumer Finance India Ltd	AAA	500,000	488.91	1.40
Housing Development Finance Corporation Ltd	AAA	450,000	459.68	1.32
Power Finance Corporation Ltd	AAA	300,000	287.53	0.82
ING Vysya Bank Ltd	AA+	130,000	126.91	0.36
Total			14,877.61	42.65
iii) Floating Rate Notes / Bonds**				
Power Finance Corporation Ltd	AAA	1,000,000	1,000.38	2.87
Industrial Development Bank of India Ltd	LAA+	1,000,000	1,000.27	2.87
Indian Railway Finance Corporation	AAA	400,000	389.96	1.11
Total			2,389.61	6.85
iv) Deep Discount Bonds**				
Tata Sons Ltd	AAA	2,000,000	1,666.66	4.78
Total			1,666.66	4.78
B) Privately Placed / Unlisted**				
i) Securitized Debt				
Indian Corporate Loan Securitisation Trust Series A3 - Series XXVII (Yes Bank Ltd)	AA+(SO)	10	1,017.66	2.92
Total			1,017.66	2.92
ii) Money Market Instruments				
i) Certificate of Deposit				
Union Bank of India	A1+	1,500,000	1,452.52	4.16
Jammu & Kashmir Bank Ltd	P1+	1,500,000	1,409.43	4.04
UCO Bank	P1+	1,300,000	1,227.19	3.52
ICI Bank Ltd	A1+	1,000,000	967.56	2.77
State Bank of Patiala	A1+	1,000,000	924.81	2.65
Total			5,961.51	17.14
ii) Reverse Repo and CBL				
Total			1,875.09	5.37
iii) Cash & Cash Equivalents				
Total			2.13	0.01
IV. Other Receivables / (Payables)				
Total			378.20	1.07
Net Assets			34,889.63	100.00

Principal Income Fund - Short Term Plan

Name of Instrument	Rating	Quantity	Market Value (Rs in lakhs)	% of NAV
I. Debt Instruments				
A) Listed / Awaiting listing on the stock exchanges**				
i) Non-Convertible Debentures				
Export-Import Bank of India	AAA	2,000,000	2,001.06	4.85
L&T Finance Ltd	AA+	1,500,000	1,537.17	3.73
State Bank of India	AAA	1,500,000	1,522.82	3.67
Kotak Mahindra Prime Ltd	LAA	1,000,000	1,018.41	2.49
TML Financial Services Ltd	AA+	1,000,000	1,012.77	2.45
State Bank of Indore	AAA	1,000,000	1,005.58	2.44
Mahindra & Mahindra Financial Services Ltd	AA+	700,000	688.73	1.67
Power Finance Corporation Ltd	AAA	500,000	504.50	1.22
Citigroup Finance (India) Ltd	AAA	500,000	490.21	1.19
Sundaram Finance Ltd	AA+	500,000	488.71	1.18
Total			10,269.96	24.89
ii) Floating Rate Notes / Bonds				
Power Finance Corporation Ltd	AAA	500,000	500.19	1.21
Total			500.19	1.21
iii) Deep Discount Bonds				
Infrastructure Development Finance Company Ltd	AAA(Ind)	1,500,000	1,404.55	3.40
Housing Development Finance Corporation Ltd	AAA	800,000	745.46	1.81
Total			2,150.01	5.21
B) Privately Placed / Unlisted**				
i) Non-Convertible Debentures				
Multifaced Finstock Private Ltd	P1+	1,500,000	1,500.00	3.64
Tata Sons Ltd	AAA	1,500,000	1,466.80	3.56
Cholamandalam DBS Finance Ltd	LAA	150,000	149.42	0.36
Total			3,116.22	7.56
ii) Securitized Debt				
Indian Corporate Loan Securitisation Trust - Series XLII (Yes Bank Ltd)	P1+(SO)	15	1,512.34	3.67
Corporate Loan Securitisation Series I Trust 2005 (KMBL)	LAAA(SO)	10	1,001.72	2.43
Indian Corporate Loan Securitisation Trust Series A1 - Series XXII (Yes Bank Ltd)	AA(SO)	10	925.53	2.24
VE Trust 9 - Series A2 (M&MFSL)	AAA(SO)	10	475.50	1.15
Loan Securitisation Trust Series IX (PGC)	LAAA(SO)	3	142.42	0.35
Indian Corporate Loan Securitisation Trust Series A2 - Series XXII (Yes Bank Ltd)	AA(SO)	10	94.30	0.23
Total			4,151.81	10.07
II. Money Market Instruments				
i) Certificate of Deposit				
State Bank of Bikaner and Jaipur	P1+	2,500,000	2,411.09	5.84
Indian Overseas Bank	A1+	2,000,000	1,843.56	4.47
State Bank of Patiala	P1+	1,500,000	1,387.22	3.36
Axis Bank Ltd	P1+	1,500,000	1,380.30	3.35
UCO Bank	P1+	1,000,000	985.86	2.39
Citibank N. A.	P1+	1,000,000	985.10	2.39
UCO Bank	P1+	1,000,000	984.33	2.39
Hongkong & Shanghai Banking Corporation Ltd	F1+	1,000,000	948.02	2.30
Union Bank of India	P1+	1,000,000	942.31	2.28
Jammu & Kashmir Bank Ltd	P1+	1,000,000	939.62	2.28
The Federal Bank Ltd	P1+	1,000,000	919.88	2.23
State Bank of Travancore	A1+	500,000	481.77	1.17
ABN AMRO Bank N.V.	A1+	500,000	479.02	1.16
Corporation Bank	P1+	500,000	472.36	1.14
Industrial Development Bank of India Ltd	A1+	500,000	472.27	1.14
ICI Bank Ltd	A1+	500,000	471.06	1.14
State Bank of Mysore	A1+	500,000	470.64	1.14
Total			16,574.41	40.17
ii) Commercial Paper				
Infrastructure Leasing & Financial Services Limited	PR1+	1,500,000	1,408.84	3.41
Total			1,408.84	3.41
iii) Reverse Repo and CBL				
Total			2,674.14	6.48
iv) Cash & Cash Equivalents				
Total			2.22	0.01
IV. Other Receivables / (Payables)				
Total			412.02	0.99
Net Assets			41,259.82	100.00

Principal Pnb Fixed Maturity Plan - 460 Days - Series II

Name of Instrument	Rating	Quantity	Market Value (Rs in lakhs)	% of NAV
I. Debt Instruments				
A) Listed / Awaiting listing on the stock exchanges**				
i) Non-Convertible Debentures				
Kotak Mahindra Prime Ltd	LAA	900,000	893.34	7.41
Kotak Mahindra Prime Ltd	LAA	250,000	254.60	2.11
Citigroup Finance (India) Ltd	AAA	200,000	198.71	1.65
Total			1,346.65	11.17
ii) Deep Discount Bonds				
Housing Development Finance Corporation Ltd	AAA	1,500,000	1,417.23	11.75
Total			1,417.23	11.75
B) Privately Placed / Unlisted**				
i) Non-Convertible Debentures				
GE Money Financial Services Ltd	AAA	1,700,000	1,696.38	14.06
Cholamandalam DBS Finance Ltd	LAA	1,700,000	1,693.42	14.04
JM Financial Products Private Ltd	P1+	1,500,000	1,500.00	12.43
ICI Securities Ltd	AAA	500,000	497.02	4.12
Total			5,386.82	44.65
ii) Securitized Debt				
Loan Securitisation Trust Series-43 (ICI Bank Ltd)	AA(SO)	15	1,508.01	12.50
India Loan Securitisation Series A - IV Trust 2006 (CDFL)	P1+(SO)	2	14.65	0.12
Total			1,522.66	12.62
II. Money Market Instruments				
i) Certificate of Deposit				
Alahabad Bank	PR1+	1,800,000	1,742.05	14.44
Total			1,742.05	14.44
ii) Commercial Papers				
Bajaj Auto Finance Ltd	P1+	300,000	299.57	2.48
Total			299.57	2.48
iii) Reverse Repo and CBL				
Total			239.59	1.99
iv) Cash & Cash Equivalents				
Total			0.06	***
IV. Other Receivables / (Payables)				
Total			108.94	0.90
Net Assets			12,063.57	100.00

Principal Cash Management Fund - Liquid Option

Name of Instrument	Rating	Quantity	Market Value (Rs in lakhs)	% of NAV
I. Debt Instruments				
A) Listed / Awaiting listing on the stock exchanges**				
i) Non-Convertible Debentures				
DSP Merrill Lynch Capital Ltd	AAA(ISO)	3,100,000	3,129.09	0.74
DSP Merrill Lynch Capital Ltd	AAA(ISO)	1,600,000	1,597.26	0.38
Housing Development Finance Corporation Ltd	AAA	1,000,000	997.35	0.24
Total			5,723.70	1.36
ii) Floating Rate Notes / Bonds				
Mahindra & Mahindra Financial Services Ltd	AA+	5,000,000	5,000.13	1.18
Cholamandalam DBS Finance Ltd	LAA	2,500,000	2,501.68	0.59
Industrial Development Bank of India Ltd	LAA+	2,500,000	2,462.38	0.58
Industrial Development Bank of India Ltd	LAA+	2,300,000	2,300.69	0.54
Sundaram Finance Ltd	AA+	2,000,000	2,000.00	0.47
DSP Merrill Lynch Capital Ltd	AAA	2,100,000	1,946.23	0.46
Housing Development Finance Corporation Ltd	AAA	1,500,000	1,500.23	0.35
Indian Railway Finance Corporation	AAA	1,500,000	1,458.62	0.34
LIC Housing Finance Ltd	AAA	110	1,080.20	0.26
Indian Railway Finance Corporation	AAA	1,000,000	1,041.04	0.25
Indian Railway Finance Corporation	AAA	1,000,000	1,004.51	0.24
Mahindra & Mahindra Financial Services Ltd	AA+	500,000	500.00	0.12
ICI Bank Ltd	AAA	500,000	480.84	0.12
Total			23,296.55	5.50
iii) Deep Discount Bonds				
Housing Development Finance Corporation Ltd	AAA	5,000,000	4,724.10	1.11
Total			4,724.10	1.11
B) Privately Placed / Unlisted**				
i) Non-Convertible Debentures				
JM Financial & Investment Consultancy Services Private Ltd	P1+	7,500,000	7,500.00	1.77
Multifaced Finstock Private Ltd	P1+	3,500,000	3,500.00	0.83
Kotak Mahindra Capital Company	P1+	3,000,000	3,000.00	0.71
L&T Finance Ltd	PR1+	2,500,000	2,500.00	0.59
Kotak Mahindra Investments Ltd	A1+	2,000,000	2,000.00	0.47
L&T Finance Ltd	AA+	1,500,000	1,517.25	0.36
Deccan Chronicle Holdings Ltd	PR1+	1,500,000	1,500.00	0.35
JM Financial Products Private Ltd	P1+	1,500,000	1,500.00	0.35
L&T Finance Ltd	AA+	1,500,000	1,496.65	0.35
ICI Brokerage Services	AAA	1,500,000	1,495.71	0.35
Kotak Mahindra Prime Ltd	P1+	700,000	700.00	0.17
Total			26,709.61	6.30
ii) Floating Rate Notes / Bonds				
Reliance Capital Ltd	A1+	5,000,000	5,000.00	1.18
Reliance Capital Ltd	A1+	3,000,000	3,000.00	0.71
Usha Martin Ltd	PR1+	3,000,000	3,000.00	0.71
Simplex Infrastructures Ltd	PR1+	2,000,000	2,000.00	0.47
Total			13,000.00	3.07
iii) Securitized Debt				
UBL Trust Series 31 (DSP Merrill Lynch Capital Ltd)	A+(Ind)(SO)	39	3,937.28	0.93
India Loan Securitisation Series A - IV Trust 2006 (CDFL)	P1+(SO)	38	278.34	0.07
Corporate Loan Securitisation Series XXII Trust 2006 (KMPL)	PR1+(SO)	1	100.45	0.02
Corporate Loan Securitisation Series I Trust 2005 (KMBL)	LAAA(SO)	1	100.17	0.02
Retail Pool Trust Aug 2005 (Centurion Bank)	AAA(Ind)(SO)	16	30.58	0.01
Total			4,446.82	1.05
II. Money Market Instruments				
i) Certificate of Deposit				
Canara Bank	P1+	15,000,000	15,057.27	3.55
State Bank of Patiala	A1+	12,500,000	12,069.63	2.85
Indian Bank	F1+(IND)	10,000,000	9,880.75	2.33
State Bank of Saurashtra	A1+	10,000,000	9,627.26	2.27
Punjab National Bank	F1+	9,000,000	8,675.47	2.09
UCO Bank	P1+	7,500,000	7,393.93	1.74
State Bank of Bikaner and Jaipur	P1+	7,500,000	7,232.92	1.71
Standard Chartered Bank	P1+	7,000,000	6,924.13	1.63
Axis Bank Ltd	F1+	6,000,000	5,521.21	1.30
Punjab National Bank	F1+	5,0		

Half Yearly Portfolio Statement of the Schemes of Principal Mutual Fund as on September 30, 2007 (Contd.)

Principal Floating Rate Fund - Short Maturity Plan

Name of Instrument	Rating	Quantity	Market Value (Rs in lakhs)	% of NAV
I. Debt Instruments				
A) Listed / Awaiting listing on the stock exchanges**				
<i>ii) Floating Rate Notes / Bonds</i>				
LIC Housing Finance Ltd	AAA	140	1,387.53	2.45
Indian Railway Finance Corporation	AAA	1,000,000	972.41	1.72
DSP Merrill Lynch Capital Ltd	AAA	300,000	278.03	0.49
Total			2,637.97	4.66
B) Privately Placed / Unlisted**				
<i>ii) Non-Convertible Debentures</i>				
L&T Finance Ltd	PR1+	2,500,000	2,500.00	4.42
JM Financial & Investment Consultancy Services Private Ltd	P1+	2,000,000	2,000.00	3.54
Total			4,500.00	7.96
<i>iii) Securitised Debt</i>				
Indian Corporate Loan Securitisation Trust - Series XII (Yes Bank Ltd)	P1+(SO)	25	2,520.57	4.46
UBL Trust Series 31 (DSP Merrill Lynch Capital Ltd)	A+(Ind)(SO)	16	1,615.30	2.86
Auto Receivable Trust Aug 2005 - Series A1 (Sundaram Fin. Ltd)	AAA(SO)	11	19.47	0.03
Total			4,155.34	7.35
II. Money Market Instruments				
<i>i) Certificate of Deposit</i>				
Standard Chartered Bank	P1+	2,500,000	2,471.55	4.37
ABN AMRO Bank N.V.	A1+	2,500,000	2,470.06	4.37
ICICI Bank Ltd	A1+	2,500,000	2,398.24	4.24
State Bank of Patiala	A1+	2,500,000	2,365.46	4.18
State Bank of Mysore	A1+	2,500,000	2,352.46	4.16
Punjab National Bank	F1+	2,500,000	2,347.98	4.15
Axys Bank Ltd	P1+	2,500,000	2,347.14	4.15
ING Vysya Bank Ltd	P1+	2,000,000	1,970.93	3.49
Allahabad Bank	PR1+	2,000,000	1,931.86	3.42
Development Credit Bank Ltd	P1+	2,000,000	1,922.62	3.40
UCO Bank	P1+	1,500,000	1,478.79	2.61
Citibank N. A.	P1+	1,500,000	1,477.65	2.61
UCO Bank	P1+	1,500,000	1,476.49	2.61
Allahabad Bank	PR1+	1,500,000	1,444.14	2.55
State Bank of Travancore	P1+	1,500,000	1,443.81	2.55
Yes Bank Ltd	A1+	1,500,000	1,411.29	2.50
State Bank of Mysore	A1+	1,500,000	1,407.95	2.49
State Bank of Patiala	A1+	1,000,000	969.15	1.71
Punjab National Bank	F1+	500,000	493.16	0.87
State Bank of Travancore	P1+	500,000	480.25	0.85
UCO Bank	P1+	500,000	478.55	0.85
State Bank of India	P1+	500,000	475.69	0.84
Total			35,615.22	62.97
<i>ii) Reverse Repo and CBLO</i>				
			694.66	1.23
Total			694.66	1.23
III. Fixed Deposits				
Punjab National Bank	UNRATED		495.00	0.88
Total			495.00	0.88
IV. Cash & Cash Equivalents				
Total			3.98	0.01
V. Other Receivables / (Payables)				
Total			8,450.02	14.94
Net Assets			56,552.19	100.00

Principal Pnb Fixed Maturity Plan - 540 Days - Series I

Name of Instrument	Rating	Quantity	Market Value (Rs in lakhs)	% of NAV
I. Debt Instruments				
A) Listed / Awaiting listing on the stock exchanges**				
<i>ii) Non-Convertible Debentures</i>				
DSP Merrill Lynch Capital Ltd	AAA(iso)	2,700,000	2,695.37	9.89
Citicoorp Finance (India) Ltd	AAA	2,500,000	2,488.07	9.13
ICICI Securities Ltd	AAA	2,500,000	2,472.38	9.07
Mahindra & Mahindra Financial Services Ltd	AA+	2,467,511	2,467.51	9.05
Kotak Mahindra Prime Ltd	LAA	1,600,000	1,588.15	5.83
Export-Import Bank of India	AAA	1,500,000	1,477.75	5.42
Citi Financial Consumer Finance India Ltd	AAA	1,200,000	1,193.08	4.38
Mahindra & Mahindra Financial Services Ltd	AA+	1,000,000	989.85	3.63
TML Financial Services Limited	AA+	500,000	510.65	1.87
Housing Development Finance Corporation Ltd	AAA	500,000	498.67	1.83
Housing Development Finance Corporation Ltd	AAA	500,000	494.27	1.81
Mahindra & Mahindra Financial Services Ltd	AA+	500,000	490.61	1.80
Total			17,366.36	63.71
B) Privately Placed / Unlisted**				
<i>ii) Non-Convertible Debentures</i>				
L&T Finance Ltd	AA+	500,000	498.88	1.83
Total			498.88	1.83
<i>iii) Securitised Debt</i>				
ULS Trust - Series I A3 (SCB)	A+(Ind)(SO)	40	4,132.33	15.16
Indian Corporate Loan Securitisation Trust - Series XXI (Yes Bank Ltd)	AA(SO)	25	2,517.54	9.24
Corporate Loan Securitisation Series 20 Trust 2008 (KMPL)	A-(SO)	15	1,564.71	5.74
Retail Pool Trust Aug 2005 (Centurion Bank)	AAA(Ind)(SO)	33	63.07	0.23
Total			8,277.65	30.37
II. Money Market Instruments				
<i>i) Certificate of Deposit</i>				
Allahabad Bank	PR1+	400,000	387.12	1.42
Total			387.12	1.42
<i>ii) Reverse Repo and CBLO</i>				
			379.98	1.39
Total			379.98	1.39
III. Cash & Cash Equivalents				
Total			0.11	0.00
IV. Other Receivables / (Payables)				
Total			348.02	1.28
Net Assets			27,258.12	100.00

Principal Pnb Fixed Maturity Plan - 385 Days - Series IV

Name of Instrument	Rating	Quantity	Market Value (Rs in lakhs)	% of NAV
I. Debt Instruments				
A) Listed / Awaiting listing on the stock exchanges**				
<i>ii) Non-Convertible Debentures</i>				
Sundaram Finance Ltd	AA+	2,500,000	2,428.46	12.79
Kotak Mahindra Prime Ltd	LAA	1,500,000	1,510.01	7.95
TML Financial Services Ltd	AA+	1,000,000	1,021.30	5.38
Citi Financial Consumer Finance India Ltd	AAA	200,000	198.85	1.05
Total			5,158.62	27.17
B) Privately Placed / Unlisted**				
<i>ii) Non-Convertible Debentures</i>				
L&T Finance Ltd	AA+	1,000,000	1,011.52	5.33
Cholamandalam DBS Finance Ltd	LAA	150,000	149.42	0.79
Total			1,160.94	6.12
<i>iii) Securitised Debt</i>				
Corporate Loan Securitisation Series 18 Trust 2008 (KMPL)	A+(Ind)(SO)	25	2,658.78	14.00
Corporate Loan Securitisation Series XXV Trust 2006 (KMPL)	AA(SO)	25	2,657.90	14.00
Indian Corporate Loan Securitisation Trust - Series XXVI (Yes Bank Ltd)	AAA(SO)	25	2,371.51	12.49
Collateralised Debt Trust Series 6 Class A1 (Axis Bank Ltd)	P1+(SO)	25	2,370.91	12.48
Corporate Loan Securitisation Series 20 Trust 2008 (KMPL)	A-(SO)	15	1,564.71	8.24
Corporate Loan Securitisation Series XXIX Trust 2006 (KMPL)	AA(SO)	3	320.86	1.69
Collateralised Debt Trust Series 6 Class A2 (Axis Bank Ltd)	P1+(SO)	2	143.34	0.75
Indian Loan Securitisation Series - VI Trust 2006 (Magma Shrachi Finance Ltd)	AAA(SO)	2	105.51	0.56
ULS Trust - Series I A3 (SCB)	A+(Ind)(SO)	1	103.31	0.54
Retail Pool Trust Aug 2005 (Centurion Bank)	AAA(Ind)(SO)	34	64.98	0.34
Total			12,361.81	65.09
II. Money Market Instruments				
<i>i) Reverse Repo and CBLO</i>				
			130.99	0.69
Total			130.99	0.69
III. Cash & Cash Equivalents				
Total			2.08	0.01
IV. Other Receivables / (Payables)				
Total			177.30	0.92
Net Assets			18,991.74	100.00

Notes :

- No NPAs were provided for any of the Schemes during the half year.
- Total value and percentage of illiquid shares to NAV is NIL for all the schemes of Principal Mutual Fund
- For NAV at the beginning of the period please refer point 4.1 of the Half Yearly Unaudited Financial Results for the period ended September 30, 2007 published herein
- For dividend declared during the half year ended please refer point 4.3 of the Half Yearly Unaudited Financial Results for the period ended September 30, 2007 published herein.
- For NAV at the end of the period please refer point 4.2 of the Half Yearly Unaudited Financial Results for the period ended September 30, 2007. The NAV per unit of all schemes except Principal Cash Management Fund - Liquid Option and Principal Floating Rate Fund - Short Maturity Plan is provided as on September 28, 2007 (as September 29, 2007 & September 30, 2007 were Non-business days)
- There is no outstanding exposure in derivative instruments at the end of the half year in any scheme of Principal Mutual Fund.
- Total investments in foreign securities at the end of the period in Principal Global Opportunities Fund are Rs. 64,405.45 Lacs (100.31% of the scheme assets). There are no investments in foreign securities/ADRs/GDRs at the end of the period in any other schemes of Principal Mutual Fund.
- During the half-year ended September 30th, 2007 Daily Dividend Option has been introduced in Regular Plan and Institutional Plan of Principal Floating Rate Fund - Flexible Maturity Plan w.e.f. from April 12th, 2007 at a face value of Rs. 10 per unit. As the Option has been introduced during the half-year ended September 30th, 2007, their Unit Capital, Net Assets and NAV per unit at the beginning of the period is not available.
- Portfolio Turnover Ratio & Average Maturity of portfolio is as follows:

Name of the scheme	Portfolio Turnover Ratio (Times)	Average Maturity
Principal Balanced Fund	1.14	-
Principal Child Benefit Fund	0.84	-
Principal Cash Management Fund - Liquid Option	-	97.06 Days*
Principal Pnb Fixed Duration Fund - 3 Year Plan - Series I	0.55	1.57 Yrs
Principal Pnb Fixed Maturity Plan - 460 Days - Series II	-	0.32 Yrs
Principal Pnb Fixed Maturity Plan - 385 Days - Series III	-	0.38 Yrs
Principal Pnb Fixed Maturity Plan - 540 Days - Series I	-	0.84 Yrs
Principal Pnb Fixed Maturity Plan - 460 Days - Series III	-	0.90 Yrs
Principal Pnb Fixed Maturity Plan - 385 Days - Series IV	-	0.94 Yrs
Principal Pnb Fixed Maturity Plan - 385 Days - Series V	-	1.43 Yrs
Principal Focussed Advantage Fund	0.92	-
Principal Floating Rate Fund - Flexible Maturity Plan	-	155.37 Days*
Principal Floating Rate Fund - Short Maturity Plan	-	114.52 Days*
Principal Global Opportunities Fund	0.10	-
Principal Government Securities Fund - Investment Plan	-	18.26 Yrs
Principal Government Securities Fund - Provident Fund Plan	-	17.83 Yrs
Principal Government Securities Fund - Savings Plan	-	0 Yrs
Principal Growth Fund	1.02	-
Principal Income Fund	-	6.89 Yrs
Principal Income Fund - Short Term Plan	-	521.16 Days*
Principal Index Fund	0.44	-
Principal Infrastructure & Services Industries Fund	0.75	-
Principal Junior Cap Fund	0.44	-
Principal Large Cap Fund	0.83	-
Principal Monthly Income Plan	1.11	1.38 Yrs
Principal Monthly Income Plan - MIP Plus	1.93	2.25 Yrs
Principal Personal Tax Saver Fund	0.90	-
Principal Dividend Yield Fund	0.73	-
Principal Resurgent India Equity Fund	1.05	-
Principal Pnb Long Term Equity Fund - 3 year Plan - Series I	0.70	-
Principal Pnb Long Term Equity Fund - 3 year Plan - Series II	0.00	-
Principal Tax Savings Fund	0.53	-

* : In respect of Floating Rate Instruments, the average maturity has been computed after considering the next Rate Reset Date as the maturity date.
 10) Industry classification as released by Association of Mutual Funds in India (AMFI).
 11) All the information provided is as on September 30, 2007 unless specified otherwise.

Principal Pnb Fixed Maturity Plan - 385 Days - Series III

Name of Instrument	Rating	Quantity	Market Value (Rs in lakhs)	% of NAV
I. Debt Instruments				
A) Listed / Awaiting listing on the stock exchanges**				
<i>ii) Non-Convertible Debentures</i>				
Citicoorp Finance (India) Ltd	AAA	1,300,000	1,291.60	4.04
DSP Merrill Lynch Capital Ltd	AAA(iso)	700,000	698.80	2.19
Kotak Mahindra Prime Ltd	LAA	600,000	611.03	1.91
Total			2,601.43	8.14
B) Privately Placed / Unlisted**				
<i>ii) Non-Convertible Debentures</i>				
Kotak Mahindra Investments Ltd	A1+	2,500,000	2,494.31	7.81
Kotak Mahindra Investments Ltd	A1+	2,000,000	1,992.76	6.24
Lanco Industries Ltd	P1+	1,500,000	1,500.00	4.70
JM Financial Products Private Ltd	P1+	1,500,000	1,500.00	4.70
GE Money Financial Services Ltd	AAA	300,000	299.36	0.94
Total			7,786.43	24.39
<i>iii) Securitised Debt</i>				
Corporate Loan Securitisation Series XXII Trust 2006 (KMPL)	PR1+(SO)	44	4,419.82	13.84
Indian Loan Securitisation Series B - IV Trust 2006 (CDFL)	AAA+(SO)	44	4,327.68	13.55
ULS Trust - Series I A3 (SCB)	A+(Ind)(SO)	35	3,615.79	11.32
Corporate Loan Securitisation Series IV Trust 2005 (KMPL)	AA(SO)	35	3,489.24	10.92
Indian Loan Securitisation Series - VI Trust 2006 (Magma Shrachi Finance Ltd)	AAA(SO)	26	1,371.57	4.29
Loans Receivables Trust - Nov II 2006 (CITI BANK)	AA-(Ind)	9	905.08	2.83
Corporate Loan Securitisation Series I Trust 2005 (KMPL)	LAAA(SO)	3	300.52	0.94
VE Trust 9 - Series A2 (M&MFSL)	AAA(SO)	4	190.20	0.60
Auto Receivable Trust Aug 2005 - Series A1 (Sundaram Finance Ltd)	AAA(SO)	89	157.55	0.49
Asset Securitisation Trust Series B (Chola)	AAA(SO)	2	123.21	0.39
India Loan Securitisation Series A - IV Trust 2006 (CDFL)	P1+(SO)	7	51.27	0.16
India Infrastructure Developers Ltd	AA(SO)	11	29.00	0.09
Total			18,980.93	59.42
II. Money Market Instruments				
<i>i) Certificate of Deposit</i>				
Allahabad Bank	PR1+	300,000	290.34	0.91
Total			290.34	0.91
<i>ii) Commercial Papers</i>				
Bajaj Auto Finance Ltd	P1+	1,200,000	1,198.29	3.75
Kotak Securities Ltd	A1+	500,000	494.28	1.55
Total			1,692.57	5.30
<i>iii) Reverse Repo and CBLO</i>				
			89.89	0.28
Total			89.89	0.28
III. Cash & Cash Equivalents				
Total			7.37	0.02
IV. Other Receivables / (Payables)				
Total			492.02	1.54
Net Assets			31,940.98	100.00

Principal Pnb Fixed Maturity Plan - 460 Days - Series III

Name of Instrument	Rating	Quantity	Market Value (Rs in lakhs)	% of NAV
I. Debt Instruments				
A) Listed / Awaiting listing on the stock exchanges**				
<i>ii) Non-Convertible Debentures</i>				
Citicoorp Finance (India) Ltd	AAA	1,500,000	1,505.07	5.76
DSP Merrill Lynch Capital Ltd	AAA	1,200,000	1,191.29	4.56
L&T Finance Ltd	AA+	1,000,000	1,024.78	3.92
Kotak Mahindra Prime Ltd	LAA	500,000	503.34	1.93
Citi Financial Consumer Finance India Ltd	AAA	500,000</		