

Application No. \_\_\_\_\_

All details are mandatory. The application is liable to get rejected if details not filled.

Please read the instructions before filling the Application Form

**DISTRIBUTOR INFORMATION & APPLICATION RECEIPT DATE**

|                      |                     |      |                 |                               |
|----------------------|---------------------|------|-----------------|-------------------------------|
| Broker ARN/RIA Code^ | Sub-Broker ARN Code | EUIN | Sub-Broker Code | Principal Group Employee Code |
|                      |                     |      |                 |                               |

I/We hereby confirm that the EUIN box has been intentionally left blank by me/us as this is an "execution-only" transaction without any interaction or advice by the employee/relationship manager/sales person of the above distributor or notwithstanding the advice of in-appropriateness, if any, provided by the employee/relationship manager/sales person of the distributor and the distributor has not charged any advisory fees on this transaction. (Refer Instruction No. G)  
Upfront commission shall be paid directly by the investor to the AMFI registered Distributors based on the investor's assessment of various factors including the service rendered by the distributor. ^By mentioning RIA code, I/we authorize you to share with the Investment Adviser the details of my/our transactions.

Signature of Sole/ First Applicant/ Holder

\_\_\_\_\_

**TRANSACTION CHARGES FOR APPLICATIONS THROUGH DISTRIBUTORS/AGENTS ONLY [Refer Instruction No. B(14) for Details]**

Investors are advised to confirm if he/she is a First Time Mutual Fund Investor by selecting [please ✓ one of the options:-  First time Mutual Fund Investor  Existing Investor]

**1 EXISTING UNITHOLDERS DETAILS** (Please note that the applicant details and mode of holding will be as per the existing Folio Number) [Refer Instruction No. B(1)]

Please fill your Folio No. and Name and then proceed to Section (3) KIN^^ \_\_\_\_\_ Common Account / Folio No. \_\_\_\_\_  
Name of Sole / First Unit Holder \_\_\_\_\_

**2 NEW APPLICANT'S DETAILS** (Please fill in Block Letters with black/blue ink, use one box for one alphabet leaving one box blank between two words)

NAME OF FIRST / SOLE APPLICANT  Mr.  Ms.  M/s. KIN^^ \_\_\_\_\_ Date of Birth/Incorporation 

|   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| D | D | M | M | Y | Y | Y | Y |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |
| F | I | R | S | T | N | A | M | E | M | I | D | D | L | E | N | A | M | E | L | A | S | T | N | A | M | E |

PAN / PEKRN (PAN Exempt KYC Ref. No.) \_\_\_\_\_ Place / City of Birth / Incorporation \_\_\_\_\_ Country of Birth / Incorporation \_\_\_\_\_  
Nationality:  Indian  U.S.  Others (Please specify) \_\_\_\_\_

Enclose Proof of DOB (Mandatory for minor) -  Birth Certificate  Passport  Other \_\_\_\_\_ Relationship with Minor Applicant -  Father  Mother  Legal Guardian  
[Note: • No Joint holding permitted in case of minor applicant - Refer Instruction no. B(11). • Guardian: Mandatory for Minor Applicant. • POA Holder/Contact Person: Mandatory for Non-Individual Investors]

GUARDIAN / POA HOLDER / CONTACT PERSON KIN^^ \_\_\_\_\_ Date of Birth 

|   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| D | D | M | M | Y | Y | Y | Y |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |
| F | I | R | S | T | N | A | M | E | M | I | D | D | L | E | N | A | M | E | L | A | S | T | N | A | M | E |

PAN / PEKRN (PAN Exempt KYC Ref. No.) \_\_\_\_\_ Place / City of Birth \_\_\_\_\_ Country of Birth \_\_\_\_\_  
Nationality:  Indian  U.S.  Others (Please specify) \_\_\_\_\_

NAME OF THE SECOND APPLICANT  Mr.  Ms. KIN^^ \_\_\_\_\_ Date of Birth 

|   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| D | D | M | M | Y | Y | Y | Y |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |
| F | I | R | S | T | N | A | M | E | M | I | D | D | L | E | N | A | M | E | L | A | S | T | N | A | M | E |

PAN / PEKRN (PAN Exempt KYC Ref. No.) \_\_\_\_\_ Place / City of Birth \_\_\_\_\_ Country of Birth \_\_\_\_\_  
Nationality:  Indian  U.S.  Others (Please specify) \_\_\_\_\_

NAME OF THE THIRD APPLICANT  Mr.  Ms. KIN^^ \_\_\_\_\_ Date of Birth 

|   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| D | D | M | M | Y | Y | Y | Y |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |
| F | I | R | S | T | N | A | M | E | M | I | D | D | L | E | N | A | M | E | L | A | S | T | N | A | M | E |

PAN / PEKRN (PAN Exempt KYC Ref. No.) \_\_\_\_\_ Place / City of Birth \_\_\_\_\_ Country of Birth \_\_\_\_\_  
Nationality:  Indian  U.S.  Others (Please specify) \_\_\_\_\_

ADDRESS OF FIRST / SOLE APPLICANT (P.O. Box Address is not sufficient) \_\_\_\_\_ OVERSEAS ADDRESS (in case the First Applicant is NRI/FI/PIO) (P.O. Box Address is not sufficient) [Refer Instruction No. B(5)] \_\_\_\_\_  
Pin Code \_\_\_\_\_ Zip Code \_\_\_\_\_

**CONTACT DETAILS OF FIRST / SOLE APPLICANT** (Please ensure that you fill in the contact details for us to serve you better)

Phone  O \_\_\_\_\_  R \_\_\_\_\_ Fax \_\_\_\_\_  
Mobile \_\_\_\_\_  I / We wish to receive updates via SMS on my mobile (Please ✓)  
e-mail 

|   |   |   |   |   |   |   |   |   |   |   |   |   |   |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| I | N | B | L | O | C | K | L | E | T | T | E | R | S |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|

Where e-mail ID is provided all communications like Account Statement, Newsletter, Annual Report etc. will be done electronically. Physical, if required, will be mailed to your registered address on request.

^^In case you have already completed your cKYC Kindly provide your 14 digit KYC Identification Number (KIN).

**3 INVESTMENT DETAILS** (Cheque/DD should be in favour of "Scheme Name")

Note: Please refer KIM of the schemes before selecting appropriate 'Option', 'Sub-Option' and 'Frequency' as availability/applicability of these options may differ for various schemes.

|   |  |  |  |
|---|--|--|--|
| Scheme / Plan / Option / Sub-Option / Frequency | <b>Principal -</b> Scheme Name _____   |  |  |
|   | Plan: <input type="checkbox"/> Direct Plan <input type="checkbox"/> Regular Plan   | Option: <input type="checkbox"/> Dividend <input type="checkbox"/> Growth <input type="checkbox"/> AEP | Sub-Option: <input type="checkbox"/> Payout <input type="checkbox"/> Reinvest <input type="checkbox"/> Sweep |
|   | Frequency: <input type="checkbox"/> Daily <input type="checkbox"/> Weekly <input type="checkbox"/> Monthly <input type="checkbox"/> Quarterly <input type="checkbox"/> Half Yearly <input type="checkbox"/> Annual |  |  |

**Principal Asset Allocation Fund-of-Funds**

Conservative Plan  Moderate Plan  Aggressive Plan  
 Direct Sub-Plan+ -  Growth  Regular Sub-Plan -  Growth

+ Only for investors without broker code. If Direct Sub-plan is opted and Broker code also mentioned, the broker code will be ignored.  
[Refer KIM on Investment Sub-Plans / Options]

... continued overleaf

**ACKNOWLEDGEMENT SLIP** (To be filled in by the Applicant)

Received from \_\_\_\_\_ ARN No: \_\_\_\_\_ Sub-Broker ARN: \_\_\_\_\_ EUIN: \_\_\_\_\_  
Cheque / DD / RTGS / NEFT No. \_\_\_\_\_ Dated: 

|   |   |   |   |   |   |   |   |
|---|---|---|---|---|---|---|---|
| D | D | M | M | Y | Y | Y | Y |
|---|---|---|---|---|---|---|---|

 Application No. \_\_\_\_\_  
Drawn on Bank & Branch \_\_\_\_\_  
Scheme / Plan / Option / Sub-Option \_\_\_\_\_ Amount ₹ \_\_\_\_\_  
Please Note : All purchases are subject to realisation of payment instrument \_\_\_\_\_  
Signature, Stamp & Date \_\_\_\_\_

Dividend Sweep into Scheme   
Plan  Option

(In case of Dividend Sweep Facility, please ensure to fulfill the minimum investment criteria in the new Scheme)

In case the choice of option is not indicated, default option shall be Growth Option. Under Dividend Option, the default sub-option shall be Dividend reinvestment option.

#### 4 KYC / FATCA DETAILS FOR ALL APPLICANTS (Mandatory, Please ✓ . The application is liable to get rejected if details not filled)

| Status details for                  | First Applicant   | Second Applicant         | Third Applicant          | Guardian                 |
|-------------------------------------|---|--------------------------|--------------------------|--------------------------|
| Resident Individual                 | <input type="checkbox"/>  | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| NRI / PIO                           | <input type="checkbox"/>  | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Sole Proprietorship                 | <input type="checkbox"/>  | -                        | -                        | -                        |
| Minor through Guardian <sup>f</sup> | <input type="checkbox"/>  | -                        | -                        | -                        |
| Non Individual                      | <input type="checkbox"/> Company/Body<br><input type="checkbox"/> Corporate<br><input type="checkbox"/> Partnership<br><input type="checkbox"/> Trust<br><input type="checkbox"/> Society<br><input type="checkbox"/> HUF<br><input type="checkbox"/> Bank<br><input type="checkbox"/> AOP<br><input type="checkbox"/> FI / FII / FPI | -                        | -                        | -                        |
| Others (Please specify)             | <input type="text"/>  | <input type="text"/>     | <input type="text"/>     | <input type="text"/>     |

| Politically Exposed Person (PEP) Details: | Is a PEP                 | Related to PEP           | Not Applicable           |
|---|--------------------------|--------------------------|--------------------------|
| First / Sole Applicant                    | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Second Applicant                          | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Third Applicant                           | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Guardian                                  | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Authorised Signatories                    | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Promoters                                 | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Partners                                  | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Karta                                     | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Whole-time Directors                      | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

#### Gross Annual Income Range (in ₹)

| Occupation details for  | First Applicant            | Second Applicant           | Third Applicant            | Guardian                   |
|---|----------------------------|----------------------------|----------------------------|----------------------------|
| Below 1 lac   | <input type="checkbox"/>   | <input type="checkbox"/>   | <input type="checkbox"/>   | <input type="checkbox"/>   |
| 1 - 5 lac   | <input type="checkbox"/>   | <input type="checkbox"/>   | <input type="checkbox"/>   | <input type="checkbox"/>   |
| 5 - 10 lac  | <input type="checkbox"/>   | <input type="checkbox"/>   | <input type="checkbox"/>   | <input type="checkbox"/>   |
| 10 - 25 lac   | <input type="checkbox"/>   | <input type="checkbox"/>   | <input type="checkbox"/>   | <input type="checkbox"/>   |
| 25 lac- 1 crore   | <input type="checkbox"/>   | <input type="checkbox"/>   | <input type="checkbox"/>   | <input type="checkbox"/>   |
| above 1 crore   | <input type="checkbox"/>   | <input type="checkbox"/>   | <input type="checkbox"/>   | <input type="checkbox"/>   |
| OR Networth in ₹<br>(Mandatory for Non Individual)<br>(Not older than 1 year) | as on <input type="text"/> |

\* Address of tax residence would be taken as available in KRA database. In case of any change. Please approach KRA & notify the changes."

| Type of Address given at KRA | Residential              | Business                 | Registered Office        |
|------------------------------|--------------------------|--------------------------|--------------------------|
| First / Sole Applicant       | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Second Applicant             | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Third Applicant              | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Guardian                     | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

#### 5 MODE OF HOLDING (Please ✓ ) Single Jointly Either / Anyone or Survivor (If no choice mode, default option : Jointly)

#### 6 BANK ACCOUNT DETAILS (Mandatory) [Refer Instruction No. C]

Bank Name (Do not abbreviate)

Account No.  Branch / City

(Please provide the full account number)

Branch Address  Pin Code

Account Type (Please ✓ )  Savings  Current  NRE  NRO  FCNR  NRSR

MICR Code\*  This is a 9 digit number next to your Cheque No. Essential Enclosures : (For Direct Credit):  Blank cancelled cheque  Copy of cheque

Only for IFSC\*  NEFT\*  RTGS\*  Code  Code  [\* indicates - Mandatory]

**Note:** It is mandatory to enclose Proof of Bank (personalised cancelled cheque leaf) where the Payment Bank Account is different from the above mentioned Bank Account details.

#### 7 PAYMENT DETAILS (Mandatory) The name of the First/Sole Applicant must be preprinted on the cheque [Refer Instruction No. C]

(i) Investment Amount (₹)  (ii) DD Charges (₹)  Net Amount (₹) (i)+(ii)

Mode of Payment (Please ✓ )  Cheque  DD  RTGS  NEFT  ECS  Funds Transfer Payment from Bank A/c. No.

\*Cheque / DD / RTGS / NEFT No.  Dated

Drawn on Bank  Branch & City

Details of the Payer (In case, the First Unitholder is not one of the Bank A/c. holder as mentioned above)

Parent/Grand Parent/related person (Not to exceed ₹ 50,000): Name

Employer: Name  Custodian: Name

Mandatory Enclosure  KYC Acknowledgement Letter &  Third Party Declaration Form

**Please enclose any one of the relevant documents as indicated below as per the Mode of Payment:** • RTGS / NEFT / ECS / Bank Transfer -  Instruction to the Bank from the Unitholder to Debit the Account. • DD / Pay order / Banker's Cheque and the like -  Declaration / Acknowledgement from Bank  Copy of Passbook / Bank Statement  Bank confirmation of Non-Resident Account Type / FIRC

\* Please mention the Application No., PAN and Name of the First Unitholder on the reverse of the Payment Instrument.

For investment related enquiries, Investor Grievance please contact:

**Principal Mutual Fund**

Exchange Plaza, 'B' Wing, Ground Floor, NSE Building, Bandra Kurla Complex, Bandra (East), Mumbai - 400 051.  
TOLL FREE: 1800 425 5600. • Fax: 022-6772 0512 • E-mail: customer@principalindia.com • Website: www.principalindia.com

**CHECK LIST :** Please ensure the following : • Application form is complete in all respects and signed by all Applicants • Bank Account details are filled • Copy of PAN card • Copy of Know Your Customer (KYC) Acknowledgement letter issued KYC Registration Agency (KRA) / printout of KYC compliance status downloaded from website of KRA, as applicable • Appropriate options are filled • To prevent fraudulent practices investor are urged to make the Payment Instruments favouring "Name of the Scheme A/c. First Investor Name" OR "Name of the Scheme A/c. Permanent Account Number" OR "Name of the Scheme A/c. Folio Number" and the same should be crossed "Account Payee Only". • If you are investing for the first time, please ensure that you fill in the contact details for us to serve you better.

**8 DEMAT ACCOUNT DETAILS (OPTIONAL) [Refer instruction No. 'B (13)']**

(Please ensure that the sequence of names as mentioned in the application form matches with that of the account held with the Depository Participant).  
In case Unit holders do not provide their Demat Account details, Units will be allotted in physical form.

|      |               |                               |                               |
|------|---------------|-------------------------------|-------------------------------|
| NSDL | DP Name _____ | DP ID _____                   | Beneficiary Account No. _____ |
| CSDL | DP Name _____ | Beneficiary Account No. _____ |                               |

**9 NOMINATION (Please ✓ and confirm the option selected) - Please Refer Instruction No. 'E'**

I/We do hereby nominate the undermentioned Nominee to receive the Units allotted to my/our credit in my/our folio in the event of my/our death. I/We also understand that all payments and settlements made to such Nominee and Signature of the Nominee acknowledging receipt thereof, shall be valid discharge by the AMC/Mutual Fund/ Trustees.

NOMINEE'S NAME  Mr.  Ms

\_\_\_\_\_

Date of Birth 

|   |   |   |   |   |   |   |   |
|---|---|---|---|---|---|---|---|
| D | D | M | M | Y | Y | Y | Y |
|---|---|---|---|---|---|---|---|

  
(in case of nominee being a minor)

NAME OF PARENT / LEGAL GUARDIAN (in case of nominee being a minor)  Mr.  Ms

\_\_\_\_\_

ADDRESS OF NOMINEE / GUARDIAN (in case of nominee being a minor)

\_\_\_\_\_

City \_\_\_\_\_ Pin Code \_\_\_\_\_

Specimen Signature of Nominee / Guardian

OR

I/We do not wish to nominate a nominee in my / our folio.

Signature of 1st Unit Holder

Signature of 2nd Unit Holder

Signature of 3rd Unit Holder

[Applicants can make multiple nomination (to the maximum of three) by filing nomination form available at our Investor Service Centres / www.principalindia.com]

**10 PRIVACY POLICY CONFIRMATION [Refer instruction No. 'H']**

I/We consent to and authorize the AMC to share all information (including without limitation personal information or sensitive personal data or information) provided by me/us for transacting in Principal Mutual Fund with any of its Associates/Group Companies, for offering their services and products. I/We confirm that I/we have read and understood "Privacy Policy" of PMF/AMC hosted on www.principalindia.com and hereby consent to and authorize AMC to collect personal information or sensitive personal data or information as defined in the "Privacy Policy" and to use all such information including without limitation personal information /sensitive personal data or information provided by me/us for extending and offering services and support requested and to share with and disclose the same to PMF/AMC's Associates/Group Companies (Affiliates), for offering their services and products. I/We also consent to disclose all such information including without limitation personal information /sensitive personal data or information provided by me/us to non-affiliated third parties such as, but not limited to, attorneys, accountants, auditors and persons or entities that are assessing our compliance with industry standards.

**11 US / NON-US PERSON DECLARATION FOR INDIVIDUAL (FATCA)#**

I/We hereby declare and agree that I am/we are not a "U.S. person" for U.S. federal income tax purposes and that I am/we are not acting for, or on behalf of a U.S. person. I/We understand that Principal Pnb Asset Management Company Pvt. Ltd., believing this statement to be true, will rely on it and act on it. In the event this statement is false, Principal Pnb Asset Management Company Pvt. Ltd. reserves the right and shall be entitled to reject the application or terminate the folio.

I/We agree to notify Principal Pnb Asset Management Company Pvt. Ltd. within 30 days of any change in my/our status as a U.S. person for the purposes of U.S. federal income tax. I/We agree to indemnify Principal Pnb Asset Management Company Pvt. Ltd. in respect of any false, misleading, inaccurate and incomplete information regarding my/our "U.S. person" status for U.S. federal income tax purposes.

I am a US Person  I am not a US Person

**12 FATCA INFORMATION / FOREIGN TAX LAWS [Refer instruction No. 'I']**

The below information is required for all applicant(s)/Guardian:

| Category   | First Applicant   | Second Applicant/Guardian   | Third Applicant   |
|--|---|---|---|
| Are you / is the entity a tax resident (i.e., are you assessed for tax) in any other country outside India   | <input type="checkbox"/> Yes <input type="checkbox"/> No                                  | <input type="checkbox"/> Yes <input type="checkbox"/> No                                  | <input type="checkbox"/> Yes <input type="checkbox"/> No                                  |
| If 'YES', Please fill for ALL countries (other than India) in which you are a resident for tax purposes i.e. when you are Citizen/Resident/Green Card Holder / Tax Resident in the respective countries and the associated Tax ID No. below. |   |   |   |
| Country of Tax Residency   |   |   |   |
| Tax Identification Number or Functional Equivalent   |   |   |   |
| Identification Type (TIN or Other, please specify)   |   |   |   |
| If TIN is not available, please (✓) the reason A, B or C (as defined below)  | → Reason <input type="checkbox"/> A <input type="checkbox"/> B <input type="checkbox"/> C | → Reason <input type="checkbox"/> A <input type="checkbox"/> B <input type="checkbox"/> C | → Reason <input type="checkbox"/> A <input type="checkbox"/> B <input type="checkbox"/> C |

> Reason A → The country where the Account Holder is liable to pay tax does not issue Tax Identification Numbers to its residents.

> Reason B → No TIN required. (Select this reason only if the authorities of the respective country of tax residence do not require the TIN to be collected)

> Reason B → Others: please state the reason thereof \_\_\_\_\_.

**Non individuals:** Please fill FATCA & CRS Declaration also. In case TIN or its functional equivalent is not available, please provide Company Identification Number or Global Entity Identification Number or GIN, etc.

In case the entity's country of Incorporation / Tax residence is U.S. but Entity is not a Specified U.S. Person, mention Entity's exemption code here: \_\_\_\_\_

(Please refer to para 3 (VII) Exemption code for U.S. persons under Part D a FATCA Instruction & Definitions

**Non Individual Investors involved / providing any of the mentioned services**

i. Is the company a Listed Company or Subsidiary of Listed Company or controlled by a Listed Company: [If No, please attach mandatory UBO declaration]  YES  NO

ii. Foreign Exchange / Money Changer Services -  YES  NO iii. Gaming / Gambling / Lottery / Casino Services -  YES  NO iv. Money Lending / Pawning -  YES  NO

**Ultimate Beneficiary Owner (UBO) Details (Refer Instruction No. F) (For Non-individual Only: UBO Declaration attached)**

Applicant is the UBO(s) of this investment (Default)  Applicant is NOT the UBO(s) of this investment

**FATCA & CRS – TERMS & CONDITIONS**

The Central Board of Direct Taxes has notified Rules 114F to 114H, as part of the Income-Tax Rules, 1962, which Rules require Indian financial institutions such as the Bank to seek additional personal, tax and beneficial owner information and certain certifications and documentation from all our account holders. In relevant cases, information will have to be reported to tax authorities/appointed agencies. Towards compliance, we may also be required to provide information to any institutions such as with holding agents for the purpose of ensuring appropriate with holding from the account or any proceeds in relations thereto.

Should there be any change in any information provided by you, please ensure you advise us promptly, i.e., within 30 days.

If any controlling person of the entity is a US citizen or resident or green card holder, please include United States in the foreign country information field along with the US Tax Identification Number.

It is a mandatory to supply a TIN or functional equivalent if the country in which you are tax resident issues such identifiers. If no TIN yet available or has not yet been issued, please provide an explanation and attach this to be form.

Please note that you may receive more than one request for information if you have multiple relationships with (Insert FI's name) or its group entities. Therefore, it is important that you respond to our request, even if you believe you have already supplied any previously requested information.

**13 FATCA & CRS DECLARATION AND CERTIFICATION** (Please consult your professional tax advisor for further guidance on FATCA & CRS classification)**I. FOR NON-INDIVIDUAL / ENTITY:**

| PART A (to be filled by Financial Institutions or Direct Reporting NFEs)   |  |
|--|--|
| 1. We are a, Financial institution <sup>3</sup> <input type="checkbox"/><br>or<br>Direct reporting NFE <sup>4</sup> <input type="checkbox"/><br>(please tick as appropriate)   | <b>Global Intermediary Identification Number (GIIN)</b> <input type="text"/><br><b>Note:</b> If you do not have a GIIN but you are sponsored by another entity, please provide your sponsor's GIIN above and indicate your sponsor's name below:<br>Name of sponsoring entity <input type="text"/><br><input type="text"/>                                 |
| <b>GIIN not available</b> (please tick as applicable) <input type="checkbox"/> <b>Applied for</b> <input type="checkbox"/><br>If the entity is a financial institution, <input type="checkbox"/> Not required to apply for - please specify 2 digits sub-category <sup>10</sup> _____ <input type="checkbox"/> Not obtained – Non-participating FI |  |
| PART B (Please fill any one as appropriate "to be filled by NFEs other than Direct Reporting NFEs")  |  |
| 1. Is the Entity a publicly traded company (that is, a company whose shares are regularly traded on an established securities market) No <input type="checkbox"/>  | Yes <input type="checkbox"/> (If yes, please specify any one stock exchange on which the stock is regularly traded)<br>Nature of Stock Exchange _____  |
| 2. Is the Entity a related entity of a publicly traded company (a company whose shares are regularly traded on an established securities market) No <input type="checkbox"/>   | Yes <input type="checkbox"/> (If yes, please specify name of the listed company and one stock exchange on which the stock is regularly traded)<br>Name of listed company _____<br>Nature of relation: <input type="checkbox"/> Subsidiary of the Listed Company or <input type="checkbox"/> Controlled by a Listed Company<br>Name of stock exchange _____ |
| 3. Is the Entity an active <sup>1</sup> Non-Financial Entity (NFE) No <input type="checkbox"/>   | Yes <input type="checkbox"/> (If yes, please fill UBO declaration in the next section.)<br>Nature of Business _____<br>Please specify the sub-category of Active NFE <input type="checkbox"/> (Mention code - refer 2c of Part D)  |
| 4. Is the Entity a passive <sup>2</sup> NFE No <input type="checkbox"/>  | Yes <input type="checkbox"/> (If yes, please fill UBO declaration in the next section.)<br>Nature of Business _____  |
| <sup>1</sup> Refer 2 of Part D   <sup>2</sup> Refer 3(ii) of Part D   <sup>3</sup> Refer 1(i) of Part D   <sup>4</sup> Refer 3(vii) of Part D  |  |

# If passive NFE, please provide below additional details for each of Controlling person. (Please attach additional sheets if necessary)

| Name and PAN / Any other Identification Number<br>(PAN, Aadhar, Election ID, Govt. ID, Driving Licence, NREGA Job Card, Others)<br>City of Birth - Country of Birth | Occupation Type - (Service, Business, Others)<br>Nationality<br>Father's Name - (Mandatory if PAN is not available) | DOB - (Date of Birth)<br>Gender (✓) - (Male, Female, Others)   |
|---|---|--|
| 1. Name & PAN: _____<br>City of Birth: _____<br>Country of Birth: _____   | Occupation Type: _____<br>Nationality: _____<br>Father's Name: _____  | DOB: ___ / ___ / ___<br>Gender: Male <input type="checkbox"/> , Female <input type="checkbox"/><br>Others <input type="checkbox"/> |
| 2. Name & PAN: _____<br>City of Birth: _____<br>Country of Birth: _____   | Occupation Type: _____<br>Nationality: _____<br>Father's Name: _____  | DOB: ___ / ___ / ___<br>Gender: Male <input type="checkbox"/> , Female <input type="checkbox"/><br>Others <input type="checkbox"/> |
| 3. Name & PAN: _____<br>City of Birth: _____<br>Country of Birth: _____   | Occupation Type: _____<br>Nationality: _____<br>Father's Name: _____  | DOB: ___ / ___ / ___<br>Gender: Male <input type="checkbox"/> , Female <input type="checkbox"/><br>Others <input type="checkbox"/> |

# Additional details to be filled by controlling persons with tax residency / permanent residency / citizenship / Green Card in any country other than India:  
 • To include US, where controlling person is a US citizen or green card holder. • In case Tax Identification Number is not available, kindly provide functional equivalent.

**II. INDIVIDUAL / NON-INDIVIDUAL DECLARATION:**

I/We have read and understood the contents of the Scheme Information Document/s to the Scheme(s) including the sections on "Prevention of Money Laundering and Know Your Customers". I / We hereby apply to the Trustees of the Principal Mutual Fund (the Mutual Fund) for units of the Scheme as indicated above ["the Scheme"] and agree to abide by the terms and conditions, of the Scheme and such other scheme(s) of the Mutual Fund [Scheme(s)] into which my/our investment may be moved pursuant to any instruction received from me/us to sweep/switch the units as applicable to my / our investment including any further transaction under the Scheme(s). I / We have not received nor have been induced by any rebate or gifts, directly or indirectly, in making this investment. I/We further declare that the amount invested by me/us in the Scheme(s) is derived through legitimate sources and is not held or designed for the purpose of contravention of any act, rules, and regulations or any statute or legislation or any other applicable laws or any notifications, directions issued by any governmental or statutory authority from time to time. I/We further confirm that I/we have the express authority from the relevant constitution to invest in the units of the Scheme and the Principal Pnb Asset Management Company Pvt. Ltd. [AMC], its Trustee and the Mutual Fund would not be responsible if the investment is ultra vires the relevant constitution. I/We further confirm that the ARN holder (Broker/Sub-Broker) has disclosed to me/us all the commissions (in the form of trail commission or any other mode), payable to him for the different competing Schemes of various Mutual Funds from amongst which the Scheme(s) has been recommended to me/us. I / We authorize AMC to reject the application, reverse the units credited, restrain me/us from making any further investment in any of the Scheme/s of Principal Mutual Fund, recover / debit my/our folio(s) with the penal interest and take any appropriate action against me/us in case the cheque(s) / payment instrument is /are returned unpaid by my/our bank for any reason whatsoever. I/We hereby further agree that AMC can directly credit all the dividend payouts and redemption amount to my / our bank account, where AMC has such arrangement with my / our Bank. I/We hereby agree for the AMC/Trustees to compulsorily redeem any Units held directly or beneficially by me/us if I/we fail to provide the information called for by the AMC / Principal Mutual Fund or if the units are found to be held in contravention of any regulatory requirements / prohibitions issued from time to time. Where, I / we have been advised this fund / scheme for investment and the investments are made in Direct Plan, I / we authorise the Mutual Fund to share my / our investment and transaction details with my / our advisor / distributor.

**Applicable to NRIs only:** I / We confirm that I am / we are Non-Residents of Indian Nationality / Origin and I / We hereby confirm that the funds for subscription have been remitted from abroad through approved banking channels or from funds in my/our Non-Residents External / Ordinary Account /FCNR Account.

**III. CERTIFICATION - INDIVIDUAL:**

I hereby confirm that the information provided hereinabove is true, correct, and complete to the best of my knowledge and belief and that I shall be solely liable and responsible for the information submitted above. I also confirm that I have read and understood the FATCA & CRS Terms and Conditions below and hereby accept the same. I also undertake to keep you informed in writing about any changes / modification to the above information in future within 30 days of the same being effective and also undertake to provide any other additional information as may be required any intermediary or by domestic or overseas regulators/ tax authorities.

**IV. CERTIFICATION - NON-INDIVIDUAL:**

I / We have understood the information requirements of this Form (read along with the FATCA & CRS Instructions) and hereby confirm that the information provided by me/us on this Form is true, correct, and complete. I / We also confirm that I / We have read and understood the FATCA & CRS Terms and Conditions below and hereby accept the same.

**V. SIGNATURE:**

|  |                                  |                                      |  |
|--|----------------------------------|--------------------------------------|--|
| Signature of 1st Applicant / POA Holder / Guardian | APPLICANT / POA HOLDER SIGNATURE | POA Name<br>PAN <input type="text"/> | Enclosed (please ✓) <input type="checkbox"/> PAN <input type="checkbox"/> KYC<br><input type="checkbox"/> Enclosed Notarised Power of Attorney |
| Signature of 2nd Applicant / POA Holder            | APPLICANT / POA HOLDER SIGNATURE | POA Name<br>PAN <input type="text"/> | Enclosed (please ✓) <input type="checkbox"/> PAN <input type="checkbox"/> KYC<br><input type="checkbox"/> Enclosed Notarised Power of Attorney |
| Signature of 3rd Applicant / POA Holder            | APPLICANT / POA HOLDER SIGNATURE | POA Name<br>PAN <input type="text"/> | Enclosed (please ✓) <input type="checkbox"/> PAN <input type="checkbox"/> KYC<br><input type="checkbox"/> Enclosed Notarised Power of Attorney |

# KEY INFORMATION MEMORANDUM & APPLICATION FORM



[Offer for units at Applicable NAV based prices]

**Investment Manager:** Principal Pnb Asset Management Company Private Ltd. (AMC),  
Exchange Plaza, 'B' Wing, Ground Floor, NSE Building, Bandra Kurla Complex, Bandra (East), Mumbai-400 051, India.

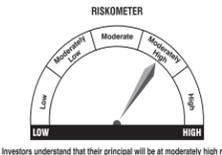
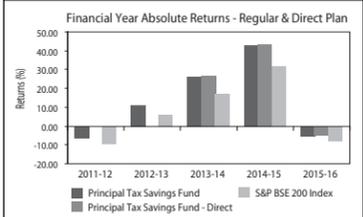
**Principal Mutual Fund:** Exchange Plaza, 'B' Wing, Ground Floor, NSE Building, Bandra Kurla Complex, Bandra (East), Mumbai-400 051, India.

This Key Information Memorandum (KIM) sets forth the information, which a prospective investor ought to know before investing. For further details of the scheme/Mutual Fund, due diligence certificate by the AMC, Key Personnel, investors' rights & services, risk factors, penalties & pending litigations etc. investors should, before investment, refer to the Scheme Information Document (SID) of the respective schemes and Statement of Additional Information (SAI) available free of cost at any of the Investor Service Centres or distributors or from the website www.principalindia.com. The aforesaid SID & SAI are to be read with the addendums, if any issued by the Fund from time to time.

The Scheme particulars have been prepared in accordance with Securities and Exchange Board of India (Mutual Funds) Regulations 1996, as amended till date, and filed with Securities and Exchange Board of India (SEBI). The units being offered for public subscription have not been approved or disapproved by SEBI, nor has SEBI certified the accuracy or adequacy of this KIM.

|  | Principal Large Cap Fund (PLCF)   | Principal Emerging Bluechip Fund (PEBF)  | Principal Personal Tax Saver Fund (PPTSF)   |           |              |      |        |  |        |           |             |  |       |      |       |                             |       |       |               |             |                 |  |  |                    |   |   |                      |                 |       |              |   |        |  |     |             |      |  |           |        |           |   |      |      |      |                     |              |             |             |  |       |              |               |  |                      |                                   |                  |                                      |                   |       |  |  |               |              |  |             |  |        |           |        |           |             |      |       |      |       |              |       |       |       |       |              |       |      |      |      |                  |       |       |       |      |
|--|---|--|---|-----------|--------------|------|--------|--|--------|-----------|-------------|--|-------|------|-------|-----------------------------|-------|-------|---------------|-------------|-----------------|--|--|--------------------|---|---|----------------------|-----------------|-------|--------------|---|--------|--|-----|-------------|------|--|-----------|--------|-----------|---|------|------|------|---------------------|--------------|-------------|-------------|--|-------|--------------|---------------|--|----------------------|-----------------------------------|------------------|--------------------------------------|-------------------|-------|--|--|---------------|--------------|--|-------------|--|--------|-----------|--------|-----------|-------------|------|-------|------|-------|--------------|-------|-------|-------|-------|--------------|-------|------|------|------|------------------|-------|-------|-------|------|
| <b>Investment Objective</b>  | To provide capital appreciation and /or dividend distribution by predominantly investing in companies having a large market capitalization.   | To achieve long-term capital appreciation by investing in equity & equity related instruments of Mid Cap & Small Cap companies.  | The investment objective of the scheme is to provide long term growth of capital. The Investment Manager will aim to achieve a return on assets in excess of the performance of S&P BSE 100 Index.  |           |              |      |        |  |        |           |             |  |       |      |       |                             |       |       |               |             |                 |  |  |                    |   |   |                      |                 |       |              |   |        |  |     |             |      |  |           |        |           |   |      |      |      |                     |              |             |             |  |       |              |               |  |                      |                                   |                  |                                      |                   |       |  |  |               |              |  |             |  |        |           |        |           |             |      |       |      |       |              |       |       |       |       |              |       |      |      |      |                  |       |       |       |      |
| <b>Type of Scheme</b>  | An Open-ended Equity Scheme   | An Open-ended Equity Scheme  | An Open-ended Equity Linked Savings Scheme  |           |              |      |        |  |        |           |             |  |       |      |       |                             |       |       |               |             |                 |  |  |                    |   |   |                      |                 |       |              |   |        |  |     |             |      |  |           |        |           |   |      |      |      |                     |              |             |             |  |       |              |               |  |                      |                                   |                  |                                      |                   |       |  |  |               |              |  |             |  |        |           |        |           |             |      |       |      |       |              |       |       |       |       |              |       |      |      |      |                  |       |       |       |      |
| <b>Product Label</b>   | <p>This product is suitable for investors who are seeking -</p> <ul style="list-style-type: none"> <li>Long term Capital Growth.</li> <li>Investment in equity &amp; equity related securities including equity derivatives of large capitalization Companies.</li> <li>Investors should consult their financial advisers if in doubt about whether the product is suitable for them.</li> </ul>  | <p>This product is suitable for investors who are seeking -</p> <ul style="list-style-type: none"> <li>Long term Capital Growth.</li> <li>Investment in equity &amp; equity related securities including equity derivatives of mid &amp; small capitalization Companies</li> <li>Investors should consult their financial advisers if in doubt about whether the product is suitable for them.</li> </ul>  | <p>This product is suitable for investors who are seeking -</p> <ul style="list-style-type: none"> <li>Long term Capital Growth with a three year lock-in.</li> <li>Investment in equity &amp; equity related securities including equity derivatives of large capitalization Companies.</li> <li>Investors should consult their financial advisers if in doubt about whether the product is suitable for them.</li> </ul>  |           |              |      |        |  |        |           |             |  |       |      |       |                             |       |       |               |             |                 |  |  |                    |   |   |                      |                 |       |              |   |        |  |     |             |      |  |           |        |           |   |      |      |      |                     |              |             |             |  |       |              |               |  |                      |                                   |                  |                                      |                   |       |  |  |               |              |  |             |  |        |           |        |           |             |      |       |      |       |              |       |       |       |       |              |       |      |      |      |                  |       |       |       |      |
| <b>Asset Allocation Pattern of the Scheme</b>  | <p>Under normal circumstances, the asset allocation would be as follows:</p> <table border="1"> <thead> <tr> <th rowspan="2">Types of Instruments</th> <th colspan="2">% of Net Assets</th> <th rowspan="2">Risk Profile</th> </tr> <tr> <th>Min.</th> <th>Max.</th> </tr> </thead> <tbody> <tr> <td>1) Large Cap Equity &amp; Equity Related Instruments<sup>\$</sup></td> <td>65%</td> <td>100%</td> <td>High</td> </tr> <tr> <td>2) Equity and Equity Related Instruments (Other than in (1) above)</td> <td>0%</td> <td>35%</td> <td>High</td> </tr> <tr> <td>3) Money Market Instruments</td> <td>0%</td> <td>30%</td> <td>Low to Medium</td> </tr> </tbody> </table> <p>The AMC reserves the right to invest in foreign securities and derivatives as follows:-</p> <table border="1"> <thead> <tr> <th>Particulars</th> <th>% of Net Assets</th> </tr> </thead> <tbody> <tr> <td>Investment in ADR/GDR and foreign securities (equity and equity related instruments)</td> <td>Not exceeding 30% of the Net Assets of the scheme (subject to a maximum limit of US \$300 million) or such other limit as specified by SEBI from time to time.</td> </tr> <tr> <td>Equity Derivatives</td> <td>Not exceeding 50% of the Net assets subject to limits as specified by SEBI from time to time.</td> </tr> </tbody> </table> | Types of Instruments   | % of Net Assets   |           | Risk Profile | Min. | Max.   | 1) Large Cap Equity & Equity Related Instruments <sup>\$</sup> | 65%    | 100%      | High        | 2) Equity and Equity Related Instruments (Other than in (1) above) | 0%    | 35%  | High  | 3) Money Market Instruments | 0%    | 30%   | Low to Medium | Particulars | % of Net Assets | Investment in ADR/GDR and foreign securities (equity and equity related instruments) | Not exceeding 30% of the Net Assets of the scheme (subject to a maximum limit of US \$300 million) or such other limit as specified by SEBI from time to time. | Equity Derivatives | Not exceeding 50% of the Net assets subject to limits as specified by SEBI from time to time. | <p>Under normal circumstances, the asset allocation would be as follows:</p> <table border="1"> <thead> <tr> <th rowspan="2">Types of Instruments</th> <th colspan="2">% of Net Assets</th> <th rowspan="2">Risk Profile</th> </tr> <tr> <th>Min.</th> <th>Max.</th> </tr> </thead> <tbody> <tr> <td>Equity &amp; Equity related instruments of Mid Cap Companies</td> <td>65%</td> <td>95%</td> <td>High</td> </tr> <tr> <td>Equity &amp; Equity related instruments of Small Cap Companies</td> <td>5%</td> <td>15%</td> <td>High</td> </tr> <tr> <td>Equity &amp; Equity related instruments of Companies other than Mid &amp; Small Cap Companies</td> <td>0%</td> <td>30%</td> <td>High</td> </tr> <tr> <td><b>Total Equity</b></td> <td><b>70%</b></td> <td><b>100%</b></td> <td><b>High</b></td> </tr> <tr> <td>Cash and Money Market / Fixed Income Securities (incl. MIBOR Linked Short Term Papers &amp; Securitised Debt*)</td> <td>0%</td> <td>30%</td> <td>Low to Medium</td> </tr> </tbody> </table> <p>*Investment in Securitised Debt may be up to 30% of the net assets of the Scheme. Subject to the SEBI Regulations, the Mutual Fund may deploy upto 50% of its total net assets of the Scheme in Stock Lending.</p> <p>Note: The Asset Management Company (AMC) reserves the right to invest in derivatives (Equity Derivatives) not exceeding 50% of the Net Assets, subject to limits specified by SEBI from time to time. The AMC further reserves the right to invest in foreign securities and derivatives subject to SEBI/RBI or any other Regulatory Authorities permitted from time to time.</p> | Types of Instruments | % of Net Assets |       | Risk Profile | Min.  | Max.   | Equity & Equity related instruments of Mid Cap Companies | 65% | 95%         | High | Equity & Equity related instruments of Small Cap Companies | 5%        | 15%    | High      | Equity & Equity related instruments of Companies other than Mid & Small Cap Companies | 0%   | 30%  | High | <b>Total Equity</b> | <b>70%</b>   | <b>100%</b> | <b>High</b> | Cash and Money Market / Fixed Income Securities (incl. MIBOR Linked Short Term Papers & Securitised Debt*) | 0%    | 30%          | Low to Medium | <p>Under normal circumstances, the asset allocation would be as follows:</p> <table border="1"> <thead> <tr> <th>Types of Instruments</th> <th>Normal Allocation % of Net Assets</th> <th>Risk Profile</th> </tr> </thead> <tbody> <tr> <td>Equity and Equity Linked Instruments</td> <td>Not less than 80%</td> <td>High</td> </tr> <tr> <td>Debt securities (*including securitised debt) and Money market instruments</td> <td>Upto 20%</td> <td>Low to Medium</td> </tr> </tbody> </table> <p>The Scheme may invest up to 50% of the net assets of the Scheme in derivatives. * Investment in Securitised Debt may be up to 20% of the net assets of the Scheme.</p> <p>The AMC further reserves the right to invest in foreign securities and derivatives subject to SEBI/RBI or any other Regulatory Authorities permitted from time to time. Subject to the SEBI Regulations, the Mutual Fund may deploy upto 40% of its total net assets of the Scheme in Stock Lending.</p> | Types of Instruments | Normal Allocation % of Net Assets | Risk Profile     | Equity and Equity Linked Instruments | Not less than 80% | High  | Debt securities (*including securitised debt) and Money market instruments | Upto 20%   | Low to Medium |              |  |             |  |        |           |        |           |             |      |       |      |       |              |       |       |       |       |              |       |      |      |      |                  |       |       |       |      |
| Types of Instruments   | % of Net Assets   |  | Risk Profile  |           |              |      |        |  |        |           |             |  |       |      |       |                             |       |       |               |             |                 |  |  |                    |   |   |                      |                 |       |              |   |        |  |     |             |      |  |           |        |           |   |      |      |      |                     |              |             |             |  |       |              |               |  |                      |                                   |                  |                                      |                   |       |  |  |               |              |  |             |  |        |           |        |           |             |      |       |      |       |              |       |       |       |       |              |       |      |      |      |                  |       |       |       |      |
|  | Min.  | Max.   |   |           |              |      |        |  |        |           |             |  |       |      |       |                             |       |       |               |             |                 |  |  |                    |   |   |                      |                 |       |              |   |        |  |     |             |      |  |           |        |           |   |      |      |      |                     |              |             |             |  |       |              |               |  |                      |                                   |                  |                                      |                   |       |  |  |               |              |  |             |  |        |           |        |           |             |      |       |      |       |              |       |       |       |       |              |       |      |      |      |                  |       |       |       |      |
| 1) Large Cap Equity & Equity Related Instruments <sup>\$</sup>   | 65%   | 100%   | High  |           |              |      |        |  |        |           |             |  |       |      |       |                             |       |       |               |             |                 |  |  |                    |   |   |                      |                 |       |              |   |        |  |     |             |      |  |           |        |           |   |      |      |      |                     |              |             |             |  |       |              |               |  |                      |                                   |                  |                                      |                   |       |  |  |               |              |  |             |  |        |           |        |           |             |      |       |      |       |              |       |       |       |       |              |       |      |      |      |                  |       |       |       |      |
| 2) Equity and Equity Related Instruments (Other than in (1) above)   | 0%  | 35%  | High  |           |              |      |        |  |        |           |             |  |       |      |       |                             |       |       |               |             |                 |  |  |                    |   |   |                      |                 |       |              |   |        |  |     |             |      |  |           |        |           |   |      |      |      |                     |              |             |             |  |       |              |               |  |                      |                                   |                  |                                      |                   |       |  |  |               |              |  |             |  |        |           |        |           |             |      |       |      |       |              |       |       |       |       |              |       |      |      |      |                  |       |       |       |      |
| 3) Money Market Instruments  | 0%  | 30%  | Low to Medium   |           |              |      |        |  |        |           |             |  |       |      |       |                             |       |       |               |             |                 |  |  |                    |   |   |                      |                 |       |              |   |        |  |     |             |      |  |           |        |           |   |      |      |      |                     |              |             |             |  |       |              |               |  |                      |                                   |                  |                                      |                   |       |  |  |               |              |  |             |  |        |           |        |           |             |      |       |      |       |              |       |       |       |       |              |       |      |      |      |                  |       |       |       |      |
| Particulars  | % of Net Assets   |  |   |           |              |      |        |  |        |           |             |  |       |      |       |                             |       |       |               |             |                 |  |  |                    |   |   |                      |                 |       |              |   |        |  |     |             |      |  |           |        |           |   |      |      |      |                     |              |             |             |  |       |              |               |  |                      |                                   |                  |                                      |                   |       |  |  |               |              |  |             |  |        |           |        |           |             |      |       |      |       |              |       |       |       |       |              |       |      |      |      |                  |       |       |       |      |
| Investment in ADR/GDR and foreign securities (equity and equity related instruments)                       | Not exceeding 30% of the Net Assets of the scheme (subject to a maximum limit of US \$300 million) or such other limit as specified by SEBI from time to time.  |  |   |           |              |      |        |  |        |           |             |  |       |      |       |                             |       |       |               |             |                 |  |  |                    |   |   |                      |                 |       |              |   |        |  |     |             |      |  |           |        |           |   |      |      |      |                     |              |             |             |  |       |              |               |  |                      |                                   |                  |                                      |                   |       |  |  |               |              |  |             |  |        |           |        |           |             |      |       |      |       |              |       |       |       |       |              |       |      |      |      |                  |       |       |       |      |
| Equity Derivatives   | Not exceeding 50% of the Net assets subject to limits as specified by SEBI from time to time.   |  |   |           |              |      |        |  |        |           |             |  |       |      |       |                             |       |       |               |             |                 |  |  |                    |   |   |                      |                 |       |              |   |        |  |     |             |      |  |           |        |           |   |      |      |      |                     |              |             |             |  |       |              |               |  |                      |                                   |                  |                                      |                   |       |  |  |               |              |  |             |  |        |           |        |           |             |      |       |      |       |              |       |       |       |       |              |       |      |      |      |                  |       |       |       |      |
| Types of Instruments   | % of Net Assets   |  | Risk Profile  |           |              |      |        |  |        |           |             |  |       |      |       |                             |       |       |               |             |                 |  |  |                    |   |   |                      |                 |       |              |   |        |  |     |             |      |  |           |        |           |   |      |      |      |                     |              |             |             |  |       |              |               |  |                      |                                   |                  |                                      |                   |       |  |  |               |              |  |             |  |        |           |        |           |             |      |       |      |       |              |       |       |       |       |              |       |      |      |      |                  |       |       |       |      |
|  | Min.  | Max.   |   |           |              |      |        |  |        |           |             |  |       |      |       |                             |       |       |               |             |                 |  |  |                    |   |   |                      |                 |       |              |   |        |  |     |             |      |  |           |        |           |   |      |      |      |                     |              |             |             |  |       |              |               |  |                      |                                   |                  |                                      |                   |       |  |  |               |              |  |             |  |        |           |        |           |             |      |       |      |       |              |       |       |       |       |              |       |      |      |      |                  |       |       |       |      |
| Equity & Equity related instruments of Mid Cap Companies   | 65%   | 95%  | High  |           |              |      |        |  |        |           |             |  |       |      |       |                             |       |       |               |             |                 |  |  |                    |   |   |                      |                 |       |              |   |        |  |     |             |      |  |           |        |           |   |      |      |      |                     |              |             |             |  |       |              |               |  |                      |                                   |                  |                                      |                   |       |  |  |               |              |  |             |  |        |           |        |           |             |      |       |      |       |              |       |       |       |       |              |       |      |      |      |                  |       |       |       |      |
| Equity & Equity related instruments of Small Cap Companies   | 5%  | 15%  | High  |           |              |      |        |  |        |           |             |  |       |      |       |                             |       |       |               |             |                 |  |  |                    |   |   |                      |                 |       |              |   |        |  |     |             |      |  |           |        |           |   |      |      |      |                     |              |             |             |  |       |              |               |  |                      |                                   |                  |                                      |                   |       |  |  |               |              |  |             |  |        |           |        |           |             |      |       |      |       |              |       |       |       |       |              |       |      |      |      |                  |       |       |       |      |
| Equity & Equity related instruments of Companies other than Mid & Small Cap Companies                      | 0%  | 30%  | High  |           |              |      |        |  |        |           |             |  |       |      |       |                             |       |       |               |             |                 |  |  |                    |   |   |                      |                 |       |              |   |        |  |     |             |      |  |           |        |           |   |      |      |      |                     |              |             |             |  |       |              |               |  |                      |                                   |                  |                                      |                   |       |  |  |               |              |  |             |  |        |           |        |           |             |      |       |      |       |              |       |       |       |       |              |       |      |      |      |                  |       |       |       |      |
| <b>Total Equity</b>  | <b>70%</b>  | <b>100%</b>  | <b>High</b>   |           |              |      |        |  |        |           |             |  |       |      |       |                             |       |       |               |             |                 |  |  |                    |   |   |                      |                 |       |              |   |        |  |     |             |      |  |           |        |           |   |      |      |      |                     |              |             |             |  |       |              |               |  |                      |                                   |                  |                                      |                   |       |  |  |               |              |  |             |  |        |           |        |           |             |      |       |      |       |              |       |       |       |       |              |       |      |      |      |                  |       |       |       |      |
| Cash and Money Market / Fixed Income Securities (incl. MIBOR Linked Short Term Papers & Securitised Debt*) | 0%  | 30%  | Low to Medium   |           |              |      |        |  |        |           |             |  |       |      |       |                             |       |       |               |             |                 |  |  |                    |   |   |                      |                 |       |              |   |        |  |     |             |      |  |           |        |           |   |      |      |      |                     |              |             |             |  |       |              |               |  |                      |                                   |                  |                                      |                   |       |  |  |               |              |  |             |  |        |           |        |           |             |      |       |      |       |              |       |       |       |       |              |       |      |      |      |                  |       |       |       |      |
| Types of Instruments   | Normal Allocation % of Net Assets   | Risk Profile   |   |           |              |      |        |  |        |           |             |  |       |      |       |                             |       |       |               |             |                 |  |  |                    |   |   |                      |                 |       |              |   |        |  |     |             |      |  |           |        |           |   |      |      |      |                     |              |             |             |  |       |              |               |  |                      |                                   |                  |                                      |                   |       |  |  |               |              |  |             |  |        |           |        |           |             |      |       |      |       |              |       |       |       |       |              |       |      |      |      |                  |       |       |       |      |
| Equity and Equity Linked Instruments   | Not less than 80%   | High   |   |           |              |      |        |  |        |           |             |  |       |      |       |                             |       |       |               |             |                 |  |  |                    |   |   |                      |                 |       |              |   |        |  |     |             |      |  |           |        |           |   |      |      |      |                     |              |             |             |  |       |              |               |  |                      |                                   |                  |                                      |                   |       |  |  |               |              |  |             |  |        |           |        |           |             |      |       |      |       |              |       |       |       |       |              |       |      |      |      |                  |       |       |       |      |
| Debt securities (*including securitised debt) and Money market instruments                                 | Upto 20%  | Low to Medium  |   |           |              |      |        |  |        |           |             |  |       |      |       |                             |       |       |               |             |                 |  |  |                    |   |   |                      |                 |       |              |   |        |  |     |             |      |  |           |        |           |   |      |      |      |                     |              |             |             |  |       |              |               |  |                      |                                   |                  |                                      |                   |       |  |  |               |              |  |             |  |        |           |        |           |             |      |       |      |       |              |       |       |       |       |              |       |      |      |      |                  |       |       |       |      |
| <b>Risk Profile of the Scheme</b>  | Mutual Fund Units involve investment risks including the possible loss of principal. Please read the Scheme Information Document (SID) carefully for details on risk factors before investment. Scheme specific Risk Factors are summarized below: \$\$   |  |   |           |              |      |        |  |        |           |             |  |       |      |       |                             |       |       |               |             |                 |  |  |                    |   |   |                      |                 |       |              |   |        |  |     |             |      |  |           |        |           |   |      |      |      |                     |              |             |             |  |       |              |               |  |                      |                                   |                  |                                      |                   |       |  |  |               |              |  |             |  |        |           |        |           |             |      |       |      |       |              |       |       |       |       |              |       |      |      |      |                  |       |       |       |      |
| <b>Investment Plans &amp; Options</b>  | Regular Plan & Direct Plan. Both the Plans offer Growth & Half Yearly Dividend Option. Half Yearly Dividend Option under both the Plans offers facility of Payout, Reinvestment and Sweep.  | Regular Plan and Direct Plan. Both the Plan do not have any options at present.  |   |           |              |      |        |  |        |           |             |  |       |      |       |                             |       |       |               |             |                 |  |  |                    |   |   |                      |                 |       |              |   |        |  |     |             |      |  |           |        |           |   |      |      |      |                     |              |             |             |  |       |              |               |  |                      |                                   |                  |                                      |                   |       |  |  |               |              |  |             |  |        |           |        |           |             |      |       |      |       |              |       |       |       |       |              |       |      |      |      |                  |       |       |       |      |
| <b>Applicable NAV</b>  | ++  |  |   |           |              |      |        |  |        |           |             |  |       |      |       |                             |       |       |               |             |                 |  |  |                    |   |   |                      |                 |       |              |   |        |  |     |             |      |  |           |        |           |   |      |      |      |                     |              |             |             |  |       |              |               |  |                      |                                   |                  |                                      |                   |       |  |  |               |              |  |             |  |        |           |        |           |             |      |       |      |       |              |       |       |       |       |              |       |      |      |      |                  |       |       |       |      |
| <b>Minimum Application Amount / Number of Units</b>  | <ul style="list-style-type: none"> <li>Purchase: ₹ 5,000 and any amount thereafter under each option.</li> <li>Additional Purchase: ₹ 1,000 and any amount thereafter under each option.</li> <li>Repurchase: ₹ 500 or 50 units.</li> </ul>   | <ul style="list-style-type: none"> <li>Purchase: ₹ 500 and any amount thereafter.</li> <li>Additional Purchase: ₹ 500 and any amount thereafter.</li> <li>Repurchase: ₹ 500 or 50 units.</li> </ul>  |   |           |              |      |        |  |        |           |             |  |       |      |       |                             |       |       |               |             |                 |  |  |                    |   |   |                      |                 |       |              |   |        |  |     |             |      |  |           |        |           |   |      |      |      |                     |              |             |             |  |       |              |               |  |                      |                                   |                  |                                      |                   |       |  |  |               |              |  |             |  |        |           |        |           |             |      |       |      |       |              |       |       |       |       |              |       |      |      |      |                  |       |       |       |      |
| <b>Despatch of Repurchase (Redemption) Request</b>   | Within 10 business days of the receipt of the redemption request at the Official Points of Acceptance of the Principal Mutual Fund.   |  |   |           |              |      |        |  |        |           |             |  |       |      |       |                             |       |       |               |             |                 |  |  |                    |   |   |                      |                 |       |              |   |        |  |     |             |      |  |           |        |           |   |      |      |      |                     |              |             |             |  |       |              |               |  |                      |                                   |                  |                                      |                   |       |  |  |               |              |  |             |  |        |           |        |           |             |      |       |      |       |              |       |       |       |       |              |       |      |      |      |                  |       |       |       |      |
| <b>Investment Strategy</b>   | @   |  |   |           |              |      |        |  |        |           |             |  |       |      |       |                             |       |       |               |             |                 |  |  |                    |   |   |                      |                 |       |              |   |        |  |     |             |      |  |           |        |           |   |      |      |      |                     |              |             |             |  |       |              |               |  |                      |                                   |                  |                                      |                   |       |  |  |               |              |  |             |  |        |           |        |           |             |      |       |      |       |              |       |       |       |       |              |       |      |      |      |                  |       |       |       |      |
| <b>Risk Mitigation Factors</b>   | @@  |  |   |           |              |      |        |  |        |           |             |  |       |      |       |                             |       |       |               |             |                 |  |  |                    |   |   |                      |                 |       |              |   |        |  |     |             |      |  |           |        |           |   |      |      |      |                     |              |             |             |  |       |              |               |  |                      |                                   |                  |                                      |                   |       |  |  |               |              |  |             |  |        |           |        |           |             |      |       |      |       |              |       |       |       |       |              |       |      |      |      |                  |       |       |       |      |
| <b>Comparison of open-ended schemes</b>  | The intent of Principal Large Cap Fund is to predominantly invest in Companies with large market capitalization and to build a portfolio with an endeavour to provide growth combined with relative stability associated with Large Cap stocks. Amongst all the open ended equity schemes, this is the only scheme with an investment mandate specifically directed towards large caps.   | Amongst the basket of open ended equity schemes, this scheme is primarily focused towards midcap stocks. The scheme will predominantly seek to invest in midcap stocks within the market cap range of its benchmark Nifty Free Float Midcap 100 Index. However such stock may or may not be a constituent of Nifty Free Float Midcap 100 Index at the time of investment. This midcap range will be determined taking into account the market cap range of the benchmark index at the end of every calendar quarter. Apart from the above, the scheme will seek to invest in small cap stocks to tap high growth opportunities offered by these stocks. This is the only scheme with a specific investment mandate directed towards investment in the companies within market cap range of its benchmark with a quarterly review of the benchmark market cap range for investment decisions for the following quarter. | The scheme was initially launched by Sun F&C Mutual Fund and subsequent to requisite approvals certain select schemes of Sun F&C Mutual Fund - including this scheme - were taken over and migrated into Principal Mutual Fund. This scheme being is an open ended equity linked savings scheme provides an opportunity to investors to claim tax benefit under section 80C of the Income Tax Act, 1961. Investments in the scheme are subject to a statutory lock in of 3 years. |           |              |      |        |  |        |           |             |  |       |      |       |                             |       |       |               |             |                 |  |  |                    |   |   |                      |                 |       |              |   |        |  |     |             |      |  |           |        |           |   |      |      |      |                     |              |             |             |  |       |              |               |  |                      |                                   |                  |                                      |                   |       |  |  |               |              |  |             |  |        |           |        |           |             |      |       |      |       |              |       |       |       |       |              |       |      |      |      |                  |       |       |       |      |
| <b>Dividend Policy</b>   | Under Dividend Option, dividend will be declared subject to availability of distributable surplus and at discretion of AMC / Trustee. The undistributed portion of the income will remain in the Option and be reflected in the NAV, on an ongoing basis. The Trustee's decision with regard to availability and adequacy, rate, timing and frequency of distribution of dividend shall be final.   |  |   |           |              |      |        |  |        |           |             |  |       |      |       |                             |       |       |               |             |                 |  |  |                    |   |   |                      |                 |       |              |   |        |  |     |             |      |  |           |        |           |   |      |      |      |                     |              |             |             |  |       |              |               |  |                      |                                   |                  |                                      |                   |       |  |  |               |              |  |             |  |        |           |        |           |             |      |       |      |       |              |       |       |       |       |              |       |      |      |      |                  |       |       |       |      |
| <b>Benchmark Index</b>   | S&P BSE 100 Index   | Nifty Free Float Midcap 100 Index  | S&P BSE 100 Index   |           |              |      |        |  |        |           |             |  |       |      |       |                             |       |       |               |             |                 |  |  |                    |   |   |                      |                 |       |              |   |        |  |     |             |      |  |           |        |           |   |      |      |      |                     |              |             |             |  |       |              |               |  |                      |                                   |                  |                                      |                   |       |  |  |               |              |  |             |  |        |           |        |           |             |      |       |      |       |              |       |       |       |       |              |       |      |      |      |                  |       |       |       |      |
| <b>Folio Count &amp; AUM (As on June 30, 2016)</b>   | Folio - 41,984 • AUM - ₹ 294.24 Crores  | Folio - 62,872 • AUM - ₹ 552.47 Crores   | Folio - 112,738 • AUM - ₹ 314.13 Crores   |           |              |      |        |  |        |           |             |  |       |      |       |                             |       |       |               |             |                 |  |  |                    |   |   |                      |                 |       |              |   |        |  |     |             |      |  |           |        |           |   |      |      |      |                     |              |             |             |  |       |              |               |  |                      |                                   |                  |                                      |                   |       |  |  |               |              |  |             |  |        |           |        |           |             |      |       |      |       |              |       |       |       |       |              |       |      |      |      |                  |       |       |       |      |
| <b>Fund Manager &amp; Managing the Current Fund from</b>   | Mr. Anupam Tiwari - July 2011 (Tenure of the Fund Manager - 5 years)  | Mr. Dhimant Shah - June 2011 (Tenure of the Fund Manager - 5 years 1 month)  | Mr. Anupam Tiwari - July 2011 (Tenure of the Fund Manager - 5 years)  |           |              |      |        |  |        |           |             |  |       |      |       |                             |       |       |               |             |                 |  |  |                    |   |   |                      |                 |       |              |   |        |  |     |             |      |  |           |        |           |   |      |      |      |                     |              |             |             |  |       |              |               |  |                      |                                   |                  |                                      |                   |       |  |  |               |              |  |             |  |        |           |        |           |             |      |       |      |       |              |       |       |       |       |              |       |      |      |      |                  |       |       |       |      |
| <b>Total Investment Experience</b>   | 11 years  | 24 years   | 11 years  |           |              |      |        |  |        |           |             |  |       |      |       |                             |       |       |               |             |                 |  |  |                    |   |   |                      |                 |       |              |   |        |  |     |             |      |  |           |        |           |   |      |      |      |                     |              |             |             |  |       |              |               |  |                      |                                   |                  |                                      |                   |       |  |  |               |              |  |             |  |        |           |        |           |             |      |       |      |       |              |       |       |       |       |              |       |      |      |      |                  |       |       |       |      |
| <b>Name of the Trustee Company</b>   | Principal Trustee Company Private Limited   |  |   |           |              |      |        |  |        |           |             |  |       |      |       |                             |       |       |               |             |                 |  |  |                    |   |   |                      |                 |       |              |   |        |  |     |             |      |  |           |        |           |   |      |      |      |                     |              |             |             |  |       |              |               |  |                      |                                   |                  |                                      |                   |       |  |  |               |              |  |             |  |        |           |        |           |             |      |       |      |       |              |       |       |       |       |              |       |      |      |      |                  |       |       |       |      |
| <b>Performance of the scheme :</b>   | <p>Returns (%) of Growth Option under Regular Plan and Direct Plan as at June 30, 2016</p> <table border="1"> <thead> <tr> <th rowspan="2">Period</th> <th colspan="2">Regular Plan</th> <th colspan="2">Direct Plan</th> </tr> <tr> <th>Scheme</th> <th>Benchmark</th> <th>Scheme</th> <th>Benchmark</th> </tr> </thead> <tbody> <tr> <td>Last 1 Year</td> <td>1.66</td> <td>-0.40</td> <td>2.40</td> <td>-0.40</td> </tr> <tr> <td>Last 3 Years</td> <td>18.60</td> <td>13.22</td> <td>19.34</td> <td>13.22</td> </tr> <tr> <td>Last 5 Years</td> <td>10.65</td> <td>8.18</td> <td>N.A.</td> <td>N.A.</td> </tr> <tr> <td>Since Inception*</td> <td>15.67</td> <td>11.72</td> <td>13.19</td> <td>9.84</td> </tr> </tbody> </table> <p>* Regular Plan - November 11, 2005 Direct Plan - January 2, 2013<br/>Note: Returns more than 1 year are calculated on compounded annualised basis.<br/>Absolute Returns for each financial year for the last 5 years</p> <p>Past performance may or may not be sustained in the future.</p>   | Period   | Regular Plan  |           | Direct Plan  |      | Scheme | Benchmark  | Scheme | Benchmark | Last 1 Year | 1.66   | -0.40 | 2.40 | -0.40 | Last 3 Years                | 18.60 | 13.22 | 19.34         | 13.22       | Last 5 Years    | 10.65  | 8.18   | N.A.               | N.A.  | Since Inception*  | 15.67                | 11.72           | 13.19 | 9.84         | <p>Returns (%) of Growth Option under Regular Plan and Direct Plan as at June 30, 2016</p> <table border="1"> <thead> <tr> <th rowspan="2">Period</th> <th colspan="2">Regular Plan</th> <th colspan="2">Direct Plan</th> </tr> <tr> <th>Scheme</th> <th>Benchmark</th> <th>Scheme</th> <th>Benchmark</th> </tr> </thead> <tbody> <tr> <td>Last 1 Year</td> <td>6.01</td> <td>6.18</td> <td>7.04</td> <td>6.18</td> </tr> <tr> <td>Last 3 Years</td> <td>32.45</td> <td>23.39</td> <td>33.46</td> <td>23.39</td> </tr> <tr> <td>Last 5 Years</td> <td>20.71</td> <td>11.61</td> <td>N.A.</td> <td>N.A.</td> </tr> <tr> <td>Since Inception*</td> <td>29.65</td> <td>19.00</td> <td>24.76</td> <td>14.41</td> </tr> </tbody> </table> <p>* Regular Plan - November 12, 2008 Direct Plan - January 2, 2013<br/>Note: Returns more than 1 year are calculated on compounded annualised basis.<br/>Absolute Returns for each financial year for the last 5 years</p> <p>Past performance may or may not be sustained in the future.</p> | Period | Regular Plan   |     | Direct Plan |      | Scheme   | Benchmark | Scheme | Benchmark | Last 1 Year   | 6.01 | 6.18 | 7.04 | 6.18                | Last 3 Years | 32.45       | 23.39       | 33.46  | 23.39 | Last 5 Years | 20.71         | 11.61  | N.A.                 | N.A.                              | Since Inception* | 29.65                                | 19.00             | 24.76 | 14.41  | <p>Returns (%) of Regular Plan and Direct Plan as at June 30, 2016</p> <table border="1"> <thead> <tr> <th rowspan="2">Period</th> <th colspan="2">Regular Plan</th> <th colspan="2">Direct Plan</th> </tr> <tr> <th>Scheme</th> <th>Benchmark</th> <th>Scheme</th> <th>Benchmark</th> </tr> </thead> <tbody> <tr> <td>Last 1 Year</td> <td>1.46</td> <td>-0.40</td> <td>2.12</td> <td>-0.40</td> </tr> <tr> <td>Last 3 Years</td> <td>18.65</td> <td>13.22</td> <td>19.35</td> <td>13.22</td> </tr> <tr> <td>Last 5 Years</td> <td>10.43</td> <td>8.18</td> <td>N.A.</td> <td>N.A.</td> </tr> <tr> <td>Since Inception*</td> <td>20.79</td> <td>11.68</td> <td>13.22</td> <td>9.84</td> </tr> </tbody> </table> <p>* Regular Plan - March 31, 1996 Direct Plan - January 2, 2013<br/>Note: Returns more than 1 year are calculated on compounded annualised basis assuming that all payouts have been reinvested at the then prevailing NAV.<br/>Absolute Returns for each financial year for the last 5 years</p> <p>Past performance may or may not be sustained in the future.</p> | Period        | Regular Plan |  | Direct Plan |  | Scheme | Benchmark | Scheme | Benchmark | Last 1 Year | 1.46 | -0.40 | 2.12 | -0.40 | Last 3 Years | 18.65 | 13.22 | 19.35 | 13.22 | Last 5 Years | 10.43 | 8.18 | N.A. | N.A. | Since Inception* | 20.79 | 11.68 | 13.22 | 9.84 |
| Period   | Regular Plan  |  | Direct Plan   |           |              |      |        |  |        |           |             |  |       |      |       |                             |       |       |               |             |                 |  |  |                    |   |   |                      |                 |       |              |   |        |  |     |             |      |  |           |        |           |   |      |      |      |                     |              |             |             |  |       |              |               |  |                      |                                   |                  |                                      |                   |       |  |  |               |              |  |             |  |        |           |        |           |             |      |       |      |       |              |       |       |       |       |              |       |      |      |      |                  |       |       |       |      |
|  | Scheme  | Benchmark  | Scheme  | Benchmark |              |      |        |  |        |           |             |  |       |      |       |                             |       |       |               |             |                 |  |  |                    |   |   |                      |                 |       |              |   |        |  |     |             |      |  |           |        |           |   |      |      |      |                     |              |             |             |  |       |              |               |  |                      |                                   |                  |                                      |                   |       |  |  |               |              |  |             |  |        |           |        |           |             |      |       |      |       |              |       |       |       |       |              |       |      |      |      |                  |       |       |       |      |
| Last 1 Year  | 1.66  | -0.40  | 2.40  | -0.40     |              |      |        |  |        |           |             |  |       |      |       |                             |       |       |               |             |                 |  |  |                    |   |   |                      |                 |       |              |   |        |  |     |             |      |  |           |        |           |   |      |      |      |                     |              |             |             |  |       |              |               |  |                      |                                   |                  |                                      |                   |       |  |  |               |              |  |             |  |        |           |        |           |             |      |       |      |       |              |       |       |       |       |              |       |      |      |      |                  |       |       |       |      |
| Last 3 Years   | 18.60   | 13.22  | 19.34   | 13.22     |              |      |        |  |        |           |             |  |       |      |       |                             |       |       |               |             |                 |  |  |                    |   |   |                      |                 |       |              |   |        |  |     |             |      |  |           |        |           |   |      |      |      |                     |              |             |             |  |       |              |               |  |                      |                                   |                  |                                      |                   |       |  |  |               |              |  |             |  |        |           |        |           |             |      |       |      |       |              |       |       |       |       |              |       |      |      |      |                  |       |       |       |      |
| Last 5 Years   | 10.65   | 8.18   | N.A.  | N.A.      |              |      |        |  |        |           |             |  |       |      |       |                             |       |       |               |             |                 |  |  |                    |   |   |                      |                 |       |              |   |        |  |     |             |      |  |           |        |           |   |      |      |      |                     |              |             |             |  |       |              |               |  |                      |                                   |                  |                                      |                   |       |  |  |               |              |  |             |  |        |           |        |           |             |      |       |      |       |              |       |       |       |       |              |       |      |      |      |                  |       |       |       |      |
| Since Inception*   | 15.67   | 11.72  | 13.19   | 9.84      |              |      |        |  |        |           |             |  |       |      |       |                             |       |       |               |             |                 |  |  |                    |   |   |                      |                 |       |              |   |        |  |     |             |      |  |           |        |           |   |      |      |      |                     |              |             |             |  |       |              |               |  |                      |                                   |                  |                                      |                   |       |  |  |               |              |  |             |  |        |           |        |           |             |      |       |      |       |              |       |       |       |       |              |       |      |      |      |                  |       |       |       |      |
| Period   | Regular Plan  |  | Direct Plan   |           |              |      |        |  |        |           |             |  |       |      |       |                             |       |       |               |             |                 |  |  |                    |   |   |                      |                 |       |              |   |        |  |     |             |      |  |           |        |           |   |      |      |      |                     |              |             |             |  |       |              |               |  |                      |                                   |                  |                                      |                   |       |  |  |               |              |  |             |  |        |           |        |           |             |      |       |      |       |              |       |       |       |       |              |       |      |      |      |                  |       |       |       |      |
|  | Scheme  | Benchmark  | Scheme  | Benchmark |              |      |        |  |        |           |             |  |       |      |       |                             |       |       |               |             |                 |  |  |                    |   |   |                      |                 |       |              |   |        |  |     |             |      |  |           |        |           |   |      |      |      |                     |              |             |             |  |       |              |               |  |                      |                                   |                  |                                      |                   |       |  |  |               |              |  |             |  |        |           |        |           |             |      |       |      |       |              |       |       |       |       |              |       |      |      |      |                  |       |       |       |      |
| Last 1 Year  | 6.01  | 6.18   | 7.04  | 6.18      |              |      |        |  |        |           |             |  |       |      |       |                             |       |       |               |             |                 |  |  |                    |   |   |                      |                 |       |              |   |        |  |     |             |      |  |           |        |           |   |      |      |      |                     |              |             |             |  |       |              |               |  |                      |                                   |                  |                                      |                   |       |  |  |               |              |  |             |  |        |           |        |           |             |      |       |      |       |              |       |       |       |       |              |       |      |      |      |                  |       |       |       |      |
| Last 3 Years   | 32.45   | 23.39  | 33.46   | 23.39     |              |      |        |  |        |           |             |  |       |      |       |                             |       |       |               |             |                 |  |  |                    |   |   |                      |                 |       |              |   |        |  |     |             |      |  |           |        |           |   |      |      |      |                     |              |             |             |  |       |              |               |  |                      |                                   |                  |                                      |                   |       |  |  |               |              |  |             |  |        |           |        |           |             |      |       |      |       |              |       |       |       |       |              |       |      |      |      |                  |       |       |       |      |
| Last 5 Years   | 20.71   | 11.61  | N.A.  | N.A.      |              |      |        |  |        |           |             |  |       |      |       |                             |       |       |               |             |                 |  |  |                    |   |   |                      |                 |       |              |   |        |  |     |             |      |  |           |        |           |   |      |      |      |                     |              |             |             |  |       |              |               |  |                      |                                   |                  |                                      |                   |       |  |  |               |              |  |             |  |        |           |        |           |             |      |       |      |       |              |       |       |       |       |              |       |      |      |      |                  |       |       |       |      |
| Since Inception*   | 29.65   | 19.00  | 24.76   | 14.41     |              |      |        |  |        |           |             |  |       |      |       |                             |       |       |               |             |                 |  |  |                    |   |   |                      |                 |       |              |   |        |  |     |             |      |  |           |        |           |   |      |      |      |                     |              |             |             |  |       |              |               |  |                      |                                   |                  |                                      |                   |       |  |  |               |              |  |             |  |        |           |        |           |             |      |       |      |       |              |       |       |       |       |              |       |      |      |      |                  |       |       |       |      |
| Period   | Regular Plan  |  | Direct Plan   |           |              |      |        |  |        |           |             |  |       |      |       |                             |       |       |               |             |                 |  |  |                    |   |   |                      |                 |       |              |   |        |  |     |             |      |  |           |        |           |   |      |      |      |                     |              |             |             |  |       |              |               |  |                      |                                   |                  |                                      |                   |       |  |  |               |              |  |             |  |        |           |        |           |             |      |       |      |       |              |       |       |       |       |              |       |      |      |      |                  |       |       |       |      |
|  | Scheme  | Benchmark  | Scheme  | Benchmark |              |      |        |  |        |           |             |  |       |      |       |                             |       |       |               |             |                 |  |  |                    |   |   |                      |                 |       |              |   |        |  |     |             |      |  |           |        |           |   |      |      |      |                     |              |             |             |  |       |              |               |  |                      |                                   |                  |                                      |                   |       |  |  |               |              |  |             |  |        |           |        |           |             |      |       |      |       |              |       |       |       |       |              |       |      |      |      |                  |       |       |       |      |
| Last 1 Year  | 1.46  | -0.40  | 2.12  | -0.40     |              |      |        |  |        |           |             |  |       |      |       |                             |       |       |               |             |                 |  |  |                    |   |   |                      |                 |       |              |   |        |  |     |             |      |  |           |        |           |   |      |      |      |                     |              |             |             |  |       |              |               |  |                      |                                   |                  |                                      |                   |       |  |  |               |              |  |             |  |        |           |        |           |             |      |       |      |       |              |       |       |       |       |              |       |      |      |      |                  |       |       |       |      |
| Last 3 Years   | 18.65   | 13.22  | 19.35   | 13.22     |              |      |        |  |        |           |             |  |       |      |       |                             |       |       |               |             |                 |  |  |                    |   |   |                      |                 |       |              |   |        |  |     |             |      |  |           |        |           |   |      |      |      |                     |              |             |             |  |       |              |               |  |                      |                                   |                  |                                      |                   |       |  |  |               |              |  |             |  |        |           |        |           |             |      |       |      |       |              |       |       |       |       |              |       |      |      |      |                  |       |       |       |      |
| Last 5 Years   | 10.43   | 8.18   | N.A.  | N.A.      |              |      |        |  |        |           |             |  |       |      |       |                             |       |       |               |             |                 |  |  |                    |   |   |                      |                 |       |              |   |        |  |     |             |      |  |           |        |           |   |      |      |      |                     |              |             |             |  |       |              |               |  |                      |                                   |                  |                                      |                   |       |  |  |               |              |  |             |  |        |           |        |           |             |      |       |      |       |              |       |       |       |       |              |       |      |      |      |                  |       |       |       |      |
| Since Inception*   | 20.79   | 11.68  | 13.22   | 9.84      |              |      |        |  |        |           |             |  |       |      |       |                             |       |       |               |             |                 |  |  |                    |   |   |                      |                 |       |              |   |        |  |     |             |      |  |           |        |           |   |      |      |      |                     |              |             |             |  |       |              |               |  |                      |                                   |                  |                                      |                   |       |  |  |               |              |  |             |  |        |           |        |           |             |      |       |      |       |              |       |       |       |       |              |       |      |      |      |                  |       |       |       |      |
| <b>Expenses of the Scheme</b>  | <p>(i) Load Structure:<br/>Exit Load: If redeemed on or before 1 Year from the date of allotment - 1%.</p> <p>(ii) Annual Recurring expenses as a percentage of Daily Net Assets: Regular Plan - • First ₹ 100 crores - 2.50 • Next ₹ 300 crores - 2.25 • Next ₹ 300 crores - 2.00 • Balance - 1.75.<br/>Direct Plan shall have a lower expense ratio excluding distribution expenses, commission, etc and no commission for distribution of Units will be paid / charged under the Direct Plan.</p> <p>(iii) Actual expenses for the previous financial year 2015-2016: Regular Plan: • PLCF - 2.80% • PEBF - 2.75% • PPTSF - 2.72% Direct Plan: • PLCF - 2.10% • PEBF - 1.77% • PPTSF - 2.07%</p>   | <p>(i) Load Structure:<br/>Exit Load: If redeemed on or before 1 Year from the date of allotment - 1%.</p> <p>(ii) Load Structure:<br/>Exit Load: Nil</p>  |   |           |              |      |        |  |        |           |             |  |       |      |       |                             |       |       |               |             |                 |  |  |                    |   |   |                      |                 |       |              |   |        |  |     |             |      |  |           |        |           |   |      |      |      |                     |              |             |             |  |       |              |               |  |                      |                                   |                  |                                      |                   |       |  |  |               |              |  |             |  |        |           |        |           |             |      |       |      |       |              |       |       |       |       |              |       |      |      |      |                  |       |       |       |      |
| <b>Waiver of Load for Direct Appln.</b>  | Not applicable. Pursuant to SEBI circular no. SEBI/IMD/CIR No. 4/ 168230/09 dated June 30, 2009 no entry load shall be charged for all Mutual Fund Scheme(s). Therefore, the procedure for waiver of load for direct applications is no longer applicable.  |  |   |           |              |      |        |  |        |           |             |  |       |      |       |                             |       |       |               |             |                 |  |  |                    |   |   |                      |                 |       |              |   |        |  |     |             |      |  |           |        |           |   |      |      |      |                     |              |             |             |  |       |              |               |  |                      |                                   |                  |                                      |                   |       |  |  |               |              |  |             |  |        |           |        |           |             |      |       |      |       |              |       |       |       |       |              |       |      |      |      |                  |       |       |       |      |

\$ For the purpose of this Fund, Large Cap Companies are defined as those having market capitalization greater than ₹ 750 crore as on the date of investment (or any such amount as may be specified by India Index Services and Products Limited (IISL) from time to time) being the upper limit of market capitalization as a criteria for inclusion of a company in Nifty Free Float Midcap 100 Index. However, should IISL come out with a definition of 'Large Cap companies', the same will be utilized.

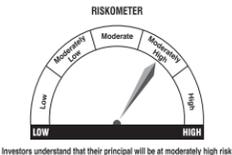
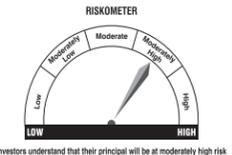
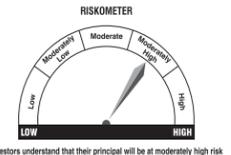
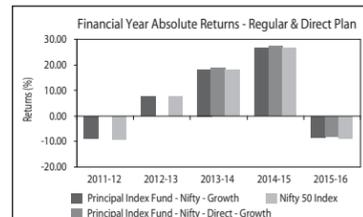
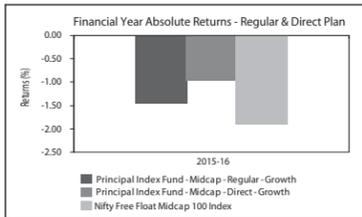
|  | Principal Tax Savings Fund (PTSF)  | Principal SMART Equity Fund (PSEF)   | Principal Growth Fund (PGF)   |              |                                      |                   |        |  |          |               |  |                      |                                   |              |  |              |                |  |            |               |   |                      |                 |      |              |                  |       |                                       |       |       |  |   |              |     |               |  |        |           |        |           |             |      |      |      |      |              |       |       |       |       |              |       |      |      |      |                  |       |      |       |      |  |        |              |  |             |  |        |           |        |           |             |      |      |      |      |              |       |       |       |       |              |       |      |      |      |                  |       |       |       |       |
|--|--|--|---|--------------|--------------------------------------|-------------------|--------|--|----------|---------------|--|----------------------|-----------------------------------|--------------|--|--------------|----------------|--|------------|---------------|---|----------------------|-----------------|------|--------------|------------------|-------|---------------------------------------|-------|-------|--|---|--------------|-----|---------------|--|--------|-----------|--------|-----------|-------------|------|------|------|------|--------------|-------|-------|-------|-------|--------------|-------|------|------|------|------------------|-------|------|-------|------|--|--------|--------------|--|-------------|--|--------|-----------|--------|-----------|-------------|------|------|------|------|--------------|-------|-------|-------|-------|--------------|-------|------|------|------|------------------|-------|-------|-------|-------|
| <b>Investment Objective</b>  | To build a high quality growth-oriented portfolio to provide long-term capital gains to the investors. The scheme aims at providing returns through capital appreciation.  | The primary objective of the scheme is to seek to generate long term capital appreciation with relatively lower volatility through systematic allocation of funds into equity; and in debt /money market instruments for defensive purposes. The Scheme will decide on allocation of funds into equity assets based on equity market Price Earning Ratio (PE Ratio) levels. When the markets become expensive in terms of 'Price to Earnings' Ratio; the Scheme will reduce its allocation to equities and move assets into debt and/or money market instruments and vice versa.   | To achieve long term capital appreciation.  |              |                                      |                   |        |  |          |               |  |                      |                                   |              |  |              |                |  |            |               |   |                      |                 |      |              |                  |       |                                       |       |       |  |   |              |     |               |  |        |           |        |           |             |      |      |      |      |              |       |       |       |       |              |       |      |      |      |                  |       |      |       |      |  |        |              |  |             |  |        |           |        |           |             |      |      |      |      |              |       |       |       |       |              |       |      |      |      |                  |       |       |       |       |
| <b>Type of Scheme</b>  | An Open-ended Equity Linked Savings Scheme   | An Open-ended Equity Scheme  | An Open-ended Equity Scheme   |              |                                      |                   |        |  |          |               |  |                      |                                   |              |  |              |                |  |            |               |   |                      |                 |      |              |                  |       |                                       |       |       |  |   |              |     |               |  |        |           |        |           |             |      |      |      |      |              |       |       |       |       |              |       |      |      |      |                  |       |      |       |      |  |        |              |  |             |  |        |           |        |           |             |      |      |      |      |              |       |       |       |       |              |       |      |      |      |                  |       |       |       |       |
| <b>Product Label</b>   | <p>This product is suitable for investors who are seeking -</p> <ul style="list-style-type: none"> <li>Long term Capital Growth with a three year lock-in.</li> <li>Investment in equity &amp; equity related securities including equity derivatives of companies across market capitalization.</li> </ul>  <p>Investors understand that their principal will be at moderately high risk</p> <p>- Investors should consult their financial advisers if in doubt about whether the product is suitable for them.</p>  | <p>This product is suitable for investors who are seeking -</p> <ul style="list-style-type: none"> <li>Long term Capital Growth.</li> <li>Investment in equity &amp; equity related securities including equity derivatives of large capitalization Companies as well as Debt/ Money Market securities through a systematic allocation of Funds between Equity &amp; Debt on the basis of the Price Earnings Ratio of Nifty 50.</li> </ul>  <p>Investors understand that their principal will be at moderately high risk</p> <p>- Investors should consult their financial advisers if in doubt about whether the product is suitable for them.</p> | <p>This product is suitable for investors who are seeking -</p> <ul style="list-style-type: none"> <li>Long term Capital Growth.</li> <li>Investment in equity &amp; equity related securities including equity derivatives of companies across market capitalization.</li> </ul>  <p>Investors understand that their principal will be at moderately high risk</p> <p>- Investors should consult their financial advisers if in doubt about whether the product is suitable for them.</p> |              |                                      |                   |        |  |          |               |  |                      |                                   |              |  |              |                |  |            |               |   |                      |                 |      |              |                  |       |                                       |       |       |  |   |              |     |               |  |        |           |        |           |             |      |      |      |      |              |       |       |       |       |              |       |      |      |      |                  |       |      |       |      |  |        |              |  |             |  |        |           |        |           |             |      |      |      |      |              |       |       |       |       |              |       |      |      |      |                  |       |       |       |       |
| <b>Asset Allocation Pattern of the Scheme</b>  | <p>Under normal circumstances, the asset allocation would be as follows:</p> <table border="1"> <thead> <tr> <th>Types of Instruments</th> <th>Normal Allocation % of Net Assets</th> <th>Risk Profile</th> </tr> </thead> <tbody> <tr> <td>Equity and Equity Linked Instruments</td> <td>Not less than 80%</td> <td>High</td> </tr> <tr> <td>Debt securities (*including securitised debt) and Money market instruments</td> <td>Upto 20%</td> <td>Low to Medium</td> </tr> </tbody> </table> <p>The Scheme may invest upto 50% of the net assets of the Scheme in derivatives. * Investment in Securitised Debt may be up to 20% of the net assets of the Scheme. The AMC further reserves the right to invest in foreign securities and derivatives subject to SEBI/RBI or any other Regulatory Authorities permitted from time to time. Subject to the SEBI Regulations, the Mutual Fund may deploy upto 50% of its total net assets of the Scheme in Stock Lending.</p>   | Types of Instruments   | Normal Allocation % of Net Assets   | Risk Profile | Equity and Equity Linked Instruments | Not less than 80% | High   | Debt securities (*including securitised debt) and Money market instruments | Upto 20% | Low to Medium | <p>Under normal circumstances, the asset allocation would be as follows:</p> <table border="1"> <thead> <tr> <th>Types of Instruments</th> <th>Normal Allocation % of Net Assets</th> <th>Risk Profile</th> </tr> </thead> <tbody> <tr> <td>Equity &amp; Equity Related Instruments of Large Cap Companies</td> <td>0% to 100%</td> <td>Medium to High</td> </tr> <tr> <td>Debt or Money Market Securities and/or units of money market/liquid schemes of Principal Mutual Fund</td> <td>0% to 100%</td> <td>Low to Medium</td> </tr> </tbody> </table> <p>Investment in derivatives shall be upto 50% of the net assets of the Scheme. Deployment upto 50% of its total net assets of the Scheme in Stock Lending, subject to the SEBI regulations. The Scheme has no intention to invest in Securitised Debt. (Refer Note 1)</p> | Types of Instruments | Normal Allocation % of Net Assets | Risk Profile | Equity & Equity Related Instruments of Large Cap Companies | 0% to 100%   | Medium to High | Debt or Money Market Securities and/or units of money market/liquid schemes of Principal Mutual Fund | 0% to 100% | Low to Medium | <p>Under normal circumstances, the asset allocation would be as follows:</p> <table border="1"> <thead> <tr> <th rowspan="2">Types of Instruments</th> <th colspan="2">% of Net Assets</th> <th rowspan="2">Risk Profile</th> </tr> <tr> <th>Min.</th> <th>Max.</th> </tr> </thead> <tbody> <tr> <td>Equity and Equity related instruments</td> <td>65%</td> <td>100%</td> <td>High</td> </tr> <tr> <td>Debt (incl. Securitised Debt*) and Money Market instruments</td> <td>0%</td> <td>35%</td> <td>Low to Medium</td> </tr> </tbody> </table> <p>* Investment in Securitised Debt may be up to 35% of the net assets of the Scheme. The Asset Management Company (AMC) reserves the right to invest in Derivatives upto 50% of the net assets of the Scheme. The AMC further reserves the right to invest in ADRs/ GDRs and / or Overseas Financial debt instruments including units of Overseas Mutual Funds not exceeding 15% of the net assets of the Scheme. Investment in Derivatives / ADRs / GDRs / Overseas Financial debt instruments shall be subject to restrictions imposed by SEBI/ RBI or any other regulatory authority from time to time. Subject to the SEBI Regulations, the Mutual Fund may deploy upto 50% of its total net assets of the Scheme in Stock Lending.</p> | Types of Instruments | % of Net Assets |      | Risk Profile | Min.             | Max.  | Equity and Equity related instruments | 65%   | 100%  | High   | Debt (incl. Securitised Debt*) and Money Market instruments | 0%           | 35% | Low to Medium |  |        |           |        |           |             |      |      |      |      |              |       |       |       |       |              |       |      |      |      |                  |       |      |       |      |  |        |              |  |             |  |        |           |        |           |             |      |      |      |      |              |       |       |       |       |              |       |      |      |      |                  |       |       |       |       |
| Types of Instruments   | Normal Allocation % of Net Assets  | Risk Profile   |   |              |                                      |                   |        |  |          |               |  |                      |                                   |              |  |              |                |  |            |               |   |                      |                 |      |              |                  |       |                                       |       |       |  |   |              |     |               |  |        |           |        |           |             |      |      |      |      |              |       |       |       |       |              |       |      |      |      |                  |       |      |       |      |  |        |              |  |             |  |        |           |        |           |             |      |      |      |      |              |       |       |       |       |              |       |      |      |      |                  |       |       |       |       |
| Equity and Equity Linked Instruments   | Not less than 80%  | High   |   |              |                                      |                   |        |  |          |               |  |                      |                                   |              |  |              |                |  |            |               |   |                      |                 |      |              |                  |       |                                       |       |       |  |   |              |     |               |  |        |           |        |           |             |      |      |      |      |              |       |       |       |       |              |       |      |      |      |                  |       |      |       |      |  |        |              |  |             |  |        |           |        |           |             |      |      |      |      |              |       |       |       |       |              |       |      |      |      |                  |       |       |       |       |
| Debt securities (*including securitised debt) and Money market instruments                           | Upto 20%   | Low to Medium  |   |              |                                      |                   |        |  |          |               |  |                      |                                   |              |  |              |                |  |            |               |   |                      |                 |      |              |                  |       |                                       |       |       |  |   |              |     |               |  |        |           |        |           |             |      |      |      |      |              |       |       |       |       |              |       |      |      |      |                  |       |      |       |      |  |        |              |  |             |  |        |           |        |           |             |      |      |      |      |              |       |       |       |       |              |       |      |      |      |                  |       |       |       |       |
| Types of Instruments   | Normal Allocation % of Net Assets  | Risk Profile   |   |              |                                      |                   |        |  |          |               |  |                      |                                   |              |  |              |                |  |            |               |   |                      |                 |      |              |                  |       |                                       |       |       |  |   |              |     |               |  |        |           |        |           |             |      |      |      |      |              |       |       |       |       |              |       |      |      |      |                  |       |      |       |      |  |        |              |  |             |  |        |           |        |           |             |      |      |      |      |              |       |       |       |       |              |       |      |      |      |                  |       |       |       |       |
| Equity & Equity Related Instruments of Large Cap Companies   | 0% to 100%   | Medium to High   |   |              |                                      |                   |        |  |          |               |  |                      |                                   |              |  |              |                |  |            |               |   |                      |                 |      |              |                  |       |                                       |       |       |  |   |              |     |               |  |        |           |        |           |             |      |      |      |      |              |       |       |       |       |              |       |      |      |      |                  |       |      |       |      |  |        |              |  |             |  |        |           |        |           |             |      |      |      |      |              |       |       |       |       |              |       |      |      |      |                  |       |       |       |       |
| Debt or Money Market Securities and/or units of money market/liquid schemes of Principal Mutual Fund | 0% to 100%   | Low to Medium  |   |              |                                      |                   |        |  |          |               |  |                      |                                   |              |  |              |                |  |            |               |   |                      |                 |      |              |                  |       |                                       |       |       |  |   |              |     |               |  |        |           |        |           |             |      |      |      |      |              |       |       |       |       |              |       |      |      |      |                  |       |      |       |      |  |        |              |  |             |  |        |           |        |           |             |      |      |      |      |              |       |       |       |       |              |       |      |      |      |                  |       |       |       |       |
| Types of Instruments   | % of Net Assets  |  | Risk Profile  |              |                                      |                   |        |  |          |               |  |                      |                                   |              |  |              |                |  |            |               |   |                      |                 |      |              |                  |       |                                       |       |       |  |   |              |     |               |  |        |           |        |           |             |      |      |      |      |              |       |       |       |       |              |       |      |      |      |                  |       |      |       |      |  |        |              |  |             |  |        |           |        |           |             |      |      |      |      |              |       |       |       |       |              |       |      |      |      |                  |       |       |       |       |
|  | Min.   | Max.   |   |              |                                      |                   |        |  |          |               |  |                      |                                   |              |  |              |                |  |            |               |   |                      |                 |      |              |                  |       |                                       |       |       |  |   |              |     |               |  |        |           |        |           |             |      |      |      |      |              |       |       |       |       |              |       |      |      |      |                  |       |      |       |      |  |        |              |  |             |  |        |           |        |           |             |      |      |      |      |              |       |       |       |       |              |       |      |      |      |                  |       |       |       |       |
| Equity and Equity related instruments  | 65%  | 100%   | High  |              |                                      |                   |        |  |          |               |  |                      |                                   |              |  |              |                |  |            |               |   |                      |                 |      |              |                  |       |                                       |       |       |  |   |              |     |               |  |        |           |        |           |             |      |      |      |      |              |       |       |       |       |              |       |      |      |      |                  |       |      |       |      |  |        |              |  |             |  |        |           |        |           |             |      |      |      |      |              |       |       |       |       |              |       |      |      |      |                  |       |       |       |       |
| Debt (incl. Securitised Debt*) and Money Market instruments  | 0%   | 35%  | Low to Medium   |              |                                      |                   |        |  |          |               |  |                      |                                   |              |  |              |                |  |            |               |   |                      |                 |      |              |                  |       |                                       |       |       |  |   |              |     |               |  |        |           |        |           |             |      |      |      |      |              |       |       |       |       |              |       |      |      |      |                  |       |      |       |      |  |        |              |  |             |  |        |           |        |           |             |      |      |      |      |              |       |       |       |       |              |       |      |      |      |                  |       |       |       |       |
| <b>Risk Profile of the Scheme</b>  | Mutual Fund Units involve investment risks including the possible loss of principal. Please read the Scheme Information Document (SID) carefully for details on risk factors before investment. Scheme specific Risk Factors are summarized below: <sup>55</sup>   |  |   |              |                                      |                   |        |  |          |               |  |                      |                                   |              |  |              |                |  |            |               |   |                      |                 |      |              |                  |       |                                       |       |       |  |   |              |     |               |  |        |           |        |           |             |      |      |      |      |              |       |       |       |       |              |       |      |      |      |                  |       |      |       |      |  |        |              |  |             |  |        |           |        |           |             |      |      |      |      |              |       |       |       |       |              |       |      |      |      |                  |       |       |       |       |
| <b>Investment Plans &amp; Options</b>  | Regular Plan and Direct Plan. Both the Plan do not have any options at present.  | Regular Plan & Direct Plan. Both the Plans offer Growth & Half Yearly Dividend Option. Half Yearly Dividend Option under both the Plans offers facility of Payout, Reinvestment and Sweep.   |   |              |                                      |                   |        |  |          |               |  |                      |                                   |              |  |              |                |  |            |               |   |                      |                 |      |              |                  |       |                                       |       |       |  |   |              |     |               |  |        |           |        |           |             |      |      |      |      |              |       |       |       |       |              |       |      |      |      |                  |       |      |       |      |  |        |              |  |             |  |        |           |        |           |             |      |      |      |      |              |       |       |       |       |              |       |      |      |      |                  |       |       |       |       |
| <b>Applicable NAV</b>  | ++   |  |   |              |                                      |                   |        |  |          |               |  |                      |                                   |              |  |              |                |  |            |               |   |                      |                 |      |              |                  |       |                                       |       |       |  |   |              |     |               |  |        |           |        |           |             |      |      |      |      |              |       |       |       |       |              |       |      |      |      |                  |       |      |       |      |  |        |              |  |             |  |        |           |        |           |             |      |      |      |      |              |       |       |       |       |              |       |      |      |      |                  |       |       |       |       |
| <b>Minimum Application Amount / Number of Units</b>  | <ul style="list-style-type: none"> <li>Purchase: ₹ 500 and any amount thereafter.</li> <li>Additional Purchase: ₹ 500 and any amount thereafter.</li> <li>Repurchase: ₹ 500 or 50 units.</li> </ul>  | <ul style="list-style-type: none"> <li>Purchase: ₹ 5,000 and any amount in multiple of ₹ 1/- thereafter.</li> <li>Additional Purchase: ₹ 1,000 and any amount in multiple of ₹ 1/- thereafter.</li> <li>Repurchase: ₹ 500 or 50 units.</li> </ul>  | <ul style="list-style-type: none"> <li>Purchase: ₹ 5,000 and any amount thereafter under each option.</li> <li>Additional Purchase: ₹ 1,000 and any amount thereafter under each option.</li> <li>Repurchase: ₹ 500 or 50 units.</li> </ul>   |              |                                      |                   |        |  |          |               |  |                      |                                   |              |  |              |                |  |            |               |   |                      |                 |      |              |                  |       |                                       |       |       |  |   |              |     |               |  |        |           |        |           |             |      |      |      |      |              |       |       |       |       |              |       |      |      |      |                  |       |      |       |      |  |        |              |  |             |  |        |           |        |           |             |      |      |      |      |              |       |       |       |       |              |       |      |      |      |                  |       |       |       |       |
| <b>Despatch of Repurchase (Redemption) Request</b>   | Within 10 business days of the receipt of the redemption request at the Official Points of Acceptance of the Principal Mutual Fund.  |  |   |              |                                      |                   |        |  |          |               |  |                      |                                   |              |  |              |                |  |            |               |   |                      |                 |      |              |                  |       |                                       |       |       |  |   |              |     |               |  |        |           |        |           |             |      |      |      |      |              |       |       |       |       |              |       |      |      |      |                  |       |      |       |      |  |        |              |  |             |  |        |           |        |           |             |      |      |      |      |              |       |       |       |       |              |       |      |      |      |                  |       |       |       |       |
| <b>Investment Strategy</b>   | @  |  |   |              |                                      |                   |        |  |          |               |  |                      |                                   |              |  |              |                |  |            |               |   |                      |                 |      |              |                  |       |                                       |       |       |  |   |              |     |               |  |        |           |        |           |             |      |      |      |      |              |       |       |       |       |              |       |      |      |      |                  |       |      |       |      |  |        |              |  |             |  |        |           |        |           |             |      |      |      |      |              |       |       |       |       |              |       |      |      |      |                  |       |       |       |       |
| <b>Risk Mitigation Factors</b>   | @@   |  |   |              |                                      |                   |        |  |          |               |  |                      |                                   |              |  |              |                |  |            |               |   |                      |                 |      |              |                  |       |                                       |       |       |  |   |              |     |               |  |        |           |        |           |             |      |      |      |      |              |       |       |       |       |              |       |      |      |      |                  |       |      |       |      |  |        |              |  |             |  |        |           |        |           |             |      |      |      |      |              |       |       |       |       |              |       |      |      |      |                  |       |       |       |       |
| <b>Comparison of open-ended schemes</b>  | The scheme initially launched as Tax I-NIT96 by IDBI Mutual Fund is an open ended equity linked savings scheme which seeks to identify stocks which can provide capital appreciation in the long term. Investments in the scheme are eligible for tax benefit under section 80C of Income Tax Act 1961.  | The asset allocation pattern of current equity schemes offered by Principal Mutual Fund; restrict the Scheme to curtail its exposure to equity and/or debt securities as per the defined scheme specified asset allocation pattern, subject of course to the terms and conditions stipulated in the relevant SID. (Refer Note 2)   | Principal Growth Fund is an open ended diversified equity scheme. It will seek to achieve long term capital appreciation by investing across market capitalization and would cover all the sectors of the economy. Investment gamut of the scheme will follow a no market cap and no sector bias. The scheme is benchmarked with S&P BSE 200 index. This is the only scheme which can be defined as truly diversified.  |              |                                      |                   |        |  |          |               |  |                      |                                   |              |  |              |                |  |            |               |   |                      |                 |      |              |                  |       |                                       |       |       |  |   |              |     |               |  |        |           |        |           |             |      |      |      |      |              |       |       |       |       |              |       |      |      |      |                  |       |      |       |      |  |        |              |  |             |  |        |           |        |           |             |      |      |      |      |              |       |       |       |       |              |       |      |      |      |                  |       |       |       |       |
| <b>Dividend Policy</b>   | Under Dividend Plan/Option, dividend will be declared subject to availability of distributable surplus and at discretion of AMC / Trustee. The undistributed portion of the income will remain in the Plan/Option and be reflected in the NAV, on an ongoing basis. The Trustee's decision with regard to availability and adequacy, rate, timing and frequency of distribution of dividend shall be final.  |  |   |              |                                      |                   |        |  |          |               |  |                      |                                   |              |  |              |                |  |            |               |   |                      |                 |      |              |                  |       |                                       |       |       |  |   |              |     |               |  |        |           |        |           |             |      |      |      |      |              |       |       |       |       |              |       |      |      |      |                  |       |      |       |      |  |        |              |  |             |  |        |           |        |           |             |      |      |      |      |              |       |       |       |       |              |       |      |      |      |                  |       |       |       |       |
| <b>Benchmark Index</b>   | S&P BSE 200 Index  | Crisil Balanced Fund - Aggressive Index  | S&P BSE 200 Index   |              |                                      |                   |        |  |          |               |  |                      |                                   |              |  |              |                |  |            |               |   |                      |                 |      |              |                  |       |                                       |       |       |  |   |              |     |               |  |        |           |        |           |             |      |      |      |      |              |       |       |       |       |              |       |      |      |      |                  |       |      |       |      |  |        |              |  |             |  |        |           |        |           |             |      |      |      |      |              |       |       |       |       |              |       |      |      |      |                  |       |       |       |       |
| <b>Folio Count &amp; AUM (As on June 30, 2016)</b>   | Folio - 69,120 • AUM - ₹ 264.23 Crores   | Folio - 6,865 • AUM - ₹ 133.92 Crores  | Folio - 78,128 • AUM - ₹ 379.21 Crores  |              |                                      |                   |        |  |          |               |  |                      |                                   |              |  |              |                |  |            |               |   |                      |                 |      |              |                  |       |                                       |       |       |  |   |              |     |               |  |        |           |        |           |             |      |      |      |      |              |       |       |       |       |              |       |      |      |      |                  |       |      |       |      |  |        |              |  |             |  |        |           |        |           |             |      |      |      |      |              |       |       |       |       |              |       |      |      |      |                  |       |       |       |       |
| <b>Fund Manager &amp; Managing the Current Fund from</b>   | Mr. P.V.K. Mohan - September 2010 (Tenure of the Fund Manager - 5 years 10 months)   | Mr. Anupam Tiwari - July 2011 (Tenure of the Fund Manager - 5 years)   | Mr. P.V.K. Mohan - September 2010 (Tenure of the Fund Manager - 5 years 10 months)  |              |                                      |                   |        |  |          |               |  |                      |                                   |              |  |              |                |  |            |               |   |                      |                 |      |              |                  |       |                                       |       |       |  |   |              |     |               |  |        |           |        |           |             |      |      |      |      |              |       |       |       |       |              |       |      |      |      |                  |       |      |       |      |  |        |              |  |             |  |        |           |        |           |             |      |      |      |      |              |       |       |       |       |              |       |      |      |      |                  |       |       |       |       |
| <b>Total Investment Experience</b>   | 23 years   | 11 years   | 23 years  |              |                                      |                   |        |  |          |               |  |                      |                                   |              |  |              |                |  |            |               |   |                      |                 |      |              |                  |       |                                       |       |       |  |   |              |     |               |  |        |           |        |           |             |      |      |      |      |              |       |       |       |       |              |       |      |      |      |                  |       |      |       |      |  |        |              |  |             |  |        |           |        |           |             |      |      |      |      |              |       |       |       |       |              |       |      |      |      |                  |       |       |       |       |
| <b>Name of the Trustee Company</b>   | Principal Trustee Company Private Limited  |  |   |              |                                      |                   |        |  |          |               |  |                      |                                   |              |  |              |                |  |            |               |   |                      |                 |      |              |                  |       |                                       |       |       |  |   |              |     |               |  |        |           |        |           |             |      |      |      |      |              |       |       |       |       |              |       |      |      |      |                  |       |      |       |      |  |        |              |  |             |  |        |           |        |           |             |      |      |      |      |              |       |       |       |       |              |       |      |      |      |                  |       |       |       |       |
| <b>Performance of the scheme :</b>   | <p>Returns (%) of Regular Plan and Direct Plan as at June 30, 2016</p> <table border="1"> <thead> <tr> <th rowspan="2">Period</th> <th colspan="2">Regular Plan</th> <th colspan="2">Direct Plan</th> </tr> <tr> <th>Scheme</th> <th>Benchmark</th> <th>Scheme</th> <th>Benchmark</th> </tr> </thead> <tbody> <tr> <td>Last 1 Year</td> <td>3.29</td> <td>0.41</td> <td>3.87</td> <td>0.41</td> </tr> <tr> <td>Last 3 Years</td> <td>22.75</td> <td>14.73</td> <td>23.33</td> <td>14.73</td> </tr> <tr> <td>Last 5 Years</td> <td>14.95</td> <td>8.70</td> <td>N.A.</td> <td>N.A.</td> </tr> <tr> <td>Since Inception*</td> <td>16.46</td> <td>12.13</td> <td>16.67</td> <td>10.70</td> </tr> </tbody> </table> <p>* Regular Plan - March 31, 1996 Direct Plan - January 2, 2013<br/> <b>Note:</b> Returns more than 1 year are calculated on compounded annualised basis.</p> <p>Absolute Returns for each financial year for the last 5 years</p>  <p>Past performance may or may not be sustained in the future.</p> | Period   | Regular Plan  |              | Direct Plan                          |                   | Scheme | Benchmark  | Scheme   | Benchmark     | Last 1 Year  | 3.29                 | 0.41                              | 3.87         | 0.41   | Last 3 Years | 22.75          | 14.73  | 23.33      | 14.73         | Last 5 Years  | 14.95                | 8.70            | N.A. | N.A.         | Since Inception* | 16.46 | 12.13                                 | 16.67 | 10.70 | <p>Returns (%) of Growth Option under Regular Plan and Direct Plan as at June 30, 2016</p> <table border="1"> <thead> <tr> <th rowspan="2">Period</th> <th colspan="2">Regular Plan</th> <th colspan="2">Direct Plan</th> </tr> <tr> <th>Scheme</th> <th>Benchmark</th> <th>Scheme</th> <th>Benchmark</th> </tr> </thead> <tbody> <tr> <td>Last 1 Year</td> <td>3.66</td> <td>3.11</td> <td>4.71</td> <td>3.11</td> </tr> <tr> <td>Last 3 Years</td> <td>16.96</td> <td>11.30</td> <td>17.94</td> <td>11.30</td> </tr> <tr> <td>Last 5 Years</td> <td>11.60</td> <td>8.65</td> <td>N.A.</td> <td>N.A.</td> </tr> <tr> <td>Since Inception*</td> <td>10.30</td> <td>7.37</td> <td>12.88</td> <td>9.74</td> </tr> </tbody> </table> <p>* Regular Plan - December 16, 2010 Direct Plan - January 2, 2013<br/> <b>Note:</b> Returns more than 1 year are calculated on compounded annualised basis.</p> <p>Absolute Returns for each financial year for the last 5 years</p>  <p>Past performance may or may not be sustained in the future.</p> | Period  | Regular Plan |     | Direct Plan   |  | Scheme | Benchmark | Scheme | Benchmark | Last 1 Year | 3.66 | 3.11 | 4.71 | 3.11 | Last 3 Years | 16.96 | 11.30 | 17.94 | 11.30 | Last 5 Years | 11.60 | 8.65 | N.A. | N.A. | Since Inception* | 10.30 | 7.37 | 12.88 | 9.74 | <p>Returns (%) of Growth Option under Regular Plan and Direct Plan as at June 30, 2016</p> <table border="1"> <thead> <tr> <th rowspan="2">Period</th> <th colspan="2">Regular Plan</th> <th colspan="2">Direct Plan</th> </tr> <tr> <th>Scheme</th> <th>Benchmark</th> <th>Scheme</th> <th>Benchmark</th> </tr> </thead> <tbody> <tr> <td>Last 1 Year</td> <td>3.31</td> <td>0.41</td> <td>4.04</td> <td>0.41</td> </tr> <tr> <td>Last 3 Years</td> <td>22.72</td> <td>14.73</td> <td>23.49</td> <td>14.73</td> </tr> <tr> <td>Last 5 Years</td> <td>14.64</td> <td>8.70</td> <td>N.A.</td> <td>N.A.</td> </tr> <tr> <td>Since Inception*</td> <td>15.70</td> <td>14.71</td> <td>16.73</td> <td>10.70</td> </tr> </tbody> </table> <p>* Regular Plan - October 25, 2000 Direct Plan - January 2, 2013<br/> <b>Note:</b> Returns more than 1 year are calculated on compounded annualised basis.</p> <p>Absolute Returns for each financial year for the last 5 years</p>  <p>Past performance may or may not be sustained in the future.</p> | Period | Regular Plan |  | Direct Plan |  | Scheme | Benchmark | Scheme | Benchmark | Last 1 Year | 3.31 | 0.41 | 4.04 | 0.41 | Last 3 Years | 22.72 | 14.73 | 23.49 | 14.73 | Last 5 Years | 14.64 | 8.70 | N.A. | N.A. | Since Inception* | 15.70 | 14.71 | 16.73 | 10.70 |
| Period   | Regular Plan   |  | Direct Plan   |              |                                      |                   |        |  |          |               |  |                      |                                   |              |  |              |                |  |            |               |   |                      |                 |      |              |                  |       |                                       |       |       |  |   |              |     |               |  |        |           |        |           |             |      |      |      |      |              |       |       |       |       |              |       |      |      |      |                  |       |      |       |      |  |        |              |  |             |  |        |           |        |           |             |      |      |      |      |              |       |       |       |       |              |       |      |      |      |                  |       |       |       |       |
|  | Scheme   | Benchmark  | Scheme  | Benchmark    |                                      |                   |        |  |          |               |  |                      |                                   |              |  |              |                |  |            |               |   |                      |                 |      |              |                  |       |                                       |       |       |  |   |              |     |               |  |        |           |        |           |             |      |      |      |      |              |       |       |       |       |              |       |      |      |      |                  |       |      |       |      |  |        |              |  |             |  |        |           |        |           |             |      |      |      |      |              |       |       |       |       |              |       |      |      |      |                  |       |       |       |       |
| Last 1 Year  | 3.29   | 0.41   | 3.87  | 0.41         |                                      |                   |        |  |          |               |  |                      |                                   |              |  |              |                |  |            |               |   |                      |                 |      |              |                  |       |                                       |       |       |  |   |              |     |               |  |        |           |        |           |             |      |      |      |      |              |       |       |       |       |              |       |      |      |      |                  |       |      |       |      |  |        |              |  |             |  |        |           |        |           |             |      |      |      |      |              |       |       |       |       |              |       |      |      |      |                  |       |       |       |       |
| Last 3 Years   | 22.75  | 14.73  | 23.33   | 14.73        |                                      |                   |        |  |          |               |  |                      |                                   |              |  |              |                |  |            |               |   |                      |                 |      |              |                  |       |                                       |       |       |  |   |              |     |               |  |        |           |        |           |             |      |      |      |      |              |       |       |       |       |              |       |      |      |      |                  |       |      |       |      |  |        |              |  |             |  |        |           |        |           |             |      |      |      |      |              |       |       |       |       |              |       |      |      |      |                  |       |       |       |       |
| Last 5 Years   | 14.95  | 8.70   | N.A.  | N.A.         |                                      |                   |        |  |          |               |  |                      |                                   |              |  |              |                |  |            |               |   |                      |                 |      |              |                  |       |                                       |       |       |  |   |              |     |               |  |        |           |        |           |             |      |      |      |      |              |       |       |       |       |              |       |      |      |      |                  |       |      |       |      |  |        |              |  |             |  |        |           |        |           |             |      |      |      |      |              |       |       |       |       |              |       |      |      |      |                  |       |       |       |       |
| Since Inception*   | 16.46  | 12.13  | 16.67   | 10.70        |                                      |                   |        |  |          |               |  |                      |                                   |              |  |              |                |  |            |               |   |                      |                 |      |              |                  |       |                                       |       |       |  |   |              |     |               |  |        |           |        |           |             |      |      |      |      |              |       |       |       |       |              |       |      |      |      |                  |       |      |       |      |  |        |              |  |             |  |        |           |        |           |             |      |      |      |      |              |       |       |       |       |              |       |      |      |      |                  |       |       |       |       |
| Period   | Regular Plan   |  | Direct Plan   |              |                                      |                   |        |  |          |               |  |                      |                                   |              |  |              |                |  |            |               |   |                      |                 |      |              |                  |       |                                       |       |       |  |   |              |     |               |  |        |           |        |           |             |      |      |      |      |              |       |       |       |       |              |       |      |      |      |                  |       |      |       |      |  |        |              |  |             |  |        |           |        |           |             |      |      |      |      |              |       |       |       |       |              |       |      |      |      |                  |       |       |       |       |
|  | Scheme   | Benchmark  | Scheme  | Benchmark    |                                      |                   |        |  |          |               |  |                      |                                   |              |  |              |                |  |            |               |   |                      |                 |      |              |                  |       |                                       |       |       |  |   |              |     |               |  |        |           |        |           |             |      |      |      |      |              |       |       |       |       |              |       |      |      |      |                  |       |      |       |      |  |        |              |  |             |  |        |           |        |           |             |      |      |      |      |              |       |       |       |       |              |       |      |      |      |                  |       |       |       |       |
| Last 1 Year  | 3.66   | 3.11   | 4.71  | 3.11         |                                      |                   |        |  |          |               |  |                      |                                   |              |  |              |                |  |            |               |   |                      |                 |      |              |                  |       |                                       |       |       |  |   |              |     |               |  |        |           |        |           |             |      |      |      |      |              |       |       |       |       |              |       |      |      |      |                  |       |      |       |      |  |        |              |  |             |  |        |           |        |           |             |      |      |      |      |              |       |       |       |       |              |       |      |      |      |                  |       |       |       |       |
| Last 3 Years   | 16.96  | 11.30  | 17.94   | 11.30        |                                      |                   |        |  |          |               |  |                      |                                   |              |  |              |                |  |            |               |   |                      |                 |      |              |                  |       |                                       |       |       |  |   |              |     |               |  |        |           |        |           |             |      |      |      |      |              |       |       |       |       |              |       |      |      |      |                  |       |      |       |      |  |        |              |  |             |  |        |           |        |           |             |      |      |      |      |              |       |       |       |       |              |       |      |      |      |                  |       |       |       |       |
| Last 5 Years   | 11.60  | 8.65   | N.A.  | N.A.         |                                      |                   |        |  |          |               |  |                      |                                   |              |  |              |                |  |            |               |   |                      |                 |      |              |                  |       |                                       |       |       |  |   |              |     |               |  |        |           |        |           |             |      |      |      |      |              |       |       |       |       |              |       |      |      |      |                  |       |      |       |      |  |        |              |  |             |  |        |           |        |           |             |      |      |      |      |              |       |       |       |       |              |       |      |      |      |                  |       |       |       |       |
| Since Inception*   | 10.30  | 7.37   | 12.88   | 9.74         |                                      |                   |        |  |          |               |  |                      |                                   |              |  |              |                |  |            |               |   |                      |                 |      |              |                  |       |                                       |       |       |  |   |              |     |               |  |        |           |        |           |             |      |      |      |      |              |       |       |       |       |              |       |      |      |      |                  |       |      |       |      |  |        |              |  |             |  |        |           |        |           |             |      |      |      |      |              |       |       |       |       |              |       |      |      |      |                  |       |       |       |       |
| Period   | Regular Plan   |  | Direct Plan   |              |                                      |                   |        |  |          |               |  |                      |                                   |              |  |              |                |  |            |               |   |                      |                 |      |              |                  |       |                                       |       |       |  |   |              |     |               |  |        |           |        |           |             |      |      |      |      |              |       |       |       |       |              |       |      |      |      |                  |       |      |       |      |  |        |              |  |             |  |        |           |        |           |             |      |      |      |      |              |       |       |       |       |              |       |      |      |      |                  |       |       |       |       |
|  | Scheme   | Benchmark  | Scheme  | Benchmark    |                                      |                   |        |  |          |               |  |                      |                                   |              |  |              |                |  |            |               |   |                      |                 |      |              |                  |       |                                       |       |       |  |   |              |     |               |  |        |           |        |           |             |      |      |      |      |              |       |       |       |       |              |       |      |      |      |                  |       |      |       |      |  |        |              |  |             |  |        |           |        |           |             |      |      |      |      |              |       |       |       |       |              |       |      |      |      |                  |       |       |       |       |
| Last 1 Year  | 3.31   | 0.41   | 4.04  | 0.41         |                                      |                   |        |  |          |               |  |                      |                                   |              |  |              |                |  |            |               |   |                      |                 |      |              |                  |       |                                       |       |       |  |   |              |     |               |  |        |           |        |           |             |      |      |      |      |              |       |       |       |       |              |       |      |      |      |                  |       |      |       |      |  |        |              |  |             |  |        |           |        |           |             |      |      |      |      |              |       |       |       |       |              |       |      |      |      |                  |       |       |       |       |
| Last 3 Years   | 22.72  | 14.73  | 23.49   | 14.73        |                                      |                   |        |  |          |               |  |                      |                                   |              |  |              |                |  |            |               |   |                      |                 |      |              |                  |       |                                       |       |       |  |   |              |     |               |  |        |           |        |           |             |      |      |      |      |              |       |       |       |       |              |       |      |      |      |                  |       |      |       |      |  |        |              |  |             |  |        |           |        |           |             |      |      |      |      |              |       |       |       |       |              |       |      |      |      |                  |       |       |       |       |
| Last 5 Years   | 14.64  | 8.70   | N.A.  | N.A.         |                                      |                   |        |  |          |               |  |                      |                                   |              |  |              |                |  |            |               |   |                      |                 |      |              |                  |       |                                       |       |       |  |   |              |     |               |  |        |           |        |           |             |      |      |      |      |              |       |       |       |       |              |       |      |      |      |                  |       |      |       |      |  |        |              |  |             |  |        |           |        |           |             |      |      |      |      |              |       |       |       |       |              |       |      |      |      |                  |       |       |       |       |
| Since Inception*   | 15.70  | 14.71  | 16.73   | 10.70        |                                      |                   |        |  |          |               |  |                      |                                   |              |  |              |                |  |            |               |   |                      |                 |      |              |                  |       |                                       |       |       |  |   |              |     |               |  |        |           |        |           |             |      |      |      |      |              |       |       |       |       |              |       |      |      |      |                  |       |      |       |      |  |        |              |  |             |  |        |           |        |           |             |      |      |      |      |              |       |       |       |       |              |       |      |      |      |                  |       |       |       |       |
| <b>Expenses of the Scheme</b>  | <p>(i) Load Structure:<br/> <b>Exit Load:</b> Nil</p> <p>(ii) +Annual Recurring expenses as a percentage of Daily Net Assets: <b>Regular Plan</b> - • First ₹ 100 crores - 2.50 • Next ₹ 300 crores - 2.25 • Next ₹ 300 crores - 2.00 • Balance - 1.75. <b>Direct Plan</b> shall have a lower expense ratio excluding distribution expenses, commission, etc and no commission for distribution of Units will be paid / charged under the Direct Plan.</p> <p>(iii) Actual expenses for the previous financial year 2015-2016:</p>   | <p>(i) Load Structure:<br/> <b>Exit Load:</b> 1% if redeemed within 1 year from the date of allotment.</p> <p>(ii) Actual expenses for the previous financial year 2015-2016:</p>  | <p>(i) Load Structure:<br/> <b>Exit Load:</b> 1% - if redeemed within 365 days from the date of allotment; Nil - if redeemed after 365 days from the date of allotment.</p> <p>(ii) Actual expenses for the previous financial year 2015-2016:</p>  |              |                                      |                   |        |  |          |               |  |                      |                                   |              |  |              |                |  |            |               |   |                      |                 |      |              |                  |       |                                       |       |       |  |   |              |     |               |  |        |           |        |           |             |      |      |      |      |              |       |       |       |       |              |       |      |      |      |                  |       |      |       |      |  |        |              |  |             |  |        |           |        |           |             |      |      |      |      |              |       |       |       |       |              |       |      |      |      |                  |       |       |       |       |
| <b>Waiver of Load for Direct Applications</b>  | Not applicable Pursuant to SEBI circular no. SEBI/IMD/CIR No.4/ 168230/09 dated June 30, 2009 no entry load shall be charged for all Mutual Fund Scheme(s). Therefore, the procedure for waiver of load for direct applications is no longer applicable.   |  |   |              |                                      |                   |        |  |          |               |  |                      |                                   |              |  |              |                |  |            |               |   |                      |                 |      |              |                  |       |                                       |       |       |  |   |              |     |               |  |        |           |        |           |             |      |      |      |      |              |       |       |       |       |              |       |      |      |      |                  |       |      |       |      |  |        |              |  |             |  |        |           |        |           |             |      |      |      |      |              |       |       |       |       |              |       |      |      |      |                  |       |       |       |       |

**Note 1:** Large Cap Stocks are defined as stocks with market cap equal to or above the market cap of the lowest market cap stock of the S&P BSE 100 Index and which may or may not be a constituent of the S&P BSE 100 Index at the time of investment. The universe may also include Initial Public Offerings whose market capitalization would be as per the above-mentioned criteria. This large cap cutoff will be so determined taking into account the full market cap range of the S&P BSE 100 index at the end of every calendar quarter. Such market cap range once determined at quarter-end will apply to all investment decisions made during the following quarter. The market cap criteria will apply only at the time of making investment decision. If a stock so qualifies for investment based on above market cap criteria at the time of investment; the fund may continue to hold the stock irrespective of market cap movement of the stock subsequent to investment in the stock. The lower end of the full market cap of S&P BSE 100 Index as on June 30, 2016 was ₹ 4,326.22 crores.

**Note 2:** The intent of Principal Smart Equity Fund is to offer an opportunity to the investors to invest in one fund which would not only manage equity but also decide on allocation between equity; and debt & money market assets. This Scheme would seek to manage equity and non equity allocation based on historic PE (Price Earning Ratio) of the market (Nifty 50) and thus would enable a long term investor to stay invested in equities without worrying about market valuations. As compared to a diversified equity scheme whose mandate is to manage equity; this scheme's mandate is to manage equity factoring in market valuation. So in scenarios when market valuations are way above acceptable levels/long term average, a regular equity scheme may still remain invested and is therefore prone to deep corrections. On the other hand; this scheme will gradually reduce its allocation to equities as valuations become steep and hence protect the investors from such deep corrections and also enable them to capture the full potential of attractive valuations post correction by redeploying cash. Hence the investor need not worry about valuations and try to time the markets; this scheme has inbuilt mechanism to manage allocation based on valuations; allowing investor's to stay invested irrespective of valuations.

As such the assets under this Scheme could be invested completely in equity or in debt and money market for defensive purposes. Currently none of the schemes of Principal Pnb Asset Management Company Private Limited offer such a dynamic asset allocation pattern. The features of this Scheme are not similar to any of the open ended schemes of Principal Mutual Fund.

++ **Note:** A maximum of 2.25% of average daily net assets will be charged as recurring expenses per annum when the asset allocation to debt/money market instruments exceeds 65%. This will be done observing the Debt/Money Market component on each Friday or last working day of the week and accordingly the expenses will be charged next week.

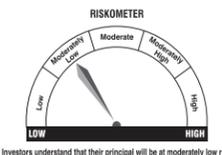
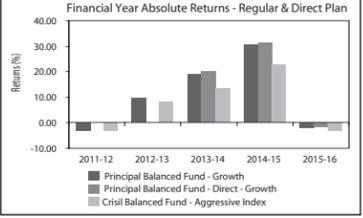
|  | Principal Dividend Yield Fund (PDYF)  | Principal Index Fund - Nifty (Nifty Index)   | Principal Index Fund - Midcap (Midcap Index)   |           |              |      |        |   |        |           |             |   |       |      |               |  |                      |                 |       |              |              |      |                 |      |      |                  |                          |               |      |      |  |                      |                                   |  |              |      |        |  |        |           |             |  |       |       |               |              |       |       |       |       |              |      |      |      |      |                  |       |       |       |      |   |        |              |  |             |  |        |           |        |           |             |      |      |      |      |                  |       |       |       |       |
|--|---|--|--|-----------|--------------|------|--------|---|--------|-----------|-------------|---|-------|------|---------------|--|----------------------|-----------------|-------|--------------|--------------|------|-----------------|------|------|------------------|--------------------------|---------------|------|------|--|----------------------|-----------------------------------|--|--------------|------|--------|--|--------|-----------|-------------|--|-------|-------|---------------|--------------|-------|-------|-------|-------|--------------|------|------|------|------|------------------|-------|-------|-------|------|---|--------|--------------|--|-------------|--|--------|-----------|--------|-----------|-------------|------|------|------|------|------------------|-------|-------|-------|-------|
| <b>Investment Objective</b>  | To provide capital appreciation and / or dividend distribution by investing predominantly in a well-diversified portfolio of companies that have a relatively high dividend yield.  | To invest principally in securities that comprise Nifty 50 and subject to tracking errors endeavour to attain results commensurate with the Nifty.   | To invest principally in securities that comprise Nifty Free Float Midcap 100 Index and subject to tracking errors endeavour to attain results commensurate with the Nifty Free Float Midcap 100 Index.  |           |              |      |        |   |        |           |             |   |       |      |               |  |                      |                 |       |              |              |      |                 |      |      |                  |                          |               |      |      |  |                      |                                   |  |              |      |        |  |        |           |             |  |       |       |               |              |       |       |       |       |              |      |      |      |      |                  |       |       |       |      |   |        |              |  |             |  |        |           |        |           |             |      |      |      |      |                  |       |       |       |       |
| <b>Type of Scheme</b>  | An Open-ended Equity Scheme   | An Open-ended Index Scheme   | An Open-ended Index Scheme   |           |              |      |        |   |        |           |             |   |       |      |               |  |                      |                 |       |              |              |      |                 |      |      |                  |                          |               |      |      |  |                      |                                   |  |              |      |        |  |        |           |             |  |       |       |               |              |       |       |       |       |              |      |      |      |      |                  |       |       |       |      |   |        |              |  |             |  |        |           |        |           |             |      |      |      |      |                  |       |       |       |       |
| <b>Product Label</b>   | <p>This product is suitable for investors who are seeking -</p> <ul style="list-style-type: none"> <li>Long term Capital Growth.</li> <li>Investment in equity &amp; equity related securities including equity derivatives of high dividend yield Companies.</li> </ul> <p>Investors should consult their financial advisers if in doubt about whether the product is suitable for them.</p>    | <p>This product is suitable for investors who are seeking -</p> <ul style="list-style-type: none"> <li>Long term Capital Growth.</li> <li>Investment in equity securities including equity derivatives of Nifty 50 Companies.</li> </ul> <p>Investors should consult their financial advisers if in doubt about whether the product is suitable for them.</p>   | <p>This product is suitable for investors who are seeking -</p> <ul style="list-style-type: none"> <li>Long term Capital Growth.</li> <li>Investment in equity securities including equity derivatives of Nifty Free Float Midcap 100 Index.</li> </ul> <p>Investors should consult their financial advisers if in doubt about whether the product is suitable for them.</p>    |           |              |      |        |   |        |           |             |   |       |      |               |  |                      |                 |       |              |              |      |                 |      |      |                  |                          |               |      |      |  |                      |                                   |  |              |      |        |  |        |           |             |  |       |       |               |              |       |       |       |       |              |      |      |      |      |                  |       |       |       |      |   |        |              |  |             |  |        |           |        |           |             |      |      |      |      |                  |       |       |       |       |
| <b>Asset Allocation Pattern of the Scheme</b>  | <p>Under normal circumstances, the asset allocation would be as follows:</p> <table border="1"> <thead> <tr> <th rowspan="2">Types of Instruments</th> <th colspan="2">% of Net Assets</th> <th rowspan="2">Risk Profile</th> </tr> <tr> <th>Min.</th> <th>Max.</th> </tr> </thead> <tbody> <tr> <td>Equity and equity related instruments of high dividend yield companies*</td> <td>65%</td> <td>100%</td> <td>High</td> </tr> <tr> <td>Debt &amp; Money Market Instruments (Incl. Units of Debt / Liquid Mutual Fund Schemes and Cash)</td> <td>0%</td> <td>35%</td> <td>Low to Medium</td> </tr> </tbody> </table> <p>* High Dividend Yield Companies are defined as Companies whose dividend yield, at the time of investment, is equal to or higher than the dividend yield of the Company with the lowest dividend yield in the Nifty Dividend Opportunities 50 Index, ascertained as at the close of previous trading day.</p> <p>The scheme intends to use derivatives for purposes that may be permitted by SEBI (Mutual Funds) Regulations, 1996 from time to time. The scheme shall have a maximum net derivatives position up to 50% of the portfolio.</p> <p>The Scheme may also invest in overseas financial debt instruments including units of overseas mutual funds, as detailed below: #</p> | Types of Instruments   | % of Net Assets  |           | Risk Profile | Min. | Max.   | Equity and equity related instruments of high dividend yield companies* | 65%    | 100%      | High        | Debt & Money Market Instruments (Incl. Units of Debt / Liquid Mutual Fund Schemes and Cash) | 0%    | 35%  | Low to Medium | <p>Under normal circumstances, the asset allocation would be as follows:</p> <table border="1"> <thead> <tr> <th rowspan="2">Types of Instruments</th> <th colspan="2">% of Net Assets</th> <th rowspan="2">Risk Profile</th> </tr> <tr> <th>Min.</th> <th>Max.</th> </tr> </thead> <tbody> <tr> <td>Nifty 50 Stocks</td> <td>0%</td> <td>100%</td> <td>Medium to High</td> </tr> <tr> <td>Money Market Instruments</td> <td>0%</td> <td>10%</td> <td>Low</td> </tr> </tbody> </table> <p>The Asset Management Company reserves the right to invest in derivatives up to 50% of the net assets of the Scheme</p> <p>Subject to the SEBI Regulations, the Mutual Fund may deploy upto 50% of its total net assets of the Scheme in Stock Lending.</p> | Types of Instruments | % of Net Assets |       | Risk Profile | Min.         | Max. | Nifty 50 Stocks | 0%   | 100% | Medium to High   | Money Market Instruments | 0%            | 10%  | Low  | <p>Under normal circumstances, the asset allocation would be as follows:</p> <table border="1"> <thead> <tr> <th rowspan="2">Types of Instruments</th> <th colspan="2">Normal Allocation % of Net Assets</th> <th rowspan="2">Risk Profile</th> </tr> <tr> <th>Min.</th> <th>Max.</th> </tr> </thead> <tbody> <tr> <td>Nifty Free Float Midcap 100 Index Stocks</td> <td>95%</td> <td>100%</td> <td>High</td> </tr> <tr> <td>Money Market Instruments with less than 1 year residual maturity (incl. reverse repos in government securities, as may be permitted by SEBI/RBI and units of liquid mutual fund schemes)</td> <td>0%</td> <td>5%</td> <td>Low to Medium</td> </tr> </tbody> </table> <p>The Asset Management Company reserves the right to invest in derivatives up to 50% of the net assets of the Scheme.</p> <p>Subject to the SEBI Regulations, the Mutual Fund may deploy upto 20% of its total net assets of the Scheme in Stock Lending.</p> <p>The cumulative gross exposure through equity, debt and derivative positions shall not exceed 100% of the net assets of the Scheme. The Scheme has no intention to invest in Securitised Debt and reverse repos of Corporate Bonds and/or participate in Short Selling.</p> | Types of Instruments | Normal Allocation % of Net Assets |  | Risk Profile | Min. | Max.   | Nifty Free Float Midcap 100 Index Stocks | 95%    | 100%      | High        | Money Market Instruments with less than 1 year residual maturity (incl. reverse repos in government securities, as may be permitted by SEBI/RBI and units of liquid mutual fund schemes) | 0%    | 5%    | Low to Medium |              |       |       |       |       |              |      |      |      |      |                  |       |       |       |      |   |        |              |  |             |  |        |           |        |           |             |      |      |      |      |                  |       |       |       |       |
| Types of Instruments   | % of Net Assets   |  | Risk Profile   |           |              |      |        |   |        |           |             |   |       |      |               |  |                      |                 |       |              |              |      |                 |      |      |                  |                          |               |      |      |  |                      |                                   |  |              |      |        |  |        |           |             |  |       |       |               |              |       |       |       |       |              |      |      |      |      |                  |       |       |       |      |   |        |              |  |             |  |        |           |        |           |             |      |      |      |      |                  |       |       |       |       |
|  | Min.  | Max.   |  |           |              |      |        |   |        |           |             |   |       |      |               |  |                      |                 |       |              |              |      |                 |      |      |                  |                          |               |      |      |  |                      |                                   |  |              |      |        |  |        |           |             |  |       |       |               |              |       |       |       |       |              |      |      |      |      |                  |       |       |       |      |   |        |              |  |             |  |        |           |        |           |             |      |      |      |      |                  |       |       |       |       |
| Equity and equity related instruments of high dividend yield companies*  | 65%   | 100%   | High   |           |              |      |        |   |        |           |             |   |       |      |               |  |                      |                 |       |              |              |      |                 |      |      |                  |                          |               |      |      |  |                      |                                   |  |              |      |        |  |        |           |             |  |       |       |               |              |       |       |       |       |              |      |      |      |      |                  |       |       |       |      |   |        |              |  |             |  |        |           |        |           |             |      |      |      |      |                  |       |       |       |       |
| Debt & Money Market Instruments (Incl. Units of Debt / Liquid Mutual Fund Schemes and Cash)  | 0%  | 35%  | Low to Medium  |           |              |      |        |   |        |           |             |   |       |      |               |  |                      |                 |       |              |              |      |                 |      |      |                  |                          |               |      |      |  |                      |                                   |  |              |      |        |  |        |           |             |  |       |       |               |              |       |       |       |       |              |      |      |      |      |                  |       |       |       |      |   |        |              |  |             |  |        |           |        |           |             |      |      |      |      |                  |       |       |       |       |
| Types of Instruments   | % of Net Assets   |  | Risk Profile   |           |              |      |        |   |        |           |             |   |       |      |               |  |                      |                 |       |              |              |      |                 |      |      |                  |                          |               |      |      |  |                      |                                   |  |              |      |        |  |        |           |             |  |       |       |               |              |       |       |       |       |              |      |      |      |      |                  |       |       |       |      |   |        |              |  |             |  |        |           |        |           |             |      |      |      |      |                  |       |       |       |       |
|  | Min.  | Max.   |  |           |              |      |        |   |        |           |             |   |       |      |               |  |                      |                 |       |              |              |      |                 |      |      |                  |                          |               |      |      |  |                      |                                   |  |              |      |        |  |        |           |             |  |       |       |               |              |       |       |       |       |              |      |      |      |      |                  |       |       |       |      |   |        |              |  |             |  |        |           |        |           |             |      |      |      |      |                  |       |       |       |       |
| Nifty 50 Stocks  | 0%  | 100%   | Medium to High   |           |              |      |        |   |        |           |             |   |       |      |               |  |                      |                 |       |              |              |      |                 |      |      |                  |                          |               |      |      |  |                      |                                   |  |              |      |        |  |        |           |             |  |       |       |               |              |       |       |       |       |              |      |      |      |      |                  |       |       |       |      |   |        |              |  |             |  |        |           |        |           |             |      |      |      |      |                  |       |       |       |       |
| Money Market Instruments   | 0%  | 10%  | Low  |           |              |      |        |   |        |           |             |   |       |      |               |  |                      |                 |       |              |              |      |                 |      |      |                  |                          |               |      |      |  |                      |                                   |  |              |      |        |  |        |           |             |  |       |       |               |              |       |       |       |       |              |      |      |      |      |                  |       |       |       |      |   |        |              |  |             |  |        |           |        |           |             |      |      |      |      |                  |       |       |       |       |
| Types of Instruments   | Normal Allocation % of Net Assets   |  | Risk Profile   |           |              |      |        |   |        |           |             |   |       |      |               |  |                      |                 |       |              |              |      |                 |      |      |                  |                          |               |      |      |  |                      |                                   |  |              |      |        |  |        |           |             |  |       |       |               |              |       |       |       |       |              |      |      |      |      |                  |       |       |       |      |   |        |              |  |             |  |        |           |        |           |             |      |      |      |      |                  |       |       |       |       |
|  | Min.  | Max.   |  |           |              |      |        |   |        |           |             |   |       |      |               |  |                      |                 |       |              |              |      |                 |      |      |                  |                          |               |      |      |  |                      |                                   |  |              |      |        |  |        |           |             |  |       |       |               |              |       |       |       |       |              |      |      |      |      |                  |       |       |       |      |   |        |              |  |             |  |        |           |        |           |             |      |      |      |      |                  |       |       |       |       |
| Nifty Free Float Midcap 100 Index Stocks   | 95%   | 100%   | High   |           |              |      |        |   |        |           |             |   |       |      |               |  |                      |                 |       |              |              |      |                 |      |      |                  |                          |               |      |      |  |                      |                                   |  |              |      |        |  |        |           |             |  |       |       |               |              |       |       |       |       |              |      |      |      |      |                  |       |       |       |      |   |        |              |  |             |  |        |           |        |           |             |      |      |      |      |                  |       |       |       |       |
| Money Market Instruments with less than 1 year residual maturity (incl. reverse repos in government securities, as may be permitted by SEBI/RBI and units of liquid mutual fund schemes) | 0%  | 5%   | Low to Medium  |           |              |      |        |   |        |           |             |   |       |      |               |  |                      |                 |       |              |              |      |                 |      |      |                  |                          |               |      |      |  |                      |                                   |  |              |      |        |  |        |           |             |  |       |       |               |              |       |       |       |       |              |      |      |      |      |                  |       |       |       |      |   |        |              |  |             |  |        |           |        |           |             |      |      |      |      |                  |       |       |       |       |
| <b>Risk Profile of the Scheme</b>  | Mutual Fund Units involve investment risks including the possible loss of principal. Please read the Scheme Information Document (SID) carefully for details on risk factors before investment. Scheme specific Risk Factors are summarized below: \$\$   |  |  |           |              |      |        |   |        |           |             |   |       |      |               |  |                      |                 |       |              |              |      |                 |      |      |                  |                          |               |      |      |  |                      |                                   |  |              |      |        |  |        |           |             |  |       |       |               |              |       |       |       |       |              |      |      |      |      |                  |       |       |       |      |   |        |              |  |             |  |        |           |        |           |             |      |      |      |      |                  |       |       |       |       |
| <b>Investment Plans &amp; Options</b>  | Regular Plan & Direct Plan. Both the Plans offer Growth & Half Yearly Dividend Option. Half Yearly Dividend Option under both the Plans offers facility of Payout, Reinvestment and Sweep.  | Regular Plan and Direct Plan. Both the Plans offer Dividend & Growth Option. The Dividend Option under both the Plan offers facility of Payout, Reinvestment and Sweep.  |  |           |              |      |        |   |        |           |             |   |       |      |               |  |                      |                 |       |              |              |      |                 |      |      |                  |                          |               |      |      |  |                      |                                   |  |              |      |        |  |        |           |             |  |       |       |               |              |       |       |       |       |              |      |      |      |      |                  |       |       |       |      |   |        |              |  |             |  |        |           |        |           |             |      |      |      |      |                  |       |       |       |       |
| <b>Applicable NAV</b>  | ++  |  |  |           |              |      |        |   |        |           |             |   |       |      |               |  |                      |                 |       |              |              |      |                 |      |      |                  |                          |               |      |      |  |                      |                                   |  |              |      |        |  |        |           |             |  |       |       |               |              |       |       |       |       |              |      |      |      |      |                  |       |       |       |      |   |        |              |  |             |  |        |           |        |           |             |      |      |      |      |                  |       |       |       |       |
| <b>Minimum Application Amount / Number of Units</b>  | <ul style="list-style-type: none"> <li><b>Purchase:</b> ₹ 5,000 and any amount thereafter under each Option.</li> <li><b>Additional Purchase:</b> ₹ 1,000 and any amount thereafter under each Option.</li> <li><b>Repurchase:</b> ₹ 500 or 50 units.</li> </ul>  |  |  |           |              |      |        |   |        |           |             |   |       |      |               |  |                      |                 |       |              |              |      |                 |      |      |                  |                          |               |      |      |  |                      |                                   |  |              |      |        |  |        |           |             |  |       |       |               |              |       |       |       |       |              |      |      |      |      |                  |       |       |       |      |   |        |              |  |             |  |        |           |        |           |             |      |      |      |      |                  |       |       |       |       |
| <b>Despatch of Repurchase (Redemption) Request</b>   | Within 10 business days of the receipt of the redemption request at the Official Points of Acceptance of the Principal Mutual Fund.   |  |  |           |              |      |        |   |        |           |             |   |       |      |               |  |                      |                 |       |              |              |      |                 |      |      |                  |                          |               |      |      |  |                      |                                   |  |              |      |        |  |        |           |             |  |       |       |               |              |       |       |       |       |              |      |      |      |      |                  |       |       |       |      |   |        |              |  |             |  |        |           |        |           |             |      |      |      |      |                  |       |       |       |       |
| <b>Investment Strategy</b>   | @   |  |  |           |              |      |        |   |        |           |             |   |       |      |               |  |                      |                 |       |              |              |      |                 |      |      |                  |                          |               |      |      |  |                      |                                   |  |              |      |        |  |        |           |             |  |       |       |               |              |       |       |       |       |              |      |      |      |      |                  |       |       |       |      |   |        |              |  |             |  |        |           |        |           |             |      |      |      |      |                  |       |       |       |       |
| <b>Risk Mitigation Factors</b>   | @@  |  |  |           |              |      |        |   |        |           |             |   |       |      |               |  |                      |                 |       |              |              |      |                 |      |      |                  |                          |               |      |      |  |                      |                                   |  |              |      |        |  |        |           |             |  |       |       |               |              |       |       |       |       |              |      |      |      |      |                  |       |       |       |      |   |        |              |  |             |  |        |           |        |           |             |      |      |      |      |                  |       |       |       |       |
| <b>Comparison of open-ended schemes</b>  | The scheme is an open ended equity scheme which will predominantly seek to invest in companies which have a dividend yield of at least 1.5 times that of Nifty 50 Index. While the scheme has an option to diversify some of its investments in other equity/equity related instruments, what sets it apart is that it will follow a diversified equity and across market capitalization mandate but with focus towards such companies which have a high dividend yield as mentioned above. In the basket of open ended equity schemes of Principal Mutual Fund, this is the only scheme which has a specific mandate to invest in high dividend yielding companies.  | As the name of the scheme suggests, the investment mandate of this Scheme is to invest in securities comprised in Nifty 50 Index. The investment weightage of the stocks will reflect the weightage of the respective companies in the benchmark index. The scheme will offer to investors, an opportunity to invest in Nifty 50 companies and participate in the growth offered by these companies. Subject to tracking error, the scheme will seek to offer returns as offered by Nifty 50 Index. Presently this is the only index fund which is available in the bouquet of open ended equity schemes offered by Principal Mutual Fund. | The investment mandate of this Scheme is to invest in securities comprised in Nifty Free Float Midcap 100 Index. The investment weightage of the stocks will reflect the weightage of the respective companies in the benchmark index. The scheme will offer to investors, an opportunity to invest in the Nifty Free Float Midcap 100 Index and participate in the growth offered by these companies. Subject to tracking error, the scheme will seek to offer returns as offered by Nifty Free Float Midcap 100 Index. Presently this is the only index fund which is available in the bouquet of open ended equity schemes offered by Principal Mutual Fund, tracking a midcap index. |           |              |      |        |   |        |           |             |   |       |      |               |  |                      |                 |       |              |              |      |                 |      |      |                  |                          |               |      |      |  |                      |                                   |  |              |      |        |  |        |           |             |  |       |       |               |              |       |       |       |       |              |      |      |      |      |                  |       |       |       |      |   |        |              |  |             |  |        |           |        |           |             |      |      |      |      |                  |       |       |       |       |
| <b>Dividend Policy</b>   | Under Dividend Plan/Option, dividend will be declared subject to availability of distributable surplus and at discretion of AMC / Trustee. The undistributed portion of the income will remain in the Plan/Option and be reflected in the NAV, on an ongoing basis. The Trustee's decision with regard to availability and adequacy, rate, timing and frequency of distribution of dividend shall be final.   |  |  |           |              |      |        |   |        |           |             |   |       |      |               |  |                      |                 |       |              |              |      |                 |      |      |                  |                          |               |      |      |  |                      |                                   |  |              |      |        |  |        |           |             |  |       |       |               |              |       |       |       |       |              |      |      |      |      |                  |       |       |       |      |   |        |              |  |             |  |        |           |        |           |             |      |      |      |      |                  |       |       |       |       |
| <b>Benchmark Index</b>   | Nifty Dividend Opportunities 50 index   | Nifty 50 Index   | Nifty Free Float Midcap 100 Index  |           |              |      |        |   |        |           |             |   |       |      |               |  |                      |                 |       |              |              |      |                 |      |      |                  |                          |               |      |      |  |                      |                                   |  |              |      |        |  |        |           |             |  |       |       |               |              |       |       |       |       |              |      |      |      |      |                  |       |       |       |      |   |        |              |  |             |  |        |           |        |           |             |      |      |      |      |                  |       |       |       |       |
| <b>Folio Count &amp; AUM (As on June 30, 2016)</b>   | Folio - 29,997 • AUM - ₹ 108.25 Crores  | Folio - 695 • AUM - ₹ 23.87 Crores   | Folio - 272 • AUM - ₹ 5.94 Crores  |           |              |      |        |   |        |           |             |   |       |      |               |  |                      |                 |       |              |              |      |                 |      |      |                  |                          |               |      |      |  |                      |                                   |  |              |      |        |  |        |           |             |  |       |       |               |              |       |       |       |       |              |      |      |      |      |                  |       |       |       |      |   |        |              |  |             |  |        |           |        |           |             |      |      |      |      |                  |       |       |       |       |
| <b>Fund Manager &amp; Managing the Current Fund from</b>   | Mr. Dhiman Shah - December 2011 (Tenure of the Fund Manager - 4 years 7 months)   | Mr. Rajat Jain - August 2015 (Tenure of the Fund Manager - 11 months)  | Mr. Rajat Jain - August 2015 (Tenure of the Fund Manager - 11 months)  |           |              |      |        |   |        |           |             |   |       |      |               |  |                      |                 |       |              |              |      |                 |      |      |                  |                          |               |      |      |  |                      |                                   |  |              |      |        |  |        |           |             |  |       |       |               |              |       |       |       |       |              |      |      |      |      |                  |       |       |       |      |   |        |              |  |             |  |        |           |        |           |             |      |      |      |      |                  |       |       |       |       |
| <b>Total Investment Experience</b>   | 24 years  | 27 years   | 27 years   |           |              |      |        |   |        |           |             |   |       |      |               |  |                      |                 |       |              |              |      |                 |      |      |                  |                          |               |      |      |  |                      |                                   |  |              |      |        |  |        |           |             |  |       |       |               |              |       |       |       |       |              |      |      |      |      |                  |       |       |       |      |   |        |              |  |             |  |        |           |        |           |             |      |      |      |      |                  |       |       |       |       |
| <b>Name of the Trustee Company</b>   | Principal Trustee Company Private Limited   |  |  |           |              |      |        |   |        |           |             |   |       |      |               |  |                      |                 |       |              |              |      |                 |      |      |                  |                          |               |      |      |  |                      |                                   |  |              |      |        |  |        |           |             |  |       |       |               |              |       |       |       |       |              |      |      |      |      |                  |       |       |       |      |   |        |              |  |             |  |        |           |        |           |             |      |      |      |      |                  |       |       |       |       |
| <b>Performance of the scheme :</b>   | <p>Returns (%) of Growth Option under Regular Plan and Direct Plan as at June 30, 2016</p> <table border="1"> <thead> <tr> <th rowspan="2">Period</th> <th colspan="2">Regular Plan</th> <th colspan="2">Direct Plan</th> </tr> <tr> <th>Scheme</th> <th>Benchmark</th> <th>Scheme</th> <th>Benchmark</th> </tr> </thead> <tbody> <tr> <td>Last 1 Year</td> <td>1.27</td> <td>-2.77</td> <td>1.81</td> <td>-2.77</td> </tr> <tr> <td>Last 3 Years</td> <td>16.08</td> <td>6.71</td> <td>16.69</td> <td>6.71</td> </tr> <tr> <td>Last 5 Years</td> <td>9.28</td> <td>5.54</td> <td>N.A.</td> <td>N.A.</td> </tr> <tr> <td>Since Inception*</td> <td>11.50</td> <td>Not Available</td> <td>9.37</td> <td>2.95</td> </tr> </tbody> </table> <p>* Regular Plan - October 15, 2004 Direct Plan - January 2, 2013<br/>Note: Returns more than 1 year are calculated on compounded annualised basis.</p> <p><b>Absolute Returns for each financial year for the last 5 years</b></p>  <p>Past performance may or may not be sustained in the future.</p>  | Period   | Regular Plan   |           | Direct Plan  |      | Scheme | Benchmark   | Scheme | Benchmark | Last 1 Year | 1.27  | -2.77 | 1.81 | -2.77         | Last 3 Years   | 16.08                | 6.71            | 16.69 | 6.71         | Last 5 Years | 9.28 | 5.54            | N.A. | N.A. | Since Inception* | 11.50                    | Not Available | 9.37 | 2.95 | <p>Returns (%) of Growth Option under Regular Plan and Direct Plan as at June 30, 2016</p> <table border="1"> <thead> <tr> <th rowspan="2">Period</th> <th colspan="2">Regular Plan</th> <th colspan="2">Direct Plan</th> </tr> <tr> <th>Scheme</th> <th>Benchmark</th> <th>Scheme</th> <th>Benchmark</th> </tr> </thead> <tbody> <tr> <td>Last 1 Year</td> <td>-0.51</td> <td>-0.96</td> <td>-0.01</td> <td>-0.96</td> </tr> <tr> <td>Last 3 Years</td> <td>12.49</td> <td>12.33</td> <td>13.06</td> <td>12.33</td> </tr> <tr> <td>Last 5 Years</td> <td>8.19</td> <td>7.96</td> <td>N.A.</td> <td>N.A.</td> </tr> <tr> <td>Since Inception*</td> <td>10.86</td> <td>11.51</td> <td>10.66</td> <td>9.72</td> </tr> </tbody> </table> <p>* Regular Plan - July 27, 1999 Direct Plan - January 2, 2013<br/>Note: Returns more than 1 year are calculated on compounded annualised basis.</p> <p><b>Absolute Returns for each financial year for the last 5 years</b></p>  <p>Past performance may or may not be sustained in the future.</p>  | Period               | Regular Plan                      |  | Direct Plan  |      | Scheme | Benchmark                                | Scheme | Benchmark | Last 1 Year | -0.51  | -0.96 | -0.01 | -0.96         | Last 3 Years | 12.49 | 12.33 | 13.06 | 12.33 | Last 5 Years | 8.19 | 7.96 | N.A. | N.A. | Since Inception* | 10.86 | 11.51 | 10.66 | 9.72 | <p>Returns (%) of Growth Option under Regular Plan and Direct Plan as at June 30, 2016</p> <table border="1"> <thead> <tr> <th rowspan="2">Period</th> <th colspan="2">Regular Plan</th> <th colspan="2">Direct Plan</th> </tr> <tr> <th>Scheme</th> <th>Benchmark</th> <th>Scheme</th> <th>Benchmark</th> </tr> </thead> <tbody> <tr> <td>Last 1 Year</td> <td>6.21</td> <td>6.18</td> <td>6.74</td> <td>6.18</td> </tr> <tr> <td>Since Inception*</td> <td>21.58</td> <td>21.88</td> <td>22.20</td> <td>21.88</td> </tr> </tbody> </table> <p>* Regular Plan - May 12, 2014 Direct Plan - May 12, 2014<br/>Past performance may or may not be sustained in the future.</p> <p><b>Absolute Returns for each financial year for the last 5 years</b></p>  <p>Past performance may or may not be sustained in the future.</p> | Period | Regular Plan |  | Direct Plan |  | Scheme | Benchmark | Scheme | Benchmark | Last 1 Year | 6.21 | 6.18 | 6.74 | 6.18 | Since Inception* | 21.58 | 21.88 | 22.20 | 21.88 |
| Period   | Regular Plan  |  | Direct Plan  |           |              |      |        |   |        |           |             |   |       |      |               |  |                      |                 |       |              |              |      |                 |      |      |                  |                          |               |      |      |  |                      |                                   |  |              |      |        |  |        |           |             |  |       |       |               |              |       |       |       |       |              |      |      |      |      |                  |       |       |       |      |   |        |              |  |             |  |        |           |        |           |             |      |      |      |      |                  |       |       |       |       |
|  | Scheme  | Benchmark  | Scheme   | Benchmark |              |      |        |   |        |           |             |   |       |      |               |  |                      |                 |       |              |              |      |                 |      |      |                  |                          |               |      |      |  |                      |                                   |  |              |      |        |  |        |           |             |  |       |       |               |              |       |       |       |       |              |      |      |      |      |                  |       |       |       |      |   |        |              |  |             |  |        |           |        |           |             |      |      |      |      |                  |       |       |       |       |
| Last 1 Year  | 1.27  | -2.77  | 1.81   | -2.77     |              |      |        |   |        |           |             |   |       |      |               |  |                      |                 |       |              |              |      |                 |      |      |                  |                          |               |      |      |  |                      |                                   |  |              |      |        |  |        |           |             |  |       |       |               |              |       |       |       |       |              |      |      |      |      |                  |       |       |       |      |   |        |              |  |             |  |        |           |        |           |             |      |      |      |      |                  |       |       |       |       |
| Last 3 Years   | 16.08   | 6.71   | 16.69  | 6.71      |              |      |        |   |        |           |             |   |       |      |               |  |                      |                 |       |              |              |      |                 |      |      |                  |                          |               |      |      |  |                      |                                   |  |              |      |        |  |        |           |             |  |       |       |               |              |       |       |       |       |              |      |      |      |      |                  |       |       |       |      |   |        |              |  |             |  |        |           |        |           |             |      |      |      |      |                  |       |       |       |       |
| Last 5 Years   | 9.28  | 5.54   | N.A.   | N.A.      |              |      |        |   |        |           |             |   |       |      |               |  |                      |                 |       |              |              |      |                 |      |      |                  |                          |               |      |      |  |                      |                                   |  |              |      |        |  |        |           |             |  |       |       |               |              |       |       |       |       |              |      |      |      |      |                  |       |       |       |      |   |        |              |  |             |  |        |           |        |           |             |      |      |      |      |                  |       |       |       |       |
| Since Inception*   | 11.50   | Not Available  | 9.37   | 2.95      |              |      |        |   |        |           |             |   |       |      |               |  |                      |                 |       |              |              |      |                 |      |      |                  |                          |               |      |      |  |                      |                                   |  |              |      |        |  |        |           |             |  |       |       |               |              |       |       |       |       |              |      |      |      |      |                  |       |       |       |      |   |        |              |  |             |  |        |           |        |           |             |      |      |      |      |                  |       |       |       |       |
| Period   | Regular Plan  |  | Direct Plan  |           |              |      |        |   |        |           |             |   |       |      |               |  |                      |                 |       |              |              |      |                 |      |      |                  |                          |               |      |      |  |                      |                                   |  |              |      |        |  |        |           |             |  |       |       |               |              |       |       |       |       |              |      |      |      |      |                  |       |       |       |      |   |        |              |  |             |  |        |           |        |           |             |      |      |      |      |                  |       |       |       |       |
|  | Scheme  | Benchmark  | Scheme   | Benchmark |              |      |        |   |        |           |             |   |       |      |               |  |                      |                 |       |              |              |      |                 |      |      |                  |                          |               |      |      |  |                      |                                   |  |              |      |        |  |        |           |             |  |       |       |               |              |       |       |       |       |              |      |      |      |      |                  |       |       |       |      |   |        |              |  |             |  |        |           |        |           |             |      |      |      |      |                  |       |       |       |       |
| Last 1 Year  | -0.51   | -0.96  | -0.01  | -0.96     |              |      |        |   |        |           |             |   |       |      |               |  |                      |                 |       |              |              |      |                 |      |      |                  |                          |               |      |      |  |                      |                                   |  |              |      |        |  |        |           |             |  |       |       |               |              |       |       |       |       |              |      |      |      |      |                  |       |       |       |      |   |        |              |  |             |  |        |           |        |           |             |      |      |      |      |                  |       |       |       |       |
| Last 3 Years   | 12.49   | 12.33  | 13.06  | 12.33     |              |      |        |   |        |           |             |   |       |      |               |  |                      |                 |       |              |              |      |                 |      |      |                  |                          |               |      |      |  |                      |                                   |  |              |      |        |  |        |           |             |  |       |       |               |              |       |       |       |       |              |      |      |      |      |                  |       |       |       |      |   |        |              |  |             |  |        |           |        |           |             |      |      |      |      |                  |       |       |       |       |
| Last 5 Years   | 8.19  | 7.96   | N.A.   | N.A.      |              |      |        |   |        |           |             |   |       |      |               |  |                      |                 |       |              |              |      |                 |      |      |                  |                          |               |      |      |  |                      |                                   |  |              |      |        |  |        |           |             |  |       |       |               |              |       |       |       |       |              |      |      |      |      |                  |       |       |       |      |   |        |              |  |             |  |        |           |        |           |             |      |      |      |      |                  |       |       |       |       |
| Since Inception*   | 10.86   | 11.51  | 10.66  | 9.72      |              |      |        |   |        |           |             |   |       |      |               |  |                      |                 |       |              |              |      |                 |      |      |                  |                          |               |      |      |  |                      |                                   |  |              |      |        |  |        |           |             |  |       |       |               |              |       |       |       |       |              |      |      |      |      |                  |       |       |       |      |   |        |              |  |             |  |        |           |        |           |             |      |      |      |      |                  |       |       |       |       |
| Period   | Regular Plan  |  | Direct Plan  |           |              |      |        |   |        |           |             |   |       |      |               |  |                      |                 |       |              |              |      |                 |      |      |                  |                          |               |      |      |  |                      |                                   |  |              |      |        |  |        |           |             |  |       |       |               |              |       |       |       |       |              |      |      |      |      |                  |       |       |       |      |   |        |              |  |             |  |        |           |        |           |             |      |      |      |      |                  |       |       |       |       |
|  | Scheme  | Benchmark  | Scheme   | Benchmark |              |      |        |   |        |           |             |   |       |      |               |  |                      |                 |       |              |              |      |                 |      |      |                  |                          |               |      |      |  |                      |                                   |  |              |      |        |  |        |           |             |  |       |       |               |              |       |       |       |       |              |      |      |      |      |                  |       |       |       |      |   |        |              |  |             |  |        |           |        |           |             |      |      |      |      |                  |       |       |       |       |
| Last 1 Year  | 6.21  | 6.18   | 6.74   | 6.18      |              |      |        |   |        |           |             |   |       |      |               |  |                      |                 |       |              |              |      |                 |      |      |                  |                          |               |      |      |  |                      |                                   |  |              |      |        |  |        |           |             |  |       |       |               |              |       |       |       |       |              |      |      |      |      |                  |       |       |       |      |   |        |              |  |             |  |        |           |        |           |             |      |      |      |      |                  |       |       |       |       |
| Since Inception*   | 21.58   | 21.88  | 22.20  | 21.88     |              |      |        |   |        |           |             |   |       |      |               |  |                      |                 |       |              |              |      |                 |      |      |                  |                          |               |      |      |  |                      |                                   |  |              |      |        |  |        |           |             |  |       |       |               |              |       |       |       |       |              |      |      |      |      |                  |       |       |       |      |   |        |              |  |             |  |        |           |        |           |             |      |      |      |      |                  |       |       |       |       |
| <b>Expenses of the Scheme</b>  | <p><b>(i) Load Structure:</b><br/><b>Exit Load:</b> If redeemed on or before 1 Year from the date of allotment - 1%.</p> <p><b>(ii) +Recurring expenses as a percentage of Daily Net Assets: Regular Plan -</b> • First ₹ 100 crores - 2.50 • Next ₹ 300 crores - 2.25 • Next ₹ 300 crores - 2.00 • Balance - 1.75 Index Fund - Nifty and Index Fund - Midcap - 1.5%<br/><b>Direct Plan</b> shall have a lower expense ratio excluding distribution expenses, commission, etc and no commission for distribution of Units will be paid / charged under the Direct Plan.</p> <p><b>(iii) Actual expenses for the previous financial year 2015-2016:</b></p> <p><b>Regular Plan:</b> • PDYF - 2.95% • Nifty Index - 1.00% • Nifty Midcap - 1.00%<br/><b>Direct Plan:</b> • PDYF - 2.39% • Nifty Index - 0.50% • Nifty Midcap - 0.48%</p>  | <p><b>(i) Load Structure:</b><br/><b>Exit Load:</b> 1% - if redeemed on or before 90 days from the date of allotment; Nil - if redeemed after 90 days from the date of allotment.</p>  | <p><b>(i) Load Structure:</b><br/><b>Exit Load:</b> 1% - if redeemed on or before 90 days from the date of allotment; Nil - if redeemed after 90 days from the date of allotment.</p>  |           |              |      |        |   |        |           |             |   |       |      |               |  |                      |                 |       |              |              |      |                 |      |      |                  |                          |               |      |      |  |                      |                                   |  |              |      |        |  |        |           |             |  |       |       |               |              |       |       |       |       |              |      |      |      |      |                  |       |       |       |      |   |        |              |  |             |  |        |           |        |           |             |      |      |      |      |                  |       |       |       |       |
| <b>Waiver of Load for Direct Applications</b>  | Not applicable Pursuant to SEBI circular no. SEBI/IMD/CIR No.4/ 168230/09 dated June 30, 2009 no entry load shall be charged for all Mutual Fund Scheme(s). Therefore, the procedure for waiver of load for direct applications is no longer applicable.  |  |  |           |              |      |        |   |        |           |             |   |       |      |               |  |                      |                 |       |              |              |      |                 |      |      |                  |                          |               |      |      |  |                      |                                   |  |              |      |        |  |        |           |             |  |       |       |               |              |       |       |       |       |              |      |      |      |      |                  |       |       |       |      |   |        |              |  |             |  |        |           |        |           |             |      |      |      |      |                  |       |       |       |       |

# For PDYF - Asset Allocation Pattern: (contd.)

Investments will only be made in instruments denominated in US Dollar, Singapore Dollar, Japanese Yen, Euro, Sterling Pound or in any other liquid currency as may be decided by the AMC from time to time and will be subject to following limits:

| Particulars  | % of Net Assets   |
|--|---|
| Investment in overseas financial debt instruments including units of overseas mutual funds | Not exceeding 35% of the Scheme's assets subject to a maximum limit of US \$300 million per mutual fund or such other limit as specified by SEBI from time to time. |

Subject to the SEBI Regulations, the Mutual Fund may deploy upto 50% of its total net assets of the Scheme in Stock Lending.

|   | Principal Arbitrage Fund (PAF)  | Principal Balanced Fund (PBF)   | Principal Global Opportunities Fund (PGOF)   |           |              |      |        |                                       |        |           |                |                    |      |      |                |   |       |       |       |   |                      |                 |      |              |      |                  |                                     |               |       |                |   |        |              |               |             |                                     |             |  |             |                 |             |  |   |  |  |                      |                                   |      |              |      |              |   |       |      |      |  |      |      |               |       |
|---|---|---|--|-----------|--------------|------|--------|---------------------------------------|--------|-----------|----------------|--------------------|------|------|----------------|---|-------|-------|-------|---|----------------------|-----------------|------|--------------|------|------------------|-------------------------------------|---------------|-------|----------------|---|--------|--------------|---------------|-------------|-------------------------------------|-------------|--|-------------|-----------------|-------------|--|---|--|--|----------------------|-----------------------------------|------|--------------|------|--------------|---|-------|------|------|--|------|------|---------------|-------|
| <b>Investment Objective</b>   | The investment objective of the scheme is to generate capital appreciation and income by predominantly investing in arbitrage opportunities in the cash and derivative segments of the equity markets and the arbitrage opportunities available within the derivative segment and by investing the balance in debt and money market instruments. There is no assurance or guarantee that the investment objective of the scheme will be realized.   | To provide long-term appreciation and current income by investing in a portfolio of equity, equity related securities and fixed income securities.  | To provide long term capital appreciation by predominantly investing in overseas mutual fund schemes, and a certain portion of its corpus in Money Market Securities and/or units of Money Market / Liquid Schemes of Principal Mutual Fund.   |           |              |      |        |                                       |        |           |                |                    |      |      |                |   |       |       |       |   |                      |                 |      |              |      |                  |                                     |               |       |                |   |        |              |               |             |                                     |             |  |             |                 |             |  |   |  |  |                      |                                   |      |              |      |              |   |       |      |      |  |      |      |               |       |
| <b>Type of Scheme</b>   | An Open-ended Equity Scheme   | An Open-ended Balanced Scheme   | An Open-ended Fund-of-Funds Scheme   |           |              |      |        |                                       |        |           |                |                    |      |      |                |   |       |       |       |   |                      |                 |      |              |      |                  |                                     |               |       |                |   |        |              |               |             |                                     |             |  |             |                 |             |  |   |  |  |                      |                                   |      |              |      |              |   |       |      |      |  |      |      |               |       |
| <b>Product Label</b>  | <p>This product is suitable for investors who are seeking -</p> <ul style="list-style-type: none"> <li>Income over short-term.</li> <li>Income through arbitrage opportunities between cash and derivative market and arbitrage opportunities within the derivative segment.</li> </ul> <p>- Investors should consult their financial advisers if in doubt about whether the product is suitable for them.</p>   | <p>This product is suitable for investors who are seeking -</p> <ul style="list-style-type: none"> <li>Income and Long term Capital Growth.</li> <li>Investment in equity &amp; equity related securities, debt/money market securities as well as derivatives.</li> </ul> <p>- Investors should consult their financial advisers if in doubt about whether the product is suitable for them.</p>  | <p>This product is suitable for investors who are seeking -</p> <ul style="list-style-type: none"> <li>Long term Capital Growth.</li> <li>Investment in overseas mutual fund schemes.</li> </ul> <p>- Investors should consult their financial advisers if in doubt about whether the product is suitable for them.</p>   |           |              |      |        |                                       |        |           |                |                    |      |      |                |   |       |       |       |   |                      |                 |      |              |      |                  |                                     |               |       |                |   |        |              |               |             |                                     |             |  |             |                 |             |  |   |  |  |                      |                                   |      |              |      |              |   |       |      |      |  |      |      |               |       |
| <b>Asset Allocation Pattern of the Scheme</b>   | <p>Under normal circumstances, the asset allocation would be as follows:</p> <table border="1"> <thead> <tr> <th rowspan="2">Types of Instruments</th> <th colspan="2">Indicative allocation (% of Total Assets)</th> <th rowspan="2">Risk Profile</th> </tr> <tr> <th>Min.</th> <th>Max.</th> </tr> </thead> <tbody> <tr> <td>Equity and equity related instruments</td> <td>65</td> <td>90</td> <td>Medium to High</td> </tr> <tr> <td>Equity derivatives</td> <td>65</td> <td>90</td> <td>Medium to High</td> </tr> <tr> <td>Debt securities and Money Market Instruments* (including Margin for Derivatives) and Fixed Income Derivatives</td> <td>10</td> <td>35</td> <td>Low</td> </tr> </tbody> </table> <p># The Scheme may invest in Treasury Bills, Repos, Reverse Repos &amp; Collateralized Borrowing and Lending Obligations ("CBLO") and units of Debt / Liquid and Money Market Mutual Fund Schemes.</p> <p>When adequate arbitrage opportunities are not available in the Derivative and Equity markets, the anticipated alternate asset allocation on defensive considerations would be in accordance with the allocation given in the SID. Please refer the SID for more details.</p> | Types of Instruments  | Indicative allocation (% of Total Assets)  |           | Risk Profile | Min. | Max.   | Equity and equity related instruments | 65     | 90        | Medium to High | Equity derivatives | 65   | 90   | Medium to High | Debt securities and Money Market Instruments* (including Margin for Derivatives) and Fixed Income Derivatives | 10    | 35    | Low   | <p>Under normal circumstances, the asset allocation would be as follows:</p> <table border="1"> <thead> <tr> <th rowspan="2">Types of Instruments</th> <th colspan="2">% of Net Assets</th> <th rowspan="2">Risk Profile</th> </tr> <tr> <th>Min.</th> <th>Max.</th> </tr> </thead> <tbody> <tr> <td>Equity &amp; Equity Related Instruments</td> <td>60%</td> <td>70%</td> <td>Medium to High</td> </tr> <tr> <td>Debt and Money Market Instruments (incl. Units of Liquid / Money Market / Debt Mutual Fund Schemes and Securitised Debt*)</td> <td>30%</td> <td>40%</td> <td>Low to Medium</td> </tr> </tbody> </table> <p>* Investment in Securitised Debt may be up to 20% of the net assets of the Scheme. The Asset Management Company reserves the right to invest in derivatives as follows:</p> <table border="1"> <thead> <tr> <th>Particulars</th> <th>Normal Allocation (% of Net Assets)</th> </tr> </thead> <tbody> <tr> <td>Derivatives</td> <td>Upto 50% of the net assets of the Scheme</td> </tr> </tbody> </table> <p>Investment in Overseas Financial Instruments are as follows:</p> <table border="1"> <thead> <tr> <th>Particulars</th> <th>% of Net Assets</th> </tr> </thead> <tbody> <tr> <td>ADRs / GDRs</td> <td>Not exceeding 15% of the Scheme's Assets</td> </tr> <tr> <td>Overseas Financial Debt Instruments including overseas Mutual Funds</td> <td>Not exceeding 25% of the Scheme's Assets</td> </tr> </tbody> </table> <p>Subject to the SEBI Regulations, the Mutual Fund may deploy upto 50% of its total net assets of the Scheme in Stock Lending.</p> | Types of Instruments | % of Net Assets |      | Risk Profile | Min. | Max.             | Equity & Equity Related Instruments | 60%           | 70%   | Medium to High | Debt and Money Market Instruments (incl. Units of Liquid / Money Market / Debt Mutual Fund Schemes and Securitised Debt*)   | 30%    | 40%          | Low to Medium | Particulars | Normal Allocation (% of Net Assets) | Derivatives | Upto 50% of the net assets of the Scheme | Particulars | % of Net Assets | ADRs / GDRs | Not exceeding 15% of the Scheme's Assets | Overseas Financial Debt Instruments including overseas Mutual Funds | Not exceeding 25% of the Scheme's Assets | <p>Under normal circumstances, the asset allocation would be as follows:</p> <table border="1"> <thead> <tr> <th rowspan="2">Types of Instruments</th> <th colspan="2">Normal Allocation % of Net Assets</th> <th rowspan="2">Risk Profile</th> </tr> <tr> <th>Min.</th> <th>Max.</th> </tr> </thead> <tbody> <tr> <td>Units of overseas mutual fund scheme(s)</td> <td>85%</td> <td>100%</td> <td>High</td> </tr> <tr> <td>Money market securities and/or units of money market/liquid schemes of Principal Mutual Fund</td> <td>0%</td> <td>15%</td> <td>Low to Medium</td> </tr> </tbody> </table> <p>* Currently Principal Global Investors Funds - Emerging Market Equity Fund - a fund advised by Principal Global Investors - LLC (USA) has been identified as the portfolio for the purpose. Trustees, at their discretion, may decide to shift full or part of the investments to any other similar overseas mutual fund scheme(s).</p> | Types of Instruments | Normal Allocation % of Net Assets |      | Risk Profile | Min. | Max.         | Units of overseas mutual fund scheme(s) | 85%   | 100% | High | Money market securities and/or units of money market/liquid schemes of Principal Mutual Fund | 0%   | 15%  | Low to Medium |       |
| Types of Instruments  | Indicative allocation (% of Total Assets)   |   | Risk Profile   |           |              |      |        |                                       |        |           |                |                    |      |      |                |   |       |       |       |   |                      |                 |      |              |      |                  |                                     |               |       |                |   |        |              |               |             |                                     |             |  |             |                 |             |  |   |  |  |                      |                                   |      |              |      |              |   |       |      |      |  |      |      |               |       |
|   | Min.  | Max.  |  |           |              |      |        |                                       |        |           |                |                    |      |      |                |   |       |       |       |   |                      |                 |      |              |      |                  |                                     |               |       |                |   |        |              |               |             |                                     |             |  |             |                 |             |  |   |  |  |                      |                                   |      |              |      |              |   |       |      |      |  |      |      |               |       |
| Equity and equity related instruments   | 65  | 90  | Medium to High   |           |              |      |        |                                       |        |           |                |                    |      |      |                |   |       |       |       |   |                      |                 |      |              |      |                  |                                     |               |       |                |   |        |              |               |             |                                     |             |  |             |                 |             |  |   |  |  |                      |                                   |      |              |      |              |   |       |      |      |  |      |      |               |       |
| Equity derivatives  | 65  | 90  | Medium to High   |           |              |      |        |                                       |        |           |                |                    |      |      |                |   |       |       |       |   |                      |                 |      |              |      |                  |                                     |               |       |                |   |        |              |               |             |                                     |             |  |             |                 |             |  |   |  |  |                      |                                   |      |              |      |              |   |       |      |      |  |      |      |               |       |
| Debt securities and Money Market Instruments* (including Margin for Derivatives) and Fixed Income Derivatives             | 10  | 35  | Low  |           |              |      |        |                                       |        |           |                |                    |      |      |                |   |       |       |       |   |                      |                 |      |              |      |                  |                                     |               |       |                |   |        |              |               |             |                                     |             |  |             |                 |             |  |   |  |  |                      |                                   |      |              |      |              |   |       |      |      |  |      |      |               |       |
| Types of Instruments  | % of Net Assets   |   | Risk Profile   |           |              |      |        |                                       |        |           |                |                    |      |      |                |   |       |       |       |   |                      |                 |      |              |      |                  |                                     |               |       |                |   |        |              |               |             |                                     |             |  |             |                 |             |  |   |  |  |                      |                                   |      |              |      |              |   |       |      |      |  |      |      |               |       |
|   | Min.  | Max.  |  |           |              |      |        |                                       |        |           |                |                    |      |      |                |   |       |       |       |   |                      |                 |      |              |      |                  |                                     |               |       |                |   |        |              |               |             |                                     |             |  |             |                 |             |  |   |  |  |                      |                                   |      |              |      |              |   |       |      |      |  |      |      |               |       |
| Equity & Equity Related Instruments   | 60%   | 70%   | Medium to High   |           |              |      |        |                                       |        |           |                |                    |      |      |                |   |       |       |       |   |                      |                 |      |              |      |                  |                                     |               |       |                |   |        |              |               |             |                                     |             |  |             |                 |             |  |   |  |  |                      |                                   |      |              |      |              |   |       |      |      |  |      |      |               |       |
| Debt and Money Market Instruments (incl. Units of Liquid / Money Market / Debt Mutual Fund Schemes and Securitised Debt*) | 30%   | 40%   | Low to Medium  |           |              |      |        |                                       |        |           |                |                    |      |      |                |   |       |       |       |   |                      |                 |      |              |      |                  |                                     |               |       |                |   |        |              |               |             |                                     |             |  |             |                 |             |  |   |  |  |                      |                                   |      |              |      |              |   |       |      |      |  |      |      |               |       |
| Particulars   | Normal Allocation (% of Net Assets)   |   |  |           |              |      |        |                                       |        |           |                |                    |      |      |                |   |       |       |       |   |                      |                 |      |              |      |                  |                                     |               |       |                |   |        |              |               |             |                                     |             |  |             |                 |             |  |   |  |  |                      |                                   |      |              |      |              |   |       |      |      |  |      |      |               |       |
| Derivatives   | Upto 50% of the net assets of the Scheme  |   |  |           |              |      |        |                                       |        |           |                |                    |      |      |                |   |       |       |       |   |                      |                 |      |              |      |                  |                                     |               |       |                |   |        |              |               |             |                                     |             |  |             |                 |             |  |   |  |  |                      |                                   |      |              |      |              |   |       |      |      |  |      |      |               |       |
| Particulars   | % of Net Assets   |   |  |           |              |      |        |                                       |        |           |                |                    |      |      |                |   |       |       |       |   |                      |                 |      |              |      |                  |                                     |               |       |                |   |        |              |               |             |                                     |             |  |             |                 |             |  |   |  |  |                      |                                   |      |              |      |              |   |       |      |      |  |      |      |               |       |
| ADRs / GDRs   | Not exceeding 15% of the Scheme's Assets  |   |  |           |              |      |        |                                       |        |           |                |                    |      |      |                |   |       |       |       |   |                      |                 |      |              |      |                  |                                     |               |       |                |   |        |              |               |             |                                     |             |  |             |                 |             |  |   |  |  |                      |                                   |      |              |      |              |   |       |      |      |  |      |      |               |       |
| Overseas Financial Debt Instruments including overseas Mutual Funds   | Not exceeding 25% of the Scheme's Assets  |   |  |           |              |      |        |                                       |        |           |                |                    |      |      |                |   |       |       |       |   |                      |                 |      |              |      |                  |                                     |               |       |                |   |        |              |               |             |                                     |             |  |             |                 |             |  |   |  |  |                      |                                   |      |              |      |              |   |       |      |      |  |      |      |               |       |
| Types of Instruments  | Normal Allocation % of Net Assets   |   | Risk Profile   |           |              |      |        |                                       |        |           |                |                    |      |      |                |   |       |       |       |   |                      |                 |      |              |      |                  |                                     |               |       |                |   |        |              |               |             |                                     |             |  |             |                 |             |  |   |  |  |                      |                                   |      |              |      |              |   |       |      |      |  |      |      |               |       |
|   | Min.  | Max.  |  |           |              |      |        |                                       |        |           |                |                    |      |      |                |   |       |       |       |   |                      |                 |      |              |      |                  |                                     |               |       |                |   |        |              |               |             |                                     |             |  |             |                 |             |  |   |  |  |                      |                                   |      |              |      |              |   |       |      |      |  |      |      |               |       |
| Units of overseas mutual fund scheme(s)   | 85%   | 100%  | High   |           |              |      |        |                                       |        |           |                |                    |      |      |                |   |       |       |       |   |                      |                 |      |              |      |                  |                                     |               |       |                |   |        |              |               |             |                                     |             |  |             |                 |             |  |   |  |  |                      |                                   |      |              |      |              |   |       |      |      |  |      |      |               |       |
| Money market securities and/or units of money market/liquid schemes of Principal Mutual Fund                              | 0%  | 15%   | Low to Medium  |           |              |      |        |                                       |        |           |                |                    |      |      |                |   |       |       |       |   |                      |                 |      |              |      |                  |                                     |               |       |                |   |        |              |               |             |                                     |             |  |             |                 |             |  |   |  |  |                      |                                   |      |              |      |              |   |       |      |      |  |      |      |               |       |
| <b>Risk Profile of the Scheme</b>   | Mutual Fund Units involve investment risks including the possible loss of principal. Please read the Scheme Information Document (SID) carefully for details on risk factors before investment. Scheme specific Risk Factors are summarized below: \$\$   |   |  |           |              |      |        |                                       |        |           |                |                    |      |      |                |   |       |       |       |   |                      |                 |      |              |      |                  |                                     |               |       |                |   |        |              |               |             |                                     |             |  |             |                 |             |  |   |  |  |                      |                                   |      |              |      |              |   |       |      |      |  |      |      |               |       |
| <b>Investment Plans &amp; Options</b>   | Regular Plan & Direct Plan. Both the Plans offer Growth & Dividend Option. The Dividend Option under both the Plan offers facility of Payout, Reinvestment and Sweep.   | Regular Plan & Direct Plan. Both the Plans offer Growth & Half Yearly Dividend Option. Half Yearly Dividend Option under both the Plans offers facility of Payout, Reinvestment and Sweep.  | Regular Plan and Direct Plan. Both the Plans offer Dividend & Growth Option. The Dividend Option under both the Plan offers facility of Payout, Reinvestment and Sweep.  |           |              |      |        |                                       |        |           |                |                    |      |      |                |   |       |       |       |   |                      |                 |      |              |      |                  |                                     |               |       |                |   |        |              |               |             |                                     |             |  |             |                 |             |  |   |  |  |                      |                                   |      |              |      |              |   |       |      |      |  |      |      |               |       |
| <b>Applicable NAV</b>   | ++  |   |  |           |              |      |        |                                       |        |           |                |                    |      |      |                |   |       |       |       |   |                      |                 |      |              |      |                  |                                     |               |       |                |   |        |              |               |             |                                     |             |  |             |                 |             |  |   |  |  |                      |                                   |      |              |      |              |   |       |      |      |  |      |      |               |       |
| <b>Minimum Application Amount / Number of Units</b>   | <ul style="list-style-type: none"> <li>• Purchase: ₹ 5,000 and in multiples of ₹ 1/- thereafter under each Option.</li> <li>• Additional Purchase: ₹ 1,000 and in multiples of ₹ 1/- thereafter under each Option.</li> <li>• Repurchase: ₹ 500 or 50 units.</li> </ul>   | <ul style="list-style-type: none"> <li>• Purchase: ₹ 5,000 and any amount thereafter under each Option.</li> <li>• Additional Purchase: ₹ 1,000 and any amount thereafter under each Option.</li> <li>• Repurchase: ₹ 500 or 50 units.</li> </ul>   | <ul style="list-style-type: none"> <li>• Purchase: ₹ 10,000 and any amount thereafter under each Plan/Option.</li> <li>• Additional Purchase: ₹ 1,000 and any amount thereafter under each Plan/Option.</li> <li>• Repurchase: ₹ 1,000 or 100 units.</li> </ul>  |           |              |      |        |                                       |        |           |                |                    |      |      |                |   |       |       |       |   |                      |                 |      |              |      |                  |                                     |               |       |                |   |        |              |               |             |                                     |             |  |             |                 |             |  |   |  |  |                      |                                   |      |              |      |              |   |       |      |      |  |      |      |               |       |
| <b>Despatch of Repurchase (Redemption) Request</b>  | Within 10 business days of the receipt of the redemption request at the Official Points of Acceptance of the Principal Mutual Fund.   |   |  |           |              |      |        |                                       |        |           |                |                    |      |      |                |   |       |       |       |   |                      |                 |      |              |      |                  |                                     |               |       |                |   |        |              |               |             |                                     |             |  |             |                 |             |  |   |  |  |                      |                                   |      |              |      |              |   |       |      |      |  |      |      |               |       |
| <b>Investment Strategy</b>  | @   |   |  |           |              |      |        |                                       |        |           |                |                    |      |      |                |   |       |       |       |   |                      |                 |      |              |      |                  |                                     |               |       |                |   |        |              |               |             |                                     |             |  |             |                 |             |  |   |  |  |                      |                                   |      |              |      |              |   |       |      |      |  |      |      |               |       |
| <b>Risk Mitigation Factors</b>  | @@  |   |  |           |              |      |        |                                       |        |           |                |                    |      |      |                |   |       |       |       |   |                      |                 |      |              |      |                  |                                     |               |       |                |   |        |              |               |             |                                     |             |  |             |                 |             |  |   |  |  |                      |                                   |      |              |      |              |   |       |      |      |  |      |      |               |       |
| <b>Comparison of open-ended schemes</b>   | The scheme is positioned to generate capital appreciation and income by investing in arbitrage opportunities in the cash and derivative segments of equity markets and in debt and money market securities.   | The scheme is having an asset allocation with a ceiling on exposure to equity/equity related instruments. The investment mandate allows a maximum of 70% exposure to equity with an investment of at least 30% in debt instruments. Thus the scheme offers growth potential with equity investments and also seeks to generate interest income by investing in debt securities.   | The scheme is an open ended fund of funds scheme predominantly investing in units of overseas mutual fund schemes. Presently the scheme is invested in units of Principal Global Investors - Emerging Market Equity Fund, however the Trustees, at their discretion, may decide to shift full or part of the investments to any other similar overseas mutual fund scheme(s). Performance of the scheme is benchmarked with MSCI World Index. The scheme helps to diversify the basket of our offerings to the investors by giving an opportunity of investment in overseas securities. Presently this is the only Fund of Funds offered by Principal Mutual Fund that invests in units of overseas mutual fund schemes. |           |              |      |        |                                       |        |           |                |                    |      |      |                |   |       |       |       |   |                      |                 |      |              |      |                  |                                     |               |       |                |   |        |              |               |             |                                     |             |  |             |                 |             |  |   |  |  |                      |                                   |      |              |      |              |   |       |      |      |  |      |      |               |       |
| <b>Dividend Policy</b>  | Under Dividend Plan/Option, dividend will be declared subject to availability of distributable surplus and at discretion of AMC / Trustee. The undistributed portion of the income will remain in the Plan/Option and be reflected in the NAV, on an ongoing basis. The Trustee's decision with regard to availability and adequacy, rate, timing and frequency of distribution of dividend shall be final.   |   |  |           |              |      |        |                                       |        |           |                |                    |      |      |                |   |       |       |       |   |                      |                 |      |              |      |                  |                                     |               |       |                |   |        |              |               |             |                                     |             |  |             |                 |             |  |   |  |  |                      |                                   |      |              |      |              |   |       |      |      |  |      |      |               |       |
| <b>Benchmark Index</b>  | CRISIL Liquid Fund Index  | Crisil Balanced Fund - Aggressive Index   | MSCI World Index   |           |              |      |        |                                       |        |           |                |                    |      |      |                |   |       |       |       |   |                      |                 |      |              |      |                  |                                     |               |       |                |   |        |              |               |             |                                     |             |  |             |                 |             |  |   |  |  |                      |                                   |      |              |      |              |   |       |      |      |  |      |      |               |       |
| <b>Folio Count &amp; AUM (As on June 30, 2016)</b>  | Folio - 299 • AUM - ₹ 73.80 Crores  | Folio - 3,156 • AUM - ₹ 36.61 Crores  | Folio - 2,406 • AUM - ₹ 15.44 Crores   |           |              |      |        |                                       |        |           |                |                    |      |      |                |   |       |       |       |   |                      |                 |      |              |      |                  |                                     |               |       |                |   |        |              |               |             |                                     |             |  |             |                 |             |  |   |  |  |                      |                                   |      |              |      |              |   |       |      |      |  |      |      |               |       |
| <b>Fund Manager &amp; Managing the Current Fund from</b>  | Mr. Rajat Jain - April 2016 (Tenure of the Fund Manager - 3 month)  | Mr. P.V.K. Mohan - May 2010 (Tenure of the Fund Manager - 6 years 2 months) & Bekxy Kuriakose - March 2016 (Tenure of the Fund Manager - 4 months)  | Mr. Rajat Jain - March 2004 (Tenure of the Fund Manager - 12 years 4 months)   |           |              |      |        |                                       |        |           |                |                    |      |      |                |   |       |       |       |   |                      |                 |      |              |      |                  |                                     |               |       |                |   |        |              |               |             |                                     |             |  |             |                 |             |  |   |  |  |                      |                                   |      |              |      |              |   |       |      |      |  |      |      |               |       |
| <b>Total Investment Experience</b>  | 27 years  | Mr. P.V.K. Mohan - 23 years & Bekxy Kuriakose - 15 years  | 27 years   |           |              |      |        |                                       |        |           |                |                    |      |      |                |   |       |       |       |   |                      |                 |      |              |      |                  |                                     |               |       |                |   |        |              |               |             |                                     |             |  |             |                 |             |  |   |  |  |                      |                                   |      |              |      |              |   |       |      |      |  |      |      |               |       |
| <b>Name of the Trustee Company</b>  | Principal Trustee Company Private Limited   |   |  |           |              |      |        |                                       |        |           |                |                    |      |      |                |   |       |       |       |   |                      |                 |      |              |      |                  |                                     |               |       |                |   |        |              |               |             |                                     |             |  |             |                 |             |  |   |  |  |                      |                                   |      |              |      |              |   |       |      |      |  |      |      |               |       |
| <b>Performance of the scheme :</b>  | <p>Since the scheme has not completed one year from the date of allotment, performance has not been provided.</p> <table border="1"> <thead> <tr> <th rowspan="3">Period</th> <th colspan="2">Regular Plan</th> <th colspan="2">Direct Plan</th> </tr> <tr> <th>Scheme</th> <th>Benchmark</th> <th>Scheme</th> <th>Benchmark</th> </tr> </thead> <tbody> <tr> <td>Last 1 Year</td> <td>5.85</td> <td>3.11</td> <td>6.66</td> <td>3.11</td> </tr> <tr> <td>Last 3 Years</td> <td>17.48</td> <td>11.30</td> <td>18.43</td> <td>11.30</td> </tr> <tr> <td>Last 5 Years</td> <td>12.07</td> <td>8.65</td> <td>N.A.</td> <td>N.A.</td> </tr> <tr> <td>Since Inception*</td> <td>10.71</td> <td>Not Available</td> <td>14.13</td> <td>9.74</td> </tr> </tbody> </table> <p>* Regular Plan - January 14, 2000 Direct Plan - January 2, 2013<br/> <b>Note:</b> Returns more than 1 year are calculated on compounded annualised basis.</p> <p>Absolute Returns for each financial year for the last 5 years</p>  <p>Past performance may or may not be sustained in the future.</p>   | Period  | Regular Plan   |           | Direct Plan  |      | Scheme | Benchmark                             | Scheme | Benchmark | Last 1 Year    | 5.85               | 3.11 | 6.66 | 3.11           | Last 3 Years  | 17.48 | 11.30 | 18.43 | 11.30   | Last 5 Years         | 12.07           | 8.65 | N.A.         | N.A. | Since Inception* | 10.71                               | Not Available | 14.13 | 9.74           | <table border="1"> <thead> <tr> <th rowspan="3">Period</th> <th colspan="2">Regular Plan</th> <th colspan="2">Direct Plan</th> </tr> <tr> <th>Scheme</th> <th>Benchmark</th> <th>Scheme</th> <th>Benchmark</th> </tr> </thead> <tbody> <tr> <td>Last 1 Year</td> <td>-8.67</td> <td>1.11</td> <td>-8.26</td> <td>1.11</td> </tr> <tr> <td>Last 3 Years</td> <td>0.57</td> <td>9.28</td> <td>0.98</td> <td>9.28</td> </tr> <tr> <td>Last 5 Years</td> <td>2.76</td> <td>13.47</td> <td>N.A.</td> <td>N.A.</td> </tr> <tr> <td>Since Inception*</td> <td>6.25</td> <td>7.42</td> <td>-0.75</td> <td>12.39</td> </tr> </tbody> </table> <p>* Regular Plan - March 29, 2004 Direct Plan - January 2, 2013<br/> <b>Note:</b> Returns more than 1 year are calculated on compounded annualised basis.</p> <p>Absolute Returns for each financial year for the last 5 years</p>  <p>Past performance may or may not be sustained in the future.</p> | Period | Regular Plan |               | Direct Plan |                                     | Scheme      | Benchmark                                | Scheme      | Benchmark       | Last 1 Year | -8.67                                    | 1.11  | -8.26                                    | 1.11   | Last 3 Years         | 0.57                              | 9.28 | 0.98         | 9.28 | Last 5 Years | 2.76                                    | 13.47 | N.A. | N.A. | Since Inception*   | 6.25 | 7.42 | -0.75         | 12.39 |
| Period  | Regular Plan  |   | Direct Plan  |           |              |      |        |                                       |        |           |                |                    |      |      |                |   |       |       |       |   |                      |                 |      |              |      |                  |                                     |               |       |                |   |        |              |               |             |                                     |             |  |             |                 |             |  |   |  |  |                      |                                   |      |              |      |              |   |       |      |      |  |      |      |               |       |
|   | Scheme  |   | Benchmark  | Scheme    | Benchmark    |      |        |                                       |        |           |                |                    |      |      |                |   |       |       |       |   |                      |                 |      |              |      |                  |                                     |               |       |                |   |        |              |               |             |                                     |             |  |             |                 |             |  |   |  |  |                      |                                   |      |              |      |              |   |       |      |      |  |      |      |               |       |
|   | Last 1 Year   | 5.85  | 3.11   | 6.66      | 3.11         |      |        |                                       |        |           |                |                    |      |      |                |   |       |       |       |   |                      |                 |      |              |      |                  |                                     |               |       |                |   |        |              |               |             |                                     |             |  |             |                 |             |  |   |  |  |                      |                                   |      |              |      |              |   |       |      |      |  |      |      |               |       |
| Last 3 Years  | 17.48   | 11.30   | 18.43  | 11.30     |              |      |        |                                       |        |           |                |                    |      |      |                |   |       |       |       |   |                      |                 |      |              |      |                  |                                     |               |       |                |   |        |              |               |             |                                     |             |  |             |                 |             |  |   |  |  |                      |                                   |      |              |      |              |   |       |      |      |  |      |      |               |       |
| Last 5 Years  | 12.07   | 8.65  | N.A.   | N.A.      |              |      |        |                                       |        |           |                |                    |      |      |                |   |       |       |       |   |                      |                 |      |              |      |                  |                                     |               |       |                |   |        |              |               |             |                                     |             |  |             |                 |             |  |   |  |  |                      |                                   |      |              |      |              |   |       |      |      |  |      |      |               |       |
| Since Inception*  | 10.71   | Not Available   | 14.13  | 9.74      |              |      |        |                                       |        |           |                |                    |      |      |                |   |       |       |       |   |                      |                 |      |              |      |                  |                                     |               |       |                |   |        |              |               |             |                                     |             |  |             |                 |             |  |   |  |  |                      |                                   |      |              |      |              |   |       |      |      |  |      |      |               |       |
| Period  | Regular Plan  |   | Direct Plan  |           |              |      |        |                                       |        |           |                |                    |      |      |                |   |       |       |       |   |                      |                 |      |              |      |                  |                                     |               |       |                |   |        |              |               |             |                                     |             |  |             |                 |             |  |   |  |  |                      |                                   |      |              |      |              |   |       |      |      |  |      |      |               |       |
|   | Scheme  | Benchmark   | Scheme   | Benchmark |              |      |        |                                       |        |           |                |                    |      |      |                |   |       |       |       |   |                      |                 |      |              |      |                  |                                     |               |       |                |   |        |              |               |             |                                     |             |  |             |                 |             |  |   |  |  |                      |                                   |      |              |      |              |   |       |      |      |  |      |      |               |       |
|   | Last 1 Year   | -8.67   | 1.11   | -8.26     | 1.11         |      |        |                                       |        |           |                |                    |      |      |                |   |       |       |       |   |                      |                 |      |              |      |                  |                                     |               |       |                |   |        |              |               |             |                                     |             |  |             |                 |             |  |   |  |  |                      |                                   |      |              |      |              |   |       |      |      |  |      |      |               |       |
| Last 3 Years  | 0.57  | 9.28  | 0.98   | 9.28      |              |      |        |                                       |        |           |                |                    |      |      |                |   |       |       |       |   |                      |                 |      |              |      |                  |                                     |               |       |                |   |        |              |               |             |                                     |             |  |             |                 |             |  |   |  |  |                      |                                   |      |              |      |              |   |       |      |      |  |      |      |               |       |
| Last 5 Years  | 2.76  | 13.47   | N.A.   | N.A.      |              |      |        |                                       |        |           |                |                    |      |      |                |   |       |       |       |   |                      |                 |      |              |      |                  |                                     |               |       |                |   |        |              |               |             |                                     |             |  |             |                 |             |  |   |  |  |                      |                                   |      |              |      |              |   |       |      |      |  |      |      |               |       |
| Since Inception*  | 6.25  | 7.42  | -0.75  | 12.39     |              |      |        |                                       |        |           |                |                    |      |      |                |   |       |       |       |   |                      |                 |      |              |      |                  |                                     |               |       |                |   |        |              |               |             |                                     |             |  |             |                 |             |  |   |  |  |                      |                                   |      |              |      |              |   |       |      |      |  |      |      |               |       |
| <b>Expenses of the Scheme</b>   | <p>(i) Load Structure:<br/> <b>Exit Load:</b> If redeemed on or before 90 days from the date of allotment - 0.25%. If redeemed after 90 days from the date of allotment - NIL</p> <p>(ii) +Recurring expenses as a percentage of Daily Net Assets: <b>Regular Plan</b> - • First ₹ 100 crores - 2.50 • Next ₹ 300 crores - 2.25 • Next ₹ 300 crores - 2.00 • Balance - 1.75<br/> <b>For PGOF:</b> Total expenses including charges levied by underlying scheme(s) shall not exceed 2.5% of daily average net Assets.<br/> <b>Direct Plan</b> shall have a lower expense ratio excluding distribution expenses, commission, etc and no commission for distribution of Units will be paid / charged under the Direct Plan.</p> <p>(iii) Actual expenses for the previous financial year 2015-2016:</p>  | <p>(i) Load Structure:<br/> <b>Exit Load:</b> If redeemed on or before 1 Year from the date of allotment - 1%.</p> <p>Regular Plan: • PAF - N.A. • PBF - 2.96% • PGOF - 0.82%<br/> Direct Plan: • PAF - N.A. • PBF - 2.19% • PGOF - 0.37%</p>   | <p>(i) Load Structure:<br/> <b>Exit Load:</b> If redeemed on or before 1 year from the date of allotment - 1%.</p>   |           |              |      |        |                                       |        |           |                |                    |      |      |                |   |       |       |       |   |                      |                 |      |              |      |                  |                                     |               |       |                |   |        |              |               |             |                                     |             |  |             |                 |             |  |   |  |  |                      |                                   |      |              |      |              |   |       |      |      |  |      |      |               |       |
| <b>Waiver of Load for Direct Applications</b>   | Not applicable<br>Pursuant to SEBI circular no. SEBI/IMD/CIR No.4/ 168230/09 dated June 30, 2009 no entry load shall be charged for all Mutual Fund Scheme(s). Therefore, the procedure for waiver of load for direct applications is no longer applicable.   |   |  |           |              |      |        |                                       |        |           |                |                    |      |      |                |   |       |       |       |   |                      |                 |      |              |      |                  |                                     |               |       |                |   |        |              |               |             |                                     |             |  |             |                 |             |  |   |  |  |                      |                                   |      |              |      |              |   |       |      |      |  |      |      |               |       |

## Principal Equity Savings Fund (PESF)

| <b>Investment Objective</b>  | The investment objective of the Scheme is to provide capital appreciation and income distribution to the investors by using equity and equity related instruments, arbitrage opportunities, and investments in debt and money market instruments.<br>However, there can be no assurance that the investment objective of the Scheme will be realized or that income will be generated and the scheme does not assure or guarantee any returns.  |                      |                 |  |              |         |         |                                       |    |    |                |  |    |    |      |  |    |    |               |  |    |    |     |
|--|---|----------------------|-----------------|--|--------------|---------|---------|---------------------------------------|----|----|----------------|--|----|----|------|--|----|----|---------------|--|----|----|-----|
| <b>Type of Scheme</b>  | An open-ended Equity Scheme   |                      |                 |  |              |         |         |                                       |    |    |                |  |    |    |      |  |    |    |               |  |    |    |     |
| <b>Product Label</b>   | <p style="text-align: center;">This product is suitable for investors who are seeking -</p> <ul style="list-style-type: none"> <li>Income generation and capital appreciation over the medium to long term.</li> <li>Investment in equity and equity related instruments, debt and money market instruments and arbitrage opportunities.</li> </ul> <p style="text-align: center;">- Investors should consult their financial advisers if in doubt about whether the product is suitable for them.</p> <div style="text-align: center;"> <p style="font-size: small;">Investors understand that their principal will be at moderately high risk</p> </div>  |                      |                 |  |              |         |         |                                       |    |    |                |  |    |    |      |  |    |    |               |  |    |    |     |
| <b>Asset Allocation Pattern of the Scheme</b>  | <p>Under normal circumstances, the asset allocation would be as follows:</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th rowspan="2">Types of Instruments</th> <th colspan="2">% of Net Assets</th> <th rowspan="2">Risk Profile</th> </tr> <tr> <th>Minimum</th> <th>Maximum</th> </tr> </thead> <tbody> <tr> <td>Equity and equity related instruments</td> <td>65</td> <td>90</td> <td>Medium to High</td> </tr> <tr> <td>Of which Net Long Equity Exposure (including units of Equity Mutual Fund Schemes)*</td> <td>20</td> <td>30</td> <td>High</td> </tr> <tr> <td>Of which Equity Exposure Equity (only arbitrage opportunity)**</td> <td>40</td> <td>70</td> <td>Low to Medium</td> </tr> <tr> <td>Debt securities and money market instruments # (including margin for derivatives) and Fixed Income Derivatives</td> <td>10</td> <td>35</td> <td>Low</td> </tr> </tbody> </table> <p>* In the scheme, unhedged equity exposure shall be limited to 30% of the portfolio value. Unhedged equity exposure means exposure to equity shares alone without a corresponding equity derivative exposure.<br/>** Equity exposure would be completely hedged with corresponding equity derivatives; the exposure to derivatives shown in the above asset allocation tables is exposure taken against the underlying equity investments and should not be considered for calculating the total asset allocation and/or investment restrictions on the issuer. The margin money requirement for the purposes of derivative exposure may be held in the form of Term Deposits.<br/># The Scheme may invest in Treasury Bills, Repos, Reverse Repos, Collateralized Borrowing and Lending Obligations ("CBL"), cash and cash equivalents and units of Debt/Liquid/ Money Market Mutual Fund Schemes.</p> <p>When adequate arbitrage opportunities are not available in the Derivative and Equity markets, the anticipated alternate asset allocation on defensive considerations would be in accordance with the allocation given in the SID. Please refer the SID for more details.</p>  | Types of Instruments | % of Net Assets |  | Risk Profile | Minimum | Maximum | Equity and equity related instruments | 65 | 90 | Medium to High | Of which Net Long Equity Exposure (including units of Equity Mutual Fund Schemes)* | 20 | 30 | High | Of which Equity Exposure Equity (only arbitrage opportunity)** | 40 | 70 | Low to Medium | Debt securities and money market instruments # (including margin for derivatives) and Fixed Income Derivatives | 10 | 35 | Low |
| Types of Instruments   | % of Net Assets   |                      | Risk Profile    |  |              |         |         |                                       |    |    |                |  |    |    |      |  |    |    |               |  |    |    |     |
|  | Minimum   | Maximum              |                 |  |              |         |         |                                       |    |    |                |  |    |    |      |  |    |    |               |  |    |    |     |
| Equity and equity related instruments  | 65  | 90                   | Medium to High  |  |              |         |         |                                       |    |    |                |  |    |    |      |  |    |    |               |  |    |    |     |
| Of which Net Long Equity Exposure (including units of Equity Mutual Fund Schemes)*                             | 20  | 30                   | High            |  |              |         |         |                                       |    |    |                |  |    |    |      |  |    |    |               |  |    |    |     |
| Of which Equity Exposure Equity (only arbitrage opportunity)**   | 40  | 70                   | Low to Medium   |  |              |         |         |                                       |    |    |                |  |    |    |      |  |    |    |               |  |    |    |     |
| Debt securities and money market instruments # (including margin for derivatives) and Fixed Income Derivatives | 10  | 35                   | Low             |  |              |         |         |                                       |    |    |                |  |    |    |      |  |    |    |               |  |    |    |     |
| <b>Risk Profile of the Scheme</b>  | Mutual Fund Units involve investment risks including the possible loss of principal. Please read the Scheme Information Document carefully for details on risk factors before investment. Scheme specific Risk Factors are summarized below: §  |                      |                 |  |              |         |         |                                       |    |    |                |  |    |    |      |  |    |    |               |  |    |    |     |
| <b>Investment Plans &amp; Options</b>  | Regular Plan & Direct Plan. Both the Plans offer Growth & Dividend Option. Dividend Option offer the frequency of Half-Yearly and Quarterly payouts. The Dividend Option under both the Plans will have the facility of Payout, Reinvestment and Sweep.   |                      |                 |  |              |         |         |                                       |    |    |                |  |    |    |      |  |    |    |               |  |    |    |     |
| <b>Applicable NAV</b>  | ++  |                      |                 |  |              |         |         |                                       |    |    |                |  |    |    |      |  |    |    |               |  |    |    |     |
| <b>Minimum Application Amount / Number of Units</b>  | <ul style="list-style-type: none"> <li><b>Purchase:</b> ₹ 5,000 and any amount thereafter under each Plan/Option.</li> <li><b>Additional Purchase:</b> ₹ 1,000 and any amount thereafter under each Plan/Option.</li> <li><b>Repurchase:</b> ₹ 500/- or 50 units</li> </ul>   |                      |                 |  |              |         |         |                                       |    |    |                |  |    |    |      |  |    |    |               |  |    |    |     |
| <b>Despatch of Repurchase (Redemption) Request</b>   | Within 10 business days of the receipt of the redemption request at the Official Points of Acceptance of the Principal Mutual Fund.   |                      |                 |  |              |         |         |                                       |    |    |                |  |    |    |      |  |    |    |               |  |    |    |     |
| <b>Investment Strategy</b>   | <p>The investment strategy is aimed at generating income by investing in arbitrage opportunities in the cash and derivatives segments of the equity markets and in debt securities and at the same time attempting to enhance returns through long exposure in equity and equity related instruments. If suitable arbitrage opportunities are not available in the opinion of the Fund Manager, the Scheme may predominantly invest in debt and money market securities.</p> <p><b>Net Long Equity:</b> The Scheme will invest its assets in a portfolio of equity and equity related instruments including units of Equity mutual Funds Schemes.</p> <p>The focus of the investment strategy would be to identify stocks which can provide capital appreciation in the long term. Companies selected for the portfolio which in the opinion of the AMC would possess some of the characteristics mentioned below:</p> <ul style="list-style-type: none"> <li>- Superior management quality</li> <li>- Distinct and sustainable competitive advantage</li> <li>- Good growth prospects; and</li> <li>- Strong financial strength</li> </ul> <p><b>Equity Derivatives:</b> The Scheme will endeavor to invest predominantly in arbitrage opportunities between spot and futures prices of exchange traded equities. In absence of profitable arbitrage opportunities available in the market, the Scheme may predominantly invest in short-term debt and money market securities. The fund manager will evaluate the difference between the price of a stock in the futures market and in the spot market. If the price of a stock in the futures market is higher than in the spot market, after adjusting for costs and taxes the Scheme shall buy the stock in the spot market and sell the same stock in equal quantity in the futures market, simultaneously. For example, on December 4, 2014, the Scheme buys a share of XYZ Company on spot @ ₹ 1,000 and at the same time sells XYZ Company futures for December 2014 expiry @ ₹ 1,020. The Scheme thus enters into a fully hedged transaction by selling the equity position in the futures market for expiry on say December 24, 2014. If the Scheme holds this position till expiry of the futures, the Scheme earns profit of ₹ 20 on the date of expiry before accounting for trading costs and taxes.</p> <p>In case the Scheme has to unwind the transaction prior to the expiry date on account of redemption pressures or any other reason, the returns would be a function of the spread at which the transaction is unwound. For example, if spot is sold at ₹ 980 and the futures are bought at ₹ 1,010 then there would be negative returns on the trade. If the spot is sold at ₹ 1,020 and the futures are bought at ₹ 1,015 then there would be positive returns from the trade. On the date of expiry, if the price differential between the spot and futures position of the subsequent month maturity still remains attractive, the Scheme may rollover the futures position and hold onto the position in the spot market. In case such an opportunity is not available, the Scheme would liquidate the spot position and settle the futures position simultaneously. Rolling over of the futures transaction means unwinding the short position in the futures of the current month and simultaneously shorting futures of the subsequent month maturity while holding onto the spot position. There could also be occasions when both the spot and the future position is unwound before the expiry of the current-month future to increase the base return or to meet redemption. Return enhancement through the use of arbitrage opportunity would depend primarily on the availability of such opportunities. The Scheme will strive to build similar market neutral positions that offer an arbitrage potential for e.g. buying the basket of index constituents in the cash segment and selling the index futures, Buying ADR/GDR and selling the corresponding stock future etc. The Scheme would also look to avail of opportunities between one futures contract and another. For example on 16 December 2014, the Scheme buys 1000 futures contracts of ABC Ltd. for December expiry at ₹ 3,000 each and sells an equivalent 1000 futures contract of ABC Ltd. for January expiry at ₹ 3,030. Thereby the Scheme enters into a fully hedged transaction. Closer to the expiry date of the December contract, the Scheme has two options. 1) Unwind the transaction by selling the 1000 December contracts and buying 1000 January contracts of ABC. The returns are a function of the spread between the sale price of the January contract and the buy price of the December contract. If this spread is less than ₹ 30, the returns are positive else the returns are negative. 2) On the expiry date i.e. 24 December, 2014, the Scheme would let the December contract expire and square off 1000 contracts that it holds for January maturity. The returns would be a function of the spread between settlement price of the December contract and the price at which January contracts are squared-off. If this spread is lower than ₹ 30 then the returns are positive and if it is higher than ₹ 30 the returns are negative. The Scheme can also initiate the transaction in the opposite direction i.e. by selling the December futures and buying the January futures, if it sees a profit potential. Under all circumstances the Scheme would keep its net exposures neutral to the underlying direction of the market by maintaining completely hedged positions. In addition to stock specific futures, the Scheme can also take offsetting positions in index futures of different calendar month.</p> <p>The debt and money market instruments include any margin money that has to be maintained for the derivative position. The margin money could also be maintained partly as Fixed deposits with Scheduled commercial banks.</p> <p><b>Debt Instruments:</b> The Scheme would invest in a range of fixed income and money market instruments including units of Debt/Liquid/Money Market Mutual Fund Schemes. Further the Scheme may also invest in financial derivatives such as options and futures &amp; Interest Rate Swap (IRS) that are permitted or may become permissible under SEBI/RBI Regulations. The proportion of assets to be so invested would be decided by the AMC at the appropriate time, and would be done in accordance with the relevant guidelines to be issued by SEBI/RBI and other authorities.</p> |                      |                 |  |              |         |         |                                       |    |    |                |  |    |    |      |  |    |    |               |  |    |    |     |
| <b>Risk Mitigation Factors</b>   | @@  |                      |                 |  |              |         |         |                                       |    |    |                |  |    |    |      |  |    |    |               |  |    |    |     |
| <b>Dividend Policy</b>   | Under Dividend Option, dividend will be declared subject to availability of distributable surplus and at discretion of AMC / Trustee. The undistributed portion of the income will remain in the Option and be reflected in the NAV, on an ongoing basis. The Trustee's decision with regard to availability and adequacy, rate, timing and frequency of distribution of dividend shall be final.   |                      |                 |  |              |         |         |                                       |    |    |                |  |    |    |      |  |    |    |               |  |    |    |     |
| <b>Benchmark Index</b>   | 30% Nifty 50 Index + 70% CRISIL Liquid Fund Index   |                      |                 |  |              |         |         |                                       |    |    |                |  |    |    |      |  |    |    |               |  |    |    |     |
| <b>Folio Count &amp; AUM (As on June 30, 2016)</b>   | Folio - 2,356 • AUM - ₹ 21.07 Crores  |                      |                 |  |              |         |         |                                       |    |    |                |  |    |    |      |  |    |    |               |  |    |    |     |

| <b>Fund Manager &amp; Managing the Current Fund from #</b> | Mr. P.V.K. Mohan - June 2016 (Tenure of the Fund Manager - 1 month)<br># This scheme was earlier known as Principal Debt Savings Fund - Monthly Income Plan & was managed by Mr. Pankaj Jain till June 22, 2016   |           |              |           |             |  |        |           |        |           |             |      |      |      |      |              |      |      |      |      |              |      |      |      |      |                  |      |      |      |      |
|--|---|-----------|--------------|-----------|-------------|--|--------|-----------|--------|-----------|-------------|------|------|------|------|--------------|------|------|------|------|--------------|------|------|------|------|------------------|------|------|------|------|
| <b>Total Investment Experience</b>                         | 23 years  |           |              |           |             |  |        |           |        |           |             |      |      |      |      |              |      |      |      |      |              |      |      |      |      |                  |      |      |      |      |
| <b>Name of the Trustee Company</b>                         | Principal Trustee Company Private Limited   |           |              |           |             |  |        |           |        |           |             |      |      |      |      |              |      |      |      |      |              |      |      |      |      |                  |      |      |      |      |
| <b>Performance of the Scheme:</b>                          | <p>The scheme has been converted into Principal Equity Savings Fund, w.e.f. June 23, 2016 and hence the performance given below includes the performance of Principal Debt Savings Fund - MIP</p> <p>Returns (%) of Growth Option under Regular Plan and Direct Plan as at June 30, 2016</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th rowspan="2">Period</th> <th colspan="2">Regular Plan</th> <th colspan="2">Direct Plan</th> </tr> <tr> <th>Scheme</th> <th>Benchmark</th> <th>Scheme</th> <th>Benchmark</th> </tr> </thead> <tbody> <tr> <td>Last 1 Year</td> <td>5.41</td> <td>5.23</td> <td>6.09</td> <td>5.23</td> </tr> <tr> <td>Last 3 Years</td> <td>5.43</td> <td>9.83</td> <td>6.19</td> <td>9.83</td> </tr> <tr> <td>Last 5 Years</td> <td>6.45</td> <td>8.42</td> <td>N.A.</td> <td>N.A.</td> </tr> <tr> <td>Since Inception*</td> <td>7.96</td> <td>9.54</td> <td>6.51</td> <td>9.01</td> </tr> </tbody> </table> <p>* Regular Plan - May 23, 2002    Direct Plan - January 2, 2013</p> <p><b>Note:</b> Returns more than 1 year are calculated on compounded annualised basis.</p> <p style="text-align: center;">Absolute Returns for each financial year for the last 5 years</p> <div style="text-align: center;"> </div> <p>Past performance may or may not be sustained in the future.</p> | Period    | Regular Plan |           | Direct Plan |  | Scheme | Benchmark | Scheme | Benchmark | Last 1 Year | 5.41 | 5.23 | 6.09 | 5.23 | Last 3 Years | 5.43 | 9.83 | 6.19 | 9.83 | Last 5 Years | 6.45 | 8.42 | N.A. | N.A. | Since Inception* | 7.96 | 9.54 | 6.51 | 9.01 |
| Period   | Regular Plan  |           | Direct Plan  |           |             |  |        |           |        |           |             |      |      |      |      |              |      |      |      |      |              |      |      |      |      |                  |      |      |      |      |
|  | Scheme  | Benchmark | Scheme       | Benchmark |             |  |        |           |        |           |             |      |      |      |      |              |      |      |      |      |              |      |      |      |      |                  |      |      |      |      |
| Last 1 Year  | 5.41  | 5.23      | 6.09         | 5.23      |             |  |        |           |        |           |             |      |      |      |      |              |      |      |      |      |              |      |      |      |      |                  |      |      |      |      |
| Last 3 Years   | 5.43  | 9.83      | 6.19         | 9.83      |             |  |        |           |        |           |             |      |      |      |      |              |      |      |      |      |              |      |      |      |      |                  |      |      |      |      |
| Last 5 Years   | 6.45  | 8.42      | N.A.         | N.A.      |             |  |        |           |        |           |             |      |      |      |      |              |      |      |      |      |              |      |      |      |      |                  |      |      |      |      |
| Since Inception*   | 7.96  | 9.54      | 6.51         | 9.01      |             |  |        |           |        |           |             |      |      |      |      |              |      |      |      |      |              |      |      |      |      |                  |      |      |      |      |
| <b>Expenses of the Scheme</b>                              | <p><b>(i) Load Structure :</b></p> <p><b>Exit Load :</b> If redeemed /switched on or before 365 days from the date of allotment - 1%. After 365 days - NIL.</p> <p><b>(ii) +Annual Recurring expenses as a percentage of Daily Net Assets:</b></p> <p><b>Regular Plan -</b></p> <ul style="list-style-type: none"> <li>• First ₹ 100 crores - 2.50</li> <li>• Next ₹ 300 crores - 2.25</li> <li>• Next ₹ 300 crores - 2.00</li> <li>• Balance - 1.75.</li> </ul> <p><b>Direct Plan</b> shall have a lower expense ratio excluding distribution expenses, commission, etc and no commission for distribution of Units will be paid / charged under the Direct Plan.</p> <p><b>(iii) Actual expenses for the previous financial year 2015-2016: Regular Plan: 2.23% • Direct Plan: 1.65%</b></p> <p>MTD ratio to Average AUM including Service Tax on Management Fees which is over and above to TER &amp; proportionate charge in respect of sales beyond T-15 cities subject to maximum of 30 bps on daily net assets. (The same is for Principal Debt Savings Fund - MIP)</p>  |           |              |           |             |  |        |           |        |           |             |      |      |      |      |              |      |      |      |      |              |      |      |      |      |                  |      |      |      |      |
| <b>Waiver of Load for Direct Applications</b>              | Not applicable<br>Pursuant to SEBI circular no. SEBI/IMD/CIR No.4/ 168230/09 dated June 30, 2009 no entry load shall be charged for all Mutual Fund Scheme(s). Therefore, the procedure for waiver of load for direct applications is no longer applicable.   |           |              |           |             |  |        |           |        |           |             |      |      |      |      |              |      |      |      |      |              |      |      |      |      |                  |      |      |      |      |

### § Risk Profile of the Scheme:

Mutual Fund Units involve investment risks including the possible loss of principal. Please read the Scheme Information Document carefully for details on risk factors before investment. Scheme specific Risk Factors are summarized below:

#### a) Risks associated with investing in Equity and Equity related Securities

The value of Scheme's investments may be affected by factors affecting the Securities markets and price and volume volatility in the capital markets, interest rates, changes in law/policies of the Government, taxation laws and political, economic or other developments which may have an adverse bearing on individual securities, a specific sector or all sectors. Consequently, the NAV of the units of the Scheme(s) may be affected.

Equity & Equity related securities are volatile and prone to price fluctuations on a daily basis. The liquidity of investments made in the Scheme(s) may be restricted by trading volumes and settlement periods. Settlement periods may be extended significantly by unforeseen circumstances. The inability of the Scheme(s) to make intended securities purchases due to settlement problems could cause the Scheme(s) to miss certain investment opportunities. Similarly, the inability to sell securities held in the Scheme's portfolio may result, at times, in potential losses to the Scheme(s), should there be a subsequent decline in the value of securities held in the Scheme's portfolio.

The liquidity and valuation of the Scheme's investments due to the holdings of unlisted securities may be affected if they have to be sold prior to the target date of disinvestment.

Securities which are not quoted on the stock exchanges are inherently illiquid in nature and carry a larger liquidity risk in comparison with securities that are listed on the exchanges or offer other exit options to the investors, including put options.

The liquidity of the scheme(s) is inherently restricted by trading volumes in securities in which it invests.

Investment decisions made by the Investment Manager may not always be profitable.

To the extent the underlying Mutual Fund Scheme(s) invest in Equity and Equity related Instruments, the Schemes(s) which shall invest in Equity Mutual Fund Schemes (where the asset allocation pattern of the Scheme(s) provides such investment) shall be affected by the afore mentioned risk factors. The Net Asset Value (NAV) of the units of the Scheme is likely to get effected on accounts of such risk factors. Any change in the investment policies or fundamental attributes of any underlying scheme is likely to affect the performance of the Scheme. Further, the liquidity of the Scheme's investments may be inherently restricted by the liquidity of the underlying schemes in which it has invested.

#### b) Risk Associated with Investing in Debt and/or Money Market Instruments

i) **Price-Risk or Interest-Rate Risk:** Fixed income securities such as bonds, debentures and money market instruments run price-risk or interest-rate risk. Generally, when interest rates rise, prices of existing fixed income securities fall and when interest rates drop, such prices increase. The extent of fall or rise in the prices is a function of the existing coupon, days to maturity and the increase or decrease in the level of interest rates.

ii) **Credit Risk:** In simple terms this risk means that the issuer of a debenture/ bond or a money market instrument may default on interest payment or even in paying back the principal amount on maturity. Even where no default occurs, the price of a security may go down because the credit rating of an issuer goes down. It must, however, be noted that where the Scheme(s) has invested in Government Securities, there is no credit risk to that extent.

iii) **Re-investment Risk:** Investments in fixed income securities may carry re-investment risk as interest rates prevailing on the interest or maturity due dates may differ from the original coupon of the bond. Consequently, the proceeds may get invested at a lower rate.

iv) **Interest Rate Movement (Basis Risk):** The changes in the prevailing rates of interest will likely affect the value of the Schemes' holdings until the next reset date and thus the value of the Schemes' Units will be affected. Increased rates of interest, which frequently accompany inflation and/ or a growing economy, are likely to have a negative effect on the value of the Units. The value of securities held by the Scheme(s) generally will vary inversely with changes in prevailing interest rates. The fund could be exposed to the interest rate risk (i) to the extent of time gap in resetting of the benchmark rates, and (ii) to the extent the benchmark index fails to capture the interest rate movement.

v) **Prepayments and Charge Offs Risk:** In the event of prepayments, investors may be exposed to changes in tenor and yield. Also, any Charge Offs would result in the reduction in the tenor of the Pass through Certificates (PTCs).

vi) **Spread Risk:** In a floating rate security the coupon is expressed in terms of a spread or mark up over the benchmark rate. However depending upon the market conditions the spreads may move adversely or favorably leading to fluctuation in NAV.

To the extent the underlying Mutual Fund Scheme(s) invest in Debt and Money Market Instruments, the Schemes(s) which shall invest in Liquid/Debt Mutual Fund Schemes (where the asset allocation pattern of the Scheme(s) provides such investment) shall be affected by the afore mentioned risk factors. The Net Asset Value (NAV) of the units of the Scheme is likely to get effected on accounts of such risk factors.

#### c) Risks Associated with Investing in Derivatives

The primary objective of the Fund Manager is to identify investment opportunities and to exploit price discrepancies in various markets. Identification and exploitation of the strategies to be pursued by the Fund Manager involve uncertainty. No assurance can be given that Fund Manager will be able to locate investment opportunities or to correctly exploit price discrepancies in the capital markets. Reduction in mispricing opportunities between the cash market and Future and Options market may lead to lower level of activity.

As the Scheme proposes to execute arbitrage transactions in various markets simultaneously, this may result in high portfolio turnover and, consequently, high transaction cost. There may be instances, where the price spread between cash and derivative market is insufficient to meet the cost of carry. In such situations, the fund manager due to lack of opportunities in the derivative market may not be able to outperform liquid / money market funds.

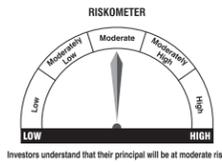
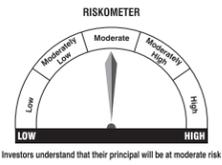
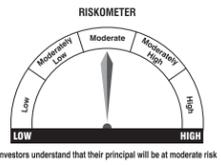
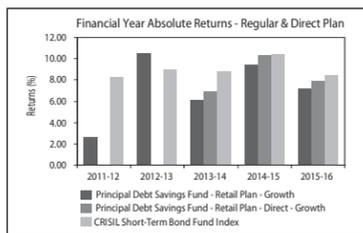
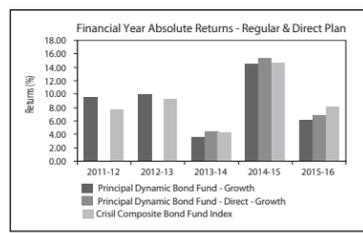
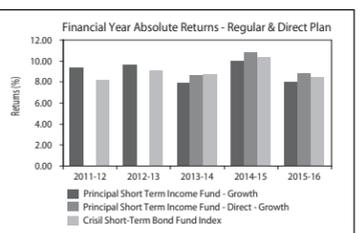
Though the constituent stocks of most indices are typically liquid, liquidity differs across stock. Due to heterogeneity in liquidity in the capital market segment, trades on this segment do not get implemented instantly. This often makes arbitrage expensive, risky and difficult to implement.

#### Other risks in using derivatives include but are not limited to:

(a) **Credit Risk** - this occurs when a counterparty defaults on a transaction before settlement and therefore, the Scheme is compelled to negotiate with another counter party, at the then prevailing (possibly unfavorable) market price, in order to maintain the validity of the hedge. For exchange traded derivatives, the risk is mitigated as the exchange provides a guaranteed settlement but one takes the performance risk on the exchange. (b) **Market Liquidity risk** - this occurs where the derivatives cannot be sold (unwound) at prices that reflect the underlying assets, rates and indices. (c) **Model Risk** - the risk of mis-pricing or improper valuation of derivatives. (d) **Basis Risk** - this risk arises when the instrument used as a hedge does not match the movement in the instrument/ underlying asset being hedged. The risks may be inter-related also; for e.g. interest rate movements can affect equity prices, which could influence specific issuer/industry assets.

Trading in derivatives carry a high degree of risk although they are traded at a relatively small amount of margin which provides the possibility of great profit or loss in comparison with the principal investment amount. The Scheme(s) may find it difficult or impossible to execute derivative transactions in certain circumstances. For example, when there are insufficient bids or suspension of trading due to price limit or circuit breakers, the Scheme may face a liquidity issue.

Interest Rate Swaps (IRS) are highly specialized instruments that require investment technique and risk analysis different from those associated with equity shares and other traditional securities. The use of a IRS requires not only an understanding of the referenced asset, reference rate, or index but also of the swap itself, without the benefit of observing the performance of the swap under all possible market conditions. Swap agreements are also subject to liquidity risk, which exists when a particular swap is difficult to purchase or sell. Swap agreements may be subject to pricing risk, which exists when a particular swap becomes extraordinarily expensive (or cheap) relative to historical prices or the prices of corresponding cash market instruments. IRS agreements are also subject to counterparty risk on account of insolvency or bankruptcy or failure of the counterparty to make required payments or otherwise comply with the terms of the agreement.

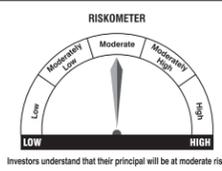
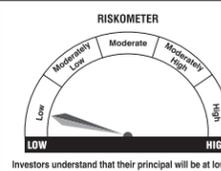
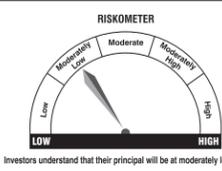
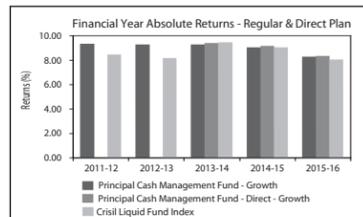
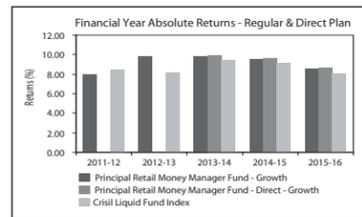
|  | Principal Debt Savings Fund - Retail Plan (PDSF-RP)   | Principal Dynamic Bond Fund (DBF)   | Principal Short Term Income Fund (STP)   |              |   |           |               |  |           |           |  |                      |                                   |              |                 |              |               |                          |           |      |                  |          |               |  |                      |                                   |              |   |           |               |  |           |              |  |             |  |        |           |        |           |             |      |       |      |       |              |      |      |      |      |              |      |      |      |      |                  |      |      |      |      |   |        |              |  |             |  |        |           |        |           |             |      |      |      |      |              |      |      |      |      |              |      |      |      |      |                  |      |      |      |      |
|--|---|---|--|--------------|---|-----------|---------------|--|-----------|-----------|--|----------------------|-----------------------------------|--------------|-----------------|--------------|---------------|--------------------------|-----------|------|------------------|----------|---------------|--|----------------------|-----------------------------------|--------------|---|-----------|---------------|--|-----------|--------------|--|-------------|--|--------|-----------|--------|-----------|-------------|------|-------|------|-------|--------------|------|------|------|------|--------------|------|------|------|------|------------------|------|------|------|------|---|--------|--------------|--|-------------|--|--------|-----------|--------|-----------|-------------|------|------|------|------|--------------|------|------|------|------|--------------|------|------|------|------|------------------|------|------|------|------|
| <b>Investment Objective</b>  | To seek to generate stable returns and capital appreciation through investment in Debt instruments and related securities over medium to long term investment horizon   | To generate regular income and capital appreciation / accretion through investment in debt instruments and related securities besides preservation of capital.  | To generate regular income and capital appreciation / accretion through investment in debt instruments and related securities besides preservation of capital and has been designed to achieve stable returns over shorter-term investment horizons.   |              |   |           |               |  |           |           |  |                      |                                   |              |                 |              |               |                          |           |      |                  |          |               |  |                      |                                   |              |   |           |               |  |           |              |  |             |  |        |           |        |           |             |      |       |      |       |              |      |      |      |      |              |      |      |      |      |                  |      |      |      |      |   |        |              |  |             |  |        |           |        |           |             |      |      |      |      |              |      |      |      |      |              |      |      |      |      |                  |      |      |      |      |
| <b>Type of Scheme</b>  | An open-ended Income Scheme   | An Open-ended Income Scheme   | An Open-ended Income Scheme  |              |   |           |               |  |           |           |  |                      |                                   |              |                 |              |               |                          |           |      |                  |          |               |  |                      |                                   |              |   |           |               |  |           |              |  |             |  |        |           |        |           |             |      |       |      |       |              |      |      |      |      |              |      |      |      |      |                  |      |      |      |      |   |        |              |  |             |  |        |           |        |           |             |      |      |      |      |              |      |      |      |      |              |      |      |      |      |                  |      |      |      |      |
| <b>Product Label</b>   | <p>This product is suitable for investors who are seeking -</p> <ul style="list-style-type: none"> <li>Income over a long term investment horizon.</li> <li>Investment in Debt &amp; Money Market Instruments.</li> </ul> <p>- Investors should consult their financial advisers if in doubt about whether the product is suitable for them.</p>   | <p>This product is suitable for investors who are seeking -</p> <ul style="list-style-type: none"> <li>Income over a long term investment horizon.</li> <li>Investment in Debt &amp; Money Market Instruments.</li> </ul> <p>- Investors should consult their financial advisers if in doubt about whether the product is suitable for them.</p>   | <p>This product is suitable for investors who are seeking -</p> <ul style="list-style-type: none"> <li>Income over a medium term investment horizon.</li> <li>Investment in Debt &amp; Money Market Instruments.</li> </ul> <p>- Investors should consult their financial advisers if in doubt about whether the product is suitable for them.</p>                    |              |   |           |               |  |           |           |  |                      |                                   |              |                 |              |               |                          |           |      |                  |          |               |  |                      |                                   |              |   |           |               |  |           |              |  |             |  |        |           |        |           |             |      |       |      |       |              |      |      |      |      |              |      |      |      |      |                  |      |      |      |      |   |        |              |  |             |  |        |           |        |           |             |      |      |      |      |              |      |      |      |      |              |      |      |      |      |                  |      |      |      |      |
| <b>Asset Allocation Pattern of the Scheme</b>                                | <p>Under normal circumstances, the asset allocation would be as follows:</p> <table border="1"> <thead> <tr> <th>Types of Instruments</th> <th>Normal Allocation % of Net Assets</th> <th>Risk Profile</th> </tr> </thead> <tbody> <tr> <td>Debt Securities (incl. Securitised Debt upto 50%)</td> <td>Upto 100%</td> <td>Low to Medium</td> </tr> <tr> <td>Money Market Instruments (incl. cash &amp; cash equivalent, CBLO &amp; Reverse Repo)</td> <td>Upto 100%</td> <td>Low</td> </tr> </tbody> </table> <p>Investment in derivatives shall be upto 50% of the net assets of the Scheme.</p>   | Types of Instruments  | Normal Allocation % of Net Assets  | Risk Profile | Debt Securities (incl. Securitised Debt upto 50%) | Upto 100% | Low to Medium | Money Market Instruments (incl. cash & cash equivalent, CBLO & Reverse Repo) | Upto 100% | Low       | <p>Under normal circumstances, the asset allocation would be as follows:</p> <table border="1"> <thead> <tr> <th>Types of Instruments</th> <th>Normal Allocation % of Net Assets</th> <th>Risk Profile</th> </tr> </thead> <tbody> <tr> <td>Debt Securities</td> <td>Upto 100%</td> <td>Low to Medium</td> </tr> <tr> <td>Money Market Instruments</td> <td>Upto 100%</td> <td>Low</td> </tr> <tr> <td>Securitised Debt</td> <td>Upto 50%</td> <td>Low to Medium</td> </tr> </tbody> </table> <p>Investment in derivatives shall be upto 35% of the net assets of the Scheme. Investment in Overseas Financial Debt Instruments including units of Overseas Mutual Funds shall not be exceeding 25% of the Scheme's assets. Subject to the SEBI Regulations, the Mutual Fund may deploy upto 50% of its total net assets of the Scheme in Stock Lending.</p> | Types of Instruments | Normal Allocation % of Net Assets | Risk Profile | Debt Securities | Upto 100%    | Low to Medium | Money Market Instruments | Upto 100% | Low  | Securitised Debt | Upto 50% | Low to Medium | <p>Under normal circumstances, the asset allocation would be as follows:</p> <table border="1"> <thead> <tr> <th>Types of Instruments</th> <th>Normal Allocation % of Net Assets</th> <th>Risk Profile</th> </tr> </thead> <tbody> <tr> <td>Debt Securities (incl. Securitised Debt upto 50%)</td> <td>Upto 100%</td> <td>Low to Medium</td> </tr> <tr> <td>Money Market Instruments</td> <td>Upto 100%</td> <td>Low</td> </tr> </tbody> </table> <p>Investment in derivatives shall be upto 35% of the net assets of the Scheme. Subject to the SEBI Regulations, the Mutual Fund may deploy upto 50% of its total net assets of the Scheme in Stock Lending.</p> | Types of Instruments | Normal Allocation % of Net Assets | Risk Profile | Debt Securities (incl. Securitised Debt upto 50%) | Upto 100% | Low to Medium | Money Market Instruments   | Upto 100% | Low          |  |             |  |        |           |        |           |             |      |       |      |       |              |      |      |      |      |              |      |      |      |      |                  |      |      |      |      |   |        |              |  |             |  |        |           |        |           |             |      |      |      |      |              |      |      |      |      |              |      |      |      |      |                  |      |      |      |      |
| Types of Instruments   | Normal Allocation % of Net Assets   | Risk Profile  |  |              |   |           |               |  |           |           |  |                      |                                   |              |                 |              |               |                          |           |      |                  |          |               |  |                      |                                   |              |   |           |               |  |           |              |  |             |  |        |           |        |           |             |      |       |      |       |              |      |      |      |      |              |      |      |      |      |                  |      |      |      |      |   |        |              |  |             |  |        |           |        |           |             |      |      |      |      |              |      |      |      |      |              |      |      |      |      |                  |      |      |      |      |
| Debt Securities (incl. Securitised Debt upto 50%)                            | Upto 100%   | Low to Medium   |  |              |   |           |               |  |           |           |  |                      |                                   |              |                 |              |               |                          |           |      |                  |          |               |  |                      |                                   |              |   |           |               |  |           |              |  |             |  |        |           |        |           |             |      |       |      |       |              |      |      |      |      |              |      |      |      |      |                  |      |      |      |      |   |        |              |  |             |  |        |           |        |           |             |      |      |      |      |              |      |      |      |      |              |      |      |      |      |                  |      |      |      |      |
| Money Market Instruments (incl. cash & cash equivalent, CBLO & Reverse Repo) | Upto 100%   | Low   |  |              |   |           |               |  |           |           |  |                      |                                   |              |                 |              |               |                          |           |      |                  |          |               |  |                      |                                   |              |   |           |               |  |           |              |  |             |  |        |           |        |           |             |      |       |      |       |              |      |      |      |      |              |      |      |      |      |                  |      |      |      |      |   |        |              |  |             |  |        |           |        |           |             |      |      |      |      |              |      |      |      |      |              |      |      |      |      |                  |      |      |      |      |
| Types of Instruments   | Normal Allocation % of Net Assets   | Risk Profile  |  |              |   |           |               |  |           |           |  |                      |                                   |              |                 |              |               |                          |           |      |                  |          |               |  |                      |                                   |              |   |           |               |  |           |              |  |             |  |        |           |        |           |             |      |       |      |       |              |      |      |      |      |              |      |      |      |      |                  |      |      |      |      |   |        |              |  |             |  |        |           |        |           |             |      |      |      |      |              |      |      |      |      |              |      |      |      |      |                  |      |      |      |      |
| Debt Securities  | Upto 100%   | Low to Medium   |  |              |   |           |               |  |           |           |  |                      |                                   |              |                 |              |               |                          |           |      |                  |          |               |  |                      |                                   |              |   |           |               |  |           |              |  |             |  |        |           |        |           |             |      |       |      |       |              |      |      |      |      |              |      |      |      |      |                  |      |      |      |      |   |        |              |  |             |  |        |           |        |           |             |      |      |      |      |              |      |      |      |      |              |      |      |      |      |                  |      |      |      |      |
| Money Market Instruments   | Upto 100%   | Low   |  |              |   |           |               |  |           |           |  |                      |                                   |              |                 |              |               |                          |           |      |                  |          |               |  |                      |                                   |              |   |           |               |  |           |              |  |             |  |        |           |        |           |             |      |       |      |       |              |      |      |      |      |              |      |      |      |      |                  |      |      |      |      |   |        |              |  |             |  |        |           |        |           |             |      |      |      |      |              |      |      |      |      |              |      |      |      |      |                  |      |      |      |      |
| Securitised Debt   | Upto 50%  | Low to Medium   |  |              |   |           |               |  |           |           |  |                      |                                   |              |                 |              |               |                          |           |      |                  |          |               |  |                      |                                   |              |   |           |               |  |           |              |  |             |  |        |           |        |           |             |      |       |      |       |              |      |      |      |      |              |      |      |      |      |                  |      |      |      |      |   |        |              |  |             |  |        |           |        |           |             |      |      |      |      |              |      |      |      |      |              |      |      |      |      |                  |      |      |      |      |
| Types of Instruments   | Normal Allocation % of Net Assets   | Risk Profile  |  |              |   |           |               |  |           |           |  |                      |                                   |              |                 |              |               |                          |           |      |                  |          |               |  |                      |                                   |              |   |           |               |  |           |              |  |             |  |        |           |        |           |             |      |       |      |       |              |      |      |      |      |              |      |      |      |      |                  |      |      |      |      |   |        |              |  |             |  |        |           |        |           |             |      |      |      |      |              |      |      |      |      |              |      |      |      |      |                  |      |      |      |      |
| Debt Securities (incl. Securitised Debt upto 50%)                            | Upto 100%   | Low to Medium   |  |              |   |           |               |  |           |           |  |                      |                                   |              |                 |              |               |                          |           |      |                  |          |               |  |                      |                                   |              |   |           |               |  |           |              |  |             |  |        |           |        |           |             |      |       |      |       |              |      |      |      |      |              |      |      |      |      |                  |      |      |      |      |   |        |              |  |             |  |        |           |        |           |             |      |      |      |      |              |      |      |      |      |              |      |      |      |      |                  |      |      |      |      |
| Money Market Instruments   | Upto 100%   | Low   |  |              |   |           |               |  |           |           |  |                      |                                   |              |                 |              |               |                          |           |      |                  |          |               |  |                      |                                   |              |   |           |               |  |           |              |  |             |  |        |           |        |           |             |      |       |      |       |              |      |      |      |      |              |      |      |      |      |                  |      |      |      |      |   |        |              |  |             |  |        |           |        |           |             |      |      |      |      |              |      |      |      |      |              |      |      |      |      |                  |      |      |      |      |
| <b>Risk Profile of the Scheme</b>  | Mutual Fund Units involve investment risks including the possible loss of principal. Please read the Scheme Information Document (SID) carefully for details on risk factors before investment. Scheme specific Risk Factors are summarized below: <sup>5</sup>   |   |  |              |   |           |               |  |           |           |  |                      |                                   |              |                 |              |               |                          |           |      |                  |          |               |  |                      |                                   |              |   |           |               |  |           |              |  |             |  |        |           |        |           |             |      |       |      |       |              |      |      |      |      |              |      |      |      |      |                  |      |      |      |      |   |        |              |  |             |  |        |           |        |           |             |      |      |      |      |              |      |      |      |      |              |      |      |      |      |                  |      |      |      |      |
| <b>Investment Plans &amp; Options</b>  | Regular Plan and Direct Plan. Regular Plan offers Dividend <sup>#</sup> & Growth Option. Dividend Frequencies - Monthly / Quarterly. Direct Plan offers Growth Option. <sup>#</sup> not available for further subscription  | Regular Plan and Direct Plan. Regular Plan offers Dividend & Growth Option. Dividend Frequencies (under both the Plan) - Quarterly / Annual   | Regular Plan and Direct Plan. Both the Plans offer Dividend & Growth Option. Dividend Frequencies (under both the Plan) - Monthly  |              |   |           |               |  |           |           |  |                      |                                   |              |                 |              |               |                          |           |      |                  |          |               |  |                      |                                   |              |   |           |               |  |           |              |  |             |  |        |           |        |           |             |      |       |      |       |              |      |      |      |      |              |      |      |      |      |                  |      |      |      |      |   |        |              |  |             |  |        |           |        |           |             |      |      |      |      |              |      |      |      |      |              |      |      |      |      |                  |      |      |      |      |
| <b>Applicable NAV</b>  | ++  |   |  |              |   |           |               |  |           |           |  |                      |                                   |              |                 |              |               |                          |           |      |                  |          |               |  |                      |                                   |              |   |           |               |  |           |              |  |             |  |        |           |        |           |             |      |       |      |       |              |      |      |      |      |              |      |      |      |      |                  |      |      |      |      |   |        |              |  |             |  |        |           |        |           |             |      |      |      |      |              |      |      |      |      |              |      |      |      |      |                  |      |      |      |      |
| <b>Minimum Application Amount / Number of Units</b>                          | <ul style="list-style-type: none"> <li><b>Purchase:</b> ₹ 5,000 and any amount thereafter under each Option.</li> <li><b>Additional Purchase:</b> ₹ 1,000 and any amount thereafter under each Option.</li> <li><b>Repurchase:</b> ₹ 500 or 50 units.</li> </ul>  |   |  |              |   |           |               |  |           |           |  |                      |                                   |              |                 |              |               |                          |           |      |                  |          |               |  |                      |                                   |              |   |           |               |  |           |              |  |             |  |        |           |        |           |             |      |       |      |       |              |      |      |      |      |              |      |      |      |      |                  |      |      |      |      |   |        |              |  |             |  |        |           |        |           |             |      |      |      |      |              |      |      |      |      |              |      |      |      |      |                  |      |      |      |      |
| <b>Despatch of Repurchase (Redemption) Request</b>                           | Within 10 business days of the receipt of the redemption request at the Official Points of Acceptance of the Principal Mutual Fund.   |   |  |              |   |           |               |  |           |           |  |                      |                                   |              |                 |              |               |                          |           |      |                  |          |               |  |                      |                                   |              |   |           |               |  |           |              |  |             |  |        |           |        |           |             |      |       |      |       |              |      |      |      |      |              |      |      |      |      |                  |      |      |      |      |   |        |              |  |             |  |        |           |        |           |             |      |      |      |      |              |      |      |      |      |              |      |      |      |      |                  |      |      |      |      |
| <b>Investment Strategy</b>   | @   |   |  |              |   |           |               |  |           |           |  |                      |                                   |              |                 |              |               |                          |           |      |                  |          |               |  |                      |                                   |              |   |           |               |  |           |              |  |             |  |        |           |        |           |             |      |       |      |       |              |      |      |      |      |              |      |      |      |      |                  |      |      |      |      |   |        |              |  |             |  |        |           |        |           |             |      |      |      |      |              |      |      |      |      |              |      |      |      |      |                  |      |      |      |      |
| <b>Risk Mitigation Factors</b>   | @@  |   |  |              |   |           |               |  |           |           |  |                      |                                   |              |                 |              |               |                          |           |      |                  |          |               |  |                      |                                   |              |   |           |               |  |           |              |  |             |  |        |           |        |           |             |      |       |      |       |              |      |      |      |      |              |      |      |      |      |                  |      |      |      |      |   |        |              |  |             |  |        |           |        |           |             |      |      |      |      |              |      |      |      |      |              |      |      |      |      |                  |      |      |      |      |
| <b>Comparison of open-ended schemes</b>                                      | The fund is seeks to generate income by investing in fixed income & related instruments. The Scheme accepts subscriptions from Retail Investors only including Individuals, HUF and AoP   | The fund is Suitable for investors seeking risk efficient exposure to an actively managed fixed income portfolio that invests in a diversified basket of short-term debt, long-term debt and higher yielding debt securities. The fund manager will dynamically manage the portfolio by adjusting the duration and credit exposures over the interest rate cycle with an aim to provide superior risk adjusted return. This also mitigates the need for investors to switch between low and high duration funds over the interest rate cycle. | The fund is positioned to generate capital appreciation/accretion through investment in debt instruments. Short Term Fund is positioned to achieve stable returns over short term investment horizons. The fund will seek to invest in debt instruments, securities of government, quasi-government, corporate issuers and money market instruments, Short Term Fund will seek to invest in securities with average residual maturity of upto 36 months. |              |   |           |               |  |           |           |  |                      |                                   |              |                 |              |               |                          |           |      |                  |          |               |  |                      |                                   |              |   |           |               |  |           |              |  |             |  |        |           |        |           |             |      |       |      |       |              |      |      |      |      |              |      |      |      |      |                  |      |      |      |      |   |        |              |  |             |  |        |           |        |           |             |      |      |      |      |              |      |      |      |      |              |      |      |      |      |                  |      |      |      |      |
| <b>Dividend Policy</b>   | Under Dividend Plan/Option, dividend will be declared subject to availability of distributable surplus and at discretion of AMC / Trustee. The undistributed portion of the income will remain in the Plan/Option and be reflected in the NAV, on an ongoing basis. The Trustee's decision with regard to availability and adequacy, rate, timing and frequency of distribution of dividend shall be final.   |   |  |              |   |           |               |  |           |           |  |                      |                                   |              |                 |              |               |                          |           |      |                  |          |               |  |                      |                                   |              |   |           |               |  |           |              |  |             |  |        |           |        |           |             |      |       |      |       |              |      |      |      |      |              |      |      |      |      |                  |      |      |      |      |   |        |              |  |             |  |        |           |        |           |             |      |      |      |      |              |      |      |      |      |              |      |      |      |      |                  |      |      |      |      |
| <b>Benchmark Index</b>   | CRISIL Short Term Bond Fund Index   | CRISIL Composite Bond Fund Index  | CRISIL Short Term Bond Fund Index  |              |   |           |               |  |           |           |  |                      |                                   |              |                 |              |               |                          |           |      |                  |          |               |  |                      |                                   |              |   |           |               |  |           |              |  |             |  |        |           |        |           |             |      |       |      |       |              |      |      |      |      |              |      |      |      |      |                  |      |      |      |      |   |        |              |  |             |  |        |           |        |           |             |      |      |      |      |              |      |      |      |      |              |      |      |      |      |                  |      |      |      |      |
| <b>Folio Count &amp; AUM (As on June 30, 2016)</b>                           | Folio - 2,205 • AUM - ₹ 19.94 Crores  | Folio - 2,605 • AUM - ₹ 110.57 Crores   | Folio - 1,662 • AUM - ₹ 174.64 Crores  |              |   |           |               |  |           |           |  |                      |                                   |              |                 |              |               |                          |           |      |                  |          |               |  |                      |                                   |              |   |           |               |  |           |              |  |             |  |        |           |        |           |             |      |       |      |       |              |      |      |      |      |              |      |      |      |      |                  |      |      |      |      |   |        |              |  |             |  |        |           |        |           |             |      |      |      |      |              |      |      |      |      |              |      |      |      |      |                  |      |      |      |      |
| <b>Fund Manager &amp; Managing the Current Fund from</b>                     | Mr. Pankaj Jain - January 2012 (Tenure of the Fund Manager - 4 years 6 months)  | Ms. Bekxy Kuriakose - January 2013 (Tenure of the Fund Manager - 3 years 6 months)  | Mr. Gurvinder Singh Wasan - April 2011 (Tenure of the Fund Manager - 5 years 3 months)   |              |   |           |               |  |           |           |  |                      |                                   |              |                 |              |               |                          |           |      |                  |          |               |  |                      |                                   |              |   |           |               |  |           |              |  |             |  |        |           |        |           |             |      |       |      |       |              |      |      |      |      |              |      |      |      |      |                  |      |      |      |      |   |        |              |  |             |  |        |           |        |           |             |      |      |      |      |              |      |      |      |      |              |      |      |      |      |                  |      |      |      |      |
| <b>Total Investment Experience</b>   | 14 years  | 15 years  | 12 years   |              |   |           |               |  |           |           |  |                      |                                   |              |                 |              |               |                          |           |      |                  |          |               |  |                      |                                   |              |   |           |               |  |           |              |  |             |  |        |           |        |           |             |      |       |      |       |              |      |      |      |      |              |      |      |      |      |                  |      |      |      |      |   |        |              |  |             |  |        |           |        |           |             |      |      |      |      |              |      |      |      |      |              |      |      |      |      |                  |      |      |      |      |
| <b>Name of the Trustee Company</b>   | Principal Trustee Company Private Limited   |   |  |              |   |           |               |  |           |           |  |                      |                                   |              |                 |              |               |                          |           |      |                  |          |               |  |                      |                                   |              |   |           |               |  |           |              |  |             |  |        |           |        |           |             |      |       |      |       |              |      |      |      |      |              |      |      |      |      |                  |      |      |      |      |   |        |              |  |             |  |        |           |        |           |             |      |      |      |      |              |      |      |      |      |              |      |      |      |      |                  |      |      |      |      |
| <b>Performance of the scheme :</b>   | <p>Returns (%) of Growth Option under Regular Plan and Direct Plan as at June 30, 2016</p> <table border="1"> <thead> <tr> <th rowspan="2">Period</th> <th colspan="2">Regular Plan</th> <th colspan="2">Direct Plan</th> </tr> <tr> <th>Scheme</th> <th>Benchmark</th> <th>Scheme</th> <th>Benchmark</th> </tr> </thead> <tbody> <tr> <td>Last 1 Year</td> <td>8.58</td> <td>8.91</td> <td>9.39</td> <td>8.91</td> </tr> <tr> <td>Last 3 Years</td> <td>7.30</td> <td>9.08</td> <td>8.11</td> <td>9.08</td> </tr> <tr> <td>Last 5 Years</td> <td>7.44</td> <td>9.07</td> <td>N.A.</td> <td>N.A.</td> </tr> <tr> <td>Since Inception*</td> <td>8.19</td> <td>7.21</td> <td>8.58</td> <td>9.12</td> </tr> </tbody> </table> <p>* Regular Plan - December 30, 2003 Direct Plan - January 2, 2013<br/> <b>Note:</b> Returns more than 1 year are calculated on compounded annualised basis.</p>  <p>Past performance may or may not be sustained in the future.</p> | Period  | Regular Plan   |              | Direct Plan                                       |           | Scheme        | Benchmark  | Scheme    | Benchmark | Last 1 Year  | 8.58                 | 8.91                              | 9.39         | 8.91            | Last 3 Years | 7.30          | 9.08                     | 8.11      | 9.08 | Last 5 Years     | 7.44     | 9.07          | N.A.   | N.A.                 | Since Inception*                  | 8.19         | 7.21  | 8.58      | 9.12          | <p>Returns (%) of Growth Option under Regular Plan and Direct Plan as at June 30, 2016</p> <table border="1"> <thead> <tr> <th rowspan="2">Period</th> <th colspan="2">Regular Plan</th> <th colspan="2">Direct Plan</th> </tr> <tr> <th>Scheme</th> <th>Benchmark</th> <th>Scheme</th> <th>Benchmark</th> </tr> </thead> <tbody> <tr> <td>Last 1 Year</td> <td>8.95</td> <td>10.16</td> <td>9.75</td> <td>10.16</td> </tr> <tr> <td>Last 3 Years</td> <td>7.44</td> <td>8.57</td> <td>8.24</td> <td>8.57</td> </tr> <tr> <td>Last 5 Years</td> <td>8.90</td> <td>9.02</td> <td>N.A.</td> <td>N.A.</td> </tr> <tr> <td>Since Inception*</td> <td>7.55</td> <td>6.51</td> <td>8.91</td> <td>8.94</td> </tr> </tbody> </table> <p>* Regular Plan - May 9, 2003 Direct Plan - January 2, 2013<br/> <b>Note:</b> Returns more than 1 year are calculated on compounded annualised basis.</p>  <p>Past performance may or may not be sustained in the future.</p> | Period    | Regular Plan |  | Direct Plan |  | Scheme | Benchmark | Scheme | Benchmark | Last 1 Year | 8.95 | 10.16 | 9.75 | 10.16 | Last 3 Years | 7.44 | 8.57 | 8.24 | 8.57 | Last 5 Years | 8.90 | 9.02 | N.A. | N.A. | Since Inception* | 7.55 | 6.51 | 8.91 | 8.94 | <p>Returns (%) of Growth Option under Regular Plan and Direct Plan as at June 30, 2016</p> <table border="1"> <thead> <tr> <th rowspan="2">Period</th> <th colspan="2">Regular Plan</th> <th colspan="2">Direct Plan</th> </tr> <tr> <th>Scheme</th> <th>Benchmark</th> <th>Scheme</th> <th>Benchmark</th> </tr> </thead> <tbody> <tr> <td>Last 1 Year</td> <td>8.88</td> <td>8.91</td> <td>9.71</td> <td>8.91</td> </tr> <tr> <td>Last 3 Years</td> <td>8.38</td> <td>9.08</td> <td>9.19</td> <td>9.08</td> </tr> <tr> <td>Last 5 Years</td> <td>9.00</td> <td>9.07</td> <td>N.A.</td> <td>N.A.</td> </tr> <tr> <td>Since Inception*</td> <td>7.84</td> <td>7.14</td> <td>9.36</td> <td>9.12</td> </tr> </tbody> </table> <p>* Regular Plan - May 9, 2003 Direct Plan - January 2, 2013<br/> <b>Note:</b> Returns more than 1 year are calculated on compounded annualised basis.</p>  <p>Past performance may or may not be sustained in the future.</p> | Period | Regular Plan |  | Direct Plan |  | Scheme | Benchmark | Scheme | Benchmark | Last 1 Year | 8.88 | 8.91 | 9.71 | 8.91 | Last 3 Years | 8.38 | 9.08 | 9.19 | 9.08 | Last 5 Years | 9.00 | 9.07 | N.A. | N.A. | Since Inception* | 7.84 | 7.14 | 9.36 | 9.12 |
| Period   | Regular Plan  |   | Direct Plan  |              |   |           |               |  |           |           |  |                      |                                   |              |                 |              |               |                          |           |      |                  |          |               |  |                      |                                   |              |   |           |               |  |           |              |  |             |  |        |           |        |           |             |      |       |      |       |              |      |      |      |      |              |      |      |      |      |                  |      |      |      |      |   |        |              |  |             |  |        |           |        |           |             |      |      |      |      |              |      |      |      |      |              |      |      |      |      |                  |      |      |      |      |
|  | Scheme  | Benchmark   | Scheme   | Benchmark    |   |           |               |  |           |           |  |                      |                                   |              |                 |              |               |                          |           |      |                  |          |               |  |                      |                                   |              |   |           |               |  |           |              |  |             |  |        |           |        |           |             |      |       |      |       |              |      |      |      |      |              |      |      |      |      |                  |      |      |      |      |   |        |              |  |             |  |        |           |        |           |             |      |      |      |      |              |      |      |      |      |              |      |      |      |      |                  |      |      |      |      |
| Last 1 Year  | 8.58  | 8.91  | 9.39   | 8.91         |   |           |               |  |           |           |  |                      |                                   |              |                 |              |               |                          |           |      |                  |          |               |  |                      |                                   |              |   |           |               |  |           |              |  |             |  |        |           |        |           |             |      |       |      |       |              |      |      |      |      |              |      |      |      |      |                  |      |      |      |      |   |        |              |  |             |  |        |           |        |           |             |      |      |      |      |              |      |      |      |      |              |      |      |      |      |                  |      |      |      |      |
| Last 3 Years   | 7.30  | 9.08  | 8.11   | 9.08         |   |           |               |  |           |           |  |                      |                                   |              |                 |              |               |                          |           |      |                  |          |               |  |                      |                                   |              |   |           |               |  |           |              |  |             |  |        |           |        |           |             |      |       |      |       |              |      |      |      |      |              |      |      |      |      |                  |      |      |      |      |   |        |              |  |             |  |        |           |        |           |             |      |      |      |      |              |      |      |      |      |              |      |      |      |      |                  |      |      |      |      |
| Last 5 Years   | 7.44  | 9.07  | N.A.   | N.A.         |   |           |               |  |           |           |  |                      |                                   |              |                 |              |               |                          |           |      |                  |          |               |  |                      |                                   |              |   |           |               |  |           |              |  |             |  |        |           |        |           |             |      |       |      |       |              |      |      |      |      |              |      |      |      |      |                  |      |      |      |      |   |        |              |  |             |  |        |           |        |           |             |      |      |      |      |              |      |      |      |      |              |      |      |      |      |                  |      |      |      |      |
| Since Inception*   | 8.19  | 7.21  | 8.58   | 9.12         |   |           |               |  |           |           |  |                      |                                   |              |                 |              |               |                          |           |      |                  |          |               |  |                      |                                   |              |   |           |               |  |           |              |  |             |  |        |           |        |           |             |      |       |      |       |              |      |      |      |      |              |      |      |      |      |                  |      |      |      |      |   |        |              |  |             |  |        |           |        |           |             |      |      |      |      |              |      |      |      |      |              |      |      |      |      |                  |      |      |      |      |
| Period   | Regular Plan  |   | Direct Plan  |              |   |           |               |  |           |           |  |                      |                                   |              |                 |              |               |                          |           |      |                  |          |               |  |                      |                                   |              |   |           |               |  |           |              |  |             |  |        |           |        |           |             |      |       |      |       |              |      |      |      |      |              |      |      |      |      |                  |      |      |      |      |   |        |              |  |             |  |        |           |        |           |             |      |      |      |      |              |      |      |      |      |              |      |      |      |      |                  |      |      |      |      |
|  | Scheme  | Benchmark   | Scheme   | Benchmark    |   |           |               |  |           |           |  |                      |                                   |              |                 |              |               |                          |           |      |                  |          |               |  |                      |                                   |              |   |           |               |  |           |              |  |             |  |        |           |        |           |             |      |       |      |       |              |      |      |      |      |              |      |      |      |      |                  |      |      |      |      |   |        |              |  |             |  |        |           |        |           |             |      |      |      |      |              |      |      |      |      |              |      |      |      |      |                  |      |      |      |      |
| Last 1 Year  | 8.95  | 10.16   | 9.75   | 10.16        |   |           |               |  |           |           |  |                      |                                   |              |                 |              |               |                          |           |      |                  |          |               |  |                      |                                   |              |   |           |               |  |           |              |  |             |  |        |           |        |           |             |      |       |      |       |              |      |      |      |      |              |      |      |      |      |                  |      |      |      |      |   |        |              |  |             |  |        |           |        |           |             |      |      |      |      |              |      |      |      |      |              |      |      |      |      |                  |      |      |      |      |
| Last 3 Years   | 7.44  | 8.57  | 8.24   | 8.57         |   |           |               |  |           |           |  |                      |                                   |              |                 |              |               |                          |           |      |                  |          |               |  |                      |                                   |              |   |           |               |  |           |              |  |             |  |        |           |        |           |             |      |       |      |       |              |      |      |      |      |              |      |      |      |      |                  |      |      |      |      |   |        |              |  |             |  |        |           |        |           |             |      |      |      |      |              |      |      |      |      |              |      |      |      |      |                  |      |      |      |      |
| Last 5 Years   | 8.90  | 9.02  | N.A.   | N.A.         |   |           |               |  |           |           |  |                      |                                   |              |                 |              |               |                          |           |      |                  |          |               |  |                      |                                   |              |   |           |               |  |           |              |  |             |  |        |           |        |           |             |      |       |      |       |              |      |      |      |      |              |      |      |      |      |                  |      |      |      |      |   |        |              |  |             |  |        |           |        |           |             |      |      |      |      |              |      |      |      |      |              |      |      |      |      |                  |      |      |      |      |
| Since Inception*   | 7.55  | 6.51  | 8.91   | 8.94         |   |           |               |  |           |           |  |                      |                                   |              |                 |              |               |                          |           |      |                  |          |               |  |                      |                                   |              |   |           |               |  |           |              |  |             |  |        |           |        |           |             |      |       |      |       |              |      |      |      |      |              |      |      |      |      |                  |      |      |      |      |   |        |              |  |             |  |        |           |        |           |             |      |      |      |      |              |      |      |      |      |              |      |      |      |      |                  |      |      |      |      |
| Period   | Regular Plan  |   | Direct Plan  |              |   |           |               |  |           |           |  |                      |                                   |              |                 |              |               |                          |           |      |                  |          |               |  |                      |                                   |              |   |           |               |  |           |              |  |             |  |        |           |        |           |             |      |       |      |       |              |      |      |      |      |              |      |      |      |      |                  |      |      |      |      |   |        |              |  |             |  |        |           |        |           |             |      |      |      |      |              |      |      |      |      |              |      |      |      |      |                  |      |      |      |      |
|  | Scheme  | Benchmark   | Scheme   | Benchmark    |   |           |               |  |           |           |  |                      |                                   |              |                 |              |               |                          |           |      |                  |          |               |  |                      |                                   |              |   |           |               |  |           |              |  |             |  |        |           |        |           |             |      |       |      |       |              |      |      |      |      |              |      |      |      |      |                  |      |      |      |      |   |        |              |  |             |  |        |           |        |           |             |      |      |      |      |              |      |      |      |      |              |      |      |      |      |                  |      |      |      |      |
| Last 1 Year  | 8.88  | 8.91  | 9.71   | 8.91         |   |           |               |  |           |           |  |                      |                                   |              |                 |              |               |                          |           |      |                  |          |               |  |                      |                                   |              |   |           |               |  |           |              |  |             |  |        |           |        |           |             |      |       |      |       |              |      |      |      |      |              |      |      |      |      |                  |      |      |      |      |   |        |              |  |             |  |        |           |        |           |             |      |      |      |      |              |      |      |      |      |              |      |      |      |      |                  |      |      |      |      |
| Last 3 Years   | 8.38  | 9.08  | 9.19   | 9.08         |   |           |               |  |           |           |  |                      |                                   |              |                 |              |               |                          |           |      |                  |          |               |  |                      |                                   |              |   |           |               |  |           |              |  |             |  |        |           |        |           |             |      |       |      |       |              |      |      |      |      |              |      |      |      |      |                  |      |      |      |      |   |        |              |  |             |  |        |           |        |           |             |      |      |      |      |              |      |      |      |      |              |      |      |      |      |                  |      |      |      |      |
| Last 5 Years   | 9.00  | 9.07  | N.A.   | N.A.         |   |           |               |  |           |           |  |                      |                                   |              |                 |              |               |                          |           |      |                  |          |               |  |                      |                                   |              |   |           |               |  |           |              |  |             |  |        |           |        |           |             |      |       |      |       |              |      |      |      |      |              |      |      |      |      |                  |      |      |      |      |   |        |              |  |             |  |        |           |        |           |             |      |      |      |      |              |      |      |      |      |              |      |      |      |      |                  |      |      |      |      |
| Since Inception*   | 7.84  | 7.14  | 9.36   | 9.12         |   |           |               |  |           |           |  |                      |                                   |              |                 |              |               |                          |           |      |                  |          |               |  |                      |                                   |              |   |           |               |  |           |              |  |             |  |        |           |        |           |             |      |       |      |       |              |      |      |      |      |              |      |      |      |      |                  |      |      |      |      |   |        |              |  |             |  |        |           |        |           |             |      |      |      |      |              |      |      |      |      |              |      |      |      |      |                  |      |      |      |      |
| <b>Expenses of the Scheme</b>  | <p>(i) <b>Load Structure:</b><br/> <b>Exit Load:</b> If redeemed on or before 30 days from the date of allotment - 1%.</p> <p>(ii) <b>+Recurring expenses as a percentage of Daily Net Assets:</b> Regular Plan - • First ₹ 100 crores - 2.25 • Next ₹ 300 crores - 2.00 • Next ₹ 300 crores - 1.75 • Balance - 1.50<br/> <b>Direct Plan</b> shall have a lower expense ratio excluding distribution expenses, commission, etc and no commission for distribution of Units will be paid / charged under the Direct Plan.</p> <p>(iii) <b>Actual expenses for the previous financial year 2015-2016:</b> Regular Plan: • PDSF - Retail Plan - 1.25% • Dynamic Bond Fund - 1.65% • Short Term Income Fund - 1.21%<br/> <b>Direct Plan:</b> • PDSF - Retail Plan - 0.50% • Dynamic Bond Fund - 0.92% • Short Term Income Fund - 0.48%</p>  | <p>(i) <b>Load Structure:</b><br/> <b>Exit Load:</b> If redeemed on or before 1 Year from the date of allotment - 1%.</p>   | <p>(i) <b>Load Structure:</b><br/> <b>Exit Load:</b> 0.50% - if redeemed within 183 days from the date of allotment.</p>   |              |   |           |               |  |           |           |  |                      |                                   |              |                 |              |               |                          |           |      |                  |          |               |  |                      |                                   |              |   |           |               |  |           |              |  |             |  |        |           |        |           |             |      |       |      |       |              |      |      |      |      |              |      |      |      |      |                  |      |      |      |      |   |        |              |  |             |  |        |           |        |           |             |      |      |      |      |              |      |      |      |      |              |      |      |      |      |                  |      |      |      |      |
| <b>Waiver of Load for Direct Applications</b>                                | Not applicable Pursuant to SEBI circular no. SEBI/IMD/CIR No.4/ 168230/09 dated June 30, 2009 no entry load shall be charged for all Mutual Fund Scheme(s). Therefore, the procedure for waiver of load for direct applications is no longer applicable.  |   |  |              |   |           |               |  |           |           |  |                      |                                   |              |                 |              |               |                          |           |      |                  |          |               |  |                      |                                   |              |   |           |               |  |           |              |  |             |  |        |           |        |           |             |      |       |      |       |              |      |      |      |      |              |      |      |      |      |                  |      |      |      |      |   |        |              |  |             |  |        |           |        |           |             |      |      |      |      |              |      |      |      |      |              |      |      |      |      |                  |      |      |      |      |

**For PDSF - Retail Plan** - Subscriptions (by way of purchase / switch in or in any mode) is restricted only for individual investors (including HUFs, Association of Persons & where an individual is an ultimate beneficiary). Further, Dividend Option under Principal Debt Savings Fund - Retail Plan, is not available for subscription/Switch-in.

<sup>5</sup> **Risk Profile of the Scheme:** • **For Principal Debt Savings Fund - Retail Plan** - When interest rates fall, the price of a debt security rises and when interest rates rise, the price declines. In addition, the value of securities held by the Scheme may be affected by factors such as credit rating of the entity that issues the debt security and effective maturities of the debt securities. Lower quality and longer maturity debt securities will be subject to greater credit risk and price fluctuations than higher quality and shorter maturity debt securities. As with all Mutual Funds, if the units are redeemed when their value is less than the price paid for, money may be lost by the Unitholder.

• **For Principal Dynamic Bond Fund** - When interest rates fall, the price of a debt security rises and when interest rates rise, the price declines. In addition, the value of securities held by the Scheme may be affected by factors such as credit rating of the entity that issues the debt security and effective maturities of the debt securities. Lower quality and longer maturity debt securities will be subject to greater credit risk and price fluctuations than higher quality and shorter maturity debt securities. As with all mutual funds, if the units are redeemed when their value is less than the price paid for, money may be lost by the Unitholder.

• **Principal Short Term Income Fund** - When interest rates fall, the price of a debt security rises and when interest rates rise, the price declines. In addition, the value of securities held by the Scheme may be affected by factors such as credit rating of the entity that issues the debt security and effective maturities of the debt securities. Lower quality and longer maturity debt securities will be subject to greater credit risk and price fluctuations than higher quality and shorter maturity debt securities. As with all mutual funds, if the units are redeemed when their value is less than the price paid for, money may be lost by the Unitholder.

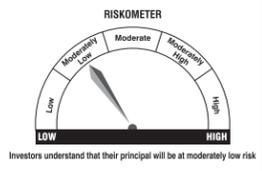
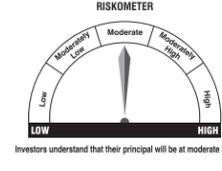
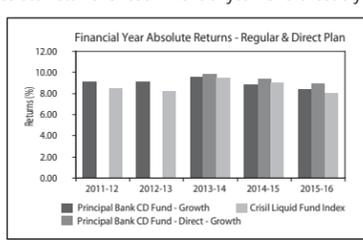
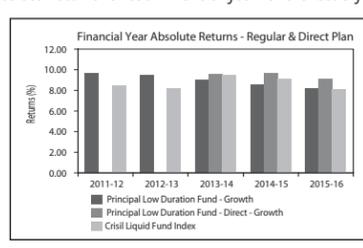
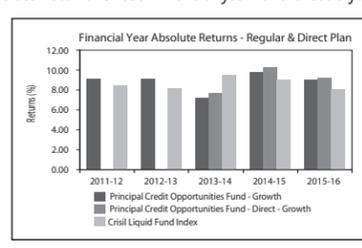
|  | Principal Government Securities Fund (G-sec)   | Principal Cash Management Fund (PCMF)  | Principal Retail Money Manager Fund (PRMMF)   |              |                       |           |               |   |                      |                                   |              |   |           |               |                     |              |               |   |           |          |  |          |               |  |                      |                                   |              |   |           |               |   |        |              |  |             |  |        |           |        |           |             |      |      |      |      |              |      |      |      |      |              |      |      |      |      |                  |      |      |      |      |  |        |              |  |             |  |        |           |        |           |             |      |      |      |      |              |      |      |      |      |              |      |      |      |      |                  |      |      |      |      |
|--|--|--|---|--------------|-----------------------|-----------|---------------|---|----------------------|-----------------------------------|--------------|---|-----------|---------------|---------------------|--------------|---------------|---|-----------|----------|--|----------|---------------|--|----------------------|-----------------------------------|--------------|---|-----------|---------------|---|--------|--------------|--|-------------|--|--------|-----------|--------|-----------|-------------|------|------|------|------|--------------|------|------|------|------|--------------|------|------|------|------|------------------|------|------|------|------|--|--------|--------------|--|-------------|--|--------|-----------|--------|-----------|-------------|------|------|------|------|--------------|------|------|------|------|--------------|------|------|------|------|------------------|------|------|------|------|
| <b>Investment Objective</b>  | To generate return through investment in sovereign securities and thus provide capital gains and income distribution to its Unitholders.   | To provide investors with as high a level of income available from short-term investments as is considered consistent with preservation of capital and maintenance of liquidity, by investing in a portfolio of money market and investment grade debt instruments.  | To generate regular income & capital appreciation through investments in debt securities and money market instruments.  |              |                       |           |               |   |                      |                                   |              |   |           |               |                     |              |               |   |           |          |  |          |               |  |                      |                                   |              |   |           |               |   |        |              |  |             |  |        |           |        |           |             |      |      |      |      |              |      |      |      |      |              |      |      |      |      |                  |      |      |      |      |  |        |              |  |             |  |        |           |        |           |             |      |      |      |      |              |      |      |      |      |              |      |      |      |      |                  |      |      |      |      |
| <b>Type of Scheme</b>  | An open-ended dedicated gilt scheme investing in government securities   | An Open-ended Liquid Scheme  | An Open-ended Debt Scheme   |              |                       |           |               |   |                      |                                   |              |   |           |               |                     |              |               |   |           |          |  |          |               |  |                      |                                   |              |   |           |               |   |        |              |  |             |  |        |           |        |           |             |      |      |      |      |              |      |      |      |      |              |      |      |      |      |                  |      |      |      |      |  |        |              |  |             |  |        |           |        |           |             |      |      |      |      |              |      |      |      |      |              |      |      |      |      |                  |      |      |      |      |
| <b>Product Label</b>   | <p>This product is suitable for investors who are seeking -</p> <ul style="list-style-type: none"> <li>Income over a long term investment horizon.</li> <li>Investment in Government Securities.</li> </ul> <p>~ Investors should consult their financial advisers if in doubt about whether the product is suitable for them.</p>  <p>Investors understand that their principal will be at moderate risk</p>   | <p>This product is suitable for investors who are seeking -</p> <ul style="list-style-type: none"> <li>Income over a short term investment horizon.</li> <li>Investment in Debt &amp; Money Market Instruments, with maturity not exceeding 91 days.</li> </ul> <p>~ Investors should consult their financial advisers if in doubt about whether the product is suitable for them.</p>  <p>Investors understand that their principal will be at low risk</p>  | <p>This product is suitable for investors who are seeking -</p> <ul style="list-style-type: none"> <li>Income over a short term investment horizon.</li> <li>Investment in Debt &amp; Money Market Instruments.</li> </ul> <p>~ Investors should consult their financial advisers if in doubt about whether the product is suitable for them.</p>  <p>Investors understand that their principal will be at moderately low risk</p> |              |                       |           |               |   |                      |                                   |              |   |           |               |                     |              |               |   |           |          |  |          |               |  |                      |                                   |              |   |           |               |   |        |              |  |             |  |        |           |        |           |             |      |      |      |      |              |      |      |      |      |              |      |      |      |      |                  |      |      |      |      |  |        |              |  |             |  |        |           |        |           |             |      |      |      |      |              |      |      |      |      |              |      |      |      |      |                  |      |      |      |      |
| <b>Asset Allocation Pattern of the Scheme</b>                        | <p>Under normal circumstances, the asset allocation would be as follows:</p> <table border="1"> <thead> <tr> <th>Types of Instruments</th> <th>Normal Allocation % of Net Assets</th> <th>Risk Profile</th> </tr> </thead> <tbody> <tr> <td>Government Securities</td> <td>Upto 100%</td> <td>Low to Medium</td> </tr> </tbody> </table> <p>Investment in derivatives shall be upto 35% of the net assets of the Scheme.</p>   | Types of Instruments   | Normal Allocation % of Net Assets   | Risk Profile | Government Securities | Upto 100% | Low to Medium | <p>Under normal circumstances, the asset allocation would be as follows:</p> <table border="1"> <thead> <tr> <th>Types of Instruments</th> <th>Normal Allocation % of Net Assets</th> <th>Risk Profile</th> </tr> </thead> <tbody> <tr> <td>Call / Term Money / Repos / Reverse Repos / Deposits with Banks</td> <td>Upto 100%</td> <td>Low to Medium</td> </tr> <tr> <td>Bill Re-discounting</td> <td>Upto 50%</td> <td>Low to Medium</td> </tr> <tr> <td>Other equivalent Money Market Instruments</td> <td>Upto 100%</td> <td>Very Low</td> </tr> <tr> <td>Debt (including Securitised Debt) instruments other than those above</td> <td>Upto 50%</td> <td>Low to medium</td> </tr> </tbody> </table> <p>The Scheme may upto 35% of the net assets of the Scheme invest in Derivatives. The Scheme may also invest Scheme in Overseas financial debt instruments including units of overseas mutual funds not exceeding than 25% of the net assets of the Scheme. Subject to the SEBI Regulations, the Mutual Fund may deploy upto 50% of its total net assets of the Scheme in Stock Lending. Pursuant to the SEBI circular dated January 19, 2009 the Scheme can make investment in/ purchase Debt and Money Market Instruments with the maturity of up to 91 days only.</p> | Types of Instruments | Normal Allocation % of Net Assets | Risk Profile | Call / Term Money / Repos / Reverse Repos / Deposits with Banks | Upto 100% | Low to Medium | Bill Re-discounting | Upto 50%     | Low to Medium | Other equivalent Money Market Instruments | Upto 100% | Very Low | Debt (including Securitised Debt) instruments other than those above | Upto 50% | Low to medium | <p>Under normal circumstances, the asset allocation would be as follows:</p> <table border="1"> <thead> <tr> <th>Types of Instruments</th> <th>Normal Allocation % of Net Assets</th> <th>Risk Profile</th> </tr> </thead> <tbody> <tr> <td>Debt &amp; Money Market Instruments (including cash &amp; CBLO)</td> <td>Upto 100%</td> <td>Low to Medium</td> </tr> </tbody> </table> <p>Investment in Securitised Debt may be up to 50% of the net assets of the Scheme. The Scheme may also invest up to 50% of net assets of the Scheme in such derivative instruments as may be introduced from time to time for the purpose of hedging and portfolio balancing and other uses as may be permitted under the SEBI (Mutual Funds) Regulations, 1996.</p> <p>The Scheme will have an average maturity of upto 180 days.</p> | Types of Instruments | Normal Allocation % of Net Assets | Risk Profile | Debt & Money Market Instruments (including cash & CBLO) | Upto 100% | Low to Medium |   |        |              |  |             |  |        |           |        |           |             |      |      |      |      |              |      |      |      |      |              |      |      |      |      |                  |      |      |      |      |  |        |              |  |             |  |        |           |        |           |             |      |      |      |      |              |      |      |      |      |              |      |      |      |      |                  |      |      |      |      |
| Types of Instruments   | Normal Allocation % of Net Assets  | Risk Profile   |   |              |                       |           |               |   |                      |                                   |              |   |           |               |                     |              |               |   |           |          |  |          |               |  |                      |                                   |              |   |           |               |   |        |              |  |             |  |        |           |        |           |             |      |      |      |      |              |      |      |      |      |              |      |      |      |      |                  |      |      |      |      |  |        |              |  |             |  |        |           |        |           |             |      |      |      |      |              |      |      |      |      |              |      |      |      |      |                  |      |      |      |      |
| Government Securities  | Upto 100%  | Low to Medium  |   |              |                       |           |               |   |                      |                                   |              |   |           |               |                     |              |               |   |           |          |  |          |               |  |                      |                                   |              |   |           |               |   |        |              |  |             |  |        |           |        |           |             |      |      |      |      |              |      |      |      |      |              |      |      |      |      |                  |      |      |      |      |  |        |              |  |             |  |        |           |        |           |             |      |      |      |      |              |      |      |      |      |              |      |      |      |      |                  |      |      |      |      |
| Types of Instruments   | Normal Allocation % of Net Assets  | Risk Profile   |   |              |                       |           |               |   |                      |                                   |              |   |           |               |                     |              |               |   |           |          |  |          |               |  |                      |                                   |              |   |           |               |   |        |              |  |             |  |        |           |        |           |             |      |      |      |      |              |      |      |      |      |              |      |      |      |      |                  |      |      |      |      |  |        |              |  |             |  |        |           |        |           |             |      |      |      |      |              |      |      |      |      |              |      |      |      |      |                  |      |      |      |      |
| Call / Term Money / Repos / Reverse Repos / Deposits with Banks      | Upto 100%  | Low to Medium  |   |              |                       |           |               |   |                      |                                   |              |   |           |               |                     |              |               |   |           |          |  |          |               |  |                      |                                   |              |   |           |               |   |        |              |  |             |  |        |           |        |           |             |      |      |      |      |              |      |      |      |      |              |      |      |      |      |                  |      |      |      |      |  |        |              |  |             |  |        |           |        |           |             |      |      |      |      |              |      |      |      |      |              |      |      |      |      |                  |      |      |      |      |
| Bill Re-discounting  | Upto 50%   | Low to Medium  |   |              |                       |           |               |   |                      |                                   |              |   |           |               |                     |              |               |   |           |          |  |          |               |  |                      |                                   |              |   |           |               |   |        |              |  |             |  |        |           |        |           |             |      |      |      |      |              |      |      |      |      |              |      |      |      |      |                  |      |      |      |      |  |        |              |  |             |  |        |           |        |           |             |      |      |      |      |              |      |      |      |      |              |      |      |      |      |                  |      |      |      |      |
| Other equivalent Money Market Instruments                            | Upto 100%  | Very Low   |   |              |                       |           |               |   |                      |                                   |              |   |           |               |                     |              |               |   |           |          |  |          |               |  |                      |                                   |              |   |           |               |   |        |              |  |             |  |        |           |        |           |             |      |      |      |      |              |      |      |      |      |              |      |      |      |      |                  |      |      |      |      |  |        |              |  |             |  |        |           |        |           |             |      |      |      |      |              |      |      |      |      |              |      |      |      |      |                  |      |      |      |      |
| Debt (including Securitised Debt) instruments other than those above | Upto 50%   | Low to medium  |   |              |                       |           |               |   |                      |                                   |              |   |           |               |                     |              |               |   |           |          |  |          |               |  |                      |                                   |              |   |           |               |   |        |              |  |             |  |        |           |        |           |             |      |      |      |      |              |      |      |      |      |              |      |      |      |      |                  |      |      |      |      |  |        |              |  |             |  |        |           |        |           |             |      |      |      |      |              |      |      |      |      |              |      |      |      |      |                  |      |      |      |      |
| Types of Instruments   | Normal Allocation % of Net Assets  | Risk Profile   |   |              |                       |           |               |   |                      |                                   |              |   |           |               |                     |              |               |   |           |          |  |          |               |  |                      |                                   |              |   |           |               |   |        |              |  |             |  |        |           |        |           |             |      |      |      |      |              |      |      |      |      |              |      |      |      |      |                  |      |      |      |      |  |        |              |  |             |  |        |           |        |           |             |      |      |      |      |              |      |      |      |      |              |      |      |      |      |                  |      |      |      |      |
| Debt & Money Market Instruments (including cash & CBLO)              | Upto 100%  | Low to Medium  |   |              |                       |           |               |   |                      |                                   |              |   |           |               |                     |              |               |   |           |          |  |          |               |  |                      |                                   |              |   |           |               |   |        |              |  |             |  |        |           |        |           |             |      |      |      |      |              |      |      |      |      |              |      |      |      |      |                  |      |      |      |      |  |        |              |  |             |  |        |           |        |           |             |      |      |      |      |              |      |      |      |      |              |      |      |      |      |                  |      |      |      |      |
| <b>Risk Profile of the Scheme</b>                                    | Mutual Fund Units involve investment risks including the possible loss of principal. Please read the Scheme Information Document (SID) carefully for details on risk factors before investment. Scheme specific Risk Factors are summarized below: §   |  |   |              |                       |           |               |   |                      |                                   |              |   |           |               |                     |              |               |   |           |          |  |          |               |  |                      |                                   |              |   |           |               |   |        |              |  |             |  |        |           |        |           |             |      |      |      |      |              |      |      |      |      |              |      |      |      |      |                  |      |      |      |      |  |        |              |  |             |  |        |           |        |           |             |      |      |      |      |              |      |      |      |      |              |      |      |      |      |                  |      |      |      |      |
| <b>Investment Plans &amp; Options</b>                                | Regular Plan and Direct Plan. Both the Plans offer Dividend & Growth Option. Dividend Frequencies (under both the Plan) - Quarterly / Annual   | Regular Plan and Direct Plan. Both the Plans offer Dividend & Growth Option. Dividend Frequencies (under both the Plan) - Daily /Weekly/Monthly  | Regular Plan and Direct Plan. Both the Plans offer Dividend & Growth Option. Dividend Frequencies - Regular Plan - Daily /Weekly/Monthly. Direct Plan - Monthly (Reinvestment) (Refer Note 1)   |              |                       |           |               |   |                      |                                   |              |   |           |               |                     |              |               |   |           |          |  |          |               |  |                      |                                   |              |   |           |               |   |        |              |  |             |  |        |           |        |           |             |      |      |      |      |              |      |      |      |      |              |      |      |      |      |                  |      |      |      |      |  |        |              |  |             |  |        |           |        |           |             |      |      |      |      |              |      |      |      |      |              |      |      |      |      |                  |      |      |      |      |
| <b>Applicable NAV</b>  | ++   |  |   |              |                       |           |               |   |                      |                                   |              |   |           |               |                     |              |               |   |           |          |  |          |               |  |                      |                                   |              |   |           |               |   |        |              |  |             |  |        |           |        |           |             |      |      |      |      |              |      |      |      |      |              |      |      |      |      |                  |      |      |      |      |  |        |              |  |             |  |        |           |        |           |             |      |      |      |      |              |      |      |      |      |              |      |      |      |      |                  |      |      |      |      |
| <b>Minimum Application Amount / Number of Units</b>                  | <ul style="list-style-type: none"> <li><b>Purchase:</b> ₹ 5,000 and any amount thereafter under each Option.</li> <li><b>Additional Purchase:</b> ₹ 1,000 and any amount thereafter under each Option.</li> <li><b>Repurchase:</b> ₹ 500 or 50 units.</li> </ul>   | <ul style="list-style-type: none"> <li><b>Purchase:</b> ₹ 5,000 and any amount thereafter under each Option.</li> <li><b>Additional Purchase:</b> ₹ 1,000 and any amount thereafter under each Option.</li> <li><b>Repurchase:</b> ₹ 1000 or 100 units.</li> </ul>   |   |              |                       |           |               |   |                      |                                   |              |   |           |               |                     |              |               |   |           |          |  |          |               |  |                      |                                   |              |   |           |               |   |        |              |  |             |  |        |           |        |           |             |      |      |      |      |              |      |      |      |      |              |      |      |      |      |                  |      |      |      |      |  |        |              |  |             |  |        |           |        |           |             |      |      |      |      |              |      |      |      |      |              |      |      |      |      |                  |      |      |      |      |
| <b>Despatch of Repurchase (Redemption) Request</b>                   | Within 10 business days of the receipt of the redemption request at the Official Points of Acceptance of the Principal Mutual Fund.  |  |   |              |                       |           |               |   |                      |                                   |              |   |           |               |                     |              |               |   |           |          |  |          |               |  |                      |                                   |              |   |           |               |   |        |              |  |             |  |        |           |        |           |             |      |      |      |      |              |      |      |      |      |              |      |      |      |      |                  |      |      |      |      |  |        |              |  |             |  |        |           |        |           |             |      |      |      |      |              |      |      |      |      |              |      |      |      |      |                  |      |      |      |      |
| <b>Investment Strategy</b>   | @  |  |   |              |                       |           |               |   |                      |                                   |              |   |           |               |                     |              |               |   |           |          |  |          |               |  |                      |                                   |              |   |           |               |   |        |              |  |             |  |        |           |        |           |             |      |      |      |      |              |      |      |      |      |              |      |      |      |      |                  |      |      |      |      |  |        |              |  |             |  |        |           |        |           |             |      |      |      |      |              |      |      |      |      |              |      |      |      |      |                  |      |      |      |      |
| <b>Risk Mitigation Factors</b>                                       | @@   |  |   |              |                       |           |               |   |                      |                                   |              |   |           |               |                     |              |               |   |           |          |  |          |               |  |                      |                                   |              |   |           |               |   |        |              |  |             |  |        |           |        |           |             |      |      |      |      |              |      |      |      |      |              |      |      |      |      |                  |      |      |      |      |  |        |              |  |             |  |        |           |        |           |             |      |      |      |      |              |      |      |      |      |              |      |      |      |      |                  |      |      |      |      |
| <b>Comparison of open-ended schemes</b>                              | As the name of the scheme suggests, the assets will be solely invested in government securities. The scheme can invest in government securities of any maturity. This is the only scheme dedicated exclusively for investing in government securities. Therefore the scheme is eligible to avail liquidity support (from RBI).   | This scheme is suitable for investors who seek income from short term investments alongwith preservation of capital and maintenance of liquidity. The Fund Manager will endeavour to invest in securities which present minimal liquidity and/or credit risks. The investment universe of the scheme covers Call/Term Money/Repo/Reverse Repo/Deposits with Banks - upto 100%, Bills Re-discounting - upto 50%, other equivalent Money Market Instruments - upto 100%, Debt (including Securitised Debt) instruments other than those above - upto 50%. However as the scheme is positioned as a liquid fund, the scheme would be investing in instruments with maturity of up to 91 days. | This scheme is positioned to invest its entire corpus in Debt and Money Market Instruments (including cash & CBLO). Within the investment mandate, the scheme will have an average maturity of upto 180 days.   |              |                       |           |               |   |                      |                                   |              |   |           |               |                     |              |               |   |           |          |  |          |               |  |                      |                                   |              |   |           |               |   |        |              |  |             |  |        |           |        |           |             |      |      |      |      |              |      |      |      |      |              |      |      |      |      |                  |      |      |      |      |  |        |              |  |             |  |        |           |        |           |             |      |      |      |      |              |      |      |      |      |              |      |      |      |      |                  |      |      |      |      |
| <b>Dividend Policy</b>   | Under Dividend Plan/Option, dividend will be declared subject to availability of distributable surplus and at discretion of AMC / Trustee. The undistributed portion of the income will remain in the Plan/Option and be reflected in the NAV, on an ongoing basis. The Trustee's decision with regard to availability and adequacy, rate, timing and frequency of distribution of dividend shall be final.  |  |   |              |                       |           |               |   |                      |                                   |              |   |           |               |                     |              |               |   |           |          |  |          |               |  |                      |                                   |              |   |           |               |   |        |              |  |             |  |        |           |        |           |             |      |      |      |      |              |      |      |      |      |              |      |      |      |      |                  |      |      |      |      |  |        |              |  |             |  |        |           |        |           |             |      |      |      |      |              |      |      |      |      |              |      |      |      |      |                  |      |      |      |      |
| <b>Benchmark Index</b>   | I-Sec Composite Index  | CRISIL Liquid Fund Index   | CRISIL Liquid Fund Index  |              |                       |           |               |   |                      |                                   |              |   |           |               |                     |              |               |   |           |          |  |          |               |  |                      |                                   |              |   |           |               |   |        |              |  |             |  |        |           |        |           |             |      |      |      |      |              |      |      |      |      |              |      |      |      |      |                  |      |      |      |      |  |        |              |  |             |  |        |           |        |           |             |      |      |      |      |              |      |      |      |      |              |      |      |      |      |                  |      |      |      |      |
| <b>Folio Count &amp; AUM (As on June 30, 2016)</b>                   | Folio - 176 • AUM - ₹ 17.41 Crores   | Folio - 1,845 • AUM - ₹ 1,515.82 Crores  | Folio - 1,319 • AUM - ₹ 37.13 Crores  |              |                       |           |               |   |                      |                                   |              |   |           |               |                     |              |               |   |           |          |  |          |               |  |                      |                                   |              |   |           |               |   |        |              |  |             |  |        |           |        |           |             |      |      |      |      |              |      |      |      |      |              |      |      |      |      |                  |      |      |      |      |  |        |              |  |             |  |        |           |        |           |             |      |      |      |      |              |      |      |      |      |              |      |      |      |      |                  |      |      |      |      |
| <b>Fund Manager &amp; Managing the Current Fund from</b>             | Ms. Bekxy Kuriakose - October 2012 (Tenure of the Fund Manager - 3 years 9 months)   | Mr. Pankaj Jain - January 2012 (Tenure of the Fund Manager - 4 years 6 months)   | Mr. Pankaj Jain - January 2012 (Tenure of the Fund Manager - 4 years 6 months)  |              |                       |           |               |   |                      |                                   |              |   |           |               |                     |              |               |   |           |          |  |          |               |  |                      |                                   |              |   |           |               |   |        |              |  |             |  |        |           |        |           |             |      |      |      |      |              |      |      |      |      |              |      |      |      |      |                  |      |      |      |      |  |        |              |  |             |  |        |           |        |           |             |      |      |      |      |              |      |      |      |      |              |      |      |      |      |                  |      |      |      |      |
| <b>Total Investment Experience</b>                                   | 15 years   | 14 years   | 14 years  |              |                       |           |               |   |                      |                                   |              |   |           |               |                     |              |               |   |           |          |  |          |               |  |                      |                                   |              |   |           |               |   |        |              |  |             |  |        |           |        |           |             |      |      |      |      |              |      |      |      |      |              |      |      |      |      |                  |      |      |      |      |  |        |              |  |             |  |        |           |        |           |             |      |      |      |      |              |      |      |      |      |              |      |      |      |      |                  |      |      |      |      |
| <b>Name of the Trustee Company</b>                                   | Principal Trustee Company Private Limited  |  |   |              |                       |           |               |   |                      |                                   |              |   |           |               |                     |              |               |   |           |          |  |          |               |  |                      |                                   |              |   |           |               |   |        |              |  |             |  |        |           |        |           |             |      |      |      |      |              |      |      |      |      |              |      |      |      |      |                  |      |      |      |      |  |        |              |  |             |  |        |           |        |           |             |      |      |      |      |              |      |      |      |      |              |      |      |      |      |                  |      |      |      |      |
| <b>Performance of the scheme :</b>                                   | <p>Returns (%) of Growth Option under Regular Plan and Direct Plan as at June 30, 2016</p> <table border="1"> <thead> <tr> <th rowspan="2">Period</th> <th colspan="2">Regular Plan</th> <th colspan="2">Direct Plan</th> </tr> <tr> <th>Scheme</th> <th>Benchmark</th> <th>Scheme</th> <th>Benchmark</th> </tr> </thead> <tbody> <tr> <td>Last 1 Year</td> <td>9.81</td> <td>10.78</td> <td>10.40</td> <td>10.78</td> </tr> <tr> <td>Last 3 Years</td> <td>7.15</td> <td>8.91</td> <td>7.69</td> <td>8.91</td> </tr> <tr> <td>Last 5 Years</td> <td>8.16</td> <td>9.63</td> <td>N.A.</td> <td>N.A.</td> </tr> <tr> <td>Since Inception*</td> <td>7.77</td> <td>Not available</td> <td>8.80</td> <td>9.31</td> </tr> </tbody> </table> <p>* Regular Plan - August 23, 2001 Direct Plan - January 2, 2013<br/> <b>Note:</b> Returns more than 1 year are calculated on compounded annualised basis.</p> <p>Absolute Returns for each financial year for the last 5 years</p>  <p>Past performance may or may not be sustained in the future.</p> | Period   | Regular Plan  |              | Direct Plan           |           | Scheme        | Benchmark   | Scheme               | Benchmark                         | Last 1 Year  | 9.81  | 10.78     | 10.40         | 10.78               | Last 3 Years | 7.15          | 8.91                                      | 7.69      | 8.91     | Last 5 Years   | 8.16     | 9.63          | N.A.   | N.A.                 | Since Inception*                  | 7.77         | Not available   | 8.80      | 9.31          | <p>Returns (%) of Growth Option under Regular Plan and Direct Plan as at June 30, 2016</p> <table border="1"> <thead> <tr> <th rowspan="2">Period</th> <th colspan="2">Regular Plan</th> <th colspan="2">Direct Plan</th> </tr> <tr> <th>Scheme</th> <th>Benchmark</th> <th>Scheme</th> <th>Benchmark</th> </tr> </thead> <tbody> <tr> <td>Last 1 Year</td> <td>8.11</td> <td>7.88</td> <td>8.19</td> <td>7.88</td> </tr> <tr> <td>Last 3 Years</td> <td>8.80</td> <td>8.76</td> <td>8.88</td> <td>8.76</td> </tr> <tr> <td>Last 5 Years</td> <td>9.02</td> <td>8.62</td> <td>N.A.</td> <td>N.A.</td> </tr> <tr> <td>Since Inception*</td> <td>7.67</td> <td>7.17</td> <td>8.89</td> <td>8.70</td> </tr> </tbody> </table> <p>* Regular Plan - August 30, 2004 Direct Plan - January 1, 2013<br/> <b>Note:</b> Returns more than 1 year are calculated on compounded annualised basis.</p> <p>Absolute Returns for each financial year for the last 5 years</p>  <p>Past performance may or may not be sustained in the future.</p> | Period | Regular Plan |  | Direct Plan |  | Scheme | Benchmark | Scheme | Benchmark | Last 1 Year | 8.11 | 7.88 | 8.19 | 7.88 | Last 3 Years | 8.80 | 8.76 | 8.88 | 8.76 | Last 5 Years | 9.02 | 8.62 | N.A. | N.A. | Since Inception* | 7.67 | 7.17 | 8.89 | 8.70 | <p>Returns (%) of Growth Option under Regular Plan and Direct Plan as at June 30, 2016</p> <table border="1"> <thead> <tr> <th rowspan="2">Period</th> <th colspan="2">Regular Plan</th> <th colspan="2">Direct Plan</th> </tr> <tr> <th>Scheme</th> <th>Benchmark</th> <th>Scheme</th> <th>Benchmark</th> </tr> </thead> <tbody> <tr> <td>Last 1 Year</td> <td>8.44</td> <td>7.88</td> <td>8.51</td> <td>7.88</td> </tr> <tr> <td>Last 3 Years</td> <td>9.19</td> <td>8.76</td> <td>9.29</td> <td>8.76</td> </tr> <tr> <td>Last 5 Years</td> <td>9.24</td> <td>8.62</td> <td>N.A.</td> <td>N.A.</td> </tr> <tr> <td>Since Inception*</td> <td>6.80</td> <td>7.70</td> <td>9.32</td> <td>8.70</td> </tr> </tbody> </table> <p>* Regular Plan - December 28, 2007 Direct Plan - January 1, 2013<br/> <b>Note:</b> Returns more than 1 year are calculated on compounded annualised basis assuming that all payouts have been reinvested at the then prevailing NAV.</p> <p>Absolute Returns for each financial year for the last 5 years</p>  <p>Past performance may or may not be sustained in the future.</p> | Period | Regular Plan |  | Direct Plan |  | Scheme | Benchmark | Scheme | Benchmark | Last 1 Year | 8.44 | 7.88 | 8.51 | 7.88 | Last 3 Years | 9.19 | 8.76 | 9.29 | 8.76 | Last 5 Years | 9.24 | 8.62 | N.A. | N.A. | Since Inception* | 6.80 | 7.70 | 9.32 | 8.70 |
| Period   | Regular Plan   |  | Direct Plan   |              |                       |           |               |   |                      |                                   |              |   |           |               |                     |              |               |   |           |          |  |          |               |  |                      |                                   |              |   |           |               |   |        |              |  |             |  |        |           |        |           |             |      |      |      |      |              |      |      |      |      |              |      |      |      |      |                  |      |      |      |      |  |        |              |  |             |  |        |           |        |           |             |      |      |      |      |              |      |      |      |      |              |      |      |      |      |                  |      |      |      |      |
|  | Scheme   | Benchmark  | Scheme  | Benchmark    |                       |           |               |   |                      |                                   |              |   |           |               |                     |              |               |   |           |          |  |          |               |  |                      |                                   |              |   |           |               |   |        |              |  |             |  |        |           |        |           |             |      |      |      |      |              |      |      |      |      |              |      |      |      |      |                  |      |      |      |      |  |        |              |  |             |  |        |           |        |           |             |      |      |      |      |              |      |      |      |      |              |      |      |      |      |                  |      |      |      |      |
| Last 1 Year  | 9.81   | 10.78  | 10.40   | 10.78        |                       |           |               |   |                      |                                   |              |   |           |               |                     |              |               |   |           |          |  |          |               |  |                      |                                   |              |   |           |               |   |        |              |  |             |  |        |           |        |           |             |      |      |      |      |              |      |      |      |      |              |      |      |      |      |                  |      |      |      |      |  |        |              |  |             |  |        |           |        |           |             |      |      |      |      |              |      |      |      |      |              |      |      |      |      |                  |      |      |      |      |
| Last 3 Years   | 7.15   | 8.91   | 7.69  | 8.91         |                       |           |               |   |                      |                                   |              |   |           |               |                     |              |               |   |           |          |  |          |               |  |                      |                                   |              |   |           |               |   |        |              |  |             |  |        |           |        |           |             |      |      |      |      |              |      |      |      |      |              |      |      |      |      |                  |      |      |      |      |  |        |              |  |             |  |        |           |        |           |             |      |      |      |      |              |      |      |      |      |              |      |      |      |      |                  |      |      |      |      |
| Last 5 Years   | 8.16   | 9.63   | N.A.  | N.A.         |                       |           |               |   |                      |                                   |              |   |           |               |                     |              |               |   |           |          |  |          |               |  |                      |                                   |              |   |           |               |   |        |              |  |             |  |        |           |        |           |             |      |      |      |      |              |      |      |      |      |              |      |      |      |      |                  |      |      |      |      |  |        |              |  |             |  |        |           |        |           |             |      |      |      |      |              |      |      |      |      |              |      |      |      |      |                  |      |      |      |      |
| Since Inception*   | 7.77   | Not available  | 8.80  | 9.31         |                       |           |               |   |                      |                                   |              |   |           |               |                     |              |               |   |           |          |  |          |               |  |                      |                                   |              |   |           |               |   |        |              |  |             |  |        |           |        |           |             |      |      |      |      |              |      |      |      |      |              |      |      |      |      |                  |      |      |      |      |  |        |              |  |             |  |        |           |        |           |             |      |      |      |      |              |      |      |      |      |              |      |      |      |      |                  |      |      |      |      |
| Period   | Regular Plan   |  | Direct Plan   |              |                       |           |               |   |                      |                                   |              |   |           |               |                     |              |               |   |           |          |  |          |               |  |                      |                                   |              |   |           |               |   |        |              |  |             |  |        |           |        |           |             |      |      |      |      |              |      |      |      |      |              |      |      |      |      |                  |      |      |      |      |  |        |              |  |             |  |        |           |        |           |             |      |      |      |      |              |      |      |      |      |              |      |      |      |      |                  |      |      |      |      |
|  | Scheme   | Benchmark  | Scheme  | Benchmark    |                       |           |               |   |                      |                                   |              |   |           |               |                     |              |               |   |           |          |  |          |               |  |                      |                                   |              |   |           |               |   |        |              |  |             |  |        |           |        |           |             |      |      |      |      |              |      |      |      |      |              |      |      |      |      |                  |      |      |      |      |  |        |              |  |             |  |        |           |        |           |             |      |      |      |      |              |      |      |      |      |              |      |      |      |      |                  |      |      |      |      |
| Last 1 Year  | 8.11   | 7.88   | 8.19  | 7.88         |                       |           |               |   |                      |                                   |              |   |           |               |                     |              |               |   |           |          |  |          |               |  |                      |                                   |              |   |           |               |   |        |              |  |             |  |        |           |        |           |             |      |      |      |      |              |      |      |      |      |              |      |      |      |      |                  |      |      |      |      |  |        |              |  |             |  |        |           |        |           |             |      |      |      |      |              |      |      |      |      |              |      |      |      |      |                  |      |      |      |      |
| Last 3 Years   | 8.80   | 8.76   | 8.88  | 8.76         |                       |           |               |   |                      |                                   |              |   |           |               |                     |              |               |   |           |          |  |          |               |  |                      |                                   |              |   |           |               |   |        |              |  |             |  |        |           |        |           |             |      |      |      |      |              |      |      |      |      |              |      |      |      |      |                  |      |      |      |      |  |        |              |  |             |  |        |           |        |           |             |      |      |      |      |              |      |      |      |      |              |      |      |      |      |                  |      |      |      |      |
| Last 5 Years   | 9.02   | 8.62   | N.A.  | N.A.         |                       |           |               |   |                      |                                   |              |   |           |               |                     |              |               |   |           |          |  |          |               |  |                      |                                   |              |   |           |               |   |        |              |  |             |  |        |           |        |           |             |      |      |      |      |              |      |      |      |      |              |      |      |      |      |                  |      |      |      |      |  |        |              |  |             |  |        |           |        |           |             |      |      |      |      |              |      |      |      |      |              |      |      |      |      |                  |      |      |      |      |
| Since Inception*   | 7.67   | 7.17   | 8.89  | 8.70         |                       |           |               |   |                      |                                   |              |   |           |               |                     |              |               |   |           |          |  |          |               |  |                      |                                   |              |   |           |               |   |        |              |  |             |  |        |           |        |           |             |      |      |      |      |              |      |      |      |      |              |      |      |      |      |                  |      |      |      |      |  |        |              |  |             |  |        |           |        |           |             |      |      |      |      |              |      |      |      |      |              |      |      |      |      |                  |      |      |      |      |
| Period   | Regular Plan   |  | Direct Plan   |              |                       |           |               |   |                      |                                   |              |   |           |               |                     |              |               |   |           |          |  |          |               |  |                      |                                   |              |   |           |               |   |        |              |  |             |  |        |           |        |           |             |      |      |      |      |              |      |      |      |      |              |      |      |      |      |                  |      |      |      |      |  |        |              |  |             |  |        |           |        |           |             |      |      |      |      |              |      |      |      |      |              |      |      |      |      |                  |      |      |      |      |
|  | Scheme   | Benchmark  | Scheme  | Benchmark    |                       |           |               |   |                      |                                   |              |   |           |               |                     |              |               |   |           |          |  |          |               |  |                      |                                   |              |   |           |               |   |        |              |  |             |  |        |           |        |           |             |      |      |      |      |              |      |      |      |      |              |      |      |      |      |                  |      |      |      |      |  |        |              |  |             |  |        |           |        |           |             |      |      |      |      |              |      |      |      |      |              |      |      |      |      |                  |      |      |      |      |
| Last 1 Year  | 8.44   | 7.88   | 8.51  | 7.88         |                       |           |               |   |                      |                                   |              |   |           |               |                     |              |               |   |           |          |  |          |               |  |                      |                                   |              |   |           |               |   |        |              |  |             |  |        |           |        |           |             |      |      |      |      |              |      |      |      |      |              |      |      |      |      |                  |      |      |      |      |  |        |              |  |             |  |        |           |        |           |             |      |      |      |      |              |      |      |      |      |              |      |      |      |      |                  |      |      |      |      |
| Last 3 Years   | 9.19   | 8.76   | 9.29  | 8.76         |                       |           |               |   |                      |                                   |              |   |           |               |                     |              |               |   |           |          |  |          |               |  |                      |                                   |              |   |           |               |   |        |              |  |             |  |        |           |        |           |             |      |      |      |      |              |      |      |      |      |              |      |      |      |      |                  |      |      |      |      |  |        |              |  |             |  |        |           |        |           |             |      |      |      |      |              |      |      |      |      |              |      |      |      |      |                  |      |      |      |      |
| Last 5 Years   | 9.24   | 8.62   | N.A.  | N.A.         |                       |           |               |   |                      |                                   |              |   |           |               |                     |              |               |   |           |          |  |          |               |  |                      |                                   |              |   |           |               |   |        |              |  |             |  |        |           |        |           |             |      |      |      |      |              |      |      |      |      |              |      |      |      |      |                  |      |      |      |      |  |        |              |  |             |  |        |           |        |           |             |      |      |      |      |              |      |      |      |      |              |      |      |      |      |                  |      |      |      |      |
| Since Inception*   | 6.80   | 7.70   | 9.32  | 8.70         |                       |           |               |   |                      |                                   |              |   |           |               |                     |              |               |   |           |          |  |          |               |  |                      |                                   |              |   |           |               |   |        |              |  |             |  |        |           |        |           |             |      |      |      |      |              |      |      |      |      |              |      |      |      |      |                  |      |      |      |      |  |        |              |  |             |  |        |           |        |           |             |      |      |      |      |              |      |      |      |      |              |      |      |      |      |                  |      |      |      |      |
| <b>Expenses of the Scheme</b>  | <p>(i) Load Structure:<br/> <b>Exit Load:</b> Nil</p> <p>(ii) +Recurring expenses as a percentage of Daily Net Assets: <b>Regular Plan</b> - • First ₹ 100 crores - 2.25 • Next ₹ 300 crores - 2.00 • Next ₹ 300 crores - 1.75 • Balance - 1.50<br/> <b>Direct Plan</b> shall have a lower expense ratio excluding distribution expenses, commission, etc and no commission for distribution of Units will be paid / charged under the Direct Plan.</p> <p>(iii) <b>Actual expenses for the previous financial year 2015-2016:</b> <b>Regular Plan:</b> • Principal G-Sec: 1.50% • PCMF - 0.15% • PRMMF - 0.19%<br/> <b>Direct Plan:</b> • Principal G-Sec: 1.00% • PCMF - 0.08% • PRMMF - 0.12%</p>   | <p>(i) Load Structure:<br/> <b>Exit Load:</b> Nil.</p>   | <p>(i) Load Structure:<br/> <b>Exit Load:</b> Nil.</p>  |              |                       |           |               |   |                      |                                   |              |   |           |               |                     |              |               |   |           |          |  |          |               |  |                      |                                   |              |   |           |               |   |        |              |  |             |  |        |           |        |           |             |      |      |      |      |              |      |      |      |      |              |      |      |      |      |                  |      |      |      |      |  |        |              |  |             |  |        |           |        |           |             |      |      |      |      |              |      |      |      |      |              |      |      |      |      |                  |      |      |      |      |
| <b>Waiver of Load for Direct Applications</b>                        | Not applicable<br>Pursuant to SEBI circular no. SEBI/IMD/CIR No.4/ 168230/09 dated June 30, 2009 no entry load shall be charged for all Mutual Fund Scheme(s). Therefore, the procedure for waiver of load for direct applications is no longer applicable.  |  |   |              |                       |           |               |   |                      |                                   |              |   |           |               |                     |              |               |   |           |          |  |          |               |  |                      |                                   |              |   |           |               |   |        |              |  |             |  |        |           |        |           |             |      |      |      |      |              |      |      |      |      |              |      |      |      |      |                  |      |      |      |      |  |        |              |  |             |  |        |           |        |           |             |      |      |      |      |              |      |      |      |      |              |      |      |      |      |                  |      |      |      |      |

**Note 1:** Subscriptions (by way of purchase / switch in or in any mode) is restricted only for individual investors (including HUFs, Association of Persons & where an individual is an ultimate beneficiary). Further, Daily & Weekly Dividend Option and Payout & Sweep facility to Monthly Dividend Option under Principal Retail Money Manager Fund, is not available for subscription/Switch-in.

**§ Risk Profile of the Scheme:** • **For G-sec** - Prices of government securities rise and fall in response to a number of factors including events that impact entire financial markets or industries (for example, changes in inflation or consumer demand). The Securities purchased by the Scheme present greater degree of safety in terms of credit risk but may also involve greater interest rate risks. As a result, these securities may change in value. As the value of the securities owned by the Scheme changes, the Scheme unit price changes. In the short-term, the price can fluctuate dramatically. As with all mutual funds, if the values of the scheme's assets rise and fall, the Scheme unit price changes. If the units are redeemed when their value is less than the price paid for, money may be lost by the unitholder.

• **For PCMF** - As with all Mutual Funds, the value of the Scheme's asset may rise or fall. Although the Scheme seeks to preserve the value of an investment at face value per unit, it is possible to lose money by investing in the Scheme(s) if the units are redeemed when their value is less than the price paid for. The investment of capital in the scheme is therefore not guaranteed.

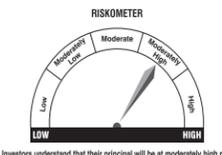
• **For PRMMF** - When interest rates fall, the price of a debt security rises and when interest rates rise, the price declines. In addition, the value of securities held by the Scheme may be affected by factors such as credit rating of the entity that issues the debt security and effective maturities of the debt securities. Lower quality and longer maturity debt securities will be subject to greater credit risk and price fluctuations than higher quality and shorter maturity debt securities. As with all mutual funds, if the units are redeemed when their value is less than the price paid for, money may be lost by the Unitholder.

|  | Principal Bank CD Fund (PBCDF)   | Principal Low Duration Fund (PLDF)  | Principal Credit Opportunities Fund (PCOF)  |           |                |      |        |                  |        |           |             |  |      |      |               |                  |      |      |                |  |                      |                                   |              |                 |      |                  |      |      |   |            |   |        |              |                |  |  |        |           |        |               |   |                      |                 |      |              |              |      |  |      |      |                |  |      |      |               |                  |      |      |      |      |  |        |              |  |             |  |        |           |        |           |             |      |      |      |      |              |      |      |      |      |              |      |      |      |      |                  |      |      |      |      |
|--|--|---|---|-----------|----------------|------|--------|------------------|--------|-----------|-------------|--|------|------|---------------|------------------|------|------|----------------|--|----------------------|-----------------------------------|--------------|-----------------|------|------------------|------|------|---|------------|---|--------|--------------|----------------|--|--|--------|-----------|--------|---------------|---|----------------------|-----------------|------|--------------|--------------|------|--|------|------|----------------|--|------|------|---------------|------------------|------|------|------|------|--|--------|--------------|--|-------------|--|--------|-----------|--------|-----------|-------------|------|------|------|------|--------------|------|------|------|------|--------------|------|------|------|------|------------------|------|------|------|------|
| <b>Investment Objective</b>  | To generate returns by primarily investing in Bank CDs. Bank CDs provide liquidity and a relatively lower credit risk.   | To generate regular income & Capital appreciation through investments in debt securities and money market instruments.  | The primary objective is to generate income and capital gains through investments in a portfolio of securities issued by Private and Public Sector Companies.   |           |                |      |        |                  |        |           |             |  |      |      |               |                  |      |      |                |  |                      |                                   |              |                 |      |                  |      |      |   |            |   |        |              |                |  |  |        |           |        |               |   |                      |                 |      |              |              |      |  |      |      |                |  |      |      |               |                  |      |      |      |      |  |        |              |  |             |  |        |           |        |           |             |      |      |      |      |              |      |      |      |      |              |      |      |      |      |                  |      |      |      |      |
| <b>Type of Scheme</b>  | An Open-ended Debt Scheme  | An Open-ended Debt Scheme   | An Open-ended Debt Scheme   |           |                |      |        |                  |        |           |             |  |      |      |               |                  |      |      |                |  |                      |                                   |              |                 |      |                  |      |      |   |            |   |        |              |                |  |  |        |           |        |               |   |                      |                 |      |              |              |      |  |      |      |                |  |      |      |               |                  |      |      |      |      |  |        |              |  |             |  |        |           |        |           |             |      |      |      |      |              |      |      |      |      |              |      |      |      |      |                  |      |      |      |      |
| <b>Product Label</b>   | <p>This product is suitable for investors who are seeking -</p> <ul style="list-style-type: none"> <li>Income over a medium term investment horizon.</li> <li>Investment in Bank CDs, Debt &amp; Money Market Instruments.</li> </ul> <p>- Investors should consult their financial advisers if in doubt about whether the product is suitable for them.</p>    | <p>This product is suitable for investors who are seeking -</p> <ul style="list-style-type: none"> <li>Income over a short term investment horizon.</li> <li>Investment in Debt &amp; Money Market Instruments.</li> </ul> <p>- Investors should consult their financial advisers if in doubt about whether the product is suitable for them.</p>  | <p>This product is suitable for investors who are seeking -</p> <ul style="list-style-type: none"> <li>Income over a long term investment horizon.</li> <li>Investment in Debt &amp; Money Market Instruments of Private &amp; Public Sector Companies.</li> </ul> <p>- Investors should consult their financial advisers if in doubt about whether the product is suitable for them.</p>  |           |                |      |        |                  |        |           |             |  |      |      |               |                  |      |      |                |  |                      |                                   |              |                 |      |                  |      |      |   |            |   |        |              |                |  |  |        |           |        |               |   |                      |                 |      |              |              |      |  |      |      |                |  |      |      |               |                  |      |      |      |      |  |        |              |  |             |  |        |           |        |           |             |      |      |      |      |              |      |      |      |      |              |      |      |      |      |                  |      |      |      |      |
| <b>Asset Allocation Pattern of the Scheme</b>  | <p>Under normal circumstances, the asset allocation would be as follows:</p> <table border="1"> <thead> <tr> <th rowspan="2">Types of Instruments</th> <th colspan="2">% of Net Assets</th> <th rowspan="2">Risk Profile</th> </tr> <tr> <th>Min.</th> <th>Max.</th> </tr> </thead> <tbody> <tr> <td>Bank CDs to High</td> <td>0%</td> <td>90%</td> <td>Medium</td> </tr> <tr> <td>Repo, CBLO, Units of Money Market / Liquid Funds</td> <td>0%</td> <td>90%</td> <td>Low to Medium</td> </tr> <tr> <td>Debt Instruments</td> <td>10%</td> <td>20%</td> <td>Medium to High</td> </tr> </tbody> </table> <p>Subject to the SEBI Regulations, the Mutual Fund may deploy up to 50% of its total net assets of the Scheme in Stock Lending.<br/>The Plan will have an average maturity of upto 370 days.</p>  | Types of Instruments  | % of Net Assets   |           | Risk Profile   | Min. | Max.   | Bank CDs to High | 0%     | 90%       | Medium      | Repo, CBLO, Units of Money Market / Liquid Funds | 0%   | 90%  | Low to Medium | Debt Instruments | 10%  | 20%  | Medium to High | <p>Under normal circumstances, the asset allocation would be as follows:</p> <table border="1"> <thead> <tr> <th rowspan="2">Types of Instruments</th> <th rowspan="2">Normal Allocation % of Net Assets</th> <th rowspan="2">Risk Profile</th> <th colspan="2">% of Net Assets</th> <th rowspan="2">Risk Profile</th> </tr> <tr> <th>Min.</th> <th>Max.</th> </tr> </thead> <tbody> <tr> <td>Debt &amp; Money Market Instruments (Incl. cash &amp; CBLO)</td> <td>Up to 100%</td> <td>Low to Medium</td> <td>70%</td> <td>100%</td> <td>Medium to High</td> </tr> <tr> <td>Investment in Securitised Debt may be up to 50% of the net assets of the Scheme. The Scheme may also invest up to 50% of net assets of the Scheme in such derivative instruments as may be introduced from time to time for the purpose of hedging and portfolio balancing and other uses as may be permitted under the SEBI (Mutual Funds) Regulations, 1996.</td> <td></td> <td></td> <td>0%</td> <td>30%</td> <td>Low to Medium</td> </tr> </tbody> </table> <p>*Investment in Securitised Debt may be up to 30% of its Net Assets.<br/>Subject to the SEBI Regulations, the Mutual Fund may deploy up to 50% of total net assets in Stock Lending.<br/>Average maturity of the portfolio will be maintained at or below 5 years.</p> | Types of Instruments | Normal Allocation % of Net Assets | Risk Profile | % of Net Assets |      | Risk Profile     | Min. | Max. | Debt & Money Market Instruments (Incl. cash & CBLO) | Up to 100% | Low to Medium   | 70%    | 100%         | Medium to High | Investment in Securitised Debt may be up to 50% of the net assets of the Scheme. The Scheme may also invest up to 50% of net assets of the Scheme in such derivative instruments as may be introduced from time to time for the purpose of hedging and portfolio balancing and other uses as may be permitted under the SEBI (Mutual Funds) Regulations, 1996. |  |        | 0%        | 30%    | Low to Medium | <p>Under normal circumstances, the asset allocation would be as follows:</p> <table border="1"> <thead> <tr> <th rowspan="2">Types of Instruments</th> <th colspan="2">% of Net Assets</th> <th rowspan="2">Risk Profile</th> </tr> <tr> <th>Min.</th> <th>Max.</th> </tr> </thead> <tbody> <tr> <td>Debt and Money Market Instruments issued by Private and Public sector companies including Commercial Papers and "Securitized Debt"</td> <td>70%</td> <td>100%</td> <td>Medium to High</td> </tr> <tr> <td>CBLO, T-bills and units of Liquid/ Money Market/ Debt Mutual Fund Scheme(s).</td> <td>0%</td> <td>30%</td> <td>Low to Medium</td> </tr> </tbody> </table> <p>*Investment in Securitised Debt may be up to 30% of its Net Assets.<br/>Subject to the SEBI Regulations, the Mutual Fund may deploy up to 50% of total net assets in Stock Lending.<br/>Average maturity of the portfolio will be maintained at or below 5 years.</p> | Types of Instruments | % of Net Assets |      | Risk Profile | Min.         | Max. | Debt and Money Market Instruments issued by Private and Public sector companies including Commercial Papers and "Securitized Debt" | 70%  | 100% | Medium to High | CBLO, T-bills and units of Liquid/ Money Market/ Debt Mutual Fund Scheme(s). | 0%   | 30%  | Low to Medium |                  |      |      |      |      |  |        |              |  |             |  |        |           |        |           |             |      |      |      |      |              |      |      |      |      |              |      |      |      |      |                  |      |      |      |      |
| Types of Instruments   | % of Net Assets  |   | Risk Profile  |           |                |      |        |                  |        |           |             |  |      |      |               |                  |      |      |                |  |                      |                                   |              |                 |      |                  |      |      |   |            |   |        |              |                |  |  |        |           |        |               |   |                      |                 |      |              |              |      |  |      |      |                |  |      |      |               |                  |      |      |      |      |  |        |              |  |             |  |        |           |        |           |             |      |      |      |      |              |      |      |      |      |              |      |      |      |      |                  |      |      |      |      |
|  | Min.   | Max.  |   |           |                |      |        |                  |        |           |             |  |      |      |               |                  |      |      |                |  |                      |                                   |              |                 |      |                  |      |      |   |            |   |        |              |                |  |  |        |           |        |               |   |                      |                 |      |              |              |      |  |      |      |                |  |      |      |               |                  |      |      |      |      |  |        |              |  |             |  |        |           |        |           |             |      |      |      |      |              |      |      |      |      |              |      |      |      |      |                  |      |      |      |      |
| Bank CDs to High   | 0%   | 90%   | Medium  |           |                |      |        |                  |        |           |             |  |      |      |               |                  |      |      |                |  |                      |                                   |              |                 |      |                  |      |      |   |            |   |        |              |                |  |  |        |           |        |               |   |                      |                 |      |              |              |      |  |      |      |                |  |      |      |               |                  |      |      |      |      |  |        |              |  |             |  |        |           |        |           |             |      |      |      |      |              |      |      |      |      |              |      |      |      |      |                  |      |      |      |      |
| Repo, CBLO, Units of Money Market / Liquid Funds   | 0%   | 90%   | Low to Medium   |           |                |      |        |                  |        |           |             |  |      |      |               |                  |      |      |                |  |                      |                                   |              |                 |      |                  |      |      |   |            |   |        |              |                |  |  |        |           |        |               |   |                      |                 |      |              |              |      |  |      |      |                |  |      |      |               |                  |      |      |      |      |  |        |              |  |             |  |        |           |        |           |             |      |      |      |      |              |      |      |      |      |              |      |      |      |      |                  |      |      |      |      |
| Debt Instruments   | 10%  | 20%   | Medium to High  |           |                |      |        |                  |        |           |             |  |      |      |               |                  |      |      |                |  |                      |                                   |              |                 |      |                  |      |      |   |            |   |        |              |                |  |  |        |           |        |               |   |                      |                 |      |              |              |      |  |      |      |                |  |      |      |               |                  |      |      |      |      |  |        |              |  |             |  |        |           |        |           |             |      |      |      |      |              |      |      |      |      |              |      |      |      |      |                  |      |      |      |      |
| Types of Instruments   | Normal Allocation % of Net Assets  | Risk Profile  | % of Net Assets   |           | Risk Profile   |      |        |                  |        |           |             |  |      |      |               |                  |      |      |                |  |                      |                                   |              |                 |      |                  |      |      |   |            |   |        |              |                |  |  |        |           |        |               |   |                      |                 |      |              |              |      |  |      |      |                |  |      |      |               |                  |      |      |      |      |  |        |              |  |             |  |        |           |        |           |             |      |      |      |      |              |      |      |      |      |              |      |      |      |      |                  |      |      |      |      |
|  |  |   | Min.  | Max.      |                |      |        |                  |        |           |             |  |      |      |               |                  |      |      |                |  |                      |                                   |              |                 |      |                  |      |      |   |            |   |        |              |                |  |  |        |           |        |               |   |                      |                 |      |              |              |      |  |      |      |                |  |      |      |               |                  |      |      |      |      |  |        |              |  |             |  |        |           |        |           |             |      |      |      |      |              |      |      |      |      |              |      |      |      |      |                  |      |      |      |      |
| Debt & Money Market Instruments (Incl. cash & CBLO)  | Up to 100%   | Low to Medium   | 70%   | 100%      | Medium to High |      |        |                  |        |           |             |  |      |      |               |                  |      |      |                |  |                      |                                   |              |                 |      |                  |      |      |   |            |   |        |              |                |  |  |        |           |        |               |   |                      |                 |      |              |              |      |  |      |      |                |  |      |      |               |                  |      |      |      |      |  |        |              |  |             |  |        |           |        |           |             |      |      |      |      |              |      |      |      |      |              |      |      |      |      |                  |      |      |      |      |
| Investment in Securitised Debt may be up to 50% of the net assets of the Scheme. The Scheme may also invest up to 50% of net assets of the Scheme in such derivative instruments as may be introduced from time to time for the purpose of hedging and portfolio balancing and other uses as may be permitted under the SEBI (Mutual Funds) Regulations, 1996. |  |   | 0%  | 30%       | Low to Medium  |      |        |                  |        |           |             |  |      |      |               |                  |      |      |                |  |                      |                                   |              |                 |      |                  |      |      |   |            |   |        |              |                |  |  |        |           |        |               |   |                      |                 |      |              |              |      |  |      |      |                |  |      |      |               |                  |      |      |      |      |  |        |              |  |             |  |        |           |        |           |             |      |      |      |      |              |      |      |      |      |              |      |      |      |      |                  |      |      |      |      |
| Types of Instruments   | % of Net Assets  |   | Risk Profile  |           |                |      |        |                  |        |           |             |  |      |      |               |                  |      |      |                |  |                      |                                   |              |                 |      |                  |      |      |   |            |   |        |              |                |  |  |        |           |        |               |   |                      |                 |      |              |              |      |  |      |      |                |  |      |      |               |                  |      |      |      |      |  |        |              |  |             |  |        |           |        |           |             |      |      |      |      |              |      |      |      |      |              |      |      |      |      |                  |      |      |      |      |
|  | Min.   | Max.  |   |           |                |      |        |                  |        |           |             |  |      |      |               |                  |      |      |                |  |                      |                                   |              |                 |      |                  |      |      |   |            |   |        |              |                |  |  |        |           |        |               |   |                      |                 |      |              |              |      |  |      |      |                |  |      |      |               |                  |      |      |      |      |  |        |              |  |             |  |        |           |        |           |             |      |      |      |      |              |      |      |      |      |              |      |      |      |      |                  |      |      |      |      |
| Debt and Money Market Instruments issued by Private and Public sector companies including Commercial Papers and "Securitized Debt"   | 70%  | 100%  | Medium to High  |           |                |      |        |                  |        |           |             |  |      |      |               |                  |      |      |                |  |                      |                                   |              |                 |      |                  |      |      |   |            |   |        |              |                |  |  |        |           |        |               |   |                      |                 |      |              |              |      |  |      |      |                |  |      |      |               |                  |      |      |      |      |  |        |              |  |             |  |        |           |        |           |             |      |      |      |      |              |      |      |      |      |              |      |      |      |      |                  |      |      |      |      |
| CBLO, T-bills and units of Liquid/ Money Market/ Debt Mutual Fund Scheme(s).   | 0%   | 30%   | Low to Medium   |           |                |      |        |                  |        |           |             |  |      |      |               |                  |      |      |                |  |                      |                                   |              |                 |      |                  |      |      |   |            |   |        |              |                |  |  |        |           |        |               |   |                      |                 |      |              |              |      |  |      |      |                |  |      |      |               |                  |      |      |      |      |  |        |              |  |             |  |        |           |        |           |             |      |      |      |      |              |      |      |      |      |              |      |      |      |      |                  |      |      |      |      |
| <b>Risk Profile of the Scheme</b>  | Mutual Fund Units involve investment risks including the possible loss of principal. Please read the Scheme Information Document (SID) carefully for details on risk factors before investment. Scheme specific Risk Factors are summarized below: <sup>5</sup>  |   |   |           |                |      |        |                  |        |           |             |  |      |      |               |                  |      |      |                |  |                      |                                   |              |                 |      |                  |      |      |   |            |   |        |              |                |  |  |        |           |        |               |   |                      |                 |      |              |              |      |  |      |      |                |  |      |      |               |                  |      |      |      |      |  |        |              |  |             |  |        |           |        |           |             |      |      |      |      |              |      |      |      |      |              |      |      |      |      |                  |      |      |      |      |
| <b>Investment Plans &amp; Options</b>  | Regular Plan and Direct Plan. Both the Plans offer Dividend & Growth Option. Dividend Frequencies (under both the Plan) - Monthly  | Regular Plan and Direct Plan. Both the Plans offer Dividend & Growth Option. Dividend Frequencies (under both the Plan) - Daily /Weekly/Monthly   | Regular Plan and Direct Plan. Both the Plans offer Dividend & Growth Option. Dividend Frequencies (under both the Plan) - Monthly   |           |                |      |        |                  |        |           |             |  |      |      |               |                  |      |      |                |  |                      |                                   |              |                 |      |                  |      |      |   |            |   |        |              |                |  |  |        |           |        |               |   |                      |                 |      |              |              |      |  |      |      |                |  |      |      |               |                  |      |      |      |      |  |        |              |  |             |  |        |           |        |           |             |      |      |      |      |              |      |      |      |      |              |      |      |      |      |                  |      |      |      |      |
| <b>Applicable NAV</b>  | ++   |   |   |           |                |      |        |                  |        |           |             |  |      |      |               |                  |      |      |                |  |                      |                                   |              |                 |      |                  |      |      |   |            |   |        |              |                |  |  |        |           |        |               |   |                      |                 |      |              |              |      |  |      |      |                |  |      |      |               |                  |      |      |      |      |  |        |              |  |             |  |        |           |        |           |             |      |      |      |      |              |      |      |      |      |              |      |      |      |      |                  |      |      |      |      |
| <b>Minimum Application Amount / Number of Units</b>  | <ul style="list-style-type: none"> <li><b>Purchase:</b> ₹ 5,000 and any amount thereafter under each Option.</li> <li><b>Additional Purchase:</b> ₹ 1,000 and any amount thereafter under each Option.</li> <li><b>Repurchase:</b> ₹ 1000 or 100 units.</li> </ul>   | <ul style="list-style-type: none"> <li><b>Purchase:</b> ₹ 5,000 and any amount thereafter under each Option.</li> <li><b>Additional Purchase:</b> ₹ 1,000 and any amount thereafter under each Option.</li> <li><b>Repurchase:</b> ₹ 500 or 50 units.</li> </ul>  |   |           |                |      |        |                  |        |           |             |  |      |      |               |                  |      |      |                |  |                      |                                   |              |                 |      |                  |      |      |   |            |   |        |              |                |  |  |        |           |        |               |   |                      |                 |      |              |              |      |  |      |      |                |  |      |      |               |                  |      |      |      |      |  |        |              |  |             |  |        |           |        |           |             |      |      |      |      |              |      |      |      |      |              |      |      |      |      |                  |      |      |      |      |
| <b>Despatch of Repurchase (Redemption) Request</b>   | Within 10 business days of the receipt of the redemption request at the Official Points of Acceptance of the Principal Mutual Fund.  |   |   |           |                |      |        |                  |        |           |             |  |      |      |               |                  |      |      |                |  |                      |                                   |              |                 |      |                  |      |      |   |            |   |        |              |                |  |  |        |           |        |               |   |                      |                 |      |              |              |      |  |      |      |                |  |      |      |               |                  |      |      |      |      |  |        |              |  |             |  |        |           |        |           |             |      |      |      |      |              |      |      |      |      |              |      |      |      |      |                  |      |      |      |      |
| <b>Investment Strategy</b>   | @  |   |   |           |                |      |        |                  |        |           |             |  |      |      |               |                  |      |      |                |  |                      |                                   |              |                 |      |                  |      |      |   |            |   |        |              |                |  |  |        |           |        |               |   |                      |                 |      |              |              |      |  |      |      |                |  |      |      |               |                  |      |      |      |      |  |        |              |  |             |  |        |           |        |           |             |      |      |      |      |              |      |      |      |      |              |      |      |      |      |                  |      |      |      |      |
| <b>Risk Mitigation Factors</b>   | @@   |   |   |           |                |      |        |                  |        |           |             |  |      |      |               |                  |      |      |                |  |                      |                                   |              |                 |      |                  |      |      |   |            |   |        |              |                |  |  |        |           |        |               |   |                      |                 |      |              |              |      |  |      |      |                |  |      |      |               |                  |      |      |      |      |  |        |              |  |             |  |        |           |        |           |             |      |      |      |      |              |      |      |      |      |              |      |      |      |      |                  |      |      |      |      |
| <b>Comparison of open-ended schemes</b>  | Principal Bank CD Fund has an objective to generate returns and avoid short-term volatility in fixed income markets by investing primarily in Bank CDs. Bank CDs tend to offer safer haven and also carry high credit quality. Bank CDs also help the investors who are seeking exposure to money market while taking relatively lower credit risk and aiming to generate reasonable returns.  | The scheme is positioned to generate returns by investing in low duration debt & money market securities with the average maturity less than 12 months.   | The scheme aims to generate income and capital appreciation by investing in a diversified portfolio of various corporate debt instruments across different maturities and credit ratings.   |           |                |      |        |                  |        |           |             |  |      |      |               |                  |      |      |                |  |                      |                                   |              |                 |      |                  |      |      |   |            |   |        |              |                |  |  |        |           |        |               |   |                      |                 |      |              |              |      |  |      |      |                |  |      |      |               |                  |      |      |      |      |  |        |              |  |             |  |        |           |        |           |             |      |      |      |      |              |      |      |      |      |              |      |      |      |      |                  |      |      |      |      |
| <b>Dividend Policy</b>   | Under Dividend Plan/Option, dividend will be declared subject to availability of distributable surplus and at discretion of AMC / Trustee. The undistributed portion of the income will remain in the Plan/Option and be reflected in the NAV, on an ongoing basis. The Trustee's decision with regard to availability and adequacy, rate, timing and frequency of distribution of dividend shall be final.  |   |   |           |                |      |        |                  |        |           |             |  |      |      |               |                  |      |      |                |  |                      |                                   |              |                 |      |                  |      |      |   |            |   |        |              |                |  |  |        |           |        |               |   |                      |                 |      |              |              |      |  |      |      |                |  |      |      |               |                  |      |      |      |      |  |        |              |  |             |  |        |           |        |           |             |      |      |      |      |              |      |      |      |      |              |      |      |      |      |                  |      |      |      |      |
| <b>Benchmark Index</b>   | CRISIL Liquid Fund Index   | CRISIL Liquid Fund Index  | CRISIL Liquid Fund Index  |           |                |      |        |                  |        |           |             |  |      |      |               |                  |      |      |                |  |                      |                                   |              |                 |      |                  |      |      |   |            |   |        |              |                |  |  |        |           |        |               |   |                      |                 |      |              |              |      |  |      |      |                |  |      |      |               |                  |      |      |      |      |  |        |              |  |             |  |        |           |        |           |             |      |      |      |      |              |      |      |      |      |              |      |      |      |      |                  |      |      |      |      |
| <b>Folio Count &amp; AUM (As on June 30, 2016)</b>   | Folio - 629 • AUM - ₹ 76.08 Crores   | Folio - 2,408 • AUM - ₹ 488.42 Crores   | Folio - 462 • AUM - ₹ 37.21 Crores  |           |                |      |        |                  |        |           |             |  |      |      |               |                  |      |      |                |  |                      |                                   |              |                 |      |                  |      |      |   |            |   |        |              |                |  |  |        |           |        |               |   |                      |                 |      |              |              |      |  |      |      |                |  |      |      |               |                  |      |      |      |      |  |        |              |  |             |  |        |           |        |           |             |      |      |      |      |              |      |      |      |      |              |      |      |      |      |                  |      |      |      |      |
| <b>Fund Manager &amp; Managing the Current Fund from</b>   | Mr. Gurvinder Singh Wasan - April 2011 (Tenure of the Fund Manager - 5 years 3 months)   | Mr. Pankaj Jain - January 2012 (Tenure of the Fund Manager - 4 years 6 months)  | Ms. Bekxy Kuriakose - January 2013 (Tenure of the Fund Manager - 3 years 6 months)  |           |                |      |        |                  |        |           |             |  |      |      |               |                  |      |      |                |  |                      |                                   |              |                 |      |                  |      |      |   |            |   |        |              |                |  |  |        |           |        |               |   |                      |                 |      |              |              |      |  |      |      |                |  |      |      |               |                  |      |      |      |      |  |        |              |  |             |  |        |           |        |           |             |      |      |      |      |              |      |      |      |      |              |      |      |      |      |                  |      |      |      |      |
| <b>Total Investment Experience</b>   | 12 years   | 14 years  | 15 years  |           |                |      |        |                  |        |           |             |  |      |      |               |                  |      |      |                |  |                      |                                   |              |                 |      |                  |      |      |   |            |   |        |              |                |  |  |        |           |        |               |   |                      |                 |      |              |              |      |  |      |      |                |  |      |      |               |                  |      |      |      |      |  |        |              |  |             |  |        |           |        |           |             |      |      |      |      |              |      |      |      |      |              |      |      |      |      |                  |      |      |      |      |
| <b>Name of the Trustee Company</b>   | Principal Trustee Company Private Limited  |   |   |           |                |      |        |                  |        |           |             |  |      |      |               |                  |      |      |                |  |                      |                                   |              |                 |      |                  |      |      |   |            |   |        |              |                |  |  |        |           |        |               |   |                      |                 |      |              |              |      |  |      |      |                |  |      |      |               |                  |      |      |      |      |  |        |              |  |             |  |        |           |        |           |             |      |      |      |      |              |      |      |      |      |              |      |      |      |      |                  |      |      |      |      |
| <b>Performance of the scheme :</b>   | <p>Returns (%) of Growth Option under Regular Plan and Direct Plan as at June 30, 2016</p> <table border="1"> <thead> <tr> <th rowspan="2">Period</th> <th colspan="2">Regular Plan</th> <th colspan="2">Direct Plan</th> </tr> <tr> <th>Scheme</th> <th>Benchmark</th> <th>Scheme</th> <th>Benchmark</th> </tr> </thead> <tbody> <tr> <td>Last 1 Year</td> <td>8.11</td> <td>7.88</td> <td>8.65</td> <td>7.88</td> </tr> <tr> <td>Last 3 Years</td> <td>8.78</td> <td>8.76</td> <td>9.26</td> <td>8.76</td> </tr> <tr> <td>Last 5 Years</td> <td>8.92</td> <td>8.62</td> <td>N.A.</td> <td>N.A.</td> </tr> <tr> <td>Since Inception*</td> <td>8.19</td> <td>7.69</td> <td>9.19</td> <td>8.71</td> </tr> </tbody> </table> <p>* Regular Plan - November 6, 2007 Direct Plan - January 2, 2013<br/><b>Note:</b> Returns more than 1 year are calculated on compounded annualised basis.</p> <p>Absolute Returns for each financial year for the last 5 years</p>  <p>Past performance may or may not be sustained in the future.</p> | Period  | Regular Plan  |           | Direct Plan    |      | Scheme | Benchmark        | Scheme | Benchmark | Last 1 Year | 8.11   | 7.88 | 8.65 | 7.88          | Last 3 Years     | 8.78 | 8.76 | 9.26           | 8.76   | Last 5 Years         | 8.92                              | 8.62         | N.A.            | N.A. | Since Inception* | 8.19 | 7.69 | 9.19  | 8.71       | <p>Returns (%) of Growth Option under Regular Plan and Direct Plan as at June 30, 2016</p> <table border="1"> <thead> <tr> <th rowspan="2">Period</th> <th colspan="2">Regular Plan</th> <th colspan="2">Direct Plan</th> </tr> <tr> <th>Scheme</th> <th>Benchmark</th> <th>Scheme</th> <th>Benchmark</th> </tr> </thead> <tbody> <tr> <td>Last 1 Year</td> <td>8.38</td> <td>7.88</td> <td>9.20</td> <td>7.88</td> </tr> <tr> <td>Last 3 Years</td> <td>8.49</td> <td>8.76</td> <td>9.35</td> <td>8.76</td> </tr> <tr> <td>Last 5 Years</td> <td>8.92</td> <td>8.62</td> <td>N.A.</td> <td>N.A.</td> </tr> <tr> <td>Since Inception*</td> <td>7.82</td> <td>7.19</td> <td>9.36</td> <td>8.71</td> </tr> </tbody> </table> <p>* Regular Plan - September 14, 2004 Direct Plan - January 1, 2013<br/><b>Note:</b> Returns more than 1 year are calculated on compounded annualised basis.</p> <p>Absolute Returns for each financial year for the last 5 years</p>  <p>Past performance may or may not be sustained in the future.</p> | Period | Regular Plan |                | Direct Plan  |  | Scheme | Benchmark | Scheme | Benchmark     | Last 1 Year   | 8.38                 | 7.88            | 9.20 | 7.88         | Last 3 Years | 8.49 | 8.76   | 9.35 | 8.76 | Last 5 Years   | 8.92   | 8.62 | N.A. | N.A.          | Since Inception* | 7.82 | 7.19 | 9.36 | 8.71 | <p>Returns (%) of Growth Option under Regular Plan and Direct Plan as at June 30, 2016</p> <table border="1"> <thead> <tr> <th rowspan="2">Period</th> <th colspan="2">Regular Plan</th> <th colspan="2">Direct Plan</th> </tr> <tr> <th>Scheme</th> <th>Benchmark</th> <th>Scheme</th> <th>Benchmark</th> </tr> </thead> <tbody> <tr> <td>Last 1 Year</td> <td>8.71</td> <td>7.88</td> <td>8.89</td> <td>7.88</td> </tr> <tr> <td>Last 3 Years</td> <td>8.58</td> <td>8.76</td> <td>8.95</td> <td>8.76</td> </tr> <tr> <td>Last 5 Years</td> <td>8.80</td> <td>8.62</td> <td>N.A.</td> <td>N.A.</td> </tr> <tr> <td>Since Inception*</td> <td>7.66</td> <td>7.19</td> <td>8.96</td> <td>8.71</td> </tr> </tbody> </table> <p>* Regular Plan - September 14, 2004 Direct Plan - January 1, 2013<br/><b>Note:</b> Returns more than 1 year are calculated on compounded annualised basis assuming that all payouts have been reinvested at the then prevailing NAV.</p> <p>Absolute Returns for each financial year for the last 5 years</p>  <p>Past performance may or may not be sustained in the future.</p> | Period | Regular Plan |  | Direct Plan |  | Scheme | Benchmark | Scheme | Benchmark | Last 1 Year | 8.71 | 7.88 | 8.89 | 7.88 | Last 3 Years | 8.58 | 8.76 | 8.95 | 8.76 | Last 5 Years | 8.80 | 8.62 | N.A. | N.A. | Since Inception* | 7.66 | 7.19 | 8.96 | 8.71 |
| Period   | Regular Plan   |   | Direct Plan   |           |                |      |        |                  |        |           |             |  |      |      |               |                  |      |      |                |  |                      |                                   |              |                 |      |                  |      |      |   |            |   |        |              |                |  |  |        |           |        |               |   |                      |                 |      |              |              |      |  |      |      |                |  |      |      |               |                  |      |      |      |      |  |        |              |  |             |  |        |           |        |           |             |      |      |      |      |              |      |      |      |      |              |      |      |      |      |                  |      |      |      |      |
|  | Scheme   | Benchmark   | Scheme  | Benchmark |                |      |        |                  |        |           |             |  |      |      |               |                  |      |      |                |  |                      |                                   |              |                 |      |                  |      |      |   |            |   |        |              |                |  |  |        |           |        |               |   |                      |                 |      |              |              |      |  |      |      |                |  |      |      |               |                  |      |      |      |      |  |        |              |  |             |  |        |           |        |           |             |      |      |      |      |              |      |      |      |      |              |      |      |      |      |                  |      |      |      |      |
| Last 1 Year  | 8.11   | 7.88  | 8.65  | 7.88      |                |      |        |                  |        |           |             |  |      |      |               |                  |      |      |                |  |                      |                                   |              |                 |      |                  |      |      |   |            |   |        |              |                |  |  |        |           |        |               |   |                      |                 |      |              |              |      |  |      |      |                |  |      |      |               |                  |      |      |      |      |  |        |              |  |             |  |        |           |        |           |             |      |      |      |      |              |      |      |      |      |              |      |      |      |      |                  |      |      |      |      |
| Last 3 Years   | 8.78   | 8.76  | 9.26  | 8.76      |                |      |        |                  |        |           |             |  |      |      |               |                  |      |      |                |  |                      |                                   |              |                 |      |                  |      |      |   |            |   |        |              |                |  |  |        |           |        |               |   |                      |                 |      |              |              |      |  |      |      |                |  |      |      |               |                  |      |      |      |      |  |        |              |  |             |  |        |           |        |           |             |      |      |      |      |              |      |      |      |      |              |      |      |      |      |                  |      |      |      |      |
| Last 5 Years   | 8.92   | 8.62  | N.A.  | N.A.      |                |      |        |                  |        |           |             |  |      |      |               |                  |      |      |                |  |                      |                                   |              |                 |      |                  |      |      |   |            |   |        |              |                |  |  |        |           |        |               |   |                      |                 |      |              |              |      |  |      |      |                |  |      |      |               |                  |      |      |      |      |  |        |              |  |             |  |        |           |        |           |             |      |      |      |      |              |      |      |      |      |              |      |      |      |      |                  |      |      |      |      |
| Since Inception*   | 8.19   | 7.69  | 9.19  | 8.71      |                |      |        |                  |        |           |             |  |      |      |               |                  |      |      |                |  |                      |                                   |              |                 |      |                  |      |      |   |            |   |        |              |                |  |  |        |           |        |               |   |                      |                 |      |              |              |      |  |      |      |                |  |      |      |               |                  |      |      |      |      |  |        |              |  |             |  |        |           |        |           |             |      |      |      |      |              |      |      |      |      |              |      |      |      |      |                  |      |      |      |      |
| Period   | Regular Plan   |   | Direct Plan   |           |                |      |        |                  |        |           |             |  |      |      |               |                  |      |      |                |  |                      |                                   |              |                 |      |                  |      |      |   |            |   |        |              |                |  |  |        |           |        |               |   |                      |                 |      |              |              |      |  |      |      |                |  |      |      |               |                  |      |      |      |      |  |        |              |  |             |  |        |           |        |           |             |      |      |      |      |              |      |      |      |      |              |      |      |      |      |                  |      |      |      |      |
|  | Scheme   | Benchmark   | Scheme  | Benchmark |                |      |        |                  |        |           |             |  |      |      |               |                  |      |      |                |  |                      |                                   |              |                 |      |                  |      |      |   |            |   |        |              |                |  |  |        |           |        |               |   |                      |                 |      |              |              |      |  |      |      |                |  |      |      |               |                  |      |      |      |      |  |        |              |  |             |  |        |           |        |           |             |      |      |      |      |              |      |      |      |      |              |      |      |      |      |                  |      |      |      |      |
| Last 1 Year  | 8.38   | 7.88  | 9.20  | 7.88      |                |      |        |                  |        |           |             |  |      |      |               |                  |      |      |                |  |                      |                                   |              |                 |      |                  |      |      |   |            |   |        |              |                |  |  |        |           |        |               |   |                      |                 |      |              |              |      |  |      |      |                |  |      |      |               |                  |      |      |      |      |  |        |              |  |             |  |        |           |        |           |             |      |      |      |      |              |      |      |      |      |              |      |      |      |      |                  |      |      |      |      |
| Last 3 Years   | 8.49   | 8.76  | 9.35  | 8.76      |                |      |        |                  |        |           |             |  |      |      |               |                  |      |      |                |  |                      |                                   |              |                 |      |                  |      |      |   |            |   |        |              |                |  |  |        |           |        |               |   |                      |                 |      |              |              |      |  |      |      |                |  |      |      |               |                  |      |      |      |      |  |        |              |  |             |  |        |           |        |           |             |      |      |      |      |              |      |      |      |      |              |      |      |      |      |                  |      |      |      |      |
| Last 5 Years   | 8.92   | 8.62  | N.A.  | N.A.      |                |      |        |                  |        |           |             |  |      |      |               |                  |      |      |                |  |                      |                                   |              |                 |      |                  |      |      |   |            |   |        |              |                |  |  |        |           |        |               |   |                      |                 |      |              |              |      |  |      |      |                |  |      |      |               |                  |      |      |      |      |  |        |              |  |             |  |        |           |        |           |             |      |      |      |      |              |      |      |      |      |              |      |      |      |      |                  |      |      |      |      |
| Since Inception*   | 7.82   | 7.19  | 9.36  | 8.71      |                |      |        |                  |        |           |             |  |      |      |               |                  |      |      |                |  |                      |                                   |              |                 |      |                  |      |      |   |            |   |        |              |                |  |  |        |           |        |               |   |                      |                 |      |              |              |      |  |      |      |                |  |      |      |               |                  |      |      |      |      |  |        |              |  |             |  |        |           |        |           |             |      |      |      |      |              |      |      |      |      |              |      |      |      |      |                  |      |      |      |      |
| Period   | Regular Plan   |   | Direct Plan   |           |                |      |        |                  |        |           |             |  |      |      |               |                  |      |      |                |  |                      |                                   |              |                 |      |                  |      |      |   |            |   |        |              |                |  |  |        |           |        |               |   |                      |                 |      |              |              |      |  |      |      |                |  |      |      |               |                  |      |      |      |      |  |        |              |  |             |  |        |           |        |           |             |      |      |      |      |              |      |      |      |      |              |      |      |      |      |                  |      |      |      |      |
|  | Scheme   | Benchmark   | Scheme  | Benchmark |                |      |        |                  |        |           |             |  |      |      |               |                  |      |      |                |  |                      |                                   |              |                 |      |                  |      |      |   |            |   |        |              |                |  |  |        |           |        |               |   |                      |                 |      |              |              |      |  |      |      |                |  |      |      |               |                  |      |      |      |      |  |        |              |  |             |  |        |           |        |           |             |      |      |      |      |              |      |      |      |      |              |      |      |      |      |                  |      |      |      |      |
| Last 1 Year  | 8.71   | 7.88  | 8.89  | 7.88      |                |      |        |                  |        |           |             |  |      |      |               |                  |      |      |                |  |                      |                                   |              |                 |      |                  |      |      |   |            |   |        |              |                |  |  |        |           |        |               |   |                      |                 |      |              |              |      |  |      |      |                |  |      |      |               |                  |      |      |      |      |  |        |              |  |             |  |        |           |        |           |             |      |      |      |      |              |      |      |      |      |              |      |      |      |      |                  |      |      |      |      |
| Last 3 Years   | 8.58   | 8.76  | 8.95  | 8.76      |                |      |        |                  |        |           |             |  |      |      |               |                  |      |      |                |  |                      |                                   |              |                 |      |                  |      |      |   |            |   |        |              |                |  |  |        |           |        |               |   |                      |                 |      |              |              |      |  |      |      |                |  |      |      |               |                  |      |      |      |      |  |        |              |  |             |  |        |           |        |           |             |      |      |      |      |              |      |      |      |      |              |      |      |      |      |                  |      |      |      |      |
| Last 5 Years   | 8.80   | 8.62  | N.A.  | N.A.      |                |      |        |                  |        |           |             |  |      |      |               |                  |      |      |                |  |                      |                                   |              |                 |      |                  |      |      |   |            |   |        |              |                |  |  |        |           |        |               |   |                      |                 |      |              |              |      |  |      |      |                |  |      |      |               |                  |      |      |      |      |  |        |              |  |             |  |        |           |        |           |             |      |      |      |      |              |      |      |      |      |              |      |      |      |      |                  |      |      |      |      |
| Since Inception*   | 7.66   | 7.19  | 8.96  | 8.71      |                |      |        |                  |        |           |             |  |      |      |               |                  |      |      |                |  |                      |                                   |              |                 |      |                  |      |      |   |            |   |        |              |                |  |  |        |           |        |               |   |                      |                 |      |              |              |      |  |      |      |                |  |      |      |               |                  |      |      |      |      |  |        |              |  |             |  |        |           |        |           |             |      |      |      |      |              |      |      |      |      |              |      |      |      |      |                  |      |      |      |      |
| <b>Expenses of the Scheme</b>  | <p><b>(i) Load Structure:</b><br/><b>Exit Load:</b> 1% - if redeemed within 180 days from the date of allotment; 0.50% - if redeemed after 180 days but within 270 days from the date of allotment; 0.25% - if redeemed after 270 days but within 365 days from the date of allotment; Nil - if redeemed after 365 days from the date of allotment.</p>  | <p><b>(i) Load Structure:</b><br/><b>Exit Load:</b> Nil.</p>  | <p><b>(i) Load Structure:</b> (w.e.f. July 18, 2016)<br/><b>Exit Load:</b> 0.50% - if redeemed on or before 180 days from the date of allotment; Nil - if redeemed after 1800 days from the date of allotment.</p>  |           |                |      |        |                  |        |           |             |  |      |      |               |                  |      |      |                |  |                      |                                   |              |                 |      |                  |      |      |   |            |   |        |              |                |  |  |        |           |        |               |   |                      |                 |      |              |              |      |  |      |      |                |  |      |      |               |                  |      |      |      |      |  |        |              |  |             |  |        |           |        |           |             |      |      |      |      |              |      |      |      |      |              |      |      |      |      |                  |      |      |      |      |
|  | <p><b>(ii) +Recurring expenses as a percentage of Daily Net Assets: Regular Plan -</b> • First ₹ 100 crores - 2.25 • Next ₹ 300 crores - 2.00 • Next ₹ 300 crores - 1.75 • Balance - 1.50<br/><b>Direct Plan</b> shall have a lower expense ratio excluding distribution expenses, commission, etc and no commission for distribution of Units will be paid / charged under the Direct Plan.</p>   |   |   |           |                |      |        |                  |        |           |             |  |      |      |               |                  |      |      |                |  |                      |                                   |              |                 |      |                  |      |      |   |            |   |        |              |                |  |  |        |           |        |               |   |                      |                 |      |              |              |      |  |      |      |                |  |      |      |               |                  |      |      |      |      |  |        |              |  |             |  |        |           |        |           |             |      |      |      |      |              |      |      |      |      |              |      |      |      |      |                  |      |      |      |      |
|  | <p><b>(iii) Actual expenses for the previous financial year 2015-2016:</b> Regular Plan: • PBCDF - 0.75% • PLOF - CP - 1.17% • PLOF - CBP - 0.67%<br/>Direct Plan: • PBCDF - 0.25% • PLOF - CP - 0.28% • PLOF - CBP - 0.34%</p>  |   |   |           |                |      |        |                  |        |           |             |  |      |      |               |                  |      |      |                |  |                      |                                   |              |                 |      |                  |      |      |   |            |   |        |              |                |  |  |        |           |        |               |   |                      |                 |      |              |              |      |  |      |      |                |  |      |      |               |                  |      |      |      |      |  |        |              |  |             |  |        |           |        |           |             |      |      |      |      |              |      |      |      |      |              |      |      |      |      |                  |      |      |      |      |
| <b>Waiver of Load for Direct Applications</b>  | Not applicable Pursuant to SEBI circular no. SEBI/IMD/CIR No.4/ 168230/09 dated June 30, 2009 no entry load shall be charged for all Mutual Fund Scheme(s). Therefore, the procedure for waiver of load for direct applications is no longer applicable.   |   |   |           |                |      |        |                  |        |           |             |  |      |      |               |                  |      |      |                |  |                      |                                   |              |                 |      |                  |      |      |   |            |   |        |              |                |  |  |        |           |        |               |   |                      |                 |      |              |              |      |  |      |      |                |  |      |      |               |                  |      |      |      |      |  |        |              |  |             |  |        |           |        |           |             |      |      |      |      |              |      |      |      |      |              |      |      |      |      |                  |      |      |      |      |

<sup>5</sup> **Risk Profile of the Scheme:** • **For Principal Bank CD Fund** - When interest rates fall, the price of a debt security rises and when interest rates rise, the price declines. In addition, the value of securities held by the Scheme may be affected by factors such as credit rating of the entity that issues the debt security and effective maturities of the debt securities. As with all mutual funds, if the units are redeemed when their value is less than the price paid for, money may be lost by the Unitholder.

• **For Principal Low Duration Fund** - When interest rates fall, the price of a debt security rises and when interest rates rise, the price declines. In addition, the value of securities held by the Scheme may be affected by factors such as credit rating of the entity that issues the debt security and effective maturities of the debt securities. Lower quality and longer maturity debt securities will be subject to greater credit risk and price fluctuations than higher quality and shorter maturity debt securities. As with all mutual funds, if the units are redeemed when their value is less than the price paid for, money may be lost by the Unitholder.

• **For Principal Credit Opportunities Fund** - When interest rates fall, the price of a debt security rises and when interest rates rise, the price declines. In addition, the value of securities held by the Scheme may be affected by factors such as credit rating of the entity that issues the debt security and effective maturities of the debt securities. Lower quality and longer maturity debt securities will be subject to greater credit risk and price fluctuations than higher quality and shorter maturity debt securities. As with all mutual funds, if the units are redeemed when their value is less than the price paid for, money may be lost by the Unitholder.

|   | Principal Asset Allocation Fund-of-Funds Conservative Plan (FOFCP)  | Principal Asset Allocation Fund-of-Funds Moderate Plan (FOFMP)   | Principal Asset Allocation Fund-of-Funds Aggressive Plan (FOFAP)   |   |  |   |                     |   |                     |   |                     |            |            |      |   |        |        |        |        |        |        |      |        |        |       |              |             |             |             |               |  |  |                                |       |         |                             |   |    |      |  |    |     |               |               |  |  |                                |       |         |                             |    |    |      |  |    |    |               |                                 |   |    |      |               |  |  |                                |       |         |                             |    |    |      |  |    |    |               |                                 |   |    |      |
|---|---|--|--|---|--|---|---------------------|---|---------------------|---|---------------------|------------|------------|------|---|--------|--------|--------|--------|--------|--------|------|--------|--------|-------|--------------|-------------|-------------|-------------|---------------|--|--|--------------------------------|-------|---------|-----------------------------|---|----|------|--|----|-----|---------------|---------------|--|--|--------------------------------|-------|---------|-----------------------------|----|----|------|--|----|----|---------------|---------------------------------|---|----|------|---------------|--|--|--------------------------------|-------|---------|-----------------------------|----|----|------|--|----|----|---------------|---------------------------------|---|----|------|
| <b>Investment Objective</b>   | The objective of the Plan is to provide long term total return primarily by seeking income through investments made in debt/money market mutual funds with some exposure to equity mutual funds.  | The objective of the Plan is to provide long term total return by seeking capital appreciation and income through investments made in a basket of equity mutual funds, debt/money market mutual funds and Gold ETFs.   | The objective of the Plan is to provide long term total return by seeking capital appreciation through investments made primarily in equity mutual funds with some allocation to debt/money market mutual funds and Gold ETFs.   |   |  |   |                     |   |                     |   |                     |            |            |      |   |        |        |        |        |        |        |      |        |        |       |              |             |             |             |               |  |  |                                |       |         |                             |   |    |      |  |    |     |               |               |  |  |                                |       |         |                             |    |    |      |  |    |    |               |                                 |   |    |      |               |  |  |                                |       |         |                             |    |    |      |  |    |    |               |                                 |   |    |      |
| <b>Type of Scheme</b>   | An open-ended Fund-of-Funds Scheme  | An open-ended Fund-of-Funds Scheme   | An open-ended Fund-of-Funds Scheme   |   |  |   |                     |   |                     |   |                     |            |            |      |   |        |        |        |        |        |        |      |        |        |       |              |             |             |             |               |  |  |                                |       |         |                             |   |    |      |  |    |     |               |               |  |  |                                |       |         |                             |    |    |      |  |    |    |               |                                 |   |    |      |               |  |  |                                |       |         |                             |    |    |      |  |    |    |               |                                 |   |    |      |
| <b>Product Label</b>  | <p>This product is suitable for investors who are seeking -</p> <ul style="list-style-type: none"> <li>Income and Capital growth over a long term investment horizon.</li> <li>Investment primarily in debt/money market mutual funds with some exposure to equity mutual funds.</li> </ul> <p>- Investors should consult their financial advisers if in doubt about whether the product is suitable for them.</p>  <p>Investors understand that their principal will be at moderately high risk</p>   | <p>This product is suitable for investors who are seeking -</p> <ul style="list-style-type: none"> <li>Capital growth and Income over a long term investment horizon.</li> <li>Investment in a basket of equity mutual funds, debt/money market mutual funds and Gold ETFs.</li> </ul> <p>- Investors should consult their financial advisers if in doubt about whether the product is suitable for them.</p>  <p>Investors understand that their principal will be at moderately high risk</p> | <p>This product is suitable for investors who are seeking -</p> <ul style="list-style-type: none"> <li>Capital growth over a long term investment horizon.</li> <li>Investment primarily in equity mutual funds with some allocation to debt/money market mutual funds and Gold ETFs.</li> </ul> <p>- Investors should consult their financial advisers if in doubt about whether the product is suitable for them.</p>  <p>Investors understand that their principal will be at moderately high risk</p> |   |  |   |                     |   |                     |   |                     |            |            |      |   |        |        |        |        |        |        |      |        |        |       |              |             |             |             |               |  |  |                                |       |         |                             |   |    |      |  |    |     |               |               |  |  |                                |       |         |                             |    |    |      |  |    |    |               |                                 |   |    |      |               |  |  |                                |       |         |                             |    |    |      |  |    |    |               |                                 |   |    |      |
| <b>Asset Allocation Pattern of the Scheme</b>                       | <p>The Scheme will have 3 different Plans viz. Conservative Plan, Moderate Plan, and Aggressive Plan corresponding to Principal's three Investor Risk Profiles viz. Conservative, Moderate and Aggressive. Each Plan will provide the investors an opportunity to choose a plan suitable to their risk profile.</p> <p>The strategy of the fund is to provide an asset allocation solution to the investors. The asset allocation process will essentially provide an allocation among three asset class viz. Equity, Fixed income and Gold. The quantitative model is based on the Modern Portfolio Theory; and the resultant output mainly depends on return of the different asset classes, their risk and the correlation among asset class returns. The suggested allocation across the selected asset classes viz. equity mutual funds, debt and liquid funds and gold based mutual funds attempts to maximize a portfolio's expected return for a given level of expected risk. The model will suggest different asset allocations for the 3 different risk profiles listed above.</p> <p>Considering that we have 3 investor risk profiles (as defined above) and an investment plan is required to cater to each one of these profiles; we have divided the spectrum into 3 asset allocations, which can be done by introducing "constraints" to define the borders for each investor risk profile.</p> <p>A sample portfolio across the 3 customer risk profiles is given as an illustration below:</p> <table border="1" data-bbox="266 668 1340 864"> <thead> <tr> <th rowspan="3">Asset Classes</th> <th colspan="3">Customer Risk Profile</th> </tr> <tr> <th>Conservative</th> <th>Moderate</th> <th>Aggressive</th> </tr> <tr> <th>Allocation</th> <th>Allocation</th> <th>Allocation</th> </tr> </thead> <tbody> <tr> <td>Gold</td> <td>-</td> <td>10.00%</td> <td>10.00%</td> </tr> <tr> <td>Equity</td> <td>17.08%</td> <td>45.47%</td> <td>82.24%</td> </tr> <tr> <td>Debt</td> <td>82.92%</td> <td>44.53%</td> <td>7.76%</td> </tr> <tr> <td><b>Total</b></td> <td><b>100%</b></td> <td><b>100%</b></td> <td><b>100%</b></td> </tr> </tbody> </table> <p>A sample portfolio across the 3 customer risk profiles is given as an illustration below:</p> <table border="1" data-bbox="266 907 802 1072"> <thead> <tr> <th rowspan="3">Asset Classes</th> <th colspan="2">Range of Constraints for Asset Allocation in 'Conservative' Plan</th> <th rowspan="3">Risk Associated to Asset Class</th> </tr> <tr> <th>Floor</th> <th>Ceiling</th> </tr> </thead> <tbody> <tr> <td>Units of Equity Mutual Fund</td> <td>0</td> <td>30</td> <td>High</td> </tr> <tr> <td>Units of Debt/Liquid Mutual Funds<sup>^</sup></td> <td>70</td> <td>100</td> <td>Low to Medium</td> </tr> </tbody> </table> <table border="1" data-bbox="830 907 1366 1103"> <thead> <tr> <th rowspan="3">Asset Classes</th> <th colspan="2">Range of Constraints for Asset Allocation in 'Moderate' Plan</th> <th rowspan="3">Risk Associated to Asset Class</th> </tr> <tr> <th>Floor</th> <th>Ceiling</th> </tr> </thead> <tbody> <tr> <td>Units of Equity Mutual Fund</td> <td>20</td> <td>60</td> <td>High</td> </tr> <tr> <td>Units of Debt/Liquid Mutual Funds<sup>^</sup></td> <td>40</td> <td>80</td> <td>Low to Medium</td> </tr> <tr> <td>Units of Gold Mutual Funds/ETFs</td> <td>0</td> <td>10</td> <td>High</td> </tr> </tbody> </table> <table border="1" data-bbox="1395 907 1931 1103"> <thead> <tr> <th rowspan="3">Asset Classes</th> <th colspan="2">Range of Constraints for Asset Allocation in 'Aggressive' Plan</th> <th rowspan="3">Risk Associated to Asset Class</th> </tr> <tr> <th>Floor</th> <th>Ceiling</th> </tr> </thead> <tbody> <tr> <td>Units of Equity Mutual Fund</td> <td>70</td> <td>90</td> <td>High</td> </tr> <tr> <td>Units of Debt/Liquid Mutual Funds<sup>^</sup></td> <td>10</td> <td>30</td> <td>Low to Medium</td> </tr> <tr> <td>Units of Gold Mutual Funds/ETFs</td> <td>0</td> <td>10</td> <td>High</td> </tr> </tbody> </table> <p><sup>^</sup> Including upto 5% in Cash / Cash Equivalents / Money Market Instruments.</p> <p>The cumulative gross exposure through equity, debt and other asset classes/instruments, shall not exceed 100% of the net assets of the Scheme. The Scheme will not invest in derivatives. However, the Underlying scheme(s) may have exposure to derivatives. Further, the Scheme has no intention to invest in reverse repos having "corporate bonds" as underlying security. The Scheme shall not engage in short-selling and Stock Lending.</p> <p>The AMC may from time to time, for a short term, alter the asset composition on defensive consideration and may also invest the funds available in CBLO, repos, bank deposits and/ or other money market instruments in accordance with the provisions of SEBI (Mutual Funds) Regulations, 1996 and the circulars issued by SEBI from time to time. Such changes in the investment pattern will be for defensive considerations and the intention being at all times to seek to protect the interests of the Unit Holders. Such deviations shall be reviewed periodically and the Fund Manager shall do the rebalancing of the portfolio within 30 days from the date of the deviation to bring it in alignment with the asset allocation pattern as indicated above.</p> <p><b>Strategic Asset Allocation:</b> The output from the quantitative model; using the above constraints (i.e. proportions of specified asset classes applicable to each investor risk profile) is called <b>Strategic Asset Allocation</b> and provides us maximum "expected" returns (as they have been assumed on historical returns) for the associated risk.</p> <p><b>Tactical Asset Allocation:</b> The above Strategic Asset Allocation may, if required, thereafter be adjusted by the Fund Manager to reflect his view of the financial markets and macro economy. The resulting asset allocation, generated for each investor risk profile/plan is called <b>Tactical Asset Allocation</b> and is actually applied when deciding the proportion in which respective asset classes will be held in each of the investor risk profile/plan portfolio.</p> <p>This process is intended to ensure that, the respective Plan portfolios stay adequately responsive to current market conditions and thereby try to maximize the opportunity to gain superior returns within their respective risk profiles.</p> <p>The Tactical Asset Allocation will be computed at least quarterly.</p> <p>In case the Fund Manager decides to change the investment allocations between the Underlying schemes of a Plan, the redemptions from the Underlying scheme(s) on account of such re-allocation will be limited to 5% of the net assets of the Underlying scheme(s) on a single day. Due to portfolio rebalancing, if the redemptions in Underlying equity-oriented schemes exceed 5% of the net asset of each Underlying equity-oriented scheme, then the Investment Manager will stagger redemptions over few days, so that redemptions in any Underlying scheme do not constitute more than 5% of the net asset of the Underlying equity-oriented schemes' on any given business day. Additionally, the aforesaid cap of 5% on redemption would also be adhered to, at the time of redemption from each Underlying equity oriented schemes and Underlying debt - oriented schemes for the purpose of portfolio rebalancing or otherwise.</p> <p>Investments by the Plan under the Scheme into the Underlying scheme(s) will not exceed 25% of the net assets of the Underlying scheme(s).</p> |  |  | Asset Classes   | Customer Risk Profile                        |   |                     | Conservative  | Moderate            | Aggressive  | Allocation          | Allocation | Allocation | Gold | - | 10.00% | 10.00% | Equity | 17.08% | 45.47% | 82.24% | Debt | 82.92% | 44.53% | 7.76% | <b>Total</b> | <b>100%</b> | <b>100%</b> | <b>100%</b> | Asset Classes | Range of Constraints for Asset Allocation in 'Conservative' Plan |  | Risk Associated to Asset Class | Floor | Ceiling | Units of Equity Mutual Fund | 0 | 30 | High | Units of Debt/Liquid Mutual Funds <sup>^</sup> | 70 | 100 | Low to Medium | Asset Classes | Range of Constraints for Asset Allocation in 'Moderate' Plan |  | Risk Associated to Asset Class | Floor | Ceiling | Units of Equity Mutual Fund | 20 | 60 | High | Units of Debt/Liquid Mutual Funds <sup>^</sup> | 40 | 80 | Low to Medium | Units of Gold Mutual Funds/ETFs | 0 | 10 | High | Asset Classes | Range of Constraints for Asset Allocation in 'Aggressive' Plan |  | Risk Associated to Asset Class | Floor | Ceiling | Units of Equity Mutual Fund | 70 | 90 | High | Units of Debt/Liquid Mutual Funds <sup>^</sup> | 10 | 30 | Low to Medium | Units of Gold Mutual Funds/ETFs | 0 | 10 | High |
| Asset Classes   | Customer Risk Profile   |  |  |   |  |   |                     |   |                     |   |                     |            |            |      |   |        |        |        |        |        |        |      |        |        |       |              |             |             |             |               |  |  |                                |       |         |                             |   |    |      |  |    |     |               |               |  |  |                                |       |         |                             |    |    |      |  |    |    |               |                                 |   |    |      |               |  |  |                                |       |         |                             |    |    |      |  |    |    |               |                                 |   |    |      |
|   | Conservative  | Moderate   | Aggressive   |   |  |   |                     |   |                     |   |                     |            |            |      |   |        |        |        |        |        |        |      |        |        |       |              |             |             |             |               |  |  |                                |       |         |                             |   |    |      |  |    |     |               |               |  |  |                                |       |         |                             |    |    |      |  |    |    |               |                                 |   |    |      |               |  |  |                                |       |         |                             |    |    |      |  |    |    |               |                                 |   |    |      |
|   | Allocation  | Allocation   | Allocation   |   |  |   |                     |   |                     |   |                     |            |            |      |   |        |        |        |        |        |        |      |        |        |       |              |             |             |             |               |  |  |                                |       |         |                             |   |    |      |  |    |     |               |               |  |  |                                |       |         |                             |    |    |      |  |    |    |               |                                 |   |    |      |               |  |  |                                |       |         |                             |    |    |      |  |    |    |               |                                 |   |    |      |
| Gold  | -   | 10.00%   | 10.00%   |   |  |   |                     |   |                     |   |                     |            |            |      |   |        |        |        |        |        |        |      |        |        |       |              |             |             |             |               |  |  |                                |       |         |                             |   |    |      |  |    |     |               |               |  |  |                                |       |         |                             |    |    |      |  |    |    |               |                                 |   |    |      |               |  |  |                                |       |         |                             |    |    |      |  |    |    |               |                                 |   |    |      |
| Equity  | 17.08%  | 45.47%   | 82.24%   |   |  |   |                     |   |                     |   |                     |            |            |      |   |        |        |        |        |        |        |      |        |        |       |              |             |             |             |               |  |  |                                |       |         |                             |   |    |      |  |    |     |               |               |  |  |                                |       |         |                             |    |    |      |  |    |    |               |                                 |   |    |      |               |  |  |                                |       |         |                             |    |    |      |  |    |    |               |                                 |   |    |      |
| Debt  | 82.92%  | 44.53%   | 7.76%  |   |  |   |                     |   |                     |   |                     |            |            |      |   |        |        |        |        |        |        |      |        |        |       |              |             |             |             |               |  |  |                                |       |         |                             |   |    |      |  |    |     |               |               |  |  |                                |       |         |                             |    |    |      |  |    |    |               |                                 |   |    |      |               |  |  |                                |       |         |                             |    |    |      |  |    |    |               |                                 |   |    |      |
| <b>Total</b>  | <b>100%</b>   | <b>100%</b>  | <b>100%</b>  |   |  |   |                     |   |                     |   |                     |            |            |      |   |        |        |        |        |        |        |      |        |        |       |              |             |             |             |               |  |  |                                |       |         |                             |   |    |      |  |    |     |               |               |  |  |                                |       |         |                             |    |    |      |  |    |    |               |                                 |   |    |      |               |  |  |                                |       |         |                             |    |    |      |  |    |    |               |                                 |   |    |      |
| Asset Classes   | Range of Constraints for Asset Allocation in 'Conservative' Plan  |  | Risk Associated to Asset Class   |   |  |   |                     |   |                     |   |                     |            |            |      |   |        |        |        |        |        |        |      |        |        |       |              |             |             |             |               |  |  |                                |       |         |                             |   |    |      |  |    |     |               |               |  |  |                                |       |         |                             |    |    |      |  |    |    |               |                                 |   |    |      |               |  |  |                                |       |         |                             |    |    |      |  |    |    |               |                                 |   |    |      |
|   | Floor   | Ceiling  |  |   |  |   |                     |   |                     |   |                     |            |            |      |   |        |        |        |        |        |        |      |        |        |       |              |             |             |             |               |  |  |                                |       |         |                             |   |    |      |  |    |     |               |               |  |  |                                |       |         |                             |    |    |      |  |    |    |               |                                 |   |    |      |               |  |  |                                |       |         |                             |    |    |      |  |    |    |               |                                 |   |    |      |
|   | Units of Equity Mutual Fund   | 0  |  | 30  | High   |   |                     |   |                     |   |                     |            |            |      |   |        |        |        |        |        |        |      |        |        |       |              |             |             |             |               |  |  |                                |       |         |                             |   |    |      |  |    |     |               |               |  |  |                                |       |         |                             |    |    |      |  |    |    |               |                                 |   |    |      |               |  |  |                                |       |         |                             |    |    |      |  |    |    |               |                                 |   |    |      |
| Units of Debt/Liquid Mutual Funds <sup>^</sup>                      | 70  | 100  | Low to Medium  |   |  |   |                     |   |                     |   |                     |            |            |      |   |        |        |        |        |        |        |      |        |        |       |              |             |             |             |               |  |  |                                |       |         |                             |   |    |      |  |    |     |               |               |  |  |                                |       |         |                             |    |    |      |  |    |    |               |                                 |   |    |      |               |  |  |                                |       |         |                             |    |    |      |  |    |    |               |                                 |   |    |      |
| Asset Classes   | Range of Constraints for Asset Allocation in 'Moderate' Plan  |  | Risk Associated to Asset Class   |   |  |   |                     |   |                     |   |                     |            |            |      |   |        |        |        |        |        |        |      |        |        |       |              |             |             |             |               |  |  |                                |       |         |                             |   |    |      |  |    |     |               |               |  |  |                                |       |         |                             |    |    |      |  |    |    |               |                                 |   |    |      |               |  |  |                                |       |         |                             |    |    |      |  |    |    |               |                                 |   |    |      |
|   | Floor   | Ceiling  |  |   |  |   |                     |   |                     |   |                     |            |            |      |   |        |        |        |        |        |        |      |        |        |       |              |             |             |             |               |  |  |                                |       |         |                             |   |    |      |  |    |     |               |               |  |  |                                |       |         |                             |    |    |      |  |    |    |               |                                 |   |    |      |               |  |  |                                |       |         |                             |    |    |      |  |    |    |               |                                 |   |    |      |
|   | Units of Equity Mutual Fund   | 20   |  | 60  | High   |   |                     |   |                     |   |                     |            |            |      |   |        |        |        |        |        |        |      |        |        |       |              |             |             |             |               |  |  |                                |       |         |                             |   |    |      |  |    |     |               |               |  |  |                                |       |         |                             |    |    |      |  |    |    |               |                                 |   |    |      |               |  |  |                                |       |         |                             |    |    |      |  |    |    |               |                                 |   |    |      |
| Units of Debt/Liquid Mutual Funds <sup>^</sup>                      | 40  | 80   | Low to Medium  |   |  |   |                     |   |                     |   |                     |            |            |      |   |        |        |        |        |        |        |      |        |        |       |              |             |             |             |               |  |  |                                |       |         |                             |   |    |      |  |    |     |               |               |  |  |                                |       |         |                             |    |    |      |  |    |    |               |                                 |   |    |      |               |  |  |                                |       |         |                             |    |    |      |  |    |    |               |                                 |   |    |      |
| Units of Gold Mutual Funds/ETFs                                     | 0   | 10   | High   |   |  |   |                     |   |                     |   |                     |            |            |      |   |        |        |        |        |        |        |      |        |        |       |              |             |             |             |               |  |  |                                |       |         |                             |   |    |      |  |    |     |               |               |  |  |                                |       |         |                             |    |    |      |  |    |    |               |                                 |   |    |      |               |  |  |                                |       |         |                             |    |    |      |  |    |    |               |                                 |   |    |      |
| Asset Classes   | Range of Constraints for Asset Allocation in 'Aggressive' Plan  |  | Risk Associated to Asset Class   |   |  |   |                     |   |                     |   |                     |            |            |      |   |        |        |        |        |        |        |      |        |        |       |              |             |             |             |               |  |  |                                |       |         |                             |   |    |      |  |    |     |               |               |  |  |                                |       |         |                             |    |    |      |  |    |    |               |                                 |   |    |      |               |  |  |                                |       |         |                             |    |    |      |  |    |    |               |                                 |   |    |      |
|   | Floor   | Ceiling  |  |   |  |   |                     |   |                     |   |                     |            |            |      |   |        |        |        |        |        |        |      |        |        |       |              |             |             |             |               |  |  |                                |       |         |                             |   |    |      |  |    |     |               |               |  |  |                                |       |         |                             |    |    |      |  |    |    |               |                                 |   |    |      |               |  |  |                                |       |         |                             |    |    |      |  |    |    |               |                                 |   |    |      |
|   | Units of Equity Mutual Fund   | 70   |  | 90  | High   |   |                     |   |                     |   |                     |            |            |      |   |        |        |        |        |        |        |      |        |        |       |              |             |             |             |               |  |  |                                |       |         |                             |   |    |      |  |    |     |               |               |  |  |                                |       |         |                             |    |    |      |  |    |    |               |                                 |   |    |      |               |  |  |                                |       |         |                             |    |    |      |  |    |    |               |                                 |   |    |      |
| Units of Debt/Liquid Mutual Funds <sup>^</sup>                      | 10  | 30   | Low to Medium  |   |  |   |                     |   |                     |   |                     |            |            |      |   |        |        |        |        |        |        |      |        |        |       |              |             |             |             |               |  |  |                                |       |         |                             |   |    |      |  |    |     |               |               |  |  |                                |       |         |                             |    |    |      |  |    |    |               |                                 |   |    |      |               |  |  |                                |       |         |                             |    |    |      |  |    |    |               |                                 |   |    |      |
| Units of Gold Mutual Funds/ETFs                                     | 0   | 10   | High   |   |  |   |                     |   |                     |   |                     |            |            |      |   |        |        |        |        |        |        |      |        |        |       |              |             |             |             |               |  |  |                                |       |         |                             |   |    |      |  |    |     |               |               |  |  |                                |       |         |                             |    |    |      |  |    |    |               |                                 |   |    |      |               |  |  |                                |       |         |                             |    |    |      |  |    |    |               |                                 |   |    |      |
| <b>Risk Profile of the Scheme</b>                                   | <p>Mutual Fund Units involve investment risks including the possible loss of principal. Please read the Scheme Information Document carefully for details on risk factors before investment. Scheme specific Risk Factors are summarized below:</p> <ul style="list-style-type: none"> <li>The Scheme/Plan will invest in a combination of Equity, Debt/Liquid Mutual Fund schemes and gold based ETFs. Hence, the performance of the Scheme/Plan would depend upon the performance of underlying schemes.</li> <li>Investments in the underlying schemes, which also consist of equity funds, will have all the risks associated with investments in equity markets.</li> <li>Investments in Debt/Liquid Schemes will have all the risks associated with the debt markets including Interest Rate Risk, Credit Risk, Liquidity Risk and Reinvestment Risk.</li> <li>To the extent the underlying Debt/Liquid Schemes/Equity Schemes make investment in overseas financial assets, there may be risk associated with currency movements, restriction on repatriation and transaction procedures in overseas markets.</li> <li>To the extent the underlying Debt/Liquid Schemes/Equity Schemes engage in security lending, the Scheme/Plan will be subject to risks related to fluctuations in collateral value/ settlement/liquidity/counter party.</li> <li>To the extent the underlying Debt/Liquid Schemes/Equity Schemes are permitted to invest in derivative instruments the Scheme/Plan is exposed to the high risk, high return derivative instruments.</li> <li>If underlying scheme declares any day as a non-business day, AMC may also declare that day as a non-business day for this Scheme. However, if this information is received by the AMC from underlying scheme later in the day and the Scheme/Plan has already accepted transactions, such transactions will be processed on the next business day.</li> <li>While it would be the endeavour of the Fund Manager of the Scheme/Plan to invest in the target schemes in a manner, which will seek to maximize returns, the performance of the underlying funds may vary which may lead to the returns of the Scheme/Plan being adversely impacted.</li> <li>The performance of the Scheme/Plan may be affected by changes in Government policies, general levels of interest rates and risk associated with trading volumes, liquidity and settlement systems in equity and debt markets.</li> <li>This being a Fund of Funds Scheme, the investors are bearing the recurring expenses of the Scheme/Plan in addition to the expenses of the other underlying schemes in which the Scheme/Plan makes investments.</li> <li>The scheme specific risk factors of each of the underlying schemes become applicable since the Scheme/Plan invests in the underlying scheme. Investors who intend to invest in the Scheme/Plan are required to / and are deemed to have read and understood the risk factors of the underlying schemes relevant to the Scheme/Plan that they invest in.</li> </ul>  |  |  |   |  |   |                     |   |                     |   |                     |            |            |      |   |        |        |        |        |        |        |      |        |        |       |              |             |             |             |               |  |  |                                |       |         |                             |   |    |      |  |    |     |               |               |  |  |                                |       |         |                             |    |    |      |  |    |    |               |                                 |   |    |      |               |  |  |                                |       |         |                             |    |    |      |  |    |    |               |                                 |   |    |      |
| <b>Investment Sub-Plans / Options</b>                               | Following two Sub-Plans / Options will be available under the Scheme/Plan: <b>Regular Sub-Plan - Growth Option</b> • <b>Direct Sub-Plan - Growth Option</b>   |  |  |   |  |   |                     |   |                     |   |                     |            |            |      |   |        |        |        |        |        |        |      |        |        |       |              |             |             |             |               |  |  |                                |       |         |                             |   |    |      |  |    |     |               |               |  |  |                                |       |         |                             |    |    |      |  |    |    |               |                                 |   |    |      |               |  |  |                                |       |         |                             |    |    |      |  |    |    |               |                                 |   |    |      |
| <b>Applicable NAV</b>   | ++  |  |  |   |  |   |                     |   |                     |   |                     |            |            |      |   |        |        |        |        |        |        |      |        |        |       |              |             |             |             |               |  |  |                                |       |         |                             |   |    |      |  |    |     |               |               |  |  |                                |       |         |                             |    |    |      |  |    |    |               |                                 |   |    |      |               |  |  |                                |       |         |                             |    |    |      |  |    |    |               |                                 |   |    |      |
| <b>Minimum Application Amount / Number of Units</b>                 | <ul style="list-style-type: none"> <li><b>Purchase:</b> ₹ 5,000 and any amount thereafter under each sub-plan/option.</li> <li><b>Additional Purchase:</b> ₹ 1,000 and any amount thereafter under each sub-plan/option.</li> <li><b>Repurchase:</b> <ul style="list-style-type: none"> <li>Where the holding amount / units exceed ₹ 500/- / 50 units - ₹ 500/- or 50 units;</li> <li>Where the holding is less than ₹ 500/- or 50 units - entire balance needs to be redeemed. In case redemptions sought is for lesser value / quantity, entire balance will be redeemed.</li> </ul> </li> </ul>   |  |  |   |  |   |                     |   |                     |   |                     |            |            |      |   |        |        |        |        |        |        |      |        |        |       |              |             |             |             |               |  |  |                                |       |         |                             |   |    |      |  |    |     |               |               |  |  |                                |       |         |                             |    |    |      |  |    |    |               |                                 |   |    |      |               |  |  |                                |       |         |                             |    |    |      |  |    |    |               |                                 |   |    |      |
| <b>Despatch of Repurchase (Redemption) Request</b>                  | Within 10 business days of the receipt of the redemption request at the Official Points of Acceptance of the Principal Mutual Fund.   |  |  |   |  |   |                     |   |                     |   |                     |            |            |      |   |        |        |        |        |        |        |      |        |        |       |              |             |             |             |               |  |  |                                |       |         |                             |   |    |      |  |    |     |               |               |  |  |                                |       |         |                             |    |    |      |  |    |    |               |                                 |   |    |      |               |  |  |                                |       |         |                             |    |    |      |  |    |    |               |                                 |   |    |      |
| <b>Investment Strategy</b>  | @   |  |  |   |  |   |                     |   |                     |   |                     |            |            |      |   |        |        |        |        |        |        |      |        |        |       |              |             |             |             |               |  |  |                                |       |         |                             |   |    |      |  |    |     |               |               |  |  |                                |       |         |                             |    |    |      |  |    |    |               |                                 |   |    |      |               |  |  |                                |       |         |                             |    |    |      |  |    |    |               |                                 |   |    |      |
| <b>Risk Mitigation Factors</b>                                      | @@  |  |  |   |  |   |                     |   |                     |   |                     |            |            |      |   |        |        |        |        |        |        |      |        |        |       |              |             |             |             |               |  |  |                                |       |         |                             |   |    |      |  |    |     |               |               |  |  |                                |       |         |                             |    |    |      |  |    |    |               |                                 |   |    |      |               |  |  |                                |       |         |                             |    |    |      |  |    |    |               |                                 |   |    |      |
| <b>Comparison of open-ended schemes</b>                             | Principal Asset Allocation Fund of Funds, is the first domestic open ended fund of funds scheme offered by the AMC. This Scheme offers an accumulation vehicle, through three different Plans relative to the investors' risk profile, wherein asset allocation is dynamically rebalanced at least every quarter.   |  |  |   |  |   |                     |   |                     |   |                     |            |            |      |   |        |        |        |        |        |        |      |        |        |       |              |             |             |             |               |  |  |                                |       |         |                             |   |    |      |  |    |     |               |               |  |  |                                |       |         |                             |    |    |      |  |    |    |               |                                 |   |    |      |               |  |  |                                |       |         |                             |    |    |      |  |    |    |               |                                 |   |    |      |
| <b>Dividend Policy</b>  | Under Dividend Option, dividend will be declared subject to availability of distributable surplus and at discretion of AMC / Trustee. The undistributed portion of the income will remain in the Option and be reflected in the NAV, on an ongoing basis. The Trustee's decision with regard to availability and adequacy, rate, timing and frequency of distribution of dividend shall be final.   |  |  |   |  |   |                     |   |                     |   |                     |            |            |      |   |        |        |        |        |        |        |      |        |        |       |              |             |             |             |               |  |  |                                |       |         |                             |   |    |      |  |    |     |               |               |  |  |                                |       |         |                             |    |    |      |  |    |    |               |                                 |   |    |      |               |  |  |                                |       |         |                             |    |    |      |  |    |    |               |                                 |   |    |      |
| <b>Benchmark Index</b>  | Composite Benchmark*<br>* consisting of 85% CRISIL Short Term Bond Fund Index and 15% Nifty 50 Index  | Composite Benchmark*<br>* consisting of 60% CRISIL Short Term Bond Fund Index and 40% Nifty 50 Index   | Composite Benchmark*<br>* consisting of 80% Nifty 50 Index and 20% CRISIL Short Term Bond Fund Index   |   |  |   |                     |   |                     |   |                     |            |            |      |   |        |        |        |        |        |        |      |        |        |       |              |             |             |             |               |  |  |                                |       |         |                             |   |    |      |  |    |     |               |               |  |  |                                |       |         |                             |    |    |      |  |    |    |               |                                 |   |    |      |               |  |  |                                |       |         |                             |    |    |      |  |    |    |               |                                 |   |    |      |
| <b>Folio Count &amp; AUM (As on June 30, 2016)</b>                  | Folio - 98 • AUM - ₹ 7.29 Crores  | Folio - 108 • AUM - ₹ 1.36 Crores  | Folio - 135 • AUM - ₹ 1.42 Crores  |   |  |   |                     |   |                     |   |                     |            |            |      |   |        |        |        |        |        |        |      |        |        |       |              |             |             |             |               |  |  |                                |       |         |                             |   |    |      |  |    |     |               |               |  |  |                                |       |         |                             |    |    |      |  |    |    |               |                                 |   |    |      |               |  |  |                                |       |         |                             |    |    |      |  |    |    |               |                                 |   |    |      |
| <b>Fund Manager &amp; Managing the Current Fund from</b>            | Mr. Rajat Jain - December 2015<br>(Tenure of the Fund Manager - 7 Months)   | Mr. Rajat Jain - December 2015<br>(Tenure of the Fund Manager - 7 Months)  | Mr. Rajat Jain - December 2015<br>(Tenure of the Fund Manager - 7 Months)  |   |  |   |                     |   |                     |   |                     |            |            |      |   |        |        |        |        |        |        |      |        |        |       |              |             |             |             |               |  |  |                                |       |         |                             |   |    |      |  |    |     |               |               |  |  |                                |       |         |                             |    |    |      |  |    |    |               |                                 |   |    |      |               |  |  |                                |       |         |                             |    |    |      |  |    |    |               |                                 |   |    |      |
| <b>Total Investment Experience</b>                                  | 27 years  | 27 years   | 27 years   |   |  |   |                     |   |                     |   |                     |            |            |      |   |        |        |        |        |        |        |      |        |        |       |              |             |             |             |               |  |  |                                |       |         |                             |   |    |      |  |    |     |               |               |  |  |                                |       |         |                             |    |    |      |  |    |    |               |                                 |   |    |      |               |  |  |                                |       |         |                             |    |    |      |  |    |    |               |                                 |   |    |      |
| <b>Name of the Trustee Company</b>                                  | Principal Trustee Company Private Limited   |  |  |   |  |   |                     |   |                     |   |                     |            |            |      |   |        |        |        |        |        |        |      |        |        |       |              |             |             |             |               |  |  |                                |       |         |                             |   |    |      |  |    |     |               |               |  |  |                                |       |         |                             |    |    |      |  |    |    |               |                                 |   |    |      |               |  |  |                                |       |         |                             |    |    |      |  |    |    |               |                                 |   |    |      |
| <b>Performance of the scheme :</b>                                  | Since the scheme has not completed one year from the date of allotment, performance has not been provided.  | Since the scheme has not completed one year from the date of allotment, performance has not been provided.   | Since the scheme has not completed one year from the date of allotment, performance has not been provided.   |   |  |   |                     |   |                     |   |                     |            |            |      |   |        |        |        |        |        |        |      |        |        |       |              |             |             |             |               |  |  |                                |       |         |                             |   |    |      |  |    |     |               |               |  |  |                                |       |         |                             |    |    |      |  |    |    |               |                                 |   |    |      |               |  |  |                                |       |         |                             |    |    |      |  |    |    |               |                                 |   |    |      |
| <b>Expenses of the Scheme</b>                                       | <p>(i) <b>Load Structure:</b><br/>No exit load will be applicable for switches between the 3 plans i.e. Conservative Plan, Moderate Plan and Aggressive Plan of the Scheme</p> <p>(ii) <b>+Annual Recurring expenses as a percentage of Daily Net Assets:</b> 2.50% of the daily net assets of the Scheme/Plan<br/><b>Direct Plan</b> shall have a lower expense ratio excluding distribution expenses, commission, etc and no commission for distribution of Units will be paid / charged under the Direct Plan.</p> <table border="1" data-bbox="266 2874 1991 3008"> <thead> <tr> <th>(iii) Actual expenses (From the date of inception till March 2016):</th> <th>Weighted Expense Ratio of underlying Schemes</th> </tr> </thead> <tbody> <tr> <td>Conservative Plan: Direct Plan - 0.11% • Regular Plan - 0.91%</td> <td>Direct Plan - 0.63%</td> </tr> <tr> <td>Moderate Plan: Direct Plan - 0.37% • Regular Plan - 1.23%</td> <td>Direct Plan - 0.95%</td> </tr> <tr> <td>Aggressive Plan: Direct Plan - 0.34% • Regular Plan - 1.31%</td> <td>Direct Plan - 1.42%</td> </tr> </tbody> </table>   |  |  | (iii) Actual expenses (From the date of inception till March 2016): | Weighted Expense Ratio of underlying Schemes | Conservative Plan: Direct Plan - 0.11% • Regular Plan - 0.91% | Direct Plan - 0.63% | Moderate Plan: Direct Plan - 0.37% • Regular Plan - 1.23% | Direct Plan - 0.95% | Aggressive Plan: Direct Plan - 0.34% • Regular Plan - 1.31% | Direct Plan - 1.42% |            |            |      |   |        |        |        |        |        |        |      |        |        |       |              |             |             |             |               |  |  |                                |       |         |                             |   |    |      |  |    |     |               |               |  |  |                                |       |         |                             |    |    |      |  |    |    |               |                                 |   |    |      |               |  |  |                                |       |         |                             |    |    |      |  |    |    |               |                                 |   |    |      |
| (iii) Actual expenses (From the date of inception till March 2016): | Weighted Expense Ratio of underlying Schemes  |  |  |   |  |   |                     |   |                     |   |                     |            |            |      |   |        |        |        |        |        |        |      |        |        |       |              |             |             |             |               |  |  |                                |       |         |                             |   |    |      |  |    |     |               |               |  |  |                                |       |         |                             |    |    |      |  |    |    |               |                                 |   |    |      |               |  |  |                                |       |         |                             |    |    |      |  |    |    |               |                                 |   |    |      |
| Conservative Plan: Direct Plan - 0.11% • Regular Plan - 0.91%       | Direct Plan - 0.63%   |  |  |   |  |   |                     |   |                     |   |                     |            |            |      |   |        |        |        |        |        |        |      |        |        |       |              |             |             |             |               |  |  |                                |       |         |                             |   |    |      |  |    |     |               |               |  |  |                                |       |         |                             |    |    |      |  |    |    |               |                                 |   |    |      |               |  |  |                                |       |         |                             |    |    |      |  |    |    |               |                                 |   |    |      |
| Moderate Plan: Direct Plan - 0.37% • Regular Plan - 1.23%           | Direct Plan - 0.95%   |  |  |   |  |   |                     |   |                     |   |                     |            |            |      |   |        |        |        |        |        |        |      |        |        |       |              |             |             |             |               |  |  |                                |       |         |                             |   |    |      |  |    |     |               |               |  |  |                                |       |         |                             |    |    |      |  |    |    |               |                                 |   |    |      |               |  |  |                                |       |         |                             |    |    |      |  |    |    |               |                                 |   |    |      |
| Aggressive Plan: Direct Plan - 0.34% • Regular Plan - 1.31%         | Direct Plan - 1.42%   |  |  |   |  |   |                     |   |                     |   |                     |            |            |      |   |        |        |        |        |        |        |      |        |        |       |              |             |             |             |               |  |  |                                |       |         |                             |   |    |      |  |    |     |               |               |  |  |                                |       |         |                             |    |    |      |  |    |    |               |                                 |   |    |      |               |  |  |                                |       |         |                             |    |    |      |  |    |    |               |                                 |   |    |      |
| <b>Waiver of Load for Direct Applications</b>                       | Not applicable<br>Pursuant to SEBI circular no. SEBI/IMD/CIR No. 4/ 168230/09 dated June 30, 2009 no entry load shall be charged for all Mutual Fund Scheme(s). Therefore, the procedure for waiver of load for direct applications is no longer applicable.  |  |  |   |  |   |                     |   |                     |   |                     |            |            |      |   |        |        |        |        |        |        |      |        |        |       |              |             |             |             |               |  |  |                                |       |         |                             |   |    |      |  |    |     |               |               |  |  |                                |       |         |                             |    |    |      |  |    |    |               |                                 |   |    |      |               |  |  |                                |       |         |                             |    |    |      |  |    |    |               |                                 |   |    |      |

## SCHEME PORTFOLIOS, SECTOR ALLOCATION &amp; PORTFOLIO TURNOVER RATIO (As on June 30, 2016)

## PRINCIPAL LARGE CAP FUND

| PORTFOLIOS (Top 10 Holdings)            |          | SECTOR ALLOCATION          |               |
|---|----------|----------------------------|---------------|
| Instrument                              | % of NAV | Sectors                    | % of NAV      |
| HDFC Bank Ltd.                          | 7.97     | Financial Services         | 27.55         |
| Infosys Ltd.                            | 6.79     | Pharma                     | 10.83         |
| Housing Development Finance Corpn. Ltd. | 4.82     | Energy                     | 10.81         |
| Cash and Cash Equivalents®              | 4.66     | Consumer Goods             | 9.34          |
| Tata Motors Ltd.                        | 4.56     | Automobile                 | 8.01          |
| Larsen & Toubro Ltd.                    | 3.52     | IT                         | 7.90          |
| Hindustan Petroleum Corporation Ltd.    | 3.48     | Cement & Cement Products   | 7.85          |
| Maruti Suzuki India Ltd.                | 3.45     | Cash and Cash Equivalents® | 6.31          |
| IndusInd Bank Ltd.                      | 3.33     | Construction               | 3.52          |
| Power Grid Corporation of India Ltd.    | 3.30     | Services                   | 3.01          |
|   |          | Telecom                    | 1.82          |
|   |          | Media & Entertainment      | 1.61          |
|   |          | Metals                     | 0.98          |
|   |          | Industrial Manufacturing   | 0.46          |
|   |          | <b>Net Asset Value</b>     | <b>100.00</b> |

**\*PORTFOLIO TURNOVER RATIO - 0.81**

\* The Portfolio Turnover Rate (PTR) means the lower of aggregate sales or purchases made during the 12 month rolling year/period divided by the 12 month rolling year/period Average asset under Management for the relevant year/period.

## PRINCIPAL EMERGING BLUECHIP FUND

| PORTFOLIOS (Top 10 Holdings)         |          | SECTOR ALLOCATION          |               |
|--------------------------------------|----------|----------------------------|---------------|
| Instrument                           | % of NAV | Sectors                    | % of NAV      |
| Eicher Motors Ltd.                   | 3.64     | Financial Services         | 16.59         |
| Hindustan Petroleum Corporation Ltd. | 3.42     | Automobile                 | 10.85         |
| IndusInd Bank Ltd.                   | 2.98     | Consumer Goods             | 10.11         |
| Shree Cements Ltd.                   | 2.73     | Pharma                     | 8.23          |
| Divi's Laboratories Ltd.             | 2.57     | Energy                     | 8.18          |
| Britannia Industries Ltd.            | 2.53     | Construction               | 7.75          |
| Bajaj Finance Ltd.                   | 2.30     | Industrial Manufacturing   | 7.65          |
| HDFC Bank Ltd.                       | 2.18     | Cement & Cement Products   | 6.62          |
| Kotak Mahindra Bank Ltd.             | 2.17     | Chemicals                  | 5.37          |
| Infosys Ltd.                         | 2.07     | Services                   | 5.05          |
|                                      |          | IT                         | 3.75          |
|                                      |          | Textiles                   | 3.05          |
|                                      |          | Metals                     | 2.01          |
|                                      |          | Cash and Cash Equivalents® | 1.52          |
|                                      |          | Fertilisers & Pesticides   | 1.18          |
|                                      |          | Media & Entertainment      | 1.11          |
|                                      |          | Telecom                    | 0.84          |
|                                      |          | Mutual Fund                | 0.14          |
|                                      |          | <b>Net Asset Value</b>     | <b>100.00</b> |

**\*PORTFOLIO TURNOVER RATIO - 0.82**

\* The Portfolio Turnover Rate (PTR) means the lower of aggregate sales or purchases made during the 12 month rolling year/period divided by the 12 month rolling year/period Average asset under Management for the relevant year/period.

## PRINCIPAL DIVIDEND YIELD FUND

| PORTFOLIOS (Top 10 Holdings)         |          | SECTOR ALLOCATION          |               |
|--------------------------------------|----------|----------------------------|---------------|
| Instrument                           | % of NAV | Sectors                    | % of NAV      |
| Hindustan Unilever Ltd.              | 6.93     | Automobile                 | 18.40         |
| Hero MotoCorp Ltd.                   | 5.55     | Financial Services         | 17.80         |
| State Bank of India                  | 4.37     | Energy                     | 16.64         |
| Hindustan Petroleum Corporation Ltd. | 4.28     | Consumer Goods             | 16.49         |
| HDFC Bank Ltd.                       | 3.69     | IT                         | 6.60          |
| Bharat Petroleum Corporation Ltd.    | 3.57     | Cement & Cement Products   | 5.52          |
| Dalmia Bharat Ltd.                   | 3.48     | Textiles                   | 3.81          |
| Colgate Palmolive (India) Ltd.       | 3.04     | Construction               | 3.75          |
| SML Isuzu Ltd.                       | 2.94     | Fertilisers & Pesticides   | 2.65          |
| Infosys Ltd.                         | 2.92     | Metals                     | 2.07          |
|                                      |          | Pharma                     | 1.75          |
|                                      |          | Services                   | 1.74          |
|                                      |          | Cash and Cash Equivalents® | 1.09          |
|                                      |          | Chemicals                  | 1.06          |
|                                      |          | Industrial Manufacturing   | 0.62          |
|                                      |          | Telecom                    | ***           |
|                                      |          | <b>Net Asset Value</b>     | <b>100.00</b> |

**\*PORTFOLIO TURNOVER RATIO - 0.70**

\* The Portfolio Turnover Rate (PTR) means the lower of aggregate sales or purchases made during the 12 month rolling year/period divided by the 12 month rolling year/period Average asset under Management for the relevant year/period.

## PRINCIPAL BALANCED FUND

| PORTFOLIOS (Top 10 Holdings)              |          | SECTOR ALLOCATION          |               |
|---|----------|----------------------------|---------------|
| Instrument                                | % of NAV | Sectors                    | % of NAV      |
| Principal Mutual Fund (Mutual Fund Units) | 21.48    | Mutual Fund                | 21.48         |
| Cash and Cash Equivalents®                | 4.10     | Financial Services         | 18.02         |
| HDFC Bank Ltd.                            | 3.64     | Automobile                 | 9.70          |
| ITC Ltd.                                  | 2.82     | Consumer Goods             | 9.01          |
| ICICI Bank Ltd.                           | 2.80     | Cement & Cement Products   | 7.06          |
| Aspire Home Finance Corporation Ltd.      | 2.73     | Cash and Cash Equivalents® | 4.63          |
| Infosys Ltd.                              | 2.65     | Construction               | 4.63          |
| Escorts Ltd.                              | 2.44     | Energy                     | 4.22          |
| The India Cements Ltd.                    | 2.38     | IT                         | 3.90          |
| State Bank of India                       | 2.23     | Services                   | 3.64          |
|   |          | Pharma                     | 3.49          |
|   |          | Metals                     | 3.03          |
|   |          | Telecom                    | 1.81          |
|   |          | Government of India        | 1.78          |
|   |          | Industrial Manufacturing   | 1.06          |
|   |          | Fertilisers & Pesticides   | 1.00          |
|   |          | Media & Entertainment      | 0.88          |
|   |          | Textiles                   | 0.66          |
|   |          | <b>Net Asset Value</b>     | <b>100.00</b> |

® Cash and Cash Equivalents includes CBLO/Repo and Net Current Assets

**\*PORTFOLIO TURNOVER RATIO - 1.71**

\* The Portfolio Turnover Rate (PTR) means the lower of aggregate sales or purchases made during the 12 month rolling year/period divided by the 12 month rolling year/period Average asset under Management for the relevant year/period.

## PRINCIPAL PERSONAL TAX SAVER FUND

| PORTFOLIOS (Top 10 Holdings)            |          | SECTOR ALLOCATION          |               |
|---|----------|----------------------------|---------------|
| Instrument                              | % of NAV | Sectors                    | % of NAV      |
| Infosys Ltd.                            | 6.83     | Financial Services         | 26.50         |
| HDFC Bank Ltd.                          | 6.72     | Energy                     | 10.81         |
| Cash and Cash Equivalents®              | 5.57     | Pharma                     | 10.75         |
| Housing Development Finance Corpn. Ltd. | 4.88     | Consumer Goods             | 9.47          |
| Tata Motors Ltd.                        | 4.56     | Automobile                 | 8.04          |
| Larsen & Toubro Ltd.                    | 3.55     | IT                         | 7.95          |
| Hindustan Petroleum Corporation Ltd.    | 3.50     | Cement & Cement Products   | 7.91          |
| Maruti Suzuki India Ltd.                | 3.48     | Cash and Cash Equivalents® | 7.11          |
| IndusInd Bank Ltd.                      | 3.36     | Construction               | 3.55          |
| Power Grid Corporation of India Ltd.    | 3.32     | Services                   | 3.03          |
|   |          | Telecom                    | 1.83          |
|   |          | Media & Entertainment      | 1.63          |
|   |          | Metals                     | 0.99          |
|   |          | Industrial Manufacturing   | 0.44          |
|   |          | <b>Net Asset Value</b>     | <b>100.00</b> |

® Cash and Cash Equivalents includes CBLO/Repo and Net Current Assets

**\*PORTFOLIO TURNOVER RATIO - 0.75**

\* The Portfolio Turnover Rate (PTR) means the lower of aggregate sales or purchases made during the 12 month rolling year/period divided by the 12 month rolling year/period Average asset under Management for the relevant year/period.

## PRINCIPAL GROWTH FUND

| PORTFOLIOS (Top 10 Holdings) |          | SECTOR ALLOCATION          |               |
|------------------------------|----------|----------------------------|---------------|
| Instrument                   | % of NAV | Sectors                    | % of NAV      |
| HDFC Bank Ltd.               | 5.52     | Financial Services         | 23.74         |
| Infosys Ltd.                 | 5.19     | Consumer Goods             | 10.59         |
| ITC Ltd.                     | 4.06     | Automobile                 | 10.20         |
| ICICI Bank Ltd.              | 3.95     | Construction               | 9.31          |
| Cash and Cash Equivalents®   | 3.40     | Cement & Cement Products   | 8.98          |
| Larsen & Toubro Ltd.         | 3.16     | Energy                     | 7.14          |
| State Bank of India          | 3.14     | IT                         | 7.08          |
| Tata Motors Ltd.             | 2.73     | Services                   | 5.44          |
| Reliance Industries Ltd.     | 2.65     | Pharma                     | 4.75          |
| Tata Communications Ltd.     | 2.54     | Cash and Cash Equivalents® | 4.20          |
|                              |          | Telecom                    | 2.54          |
|                              |          | Metals                     | 2.04          |
|                              |          | Textiles                   | 1.96          |
|                              |          | Industrial Manufacturing   | 1.59          |
|                              |          | Mutual Fund                | 0.44          |
|                              |          | Healthcare Services        | ***           |
|                              |          | Paper                      | ***           |
|                              |          | Media & Entertainment      | -             |
|                              |          | <b>Net Asset Value</b>     | <b>100.00</b> |

® Cash and Cash Equivalents includes CBLO/Repo and Net Current Assets

\*\*\* Value below 0.01% of NAV

**\*PORTFOLIO TURNOVER RATIO - 0.69**

\* The Portfolio Turnover Rate (PTR) means the lower of aggregate sales or purchases made during the 12 month rolling year/period divided by the 12 month rolling year/period Average asset under Management for the relevant year/period.

## PRINCIPAL INDEX FUND - NIFTY

| PORTFOLIOS (Top 10 Holdings)            |          | SECTOR ALLOCATION          |               |
|---|----------|----------------------------|---------------|
| Instrument                              | % of NAV | Sectors                    | % of NAV      |
| HDFC Bank Ltd.                          | 7.75     | Financial Services         | 30.04         |
| Infosys Ltd.                            | 7.71     | IT                         | 15.70         |
| ITC Ltd.                                | 6.79     | Automobile                 | 11.33         |
| Housing Development Finance Corpn. Ltd. | 6.48     | Energy                     | 10.89         |
| Reliance Industries Ltd.                | 5.24     | Consumer Goods             | 10.37         |
| ICICI Bank Ltd.                         | 4.58     | Pharma                     | 6.79          |
| Tata Consultancy Services Ltd.          | 4.44     | Construction               | 4.01          |
| Larsen & Toubro Ltd.                    | 4.01     | Cement & Cement Products   | 3.29          |
| Tata Motors Ltd.                        | 3.39     | Telecom                    | 2.57          |
| Axis Bank Ltd.                          | 2.91     | Metals                     | 2.51          |
|   |          | Media & Entertainment      | 0.82          |
|   |          | Cash and Cash Equivalents® | 0.67          |
|   |          | Services                   | 0.62          |
|   |          | Industrial Manufacturing   | 0.38          |
|   |          | <b>Net Asset Value</b>     | <b>100.00</b> |

® Cash and Cash Equivalents includes CBLO/Repo and Net Current Assets

**\*PORTFOLIO TURNOVER RATIO - 0.34**

\* The Portfolio Turnover Rate (PTR) means the lower of aggregate sales or purchases made during the 12 month rolling year/period divided by the 12 month rolling year/period Average asset under Management for the relevant year/period.

## PRINCIPAL ARBITRAGE FUND

| PORTFOLIOS (Top 10 Holdings)        |          | SECTOR ALLOCATION          |               |
|-------------------------------------|----------|----------------------------|---------------|
| Instrument                          | % of NAV | Sectors                    | % of NAV      |
| HDFC Bank Ltd. (Fixed Deposits)     | 12.86    | Financial Services         | 45.24         |
| HDFC Bank Ltd.                      | 9.48     | Energy                     | 14.43         |
| Cash and Cash Equivalents®          | 9.99     | Cash and Cash Equivalents® | 12.61         |
| Reliance Industries Ltd.            | 8.53     | Pharma                     | 7.70          |
| Magma ITL Finance Ltd.              | 6.69     | Construction               | 6.89          |
| IRB Infrastructure Developers Ltd.  | 6.22     | Automobile                 | 3.72          |
| Sun Pharmaceuticals Industries Ltd. | 6.20     | Metals                     | 2.62          |
| Oil & Natural Gas Corporation Ltd.  | 4.76     | Cement & Cement Products   | 1.96          |
| LIC Housing Finance Ltd.            | 4.72     | Consumer Goods             | 1.86          |
| Maruti Suzuki India Ltd.            | 3.57     | Services                   | 1.68          |
|                                     |          | Media & Entertainment      | 1.30          |
|                                     |          | <b>Net Asset Value</b>     | <b>100.00</b> |

® Cash and Cash Equivalents includes CBLO/Repo and Net Current Assets

**\*PORTFOLIO TURNOVER RATIO - 2.72**

\* The Portfolio Turnover Rate (PTR) means the lower of aggregate sales or purchases made during the 12 month rolling year/period divided by the 12 month rolling year/period Average asset under Management for the relevant year/period.

## PRINCIPAL GLOBAL OPPORTUNITIES FUND

| PORTFOLIOS                       |          | SECTOR ALLOCATION          |               |
|----------------------------------|----------|----------------------------|---------------|
| Instrument                       | % of NAV | Sectors                    | % of NAV      |
| Principal Emerging Bluechip Fund | 99.32    | Mutual Fund                | 99.32         |
| Cash and Cash Equivalents®       | 2.91     | Cash and Cash Equivalents® | 0.68          |
|                                  |          | <b>Net Asset Value</b>     | <b>100.00</b> |

® Cash and Cash Equivalents includes CBLO/Repo and Net Current Assets

## PRINCIPAL SMART EQUITY FUND

| PORTFOLIOS (Top 10 Holdings)           |          | SECTOR ALLOCATION          |               |
|--|----------|----------------------------|---------------|
| Instrument                             | % of NAV | Sectors                    | % of NAV      |
| HDFC Bank Ltd.                         | 15.15    | Financial Services         | 34.68         |
| Cash and Cash Equivalents®             | 13.13    | Pharma                     | 11.98         |
| Reliance Industries Ltd.               | 5.96     | Energy                     | 9.99          |
| Hindustan Unilever Ltd.                | 5.48     | Consumer Goods             | 9.34          |
| Tata Motors Ltd.                       | 4.04     | Cash and Cash Equivalents® | 8.58          |
| Aadhar Housing Finance Ltd.            | 3.76     | Automobile                 | 5.57          |
| Kribhco Shyam Fertilizers Ltd.         | 3.74     | IT                         | 3.91          |
| Piramal Enterprises Ltd.               | 3.66     | Fertilisers & Pesticides   | 3.74          |
| Aurobindo Pharma Ltd.                  | 3.49     | Cement & Cement Products   | 3.51          |
| Shriram Transport Finance Company Ltd. | 3.36     | Metals                     | 2.05          |
|  |          | Government of India        | 2.04          |
|  |          | Construction               | 1.51          |
|  |          | Services                   | 1.34          |
|  |          | Telecom                    | 0.81          |
|  |          | Media & Entertainment      | 0.72          |
|  |          | Industrial Manufacturing   | 0.20          |
|  |          | <b>Net Asset Value</b>     | <b>100.00</b> |

® Cash and Cash Equivalents includes CBLO/Repo and Net Current Assets

**\*PORTFOLIO TURNOVER RATIO - 6.91**

\* The Portfolio Turnover Rate (PTR) means the lower of aggregate sales or purchases made during the 12 month rolling year/period divided by the 12 month rolling year/period Average asset under Management for the relevant year/period.

## PRINCIPAL TAX SAVINGS FUND

| PORTFOLIOS (Top 10 Holdings) |          | SECTOR ALLOCATION          |               |
|------------------------------|----------|----------------------------|---------------|
| Instrument                   | % of NAV | Sectors                    | % of NAV      |
| HDFC Bank Ltd.               | 5.61     | Financial Services         | 23.97         |
| Infosys Ltd.                 | 5.25     | Consumer Goods             | 10.65         |
| ITC Ltd.                     | 4.06     | Automobile                 | 10.25         |
| ICICI Bank Ltd.              | 3.96     | Construction               | 9.49          |
| Larsen & Toubro Ltd.         | 3.22     | Cement & Cement Products   | 9.01          |
| State Bank of India          | 3.15     | Energy                     | 7.27          |
| Tata Motors Ltd.             | 2.75     | IT                         | 7.16          |
| Reliance Industries Ltd.     | 2.66     | Services                   | 5.50          |
| Cash and Cash Equivalents®   | 2.59     | Pharma                     | 4.79          |
| Tata Communications Ltd.     | 2.54     | Cash and Cash Equivalents® | 3.63          |
|                              |          | Telecom                    | 2.54          |
|                              |          | Metals                     | 2.10          |
|                              |          | Textiles                   | 1.97          |
|                              |          | Industrial Manufacturing   | 1.67          |
|                              |          | Media & Entertainment      | -             |
|                              |          | <b>Net Asset Value</b>     | <b>100.00</b> |

® Cash and Cash Equivalents includes CBLO/Repo and Net Current Assets

**\*PORTFOLIO TURNOVER RATIO - 0.68**

\* The Portfolio Turnover Rate (PTR) means the lower of aggregate sales or purchases made during the 12 month rolling year/period divided by the 12 month rolling year/period Average asset under Management for the relevant year/period.

## PRINCIPAL INDEX FUND - MIDCAP

| PORTFOLIOS (Top 10 Holdings)        |          | SECTOR ALLOCATION          |               |
|-------------------------------------|----------|----------------------------|---------------|
| Instrument                          | % of NAV | Sectors                    | % of NAV      |
| Bajaj Finance Ltd.                  | 2.92     | Financial Services         | 16.45         |
| JSW Steel Ltd.                      | 2.71     | Consumer Goods             | 12.60         |
| Bajaj Finserv Ltd.                  | 2.44     | Pharma                     | 11.12         |
| Marico Ltd.                         | 2.37     | Energy                     | 10.58         |
| Shree Cements Ltd.                  | 2.20     | Industrial Manufacturing   | 6.42          |
| Container Corporation of India Ltd. | 2.09     | Automobile                 | 6.12          |
| Piramal Enterprises Ltd.            | 2.04     | Metals                     | 6.02          |
| Siemens Ltd.                        | 2.03     | IT                         | 5.87          |
| Pidilite Industries Ltd.            | 1.93     | Services                   | 5.20          |
| Apollo Hospitals Enterprise Ltd.    | 1.75     | Cement & Cement Products   | 4.07          |
|                                     |          | Construction               | 3.97          |
|                                     |          | Chemicals                  | 3.24          |
|                                     |          | Textiles                   | 2.85          |
|                                     |          | Healthcare Services        | 1.75          |
|                                     |          | Telecom                    | 1.50          |
|                                     |          | Media & Entertainment      | 1.28          |
|                                     |          | Cash and Cash Equivalents® | 0.97          |
|                                     |          | <b>Net Asset Value</b>     | <b>100.00</b> |

® Cash and Cash Equivalents includes CBLO/Repo and Net Current Assets

**\*PORTFOLIO TURNOVER RATIO - 0.85**

\* The Portfolio Turnover Rate (PTR) means the lower of aggregate sales or purchases made during the 12 month rolling year/period divided by the 12 month rolling year/period Average asset under Management for the relevant year/period.

## PRINCIPAL EQUITY SAVINGS FUND

| PORTFOLIOS                 |          | SECTOR ALLOCATION           |          |
|----------------------------|----------|-----------------------------|----------|
| Instrument                 | % of NAV | Sectors                     | % of NAV |
| Cash and Cash Equivalents® | 39.53    | Financial Services          | 33.69    |
| HDFC Bank Ltd.             | 16.04    | Cash and Cash Equivalents @ | 1        |

## PRINCIPAL DYNAMIC BOND FUND

| PORTFOLIOS (Top 10 Holdings)                        |          | SECTOR ALLOCATION                      |               |
|---|----------|--|---------------|
| Instrument  | % of NAV | Sectors                                | % of NAV      |
| Government of India (G-Secs/SDL)                    | 57.65    | Government of India                    | 57.65         |
| Housing Development Finance Corporation Ltd.        | 9.06     | Financial Services                     | 32.04         |
| Cash and Cash Equivalents <sup>®</sup>              | 8.48     | Cash and Cash Equivalents <sup>®</sup> | 10.31         |
| Power Finance Corporation Ltd.                      | 4.61     | <b>Net Asset Value</b>                 | <b>100.00</b> |
| Indostar Capital Finance Ltd.                       | 4.53     |  |               |
| LIC Housing Finance Ltd.                            | 4.53     |  |               |
| JM Financial Products Ltd.                          | 4.34     |  |               |
| Aadhar Housing Finance Ltd.                         | 2.69     |  |               |
| Aspire Home Finance Corporation Ltd.                | 1.82     |  |               |
| National Bank For Agriculture and Rural Development | 0.46     |  |               |

<sup>®</sup> Cash and Cash Equivalents includes CBLO/Repo and Net Current Assets

## PRINCIPAL LOW DURATION FUND

| PORTFOLIOS (Top 10 Holdings)                        |          | SECTOR ALLOCATION                      |               |
|---|----------|--|---------------|
| Instrument  | % of NAV | Sectors                                | % of NAV      |
| State Bank of Bikaner And Jaipur                    | 10.25    | Financial Services                     | 63.68         |
| ICICI Bank Ltd.                                     | 9.85     | Pharma                                 | 9.30          |
| JM Financial Products Ltd.                          | 9.70     | Services                               | 5.62          |
| Piramal Enterprises Ltd.                            | 9.30     | Automobile                             | 5.48          |
| Cox & Kings Ltd.                                    | 5.62     | Fertilisers & Pesticides               | 5.21          |
| National Bank For Agriculture and Rural Development | 5.49     | Construction                           | 5.18          |
| Tata Motors Ltd.                                    | 5.48     | Media & Entertainment                  | 4.24          |
| Power Finance Corporation Ltd.                      | 5.34     | Government of India                    | 0.72          |
| Housing Development Finance Corpn. Ltd.             | 5.27     | Cash and Cash Equivalents <sup>®</sup> | 0.52          |
| Kribhco Shyam Fertilizers Ltd.                      | 5.21     | Energy                                 | 0.05          |
|   |          | <b>Net Asset Value</b>                 | <b>100.00</b> |

<sup>®</sup> Cash and Cash Equivalents includes CBLO/Repo and Net Current Assets

## PRINCIPAL DEBT SAVINGS FUND - RETAIL PLAN

| PORTFOLIOS (Top 10 Holdings)           |          | SECTOR ALLOCATION                      |               |
|--|----------|--|---------------|
| Instrument                             | % of NAV | Sectors                                | % of NAV      |
| Government of India (G-Secs/SDL)       | 36.63    | Government of India                    | 37.82         |
| Power Grid Corporation of India Ltd.   | 11.70    | Financial Services                     | 27.42         |
| Cash and Cash Equivalents <sup>®</sup> | 11.60    | Cash and Cash Equivalents <sup>®</sup> | 13.13         |
| Aspire Home Finance Corporation Ltd.   | 10.05    | Energy                                 | 11.70         |
| HCL Infosystems Ltd.                   | 9.94     | IT                                     | 9.94          |
| Magma ITL Finance Ltd.                 | 9.85     | <b>Net Asset Value</b>                 | <b>100.00</b> |
| Bajaj Finance Ltd.                     | 5.05     |  |               |
| Aadhar Housing Finance Ltd.            | 2.47     |  |               |
| Reserve Bank of India (T-Bills)        | 1.19     |  |               |

<sup>®</sup> Cash and Cash Equivalents includes CBLO/Repo and Net Current Assets

## PRINCIPAL ASSET ALLOCATION FUND-OF-FUNDS - CONSERVATIVE PLAN

| PORTFOLIOS                                |          | SECTOR ALLOCATION                      |               |
|---|----------|--|---------------|
| Instrument                                | % of NAV | Sectors                                | % of NAV      |
| Principal Mutual Fund (Mutual Fund Units) | 99.39    | Mutual Fund                            | 99.39         |
| Cash and Cash Equivalents <sup>®</sup>    | 8.15     | Cash and Cash Equivalents <sup>®</sup> | 0.61          |
|   |          | <b>Net Asset Value</b>                 | <b>100.00</b> |

<sup>®</sup> Cash and Cash Equivalents includes CBLO/Repo and Net Current Assets

## §§ Risk Profile of the Scheme:

**Principal Large Cap Fund** - The scheme would have majority of its assets in companies with a large market capitalization. During the time periods when companies having small or mid sized market capitalization do well, this scheme will underperform.

**Principal Emerging Bluechip Fund** - The investments under the Scheme will be concentrated in the Mid Cap segment and hence may perform differently than a broad market portfolio. Mid Cap & small cap stocks are generally more volatile and less liquid as compared to Large Cap stocks. Further Schemes' performance may differ from the benchmark index to the extent of the investments held in the non midcap equities/debt segment, as per the investment pattern indicated under normal circumstances.

**Principal Personal Tax Saver Fund** - Prices of equity securities rise and fall in response to a number of factors including events that impact entire financial markets or industries (for example, changes in inflation or consumer demand) as well as events impacting a particular issuer (for example, news about the success or failure of a new product). The Securities purchased by the Scheme present greater opportunities for growth because of high potential earnings growth, but may also involve greater risks than securities that do not have the same potential. The Scheme may invest in companies with limited product lines, markets or financial resources. As a result, these securities may change in value more than those of larger, more established companies. As the value of the securities owned by the Scheme changes, the Scheme unit price changes. In the short-term, the price can fluctuate dramatically. As with all Mutual Funds, as the value of the scheme's assets rise and fall, the Scheme unit price changes. If the units are redeemed when their value is less than the price paid for, money may be lost by the unitholder.

**Principal Tax Savings Fund** - Prices of equity securities rise and fall in response to a number of factors including events that impact entire financial markets or industries (for example, changes in inflation or consumer demand) as well as events impacting a particular issuer (for example, news about the success or failure of a new product). The Securities purchased by the Scheme present greater opportunities for growth because of high potential earnings growth, but may also involve greater risks than securities that do not have the same potential. The Scheme may invest in companies with limited product lines, markets or financial resources. As a result, these securities may change in value more than those of larger, more established companies. As the value of the securities owned by the Scheme changes, the Scheme unit price changes. In the short-term, the price can fluctuate dramatically. As with all Mutual Funds, as the value of the scheme's assets rise and fall, the Scheme unit price changes. If the units are redeemed when their value is less than the price paid for, money may be lost by the unitholder.

**Principal Smart Equity Fund** - A portfolio managed on PE ratios may not outperform a fully invested portfolio even at the peak of a bull market.

**Principal Growth Fund** - Prices of equity securities rise and fall in response to a number of factors including events that impact entire financial markets or industries (for example, changes in inflation or consumer demand) as well as events impacting a particular issuer (for example, news about the success or failure of a new product). The Securities purchased by the Scheme present greater opportunities for growth because of high potential earnings growth, but may also involve greater risks than securities that do not have the same potential. The Scheme may invest in companies with limited product lines, markets or financial resources. As a result, these securities may change in value more than those of larger, more established companies. As the value of the securities owned by the Scheme changes, the Scheme unit price changes. In the short-term, the price can fluctuate dramatically. As with all Mutual Funds, as the value of the scheme's assets rise and fall, the Scheme unit price changes. If the units are redeemed when their value is less than the price paid for, money may be lost by the unitholder.

**Principal Dividend Yield Fund** - 1. Though the investments would be made in companies having a track record of dividend payments, the performance of the scheme would inter-alia depend on the ability of these companies to sustain dividends in future. 2. These stocks, at

## PRINCIPAL SHORT TERM INCOME FUND

| PORTFOLIOS (Top 10 Holdings)                        |          | SECTOR ALLOCATION                      |               |
|---|----------|--|---------------|
| Instrument  | % of NAV | Sectors                                | % of NAV      |
| Government of India (G-Secs/SDL)                    | 15.07    | Financial Services                     | 62.90         |
| National Bank For Agriculture and Rural Development | 10.70    | Government of India                    | 15.07         |
| Rural Electrification Corporation Ltd.              | 8.88     | Pharma                                 | 8.50          |
| Power Finance Corporation Ltd.                      | 8.87     | Fertilisers & Pesticides               | 5.65          |
| Piramal Enterprises Ltd.                            | 8.50     | Energy                                 | 4.48          |
| Aspire Home Finance Corporation Ltd.                | 6.33     | Cash And Cash Equivalents <sup>®</sup> | 3.40          |
| LIC Housing Finance Ltd.                            | 5.82     | <b>Net Asset Value</b>                 | <b>100.00</b> |
| Housing Development Finance Corpn. Ltd.             | 5.76     |  |               |
| Kribhco Shyam Fertilizers Ltd.                      | 5.65     |  |               |
| National Housing Bank                               | 4.54     |  |               |

<sup>®</sup> Cash and Cash Equivalents includes CBLO/Repo and Net Current Assets

## PRINCIPAL CREDIT OPPORTUNITIES FUND

| PORTFOLIOS (Top 10 Holdings)                          |          | SECTOR ALLOCATION                      |               |
|---|----------|--|---------------|
| Instrument  | % of NAV | Sectors                                | % of NAV      |
| Cash and Cash Equivalents <sup>®</sup>                | 32.05    | Financial Services                     | 39.36         |
| Small Industries Development Bank of India            | 11.75    | Cash and Cash Equivalents <sup>®</sup> | 20.50         |
| Power Finance Corporation Ltd.                        | 11.73    | Pharma                                 | 9.37          |
| Piramal Enterprises Ltd.                              | 9.37     | Construction                           | 9.31          |
| KEC International Ltd.                                | 9.31     | Services                               | 7.96          |
| Magma ITL Finance Ltd.                                | 9.25     | Fertilisers & Pesticides               | 7.96          |
| Cox & Kings Ltd.                                      | 7.96     | IT                                     | 5.33          |
| Kribhco Shyam Fertilizers Ltd.                        | 7.96     | Government of India                    | 0.21          |
| HCL Infosystems Ltd.                                  | 5.33     | <b>Net Asset Value</b>                 | <b>100.00</b> |
| Religare Housing Development Finance Corporation Ltd. | 5.31     |  |               |

<sup>®</sup> Cash and Cash Equivalents includes CBLO/Repo and Net Current Assets

## PRINCIPAL GOVERNMENT SECURITIES FUND

| PORTFOLIOS                             |          | SECTOR ALLOCATION                      |               |
|--|----------|--|---------------|
| Instrument                             | % of NAV | Sectors                                | % of NAV      |
| Government of India (G-Secs/SDL)       | 87.90    | Government of India                    | 87.90         |
| Cash and Cash Equivalents <sup>®</sup> | 11.35    | Cash and Cash Equivalents <sup>®</sup> | 12.10         |
|  |          | <b>Net Asset Value</b>                 | <b>100.00</b> |

<sup>®</sup> Cash and Cash Equivalents includes CBLO/Repo and Net Current Assets

## PRINCIPAL ASSET ALLOCATION FUND-OF-FUNDS - MODERATE PLAN

| PORTFOLIOS                                |          | SECTOR ALLOCATION                      |               |
|---|----------|--|---------------|
| Instrument                                | % of NAV | Sectors                                | % of NAV      |
| Principal Mutual Fund (Mutual Fund Units) | 99.53    | Mutual Fund                            | 99.53         |
| Cash and Cash Equivalents <sup>®</sup>    | 0.15     | Cash and Cash Equivalents <sup>®</sup> | 0.47          |
|   |          | <b>Net Asset Value</b>                 | <b>100.00</b> |

<sup>®</sup> Cash and Cash Equivalents includes CBLO/Repo and Net Current Assets

Website link for Monthly Portfolio Holding - [www.principalindia.com](http://www.principalindia.com)

## PRINCIPAL RETAIL MONEY MANAGER FUND

| PORTFOLIOS (Top 10 Holdings)                          |          | SECTOR ALLOCATION                      |               |
|---|----------|--|---------------|
| Instrument  | % of NAV | Sectors                                | % of NAV      |
| Piramal Enterprises Ltd.                              | 9.84     | Financial Services                     | 41.90         |
| HCL Infosystems Ltd.                                  | 9.34     | Pharma                                 | 9.84          |
| Cox & Kings Ltd.                                      | 9.30     | IT                                     | 9.34          |
| Aadhar Housing Finance Ltd.                           | 9.30     | Services                               | 9.30          |
| Religare Housing Development Finance Corporation Ltd. | 9.29     | Construction                           | 7.98          |
| HDFC Bank Ltd.  | 9.27     | Fertilisers & Pesticides               | 7.96          |
| IDFC Bank Ltd.  | 9.27     | Cash and Cash Equivalents <sup>®</sup> | 7.64          |
| KEC International Ltd.                                | 7.98     | Government of India                    | 6.04          |
| Kribhco Shyam Fertilizers Ltd.                        | 7.96     | <b>Net Asset Value</b>                 | <b>100.00</b> |
| Cash and Cash Equivalents <sup>®</sup>                | 7.55     |  |               |

<sup>®</sup> Cash and Cash Equivalents includes CBLO/Repo and Net Current Assets

## PRINCIPAL CASH MANAGEMENT FUND

| PORTFOLIOS (Top 10 Holdings)                 |          | SECTOR ALLOCATION                      |               |
|--|----------|--|---------------|
| Instrument                                   | % of NAV | Sectors                                | % of NAV      |
| Reserve Bank of India (T-Bills)              | 25.30    | Financial Services                     | 33.12         |
| Cash and Cash Equivalents <sup>®</sup>       | 15.10    | Government of India                    | 25.30         |
| Housing Development Finance Corporation Ltd. | 6.28     | Cash and Cash Equivalents <sup>®</sup> | 15.14         |
| Piramal Enterprises Ltd.                     | 6.09     | Pharma                                 | 6.09          |
| HDFC Bank Ltd.                               | 6.02     | Construction                           | 5.82          |
| IDFC Bank Ltd.                               | 6.02     | Automobile                             | 4.66          |
| KEC International Ltd.                       | 5.82     | Services                               | 4.15          |
| Tata Motors Finance Ltd.                     | 4.66     | Fertilisers & Pesticides               | 3.37          |
| Cox & Kings Ltd.                             | 4.15     | IT                                     | 2.36          |
| Kribhco Shyam Fertilizers Ltd.               | 3.37     | <b>Net Asset Value</b>                 | <b>100.00</b> |

<sup>®</sup> Cash and Cash Equivalents includes CBLO/Repo and Net Current Assets

## PRINCIPAL BANK CD FUND

| PORTFOLIOS (Top 10 Holdings)               |          | SECTOR ALLOCATION                      |               |
|--|----------|--|---------------|
| Instrument                                 | % of NAV | Sectors                                | % of NAV      |
| Export-Import Bank Of India                | 25.17    | Financial Services                     | 98.43         |
| Small Industries Development Bank of India | 11.89    | Cash and Cash Equivalents <sup>®</sup> | 1.05          |
| IndusInd Bank Ltd.                         | 11.88    | Government of India                    | 0.52          |
| RBL Bank Ltd.                              | 11.86    | <b>Net Asset Value</b>                 | <b>100.00</b> |
| ICICI Bank Ltd.                            | 11.29    |  |               |
| Housing Development Finance Corpn. Ltd.    | 9.94     |  |               |
| Sundaram BNP Paribas Home Finance Ltd.     | 7.14     |  |               |
| State Bank of Hyderabad                    | 6.48     |  |               |
| National Housing Bank                      | 2.77     |  |               |
| Cash and Cash Equivalents <sup>®</sup>     | 0.71     |  |               |

<sup>®</sup> Cash and Cash Equivalents includes CBLO/Repo and Net Current Assets

## PRINCIPAL ASSET ALLOCATION FUND-OF-FUNDS - AGGRESSIVE PLAN

| PORTFOLIOS                                |          | SECTOR ALLOCATION                      |               |
|---|----------|--|---------------|
| Instrument                                | % of NAV | Sectors                                | % of NAV      |
| Principal Mutual Fund (Mutual Fund Units) | 99.50    | Mutual Fund                            | 99.50         |
| Cash and Cash Equivalents <sup>®</sup>    | 0.63     | Cash and Cash Equivalents <sup>®</sup> | 0.50          |
|   |          | <b>Net Asset Value</b>                 | <b>103.08</b> |

<sup>®</sup> Cash and Cash Equivalents includes CBLO/Repo and Net Current Assets

- Dis-investments to meet exits of investors, recurring expenses, etc. as elsewhere indicated in the Scheme Information Document.

- Any delay experienced in the purchase or sale of shares due to illiquidity of the market, settlement and realisation of sale proceeds and/or the registration of any securities transferred and/or any delays in receiving cash dividends and resulting delays in reinvesting them.

The potential for trades to fail, which may result the Scheme not having acquired shares at a price necessary to track the index.

The holding of a cash position and accrued income prior to distribution and accrued expenses.

It will be the endeavor of the fund manager to keep the tracking error as low as possible. Under normal circumstances, such tracking error is not expected to exceed 2% per annum. However, in case of events like, dividend received from underlying securities, rights issue from underlying securities, and market volatility during rebalancing of the portfolio following the rebalancing of the underlying index, etc. or in abnormal market circumstances, the tracking error may exceed the above limits. There can be no assurance or guarantee that the Scheme will achieve any particular level of tracking error relative to performance of the Index. As with all Mutual Funds, the value of the Scheme's assets under this option may rise or fall. If units are redeemed when their value is less than the price paid for, money may be lost by the Unitholder.

**Principal Arbitrage Fund** - The primary objective of the Fund Manager is to identify investment opportunities and to exploit price discrepancies in various markets. Identification and exploitation of the strategies to be pursued by the Fund Manager involve uncertainty. No assurance can be given that Fund Manager will be able to locate investment opportunities or to correctly exploit price discrepancies in the capital markets. Reduction in mis-pricing opportunities between the cash market and Future and Options market may lead to lower level of activity.

As the Scheme proposes to execute arbitrage transactions in various markets simultaneously, this may result in high portfolio turnover and, consequently, high transaction cost. There may be instances, where the price spread between cash and derivative market is insufficient to meet the cost of carry. In such situations, the fund manager due to lack of opportunities in the derivative market may not be able to outperform liquid / money market funds.

Though the constituent stocks of most indices are typically liquid, liquidity differs across stock. Due to heterogeneity in liquidity in the capital market segment, trades on this segment do not get implemented instantly. This often makes arbitrage expensive, risky and difficult to implement.

**Principal Balanced Fund** - The values of the equity securities owned by the Scheme are subject to change on a daily basis. Equity Security prices reflect the activities of individual companies and general market and economic conditions. In the short term, equity security prices can fluctuate dramatically in response to these factors. Value of debt securities are subject to change on a daily basis. Their prices reflect interest rates, market conditions and announcements of other economic, political or financial information. When interest rates fall, the price of a debt security rises and when interest rate rise, the price declines. As with all Mutual Funds, the value of the Scheme's assets under this option may rise or fall. If units are redeemed when their value is less than the price paid for money may be lost by the Unitholder.

**Principal Global Opportunities Fund** - The Scheme will predominantly invest in Principal Global Investors Funds - Emerging Market Equity Fund (PGI-EMEF), a Fund managed by Principal Global Investors - LLC USA. Scheme may also invest, at the discretion of the Trustee in the units of other similar overseas mutual fund schemes, which may constitute a significant part of its corpus. Hence all the risks associated with investment in PGI-EMEF or other similar overseas mutual funds including performance of their underlying units, stocks, off-shore investments etc., will be applicable. Any change in the investment policies or the fundamental attributes of PGI-EMEF or in underlying schemes of any other similar Overseas Mutual Fund where the Scheme may invest could impact the performance of the Scheme. Further a certain portion of the scheme corpus may also be invested in money market securities and /or units of money market/liquid schemes of Principal Mutual Fund and therefore value of such investments held by the scheme generally will vary inversely with changes in prevailing interest rates.

## @@ INVESTMENT STRATEGY FOR THE SCHEMES

**Principal Large Cap Fund:** Currently, more than 80% of market capitalization of the equity market is in large capitalization stocks and pursuant to the objectives of the scheme, the scheme would invest at least 65% of its assets in companies having a market capitalization greater than ₹ 750 crores as on the date of investment (or any such amount as may be specified by India Index Services and Products Ltd. (IISL) from time to time) being the upper limit of market capitalization as a criteria for inclusion of a company in Nifty Midcap 200. However, should IISL come out with a definition of 'Large Cap companies', the same will be utilized. The scheme may also invest upto 35% of its net assets in companies having a market capitalization less than ₹ 750 crores.

**Principal Emerging Bluechip Fund:** The investment strategy of the fund will be based on market cap of the stocks. The fund will predominantly invest in midcap stocks. This midcap range will be so determined taking into account the midcap range of the benchmark index at the end of every calendar quarter. Such midcap range once determined at quarter end will apply to all investment decisions made during the following quarter.

The fund will also invest in small cap stocks to tap high growth opportunities offered by such stocks.

For the purpose of maintaining liquidity or tap market opportunities; the fund may also invest in large cap stocks. Stocks selection will be primarily on bottom up approach on stock-by-stock basis. As part of its objective of maximizing investor's wealth creation potential over the longer duration, the fund may also invest in equity and equity related instruments of unlisted companies in line with SEBI regulations. A part of the portfolio will also tap arbitrage opportunities in the domestic markets like equity & equity related instruments, convertible preference shares, and convertible debentures. The Scheme intends to invest in derivatives not exceeding 50% of the net assets of the Schemes, subject to the limits as specified from time to time for hedging and rebalancing purposes or to undertake any other strategy as permitted under SEBI Regulations from time to time.

**Principal Personal Tax Saver Fund:** The strategy will be to allocate the assets of the Scheme between permissible securities in line with the portfolio profile described above, with the objective of achieving capital appreciation. The actual percentage of investment in various securities will be decided by the Fund Manager(s) within the limits specified in the Investment Pattern after considering the macroeconomic conditions including the prevailing political conditions, the economic environment (including interest rates and inflation) and to adhere to the need for a diversified portfolio in accordance with the applicable guidelines. The Fund Managers will follow an active investment strategy depending on the market situation and opportunities available at various points of time.

**Principal Tax Savings Fund:** The scheme will invest its assets in a portfolio of equity and equity related instruments. The focus of the investment strategy would be to identify stocks which can provide capital appreciation in the long term. The aim will be to build a diversified portfolio across major industries and economic sectors by using "fundamental analysis" as its selection process.

**Principal SMART Equity Fund:** The Scheme will decide on allocation of funds into equity assets based on equity market Price Earning Ratio (PE Ratio) levels. The PE Ratio has traditionally been used as a tool to assess whether the equity markets are cheap or expensively priced. When the markets become expensive in terms of 'Price to Earnings' Ratio'; the Scheme will reduce its allocation to equities and move assets into debt and/or money market instruments and vice versa. Such a strategy is expected to optimise the risk-return proposition for the long term investor.

Under normal circumstances; the scheme's equity allocation may follow the following pattern based on Nifty 50 PE Ratio Level -

| Weighted Average PE Ratio of Nifty 50 | Equity Component (%) | Debt / Cash Futures Component (%) |
|---------------------------------------|----------------------|-----------------------------------|
| Upto 16                               | 100                  | 0                                 |
| Above 16 - Upto 18                    | 80 - 100             | 0 - 20                            |
| Above 18 - Upto 20                    | 60 - 80              | 20 - 40                           |
| Above 20 - Upto 24                    | 30 - 50              | 50 - 70                           |
| Above 24 - Upto 26                    | 10 - 20              | 80 - 90                           |
| Above 26 - Upto 28                    | 0 - 10               | 90 - 100                          |
| Above 28                              | 0                    | 100                               |

For this purpose the month end PE Ratio of Nifty 50 Index will be considered.

Such a PE Ratio will be the month end weighted average PE Ratio of the constituent stocks making up the Nifty 50. The Price considered will be the closing market price on the NSE as at the month end. The undiluted earnings per share will reflect the trailing earnings of the most recent four quarters of each of the companies, for which information is available.

This PE ratio will be rounded off to the nearest decimal. Thus every month end we would observe the above mentioned PE ratio and the resultant PE band. The investment strategy outlines different PE bands and the asset allocation applicable to each band. If there is a change in the PE band as observed on the latest month-end as compared to last month-end (due to Nifty's PE moving out of one band to another) then it will require rebalancing of portfolio to bring the equity component in line with the new band. This rebalancing would be done latest before the end of the subsequent month.

**Principal Global Opportunities Fund:** The Scheme will be predominantly investing in overseas mutual fund schemes. Currently Principal Global Investors - Emerging Market Equity Fund (PGI-EMEF) - a fund advised by Principal Global Investors - LLC (USA) has been identified as the overseas mutual fund portfolio for the purpose. Trustees, at their discretion, may decide to shift full or part of the investments to any other similar overseas mutual fund scheme(s).

The Scheme may also invest, at the discretion of the Investment Manager, in the units of other similar overseas mutual fund schemes, which may constitute a significant part of its corpus, and a certain portion of its corpus in Money Market Securities and/or units of Money Market/Liquid Schemes of Principal Mutual Fund, in order to meet liquidity requirement from time to time.

However, there is no assurance that the investment objective of the scheme will be retained.

As per the investment strategy of PGI-EMEF, it will predominantly invest in the equity securities of companies domiciled in, or doing business in emerging countries and economies, eastern Europe (including Russia), Asia and Latin America.

**Principal Dividend Yield Fund:** The scheme would invest predominantly (at least 65% of the net assets) in companies that have a relatively high dividend yield, at the time of making the investment. The Fund is defining dividend yield as "high" if the security is either constituent of the Nifty Dividend Opportunities 50 Index, or, has a dividend yield higher than that of the NSE Nifty on the earlier trading day, at the time of investment.

**Principal Growth Fund:** The scheme will invest its assets in a portfolio of equity and equity related instruments. The focus of the investment strategy would be to identify stocks which can provide capital appreciation in the long term. Companies selected for the portfolio which in the opinion of the AMC would possess some of the characteristics mentioned below:

- Superior management quality
- Distinct and sustainable competitive advantage
- Good growth prospects and
- Strong financial strength

The aim will be to build a diversified portfolio across major industries and economic sectors by using "Fundamental Analysis" approach as its selection process.

**Principal Balanced Fund:** The Scheme will invest in equity and equity related instruments. The Scheme will also invest in fixed income instruments rated investment grade or higher or otherwise comparable including units of Liquid / Money Market / Debt Mutual Fund Schemes. The Scheme shall not take high risks in managing equity portion of the portfolio. For the equity portion of the portfolio, companies would be selected after research covering areas such as quality of management, competitive position and financial analysis.

**Principal Index Fund - Nifty:** Units of the scheme have been designed with the intention of tracking the movement of securities (from time to time) included in the Nifty. The Scheme plans to do this by investing the entire corpus in the stocks that comprise the Nifty in similar weights to the weightage given by Nifty so that the portfolio would appreciate or depreciate (subject to tracking errors) in more or less the same manner as the Nifty.

Subject to the requirements of cash flows to meet the recurring expenses and to service investors who decide to exit from the Scheme or for distribution of income, if any, to investors, it is proposed that the corpus of the scheme will be invested in the Nifty securities. It is also proposed that disinvestment will take place only when investors exit from the Scheme or when any security ceases to be included in the Nifty or to meet the cash flow requirements.

The Nifty is designed to reflect the perceptions of the investors about the Indian economy.

This is sought to be achieved by IISL by including companies representing a cross-section of the various sectors of the Indian economy. By endeavoring to track the Nifty to the extent possible under the prevailing circumstances and environment objectives and the features of the Scheme, the Fund expects to generate returns in the Scheme approximating the performance of the Nifty.

**Principal Index Fund - Midcap:** The Scheme will follow an index-based investment strategy by investing in the constituents of the Nifty Free Float Midcap 100 Index in the same proportion as the Index.

Units of the Scheme have been designed with the intention of tracking the movement of securities (from time to time) included in the Nifty Free Float Midcap 100 Index. The Scheme plans to do this by investing the corpus in the stocks that comprise the Nifty Free Float Midcap 100 Index in similar weights to the weightage given by the Nifty Free Float Midcap 100 Index so that the portfolio would appreciate or depreciate (subject to tracking errors) in more or less the same manner as the Nifty Free Float Midcap 100 Index.

Subject to the requirements of cash flows to meet the recurring expenses and to service investors who decide to exit from the Scheme or for distribution of income, if any, to investors, it is proposed that the corpus of the Scheme will be invested in the Nifty Free Float Midcap 100 securities. It is also proposed that disinvestment will take place only when investors exit from the Scheme or when any security ceases to be included in the Nifty Free Float Midcap 100 Index or to meet the cash flow requirements.

The primary objective of the Nifty Free Float Midcap 100 Index is to capture the movement of the midcap segment of the market. Nifty Free Float Midcap 100 is computed using free float market capitalisation weighted method w.e.f. February 26, 2010, wherein the level of the index reflects the total market value of all the stocks in the index relative to a particular base period. The method also takes into account constituent changes in the index and corporate actions such as stock splits, rights, etc without affecting the index value. The Nifty Free Float Midcap 100 Index has a base date of Jan 1, 2003 and a base value of 1000.

**Principal Arbitrage Fund:** The Scheme will endeavor to invest predominantly in arbitrage opportunities between spot and futures prices of exchange traded equities. In absence of profitable arbitrage opportunities available in the market, the scheme may predominantly invest in short-term debt and money market securities. The fund manager will evaluate the difference between the price of a stock in the futures market and in the spot market. If the price of a stock in the futures market is higher than in the spot market, after adjusting for costs and taxes the scheme shall buy the stock in the spot market and sell the same stock in equal quantity in the futures market, simultaneously. For example, on December 4, 2014, the scheme buys a share of XYZ Company on spot @ ₹ 1000 and at the same time sells XYZ Company futures for December 2014 expiry @ ₹ 1020. The Scheme thus enters into a fully hedged transaction by selling the equity position in the futures market for expiry on say December 25, 2014. If the scheme holds this position till expiry of the futures, the scheme earns profit of ₹ 20 on the date of expiry before accounting for trading costs and taxes.

In case the scheme has to unwind the transaction prior to the expiry date on account of redemption pressures or any other reason, the returns would be a function of the spread at which the transaction is unwound. For example, if spot is sold at ₹ 980 and the futures are bought at ₹ 1010 then there would be negative returns on the trade. If the spot is sold at ₹ 1020 and the futures are bought at ₹ 1015 then there would be positive returns from the trade. On the date of expiry, if the price differential between the spot and futures position of the subsequent month maturity still remains attractive, the scheme may rollover the futures position and hold onto the position in the spot market. In case such an opportunity is not available, the scheme would liquidate the spot position and settle the futures position simultaneously. Rolling over of the futures transaction means unwinding the short position in the futures of the current month and simultaneously shorting futures of the subsequent month maturity while holding onto the spot position. There could also be occasions when both the spot and the future position is unwound before the expiry of the current-month future to increase the base return or to meet redemption. Return enhancement through the use of arbitrage opportunity would depend primarily on the availability of such opportunities. The Scheme will strive to build similar market neutral positions that offer an arbitrage potential for e.g. buying the basket of index constituents in the cash segment and selling the index futures. The Scheme would also look to avail of opportunities between one futures contract and another. For example on 16 December 2014, the scheme buys 1000 futures contracts of ABC Ltd. For December expiry at ₹ 3000 each and sells an equivalent 1000 futures contract of ABC Ltd. for January expiry at ₹ 3030. Thereby the scheme enters into a fully hedged transaction. Closer to the expiry date of the December contract, the scheme has two options. 1) Unwind the transaction by selling the 1000 December contracts and buying 1000 January contracts of ABC. The returns are a function of the spread between the sale price of the January contract and the buy price of the December contract. If this spread is less than ₹ 30, the returns are positive else the returns are negative. 2) On the expiry date i.e. 30 December, 2014, the scheme would let the December contract expire and square off 1000 contracts that it holds for January maturity. The returns would be a function of the spread between settlement price of the December contract and the price at which January contracts are squared-off. If this spread is lower than ₹ 30 then the returns are positive and if it is higher than ₹ 30 the returns are negative. The Scheme can also initiate the transaction in the opposite direction i.e. by selling the December futures and buying the January futures, if it sees a profit potential. Under all circumstances the scheme would keep its net exposures neutral to the underlying direction of the market by maintaining completely hedged positions. In addition to stock specific futures, the scheme can also take offsetting positions in index futures of different calendar month.

The debt and money market instruments include any margin money that has to be maintained for the derivative position. The margin money could also be maintained partly as Fixed deposits with Scheduled commercial banks. The Scheme would invest in a range of fixed income and money market instruments including units of Debt/Liquid/Money Market Mutual Fund Schemes. Further the Scheme may also invest in financial derivatives such as options and futures & Interest Rate Swap (IRS) that are permitted or may become permissible under SEBI/RBI Regulations. The proportion of assets to be so invested would be decided by the AMC at the appropriate time, and would be done in accordance with the relevant guidelines to be issued by SEBI/RBI and other authorities.

**Principal Debt Savings Fund - Retail Plan:** To achieve the Investment Objective, assets under the Plan will be invested in a wide range of Fixed Income and Money Market instruments - rated Investment Grade or higher or otherwise comparable (if not rated).

**Principal Dynamic Bond Fund:** The scheme will aim to invest its assets in a portfolio of debt instruments and related securities of government, quasi-government, corporate issuers and money market instruments with varying risks - rated investment grade or higher or otherwise comparable (if not rated).

**Principal Short Term Income Fund:** The Plan aims to invest its assets in a portfolio of debt instruments and related securities of government, quasi-government, corporate issuers and money market instruments (rated investment grade or higher or other-wise comparable, if not rated) with average residual maturity of upto 36 months and varying risks.

**Principal Government Securities Fund:** To achieve the investment objective, assets under the Scheme will be invested solely in government securities. However to meet temporary liquidity needs the Scheme may also invest in overnight call money /notice money/bank deposits and/or repos. The Scheme may also invest a part of its assets in financial derivatives such as options and futures & IRS (comprising of government securities) that are permitted or may become permissible under SEBI/RBI Regulations. The proportion of assets to be so invested would be decided by the AMC at the appropriate time, and would be done in accordance with the relevant guidelines to be issued by SEBI/RBI and other authorities.

**Principal Cash Management Fund:** The scheme will invest its assets in a portfolio of money market instruments. The investments will be in securities, which the Investment Manager believes present minimal liquidity and/or credit risks.

**Principal Retail Money Manager Fund:** The net assets of the Scheme will be invested in money market and debt instruments. The Scheme will seek to optimize the risk return proposition for the benefit of investors. The investment process will focus on macro-economic research, credit risk and liquidity management. The Scheme will maintain a judicious mix of cash, short term and medium term instruments based on the mandates of the Scheme. As part of credit risk assessment, the Scheme will also apply its credit evaluation process besides taking guidance from ratings of rating agencies. In order to maintain liquidity, the Scheme will maintain a reasonable proportion of the Scheme's investments in relatively liquid investments.

**Principal Bank CD Fund:** The scheme will primarily invest in Certificate of Deposits issued by Banks. Bank CDs tend to carry higher credit quality. Bank CDs help the investors who are seeking exposure to money market while taking relatively lower credit risk and aiming to generate reasonable returns.

**Principal Low Duration Fund:** The net assets of the plan will be invested in money market and debt instruments. The fund will seek to optimize the risk return proposition for the benefit of investors. The investment process will focus on macro economic research, credit risk and liquidity management. The fund will maintain a judicious mix of cash, short term and medium term instruments based on the mandates of the respective plans. As part of credit risk assessment, the fund will also apply its credit evaluation process besides taking guidance from ratings of rating agencies. In order to maintain liquidity, the fund will maintain a reasonable proportion of the scheme's investments in relatively liquid investments.

**Principal Credit Opportunities Fund:** The Plan will invest primarily in Debt & Money Market securities issued by Private and Public sector companies. The Investment manager will be taking calls on interest rates and credit while making investments in such securities. The average maturity profile of the portfolio may reach up to 5 years. The Investment Manager will take active strategic and tactical positions with key source of returns being Interest Rates and Credit.

**Principal Asset Allocation Fund-of-Funds:** Market movements; particularly in the equity and fixed income markets can be unpredictable and the resultant volatility can be intimidating for most retail investors seeking to invest in the long-term to meet their pre-identified goals.

Even experienced investment professionals are often unable to foresee exactly where the markets will be headed especially in the longer term. Therefore, spreading investments among several asset categories with different characteristics allows for more consistent performance under a variety of economic backdrops. Over time, a well-diversified portfolio of investments allows investors to take advantage of gains in performing asset classes in different market conditions and economic cycles; thereby reducing the impact of underperforming asset classes, moderating the portfolio's overall risk exposure and smoothing returns.

The asset allocation as described above is a thoughtful and scientific process that should be distinguished from the related concept of diversification, which simply means to distribute a portfolio's investment among a variety of asset classes.

This Scheme will use a quantitative model to determine the most suitable asset allocation under each of its Plans.

Importantly, this Scheme is meant to empower individual retail savers to invest in a goal oriented manner into asset classes best suited for their investment risk profile. It is meant to provide them a platform to invest in mutual funds in the right manner after they have gone through the discipline of identifying their goals, considering the time horizon associated with the respective goals and after having undergone a profiling of their investment risk appetite.

In line with the above, an investor is required to identify his own risk profile / risk appetite before making an investment in this scheme.

**How does an investor come to know of his / her risk profile when he wishes to invest by seeking help from a distributor-**

As mandated in SEBI circular Ref. CIR/IMD/DF/13/2011 dated August 22, 2011, the AMC's are required to ensure that the distributors follow advisory based selling so that the advice offered will be subject to the principle of 'appropriateness' of products to the customer category. Appropriateness is defined as selling only that product categorization that is identified as best suited for investors within a defined upper ceiling of risk appetite. The distributors are expected to have in place a mechanism of conducting risk profiling of the customers so that the products, best suited to the risk profile of the customer, can be offered.

The AMFI code of conduct for intermediaries of Mutual Funds (Revised) dated January 28, 2013 require the distributors, inter alia other things, to recommend schemes appropriate for the investor's risk profile and needs.

Principal AMC has developed a risk profiling tool and has made it available to a few of its empanelled distributors who have sought for the same.

An investor who is not aware of his / her risk profile / risk appetite can approach his / her distributor to conduct his/her risk profiling.

**How does an investor come to know of his / her risk profile when he wishes to invest direct i.e. without seeking help from any distributor -**

For those investors who wish to invest under "Direct sub/plan" (i.e. without seeking help from any distributor) and are not aware of their risk profile / risk appetite, but wish to know the same, a risk profiling tool is hosted on Principal AMC's website [www.principalindia.com](http://www.principalindia.com)

In addition, there are various other websites available that enable such investors to do their own risk profiling by following few simple steps indicated therein. These websites are easily accessible (through google-search), are free to use and are informative enough containing self-explanatory steps that enable "Do it Yourself" way of conducting one's risk profiling.

This scheme is therefore, distinct from the normal hybrid funds because it aims to offer these investors access to

- the right asset classes for their investor risk appetite
- diversified through a strategic asset allocation process which optimizes risk and reward
- periodic rebalancing of the portfolio of each Plan by adjusting the asset allocation at least every quarter, thereby automatically enabling this valuable discipline for the investors and;
- tactical asset allocation to ensure that, the portfolios are responsive to market and economic conditions.

## Risk Mitigation Factors for Principal Arbitrage Fund:

This investment strategy attempts to profit from the Cost of Carry between the cash markets and futures market. The Cost of Carry tracks short term interest rates and therefore, while the rate of return will vary, we expect that there will always be opportunities that can be exploited.

### Type of Risk & Measures to mitigate risk

**Volatility:** The Scheme will take arbitrage position in cash and derivative segment whereby it will buy stock in cash segment and sell corresponding stock futures in derivatives segment. Such position may be wound up either before maturity or rolled over/square off on maturity (i.e. last Thursday of the month). On settlement day, the positions are expected to converge. Hence, volatility in stock/future prices during the intervening period is not applicable and therefore, volatility risk is not applicable to the Scheme.

**Liquidity:** The Scheme would use arbitrage strategies using derivatives traded on futures & option segment of stock exchanges. Liquidity of stocks admitted to futures & option segment of stock exchanges is reasonably higher.

**Concentration:** The fund manager would identify opportunities for mis-pricing in cash and derivative segment and execute the deals simultaneously in both the markets. The Scheme will not take any sector/stock specific position and trade decisions will be purely based on the spread between cash and future price. Hence, concentration risk is not applicable.

### Risk Mitigation Factors for Principal Asset Allocation Fund-of-Funds:

The Scheme/Plan will endeavour to invest in Equity Schemes that have adequate risk mitigating factors for investments associated with equities (applicable where the asset allocation pattern of the Scheme/Plan provides such investment).

The Scheme/Plan will endeavour to invest in Debt and/or Money Market Schemes that have adequate risk mitigating factors for investments associated with Debt and/or Money Market

Instruments (applicable where the asset allocation pattern of the Scheme/Plan provides such investment).

Portfolio shall be maintained in such a manner so as to provide necessary liquidity (after considering inflows and redemptions).

The Fund Manager shall regularly monitor the interest rate risk in the portfolio. As regards, all credits are approved by an internal Investment Committee and regularly monitored by the Credit Analyst. The Fund manager shall regularly tracks the liquidity of the assets of the portfolio.

To the extent that the underlying scheme(s) invest in overseas financial assets, the Scheme/ Plan will aim to invest in those markets where transaction procedures are well established and restriction on repatriation is unlikely.

### Risk Mitigation Factors for Principal Global Opportunities Fund:

**Risks associated with investing in units of PGI-EMEF or in any other similar Overseas Mutual Fund include the following:**

- Currency Depreciation: The underlying fund invests in a broad group of EM countries. Thus risk arising out of sharp depreciation in a single or few currencies is mitigated.
- Country Risk: The underlying fund invests in a broad group of EM countries. This reduces the risk arising out of exposure to a single country.
- Stock market practices: The Fund will, where necessary, appoint intermediaries of repute as advisors, custodian / sub-custodians etc. for managing and administering foreign investments.
- Derivatives: If derivatives are used, they would be used within constraints to minimize any negative impact on the portfolio.
- Information Quality: The fund will endeavor to source data from reputed service providers to have a wide selection of information to enable it to take decisions.

@@@ ASSET ALLOCATION DISCLOSURE - In accordance to SEBI circular No. CIR/IMD/DF/21/2012 dated September 13, 2012, all Debt Scheme(s) shall ensure that the total exposure in a particular sector (Excluding investments in Bank CDs, CBLO, Government Securities, Treasury Bills, AAA/A1 rated Securities issued by Public Financial Institutions and Public Sector Banks) shall not exceed 30% of the net assets of the Scheme. Further, existing Schemes of Principal Mutual Fund shall comply with the afore mentioned requirement within a period of one year of the date of the issuance of the circular i.e. period ending September 12, 2013 or such other timelines as may be issued by SEBI from time to time. Further, during this one year total exposure of the said Schemes in a particular sector shall not increase from the existing levels (if above 30% of the net assets of the Scheme) as on date of issuance of this circular i.e. September 13, 2012.

**++ APPLICABLE NAV****FOR ALL SCHEME(S) / PLAN(S) OF PRINCIPAL MUTUAL FUND EXCEPT LIQUID SCHEME(S) / PLAN(S) AND PRINCIPAL GLOBAL OPPORTUNITIES FUND:**

**For Subscription / Switch -in / Sweep:** (a) In respect of valid applications received upto 3.00 pm with a local cheque or demand draft payable at par at the Official Points of Acceptance of Transactions where it is received, the closing NAV of the day of receipt of application shall be applicable; (b) In respect of valid applications received after 3.00 pm with a local cheque or demand draft payable at par at the Official Points of Acceptance of Transactions where it is received, the closing NAV of the next business day shall be applicable.

In respect of purchase/switch-in in any of the above mentioned Schemes for an amount equal to or more than ₹ 2 Lakhs, the closing NAV (Net Asset Value) of the day shall be applicable subject to realisation of the funds upto 3.00 p.m. and receipt of application (duly time stamped).

Further, in case of multiple applications for purchases/switch-ins in any of the Scheme (irrespective of its Plan/Option) for an aggregate investment amount equal to or more than ₹ 2 Lakh on the same business day, such application shall be consolidated at PAN level irrespective of the number of the total application amount of ₹ 2 Lakh and above to determine the NAV applicability.

**For Redemptions / Switch-out:** (a) In respect of valid applications received upto 3.00 p.m. at the Official Points of Acceptance of Transactions, the closing NAV of the day of receipt of application shall be applicable; and (b) In respect of valid applications received after 3.00 p.m. at the Official Points of Acceptance of Transactions, the closing NAV of the next business day shall be applicable.

The above cut-off timings shall also be applicable to investment made through "Sweep" mode available in the Dividend Option.

Cut off time as mentioned above shall be reckoned at the Official Points of Acceptance of transactions as disclosed in the Scheme Information Document, KIM and the web-site, www.principalindia.com

**+ EXPENSE STRUCTURE FOR ALL SCHEMES EXCEPT PRINCIPAL GLOBAL OPPORTUNITIES FUND AND PRINCIPAL ASSET ALLOCATION FUND-OF-FUNDS:****Annual Recurring expenses as a percentage of Daily Net Assets:**

The AMC has estimated the below mentioned expenses expressed as a percentage to the daily net assets of the Scheme which will be charged to the Scheme as expenses.

The estimated expenses under the Regular and Direct Plan<sup>5</sup> of the Scheme, is as per the table below:

| Nature of Expenses   | % of Daily Net Assets |                   |                  |
|--|-----------------------|-------------------|------------------|
|  | Equity Schemes        | Debt Schemes      | Nifty & Midcap   |
| Investment Management and Advisory Fees  |                       |                   |                  |
| Trustee fee  |                       |                   |                  |
| Audit fees   |                       |                   |                  |
| Custodian fees   |                       |                   |                  |
| RTA Fees   |                       |                   |                  |
| Marketing & Selling expense incl. agent commission   |                       |                   |                  |
| Cost related to investor communications  |                       |                   |                  |
| Cost of fund transfer from location to location  | Upto 2.50%            | Upto 2.25%        | 1.50%            |
| Cost of providing account statements and dividend redemption cheques and warrants                        |                       |                   |                  |
| Costs of statutory Advertisements  |                       |                   |                  |
| Cost towards investor education & awareness (at least 2 bps)   |                       |                   |                  |
| Brokerage & transaction cost over and above 12 bps and 5 bps for cash and derivative market trades resp. |                       |                   |                  |
| Service tax on expenses other than investment and advisory fees  |                       |                   |                  |
| Service tax on brokerage* and transaction cost   |                       |                   |                  |
| Other Expenses   |                       |                   |                  |
| <b>Maximum total expense ratio (TER) permissible under Regulation 52 (6) (c) (i) and (6) (a)</b>         | <b>Upto 2.50%</b>     | <b>Upto 2.25%</b> | <b>Upto 1.5%</b> |
| Additional expenses under regulation 52 (6A)(c)^   | Upto 0.20%            | Upto 0.20%        | Upto 0.20%       |
| Additional expenses for gross new inflows from specified cities# Under regulation 52(6A)(b)              | Upto 0.30%            | Upto 0.30%        | Upto 0.30%       |

<sup>5</sup>Direct Plan under the aforementioned Scheme(s) shall have a lower expense ratio excluding distribution expenses, commission, etc. and no commission for distribution of Units will be paid / charged under the Direct Plan.

#Expenses charged under this clause shall be utilised for distribution expenses incurred for bringing inflows from such cities.

Provided further that amount incurred as expense on account of inflows from such cities shall be credited back to the scheme in case the said inflows are redeemed within a period of one year from the date of investment.

The AMC may charge investment management and advisory fees and other expenses up to 2.50% (for Equity Schemes), 2.25% (for Debt Schemes) & 1.50% (for Nifty & Midcap) of the daily net assets. The AMC reserves the right to change the estimates; both inter se or in total, subject to prevailing SEBI Regulations.

^The nature of expenses can be any permissible expenses including Investment Management & Advisory Fees. The purpose of the above table is to assist in understanding the various costs and expenses that the Unit Holders in the Scheme will bear directly or indirectly.

The AMC may incur actual expenses which may be more or less than those estimated above under any head and / or in total. The AMC will charge the Scheme such actual expenses incurred, subject to the statutory limit prescribed in the SEBI Regulations.

Further, in addition to the limits on total expenses specified in Regulation 52(6) of SEBI (Mutual Funds) Regulations, 1996 (the Regulation) the following expenses may be charged to the Scheme(s) under Regulation 52 (6A) -

- Brokerage and transaction costs incurred for the purpose of execution of trades and included in the cost of investment, not exceeding 0.12% of the value of trades in case of cash market transactions and 0.05% of the value of trades in case of derivative transactions;
- Expenses not exceeding 0.30% of daily net assets, if the new inflows from such cities as specified by SEBI from time to time are atleast (i) 30% of gross inflows in the Scheme OR (ii) 15% of the average assets under management (year to date) of the Scheme - whichever is higher. However if inflows from such cities is less than the higher of (i) & (ii) as mentioned above, such expenses on daily net assets of the Scheme may be charged on proportionate basis. Further, the expenses charged under this clause shall be utilized for distribution expenses incurred for bringing inflows from such cities. The amount incurred as expense on account of inflows from such cities shall be credited back to the scheme in case the said inflows are redeemed within a period of one year from the date of investment.
- Additional expenses incurred towards different heads mentioned under sub-regulation 52(2) & 52(4) of the Regulation not exceeding 0.20% of the daily net assets of the scheme.

AMC may charge service tax on investment and advisory fees of the scheme in addition to the maximum limit of TER as per the Regulation 52(6) and (6A).

Further, the following may be charged to the Schemes within the maximum limit of Total Expense Ratio as per Regulation 52 of the SEBI (Mutual Funds) Regulations, as amended from time to time -

- Service tax on expenses other than investment and advisory fees, if any;
- Service Tax on brokerage and transaction costs on execution of trades, if any; and
- Investor Education and awareness fees of at least 2 basis point on daily net assets of respective schemes.

These estimates have been made in good faith by the AMC as per the information available to AMC - the investment manager, based on the past experience and are subject to change inter-se. The expenses may be more than as specified in the table above, but the total recurring expenses that can be charged to the Scheme will be subject to limits prescribed from time to time under the SEBI Regulations. Expenses over and above the permissible limits will be borne by the AMC and/or the Trust and/ or the sponsor. The purpose of the above table is to assist the unitholder in understanding the various costs and expenses that a unitholder in the Scheme will bear directly or indirectly. Expenses over and above the limits prescribed under the SEBI Regulations shall be borne by the AMC.

In case of Principal Smart Equity Fund, a maximum of 2.25% of average daily net assets will be charged as recurring expenses per annum when the asset allocation to debt/money market exceeds 65%. This will be done observing the Debt/Money Market Component on each Friday or last working day of the week and accordingly the expenses will be charged next week.

Pursuant to in accordance with Regulation 52 of the SEBI (Mutual Funds) Regulations, 1996, the maximum recurring expenses including the Investment Management and Advisory Fees that can be charged to the Scheme shall not exceed one and half percent (1.5%) of the daily net assets in case of Principal Index Fund - Nifty and Principal Index Fund - Midcap, shall not exceed 2.50% of the daily net assets in the case of all Equity oriented Schemes and shall not exceed 2.25% of the daily net assets in the case of all Debt oriented Schemes.

Subject to the SEBI Regulations and this Document, expenses over and above the prescribed ceiling will be borne by the AMC and/or by Sponsor and/or Trust. The Fund shall strive to reduce the level of these expenses so as to keep them well within the maximum limits currently allowed by SEBI and any revision in the said expenses limits by SEBI would be applicable.

**APPLICABLE NAV FOR LIQUID SCHEMES / PLANS OF PRINCIPAL MUTUAL FUND:**

**For Subscription / Switch-in / Sweep:** (a) Where a valid application is received up to 2.00 p.m. on a Business Day and funds are available for utilization before the cut-off time - the closing NAV of the day immediately preceding the day of receipt of application shall be applicable; (b) Where the application is received after 2.00 p.m. on a Business Day and funds are available for utilization on the same day - the closing NAV of the day immediately preceding the next Business Day shall be applicable; and (c) Irrespective of the time of receipt of application, where the funds are not available for utilization before the cut-off time - the closing NAV of the day immediately preceding the day on which the funds are available for utilization shall be applicable.

Allotments for purchases in the Liquid Scheme(s) / Plan(s), as well as switch-ins from other schemes of Principal Mutual Fund into Liquid Scheme(s) / Plan(s), are subject to receipt of valid application / switch-in request at the Official Point of Acceptance **AND** credit of entire subscription / switch-in amounts in the Bank Account of the concerning Liquid Scheme(s) / Plan(s) **AND** Funds available for utilization within relevant cut-off time specified above.

**For Redemptions / Switch-out:** (a) In respect of valid applications received upto 3.00 p.m. at the Official Points of Acceptance of Transactions, the closing NAV of the day immediately preceding the next Business Day shall be applicable; and (b) In respect of valid applications received after 3.00 p.m. at the Official Points of Acceptance of Transactions, the closing NAV of the next Business Day shall be applicable.

The above cut-off timings shall also be applicable to investment made through "Sweep" mode available in the Dividend Option.

Cut off time as mentioned above shall be reckoned at the Official Points of Acceptance of transactions as disclosed in the Scheme Information Document, KIM and the web-site, www.principalindia.com

**EXPENSE STRUCTURE FOR PRINCIPAL GLOBAL OPPORTUNITIES FUND:****Annual Recurring expenses as a percentage of Daily Net Assets:**

Pursuant to notification dated July 29, 2010, and circular dated August 6, 2010, issued by SEBI, following Total Expenses Structure shall be applicable to the Scheme:

- Total Expense Structure of the Scheme would consist of:
  - Management fees;
  - Other expenses relating to administration of the scheme; and
  - Charges levied by the underlying Scheme(s):

Provided that the sum total of a, b, and the weighted average of the total expense ratio of the underlying schemes shall not exceed 2.50% of the daily net assets of the Scheme.

The AMC has estimated the below mentioned expenses expressed as a percentage to the daily net assets of the Scheme(s) which will be charged to the Scheme(s) as expenses.

| Nature of Expenses   | % of Daily Net Assets |
|--|-----------------------|
| A. Investment Management and Advisory Fees charged by the AMC^   |                       |
| B. Other expenses relating to administration of the Scheme -   |                       |
| - Trustee Fees   |                       |
| - Audit Fees   |                       |
| - Custodian Fees   |                       |
| - Costs related to investor communications   |                       |
| - Marketing and Selling Expenses   |                       |
| - Costs of fund transfer from one location to another  | 2.50                  |
| - Cost of providing account statements and repurchase cheques and warrants                                     |                       |
| - Costs of statutory advertisements  |                       |
| - Cost towards investor education & awareness (at least 0.02 percent)  |                       |
| - Brokerage & transaction cost (inclusive of service tax) over and above 0.12 percent for cash market trades # |                       |
| - Service tax on expenses other than Investment Management and advisory fees                                   |                       |
| - Expenses of respective underlying schemes**  |                       |
| <b>Total Annual Recurring Expenses (A+B)</b>   | <b>2.50</b>           |
| Additional expenses under regulation 52 (6A) (c)^  | Upto 0.20%            |
| Additional expenses for gross new inflows from specified cities # Under regulation 52(6A)(b)                   | Upto 0.30%            |

\*\*Currently, the expense ratio of the underlying fund is 1.66% (Annual Weighted Average for the F.Y. March 2016).

\*\* Charges levied by the underlying Scheme(s) - As required by SEBI Circular No. MFD/CIR.No. 04/11488/2003 dated June 12, 2003, SEBI Circular No. SEBI/ IMD/CIR No. 7/104753/07 dated September 26, 2007, read with SEBI (Mutual Funds) (Amendment) Regulations, 2010, Investors are informed that they shall bear the recurring expenses of the Scheme in addition to the expenses of the underlying Scheme(s) in which the Scheme will make investments. Charges of the underlying Scheme (Part C1 in the table above) will be borne indirectly by the Investors of the Scheme.

\*\* Rebate from charges levied by the underlying Scheme(s) - Pursuant to the provisions of SEBI Circular SEBI/IMD/CIR No 18/198647/2010 dated March 15, 2010, AMC shall not enter into any revenue sharing arrangements with the underlying funds in any manner and shall not receive any revenue by whatever means/head from the underlying funds. Any commission or brokerage received from the underlying funds shall be credited into the Scheme's account. It is clarified that, rebate if any (of management and/or other fees/charges) received by the Scheme from fees/charges already levied by the underlying Scheme (in part C1 above), shall be credited into the Scheme's account and reduced from the annual recurring expenses charged to the Scheme.

The above estimates for recurring expenses for the Scheme are based on the corpus size of INR 1,000 million, and may change to the extent assets are lower or higher.

The AMC may incur actual expenses which may be more or less than those estimated above under any head and / or in total. The AMC will charge the Scheme such actual expenses incurred, subject to the statutory limit prescribed in the SEBI Regulations, as given below.

**Regular Plan:** Total expenses including charges levied by underlying scheme(s) shall not exceed 2.5% of daily average net Assets.

**Direct Plan** shall have a lower expense ratio excluding distribution expenses, commission, etc and no commission for distribution of Units will be paid / charged under the Direct Plan.

Further, in addition to the limits on total expenses specified in Regulation 52(6) of SEBI (Mutual Funds) Regulations, 1996 (the Regulation) the following expenses may be charged to the Scheme(s) -

- Brokerage and transaction costs incurred for the purpose of execution of trades and included in the cost of investment, not exceeding 0.12% of the value of trades in case of cash market transactions and 0.05% of the value of trades in case of derivative transactions;
- Expenses not exceeding 0.30% of daily net assets, if the new inflows from such cities as specified by SEBI from time to time are atleast (i) 30% of gross inflows in the Scheme OR (ii) 15% of the average assets under management (year to date) of the Scheme - whichever is higher. However if inflows from such cities is less than the higher of (i) & (ii) as mentioned above, such expenses on daily net assets of the Scheme may be charged on proportionate basis. Further, the expenses charged under this clause shall be utilized for distribution expenses incurred for bringing inflows from such cities. The amount incurred as expense on account of inflows from such cities shall be credited back to the scheme in case the said inflows are redeemed within a period of one year from the date of investment.
- Additional expenses incurred towards different heads mentioned under sub-regulation 52(2) & 52(4) of the Regulation not exceeding 0.20% of the daily net assets of the scheme.

Further, the following may be charged to the Schemes within the maximum limit of Total Expense Ratio as per Regulation 52 of the SEBI (Mutual Funds) Regulations, as amended from time to time -

- Service tax on expenses other than investment and advisory fees, if any;
- Service Tax on brokerage and transaction costs on execution of trades, if any; and
- Investor Education and awareness fees of at least 2 basis point on daily net assets of respective schemes.

Principal Pnb Asset Management Company Private Limited (PAMC) may charge the Scheme(s) with Investment and Advisory Fees which shall be within the limits of total expenses prescribed under Regulation 52.

**APPLICABLE NAV FOR PRINCIPAL GLOBAL OPPORTUNITIES FUND**

**For Subscriptions / Switch-in:** (a) In respect of valid applications received upto 12.30 p.m. with a local cheque or demand draft payable at par at the Official Points of Acceptance of Transactions where it is received, the closing NAV of the day of receipt of application shall be applicable; (b) In respect of valid applications received after 12.30 p.m. with a local cheque or demand draft payable at par at the Official Points of Acceptance of Transactions where it is received, the closing NAV of the next business day shall be applicable.

In respect of purchase/switch in the Scheme for an amount equal to or more than ₹ 2 Lakhs, the closing NAV (Net Asset Value) of the day shall be applicable subject to realisation of the funds upto 3.00 p.m. and receipt of application (duly time stamped).

**For Redemptions / Switch-out:** (a) In respect of valid applications received upto 12.30 p.m. at the Official Points of Acceptance of Transactions, the closing NAV of the day of receipt of application shall be applicable; and (b) In respect of valid applications received after 12.30 p.m. at the Official Points of Acceptance of Transactions, the closing NAV of the next business day shall be applicable.

The above cut-off timings shall also be applicable to investment made through "Sweep" mode available in the Dividend Option.

Cut off time as mentioned above shall be reckoned at the Official Points of Acceptance of transactions as disclosed in the Scheme Information Document, KIM and the web-site, www.principalindia.com.

**EXPENSE STRUCTURE FOR PRINCIPAL ASSET ALLOCATION FUND-OF-FUNDS:****Annual Recurring expenses as a percentage of Daily Net Assets:**

The AMC has estimated the below mentioned expenses expressed as a percentage to the daily net assets of the Scheme which will be charged to the Scheme as expenses.

The estimated expenses under the Regular and Direct Plan<sup>5</sup> of the Scheme, is as per the table below:

| Nature of Expenses   | % of Daily Net Assets |
|--|-----------------------|
| Investment Management and Advisory Fees  |                       |
| Trustee fee  |                       |
| Audit fees   |                       |
| Custodian fees   |                       |
| RTA Fees   |                       |
| Marketing & Selling expense incl. agent commission   |                       |
| Cost related to investor communications  |                       |
| Cost of fund transfer from location to location  | Upto 2.50%            |
| Cost of providing account statements and dividend redemption cheques and warrants                        |                       |
| Costs of statutory Advertisements  |                       |
| Cost towards investor education & awareness (at least 2 bps)   |                       |
| Brokerage & transaction cost over and above 12 bps and 5 bps for cash and derivative market trades resp. |                       |
| Service tax on expenses other than investment and advisory fees  |                       |
| Service tax on brokerage* and transaction cost   |                       |
| Other Expenses**   |                       |
| <b>Maximum total expense ratio (TER) permissible under Regulation 52 (6) (c) (i) and (6) (a)</b>         | <b>Upto 2.50%</b>     |
| Additional expenses under regulation 52 (6A) (c)^  | Upto 0.20%            |
| Additional expenses for gross new inflows from specified cities# Under regulation 52(6A)(b)              | Upto 0.30%            |

<sup>5</sup>Direct Plan under the aforementioned Scheme(s) shall have a lower expense ratio excluding distribution expenses, commission, etc. and no commission for distribution of Units will be paid / charged under the Direct Plan.

#Expenses charged under this clause shall be utilised for distribution expenses incurred for bringing inflows from such cities.

Provided further that amount incurred as expense on account of inflows from such cities shall be credited back to the scheme in case the said inflows are redeemed within a period of one year from the date of investment.

The AMC may charge investment management and advisory fees and other expenses up to 2.50% of the daily net assets. The AMC reserves the right to change the estimates; both inter se or in total, subject to prevailing SEBI Regulations.

\*\*Currently, the weighted expense ratio of the underlying schemes as on June 30, 2016:

|  |       |
|--|-------|
| Principal Asset Allocation Fund-of-Funds - Moderate Plan - Direct Plan     | 0.94% |
| Principal Asset Allocation Fund-of-Funds - Conservative Plan - Direct Plan | 0.57% |
| Principal Asset Allocation Fund-of-Funds - Aggressive Plan - Direct Plan   | 1.46% |

^The nature of expenses can be any permissible expenses including Investment Management & Advisory Fees. The purpose of the above table is to assist in understanding the various costs and expenses that the Unit Holders in the Scheme will bear directly or indirectly.

The AMC may incur actual expenses which may be more or less than those estimated above under any head and / or in total. The AMC will charge the Scheme such actual expenses incurred, subject to the statutory limit prescribed in the SEBI Regulations.

Further, in addition to the limits on total expenses specified in Regulation 52(6) of SEBI (Mutual Funds) Regulations, 1996 (the Regulation) the following expenses may be charged to the Scheme(s) under Regulation 52 (6A) -

Brokerage and transaction costs incurred for the purpose of execution of trades and included in the cost of investment, not exceeding 0.12% of the value of trades in case of cash market transactions and 0.05% of the value of trades in case of derivative transactions.

AMC may charge service tax on investment and advisory fees of the scheme in addition to the maximum limit of TER as per the Regulation 52(6) and (6A).

- Brokerage and transaction costs incurred for the purpose of execution of trades and included in the cost of investment, not exceeding 0.12% of the value of trades in case of cash market transactions and 0.05% of the value of trades in case of derivative transactions;
- Expenses not exceeding 0.30% of daily net assets, if the new inflows from such cities as specified by SEBI from time to time are atleast (i) 30% of gross inflows in the Scheme OR (ii) 15% of the average assets under management (year to date) of the Scheme - whichever is higher. However if inflows from such cities is less than the higher of (i) & (ii) as mentioned above, such expenses on daily net assets of the Scheme may be charged on proportionate basis. Further, the expenses charged under this clause shall be utilized for distribution expenses incurred for bringing inflows from such cities. The amount incurred as expense on account of inflows from such cities shall be credited back to the scheme in case the said inflows are redeemed within a period of one year from the date of investment
- Additional expenses incurred towards different heads mentioned under sub-regulation 52(2) & 52(4) of the Regulation not exceeding 0.20% of the daily net assets of the scheme.

Further, the following may be charged to the Schemes within the maximum limit of Total Expense Ratio as per Regulation 52 of the SEBI (Mutual Funds) Regulations, as amended from time to time -

- Service tax on expenses other than investment and advisory fees, if any;
- Service Tax on brokerage and transaction costs on execution of trades, if any; and
- Investor Education and awareness fees of at least 2 basis point on daily net assets of respective schemes.

These estimates have been made in good faith by the AMC as per the information available to AMC - the investment manager, based on the past experience and are subject to change inter-se. The expenses may be more than as specified in the table above, but the total recurring expenses that can be charged to the Scheme will be subject to limits prescribed from time to time under the SEBI Regulations. Expenses over and above the permissible limits will be borne by the AMC and/or the Trust and/ or the sponsor. The purpose of the above table is to assist the unitholder in understanding the various costs and expenses that a unitholder in the Scheme will bear directly or indirectly. Expenses over and above the limits prescribed under the SEBI Regulations shall be borne by the AMC.

Subject to the SEBI Regulations and this Document, expenses over and above the prescribed ceiling will be borne by the AMC and/or by Sponsor and/or Trust. The Fund shall strive to reduce the level of these expenses so as to keep them well within the maximum limits currently allowed by SEBI and any revision in the said expenses limits by SEBI would be applicable.

## INSTRUCTIONS FOR COMPLETING THE APPLICATION FORM

This application form is for Resident Investors/NRIs etc. and should be completed in English in BLOCK LETTERS & BLACK/BLUE INK only. Any overwriting/ cancellation should be countersigned by the applicants. Failing which such application forms shall be liable for rejection. Please tick (4) in the appropriate box provided.

Please read the terms of the Scheme Information Document of the Schemes carefully before filling in the application form. All applicants are deemed to have accepted the terms subject to which this offer is being made and bind themselves to the terms upon signing the Application Form for tendering the payment. Application should be for a minimum amount specified for each Scheme/Plan/Option. The Fund reserves the right to accept/reject any application in whole or in part.

### (A) PAYMENT PROCEDURE

**Resident Investor:** Resident Investors may submit payment for units by cheque/demand draft, payable locally and drawn on any bank which is a member of the Bankers Clearing House located at the place where the application form is submitted.

#### Payment Procedures for NRIs

**Repatriation Basis:** Payments may be made through Indian Currency Cheques/Demand Drafts. NRI applications can also be made by submitting payments through demand drafts purchased from FCNR bank accounts or cheques drawn on NRE accounts. All cheques/drafts should be locally payable at any of the Official Point of Acceptance. All applications must be accompanied with a FIRC.

**Non-Repatriation Basis:** In case of NRIs seeking to apply for units on a non-repatriation basis, payments shall be made by cheques/demand drafts drawn out of NRO (Non-Resident Ordinary) accounts.

#### Payment Procedure - FIs

FIs may pay their subscription amounts by direct remittance from abroad or out of their special Non-Resident Rupee Accounts maintained with a designated bank branch in India or as may be permitted under Law. All cheques/drafts should be payable in Mumbai. Applications by FIs should be submitted only to the Official Point of Acceptance of the Asset Management Company in Mumbai.

All Payment Instrument should be drawn in favour of **"Name of the Scheme A/c. First Investor Name" OR "Name of the Scheme A/c. Permanent Account Number" OR "Name of the Scheme A/c. Folio Number"** and should be crossed **"Account Payee Only"**. If the scheme name on the application form/transaction slip and on the payment instrument are different, the application may be processed and units may be allotted at applicable NAV of the scheme mentioned in the application/transaction slip duly signed by unitholder.

#### Payment Procedure - General

- The Asset Management Company will not accept cash / stockinvests / money order/ postal order/ credit card/ post dated account-to- account transfer instructions / post dated cheques (except through SIP)/ Outstation Cheques, for subscriptions.
- Bank charges for demand drafts will be debited to the AMC and will be limited to those stipulated by the Indian Banks Association. The Mutual Fund will not entertain any request for refund of demand draft charges.
- In case an applicant is located in a place where there is no designated Official Point of Acceptance, the completed application form with a Bank Draft/Pay Order payable at such Official Point of Acceptance for the investment amount (net of Demand Draft charges) may be forwarded to the nearest designated Official Point of Acceptance. Please note that Outstation Demand Draft that are not payable at par at the concerning Official Point of Acceptance where the application is submitted, will not be accepted.

### (B) APPLICATION DETAILS

- Existing Unitholders:** In case of Applicant(s) who already have a Folio in Principal Mutual Fund, they can provide their folio number & first holder name in Section 1 and proceed to Section 3 of the Form. The details of such applicant(s) including details of bank account, sequence & mode of holding, address and nomination, as registered in the existing Folio number would apply to this investment and the said registered details would prevail over any conflicting information that may be furnished in this form. First Unitholders' name should be as per details in the existing folio number, else it would be liable for rejection. Where mandatory details for eg: PAN/KYC documents, local address in case of FI/NRI/PIO has not been provided/furnished earlier the same be provided alongwith this application form. Any changes in details registered with us need to be done vide a separate application request.
- If the broker name & code is left blank, the application shall be treated as direct.
- Please write application serial number and name on the reverse of the cheque/demand draft.
- The applicants name and address including PIN Code number must be given in full (post box number alone is not sufficient).
- In case the investor is a NRI/FII, an overseas address should also be provided, along with the local address. However, all correspondence shall be at the local address. Where local address is not provided the application is liable for rejection.

Note: Following person(s) shall not be permitted to make any fresh purchases/additional purchases/switches in any schemes of Principal Mutual Fund (a) "United States Persons" within the meaning of Regulation S under the United States Securities Act of 1933 or as defined by the U.S. Commodity Futures Trading Commission or as defined under Foreign Account Tax Compliance Act (FATCA) or as defined under any other extant laws of the United States of America or as per such further amended definitions, interpretations, legislations, rules etc, as may be in force from time to time; or (b) residents of Canada.

If an existing investor subsequently becomes a resident of U.S. or Canada, then such investor will not be able to purchase any additional units of the schemes of Principal Mutual Fund.

- If the account has more than one (upto three) Unitholder, the account will be registered either as 'joint' or 'either/anyone or survivor' basis, as specified. If nothing is specified the default mode of holding will be 'joint'.
- It is expressly understood that the investor/Unitholder has the express authority from the relevant constitution (wherever required) to invest in units of the Fund and the AMC/ Trustee/ Fund would not be responsible if the investment is ultravires the relevant constitution.
- All communications and payments will be made to the first applicant or to the Karta in case of HUF (Where the HUF is the first applicant).
- Signatures should be in English or in any Indian language as specified in the Eighth Schedule of the Constitution of India. Thumb impressions must be attested by a Magistrate/Notary Public under his/her official seal. In case of HUF, the Karta should sign on behalf of the HUF. In case of Partnership firms, the authorised Partner will sign on behalf of the firm. Similarly, for the Association of Persons (AOP)/Company, the application must be signed by the Authorised Signatory(s).
- Direct Plan:** In accordance with SEBI Circular no. CIR/IMD/DF/21/2012 dated September 13, 2012, effective January 1, 2013, Direct Plan has been launched under all the open ended Schemes/Plans of Principal Mutual Fund (Except which has been closed for further subscription). "Direct Plan" is only for investors who purchase/subscribe Units in a Scheme directly with the Fund and is not available for investors who route their investments through a Distributor. All Options / Sub-Options/facilities offered under the Regular Plan of the Scheme are available for subscription under Direct Plan. Further, Scheme characteristics such as Investment Objective, Asset Allocation Pattern, Investment Strategy, Risk Factors, facilities offered and terms and conditions will be the same for the Regular Plan and the Direct Plan except that, Direct Plan shall have a lower expense ratio excluding distribution expenses, commission, etc. and no commission for distribution of Units will be paid/ charged under Direct Plan.

All categories of investors (whether existing or new Unitholders) as permitted under the Scheme Information Document of the respective Schemes are eligible to subscribe under Direct Plan. Investments under Direct Plan can be made through various modes offered by the Fund for investing directly with the Fund (except Stock Exchange Platform(s) and all other Platform(s) where investors' applications for subscription of units are routed through Distributors).

Refer table below for understanding the result for various options selected by the investor for applications-

| Scenario | Broker Code mentioned by the investor | Plan mentioned by the investor | Default Plan to be captured |
|----------|---------------------------------------|--------------------------------|-----------------------------|
| 1        | Not mentioned                         | Not mentioned                  | Direct Plan                 |
| 2        | Not mentioned                         | Direct                         | Direct Plan                 |
| 3        | Not mentioned                         | Regular                        | Direct Plan                 |
| 4        | Mentioned                             | Direct                         | Direct Plan                 |
| 5        | Direct                                | Not Mentioned                  | Direct Plan                 |
| 6        | Direct                                | Regular                        | Direct Plan                 |
| 7        | Mentioned                             | Regular                        | Regular Plan                |
| 8        | Mentioned                             | Not Mentioned                  | Regular Plan                |

As mentioned above Investors should indicate the Plan for which the subscription is made by indicating the choice in the appropriate box provided for this purpose in the application form.

In cases of wrong/invalid/incomplete ARN codes mentioned on the application form, the application shall be processed under Regular plan. The AMC shall contact and obtain the correct ARN code within 30 calendar days of the receipt of the application form from the investor/distributor. In case, the correct code is not received within 30 calendar days, the AMC will reprocess the transaction under Direct plan from the date of application without any exit load.

#### 11. Minor Applicants

(a) The minor shall be the first and the sole holder in an account. There shall not be any joint accounts with minor as the first or joint holder. (b) Only Natural Guardian (i.e. Father or Mother) or Court Appointed Legal Guardian shall be permitted. (c) As a mandatory requirement a photocopy of Supporting document evidencing relationship of Guardian with Minor and Date of Birth of Minor is to be submitted along with the Application Form. Such Document can be a copy of Birth Certificate of the Minor, School Leaving Certificate / Mark sheet issued by Higher Secondary Board of Respective States, ICSE, CBSE etc. or Passport of the Minor or such other suitable proof evidencing the relationship with the Minor and the date of birth, duly attested by a Gazetted Officer or Bank Manager. (d) In case of Legal Guardian, supporting documentary evidence shall be submitted duly attested by a Gazetted Officer or Bank Manager. (e) To facilitate the processing of redemption requests, Investors are advised to ensure that the Guardian to the Minor Account/ Folio and to the Bank Account - as provided are one and the same person. (f) Minor Applicants are not eligible to Nominate. (g) **Effective the date of Minor attaining Majority, no financial and non-financial transactions including fresh registration of Systematic Investment Plans (SIPs), Systematic Transfer Plans (STPs), Systematic Withdrawal Plans (SWPs) etc. shall be permitted, till such time a duly filled in "Service Request Form" along with mandatory enclosures are duly received at the OPT and status of the Folio/ Account is updated from "Minor" to "Major" by the AMC/Registrar. Further information/ requirements in this regard are provided on [www.principalindia.com](http://www.principalindia.com) or you may also visit any of our OPT nearest to you.**

- In case of an application under a Power of Attorney or by a limited company, body corporate, registered society, Trust or partnership, the relevant power of attorney or the relevant resolution of authority to make the application or the Trust Deed or Partnership Deed as the case may be, or duly certified copy thereof, alongwith a certified copy of the Memorandum and Articles of Association and/or bye-laws should be submitted along with the Application Form.

#### 13. ALLOTMENT OF UNITS IN DEMAT MODE/DEMAT ACCOUNT DETAILS -

Applicant who wishes to apply for allotment of units in electronic form must: (a) have a demat account with National Securities Depository Limited or Central Depository Services (India) Ltd. prior to making the application (b) fill the demat account number and DP ID details in relevant section provided in the Application Form (c) Ensure that the name(s) in the application are identical to those appearing in the account details with the DP. In case of joint holders, the names should necessarily be in the same sequence as they appear in the account details in the depository. For allotment in electronic form, units will be credited directly in the demat account of the investor. In case of incorrect/incomplete details, allotment of units will be made in physical form.

#### 14. TRANSACTION CHARGES

In accordance with SEBI Circular No. Cir/ IMD/ DF/13/ 2011 dated August 22, 2011, Principal Pnb Asset Management Company Private Limited (PAMC)/Principal Mutual Fund (PMF) shall deduct Transaction Charges on purchase / subscription received from the Investors through Distributors/Agents (who have opted to receive the transaction charges) as under:

- First Time Mutual Fund Investor (across Mutual Funds): Transaction charge of ₹ 150/- for subscription of ₹ 10,000 and above will be deducted from the subscription amount and paid to the Distributor/Agent of the first time investor and the balance shall be invested. *First time investor in this regard shall mean an Investor who invests for the first time ever in any Mutual Fund either by way of Subscription or Systematic Investment Plan.*
- Investor other than First Time Mutual Fund Investor: Transaction charge of ₹ 100/- per subscription of ₹ 10,000 and above will be deducted from the subscription amount and paid to the Distributor/Agent of the investor and the balance shall be invested.
- Systematic Investment Plan (SIP): Transaction Charges in case of investments through SIP shall be deducted only if the total commitment (i.e. amount per SIP installment x No. of installments) amounts to ₹ 10,000/- or more. The Transaction Charges shall be deducted in 3-4 installments.
- Transaction charges shall not be deducted for:
  - purchases /subscriptions for an amount less than ₹ 10,000/-;
  - transaction other than purchases/subscriptions relating to new inflows such as Switch/Systematic Transfer Plan/Sweep facility under the Dividend Option of the Scheme(s) etc.;
  - purchases/subscriptions made directly with PMF (i.e. not through any Distributor/ Agent);
  - transactions routed through Stock Exchange route.

Statement of Account issued to such Investors shall state the net investment as gross subscription less transaction charge and mention the number of units allotted against the net investment.

Further, in accordance with SEBI Circular No. SEBI/IMD/CIR/No.4/168230/09 dated June 30, 2009, upfront commission to Distributors/Agents shall be paid by the investor directly to the Distributor/Agent by a separate cheque based on his assessment of various factors including the service rendered by the Distributor/Agent.

#### (C) BANK DETAILS

This requirement is mandatory and applications without complete bank details are liable to be rejected. The Mutual Fund/Asset Management Company will not be responsible for any loss arising out of fraudulent encashment of cheques and delay/loss in transit.

Where the requisite information pertaining to the Unitholder's Bank Account is available with AMC/Mutual Fund, the AMC/Mutual Fund at its sole discretion will endeavour to credit the redemption / dividend proceeds directly to the Unitholders Bank account instead of issuing payment instrument. Similarly, the Mutual Fund/AMC, also reserves the right to issue a payment instrument despite of an Investor opting for Electronic Payment.

The investor will not hold the Mutual Fund or the AMC or the Registrar responsible for any non-receipt or delay of receipt of redemption & dividend proceeds due to any negligence or deficiency in service by the bank executing direct credits/RTGS/NEFT, or due to incorrect bank account details provided by the Investor.

For Minor Applicants, to facilitate the processing of redemption requests, Investors are advised to ensure that the Guardian to the Minor Account / Folio and to the Bank Account - as provided are one and the same person.

#### (I) Third Party Payments:

Asset management Companies (AMCs) shall not accept subscriptions with "Third-Party payments except in the following exceptional situations:

- Payment by Parents/Grand-Parents/related persons on behalf of a minor in consideration of natural love and affection or as gift for a value not exceeding ₹ 50,000/- (each regular purchase or per SIP installment). However, this limit of ₹ 50,000/- will not be applicable for payments made by a Guardian whose name is registered in the records of Principal Mutual Fund for the concerning Folio.
- Payment by Employer on behalf of employee under Systematic Investment Plans OR lumpsum/ one time subscription, through Payroll deductions or deductions out of expense reimbursements.
- Payment by Corporate to its agent/distributor/dealer (similar arrangement with Principal-agent relationship), on account of commission/incentive payable for sale of its goods/ services, in the form of Mutual Fund units through Systematic Investment Plans or lump sum/one time subscription.
- Custodian on behalf of an FI or a client.
- Payment by AMC to a Distributor empanelled with it on account of commission/incentive etc. In the form of Mutual Fund Units of the Funds managed by the AMC through SIP or lump sum/one time subscription.

*"Third Party Payment shall mean those payment made through instruments issued from an account other than that of the beneficiary investor. However, in case of payments from a joint bank account, the first holder of the mutual fund folio should be one of the joint holders of the bank account from which payment is made.*

In case of exceptional situations as above, additional documents shall be mandatorily enclosed along with the Subscription Application:

- KYC acknowledgement letter for Investor (Guardian in case of minor) and the person making the payment.
- "Third Party Declaration Form" from the Investor and the person making the payment, giving details of the bank account from which the payment is made and the relationship with the beneficiary.

Investor along with the subscription application must provide the details of his pay-in bank account (i.e. account from which a subscription payment is made) and his pay-out bank account (i.e. account into which redemption / dividend proceeds are to be paid). In case an investor has multiple accounts, he should register them with the AMC (refer section here below on "Multiple Bank Accounts"). Only Pay-in from such registered bank accounts shall be treated as First party payments.

Additionally, in case of following mode of payments below stated documents should be enclosed with the subscription application:

- Demand Draft / Pay Order, Banker's Cheque and the like:** Certificate from the Issuing Banker, stating the Account holder's name and the Account number which has been debited for issue of such instrument.
  - As directed by AMFI, a copy of acknowledgement from the Bank wherein the instructions to debit the Investor's bank account for the purpose of issuing Demand Draft / Pay Order and name of the Investor as an account holder are available OR copy of pass book/bank statement evidencing the debit for issuance of a Demand Draft / Pay Order, shall also be accepted by the Mutual Fund.
- Demand Draft / Pay Order and the like issued against cash by the Bank [for an investment amount less than ₹ 50,000/- only]:** Certificate from the Banker giving name, Address, Bank Account Number and PAN (if available) of the person who has requested for the demand draft.
- Payment vide RTGS, NEFT, ECS, Bank Transfer, etc:** copy of the instruction to the bank stating the account number debited must accompany the purchase application.

In case of payments received from a Bank Account which is not registered and the first unitholder's name is not preprinted on the payment cheque or wherein the bank mandate mentioned in the application form by the investor for effecting payouts is not the same as the bank account from which the investment is made, any one of the following documents in relation to the bank mandate shall be submitted by the investor along with the application form to validate that the bank mandate belongs to the investor:

- Cancelled original cheque having first holder name pre-printed on the cheque;
- Original bank statement (with transaction entries not older than 3 months) reflecting the first holder name, bank account number and bank name as specified in the application form;
- Photocopy of the bank statement/bank passbook (with transaction entries not older than 3 months) reflecting the first holder name, bank account number and bank name as specified in the application form, duly attested by the bank manager and bank seal;
- Confirmation by the bank manager with seal on the bank's letterhead confirming the investor details and bank mandate information as mentioned in the application form.

If the documents are not submitted with the application, the fund reserves the right to reject the application without any liability whatsoever or call for additional details, at its discretion.

Where, post verification it is found that the payment, in any mode, is not made from a registered bank account or is made from an account where the first named unit holder is not an Account holder/ one of the account holder in case of Joint Bank Account, the AMC/R&T, reserves the right to reject the transaction / subscription application, without any liability.

Additionally, in order to prevent fraudulent practices, Investors are urged to make the payment instruments (cheque / Demand draft / Pay Order etc.) favouring **"Name of the Scheme A/c. First Investor Name" OR "Name of the Scheme A/c. Permanent Account Number" OR "Name of the Scheme A/c. Folio Number"**.

**For Declaration format contact any of our Investor Service Centre or visit our website [www.principalindia.com](http://www.principalindia.com)**

#### (II) Multiple Bank Accounts:

Unitholders shall have the facility to register multiple bank accounts at folio level - upto a maximum of 5 Bank Accounts in case of Individual and HUF Investor and 10 Bank Accounts in case of Non Individual Investor.

Such facility can be availed by submitting duly filled in "Multiple Bank Account Registration form" at the Investor Service Centre closest to you, along with copy of any one of the following documents:

- Cancelled cheque leaf of the bank account which has to be registered [the account number and name of the first unitholder should be printed on the cheque leaf];
- Bank Statement / Pass Book with the account number, name of the Unitholder and Address;
- Bank letter / certificate on its letter head certifying the account holder's name, account number and branch address [Such letter / certification should be certified by the Bank Manager with his/ her full name, signature, employee code.]

Investors should also present the Original of the above Document submitted along with the subscription application, and such original document shall be returned across the Counter post due verification. Subsequent, to successful registration of multiple bank accounts, Investors can select any of the registered bank accounts in the application form for the purpose of subscriptions, redemption and dividend proceeds. Investor shall also have the option to register any one of their account as a default bank account for credit of redemption /dividend proceeds.

Further an Investor may also opt to delete a registered default bank account; however, such deletion of a default bank account shall be permitted only if the Investor registers another registered account as a default account. In the event of rejection of such registration application for any reason, the redemption / dividend proceeds shall be processed as per specified service standards and the last registered bank account information in the records of Registrar & Transfer Agent - Karvy Computershare Private Limited, will be relied upon and used for such payments. It is clarified that any unregistered or new bank account forming part of redemption request shall not be entertained or processed. Further, for any change in Bank Mandate request received/processed few days prior to the submission of a redemption request or on the same day as a standalone change request, AMC will continue to follow cooling off period of 10 calendar day for validation of the same.

**For Application Form and details, please refer [www.principalindia.com](http://www.principalindia.com) and Statement of Additional Information.**

- E-mail Communication:** Account Statements / Newsletters / Annual Reports / Other statutory information (as may be permitted under SEBI (Mutual Funds) Regulations, 1996) can be sent to each Unit holder by e-mail (where provided by the investor) or by courier/ post, where e-mail ID is not provided.
  - Unit holders receiving these documents by e-mail will be required to download and print the documents after receiving e-mail from the Mutual Fund. Should the Unit holder experience any difficulty in accessing the electronically delivered documents, the Unit holder shall promptly advise the Mutual Fund to enable the Mutual Fund to deliver such document through alternative means. It is deemed that the Unit holder is aware of all security risks including possible third party interception of the documents and contents of the documents becoming known to third parties.
- RTGS/NEFT/DIRECT CREDIT:** Investors will be paid their Dividend/Redemption amounts electronically through RTGS/NEFT/Direct Credit, wherever the complete details like IFS Code, NEFT Code and complete bank account number details are available. RTGS/NEFT will be the preferred mode for remitting the payments.
  - Please verify and ensure the accuracy of the bank details provided above as it shall appear in your account statement which shall be issued to you should your application be accepted. Principal Mutual Fund shall not be held responsible for delays or errors in processing your request if the information provided is incomplete or inaccurate.

#### (D) KYC REQUIREMENTS

As per SEBI directive, the requirement for submitting PAN details for all investments of Mutual Funds is mandatory for all investors (including Non-Resident Indians) irrespective of the amount of transaction involved [Except for SIP upto ₹ 50,000/- per year per investor (Micro SIP)]. Where the person making an application is minor and who does not have any income chargeable to income-tax, he shall quote the PAN of his/her father or mother or guardian, as the case may be. As directed by SEBI, on submission of sufficient documentary evidence, submission of PAN shall not be insisted in case of Central Government, State Government and the officials appointed by the Courts e.g. official liquidator, court receiver etc. (under the category of Government) and residents of Sikkim while investing in Mutual Funds. The exemption from mandatory PAN requirement will apply to transactions undertaken on behalf of Central and State Government and not to the transactions of the employees of Central and State Government in their personal capacity. It may be further noted that these "Customer Identification Procedures" form part of the Know Your Customer ("KYC") process laid down under the relevant SEBI circular(s) issued from time to time.

With effect from 1st January, 2011, KYC (Know Your Customer) norms are mandatory for ALL investors for making investments in Mutual Funds, irrespective of the amount of investment. Investors shall mean to include (i) their constituted Power of Attorney (PoA) holder, in case of investments through a PoA (both issuer of PoA & PoA holder must attach KYC Acknowledgement) and (ii) each of the applicants, in case of application in joint names (iii) Guardian in case of minor.

Further, to bring uniformity in KYC process, SEBI has introduced a common KYC procedure across all the SEBI registered intermediaries viz. Mutual Funds, Portfolio Managers, Depository Participants, Stock Brokers, Venture Capital Funds, Collective Investment Schemes etc. All new Investors who are not KYC compliant are required to use common KYC Application Form to apply for KYC process and to mandatorily undergo In Person Verification(IPV) with any of the SEBI registered Intermediaries including Mutual Funds. With respect to Mutual Funds, IPV

can be conducted by AMCs or any KYC compliant Mutual Fund Distributor who holds AMFI/NISM, certification. Further, for applications received directly by the Mutual Fund, IPV carried out by Scheduled Commercial Banks can also be relied upon. Investor upon completing KYC requirements(including IPV) through any of the SEBI registered Intermediary, will not be required to undergo KYC process again with such Intermediaries including Mutual Funds.

AMFI vide circular dated December 22, 2016 has prescribed new CKYC forms which shall be applicable for prospective customers. Accordingly with effect from February 1, 2017, any new customer who has not done KYC earlier shall fill the new CKYC & KRA-KYC form. If such new customer wishing to invest and get KYC done has filled up old KRA KYC form, such customer would also have to fill a Supplementary CKYC Form or fill the new CKYC-KRA KYC form. The forms are available on the website of the fund, viz. www.principalindia.com and at the official points of acceptance of transactions of the AMC. The KYC requirements shall be governed by SEBI Circulars/ notifications and AMFI Guidelines which may change from time to time.

As per the new KYC norms, once the customer completes the CKYC process with an entity authorized to conduct KYC, i.e. CERSAI, the customer will be able to invest in all the financial products including Mutual Funds using the 14 digit KYC Identification Number (KIN) issued by CKYCR. The individual investor who have already completed CKYC and has a KYC Identification Number (KIN) can invest in the fund quoting their 14 digit KIN. Since PAN is mandatory to invest in Mutual Fund, if the PAN has not been updated in CKYCR (Central KYC records Registry) system, individual investor should submit a self-certified copy of PAN card to invest in the scheme.

AMC reserves the right to conduct fresh KYC of the investors or undertake enhanced KYC measures commensurate with the risk profile of the Investor. Further, AMC/Principal Trustee Co. Pvt. Ltd./Principal Mutual Fund reserves the right to reject the application forms for transactions in units of PMF not accompanied by letter/acknowledgement issued by the KRA. The KYC compliance status will be validated with the records of the KRA before allotting units.

Existing KYC compliant Investors of Principal Mutual Fund can continue to transact as per the current practice. However, existing investors are urged to comply with new KYC requirements including IPV as mandated by SEBI.

All applications without PAN details and KYC requirements, are liable to be rejected, unless exempted.

#### (E) Nomination:

(1) Nomination shall be maintained at a Folio/Account level and shall be applicable for all investments for the Schemes in the Folio/Account. (2) The nomination can be made only by individuals applying for holding units on their own behalf singly or jointly. Non-individuals including society, trust, body corporate, partnership firm, Karta of Hindu Undivided Family, holder of Power of Attorney cannot nominate. (3) In case of Sole Applicants, it is strongly recommended to provide a Nominee. (4) A Minor Applicant shall not be permitted to Nominate. (5) In case the Unitholders do not wish to nominate, it is mandatory to confirm their non intention to nominate by signing in the nomination section, failing which the form may be rejected at the discretion of the AMC/Fund. (6) If the units are held jointly, all joint holders will sign the nomination section. If there are more than one joint holder additional forms may be used for signatures of the holders of units and witnesses. (7) A minor can be nominated and in that event, the name and address of the guardian of the minor nominee shall be provided by the unit holder. Nomination can also be in favour of the Central Government, State Government, Local authority any person designated by virtue of his office or a religious or charitable trust. (8) The Nominee shall not be a trust other than religious/charitable trust, society, body corporate, partnership firm, Karta of Hindu Undivided Family or a Power of Attorney holder. A non-resident Indian can be a Nominee subject to the exchange controls in force, from time to time. (9) Nomination in respect of the units stands rescinded upon the transfer of units. (10) Transfer of units in favour of a Nominee shall be valid discharge by the Asset Management Company against the legal heir. (11) The cancellation of nomination can be made only by those individuals who hold units on their own behalf singly or jointly and who made the original nomination. Every new nomination for a folio/account will overwrite the existing nomination. (12) On cancellation of the nomination, the nomination shall stand rescinded and the Asset Management Company shall not be under any obligation to transfer the units in favour of the Nominee.

#### (F) Beneficial Owner:

- The applicant Investor(s) has/have to confirm that the units applied, upon allotment would be beneficially owned by them by ticking the appropriate response. In case the section is left blank, it shall be deemed that the Applicant Investor(s) is /are the Beneficial owner.
- In case the applicant investor(s) selects "No" (i.e. the applicant Investor does not have beneficial interest in the units), he should specify the name of the beneficial owner as well. Where the applicant investor does not have beneficial ownership of units applied for or where the information is not fully provided, AMC may ask for further information/documents (including PAN/KYC acknowledgement) from applicant investor(s) or pertaining to the beneficial owner and/or reject the application or reverse the unit allotment or freeze the folio for further transactions / requests, till specified conditions are complied.
- Pursuant to guidelines on identification of Beneficial Ownership issued by SEBI vide its circular ref. no. CIR/MIRSD/2/2013 dated January 24, 2013, investors (other than Individuals) are required to provide details of Ultimate Beneficial Owner(s).

Ultimate Beneficial Owner(s) means:

#### • For Investor other than Trust:

A 'Natural Person', who, whether acting alone or together, or through one or more juridical person, exercises control through ownership or who ultimately has a controlling ownership interest.

Controlling ownership interest means ownership of / entitlements to: (i) more than 25% of shares or capital or profits of the juridical person, where the juridical person is a company; (ii) more than 15% of the capital or profits of the juridical person, where the juridical person is a partnership; or (iii) more than 15% of the property or capital or profits of the juridical person, where the juridical person is an unincorporated association or body of individuals.

In cases where there exists doubt as to whether the person with the controlling ownership interest is the beneficial owner or where no natural person exerts control through ownership interests, the identity details should be provided of the natural person who is exercising control over the juridical person through other means (i.e. control exercised through voting rights, agreement, arrangements or in any other manner). However, where no natural person is identified, the identity of the relevant natural person who holds the position of senior managing official should be provided.

#### • For Trust:

The settler of the trust, the trustees, the protector, the beneficiaries with 15% or more of interest in the trust and any other natural person exercising ultimate effective control over the trust through a chain of control or ownership.

#### Applicability for foreign investors:

The identification of beneficial ownership in case of Foreign Institutional Investors (FIIs), their sub-accounts and Multilateral Funding Agencies / Bodies Corporate incorporated outside India with the permission of Government of India / Reserve Bank of India may be guided by the clarifications issued vide SEBI circular CIR/MIRSD/11/2012 dated September 5, 2012.

#### This Declaration form must mandatorily be accompanied with

Authorized signatory list of the investor, PAN copy of the investor, PAN copy of each of the beneficial owners, KYC acknowledgement.

All enclosures to this declaration form must be presented in original for verification, else the declaration will not be accepted

#### (G) Employee Unique Identification Number (EUID):

EUID is an unique identification number granted to the employee of Corporate ARN holders. This unique identity number helps to capture the details of employee/relationship manager/sales person of the Distributor who has interacted with the Investor for sale of Mutual Fund Products. Capturing EUID will help curb mis-selling of Mutual Fund Products, prevent fraudulent practices and will help the Mutual Fund to know the personnel on whose advice the transaction was executed and take suitable action, even if the employee/relationship manager/salesperson quits the Company, particularly in an advisory transaction. In case EUID field is left blank, it would be assumed that the investor agrees to the declaration provided in bold in the section "Distributor Information & Application Form Receipt Date". Investors are requested to mandatorily sign at the space allocated in the section, as a token of having read and understood the declaration.

#### (H) Privacy Policy:

Privacy policy of the Asset Management Company (AMC) is hosted on our website - [www.principalindia.com](http://www.principalindia.com) and Investors are requested to kindly read the same. For the purpose of processing the application AMC collects personal information / sensitive personal data or information from the Investor such as, but not limited to Name, Address (Physical/ E-mail), Phone Number, Date of Birth, Folio/Account Information, Transaction Information, Bank Account (Debit Card/Credit Card Information, PAN details, KYC status documents etc. AMC does not disclose any non-public personal information or sensitive personal data or information about Investors/former Investors to anyone, except as specified in the Privacy Policy or required under the applicable statutory /regulatory provisions, or as called upon by any Statutory Authority/Agency, or as necessary to provide and offer it services and products or otherwise consented by the Investor. If the Investor requires or has consented, such personal information or sensitive personal data or information may also be shared with Associates/Group companies of AMC, enabling them to offer their services and products. However, AMC may disclose all of the information collected with respect to the Investor, to certain Affiliates, Business Partners, Service Providers, Vendors

that provide service to us and certain non-affiliated third parties such as, but not limited to, attorneys, accountants, auditors and persons or entities that are assessing our compliance with industry standards, post entering into contractual agreements with such third parties that prohibit such third parties from disclosing/ using such personal information or sensitive personal data or information other than to carry out the purposes for which such personal information or sensitive personal data or information has been disclosed.

#### (I) FATCA & CRS TERMS & CONDITIONS INDIVIDUAL:

(Note: The guidance Note / notification issued by the CBDT shall prevail in respect to interpretation of the terms specified in the form)

Details under FATCA & CRS: The Central Board of Direct Taxes has notified Rules 114F to 114H, as part of the Income-tax Rules, 1962, which Rules require Indian financial institutions such as the Bank to seek additional personal, tax and beneficial owner information and certain certifications and documentation from all our account holders. In relevant cases, information will have to be reported to tax authorities/appointed agencies.

Should there be any change in information provided by you, please ensure you advise us promptly, i.e., within 30 days. Please note that you may receive more than one request for information if you have a multiple relationship with (insert FI's Name) or its group entities therefore, it is important that you respond to our request, even if you believe you have already supplied any previously requested information.

**FATCA & CRS Instructions:** If you have any questions about your tax residency, please contact your tax advisor. If you are a US citizen or resident or greencard holder, please include United States in the foreign country information field along with your US Tax Identification Number. It is mandatory to supply a TIN or functional equivalent if the country in which you are tax resident issues such identifiers. If no TIN is yet available or has not yet been issued, please provide an explanation and attach this to the form.

In case customer has the following Indicia pertaining to a foreign country and yet declares self to be non-tax resident in the respective country, customer to provide relevant Curing Documents as mentioned below:

| FATCA & CRS Indicia observed (ticked)                     | Documentation required for Cure of FATCA/ CRS indicia:   |
|---|--|
| U.S. place of birth:                                      | <ol style="list-style-type: none"> <li>Self-certification that the account holder is neither a citizen of United States of America nor a resident for tax purposes;</li> <li>Non-US passport or any non-US government issued document evidencing nationality or citizenship (refer list below); AND</li> <li>Any one of the following documents:<br/>Certified Copy of "Certificate of Loss of Nationality or Reasonable explanation of why the customer does not have such a certificate despite renouncing US citizenship; or Reason the customer did not obtain U.S. citizenship at birth</li> </ol>  |
| Residence/ mailing address in a country other than India: | <ol style="list-style-type: none"> <li>Self-certification that the account holder is neither a citizen of United States of America nor a tax resident of any country other than India; and</li> <li>Documentary evidence (refer list below)</li> </ol>   |
| Telephone number in a country other than India            | <p><b>If no Indian telephone number is provided</b></p> <ol style="list-style-type: none"> <li>Self-certification that the account holder is neither a citizen of United States of America nor a tax resident of any country other than India; and</li> <li>Documentary evidence (refer list below)</li> </ol> <p><b>If Indian telephone number is provided along with a foreign country telephone number</b></p> <ol style="list-style-type: none"> <li>Self-certification that the account holder is neither a citizen of United States of America nor a tax resident for tax purposes of any country other than India; OR</li> <li>Documentary evidence (refer list below)</li> </ol> |

List of acceptable documentary evidence needed to establish the residence(s) for tax purposes:

- Certificate of residence issued by an authorized government body"
- Valid identification issued by an authorized government body" (e.g. Passport, National Identity card, etc.)

\* Government or agency thereof or a municipality of the country or territory in which the payee claims to be a resident.

#### FATCA INSTRUCTIONS & DEFINITIONS - NON-INDIVIDUAL:

- (I) **Financial Institution (FI)** - The term FI means any financial institution that is a Depository Institution, Custodial Institution, Investment Entity or Specified Insurance company, as defined.
  - Depository institution** is an entity that accepts deposits in the ordinary course of banking or similar business.
  - Custodial institution** is an entity that holds as a substantial portion of its business, holds financial assets for the account of others and where it's income attributable to holding financial assets and related financial services equals or exceeds 20 percent of the entity's gross income during the shorter of-
    - The three financial years preceding the year in which determination is made; or
    - The period during which the entity has been in existence, whichever is less.
  - Investment entity is any entity:**
    - That primarily conducts a business or operates for or on behalf of a customer for any of the following activities or operations for or on behalf of a customer:
      - Trading in money market instruments (cheques, bills, certificates of deposit, derivatives, etc.); foreign exchange; exchange, interest rate and index instruments; transferable securities; or commodity futures trading; or Individual and collective portfolio management; or
      - Investing, administering or managing funds, money or financial asset or money on behalf of other persons;
    - The gross income of which is primarily attributable to investing, reinvesting, or trading in financial assets, if the entity is managed by another entity that is a depository institution, a custodial institution, a specified insurance company, or an investment entity described above. An entity is treated as primarily conducting as a business one or more of the 3 activities described above, or an entity's gross income is primarily attributable to investing, reinvesting, or trading in financial assets of the entity's gross income attributable to the relevant activities equals or exceeds 50 percent of the entity's gross income during the shorter of:
      - The three-year period ending on 31 March of the year preceding the year in which the determination is made; or
      - The period during which the entity has been in existence.

The term "Investment Entity" does not include an entity that is an active non-financial entity as per codes 04, 05, 06 and 07 - refer point 2c.)

(V) **Specified Insurance Company:** Entity that is an insurance company (or the holding company of an insurance company) that issues, or is obligated to make payments with respect to, a Cash Value Insurance Contract or an Annuity Contract.

(VI) **FI not required to apply for GIIN:** Refer Rule 114F (5) of Income Tax Rules, 1962 for the conditions to be satisfied as "non-reporting financial institution and Guidance issued by CBDT in this regard.

#### A. Reasons why FI not required to apply for GIIN:

| Code | Sub-category  |
|------|---|
| 01   | Governmental Entity, International Organization or Central Bank   |
| 02   | Treaty Qualified Retirement Fund; a Broad Participation Retirement Fund; a Narrow Participation Retirement Fund; or a Pension Fund of a Governmental Entity, International Organization or Central Bank |
| 03   | Non-public fund of the armed forces, an employees' state insurance fund, a gratuity fund or a provident fund  |
| 04   | Entity is an Indian FI solely because it is an investment entity  |
| 05   | Qualified credit card issuer  |
| 06   | Investment Advisors, Investment Managers & Executing Brokers  |
| 07   | Exempt collective investment vehicle  |
| 08   | Trust   |
| 09   | Non-registering local banks   |
| 10   | FFI with only Low-Value Accounts  |
| 11   | Sponsored investment entity and controlled foreign corporation  |
| 12   | Sponsored, Closely Held Investment Vehicle  |

## 2. Active Non-Financial entity (NEF):

(any one of the following) : Refer Explanation (A) to 114F (6) of Income Tax Rules, 1962 for details.

| Code | Sub-category  |
|------|---|
| 01   | Less than 50 percent of the NFE's gross income for the preceding financial year is passive income and less than 50 percent of the assets held by the NFE during the preceding financial year are assets that produce or are held for the production of passive income;  |
| 02   | The stock of the entity is regularly traded on an established securities market of the non-financial entity is a related entity, the stock of which is regularly traded on an established securities market.  |
| 03   | The NFE is a Governmental Entity, an International Organization, a Central Bank, or an entity wholly owned by one or more of the foregoing;   |
| 04   | Substantially all of the activities of the NFE consist of holding (in whole or in part) the outstanding stock of, or providing financing and services to, one or more subsidiaries that engage in trades or businesses other than the business of a Financial Institution, except that an entity shall not qualify for this status if the entity functions as an investment fund, such as a private equity fund, venture capital fund, leveraged buyout fund, or any investment vehicle whose purpose is to acquire or fund companies and then hold interests in those companies as capital assets for investment purposes;   |
| 05   | The NFE is not yet operating a business and has no prior operating history, but is investing capital into assets with the intent to operate a business other than that of a Financial Institution, provided that the NFE shall not qualify for this exception after the date that is 24 months after the date of the initial organization of the NFE;   |
| 06   | The NFE was not a Financial Institution in the past five years, and is in the process of liquidating its assets or is reorganizing with the intent to continue or recommence operations in a business other than that of a Financial Institution;   |
| 07   | The NFE primarily engages in financing and hedging transactions with, or for, Related Entities that are not Financial Institutions, and does not provide financing or hedging services to any Entity that is not a Related Entity, provided that the group of any such Related Entities is primarily engaged in a business other than that of a Financial Institution;  |
| 08   | <p>Any NFE that fulfills all of the following requirements:</p> <ul style="list-style-type: none"> <li>It is established and operated in India exclusively for religious, charitable, scientific, artistic, cultural, athletic, or educational purposes; or it is established and operated in India and it is a professional organization, business league, chamber of commerce, labor organization, agricultural or horticultural organization, civic league or an organization operated exclusively for the promotion of social welfare;</li> <li>It is exempt from income tax in India;</li> <li>It has no shareholders or members who have a proprietary or beneficial interest in its income or assets;</li> </ul> <p>The applicable laws of the NFE's country or territory of residence or the NFE's formation documents do not permit any income or assets of the NFE to be distributed to, or applied for the benefit of, a private person or non-charitable Entity other than pursuant to the conduct of the NFE's charitable activities, or as payment of reasonable compensation for services rendered, or as payment representing the fair market value of property which the NFE has purchased; and</p> <p>The applicable laws of the NFE's country or territory of residence or the NFE's formation documents require that, upon the NFE's liquidation or dissolution, all of its assets be distributed to a governmental entity or other non-profit organization, or escheat to the government of the NFE's country or territory of residence or any political subdivision thereof.</p> <p>Explanation. - For the purpose of this sub-clause, the following shall be treated as fulfilling the criteria provided in the said sub-clause, namely:-</p> <ol style="list-style-type: none"> <li>an Investor Protection Fund referred to in clause (23EA);</li> <li>a Credit Guarantee Fund Trust for Small Industries referred to in clause 23EB; and</li> <li>an Investor Protection Fund referred to in clause (23EC), of section 10 of the Act;</li> </ol> |

## 3. Other definitions:

(I) **Related entity** - An entity is a 'related entity' of another entity if either entity controls the other entity, or the two entities are under common control For this purpose, control includes direct or indirect ownership of more than 50% of the votes and value in an entity.

(II) **Passive NFE** - The term passive NFE means

- any non-financial entity which is not an active non-financial entity including a publicly traded corporation or related entity of a publicly traded company; or
- an investment entity defined in clause (b) of these instructions
- a withholding foreign partnership or withholding foreign trust;

(III) **Passive income** - The term passive income includes income by way of :

- Dividends,
- Interest
- Income equivalent to interest,
- Rents and royalties, other than rents and royalties derived in the active conduct of a business conducted, at least in part, by employees of the NFE
- Annuities
- The excess of gains over losses from the sale or exchange of financial assets that gives rise to passive income
- The excess of gains over losses from transactions (including futures, forwards, options and similar transactions) in any financial assets,
- The excess of foreign currency gains over foreign currency losses
- Net income from swaps
- Amounts received under cash value insurance contracts

But passive income will not include, in case of a non-financial entity that regularly acts as a dealer in financial assets, any income from any transaction entered into in the ordinary course of such dealer's business as such a dealer.

(IV) **Controlling persons :**

Controlling persons are natural persons who exercise control over an entity and includes a beneficial owner under sub-rule (3) of rule 9 of the Prevention of Money-Laundering (Maintenance of Records) Rules, 2005.

In determining the beneficial owner, the procedures specified in the following circular as amended from time to time shall be applied, namely :-

- DBOD.AML.BC.No.71/14.01 001/2012-13, issued on the 18th January 2013 by the Reserve Bank of India; or
- CIR/MIRSD/2/2013, issued on the 24th January 2013 by the Securities and Exchanged Board of India; or
- IRDA/SDD/GDL/CIR/019/02/2013, issued on the 4th January 2013 by the insurance Regulatory and Development Authority.

In the case of a trust, the controlling person means the settlor, the trustees, the protector (if any), the beneficiaries or class of beneficiaries, and any other natural person exercising ultimate effective control over the trust. In the case of a legal arrangement other than a trust, controlling person means persons in equivalent or similar positions

#### A. Reasons why FI not required to apply for GIIN:

| Code | Sub-category   |
|------|--|
| 01   | CP of legal person-ownership                         |
| 02   | CP of legal person-other means                       |
| 03   | CP of legal person-senior managing official          |
| 04   | CP of legal arrangement-trust-settlor                |
| 05   | CP of legal arrangement--trust-trustee               |
| 06   | CP of legal arrangement--trust-protector             |
| 07   | CP of legal arrangement--trust-beneficiary           |
| 08   | CP of legal arrangement--trust-other                 |
| 09   | CP of legal arrangement-Other-settlor equivalent     |
| 10   | CP of legal arrangement-Other-trustee equivalent     |
| 11   | CP of legal arrangement-Other-protector equivalent   |
| 12   | CP of legal arrangement-Other-beneficiary equivalent |
| 13   | CP of legal arrangement-Other-other equivalent       |
| 14   | Unknown  |

**(V) Specified U.S. person - A U.S person other than the following:**

- (i) a corporation the stock of which is regularly traded on one or more established securities markets;
- (ii) any corporation that is a member of the same expanded affiliated group, as defined in section 1471(e)(2) of the U.S. Internal Revenue Code, as a corporation described in clause (i);
- (iii) the United States or any wholly owned agency or instrumentality thereof;
- (iv) any State of the United States, any U.S. Territory, any political subdivision of any of the foregoing, or any wholly owned agency or instrumentality of any one or more of the foregoing;
- (v) any organization exempt from taxation under section 501(a) of the U.S. Internal Revenue Code or an individual retirement plan as defined in section 7701(a)(37) of the U.S. Internal Revenue Code;
- (vi) any bank as defined in section 581 of the U.S. Internal Revenue Code;
- (vii) any real estate investment trust as defined in section 856 of the U.S. Internal Revenue Code;
- (viii) any regulated investment company as defined in section 851 of the U.S. Internal Revenue Code or any entity registered with the U.S. Securities and Exchange Commission under the Investment Company Act of 1940 (15 U.S.C. 80a-64);
- (ix) any common trust fund as defined in section 584(a) of the U.S. Internal Revenue Code;

- (x) any trust that is exempt from tax under section 664(c) of the U.S. Internal Revenue Code or that is described in section 4947(a)(1) of the U.S. Internal Revenue Code;
- (xi) a dealer in securities, commodities, or derivative financial instruments (including notional principal contracts, futures, forwards, and options) that is registered as such under the laws of the United States or any State;
- (xii) a broker as defined in section 6045(c) of the U.S. Internal Revenue Code; or
- (xiii) any tax-exempt trust under a plan that is described in section 403(b) or section 457(g) of the U.S. Internal Revenue Code.

**(VI) Direct reporting NFE** - A direct reporting NFFE means a NFFE that elects to report information about its direct or indirect substantial U.S. owners to the IRS.

**(VII) Exemption code for U.S. persons (Refer 114F(9) of Income Tax Rules, 1962 for details.**

| Code | Sub-category  |
|------|---|
| A    | An organization exempt from tax under section 501(a) or any individual retirement plan as defined in section 7701(a)(37)  |
| B    | The United States or any of its agencies or instrumentalities   |
| C    | A state, the District of Columbia, a possession of the United States, or any of their political subdivisions or instrumentalities   |
| D    | A corporation the stock of which is regularly traded on one or more established securities markets, as described in Reg. section 1.1472-1(c)(1)(i)  |
| E    | A corporation that is a member of the same expanded affiliated group as a corporation described in Reg. section 1.1472-1(c)(1)(i)   |
| F    | A dealer in securities, commodities, or derivative financial instruments (including notional principal contracts, futures, forwards, and options) that is registered as such under the laws of the United States or any state |
| G    | A real estate investment trust  |
| H    | A regulated investment company as defined in section 851 or an entity registered at all times during the tax year under the Investment Company Act of 1940  |
| I    | A common trust fund as defined in section 584(a)  |
| J    | A bank as defined in section 581  |
| K    | A broker  |
| L    | A trust exempt from tax under section 664 or described in section 4947(a)(1)  |
| M    | A tax exempt trust under a section 403(b) plan or section 457(g) plan   |

**MUTUAL FUND SERVICE SYSTEM (MFSS) AND BSE STAR MF PLATFORM**

All the open ended schemes of Principal Mutual Fund [except Direct Plan and Sweep facility under Dividend Option of Regular Plan] have been admitted on the order routing platform of NSE and BSE, enabling investors to submit applications for subscription and redemption there under MFSS.

**The salient features of this facility are as follows:**

- 1. Purchase/redemption of units will be available to both existing and new investors. Currently switching of units, Systematic Investment Plan, Systematic Transfer Plan, Systematic Withdrawal Plan will not be permitted through this facility. However, transactions through Systematic Investment Plan is available only through the BSE STAR MF Platform
- 2. The list of eligible schemes is subject to change from time to time.
- 3. In order to facilitate transactions through stock exchange infrastructure, NSE & BSE has introduced Mutual Fund Service System (MFSS) and BSE STAR MF Platform respectively. All trading members of NSE & BSE registered as Participants with NSE & BSE [Eligible Brokers] and/or registered Clearing Members of National Securities Clearing Corporation Limited (NSCCL) and Indian Clearing Corporation Limited (ICCL) [Clearing Members] who are registered with AMFI as mutual fund advisors and who are empanelled with Principal Pnb Asset Management Company Pvt. Ltd. (AMC) will be eligible to offer this facility to the investors. Further, Depository Participant(s) of Depositories are eligible for processing redemption transactions. Condition stipulated in SEBI Circular No. SEBI/IMD/CIR NO.11/183204/2009 dated November 13, 2009 for stock brokers viz. AMFI/NISM certification, code of conduct prescribed by SEBI for Intermediaries of Mutual Fund, shall be applicable for such clearing members and Depository participants as well. Eligible investors who are willing to transact under this facility are required to register themselves with Eligible Broker/Clearing Members/Depository Participants.
- 4. The units of eligible schemes are not listed on NSE & BSE and the same cannot be traded on stock exchange like shares. The window for purchase/ redemption of units on NSE/BSE will be available between 9.00 a.m. to 3.00 p.m. or such other timings as may be decided.
- 5. All Eligible Brokers/Clearing Members/Depository Participants will be considered as the Official Point of Acceptance for the transactions done under this facility.
- 6. Investors have an option to hold units in physical form or in dematerialized form.
- 7. International Security Identification Number (ISIN) in respect of plans/options of the eligible schemes have been created and admitted in National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL).

8. Investors will be able to purchase/redeem units in the eligible schemes in the following manner:

**I. Physical Form:**

- (a) Investors desirous of transacting (subscription/redemption) through NSE/BSE should approach an Eligible Broker along with duly filled in application form and other documents (including KYC and PAN) as may be required. The payment for subscription should be made to the eligible broker/clearing member.
- (b) Dispatch of accounts statements and payment of redemption proceeds will be made by the Mutual Fund / registrar directly to the investor. Based on the information provided by the investor the redemption payout shall be to the investor's bank account registered with the Mutual Fund.
- (c) In case of a subscription transaction, the allotment of units will be on 'Provisional' basis till the time AMC/Karvy Computershare Pvt. Ltd. (registrar) has received all the required documents from the eligible brokers/clearing members. Any application for redemption of units so allotted on provisional basis will be rejected.
- (d) In case investor desires to convert the existing physical units into dematerialize form, the request for the same will have to be submitted to the Depository Participant.

**II. Dematerialized Form:**

- (i) Eligible investors having a beneficiary account with a Depository Participant may avail the facility to subscribe units in dematerialize form.
- (ii) Eligible investor desirous in transacting (Subscription / redemption) through NSE/BSE should place an order with Eligible Broker/Clearing Member/ Depository Participant:-
  - (a) In case of subscription, the payment of subscription money should be made to the Eligible Broker / Clearing Member. Investors shall receive units through Eligible Broker / Clearing Member's pool account. Principal Mutual Fund (PMF) / Principal Pnb Asset Management Company Private Limited (PAMC) would credit the units to Eligible Broker / Clearing Member's pool account and the Eligible Broker/Clearing member in turn to the respective investor.

- (b) In case of redemption, investors shall receive redemption amount through Eligible Broker / Clearing Member's /Depository Participant's pool account. Payment of redemption proceeds will be made by PMF / PAMC to the Eligible Broker / Clearing Member /Depository Participant and the Eligible Broker / Clearing Member/Depository Participant in turn to the respective Investor.

Payment of redemption proceeds to the Eligible Broker/Clearing Members/ Depository Participant by PMF / PAMC shall discharge PMF / PAMC of its obligation of payment to individual investor. Similarly, in case of subscription, crediting units into Eligible Broker/Clearing Member pool account shall discharge PMF / PAMC of its obligation to allot units to individual investor.

- 9. Applications for purchase/redemption of units which are incomplete / invalid are liable to be rejected.
- 10. For any complaints or grievances against the Eligible Broker / Clearing Member / Depository Participant with respect to transactions done through NSE/BSE, the investor should either contact the concerned Eligible Broker / Clearing Member/Depository Participant or Investor Grievance Cell of respective stock exchanges. In case of non-financial request/applications such as change in address, change in bank details etc. the investors should approach Investors Service Centers of Principal Mutual Fund if units are held in physical mode and the respective Depository Participant if the units are held in dematerialized mode.
- 11. Investors will have to comply with KYC norms as prescribed by NSE/BSE/CDSL/NSDL and Principal Mutual Fund from time to time.
- 12. In case of unitholders holding units in dematerialized mode, the fund will not send the account statement to the unitholders. The statement provided by the Depository Participant will be equivalent to the account statement for the purpose of adequate compliance with the regulatory requirements applicable on the Fund's part.
- 13. The applicability of NAV will be subject to guidelines issued by SEBI on uniform cut-off timings for applicability of NAV for Mutual Funds Scheme(s)/plan(s). The date of acceptance will be reckoned as per the date & time, The transaction is entered in Stock exchanges infrastructure for which a system generated confirmation slip will be issued to the investor.
- 14. This facility shall be subject to the terms and conditions specified and guidelines issued by SEBI/AMFI/NSE/BSE from time to time.
- 15. AMC reserves the right to change / modify or discontinue this facility at any time in future.

**TAX & LEGAL & GENERAL INFORMATION**

Investors are advised to refer to the details in the Statement of Additional Information and also independently refer to their tax advisor.

**DAILY NET ASSET VALUE (NAV) PUBLICATION**

The NAV of the Fund will be calculated on all Business Days (calendar days in case of PMMF and PCMF). The NAV will be published in 2 daily newspapers having nationwide circulation and will also be updated on the AMFI website i.e. www.amfiindia.com by 9.00 p.m. on all business days. In case of PGOF, NAV will be published with one day time lag which would be indicated with an asterisk (\*) and would be updated on AMFI website by 10.00 a.m. the following business day. The NAV can also be viewed on the website of the Mutual Fund i.e. www.principalindia.com.

**FOR INVESTOR GRIEVANCES PLEASE CONTACT:**

Registrar:

**Karvy Computershare Pvt. Ltd. (Unit: Principal Mutual Fund)**

Karvy Registry House, #8-2-596, Avenue 4, Street No. 1, Banjara hills, Hyderabad-500 034. www.karvycomputershare.com

**Principal Mutual Fund:**

Exchange Plaza, 'B' wing, Ground Floor, NSE Building, Bandra Kurla Complex, Bandra (East), Mumbai - 400 051. TOLL FREE: 1800 425 5600. • Fax: +91 22 6772 0512. E-mail: customer@principalindia.com

**UNITHOLDERS' INFORMATION:**

**Account Statement:** An allotment confirmation specifying the units allotted shall be sent by way of email and/or SMS within 5 Business Days of receipt of valid application to the Unit holders registered e-mail address and/or mobile number. Thereafter, a Consolidated Account Statement (CAS) containing details relating to all the transactions carried out by the investor across all schemes of all mutual funds during the month and holding at the end of the month shall be sent to the Unit holder in whose folio transactions have taken place during that month, on or before 10th of the succeeding month.

In case of a specific request received from the Unit holders, the AMC/Fund will provide an account statement (reflecting transactions of the Fund) to the investors within 5 Business Days from the receipt of such request. Further, the CAS detailing holding across all schemes of all mutual funds at the end of every six months (i.e. September/ March), shall be sent by mail/e-mail on or before 10th day of succeeding month, to all such Unit holders in whose folios no transaction has taken place during that period. The half yearly consolidated account statement will be sent by e-mail to the Unit holders whose e-mail address is available, unless a specific request is made to receive in physical form. Investors having MF investments and holding securities in Demat account shall receive a single Consolidated Account Statement (CAS) from the Depository. If an investor does not wish to receive single CAS from the depository, an option shall be given to the investor to indicate negative consent and receive the normal CAS only w.r.t mutual fund investments in lieu of this single CAS. For more details, please refer the Scheme Information Document (SID) and Statement of Additional Information (SAI).

**Securities Consolidated Account Statement (SCAS):** Investors who have a demat account and opt to hold units in non-demat form, a single SCAS generated based on PAN for each calendar month, shall be sent by mail/email in whose folio(s) transaction(s) has/have taken place during the month on or before 10th of the succeeding month. The SCAS will be sent by e-mail to the investor(s) whose e-mail address is registered with the Depositories. In case an investor does not wish to receive SCAS through e-mail, an option shall be given by the Depository to receive SCAS in physical. Where PAN is not available, the account statement shall be sent to the Unit holder by the AMC. In case there is no transaction in the folio, a half yearly SCAS detailing holding across all schemes of mutual funds and securities held in dematerialized form across demat accounts shall be sent by Depositories to investors at the end of every six months (i.e. September/March), on or before 10th day of succeeding month. The half yearly SCAS will be sent by mail/e-mail as per the mode of receipt opted by the investors to receive monthly SCAS. Investors who are not eligible for receiving SCAS shall continue to receive a monthly account statement from the AMC. The holding(s) of the beneficiary account holder for units held in demat mode will be shown in the statement issued by respective Depository Participants (DPs) periodically. For more details, please refer the SID and SAI.

**Portfolio Statement:** The Annual financial results of the Schemes or an abridged summary thereof shall be mailed to all unitholders within 4 months from the date of the closure of the relevant accounts i.e. March 31 each year. Half Yearly unaudited financial results shall be hosted on our website- www.principalindia.com within one month from the close of each half year (i.e. 31st March and 30th September). Half yearly portfolio shall be published within one month from the close of each half year in at least in one National English daily and one regional newspaper in the region where the head office of the mutual fund is located.

**Offices of AMC Identified as Official Point of Acceptance (OPA)/ Investor Service Centres (ISC):**

**Principal Pnb Asset Management Company Private Limited - OPA & ISC:** • **Mumbai:** Exchange Plaza, 'B' wing, Ground Floor, NSE Building, Bandra Kurla Complex, Bandra (East), Mumbai-400 051.

**Principal Pnb Asset Management Company Private Limited - ISC:** • **Ahmedabad:** 101-104, GCP Business Centre, Opp. Memnagar Fire Station, Vijay Cross Road, Ahmedabad-380 014. • **Bengaluru:** Level 1, Tower B, The Millenia, 1 & 2 Murphy Road, Ulsoor, Bengaluru-560 008. • **Chandigarh:** Office No. 435, Level 4, Tower-A, Godrej Eternia, Plot No. 70, Industrial Area 1, Chandigarh-160 002. • **Chennai:** "Amara Sri", Old No. 313, New No. 455, Block No. 75, 7th Floor, Anna Salai, Teynampet, Chennai-600 018. • **Hyderabad:** Office No. 314, 3rd Floor, Belvedere, Raj Bhavan Road, Somajiguda, Hyderabad-500 082. • **Jaipur:** Office No. 445, 4th Floor, Ganpati Plaza, M. I. Road, Jaipur-302 005. • **Kolkata:** The Legacy, 1st Floor, 25-A, Shakespeare Sarani, Kolkata-700 016. • **Lucknow:** 4th Floor, Halwasiya Court, Mahatma Gandhi Marg, Hazratganj, Lucknow-226 001. • **New Delhi:** A-121, 12th Floor, Himalaya House, 23 K. G. Marg, New Delhi-110 001. • **Pune:** The Senate Business Center, 100ft Riverside, D.P. Road, Vartak Baug, Erandwane, Pune-411 052.

**Centres of Karvy Computershare Private Limited (R&T to Principal Mutual Fund) which have been identified as Official Point of Acceptance:**

**Agra:** 1st Floor, Deepak Wasan Plaza, Behind Holiday Inn, Opp. Megdoot Furnitures, Sanjay Place, Agra-282 002 • **Ahmedabad:** 201/202 Shail, Opp. Madhusudan House, Navrangpura, Ahmedabad-380 006 • **Ajmer:** 302, 3rd Floor, Ajmer Auto Building, Opp. City Power House, Jaipur Road, Ajmer - 305 001 • **Aligarh:** 1st Floor, Kumar Plaza, Aligarh-202 001 • **Allahabad:** RSA Towers, 2nd Floor, Above Sony TV Showroom, 57, S.P. Marg, Civil Lines, Allahabad-211 001 • **Amritsar:** 72-A, Taylor's Road, Opp. Aga Heritage Club, Amritsar-143 001 • **Anand:** B-42 Vaibhav Commercial Center, Nr TVS Down Town Show Room, Grid Char Rasta, Anand-380 001 • **Asansol:** 114/71, G.T. Road, Near Sony Centre, Bhanga Pachil, Asansol-713 303 • **Aurangabad:** Ramkunj Niwas, Railway Station Road, Near Osmanpura Circle, Aurangabad-431 005 • **Bangalore:** 59, Skanda Puttanna Road, Basavanagudi, Bangalore-560 004 • **Bankura:** Ambika Market Complex, Gr. Floor, Nutanganj, Post & Dist Bankura, Bankura-722 101 • **Bareilly:** 1st Floor, 165, Civil Lines, Opp. Hotel Bareilly Palace, Near Railway Station, Bareilly-243 001 • **Belgaum:** CTS No. 3939/ A2 A1, Above Raymonds Show Room, Beside Harsha Appliances, Club Road, Belgaum-590 001 • **Bharuch:** Office No. 147-148, Aditya Complex, Near Kasak Circle, Bharuch-392 001 • **Bhatinda:** #2047-A 2nd Floor, The Mall Road, Above Max New York Life Insurance, New Delhi-151 001 • **Bhavnagar:** Krishna Darshan Complex, Parimal Chowk, Office No. 306-307, 3rd Floor, Above Jed Blue Show Room, Bhavnagar 364 002 • **Bhilai:** Shop No. 1, First Floor, Plot No.1, Commercial Complex, Nehru Nagar (East), Bhilai-490 020 • **Bhopal:** Kay Kay Business Centre, 133, Zone I, M.P. Nagar, Above City Bank, Bhopal-462 011 • **Bhubaneswar:** A/181 , Back Side of Shivam Honda Show Room, Saheed Nagar, Bhubaneswar-751 007 • **Bikaner:** 70-71, 2nd Floor, Dr. Chahar Building, Panchsai Circle, Sadul Ganj, Bikaner-334 001 • **Bokaro:** B-1, 1st Floor, City Centre, Sector-4, Near Sonu Chandi Jewellers, Bokaro-827 004 • **Burdwan:** 63 G.T. Road, Halder Commercial 1st Floor, Burdwan-713 101 • **Calicut:** 2nd Floor, Soubhagya Shopping Complex, Arayidathpalam, Mavoor Road, Calicut-673 004 • **Chandigarh:** SCO 2423-2424, Sector 22-C, Chandigarh-160 022 • **Chennai:** F-11, Akshaya Plaza, 1st Floor, 108, Adithanar Salai, Egmore, Opp. Chief Metropolitan Court, Chennai-600 002 • **Cochin:** Ali Arcade, 1st Floor, Kizhavana Road, Panampilly Nagar, Near Atlantis Junction, Ernakulam-682 036 • **Coimbatore:** 3rd Floor, Jaya Enclave, 1056/1057 Avinashi Road, Coimbatore-641 018 • **Cuttack:** P.O. - Buxi Bazar, Cuttack, Opp. Dargha Bazar, Dargha Bazar, Cuttack-753 001 • **Dehradun:** Kaulagarh Road, Near Sirmar Margabowe, Reliance Webworld, Dehradun-248 001 • **Dhanbad:** 208 New Market, 2nd Floor, Bank More, Dhanbad-826 001 • **Durgapur:** Mwav-16 Bengal Ambuja, 2nd Floor, City Centre, 16 Dt Burdwan, Durgapur-713 216 • **Erode:** No. 4, Veerappan Traders Complex, KMY Salai, Sathy Road, Opp. Erode Bus Stand, Erode-638 003 • **Faridabad:** A-2B, 1st Floor, Nehru Groundnit, Faridabad-121 001 • **Ghaziabad:** 1st Floor, C-7, Lohia Nagar, Ghaziabad-201 001 • **Goa:** Flat No. 1-A, H. No. 13/70, Timotio Bldg. Heliodoro Salgado Road, Next to Navhind Bhuvan (Market Area), Panaji, Goa - 403 001 • **Gorakhpur:** Above V.I.P. Houseadjacent, A.D. Girls College, Bank Road, Gorakhpur-273 001 • **Gurgaon:** Shop No.18, Gr. Floor, Sector-14, Opp. AKD Tower, Near Huda Office, Gurgaon-122 001 • **Guwahati:** 1st Floor, Bajrangbali Building, Near Bora Service Station, G.S. Road, Guwahati - 781 001 • **Gwalior:** 2nd Floor, Rajeev Plaza, Jayendra Ganj, Lashkar, Gwalior. M.P.-474 009 • **Hubli:** CTC No. 483 / A1-A2, Gr. Floor, Shri Ram Plaza, Behind Kotak Mahindra Bank, Club Road, Hubli - 580 029. • **Hyderabad:** KARVY CENTRE, 8-2-609/K, Avenue 4, Street No. 1, Banjara Hills, Hyderabad - 500 034. • **KARVY SELENIUM,** Plot No. 31 & 32, Tower B, Survey No. 115 /122, 115/24 & 115/25, Financial District, Gachibowli, Nanakramguda, Serilingampally Mandal, Ranga Reddy District, Hyderabad - 500 032 • **Indore:** 2nd Floor, 203-205, Balaji Corporates, Above ICICI Bank, 19/1 New Palasia, Indore-452 001 • **Jabalpur:** Grover Chamber, 43 Naya Bazar Malviya Chowk, Opp. Thyam Market, Jabalpur-482 002 • **Jaipur:** S-16/A 3rd Floor, Land Mark Building, Opp. Jai Club, Mahaver Marg C-Scheme, Jaipur-302 001 • **Jalandhar:** 1st Floor, Shanti Towers, SCO No. 37, PUDA Complex, Opp. Teshil Complex, Jalandhar-144 001 • **Jalgaon:** 269 Jae Vishwa, 1st Floor, Above United Bank of India, Baliram Peth, Near Kishor Agencies, Jalgaon - 425 001 • **Jammu:** 5 A/D Extension 2, Near Panama Chowk Petrol Pump, Panama Chowk, Jammu-180 012 • **Jammargarh:** 136-138, Madhav Palaza, Opp. SBI Bank, Near Lal Bunglow, Jammargarh-361 001 • **Jamshedpur:** 2nd Floor, R.R. Square, SB Shop Area, Near Reliance Foot Print & Hotel, BS Park Plaza, Main Road, Bistupur, Jamshedpur-831 001 • **Jodhpur:** 203, Modi Arcade, Chopasni Road, Jodhpur-342 001 • **Junagadh:** 124-125 Punit Shopping Centre, M.G. Road, Ranavav Chowk, Junagadh-362 001 • **Kanpur:** 15/46, B, Gr. Floor, Opp. Muir Mills, Civil Lines, Kanpur-208 001 • **Karnal:** 18/369, Char Chaman, Kunjpora Road, Behind Miglani Hospital, Karnal-132 001 • **Kolhapur:** 605/1/4, E Ward, Shahupuri 2nd Lane, Laxmi Niwas, Near Sultane Chambers, Kolhapur-416 001 • **Kolkata:** 166 A, Rashbihari Avenue, 2nd Floor, Opp. Fortish Hospital, Kolkata-700 029 • **Kota:** 29, 1st Floor, Near Lala Lajpat Rai Circle, Shopping Centre, Kota-324 007 • **Kottayam:** 1st Floor Csiascension Square, Railway Station Road, Collectorate P O., Kottayam-686 002 • **Lucknow:** 1st Floor, A. A. Complex, Thaper House, 5 Park Road, Hazratganj, Lucknow - 226 001 • **Ludhiana:** SCO-136, 1st Floor, Above Airtel Showroom, Feroze Gandhi Market, Ludhiana-141 001 • **Madurai:** Rakesh Towers, 30-C, 1st Floor, Bye Pass Road, Opp. Nagappa Motors, Madurai-625 010 • **Malda:** Sahis Tuli, Under Ward No.6, No.1 Govt Colony, English Bazar Municipality, Malda-732 101 • **Mangalore:** Mahendra Arcade, Opp. Court Road, Karangal Padi, Mangalore-575 003 • **Meerut:** 1st Floor, Medi Centre, Opp. ICICI Bank, Hapur Road, Near Bachha Park, Meerut-250 002 • **Mehsana:** Ul-47, Apollo Enclave, Opp. Simandhar Temple, Modhera Cross Road, Mehsana-384 002 • **Moradabad:** Om Arcade, Parker Road, Above Syndicate Bank, Chowk Tari Khana, Moradabad-244 001 • **Mumbai:** 24/B, Raja Bahadur Compound, Ambalal Doshi Marg, Behind BSE Bldg., Fort, Mumbai-400 001 • **Mumbai - Borivali:** Gr. Floor, Himanshu Bldg., Sodawala Lane, Lina Chandawarkar Road, Borivali, Mumbai-400 091 • **Mumbai - Thane:** 101, Yashwant Building, Burd Ganes, Godkari Path, Ram Maruti Road, Naupada, Thane-400 602 • **Mumbai - Vashi:** Shop No. 43-A, Ground Floor, Vashi Plaza Sector-17, Near Apna Bazar, Vashi-400 705 • **Muzaffarpur:** 1st Floor, Uma Market, Thana Gumtimiti Jheel, Muzaffarpur-842 001 • **Mysore:** L-350, Silver Tower, Ashoka Road, Opp. Clock Tower, Mysore-570 001 • **Nadiad:** 104/105, Near Paras Cinema, City Point Nadiad, Nadiad-387 001 • **Nagpur:** Plot No. 2/1, House No 102/1, Mangaldeep Apartment, Mata Mandir Road, Opp. Khandelwal Jewelers, Dharampeth, Nagpur-440 010 • **Nasik:** S-12,Suyojit Sankul, Sharanpur Road, Near Rajiv Gandhi Bhavan, Nasik-422 002 • **Navsari:** 1/1 Chinmay Arcade, Opp. Sattapir Road, Tower Road, Navsari-396 445 • **New Delhi:** 305, New Delhi House, 27, Barakhamba Road, New Delhi -110 001 • **Noida:** 405, 4th Floor, Vishal Chamber, Plot No. 1, Sector-18, Noida - 201 301 • **Panipat:** 1st Floor, Java Complex, Above Vijaya Bank, G.T. Road, Panipat-132103 • **Patiala:** SCO-27 D, Chotti Baradari, Near Car Bazaar, Patiala-147 001 • **Patna:** 3-A, 3rd Floor, Anand Tower, Exhibition Road, Opp. ICICI Bank, Patna-800 001 • **Pondicherry:** No. 7, Thiayagaraja Street, Pondicherry-605 001 • **Pune:** Mozaic Bldg, CTS No.1216/1, Final Plot No. 576/1 TP Scheme No. 1, F. C. Road, Bhamburda, Shivaji Nagar, Pune - 411 004 • **Raipur:** Shop No. 31 Third Floor, Millenium Plaza Above Indian House, Behind Indian Coffee House, Raipur 492 001 • **Rajkot:** 104, Siddhi Vinyak Complex, Opp. Ramkrishna Ashram, Dr. Yagnik Road, Rajkot, Rajkot-360 001 • **Ranchi:** Room No. 307, 3rd Floor, Commerce Tower, Beside Mahabir Tower, Ranchi-834 001 • **Rourkela:** 1st Floor, Sandhu Complex, Kachery Road, Uditnagar, Rourekla-769 012 • **Salem:** No. 40, 2nd Floor, Brindavan Road, Fairlands, Near Perumal Koil, Salem-636 016 • **Shillong:** Annex Mani Bhawan, Lower Thana Road, Near R K M Lp School, Shillong-793 001 • **Shimla:** Triveni Building, By Pas Chowkhhallini, Shimla-171 002 • **Siliguri:** Nanak Complex, Sevoke Road, Siliguri-734 001 • **Surat:** G-5, Empire State Building, Near Udhna Darwaja, Ring Road, Surat-395 002 • **Trichurveli:** 55/18, Jeney Building, S.N. Road, Near Aravind Eye Hospital, Trichurveli-627 001 • **Trichur:** 2nd Floor, Brothers Complex, Naikkanal Junction, Shornur Road Near Dhanalakshmi Bank H O, Thirissur-680 001 • **Trichy:** 60, Sri Krishna Arcade, Thennur High Road, Trichy-620 017 • **Trivandrum:** 2nd Floor, Akshaya Tower, Sasthamangalam, Trivandrum-695 010 • **Udaipur:** 201-202, Madhav Chambers, Opp. GPO, Chetak Circle, Udaipur-313 001 • **Vadodara:** 203, Corner point, Jetalpur Road, Vadodara - 390 007 • **Valsad:** Shop No. 2, Phiroza Corner, Opp. Next Show Room, Tithal Road, Valsad-396 001 • **Vapi:** Shop No. 12, Ground Floor, Sheetal Appatment, Near K.P. Tower, Vapi-396 195 • **Varanasi:** D-64/132, 1st Floor, Anant Complex, Sigra, Varanashi-221 010 • **Vellore:** No. 1, M. N. R. Arcade, Officers Line, Krishna Nagar, Vellore-632 001 • **Vijayawada:** 39-10/7, Opp. Municipal Water Tank, Labbipet, Vijayawada-520 010 • **Visakhapatnam:** Door No: 48-8-7, Dwaraka Dimond, Gr. Floor, Srinagar, Visakhapatnam - 530 016 • **Warangal:** 5-6-95, 1st Floor, Opp. B.Ed Collage, Lashkar Bazar, Chandra Complex, Hamrakonda, Warangal-506 001.

**Name, Address and Website of Registrar:**

**Karvy Computershare Pvt. Ltd. (Unit: Principal Mutual Fund)** Karvy Registry House, #8-2-596, Avenue 4, Street No. 1, Banjara hills, Hyderabad-500 034. • www.karvycomputershare.com

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**Points of Service ("POS") of MF UTILITIES INDIA PRIVATE LIMITED ("MFUI") as Official Point of Acceptance:**

The Online Transaction Portal of MF Utility is www.mfuonline.com and the list of POS of MFUI is published on the website of MFUI at www.mfuindia.com, as updated from time to time.