

Portfolio Statement for the Half-Year ended March 31, 2004 of Schemes of Principal Mutual Fund

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					
L&T	Construction & Engineering		72,000	413.53	6.44
BHEL	Electrical Equipment		67,992	410.91	6.40
BPCIL	Oil & Gas		67,256	322.32	5.02
Tatam National Bank	Banks		96,000	320.98	5.00
SBI	Banks		49,000	296.87	4.63
Maruti Udyog Ltd.	Automobiles		58,000	288.52	4.50
Corporation Bank	Banks		98,961	277.14	4.32
Container Corporation of India Ltd.	Transportation Infrastructure		36,787	266.23	4.15
ITC Ltd.	Tobacco		24,159	252.00	3.93
Ranbaxy Laboratories Ltd.	Pharmaceuticals		26,000	244.34	3.81
Reliance Industries	Chemicals		45,000	242.12	3.77
Tata Motors Ltd.	Automobiles		44,000	213.77	3.33
MTNL	Diversified Telecom		150,000	192.38	3.00
Pfizer Ltd.	Pharmaceuticals		41,766	190.31	2.97
Zee Telefilms Ltd.	Media		140,378	188.04	2.93
Hindustan Lever Ltd.	Household Products		105,400	162.74	2.54
Asian Paints	Chemicals		50,000	150.75	2.35
Indian Oil Corp. Ltd.	Oil & Gas		30,000	148.83	2.32
ACC Ltd.	Construction Materials		50,000	127.33	1.98
Aventis Pharma Ltd.	Pharmaceuticals		17,700	126.78	1.98
Raywell Lignite Corp. Ltd.	Metals & Mining		200,000	109.40	1.70
Dr. Reddy's Labs	Pharmaceuticals		8,000	77.95	1.21
ING Vysya Bank	Banks		15,809	75.96	1.18
Indian Rayon Ltd.	Textiles & Apparel		30,000	56.54	0.88
ONGC	Oil & Gas		6,020	50.61	0.79
IPCL	Chemicals		27,230	49.56	0.77
Dredging Corp. of India	Oil Drilling and Exploration		6,316	32.22	0.50
Power Trading Corp.	IT Consulting & Services		5,850	12.54	0.20
Palmco Computers	Electric Utilities		46,447	7.43	0.12
Privately placed / Unlisted					
Kashipur Holdings Ltd (NPA)**			50	0.00	***
Minerava Holdings Ltd (NPA)**			20	0.00	***
Sandur Laminates Limited (NPA)**			200,000	0.02	***
Tirrihannah Company Ltd (NPA)**			50,000	0.01	***
Volant Textile Mills (NPA)**			75,000	0.01	***
Western Paques Ltd (NPA)**			900	0.00	***
Crystal Cable Ind (NPA)**			100,000	0.01	***
Apollo Tyres Ltd (NPA)**			1,650	-	***
Gujarat Petrosynthese Ltd (NPA)**			20,000	0.00	***
Total				5,308.12	82.72
Government Securities					
7.40% GOI 2012	Sovereign		350,000	403.13	6.28
9.39% GOI 2011	Sovereign		100,000	126.10	1.97
Total				529.23	8.25
Money Market Instruments					
Call				760.00	11.84
Total				760.00	11.84
Cash & Other Assets				(180.67)	-2.82
Net Assets				6,416.68	100.00
Total NPAs provided for and its percentage to NAV Rs 771.07 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 Dividend : 14.35					
NAV at the end of the period Growth : 13.62					
Dividend declared Dividend : 18.40					
Dividend Growth : 17.46					
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 0.19					

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 of India Ltd.	Transportation Infrastructure		65,870	476.70	6.85
SBI	Banks		78,200	473.77	6.81
Maruti Udyog Ltd.	Automobiles		94,500	470.09	6.76
Gujarat Ambuja Cement Ltd.	Construction Materials		144,300	426.41	6.13
ACC Ltd.	Construction Materials		158,000	402.35	5.79
Satyam Computers	IT Consulting & Services		125,000	367.06	5.28
Canara Bank	Banks		245,000	354.88	5.10
Infosys Technologies Ltd.	IT Consulting & Services		7,180	354.56	5.10
Chennai Petro Corp. Ltd.	Oil & Gas		225,000	326.03	4.69
Tata Motors Ltd.	Automobiles		53,600	260.42	3.74
Blue Dart Express Ltd.	Air Freight & Couriers		198,062	248.47	3.57
Goodlass Nerolac Paints Ltd.	Chemicals		56,033	248.00	3.57
Shree Cements Ltd.	Construction Materials		171,000	240.08	3.45
Reliance Industries	Chemicals		44,400	238.89	3.44
Mphasis BFL Ltd.	IT Consulting & Services		42,000	228.29	3.28
ING Vysya Bank	Banks		44,699	214.78	3.09
Godrej Consumer Products Ltd.	Household Products		125,450	206.30	2.97
Wockhardt Ltd.	Pharmaceuticals		26,000	205.57	2.96
ICICI Bank Ltd.	Banks		65,998	195.55	2.81
Finolex Industries Ltd.	Chemicals		338,340	188.32	2.42
Pantaloon Retail (I) Ltd.	Textiles & Apparel		39,957	115.34	1.66
IPCL	Chemicals		34,620	63.01	0.91
ONGC	Oil & Gas		7,082	59.54	0.86
Dredging Corp. of India	Oil Drilling and Exploration		3,284	16.75	0.24
Power Trading Corp.	Electric Utilities		54,189	8.67	0.12
ITC Ltd.	Tobacco		20	0.21	***
Privately placed / Unlisted					
Lloyds Steel Ind Ltd (NPA)**			400,000	0.00	***
Apollo Tyres Ltd (NPA)**			225	0.00	***
Total				6,370.05	91.60
Debt Instruments Listed / Awaiting listing on the stock exchange					
14.5% NALCO**		AAA	715	2.60	0.04
Total				2.60	0.04
Money Market Instruments					
Call				595.60	9.56
Total				595.60	9.56
Cash & Other Assets				(13.69)	-0.20
Net Assets				6,954.56	100.00
Total NPAs provided for and its percentage to NAV 0.75 lacs, 0% as fully provided					
Total value and percentage of illiquid equity shares Rs 0.00 lacs, 0%					
NAV at the beginning of the period 21.41					
NAV at the end of the period 27.73					
Dividend declared Nil					
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 0.38					

Principal Child Benefit Fund

Name of Instrument	Industry	Rating	Quantity	Market Value (Rs lakhs)	% of NAV
Equity & equity related instruments Listed / Awaiting listing on the stock exchange					
Maruti Udyog Ltd.	Automobiles		3,800	18.90	5.43
ICICI Bank Ltd.	Banks		5,300	15.70	4.51
Chennai Petro Corp. Ltd.	Oil & Gas		10,000	14.49	4.17
Goodlass Nerolac Paints Ltd.	Chemicals		3,000	13.28	3.82
Shree Cements Ltd.	Construction Materials		3,000	12.84	3.63
Container Corporation of India Ltd.	Transportation Infrastructure		1,650	11.94	3.43
ACC Ltd.	Construction Materials		3,900	9.93	2.86
Tata Motors Ltd.	Automobiles		2,020	9.81	2.82
Reliance Industries	Chemicals		1,780	9.58	2.75
ITC Ltd.	Tobacco		760	7.93	2.28
Pantaloon Retail (I) Ltd.	Textiles & Apparel		2,500	7.22	2.07
Infosys Technologies Ltd.	IT Consulting & Services		141	6.96	2.00
Finolex Industries Ltd.	Chemicals		13,946	6.94	1.99
Gujarat Ambuja Cement Ltd.	Construction Materials		2,300	6.80	1.95
Ranbaxy Laboratories Ltd.	Pharmaceuticals		710	6.67	1.92
I-Flex Solutions Ltd.	IT Consulting & Services		1,120	6.42	1.85
SBI	Banks		1,000	6.06	1.74
BHEL	Electrical Equipment		950	5.74	1.65
Satyam Computers	IT Consulting & Services		1,850	5.43	1.56
CPLA	Pharmaceuticals		360	4.23	1.21
Corporation Bank	Banks		1,500	4.20	1.21
Blue Dart Express Ltd.	Air Freight & Couriers		3,000	3.76	1.08
ONGC	Oil & Gas		404	3.40	0.98
Glaxo Smithkline Consumer Health Ltd.	Food Products		1,200	2.96	0.85
IPCL	Chemicals		1,575	2.87	0.82
Zee Telefilms Ltd.	Media		2,000	2.68	0.77
Dr. Reddy's Labs	Pharmaceuticals		200	1.95	0.56
Dredging Corp. of India	Oil Drilling and Exploration		190	0.97	0.28
Power Trading Corp.	Electric Utilities		3,095	0.50	0.14
Total				209.94	60.36
Debt Instruments Listed / Awaiting listing on the stock exchange					
9% Hindustan Lever Ltd		AAA	3,700	0.23	0.07
Total				0.23	0.07
Government Securities					
6.25% GOI 2018	Sovereign		100,000	107.25	30.83
Total				107.48	30.90
Money Market Instruments					
Call				27.00	7.76
Total				27.00	7.76
Cash & Other Assets				3.40	0.98
Net Assets				347.83	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 Career Builder : 21.71					
NAV at the end of the period Future Guard : 21.42					
Dividend declared Career Builder : 25.38					
Dividend Future Guard : 25.04					
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 0.38					

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	Pharmaceuticals		33,285	216.85	5.35
L&T	Construction & Engineering		37,216	213.75	5.27
SBI	Banks		31,458	190.59	4.70
Maruti Udyog Ltd.	Automobiles		35,149	174.85	4.31
Jaiprakash Associates Ltd.	Construction Materials		150,000	173.33	4.28
BHEL	Electrical Equipment		26,715	161.45	3.98
Hindustan Lever Ltd.	Household Products		92,922	143.47	3.54
Reliance Industries	Chemicals		24,719	133.00	3.29
Tata Motors Ltd.	Automobiles		25,786	125.28	3.09
Apollo Tyres Limited	Auto Components		47,000	115.50	2.85
ACC Ltd.	Construction Materials		41,143	104.77	2.59
MTNL	Diversified Telecom Services		80,549	103.30	2.55
Satyam Computers	IT Consulting & Services		30,232	88.78	2.19
Pfizer Ltd.	Pharmaceuticals		18,971	86.44	2.13
Bank of Baroda	Banks		35,000	84.95	2.10
ONGC	Oil & Gas		9,914	83.35	2.06
Gujarat Ambuja Cement Ltd.	Construction Materials		26,054	76.99	1.90
Indian Rayon Ltd.	Industrial Conglomerates		40,500	76.32	1.88
IPCL	Chemicals		40,920	74.47	1.84
Ranbaxy Laboratories Ltd.	Pharmaceuticals		7,158	67.27	1.66
Ipsos Labs Ltd.	Pharmaceuticals		9,945	64.68	1.60
Bharat Electronics	Electrical Equipment		10,945	54.36	1.34
Wipro Ltd.	IT Consulting & Services		3,704	50.42	1.24
Dredging Corp. of India	Oil Drilling and Exploration		3,790	19.33	0.48
Container Corporation of India Ltd.	Transportation Infrastructure		2,500	18.09	0.45
Biocon Ltd.	Pharmaceuticals		3,350	10.55	0.26
Power Trading Corp.	Electric Utilities		54,189	8.67	0.21
Total				2,720.82	67.14
Debt Instruments Privately placed / Unlisted					
11.85% ICICI Bank**		AAA	24,000	24.02	0.59
Total				24.02	0.59
Government Securities					
6.20% GOI UTI SB 2010	Sovereign		500,000	525.80	12.98
8.07% GOI 2017	Sovereign		100,000	124.37	3.07
Total				650.17	16.04
Money Market Instruments					
Call				1459.00	36.00
Total				1,459.00	36.00
Cash & Other Assets				(-801.65)	-19.78
Net Assets				4,052.35	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 half year period Dividend : 14.11					
NAV at the end of the period Growth : 13.98					
Dividend declared Dividend : 10.42					
Dividend Growth : 15.96					
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 2.04					

Principal Index Fund

Name of Instrument	Industry	Quantity	Market
--------------------	----------	----------	--------

Portfolio Statement for the Half-Year ended March 31, 2004 of Schemes of Principal Mutual Fund (Contd.)

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>				
15.50% IDBI	LAA	1,000,000	1,083.09	0.74
10.25% Indian Oil Cor*	LAAA	500,000	507.45	0.34
8.75% HDFC**	AAA	500,000	507.41	0.34
<i>Floating Rate Notes / Bonds</i>				
M & M Fin Ser (Nm+145bps)**	AA	100	1,000.00	0.68
Total			3,097.95	2.11
<i>Privately placed / Unlisted</i>				
<i>Floating Rate Notes / Bonds</i>				
ICICI Sec (Nm+25 bps)**	P1+	600	3,000.00	2.04
IDBI Caps (Nm-10bps)**	A1+	6	3,000.00	2.04
IDBI (Nm+150bps)**	LAA	2,000,000	2,000.00	1.36
Citicorp Fin (Nm+100bps)**	AAA	150	1,500.00	1.02
G E Caps Ser (Nm+100bps)**	AAA	15	1,500.00	1.02
Global Trade Fin(Nm)**	P1+	15	1,500.00	1.02
Citi Financial Consumer Finance India Ltd(Nm+100bps)**	AAA	100	1,000.00	0.68
Citicorp Fin (Nm+125bp)**	AAA	100	1,000.00	0.68
GE Capital Ser(Nm+65BPS)**	AAA	40	1,000.00	0.68
IDBI (Nm+150bps)**	LAA	1,000,000	1,000.00	0.68
Rabo Ind Fin (Nm+65bps)**	P1+	100	1,000.00	0.68
Rabo Ind Fin(Nm+50bps)**	P1+	100	1,000.00	0.68
Rabo Ind (Nm+50bps)**	P1+	100	999.75	0.68
Citi Financial Consumer Finance India Ltd(Nm+125bps)**	AAA	500	500.00	0.34
Citicorp Fin (Nm+125bps)**	AAA	500	500.00	0.34
Citicorp Mar F(Nm+67bps)**	P1+	5	500.00	0.34
IDBI Omni (INBMK+130bps)**	LAA	500,000	500.00	0.34
M&M Fin Ser (Nm+99bps)**	P1+	5	500.00	0.34
M&M Fin Ser (Nm+99bps)**	P1+	5	500.00	0.34
Sundaram Fin (Nm+73bps)**	P1+	50	500.00	0.34
Sundaram Fin(Nm+73bps)**	P1+	50	500.00	0.34
IDBI (Nm+135BPS)**	LAA	400	400.00	0.27
Citicorp Fin(Nm+100bps)**	AAA	100	100.00	0.07
<i>Deep Discount Bonds</i>				
0% Ashok Leyland Fin**	P1+	10	996.21	0.68
0% RIL**	AAA	500,000	495.93	0.34
<i>Non-Convertible Debentures</i>				
5.20% Kotak Mah Prim**	P1+	1,500,000	1,500.00	1.02
4.90% Kotak Mah Prim**	P1+	1,000,000	1,000.01	0.68
13.85% Bank of India**	UNRA	865,000	872.35	0.59
9% Chola Invest**	MAAA	500,000	504.27	0.34
9.35% Chola Invest**	MAAA	500,000	503.73	0.34
5.15% G E Caps S-11**	AAA	5	500.00	0.34
5.30% Kotak Mah Prim**	P1+	400	400.00	0.27
6.50% IDBI**	LAA	100,000	100.28	0.07
12.75% ICICI Bank**	AAA	45,000	45.66	0.03
<i>Securitized Debt</i>				
IND RETAIL ABS TRST(SER-X)19/10/04**	A1+(SO)	38	2,774.72	1.89
INDIAN RETAIL ABS TRST SER X(CICIB)**	P1+(SO)	30	2,770.80	1.88
Corp Loan Sec Trust - Ser II-DCB**	P1+(SO)	25	2,498.61	1.70
IND RET ABS TRS SER XI-A1**	AAA(SO)	15	1,494.58	1.02
TVSFSL SEC TRST FEB 04**	P1+	10	972.56	0.66
FLEETTRSTNOV03(CITIBK/CFIL)A1-07/10**	AAA(SO)	10	921.89	0.63
LOAN SECTN (SERIES-X) IOL-ICICI S-A**	AAA	5	503.18	0.34
LOAN SECURTN TRST-SER-6BHARTI TEL**	A1+(SO)	500,000	496.97	0.34
MART2003 SER II (SCB) A1**	P1+(SO)	11	439.89	0.30
P F S L - CITI DEC2002-SERIES A1**	LAAA	14	343.43	0.23
Fleet Trust Aug 03(CFIL)**	P1+(SO)	8	256.69	0.17
PFSL-TELCO-CITIBANK-SER-A1-SEP02**	AAA(SO)	7	189.45	0.13
Fleet Trust Sept 03 CFIL**	P1+(SO)	4	165.73	0.11
PFSL-SUNDARAM FIN APR03**	MAAA(SO)	3	136.80	0.09
Total			44,884.07	30.51
Money Market Instruments				
<i>Term Deposit</i>				
5.70% St Bk of Patiala	MAAA	8,900,000	8,900.00	6.05
5.50% UBI	FAAA	6,900,000	6,900.00	4.69
IDBI Bank TD		6,000,000	6,000.00	4.08
6% IndusInd Bank		5,000,000	5,000.00	3.40
5.25% Allahabad Bank		4,300,000	4,300.00	2.92
5.50% J&K	FAAA	4,000,000	4,000.00	2.72
5.70% OBC		4,000,000	4,000.00	2.72
5.50% SBI		3,850,000	3,850.00	2.62
5.50% State Bk Indore	FAA	3,500,000	3,500.00	2.38
5.85% St Bk of Saura	MAAA	3,500,000	3,500.00	2.38
5.90% St Bk of Patiala	FAAA	3,000,000	3,000.00	2.04
5.60% OBC	FAAA	2,500,000	2,500.00	1.70
5.45% ICICI BANK	FAAA	2,500,000	2,500.00	1.70
5.50% PNB	MAAA	2,500,000	2,500.00	1.70
5.45% OBC	FAAA	2,000,000	2,000.00	1.36
5.90% Federal Bank	P1+	2,000,000	2,000.00	1.36
5.60% ICICI Bank	FAAA	1,800,000	1,800.00	1.22
5.75% J&K Bank	P1+	1,500,000	1,500.00	1.02
5.75% St Bk of Patiala	MAAA	1,500,000	1,500.00	1.02
5.75% St Bk of Saurash	MAA+	1,500,000	1,500.00	1.02
5.50% St Bk of Saura	MAA+	1,000,000	1,000.00	0.68
5.75% Federal Bank	P1+	1,000,000	1,000.00	0.68
5.75% J & K Bank		1,000,000	1,000.00	0.68
5.80% OBC	FAAA	1,000,000	1,000.00	0.68
6.25% UTI Bank Ltd		1,000,000	1,000.00	0.68
6.15% ING Vysya Bank		990,000	990.00	0.67
5.30% IDBI Bank		900,000	900.00	0.61
<i>Certificate of Deposit</i>				
UTI Bank Ltd.	A1+	1,000,000	983.83	0.67
ICICI Bank	A1+	1,000,000	956.45	0.65
Kotak Mah Bank	P1+	1,000,000	952.30	0.65
Development Credit Bank	P1+	1,000,000	947.81	0.64
<i>Commercial Paper</i>				
Ashok Leyland Fin	P1+	3,500,000	3,412.50	2.32
SIDBI	PRI+	2,500,000	2,441.92	1.66
Deutsche Sec	P1+	2,000,000	1,977.38	1.34
ILFS	F1+	2,000,000	1,924.44	1.31
Ballarpur Ind Ltd	F1+	2,000,000	1,902.51	1.29
Chola Inv & Fin	P1+	1,000,000	975.68	0.66
IPCL	P1+	1,000,000	959.51	0.65
Bharti Tele Ltd	P1+	1,000,000	947.89	0.64
Citicorp Finance	P1+	500,000	487.78	0.33
EXIM	P1+	500,000	481.53	0.33
M&M Fin Ser	P1+	500,000	479.04	0.33
Call		7.00	7.00	0.00
Total			98,477.36	66.93
Cash & Other Assets			659.35	0.45
Net Assets			147,118.73	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				Nil
	Dividend Monthly	: 10.0347		
	Dividend Weekly	: 10.1050		
	Dividend Daily	: 10.0006		
	Growth	: 12.2430		
	Institutional Plan - Dividend Monthly	: 10.0373		
	Institutional Plan - Dividend Weekly	: 10.0058		
	Institutional Plan - Dividend Daily	: 10.0007		
	Institutional Plan - Growth	: 10.2103		
NAV at the end of the period	Dividend Monthly	: 10.0319		
	Dividend Weekly	: 10.1066		
	Dividend Daily	: 10.0007		
	Growth	: 12.5115		
	Institutional Plan - Dividend Monthly	: 10.0346		
	Institutional Plan - Dividend Weekly	: 10.0079		
	Institutional Plan - Dividend Daily	: 10.0010		
	Institutional Plan - Growth	: 10.4504		
Dividend declared	Dividend Monthly	: 0.1947		
	Dividend Weekly	: 0.1917		
	Dividend Daily	: 0.1923		
	Growth	: N.A.		
	Institutional Plan - Dividend Monthly	: 0.2090		
	Institutional Plan - Dividend Weekly	: 0.2043		
	Institutional Plan - Dividend Daily	: 0.2059		
	Institutional Plan - Growth	: N.A.		
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				131 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>				
6.10% HDFC**	AAA	1,200,000	1,217.78	2.63
10.30% IDBI**	LAA	1,000,000	1,160.54	2.50
6.10% Nuclear Power**	AAA	1,000,000	1,000.00	2.16
8.95% EXIM LTD**	AAA	900	967.56	2.09
10.25% IOCL**	LAAA	500,000	587.64	1.27
11.55% SBI**	AAA	50	557.75	1.20
7.70% RELIANCE IND LTD**	AAA	50	524.46	1.13
6% HDFC**	AAA	10	100.92	0.22
<i>Government Securities</i>				
8.07% GOI 2017	Sovereign	3,275,000	4,073.12	8.79
10.95% GOI 2011	Sovereign	2,000,000	2,691.60	5.81
11.83% GOI 2014	Sovereign	1,600,000	2,417.60	5.22
7.49% GOI 2017	Sovereign	1,900,000	2,255.87	4.87
6.35% GOVT STOCK 2020	Sovereign	2,000,000	2,137.00	4.61
5.64% GOI 2019	Sovereign	2,100,000	2,117.85	4.57
6.25% GOI 2018	Sovereign	1,700,000	1,823.25	3.93
7.40% GOI 2012	Sovereign	1,500,000	1,727.70	3.73
6.20% GOI UTI SB 2010	Sovereign	1,250,000	1,314.50	2.84
6.05% GOI 2019	Sovereign	1,000,000	1,048.00	2.26
11.43% GOI 2015	Sovereign	500,000	745.38	1.61
9.39% GOI 2011	Sovereign	100,000	126.10	0.27
Total			28,594.61	61.70
<i>Privately placed / Unlisted</i>				
<i>Non-Convertible Debentures</i>				
5.85% Power Fin Corp	AAA	1,200,000	1,215.05	2.62
8.65% RELIANCE LTD**	AAA	11	119.86	2.58
8.05% NTPC**	AAA	1,000,000	1,038.45	2.28
11.22% HINDALCO**	AAA	900,000	988.41	2.13
9.95% BPCL**	AAA	900,000	983.13	2.12
5.85% HINDALCO LTD**	INDAAA	160	811.96	1.75
13.50% RIL**	AAA	500,000	629.41	1.36
9.75% ICICI BANK**	AAA	50	552.89	1.19
11.10% IRFC**	AAA	1	547.16	1.18
12% BPCL**	AAA	500,000	522.21	1.13
6.50% IDFC**	AAA	500,000	517.31	1.12
6.20% Reliance Ind	AAA	500,000	511.75	1.10
6.10% Power Grid Corp**	AAA	1,000,000	1,007.92	2.17
15.25% ICICI Bank**	AAA	300,000	325.23	0.70
9.75% Citi Financial Consumer Fin. India Ltd S-7**	AAA	200	209.57	0.45
6.10% IRFC**	AAA	15	152.36	0.33
<i>Securitized Debt</i>				
IND RET ABS TR SER XI-A3(CICIBK)**	AAA(SO)	4	366.79	0.79
UBL Trust Se 2(ALFLJu03)**	AAA(SO)	5	344.18	0.74
Total			11,937.65	25.76
Money Market Instruments				
Call			1,717.00	3.70
Total			1,717.00	3.70
Cash & Other Assets			4,097.34	8.84
Net Assets			46,346.60	100.00
Total NPAs provided for and its percentage to NAV				
Total value and percentage of illiquid equity shares				
NAV at the beginning of the period				
	Dividend Quarterly	: 10.8879		
	Dividend Half Yearly	: 10.9279		
	Dividend Annual	: 10.8565		
	Growth	: 15.2214		
	Institutional Plan - Dividend Quarterly	: 10.2776		
	Institutional Plan - Growth	: 10.5300		
NAV at the end of the period	Dividend Quarterly	: 10.7356		
	Dividend Half Yearly	: 10.7774		
	Dividend Annual	: 10.8832		
	Growth	: 15.5451		
	Institutional Plan - Dividend Quarterly	: 10.1995		
	Institutional Plan - Growth	: 10.7910		
Dividend declared	Dividend Quarterly	: 0.3369		
	Dividend Half Yearly	: 0.3368		
	Dividend Annual	: Nil		
	Growth	: N.A.		

Portfolio Statement for the Half-Year ended March 31, 2004 of Schemes of Principal Mutual Fund (Contd.)

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>					
BHEL	Electrical Equipment		40,000	241.74	1.38
Maruti Udyog Ltd.	Automobiles		40,000	198.98	1.14
ACC Ltd.	Construction Materials		70,000	178.26	1.02
Indian Oil Corp. Ltd.	Oil & Gas		35,000	173.64	0.99
ONGC	Oil & Gas		20,184	169.69	0.97
SBI	Banks		25,000	151.46	0.87
Tata Power Company Ltd.	Electric Utilities		40,000	150.86	0.86
Nestle India Ltd.	Food Products		23,538	148.88	0.85
Infosys Technologies Ltd.	IT Consulting & Services		3,000	148.15	0.85
Satyam Computers	IT Consulting & Services		50,000	146.83	0.84
Sun Pharmaceuticals	Pharmaceuticals		20,000	130.30	0.75
Ipsa Labs. Ltd.	Pharmaceuticals		20,000	130.07	0.74
Jaiprakash Associates Ltd.	Construction Materials		100,000	115.55	0.66
Asahi India Glass Ltd.	Building Products		90,000	112.91	0.65
IPCL	Chemicals		61,440	111.82	0.64
NALCO	Metals & Mining		60,000	111.33	0.64
Tata Motors Ltd.	Automobiles		20,000	97.17	0.56
Ranbaxy Laboratories Ltd.	Pharmaceuticals		10,000	93.98	0.54
Gujarat Ambuja Cement Ltd.	Construction Materials		30,000	88.65	0.51
Reliance Industries	Chemicals		15,000	80.71	0.46
Hindustan Lever Ltd.	Household Products		35,000	54.04	0.31
Sona Koyo Steering Systems Ltd.	Auto Components		29,000	49.47	0.28
GAIL (India) Ltd.	Gas Utilities		20,000	42.64	0.24
Power Trading Corp.	Electric Utilities		154,825	24.77	0.14
Dredging Corp. of India	Oil Drilling and Exploration		3,789	19.33	0.11
Biocon Ltd.	Pharmaceuticals		3,750	11.81	0.07
Total				2,983.01	17.07
Debt Instruments					
<i>Listed / Awaiting listing on the stock exchange</i>					
<i>Non-Convertible Debentures</i>					
12% ACC Ltd**	LAA		50	539.64	3.09
7.95% ACC Ltd**	LAA		5	524.25	3.00
5.90% IDBI**	LAA		500,000	498.78	2.85
<i>Government Securities</i>					
6.20% GOI UTI SB 2010	Sovereign		1,100,000	1,156.76	6.62
7.40% GOI 2012	Sovereign		500,000	575.90	3.30
9.39% GOI 2011	Sovereign		400,000	504.40	2.89
Total				3,799.73	21.75
<i>Privately placed / Unlisted</i>					
<i>Floating Rate Notes / Bonds</i>					
IDBI (INBNK+115bp)**	LAA		50	500.00	2.86
<i>Non-Convertible Debentures</i>					
8.05% NTPC**	AAA		1,000,000	1,058.45	6.06
5.75% GE Caps S-23**	AAA		10	1,001.96	5.73
6% L&T Fin Ltd**	CAREAA		100,005	600.71	3.44
14.25% ICICI Bank Ltd**	AAA		500,000	558.86	3.20
6.75% IDBI**	LAA		500,000	508.73	2.91
5.89% IRFC	AAA		500,000	506.88	2.90
6.15% Citi Financial Consumer Fin. India Ltd**	AAA		500,000	503.73	2.88
12% BPCL**	AAA		450,000	469.98	2.69
8.05% IRFC**	AAA		200,000	214.88	1.23
<i>Securitized Debt</i>					
CITICORP-FLEET TRST DEC03**	AAA(SO)		5	431.51	2.47
LOAN RECLE TRST+IMAR03(GAC/OT)**	AA+(SO)		4	372.25	2.13
IND RET ABS TR SER XI-A3(ICICIBK)**	AAA(SO)		4	366.79	2.10
IND RET ABS TRST(SER-IX)19/10/04**	A1+(SO)		5	365.10	2.09
Total				7,459.85	42.69
Money Market Instruments					
<i>Term Deposits</i>					
5.25% SBI			1,800,000	1,800.00	10.30
<i>Certificate of Deposit</i>					
ICICI Bank Ltd.	A1+		500,000	478.41	2.74
Call				301.01	1.72
Total				2,579.41	14.76
Cash & Other Assets					
				650.98	3.73
Net Assets					
				17,472.99	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					
	Dividend Monthly	: N.A. [§]			
	Dividend Quarterly	: N.A. [§]			
	Growth	: N.A. [§]			
NAV at the end of the period					
	Dividend Monthly	: 10.0650			
	Dividend Quarterly	: 10.0649			
	Growth	: 10.0649			
Dividend declared					
	Dividend Monthly	: Nil			
	Dividend Quarterly	: Nil			
	Growth	: N.A.			
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 (Debt Component) 2 years					
§ The first NAV was declared on January 5, 2004.					

Principal Deposit Fund - FMP 8 (371 days Fixed Maturity Plan - June 03)

Name of Instrument	Rating	Quantity	Market Value (Rs lakhs)	% of NAV
Debt Instruments				
<i>Privately placed / Unlisted</i>				
<i>Non-Convertible Debentures</i>				
6.50% IDBI**	LAA	700,000	701.93	13.38
6.20% M&M Fin Ser**	AA	700,000	700.78	13.36
5.85% Kotak Mah Primus**	P1+	700,000	700.53	13.35
9.35% Chola Inv Fin**	MAAA	500,000	503.56	9.60
Total			2,606.80	49.68
Money Market Instruments				
<i>Term Deposits</i>				
6.55% ICICI Bank	FAAA	1,000,000	1,000.00	19.06
6.25% UTI Bank Ltd		750,000	750.00	14.29
6.15% ING Vysya Bank Ltd		619,000	619.00	11.80
Call			14.00	0.27
Total			2,383.00	45.42
Cash & Other Assets				
			257.21	4.90
Net Assets				
			5,247.00	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				
	Dividend	: N.A. ^{§§}		
	Growth	: 10.1937		
NAV at the end of the period				
	Dividend	: N.A. ^{§§}		
	Growth	: 10.4898		
Dividend declared				
Dividend / Growth : Nil / N.A.				
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 79 days				
§§ There are no mobilisation since inception of the scheme.				

FMP (91 days Fixed Maturity Plan - Mar 04)

Name of Instrument	Rating	Quantity	Market Value (Rs lakhs)	% of NAV
Debt Instruments				
<i>Privately placed / Unlisted</i>				
<i>Non-Convertible Debentures</i>				
7.63% IRFC Ltd**	AAA	1,000,000	1,014.96	9.86
5.25% Aarti Ind Ltd**	P1+	1,000,000	1,000.00	9.71
<i>Securitized Debt</i>				
IND RETAIL ABS TRST(SER-IX)19/10/04**	A1+(SO)	7	511.13	4.97
PFSL-TELECO-CITIBANK-SER-A1-SEP02**	AAA(SO)	5	135.32	1.31
Total			2,661.41	25.85
Money Market Instruments				
<i>Term Deposits</i>				
5.50% J & K Bank		1,540,000	1,540.00	14.96
5.60% UCO Bank		1,540,000	1,540.00	14.96
5.40% Federal Bank	P1+	1,500,000	1,500.00	14.57
5.30% IDBI Bank		500,000	500.00	4.86
<i>Certificate of Deposit</i>				
ICICI Bank Ltd	A1+	2,000,000	1,968.45	19.12
Kotak Mah. Bank Ltd	P1+	500,000	488.86	4.75
Call			82.00	0.80
Total			7,619.31	74.02
Cash & Other Assets				
			13.22	0.13
Net Assets				
			10,293.94	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				
	Dividend	: N.A. ^{§§}		
	Growth	: N.A. ^{§§}		
NAV at the end of the period				
	Dividend	: N.A. ^{§§}		
	Growth	: 10.0190		
Dividend declared				
Dividend / Growth : Nil / N.A.				
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 64 days				
§ The first NAV was declared on March 19, 2004. §§ There are no mobilisation since inception of the scheme.				

FMP (371 days Fixed Maturity Plan - Mar 03)

Name of Instrument	Rating	Quantity	Market Value (Rs lakhs)	% of NAV
Debt Instruments				
<i>Privately placed / Unlisted</i>				
<i>Non-Convertible Debentures</i>				
6.95% G E Caps**	AAA	3	300.03	17.15
6.70% Citi Financial Consumer Finance India Ltd**	P1+	200	200.03	11.43
6.95% Rabo (I) Fin. Pvt. Ltd**	P1+	2	200.02	11.43
7.45% M&M Fin Ser**	AA	1	100.01	5.72
Total			800.09	45.73
Others				
Mutual Fund Units (Principal Cash Management Fund - Liquid Option - Growth)	Mutual Fund Investment	7,656,235.05	800.11	45.73
Total			800.11	45.73
Money Market Instruments				
<i>Call</i>				
			94.00	5.37
Total			94.00	5.37
Cash & Other Assets				
			55.38	3.17
Net Assets				
			1,749.58*	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				
	Dividend	: 10.3593		
	Growth	: 10.3601		
NAV at the end of the period				
	Dividend	: 10.6533		
	Growth	: 10.6542		
Dividend declared				
Dividend / Growth : Nil / N.A.				
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 4 days				
* Net Assets after excluding intra scheme investment is Rs. 949.47 lacs.				

FMP (371 days Fixed Maturity Plan - Mar 04)

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>				
14.50% IDBI**	LAA	1,000,000	1,088.28	8.1
13.95% PNB**	LAAA	1,000,000	1,086.10	8.08
11% IDBI**	LAA	500,000	525.67	3.91
Total			2,700.05	20.09
Privately placed / Unlisted				
<i>Non-Convertible Debentures</i>				
7.25% Tata Ind Ltd**	AA	500,000	507.41	3.78
<i>Floating Rate Bonds</i>				
Citicorp Fin (BM+70bps)**	AAA	1,000,000	1,000.00	7.44
<i>Securitized Debt</i>				
IND RETAIL ABS TR SER XI- A2**	AAA(SO)	19	1,909.06	14.21
Total			3,416.47	25.43
Money Market Instruments				
<i>Term Deposits</i>				
5.75% Federal Bank	P1+	1,700,000	1,700.00	12.65
5.80% Vijaya Bank		1,600,000	1,600.00	11.91
<i>Certificate of Deposit</i>				
Kotak Mah Bank	P1+	1,000,000	952.51	7.09
<i>Commercial Paper</i>				
Ballarpur Ind Ltd	F1+	1,000,000	951.68	7.08
Call			55.00	0.41
Total			5,259.19	39.14
Cash & Other Assets				
			2,060.18	15.34
Net Assets				
			13,435.89	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				
	Dividend	: N.A. ^{§§}		
	Growth	: N.A. ^{§§}		
NAV at the end of the period				
	Dividend	: N.A. ^{§§}		
	Growth	: 10.0114		
Dividend declared				
Dividend / Growth : Nil				
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 335 days				
§ The first NAV was declared on March 31, 2004. §§ There are no mobilisation since inception of the scheme.				

FMP (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 Fin Ltd**	CAA	900,000	901.08	12.54
8.75% Citicorp Mar. Fin.**	AAA	500,000	513.31	7.14
5.25% Citi Financial Consumer Finance India Ltd**	P1+	50	499.48	6.95
5.25% M&M Fin Ser**	P1+	5	499.85	6.95
Total			2,413.72	33.58
Money Market Instruments				
<i>Term Deposits</i>				
5.75% UBI	FAAA	1,050,000	1,050.00	14.61
5.80% OBC	FAAA	1,000,000	1,000.00	13.91
6.10% FED Bank	P1+	500,000	500.00	6.96
5.75% ICICI Bank	FAAA			