

Principal[®]

**Mutual
Funds**

**KEY INFORMATION MEMORANDUM
&
APPLICATION FORMS**

Offer of units at applicable NAV based price

**Equity / Balanced &
Fund of Funds**

Principal Growth Fund
Principal Dividend Yield Fund
Principal Global Opportunities Fund
Principal Large Cap Fund
Principal Index Fund - Nifty
Principal Index Fund - Midcap
Principal Emerging Bluechip Fund
Principal Balanced Fund
Principal SMART Equity Fund
Principal Asset Allocation Fund-of-Funds

Debt / Liquid Funds

Principal Debt Savings Fund
Principal Dynamic Bond Fund
Principal Income Fund - Short Term Plan
Principal Government Securities Fund
Principal Bank CD Fund
Principal Debt Opportunities Fund
Principal Cash Management Fund
Principal Retail Money Manager Fund

ELSS

Principal Tax Savings Fund
Principal Personal Tax Saver Fund

INVESTMENT MANAGER

Principal Pnb Asset Management Company Private Limited

Exchange Plaza, 'B' Wing, Ground Floor, NSE Building, Bandra Kurla Complex, Bandra (E), Mumbai - 400 051.

Principal Mutual Fund

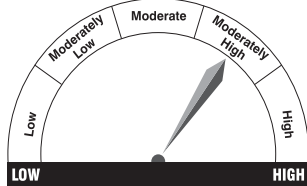
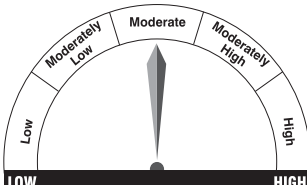
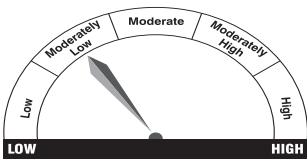
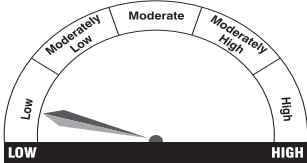
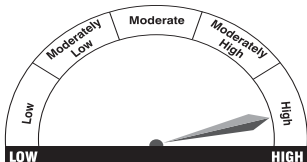
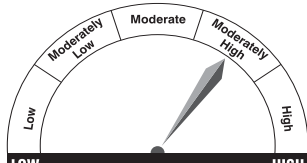
Exchange Plaza, 'B' Wing, Ground Floor, NSE Building, Bandra Kurla Complex, Bandra (E), Mumbai - 400 051.

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.

This KIM is dated January 28, 2016.

PRODUCT LABELS

Scheme Names	This product is suitable for investors who are seeking~	RISKOMETER
Principal Large Cap Fund <i>(An Open-ended Equity Scheme)</i>	<ul style="list-style-type: none"> Long term Capital Growth. Investment in equity & equity related securities including equity derivatives of large capitalization Companies 	 <p>Investors understand that their principal will be at moderately high risk</p>
Principal Emerging Bluechip Fund <i>(An Open-ended Equity Scheme)</i>	<ul style="list-style-type: none"> Long term Capital Growth. Investment in equity & equity related securities including equity derivatives of mid & small capitalization Companies. 	
Principal Growth Fund <i>(An Open-ended Equity Scheme)</i>	<ul style="list-style-type: none"> Long term Capital Growth. Investment in equity & equity related securities including equity derivatives of companies across market capitalization. 	
Principal Dividend Yield Fund <i>(An Open-ended Equity Scheme)</i>	<ul style="list-style-type: none"> Long term Capital Growth. Investment in equity & equity related securities including equity derivatives of high dividend yield Companies. 	
Principal Index Fund - Nifty <i>(An Open-ended Index Scheme)</i>	<ul style="list-style-type: none"> Long term Capital Growth. Investment in equity securities including equity derivatives of Nifty 50 (NSE) Companies. 	
Principal Index Fund - Midcap <i>(An Open-ended Index Scheme)</i>	<ul style="list-style-type: none"> Long term Capital Growth. Investment in equity securities including equity derivatives of Nifty Midcap 100 Index. 	
Principal SMART Equity Fund <i>(An Open-ended Equity Scheme)</i>	<ul style="list-style-type: none"> Long term Capital Growth. Investment in equity & 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 & Debt on the basis of the Price Earnings Ratio of Nifty 50. 	
Principal Personal Tax Saver Fund <i>(An Open-ended Equity Linked Savings Scheme)</i>	<ul style="list-style-type: none"> Long term Capital Growth with a three year lock-in. Investment in equity & equity related securities including equity derivatives of large capitalization Companies. 	
Principal Tax Savings Fund <i>(An Open-ended Equity Linked Savings Scheme)</i>	<ul style="list-style-type: none"> Long term Capital Growth with a three year lock-in. Investment in equity & equity related securities including equity derivatives of companies across market capitalization. 	
Principal Balanced Fund <i>(An Open-ended Balanced Scheme)</i>	<ul style="list-style-type: none"> Income and Long term Capital Growth. Investment in equity & equity related securities, debt/money market securities as well as derivatives. 	
Principal Debt Savings Fund - MIP <i>An Open-ended Income Fund (Monthly Income is not assured and is subject to the availability of distributable surplus)</i>	<ul style="list-style-type: none"> Income and Capital Growth over a medium term investment horizon. Investment primarily in debt/money market securities with exposure in equity & equity related instruments including equity derivatives. 	 <p>Investors understand that their principal will be at moderate risk</p>
Principal Debt Savings Fund - Retail Plan <i>(An Open-ended Income Scheme)</i>	<ul style="list-style-type: none"> Income over a long term investment horizon. Investment in Debt & Money Market Instruments. 	
Principal Government Securities Fund <i>(An Open-ended dedicated Gilt Scheme investing in Government Securities)</i>	<ul style="list-style-type: none"> Income over a long term investment horizon. Investment in Government Securities. 	
Principal Dynamic Bond Fund <i>(An Open-ended Income Scheme)</i>	<ul style="list-style-type: none"> Income over a long term investment horizon. Investment in Debt & Money Market Instruments. 	
Principal Income Fund - Short Term Plan <i>(An Open-ended Income Scheme)</i>	<ul style="list-style-type: none"> Income over a medium term investment horizon. Investment in Debt & Money Market Instruments. 	
Principal Debt Opportunities Fund - Corporate Bond Plan <i>(An Open-ended Debt Scheme)</i>	<ul style="list-style-type: none"> Income over a long term investment horizon. Investment in Debt & Money Market Instruments of Private & Public Sector Companies. 	
Principal Bank CD Fund <i>(An Open-ended Debt Scheme)</i>	<ul style="list-style-type: none"> Income over a medium term investment horizon. Investment in Bank CDs, Debt & Money Market Instruments. 	 <p>Investors understand that their principal will be at moderately low risk</p>
Principal Debt Opportunities Fund - Conservative Plan <i>(An Open-ended Debt Scheme)</i>	<ul style="list-style-type: none"> Income over a short term investment horizon. Investment in Debt & Money Market Instruments. 	
Principal Retail Money Manager Fund <i>(An Open-ended Debt Scheme)</i>	<ul style="list-style-type: none"> Income over a short term investment horizon. Investment in Debt & Money Market Instruments. 	
Principal Cash Management Fund <i>(An Open-ended Liquid Scheme)</i>	<ul style="list-style-type: none"> Income over a short term investment horizon. Investment in Debt & Money Market Instruments, with maturity not exceeding 91 days. 	 <p>Investors understand that their principal will be at low risk</p>
Principal Global Opportunities Fund <i>(An Open-ended Fund of Funds Scheme)</i>	<ul style="list-style-type: none"> Long term Capital Growth. Investment in overseas mutual fund schemes. 	 <p>Investors understand that their principal will be at high risk</p>
Principal Asset Allocation Fund-of-Funds - Conservative Plan <i>(An open-ended Fund-of-Funds Scheme)</i>	<ul style="list-style-type: none"> Income and Capital growth over a long term investment horizon. Investment primarily in debt/money market mutual funds with some exposure to equity mutual funds. 	 <p>Investors understand that their principal will be at moderately high risk</p>
Principal Asset Allocation Fund-of-Funds - Moderate Plan <i>(An open-ended Fund-of-Funds Scheme)</i>	<ul style="list-style-type: none"> Capital growth and Income over a long term investment horizon. Investment in a basket of equity mutual funds, debt/money market mutual funds and Gold ETFs. 	
Principal Asset Allocation Fund-of-Funds - Aggressive Plan <i>(An open-ended Fund-of-Funds Scheme)</i>	<ul style="list-style-type: none"> Capital growth over a long term investment horizon. Investment primarily in equity mutual funds with some allocation to debt/money market mutual funds and Gold ETFs. 	

~ Investors should consult their financial advisers if in doubt about whether the product is suitable for them.

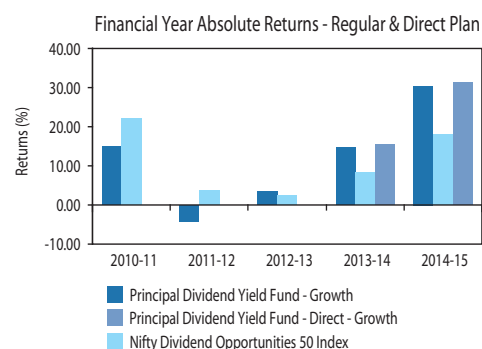
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Principal Growth Fund *(An open ended Equity Scheme)*

Investment Objective	To achieve long term capital appreciation.																											
Asset Allocation Pattern of the Scheme	Please Refer to Page No. 24																											
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 on Page No. 28																											
Investment Plans & Options	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.																											
Applicable NAV	Please Refer to Page No. 27																											
Minimum Application Amount / Number of Units	Purchase	Additional Purchase	Repurchase																									
	₹ 5,000 and any amount thereafter under each option	₹ 1,000 and any amount thereafter under each option	₹ 500 or 50 units																									
Despatch of Repurchase (Redemption) Request	Within 10 business days of the receipt of the redemption request at the Official Points of Acceptance of the Principal Mutual Fund.																											
Benchmark Index	S&P BSE 200 Index																											
Risk Mitigation Factors	Please Refer to Page No. 32																											
Folio Count & Asset Under Management (AUM) (As on Dec. 31, 2015)	Folio - 80,216 • AUM - ₹ 367.75 Crores																											
Dividend Policy	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.																											
Name of the Fund Manager	Mr. P.V.K. Mohan																											
Name of the Trustee Company	Principal Trustee Company Private Limited																											
Performance of the Scheme	Returns (%) of Growth Option as at Dec. 31, 2015																											
	Period	Regular Plan		Direct Plan																								
		Returns (%)	S&P BSE 200 Index (%)	Returns (%)	S&P BSE 200 Index (%)																							
	Last 1 Year	2.76	-1.48	3.47	-1.48																							
	Last 3 Years	18.46	11.69	N.A.	N.A.																							
	Last 5 Years	10.89	5.91	N.A.	N.A.																							
Since Inception*	16.04	14.93	18.53	11.12																								
Past performance may or may not be sustained in the future. Note: Returns more than 1 year are calculated on compounded annualised basis. *Regular Plan - October 25, 2000. Direct Plan - January 2, 2013.																												
<table border="1"> <caption>Financial Year Absolute Returns - Regular & Direct Plan</caption> <thead> <tr> <th>Financial Year</th> <th>Principal Growth Fund - Growth (%)</th> <th>Principal Growth Fund - Direct - Growth (%)</th> <th>S&P BSE 200 Index (%)</th> </tr> </thead> <tbody> <tr> <td>2010-11</td> <td>~10.00</td> <td>~10.00</td> <td>~10.00</td> </tr> <tr> <td>2011-12</td> <td>~-5.00</td> <td>~-5.00</td> <td>~-5.00</td> </tr> <tr> <td>2012-13</td> <td>~10.00</td> <td>~10.00</td> <td>~10.00</td> </tr> <tr> <td>2013-14</td> <td>~25.00</td> <td>~25.00</td> <td>~25.00</td> </tr> <tr> <td>2014-15</td> <td>~45.00</td> <td>~45.00</td> <td>~45.00</td> </tr> </tbody> </table>					Financial Year	Principal Growth Fund - Growth (%)	Principal Growth Fund - Direct - Growth (%)	S&P BSE 200 Index (%)	2010-11	~10.00	~10.00	~10.00	2011-12	~-5.00	~-5.00	~-5.00	2012-13	~10.00	~10.00	~10.00	2013-14	~25.00	~25.00	~25.00	2014-15	~45.00	~45.00	~45.00
Financial Year	Principal Growth Fund - Growth (%)	Principal Growth Fund - Direct - Growth (%)	S&P BSE 200 Index (%)																									
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2013-14	~25.00	~25.00	~25.00																									
2014-15	~45.00	~45.00	~45.00																									
Expenses of the Scheme	(i) Load Structure: Exit Load: 1% - if redeemed within 365 days from the date of allotment; Nil - if redeemed after 365 days from the date of allotment. (ii) Recurring expenses as a percentage of Average Daily Net Assets: (Refer Page No. 27) (iii) Actual expenses for the previous financial year 2014-2015: Regular Plan - 2.52%; Direct Plan - 1.91%.																											
Waiver of Load for Direct Applications	Please Refer to Page No. 32																											
Tax Treatment for the Investors (Unitholders)	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. 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. The NAV can also be viewed on the website of the Mutual Fund i.e. www.principalindia.com																											
For Investor Grievances please contact	Please Refer to Page No. 32																											
Unitholders' Information	Please Refer to Page No. 32																											

Principal Dividend Yield Fund *(An open ended Equity Scheme)*

Investment Objective	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.																																
Asset Allocation Pattern of the Scheme	Please Refer to Page No. 24																																
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 on Page No. 28																																
Investment Plans & Options	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.																																
Applicable NAV	Please Refer to Page No. 27																																
Minimum Application Amount / Number of Units	Purchase ₹ 5,000 and any amount thereafter under each option	Additional Purchase ₹ 1,000 and any amount thereafter under each option	Repurchase ₹ 500 or 50 units																														
Despatch of Repurchase (Redemption) Request	Within 10 business days of the receipt of the redemption request at the Official Points of Acceptance of the Principal Mutual Fund.																																
Benchmark Index	Nifty Dividend Opportunities 50 Index																																
Risk Mitigation Factors	Please Refer to Page No. 32																																
Folio Count & AUM (As on Dec. 31, 2015)	Folio - 30,618 • AUM - ₹ 108.82 Crores																																
Dividend Policy	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.																																
Name of the Fund Manager	Mr. Dhimant Shah																																
Name of the Trustee Company	Principal Trustee Company Private Limited																																
Performance of the Scheme	<p>Returns (%) of Growth Option as at Dec. 31, 2015</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>Returns (%)</th> <th>Benchmark Returns† (%)</th> <th>Returns (%)</th> <th>Benchmark Returns† (%)</th> </tr> </thead> <tbody> <tr> <td>Last 1 Year</td> <td>-3.39</td> <td>-11.32</td> <td>-2.78</td> <td>-11.32</td> </tr> <tr> <td>Last 3 Years</td> <td>9.86</td> <td>3.21</td> <td>N.A.</td> <td>N.A.</td> </tr> <tr> <td>Last 5 Years</td> <td>6.60</td> <td>4.19</td> <td>N.A.</td> <td>N.A.</td> </tr> <tr> <td>Since Inception*</td> <td>11.75</td> <td>Not Available</td> <td>9.87</td> <td>2.65</td> </tr> </tbody> </table> <p>Past performance may or may not be sustained in the future. Note: Returns more than 1 year are calculated on compounded annualised basis. *Regular Plan - October 15, 2004. Direct Plan - January 2, 2013. † Nifty Dividend Opportunities 50 Index</p>				Period	Regular Plan		Direct Plan		Returns (%)	Benchmark Returns† (%)	Returns (%)	Benchmark Returns† (%)	Last 1 Year	-3.39	-11.32	-2.78	-11.32	Last 3 Years	9.86	3.21	N.A.	N.A.	Last 5 Years	6.60	4.19	N.A.	N.A.	Since Inception*	11.75	Not Available	9.87	2.65
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Expenses of the Scheme	<p>(i) Load Structure Exit Load : If redeemed on or before 1 Year from the date of allotment - 1%.</p> <p>(ii) Recurring expenses as a percentage of Average Daily Net Assets: (Refer Page No. 27)</p> <p>(iii) Actual expenses for the previous financial year 2014-2015: Regular Plan - 2.66%; Direct Plan - 2.07%.</p>																																
Waiver of Load for Direct Applications	Please Refer to Page No. 32																																
Tax Treatment for the Investors (Unitholders)	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. 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. The NAV can also be viewed on the website of the Mutual Fund i.e. www.principalindia.com																																
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Principal Global Opportunities Fund *(An open ended Fund of Funds Scheme)*

Investment Objective	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.																																																							
Asset Allocation Pattern of the Scheme	Please Refer to Page No. 24																																																							
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 on Page No. 28																																																							
Investment Plans & Options	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.																																																							
Applicable NAV	Please Refer to Page No. 27																																																							
Minimum Application Amount / Number of Units	Purchase ₹ 10,000 and any amount thereafter under each option	Additional Purchase ₹ 1,000 and any amount thereafter under each option	Repurchase ₹ 1,000 or 100 units																																																					
Despatch of Repurchase (Redemption) Request	Within 10 business days of the receipt of the redemption request at the Official Points of Acceptance of the Principal Mutual Fund.																																																							
Benchmark Index	MSCI World Index																																																							
Risk Mitigation Factors	Please Refer to Page No. 32																																																							
Folio Count & AUM (As on Dec. 31, 2015)	Folio - 2,513 • AUM - ₹ 15.54 Crores																																																							
Dividend Policy	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.																																																							
Name of the Fund Manager	Mr. Rajat Jain																																																							
Name of the Trustee Company	Principal Trustee Company Private Limited																																																							
Performance of the Scheme	<p>Returns (%) of Growth Option as at Dec. 31, 2015</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>Returns (%)</th> <th>MSCI World Index (%)</th> <th>Returns (%)</th> <th>MSCI World Index (%)</th> </tr> </thead> <tbody> <tr> <td>Last 1 Year</td> <td>-9.65</td> <td>1.89</td> <td>-9.24</td> <td>1.89</td> </tr> <tr> <td>Last 3 Years</td> <td>-2.49</td> <td>14.52</td> <td>N.A.</td> <td>N.A.</td> </tr> <tr> <td>Last 5 Years</td> <td>1.87</td> <td>13.98</td> <td>N.A.</td> <td>N.A.</td> </tr> <tr> <td>Since Inception*</td> <td>6.09</td> <td>7.63</td> <td>-2.51</td> <td>14.08</td> </tr> </tbody> </table> <p>Past performance may or may not be sustained in the future. Note: Returns more than 1 year are calculated on compounded annualised basis. *Regular Plan - March 29, 2004. Direct Plan - January 2, 2013.</p>		Period	Regular Plan		Direct Plan		Returns (%)	MSCI World Index (%)	Returns (%)	MSCI World Index (%)	Last 1 Year	-9.65	1.89	-9.24	1.89	Last 3 Years	-2.49	14.52	N.A.	N.A.	Last 5 Years	1.87	13.98	N.A.	N.A.	Since Inception*	6.09	7.63	-2.51	14.08	<p>Financial Year Absolute Returns - Regular & Direct Plan</p> <table border="1"> <caption>Financial Year Absolute Returns (%)</caption> <thead> <tr> <th>Financial Year</th> <th>Principal Global Opportunities Fund - Growth</th> <th>Principal Global Opportunities Fund - Direct - Growth</th> <th>MSCI World Index</th> </tr> </thead> <tbody> <tr> <td>2010-11</td> <td>14.00</td> <td>-2.00</td> <td>-2.00</td> </tr> <tr> <td>2011-12</td> <td>4.00</td> <td>12.00</td> <td>12.00</td> </tr> <tr> <td>2012-13</td> <td>9.00</td> <td>16.00</td> <td>16.00</td> </tr> <tr> <td>2013-14</td> <td>1.00</td> <td>28.00</td> <td>1.00</td> </tr> <tr> <td>2014-15</td> <td>5.00</td> <td>8.00</td> <td>8.00</td> </tr> </tbody> </table>	Financial Year	Principal Global Opportunities Fund - Growth	Principal Global Opportunities Fund - Direct - Growth	MSCI World Index	2010-11	14.00	-2.00	-2.00	2011-12	4.00	12.00	12.00	2012-13	9.00	16.00	16.00	2013-14	1.00	28.00	1.00	2014-15	5.00	8.00	8.00
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Expenses of the Scheme	<p>(i) Load Structure Exit Load : If redeemed on or before 1 Year from the date of allotment - 1%.</p> <p>(ii) Recurring expenses as a percentage of Average Daily Net Assets: (Refer Page No. 27)</p> <p>(iii) Actual expenses for the previous financial year 2014-2015: Regular Plan - 0.96%; Direct Plan - 0.47%.</p>																																																							
Waiver of Load for Direct Applications	Please Refer to Page No. 32																																																							
Tax Treatment for the Investors (Unitholders)	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. 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 ; on all business days. NAV shall 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 and the same can also be viewed on the website of the Mutual Fund i.e. www.principalindia.com																																																							
For Investor Grievances please contact	Please Refer to Page No. 32																																																							
Unitholders' Information	Please Refer to Page No. 32																																																							

Principal Large Cap Fund *(An open ended Equity Scheme)*

Investment Objective	To provide capital appreciation and /or dividend distribution by predominantly investing in companies having a large market capitalization.																																
Asset Allocation Pattern of the scheme	Please Refer to Page No. 24																																
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: 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.																																
Investment Plans & Options	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.																																
Applicable NAV	Please Refer to Page No. 27																																
Minimum Application Amount / Number of Units	Purchase	Additional Purchase	Repurchase																														
	₹ 5,000 and any amount thereafter under each option	₹ 1,000 and any amount thereafter under each option	₹ 500 or 50 units																														
Despatch of Repurchase (Redemption) Request	Within 10 business days of the receipt of the redemption request at the Official Points of Acceptance of the Principal Mutual Fund.																																
Benchmark Index	S&P BSE 100 Index																																
Risk Mitigation Factors	Please Refer to Page No. 32																																
Folio Count & AUM (As on Dec. 31, 2015)	Folio - 43,067 • AUM - ₹ 307.64 Crores																																
Dividend Policy	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.																																
Name of the Fund Manager	Mr. Anupam Tiwari																																
Name of the Trustee Company	Principal Trustee Company Private Limited																																
Performance of the Scheme	<p>Returns (%) of Growth Option as at Dec. 31, 2015</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>Returns (%)</th> <th>S&P BSE 100 Index (%)</th> <th>Returns (%)</th> <th>S&P BSE 100 Index (%)</th> </tr> </thead> <tbody> <tr> <td>Last 1 Year</td> <td>0.57</td> <td>-3.25</td> <td>1.29</td> <td>-3.25</td> </tr> <tr> <td>Last 3 Years</td> <td>14.12</td> <td>10.66</td> <td>N.A.</td> <td>N.A.</td> </tr> <tr> <td>Last 5 Years</td> <td>8.14</td> <td>5.51</td> <td>N.A.</td> <td>N.A.</td> </tr> <tr> <td>Since Inception*</td> <td>16.15</td> <td>11.88</td> <td>14.23</td> <td>10.08</td> </tr> </tbody> </table> <p>Past performance may or may not be sustained in the future. Note: Returns more than 1 year are calculated on compounded annualised basis. *Regular Plan - November 11, 2005. Direct Plan - January 2, 2013.</p>				Period	Regular Plan		Direct Plan		Returns (%)	S&P BSE 100 Index (%)	Returns (%)	S&P BSE 100 Index (%)	Last 1 Year	0.57	-3.25	1.29	-3.25	Last 3 Years	14.12	10.66	N.A.	N.A.	Last 5 Years	8.14	5.51	N.A.	N.A.	Since Inception*	16.15	11.88	14.23	10.08
Period	Regular Plan		Direct Plan																														
	Returns (%)	S&P BSE 100 Index (%)	Returns (%)	S&P BSE 100 Index (%)																													
Last 1 Year	0.57	-3.25	1.29	-3.25																													
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Last 5 Years	8.14	5.51	N.A.	N.A.																													
Since Inception*	16.15	11.88	14.23	10.08																													
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Financial Year	Principal Large Cap Fund - Growth (%)	Principal Large Cap Fund - Direct - Growth (%)	S&P BSE 100 Index (%)																														
2010-11	11.29	11.29	11.29																														
2011-12	-3.25	-3.25	-3.25																														
2012-13	1.29	1.29	1.29																														
2013-14	22.50	22.50	22.50																														
2014-15	35.00	35.00	35.00																														
Expenses of the Scheme	<p>(i) Load Structure Exit Load : If redeemed on or before 1 Year from the date of allotment - 1%.</p> <p>(ii) Recurring expenses as a percentage of Average Daily Net Assets: (Refer Page No. 27)</p> <p>(iii) Actual expenses for the previous financial year 2014-2015: Regular Plan - 2.53%; Direct Plan - 1.94%.</p>																																
Waiver of Load for Direct Applications	Please Refer to Page No. 32																																
Tax Treatment for the Investors (Unitholders)	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. 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. The NAV can also be viewed on the website of the Mutual Fund i.e. www.principalindia.com																																
For Investor Grievances please contact	Please Refer to Page No. 32																																
Unitholders' Information	Please Refer to Page No. 32																																

Principal Index Fund - Nifty *(An open ended Index Scheme)*

Investment Objective	To invest principally in securities that comprise Nifty 50 and subject to tracking errors endeavour to attain results commensurate with the Nifty 50.																											
Asset Allocation Pattern of the Scheme	Please Refer to Page No. 25																											
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 on Page No. 28																											
Investment Plans & Options	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.																											
Applicable NAV	Please Refer to Page No. 27																											
Minimum Application Amount / Number of Units	Purchase	Additional Purchase	Repurchase																									
	₹ 5,000 and any amount thereafter under each option.	₹ 1,000 and any amount thereafter under each option.	₹ 500 or 50 units																									
Despatch of Repurchase (Redemption) Request	Within 10 business days of the receipt of the redemption request at the Official Points of Acceptance of the Principal Mutual Fund.																											
Benchmark Index	Nifty 50 Index																											
Risk Mitigation Factors	Please Refer to Page No. 32																											
Folio Count & AUM (As on Dec. 31, 2015)	Folio - 715 • AUM - ₹ 25.12 Crores																											
Dividend Policy	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.																											
Name of the Fund Manager	Mr. Rajat Jain																											
Name of the Trustee Company	Principal Trustee Company Private Limited																											
Performance of the Scheme	Returns (%) of Growth Option as at Dec. 31, 2015																											
	Period	Regular Plan		Direct Plan																								
	Returns (%)	Nifty 50 Index (%)	Returns (%)	Nifty 50 Index (%)																								
Last 1 Year	-3.88	-4.06	-3.40	-4.06																								
Last 3 Years	10.74	10.40	N.A.	N.A.																								
Last 5 Years	5.51	5.31	N.A.	N.A.																								
Since Inception*	10.89	11.59	10.72	9.88																								
	Past performance may or may not be sustained in the future. Note: Returns more than 1 year are calculated on compounded annualised basis. *Regular Plan - July 27, 1999. Direct Plan - January 2, 2013.																											
	<table border="1"> <caption>Financial Year Absolute Returns - Regular & Direct Plan</caption> <thead> <tr> <th>Financial Year</th> <th>Principal Index Fund - Nifty - Growth (%)</th> <th>Nifty 50 Index (%)</th> <th>Principal Index Fund - Nifty - Direct - Growth (%)</th> </tr> </thead> <tbody> <tr> <td>2010-11</td> <td>11.5</td> <td>11.5</td> <td>11.5</td> </tr> <tr> <td>2011-12</td> <td>-3.88</td> <td>-4.06</td> <td>-3.40</td> </tr> <tr> <td>2012-13</td> <td>10.74</td> <td>10.40</td> <td>N.A.</td> </tr> <tr> <td>2013-14</td> <td>5.51</td> <td>5.31</td> <td>N.A.</td> </tr> <tr> <td>2014-15</td> <td>10.89</td> <td>11.59</td> <td>10.72</td> </tr> </tbody> </table>				Financial Year	Principal Index Fund - Nifty - Growth (%)	Nifty 50 Index (%)	Principal Index Fund - Nifty - Direct - Growth (%)	2010-11	11.5	11.5	11.5	2011-12	-3.88	-4.06	-3.40	2012-13	10.74	10.40	N.A.	2013-14	5.51	5.31	N.A.	2014-15	10.89	11.59	10.72
Financial Year	Principal Index Fund - Nifty - Growth (%)	Nifty 50 Index (%)	Principal Index Fund - Nifty - Direct - Growth (%)																									
2010-11	11.5	11.5	11.5																									
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2013-14	5.51	5.31	N.A.																									
2014-15	10.89	11.59	10.72																									
Expenses of the Scheme	<p>(i) Load Structure Exit Load : 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>(ii) Recurring expenses as a percentage of Average Daily Net Assets: (Refer Page No. 27)</p> <p>(iii) Actual expenses for the previous financial year 2014-2015: Regular Plan - 1.00%; Direct Plan - 0.50%.</p>																											
Waiver of Load for Direct Applications	Please Refer to Page No. 32																											
Tax Treatment for the Investors (Unitholders)	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. 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. The NAV can also be viewed on the website of the Mutual Fund i.e. www.principalindia.com																											
For Investor Grievances please contact	Please Refer to Page No. 32																											
Unitholders' Information	Please Refer to Page No. 32																											

Principal Index Fund - Midcap *(An open ended Index Scheme)*

Investment Objective	To invest principally in securities that comprise Nifty Midcap 100 Index and subject to tracking errors endeavour to attain results commensurate with the Nifty Midcap 100 Index.											
Asset Allocation Pattern of the Scheme	Under normal circumstances, the asset allocation would be as follows:											
	Types of Instruments	Normal Allocation (% of Net Assets)		Risk Profile								
		Minimum	Maximum									
	Nifty Midcap 100 Index Stocks	95	100	High								
Money Market Instruments with less than 1 year residual maturity (including reverse repos in government securities, as may be permitted by SEBI/RBI and units of liquid mutual fund schemes)	0	5	Low to Medium									
	The Asset Management Company reserves the right to invest in derivatives up to 50% of the net assets of the Scheme. Subject to the SEBI Regulations, the Mutual Fund may deploy upto 20% of its total net assets of the Scheme in Stock Lending. 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.											
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 on Page No. 28											
Investment Plans & Options	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.											
Applicable NAV	Please Refer to Page No. 27											
Minimum Application Amount / Number of Units	Purchase	Additional Purchase		Repurchase								
	₹ 5,000 and any amount thereafter under each option.	₹ 1,000 and any amount thereafter under each option.		₹ 500 or 50 units								
Despatch of Repurchase (Redemption) Request	Within 10 business days of the receipt of the redemption request at the Official Points of Acceptance of the Principal Mutual Fund.											
Benchmark Index	Nifty Midcap 100 Index											
Risk Mitigation Factors	Please Refer to Page No. 32											
Folio Count & AUM (As on Dec. 31, 2015)	Folio - 291 • AUM - ₹ 10.96 Crores											
Dividend Policy	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.											
Name of the Fund Manager	Mr. Rajat Jain											
Name of the Trustee Company	Principal Trustee Company Private Limited											
Performance of the Scheme	Returns (%) of Growth Option as at Dec. 31, 2015											
	Period	Regular Plan		Direct Plan								
		Returns (%)	Nifty Midcap 100 Index (%)	Returns (%)	Nifty Midcap 100 Index (%)							
	Last 1 Year	6.51	6.46	7.04	6.46							
	Since Inception*	26.81	27.03	27.46	27.03							
Past performance may or may not be sustained in the future. Note: Returns more than 1 year are calculated on compounded annualised basis. * Regular Plan - May 12, 2014 Direct Plan - May 12, 2014												
	<table border="1"> <caption>Financial Year Absolute Returns - Regular & Direct Plan (2014-15)</caption> <thead> <tr> <th>Plan</th> <th>Returns (%)</th> </tr> </thead> <tbody> <tr> <td>Principal Index Fund - Midcap - Regular - Growth</td> <td>~42</td> </tr> <tr> <td>Nifty Midcap 100 Index</td> <td>~42</td> </tr> <tr> <td>Principal Index Fund - Midcap - Direct - Growth</td> <td>~42</td> </tr> </tbody> </table>				Plan	Returns (%)	Principal Index Fund - Midcap - Regular - Growth	~42	Nifty Midcap 100 Index	~42	Principal Index Fund - Midcap - Direct - Growth	~42
Plan	Returns (%)											
Principal Index Fund - Midcap - Regular - Growth	~42											
Nifty Midcap 100 Index	~42											
Principal Index Fund - Midcap - Direct - Growth	~42											
Expenses of the Scheme	(i) Load Structure Exit Load : 1% - if redeemed on or before 90 days from the date of allotment; Nil - if redeemed after 90 days from the date of allotment. (ii) Recurring expenses as a percentage of Average Daily Net Assets: (Refer Page No. 27) (iii) Actual expenses for the previous financial year 2014-2015: Regular Plan - 1.00%; Direct Plan - 0.48%.											
Waiver of Load for Direct Applications	Please Refer to Page No. 32											
Tax Treatment for the Investors (Unitholders)	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. 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. The NAV can also be viewed on the website of the Mutual Fund i.e. www.principalindia.com											
For Investor Grievances please contact	Please Refer to Page No. 32											
Unitholders' Information	Please Refer to Page No. 32											

Principal SMART Equity Fund *(An open ended Equity Scheme)*

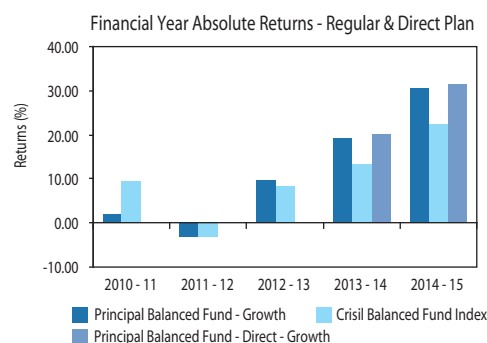
Investment Objective	The primary objective of the scheme is to seek to generate long term capital appreciation with relatively lower volatility through systematic allocation of funds into equity; and in debt /money market instruments for defensive purposes. The Scheme will decide on allocation of funds 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.																							
Asset Allocation Pattern of the Scheme	Please Refer to Page No. 24																							
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 portfolio managed on PE ratios may not outperform a fully invested portfolio even at the peak of a bull market.																							
Investment Plans & Options	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.																							
Applicable NAV	Please Refer to Page No. 25																							
Minimum Application Amount / Number of Units	Purchase	Additional Purchase	Repurchase																					
	₹ 5,000 and any amount thereafter under each option	₹ 1,000 and any amount thereafter under each option	₹ 500 or 50 units																					
Despatch of Repurchase (Redemption) Request	Within 10 business days of the receipt of the redemption request at the Official Points of Acceptance of the Principal Mutual Fund.																							
Benchmark Index	Crisil Balanced Fund Index																							
Risk Mitigation Factors	Please Refer to Page No. 32																							
Folio Count & AUM (As on Dec. 31, 2015)	Folio - 6,765 • AUM - ₹ 109.58 Crores																							
Dividend Policy	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.																							
Name of the Fund Manager	Mr. Anupam Tiwari																							
Name of the Trustee Company	Principal Trustee Company Private Limited																							
Performance of the Scheme	Returns (%) of Growth Option as at Dec. 31, 2015																							
	Period	Regular Plan		Direct Plan																				
		Returns (%)	Crisil Balanced Fund index (%)	Returns (%)	Crisil Balanced Fund index (%)																			
	Last 1 Year	3.40	0.48	4.32	0.48																			
	Last 3 Years	13.49	10.13	N.A.	N.A.																			
	Last 5 Years	10.64	6.75	N.A.	N.A.																			
Since Inception*	10.77	7.14	13.90	9.75																				
Past performance may or may not be sustained in the future. Note: Returns more than 1 year are calculated on compounded annualised basis. *Regular Plan - December 16, 2010. Direct Plan - January 2, 2013.																								
<table border="1"> <caption>Financial Year Absolute Returns - Regular & Direct Plan</caption> <thead> <tr> <th>Financial Year</th> <th>Principal SMART Equity Fund - Growth (%)</th> <th>Principal SMART Equity Fund - Direct - Growth (%)</th> <th>Crisil Balanced Fund Index (%)</th> </tr> </thead> <tbody> <tr> <td>2011-12</td> <td>0.00</td> <td>0.00</td> <td>-1.00</td> </tr> <tr> <td>2012-13</td> <td>7.00</td> <td>7.00</td> <td>7.00</td> </tr> <tr> <td>2013-14</td> <td>23.00</td> <td>23.00</td> <td>13.00</td> </tr> <tr> <td>2014-15</td> <td>25.00</td> <td>25.00</td> <td>23.00</td> </tr> </tbody> </table> <p>* Returns are calculated from the date of allotment to 31st March of the Financial Year.</p>					Financial Year	Principal SMART Equity Fund - Growth (%)	Principal SMART Equity Fund - Direct - Growth (%)	Crisil Balanced Fund Index (%)	2011-12	0.00	0.00	-1.00	2012-13	7.00	7.00	7.00	2013-14	23.00	23.00	13.00	2014-15	25.00	25.00	23.00
Financial Year	Principal SMART Equity Fund - Growth (%)	Principal SMART Equity Fund - Direct - Growth (%)	Crisil Balanced Fund Index (%)																					
2011-12	0.00	0.00	-1.00																					
2012-13	7.00	7.00	7.00																					
2013-14	23.00	23.00	13.00																					
2014-15	25.00	25.00	23.00																					
Expenses of the Scheme	<p>(i) Load Structure Exit Load : 1% if redeemed within 1 Year from the date of allotment.</p> <p>(ii) Recurring expenses as a percentage of Average Daily Net Assets: (Refer Page No. 27)</p> <p>(iii) Actual expenses for the previous financial year 2014-2015: Regular Plan - 2.70%; Direct Plan - 2.00%.</p>																							
Waiver of Load for Direct Applications	Please Refer to Page No. 32																							
Tax Treatment for the Investors (Unitholders)	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. 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. The NAV can also be viewed on the website of the Mutual Fund i.e. www.principalindia.com																							
For Investor Grievances please contact	Please Refer to Page No. 32																							
Unitholders' Information	Please Refer to Page No. 32																							

Principal Emerging Bluechip Fund *(An open ended Equity Scheme)*

Investment Objective	To achieve long-term capital appreciation by investing in equity & equity related instruments of Mid Cap & Small Cap companies.																																
Asset Allocation Pattern of the Scheme	Please Refer to Page No. 24																																
Risk Profile of the Scheme	<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> <p>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.</p>																																
Investment Plans & Options	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.																																
Applicable NAV	Please Refer to Page No. 27																																
Minimum Application Amount / Number of Units	Purchase	Additional Purchase	Repurchase																														
	₹ 5,000 and any amount thereafter under each option	₹ 1,000 and any amount thereafter under each option	₹ 500 or 50 units																														
Despatch of Repurchase (Redemption) Request	Within 10 business days of the receipt of the redemption request at the Official Points of Acceptance of the Principal Mutual Fund.																																
Benchmark Index	Nifty Midcap 100 Index																																
Risk Mitigation Factors	Please Refer to Page No. 32																																
Folio Count & AUM (As on Dec. 31, 2015)	Folio - 62,150 • AUM - ₹ 523.14 Crores																																
Dividend Policy	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.																																
Name of the Fund Manager	Mr. Dhimant Shah																																
Name of the Trustee Company	Principal Trustee Company Private Limited																																
Performance of the Scheme	<p>Returns (%) of Growth Option as at Dec. 31, 2015</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>Returns (%)</th> <th>Nifty Midcap 100 Index (%)</th> <th>Returns (%)</th> <th>Nifty Midcap 100 Index (%)</th> </tr> </thead> <tbody> <tr> <td>Last 1 Year</td> <td>6.00</td> <td>6.46</td> <td>7.03</td> <td>6.46</td> </tr> <tr> <td>Last 3 Years</td> <td>26.44</td> <td>16.35</td> <td>N.A.</td> <td>N.A.</td> </tr> <tr> <td>Last 5 Years</td> <td>15.38</td> <td>8.62</td> <td>N.A.</td> <td>N.A.</td> </tr> <tr> <td>Since Inception*</td> <td>30.95</td> <td>19.93</td> <td>26.74</td> <td>15.80</td> </tr> </tbody> </table> <p>Past performance may or may not be sustained in the future. Note: Returns more than 1 year are calculated on compounded annualised basis. *Regular Plan - November 12, 2008. Direct Plan - January 2, 2013.</p>				Period	Regular Plan		Direct Plan		Returns (%)	Nifty Midcap 100 Index (%)	Returns (%)	Nifty Midcap 100 Index (%)	Last 1 Year	6.00	6.46	7.03	6.46	Last 3 Years	26.44	16.35	N.A.	N.A.	Last 5 Years	15.38	8.62	N.A.	N.A.	Since Inception*	30.95	19.93	26.74	15.80
Period	Regular Plan		Direct Plan																														
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Financial Year	Principal Emerging Bluechip Fund - Growth (%)	Nifty Midcap 100 Index (%)	Principal Emerging Bluechip Fund - Direct - Growth (%)																														
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Expenses of the Scheme	<p>(i) Load Structure Exit Load : If redeemed on or before 1 Year from the date of allotment - 1%.</p> <p>(ii) Recurring expenses as a percentage of Average Daily Net Assets: (Refer Page No. 27)</p> <p>(iii) Actual expenses for the previous financial year 2014-2015: Regular Plan - 2.50%; Direct Plan - 1.79%.</p>																																
Waiver of Load for Direct Applications	Please Refer to Page No. 32																																
Tax Treatment for the Investors (Unitholders)	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. 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. The NAV can also be viewed on the website of the Mutual Fund i.e. www.principalindia.com																																
For Investor Grievances please contact	Please Refer to Page No. 32																																
Unitholders' Information	Please Refer to Page No. 32																																

Principal Balanced Fund *(An open ended Balanced Scheme)*

Investment Objective	To provide long-term appreciation and current income by investing in a portfolio of equity, equity related securities and fixed income securities.																																
Asset Allocation Pattern of the Scheme	Please Refer to Page No. 25																																
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 on Page No. 28																																
Investment Plans & Options	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.																																
Applicable NAV	Please Refer to Page No. 27																																
Minimum Application Amount / Number of Units	Purchase ₹ 5,000 and any amount thereafter under each option	Additional Purchase ₹ 1,000 and any amount thereafter under each option	Repurchase ₹ 500 or 50 units																														
Despatch of Repurchase (Redemption) Request	Within 10 business days of the receipt of the redemption request at the Official Points of Acceptance of the Principal Mutual Fund.																																
Benchmark Index	CRISIL Balanced Fund Index																																
Risk Mitigation Factors	Please Refer to Page No. 32																																
Folio Count & AUM (As on Dec. 31, 2015)	Folio - 3,110 • AUM - ₹ 33.40 Crores																																
Dividend Policy	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.																																
Name of the Fund Manager	Mr. P.V.K. Mohan																																
Name of the Trustee Company	Principal Trustee Company Private Limited																																
Performance of the Scheme	<p>Returns (%) of Growth Option as at Dec. 31, 2015</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>Returns (%)</th> <th>Crisil Balanced Fund index (%)</th> <th>Returns (%)</th> <th>Crisil Balanced Fund index (%)</th> </tr> </thead> <tbody> <tr> <td>Last 1 Year</td> <td>3.05</td> <td>0.48</td> <td>3.84</td> <td>0.48</td> </tr> <tr> <td>Last 3 Years</td> <td>14.24</td> <td>10.13</td> <td>N.A.</td> <td>N.A.</td> </tr> <tr> <td>Last 5 Years</td> <td>9.30</td> <td>6.75</td> <td>N.A.</td> <td>N.A.</td> </tr> <tr> <td>Since Inception*</td> <td>10.74</td> <td>Not Available</td> <td>14.72</td> <td>9.75</td> </tr> </tbody> </table> <p>Past performance may or may not be sustained in the future. Note: Returns more than 1 year are calculated on compounded annualised basis. *Regular Plan - January 14, 2000. Direct Plan - January 2, 2013.</p>				Period	Regular Plan		Direct Plan		Returns (%)	Crisil Balanced Fund index (%)	Returns (%)	Crisil Balanced Fund index (%)	Last 1 Year	3.05	0.48	3.84	0.48	Last 3 Years	14.24	10.13	N.A.	N.A.	Last 5 Years	9.30	6.75	N.A.	N.A.	Since Inception*	10.74	Not Available	14.72	9.75
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Expenses of the Scheme	<p>(i) Load Structure Exit Load : If redeemed on or before 1 Year from the date of allotment - 1%.</p> <p>(ii) Recurring expenses as a percentage of Average Daily Net Assets: (Refer Page No. 27)</p> <p>(iii) Actual expenses for the previous financial year 2014-2015: Regular Plan - 2.70%; Direct Plan - 1.96%.</p>																																
Waiver of Load for Direct Applications	Please Refer to Page No. 32																																
Tax Treatment for the Investors (Unitholders)	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. 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. The NAV can also be viewed on the website of the Mutual Fund i.e. www.principalindia.com																																
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Unitholders' Information	Please Refer to Page No. 32																																

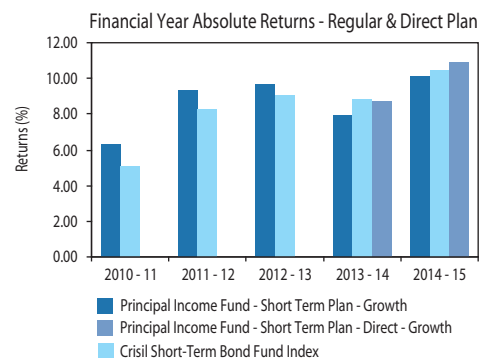


Principal Dynamic Bond Fund *(An open ended Income Scheme)*

Investment Objective	To generate regular income and capital appreciation/accretion through investment in debt instruments and related securities besides preservation of capital.																																																							
Asset Allocation Pattern of the Scheme	Please Refer to Page No. 25																																																							
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 on Page No. 28																																																							
Investment Plans & Options	Regular Plan and Direct Plan. Both the Plans offer Dividend & Growth Option. Dividend Option offers Payout, Reinvestment and Sweep facility. Dividend Frequency - Quarterly & Annual																																																							
Applicable NAV	Please Refer to Page No. 27																																																							
Minimum Application Amount / Number of Units	Purchase ₹ 5,000 and any amount thereafter under each option	Additional Purchase ₹ 1,000 and any amount thereafter under each option	Repurchase ₹ 500 or 50 units																																																					
Despatch of Repurchase (Redemption) Request	Within 10 business days of the receipt of the redemption request at the Official Points of Acceptance of the Principal Mutual Fund.																																																							
Benchmark Index	Crisil Composite Bond Fund Index																																																							
Risk Mitigation Factors	Please Refer to Page No. 32																																																							
Folio Count & AUM (As on Dec. 31, 2015)	Folio - 2,857 • AUM - ₹ 86.13 Crores																																																							
Dividend Policy	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.																																																							
Name of the Fund Manager	Ms. Bekxy Kuriakose																																																							
Name of the Trustee Company	Principal Trustee Company Private Limited																																																							
Performance of the Scheme	<p>Returns (%) of Growth Option as at Dec. 31, 2015</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>Returns (%)</th> <th>Benchmark Returns† (%)</th> <th>Returns (%)</th> <th>Benchmark Returns† (%)</th> </tr> </thead> <tbody> <tr> <td>Last 1 Year</td> <td>6.84</td> <td>8.63</td> <td>7.60</td> <td>8.63</td> </tr> <tr> <td>Last 3 Years</td> <td>8.04</td> <td>8.82</td> <td>N.A.</td> <td>N.A.</td> </tr> <tr> <td>Last 5 Years</td> <td>8.63</td> <td>8.54</td> <td>N.A.</td> <td>N.A.</td> </tr> <tr> <td>Since Inception*</td> <td>7.48</td> <td>6.37</td> <td>8.72</td> <td>8.73</td> </tr> </tbody> </table> <p>Past performance may or may not be sustained in the future. Note: Returns more than 1 year are calculated on compounded annualised basis. *Regular Plan - May 9, 2003. Direct Plan - January 2, 2013. † CRISIL Composite Bond Fund Index</p>		Period	Regular Plan		Direct Plan		Returns (%)	Benchmark Returns† (%)	Returns (%)	Benchmark Returns† (%)	Last 1 Year	6.84	8.63	7.60	8.63	Last 3 Years	8.04	8.82	N.A.	N.A.	Last 5 Years	8.63	8.54	N.A.	N.A.	Since Inception*	7.48	6.37	8.72	8.73	<p>Financial Year Absolute Returns - Regular & Direct Plan</p> <table border="1"> <caption>Financial Year Absolute Returns (%)</caption> <thead> <tr> <th>Financial Year</th> <th>Principal Dynamic Bond Fund - Growth</th> <th>Principal Dynamic Bond Fund - Direct - Growth</th> <th>Crisil Composite Bond Fund Index</th> </tr> </thead> <tbody> <tr> <td>2010-11</td> <td>~6.8</td> <td>~5.5</td> <td>~5.5</td> </tr> <tr> <td>2011-12</td> <td>~9.5</td> <td>~7.5</td> <td>~7.5</td> </tr> <tr> <td>2012-13</td> <td>~10.5</td> <td>~9.0</td> <td>~9.0</td> </tr> <tr> <td>2013-14</td> <td>~4.0</td> <td>~4.5</td> <td>~4.5</td> </tr> <tr> <td>2014-15</td> <td>~14.5</td> <td>~15.5</td> <td>~15.5</td> </tr> </tbody> </table>	Financial Year	Principal Dynamic Bond Fund - Growth	Principal Dynamic Bond Fund - Direct - Growth	Crisil Composite Bond Fund Index	2010-11	~6.8	~5.5	~5.5	2011-12	~9.5	~7.5	~7.5	2012-13	~10.5	~9.0	~9.0	2013-14	~4.0	~4.5	~4.5	2014-15	~14.5	~15.5	~15.5
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Expenses of the Scheme	<p>(i) Load Structure: Exit Load : If redeemed on or before 1 Year from the date of allotment - 1%.</p> <p>(ii) Recurring expenses as a percentage of Average Daily Net Assets: (Refer Page No. 27)</p> <p>(iii) Actual expenses for the previous financial year 2014-2015: Regular Plan - 1.74%; Direct Plan - 1.03%.</p>																																																							
Waiver of Load for Direct Applications	Please Refer to Page No. 32																																																							
Tax Treatment for the Investors (Unitholders)	Investors are advised to refer to the details in the Statement of Additional Information and also independently refer to their tax advisor.																																																							
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For Investor Grievances please contact	Please Refer to Page No. 32																																																							
Unitholders' Information	Please Refer to Page No. 32																																																							

Principal Income Fund - Short Term Plan *(An open ended Income Scheme)*

Investment Objective	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.																																
Asset Allocation Pattern of the Scheme	Please Refer to Page No. 25																																
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 on Page No. 28																																
Investment Plans & Options	Regular Plan and Direct Plan. Both the Plans offer Dividend & Growth Option. Dividend Option offers Payout, Reinvestment and Sweep facility. Dividend Frequency - Monthly																																
Applicable NAV	Please Refer to Page No. 27																																
Minimum Application Amount / Number of Units	Purchase ₹ 5,000 and any amount thereafter under each option	Additional Purchase ₹ 1,000 and any amount thereafter under each option	Repurchase ₹ 500 or 50 units																														
Despatch of Repurchase (Redemption) Request	Within 10 business days of the receipt of the redemption request at the Official Points of Acceptance of the Principal Mutual Fund.																																
Benchmark Index	Crisil Short Term Bond Fund Index																																
Risk Mitigation Factors	Please Refer to Page No. 32																																
Folio Count & AUM (As on Dec. 31, 2015)	Folio - 1,745 • AUM - ₹ 214.18 Crores																																
Dividend Policy	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.																																
Name of the Fund Manager	Mr. Gurvinder Singh Wasan																																
Name of the Trustee Company	Principal Trustee Company Private Limited																																
Performance of the Scheme	<p>Returns (%) of Growth Option as at Dec. 31, 2015</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>Returns (%)</th> <th>Benchmark Returns[†] (%)</th> <th>Returns (%)</th> <th>Benchmark Returns[†] (%)</th> </tr> </thead> <tbody> <tr> <td>Last 1 Year</td> <td>8.08</td> <td>8.66</td> <td>8.89</td> <td>8.66</td> </tr> <tr> <td>Last 3 Years</td> <td>8.59</td> <td>9.13</td> <td>N.A.</td> <td>N.A.</td> </tr> <tr> <td>Last 5 Years</td> <td>9.01</td> <td>8.87</td> <td>N.A.</td> <td>N.A.</td> </tr> <tr> <td>Since Inception*</td> <td>7.80</td> <td>7.06</td> <td>9.31</td> <td>9.12</td> </tr> </tbody> </table> <p>Past performance may or may not be sustained in the future. Note: Returns more than 1 year are calculated on compounded annualised basis. * Regular Plan - May 9, 2003. Direct Plan - January 2, 2013. [†] Crisil Short Term Bond Fund Index</p>				Period	Regular Plan		Direct Plan		Returns (%)	Benchmark Returns [†] (%)	Returns (%)	Benchmark Returns [†] (%)	Last 1 Year	8.08	8.66	8.89	8.66	Last 3 Years	8.59	9.13	N.A.	N.A.	Last 5 Years	9.01	8.87	N.A.	N.A.	Since Inception*	7.80	7.06	9.31	9.12
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Since Inception*	7.80	7.06	9.31	9.12																													
Expenses of the Scheme	<p>(i) Load Structure: Exit Load : If redeemed within 30 days from the date of allotment - 0.50%.</p> <p>(ii) Recurring expenses as a percentage of Average Daily Net Assets: (Refer Page No. 27)</p> <p>(iii) Actual expenses for the previous financial year 2014-2015: Regular Plan - 1.26%; Direct Plan - 0.55%.</p>																																
Waiver of Load for Direct Applications	Please Refer to Page No. 32																																
Tax Treatment for the Investors (Unitholders)	Investors are advised to refer to the details in the Statement of Additional Information and also independently refer to their tax advisor.																																
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For Investor Grievances please contact	Please Refer to Page No. 32																																
Unitholders' Information	Please Refer to Page No. 32																																



Principal Debt Opportunities Fund - Conservative Plan *(An open-ended Debt Scheme)*

Investment Objective	To generate regular income & Capital appreciation through investments in debt securities and money market instruments.																																
Asset Allocation Pattern of the Scheme	Please Refer to Page No. 25																																
Risk Profile of the Scheme	<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> <p>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.</p> <p>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.</p>																																
Investment Plans & Options	Regular Plan and Direct Plan. Both the Plans offer Dividend & Growth Option. Dividend Option offers Payout, Reinvestment and Sweep facility. Dividend Frequency - Daily / Weekly / Monthly																																
Applicable NAV	Please Refer to Page No. 27																																
Minimum Application Amount / Number of Units	Purchase	Additional Purchase	Repurchase																														
	₹ 5,000 and any amount thereafter under each option	₹ 1,000 and any amount thereafter under each option	₹ 500 or 50 units																														
Despatch of Repurchase (Redemption) Request	Within 10 business days of the receipt of the redemption request at the Official Points of Acceptance of the Principal Mutual Fund.																																
Benchmark Index	Crisil Liquid Fund Index																																
Risk Mitigation Factors	Please Refer to Page No. 32																																
Folio Count & AUM (As on Dec. 31, 2015)	Folio - 2,495 • AUM - ₹ 399.97 Crores																																
Dividend Policy	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.																																
Name of the Fund Manager	Mr. Pankaj Jain																																
Name of the Trustee Company	Principal Trustee Company Private Limited																																
Performance of the Scheme	<p>Returns (%) of Growth Option as at Dec. 31, 2015</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>Returns (%)</th> <th>Benchmark Returns[†] (%)</th> <th>Returns (%)</th> <th>Benchmark Returns[†] (%)</th> </tr> </thead> <tbody> <tr> <td>Last 1 Year</td> <td>8.18</td> <td>8.23</td> <td>9.19</td> <td>8.23</td> </tr> <tr> <td>Last 3 Years</td> <td>8.52</td> <td>8.83</td> <td>N.A.</td> <td>N.A.</td> </tr> <tr> <td>Last 5 Years</td> <td>8.92</td> <td>8.63</td> <td>N.A.</td> <td>N.A.</td> </tr> <tr> <td>Since Inception*</td> <td>7.77</td> <td>7.15</td> <td>9.33</td> <td>8.83</td> </tr> </tbody> </table> <p>Past performance may or may not be sustained in the future. Note: Returns more than 1 year are calculated on compounded annualised basis. *Regular Plan - September 14, 2004. Direct Plan - January 2, 2013. [†] Crisil Liquid Fund Index</p>				Period	Regular Plan		Direct Plan		Returns (%)	Benchmark Returns [†] (%)	Returns (%)	Benchmark Returns [†] (%)	Last 1 Year	8.18	8.23	9.19	8.23	Last 3 Years	8.52	8.83	N.A.	N.A.	Last 5 Years	8.92	8.63	N.A.	N.A.	Since Inception*	7.77	7.15	9.33	8.83
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Last 5 Years	8.92	8.63	N.A.	N.A.																													
Since Inception*	7.77	7.15	9.33	8.83																													
	<table border="1"> <caption>Financial Year Absolute Returns - Regular & Direct Plan</caption> <thead> <tr> <th>Financial Year</th> <th>Principal Debt Opportunities Fund - Conservative Plan - Growth (%)</th> <th>Principal Debt Opportunities Fund - Conservative Plan - Direct - Growth (%)</th> <th>Crisil Liquid Fund Index (%)</th> </tr> </thead> <tbody> <tr> <td>2010-11</td> <td>6.5</td> <td>6.2</td> <td>6.2</td> </tr> <tr> <td>2011-12</td> <td>9.8</td> <td>8.5</td> <td>8.5</td> </tr> <tr> <td>2012-13</td> <td>9.5</td> <td>8.2</td> <td>8.2</td> </tr> <tr> <td>2013-14</td> <td>9.0</td> <td>9.5</td> <td>9.5</td> </tr> <tr> <td>2014-15</td> <td>8.5</td> <td>9.5</td> <td>9.5</td> </tr> </tbody> </table>				Financial Year	Principal Debt Opportunities Fund - Conservative Plan - Growth (%)	Principal Debt Opportunities Fund - Conservative Plan - Direct - Growth (%)	Crisil Liquid Fund Index (%)	2010-11	6.5	6.2	6.2	2011-12	9.8	8.5	8.5	2012-13	9.5	8.2	8.2	2013-14	9.0	9.5	9.5	2014-15	8.5	9.5	9.5					
Financial Year	Principal Debt Opportunities Fund - Conservative Plan - Growth (%)	Principal Debt Opportunities Fund - Conservative Plan - Direct - Growth (%)	Crisil Liquid Fund Index (%)																														
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Expenses of the Scheme	<p>(i) Load Structure: Exit Load : Nil.</p> <p>(ii) Recurring expenses as a percentage of Average Daily Net Assets: (Refer Page No. 27)</p> <p>(iii) Actual expenses for the previous financial year 2014-2015: Regular Plan - 1.29%; Direct Plan - 0.34%.</p>																																
Waiver of Load for Direct Applications	Please Refer to Page No. 32																																
Tax Treatment for the Investors (Unitholders)	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. 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. The NAV can also be viewed on the website of the Mutual Fund i.e. www.principalindia.com																																
For Investor Grievances please contact	Please Refer to Page No. 32																																
Unitholders' Information	Please Refer to Page No. 32																																

Principal Debt Opportunities Fund - Corporate Bond Plan *(An open-ended Debt Scheme)*

Investment Objective	The primary objective is to generate income and capital gains through investments in a portfolio of securities issued by Private and Public Sector Companies.																																
Asset Allocation Pattern of the Scheme	Please Refer to Page No. 25																																
Risk Profile of the Scheme	<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> <p>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.</p> <p>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.</p>																																
Investment Plans & Options	Regular Plan and Direct Plan. Both the Plans offer Dividend & Growth Option. Dividend Option offers Payout, Reinvestment and Sweep facility. Dividend Frequency - Monthly																																
Applicable NAV	Please Refer to Page No. 27																																
Minimum Application Amount / Number of Units	Purchase	Additional Purchase	Repurchase																														
	₹ 5,000 and any amount thereafter under each option	₹ 1,000 and any amount thereafter under each option	₹ 500 or 50 units																														
Despatch of Repurchase (Redemption) Request	Within 10 business days of the receipt of the redemption request at the Official Points of Acceptance of the Principal Mutual Fund.																																
Benchmark Index	Crisil Liquid Fund Index																																
Risk Mitigation Factors	Please Refer to Page No. 32																																
Folio Count & AUM (As on Dec. 31, 2015)	Folio - 433 • AUM - ₹ 83.97 Crores																																
Dividend Policy	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.																																
Name of the Fund Manager	Ms. Bekky Kuriakose																																
Name of the Trustee Company	Principal Trustee Company Private Limited																																
Performance of the Scheme	<p>Returns (%) of Growth Option as at Dec. 31, 2015</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>Returns (%)</th> <th>Benchmark Returns† (%)</th> <th>Returns (%)</th> <th>Benchmark Returns† (%)</th> </tr> </thead> <tbody> <tr> <td>Last 1 Year</td> <td>9.20</td> <td>8.23</td> <td>9.37</td> <td>8.23</td> </tr> <tr> <td>Last 3 Years</td> <td>8.64</td> <td>8.83</td> <td>N.A.</td> <td>N.A.</td> </tr> <tr> <td>Last 5 Years</td> <td>8.82</td> <td>8.63</td> <td>N.A.</td> <td>N.A.</td> </tr> <tr> <td>Since Inception*</td> <td>7.62</td> <td>7.15</td> <td>8.99</td> <td>8.83</td> </tr> </tbody> </table> <p>Past performance may or may not be sustained in the future. Note: Returns more than 1 year are calculated on compounded annualised basis. * Regular Plan - September 14, 2004. Direct Plan - January 2, 2013. † Crisil Liquid Fund Index</p>				Period	Regular Plan		Direct Plan		Returns (%)	Benchmark Returns† (%)	Returns (%)	Benchmark Returns† (%)	Last 1 Year	9.20	8.23	9.37	8.23	Last 3 Years	8.64	8.83	N.A.	N.A.	Last 5 Years	8.82	8.63	N.A.	N.A.	Since Inception*	7.62	7.15	8.99	8.83
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2014-15	~9.8%	~9.0%	~8.2%																														
Expenses of the Scheme	<p>(i) Load Structure: Exit Load : 0.50% - 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>(ii) Recurring expenses as a percentage of Average Daily Net Assets: (Refer Page No. 27)</p> <p>(iii) Actual expenses for the previous financial year 2014-2015: Regular Plan - 0.48%; Direct Plan - 0.29%.</p>																																
Waiver of Load for Direct Applications	Please Refer to Page No. 32																																
Tax Treatment for the Investors (Unitholders)	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. 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. The NAV can also be viewed on the website of the Mutual Fund i.e. www.principalindia.com																																
For Investor Grievances please contact	Please Refer to Page No. 32																																
Unitholders' Information	Please Refer to Page No. 32																																

Principal Debt Savings Fund - Monthly Income Plan

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

Investment Objective	To generate regular income through investments in fixed income securities so as to make periodical income distribution to the Unitholders and also to generate long-term capital appreciation by investing a portion of the Scheme's assets in equity and equity related instruments.																																																							
Asset Allocation Pattern of the Scheme	Please Refer to Page No. 25																																																							
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 on Page No. 28																																																							
Investment Plans & Options	Regular Plan and Direct Plan. Both the Plans offer Dividend & Growth Option. Dividend Frequency - Monthly / Quarterly																																																							
Applicable NAV	Please Refer to Page No. 27																																																							
Minimum Application Amount / Number of Units	Purchase ₹ 5,000 and any amount thereafter under each option	Additional Purchase ₹ 1,000 and any amount thereafter under each option	Repurchase ₹ 500 or 50 units																																																					
Despatch of Repurchase (Redemption) Request	Within 10 business days of the receipt of the redemption request at the Official Points of Acceptance of the Principal Mutual Fund.																																																							
Benchmark Index	Crisil MIP Blended Index																																																							
Risk Mitigation Factors	Please Refer to Page No. 32																																																							
Folio Count & AUM (As on Dec. 31, 2015)	Folio - 2,457 • AUM - ₹ 21.20 Crores																																																							
Dividend Policy	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.																																																							
Name of the Fund Manager	Mr. Pankaj Jain																																																							
Name of the Trustee Company	Principal Trustee Company Private Limited																																																							
Performance of the Scheme	<p>Returns (%) of Growth Option as at Dec. 31, 2015</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>Returns (%)</th> <th>Benchmark Returns† (%)</th> <th>Returns (%)</th> <th>Benchmark Returns† (%)</th> </tr> </thead> <tbody> <tr> <td>Last 1 Year</td> <td>3.55</td> <td>6.79</td> <td>4.30</td> <td>6.79</td> </tr> <tr> <td>Last 3 Years</td> <td>5.75</td> <td>9.21</td> <td>N.A.</td> <td>N.A.</td> </tr> <tr> <td>Last 5 Years</td> <td>5.99</td> <td>8.23</td> <td>N.A.</td> <td>N.A.</td> </tr> <tr> <td>Since Inception*</td> <td>8.01</td> <td>8.61</td> <td>6.37</td> <td>9.06</td> </tr> </tbody> </table> <p>Past performance may or may not be sustained in the future. Note: Returns more than 1 year are calculated on compounded annualised basis. *Regular Plan - May 23, 2002. Direct Plan - January 2, 2013. † Crisil MIP Blended Index</p>		Period	Regular Plan		Direct Plan		Returns (%)	Benchmark Returns† (%)	Returns (%)	Benchmark Returns† (%)	Last 1 Year	3.55	6.79	4.30	6.79	Last 3 Years	5.75	9.21	N.A.	N.A.	Last 5 Years	5.99	8.23	N.A.	N.A.	Since Inception*	8.01	8.61	6.37	9.06	<p>Financial Year Absolute Returns - Regular & Direct Plan</p> <table border="1"> <caption>Financial Year Absolute Returns (%)</caption> <thead> <tr> <th>Financial Year</th> <th>Principal Debt Savings Fund - MIP - Growth</th> <th>Principal Debt Savings Fund - MIP - Direct - Growth</th> <th>Crisil MIP Blended Index</th> </tr> </thead> <tbody> <tr> <td>2010-11</td> <td>~3.5</td> <td>~6.8</td> <td>~6.8</td> </tr> <tr> <td>2011-12</td> <td>~5.8</td> <td>~9.2</td> <td>~9.2</td> </tr> <tr> <td>2012-13</td> <td>~4.3</td> <td>N.A.</td> <td>N.A.</td> </tr> <tr> <td>2013-14</td> <td>~6.4</td> <td>~9.1</td> <td>~9.1</td> </tr> <tr> <td>2014-15</td> <td>~8.0</td> <td>~8.6</td> <td>~8.6</td> </tr> </tbody> </table>	Financial Year	Principal Debt Savings Fund - MIP - Growth	Principal Debt Savings Fund - MIP - Direct - Growth	Crisil MIP Blended Index	2010-11	~3.5	~6.8	~6.8	2011-12	~5.8	~9.2	~9.2	2012-13	~4.3	N.A.	N.A.	2013-14	~6.4	~9.1	~9.1	2014-15	~8.0	~8.6	~8.6
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Expenses of the Scheme	<p>(i) Load Structure: Exit Load : If redeemed on or before 1 Year from the date of allotment - 1%</p> <p>(ii) Recurring expenses as a percentage of Average Daily Net Assets: (Refer Page No. 27)</p> <p>(iii) Actual expenses for the previous financial year 2014-2015: Regular Plan - 2.25%; Direct Plan - 1.50%.</p>																																																							
Waiver of Load for Direct Applications	Please Refer to Page No. 32																																																							
Tax Treatment for the Investors (Unitholders)	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. 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. The NAV can also be viewed on the website of the Mutual Fund i.e. www.principalindia.com																																																							
For Investor Grievances please contact	Please Refer to Page No. 32																																																							
Unitholders' Information	Please Refer to Page No. 32																																																							

Principal Debt Savings Fund - Retail Plan *(An open ended Income Fund)*

Investment Objective	To seek to generate stable returns and capital appreciation through investment in Debt instruments and related securities over medium to long term investment horizon																												
Asset Allocation Pattern of the Scheme	Please Refer to Page No. 25																												
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 on Page No. 28																												
Investment Plans & Options	Regular Plan and Direct Plan. Regular Plan offers Dividend [#] & Growth Option. Dividend Frequencies - Monthly / Quarterly. Direct Plan offers Growth Option. [#] not available for further subscription																												
Applicable NAV	Please Refer to Page No. 27																												
Minimum Application Amount / Number of Units	Purchase[^]	Additional Purchase	Repurchase																										
	₹ 5,000 and any amount thereafter under each option	₹ 1,000 and any amount thereafter under each option	₹ 500 or 50 units																										
	[^] 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).																												
Despatch of Repurchase (Redemption) Request	Within 10 business days of the receipt of the redemption request at the Official Points of Acceptance of the Principal Mutual Fund.																												
Benchmark Index	Crisil Short Term Bond Fund Index																												
Risk Mitigation Factors	Please Refer to Page No. 32																												
Folio Count & AUM (As on Dec. 31, 2015)	Folio - 2,317 • AUM - ₹ 22.15 Crores																												
Dividend Policy	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.																												
Name of the Fund Manager	Mr. Pankaj Jain																												
Name of the Trustee Company	Principal Trustee Company Private Limited																												
Performance of the Scheme	Returns (%) of Growth Option as at Dec. 31, 2015																												
	Period	Regular Plan		Direct Plan																									
	Returns (%)	Benchmark Returns[†] (%)	Returns (%)	Benchmark Returns[†] (%)																									
Last 1 Year	7.52	8.66	8.33	8.66																									
Last 3 Years	7.67	9.13	N.A.	N.A.																									
Last 5 Years	6.49	8.87	N.A.	N.A.																									
Since Inception*	8.18	7.13	8.45	9.12																									
	Past performance may or may not be sustained in the future. Note: Returns more than 1 year are calculated on compounded annualised basis. *Regular Plan - December 30, 2003. Direct Plan - January 2, 2013. [†] Crisil Short Term Bond Fund Index																												
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Expenses of the Scheme	<p>(i) Load Structure: Exit Load : If redeemed on or before 30 days from the date of allotment - 1%</p> <p>(ii) Recurring expenses as a percentage of Average Daily Net Assets: (Refer Page No. 27)</p> <p>(iii) Actual expenses for the previous financial year 2014-2015: Regular Plan - 1.25%; Direct Plan - 0.50%.</p>																												
Waiver of Load for Direct Applications	Please Refer to Page No. 32																												
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For Investor Grievances please contact	Please Refer to Page No. 32																												
Unitholders' Information	Please Refer to Page No. 32																												

Principal Cash Management Fund *(An open ended Liquid Scheme)*

Investment Objective	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.																																
Asset Allocation Pattern of the Scheme	Please Refer to Page No. 26																																
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: 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 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.																																
Investment Plans & Options	Regular Plan and Direct Plan. Both the Plans offer Dividend & Growth Option. Dividend Frequency - Daily / Weekly / Monthly																																
Applicable NAV	Please Refer to Page No. 27																																
Minimum Application Amount / Number of Units	Purchase	Additional Purchase	Repurchase																														
	₹ 5,000 and any amount thereafter under each option	₹ 1,000 and any amount thereafter under each option	₹ 1000 or 100 units																														
Despatch of Repurchase (Redemption) Request	Within 10 Business Days of the receipt of the redemption request at the Official Points of Acceptance of the Principal Mutual Fund.																																
Benchmark Index	CRISIL Liquid Fund Index																																
Risk Mitigation Factors	Please Refer to Page No. 32																																
Folio Count & AUM (As on Dec. 31, 2015)	Folio - 1,813 • AUM - ₹ 1,637.91 Crores																																
Dividend Policy	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.																																
Name of the Fund Manager	Mr. Pankaj Jain																																
Name of the Trustee Company	Principal Trustee Company Private Limited																																
Performance of the Scheme	<p>Returns (%) of Growth Option as at Dec. 31, 2015</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>Returns (%)</th> <th>Benchmark Returns[†] (%)</th> <th>Returns (%)</th> <th>Benchmark Returns[†] (%)</th> </tr> </thead> <tbody> <tr> <td>Last 1 Year</td> <td>8.43</td> <td>8.23</td> <td>8.50</td> <td>8.23</td> </tr> <tr> <td>Last 3 Years</td> <td>8.89</td> <td>8.83</td> <td>N.A.</td> <td>N.A.</td> </tr> <tr> <td>Last 5 Years</td> <td>9.05</td> <td>8.63</td> <td>N.A.</td> <td>N.A.</td> </tr> <tr> <td>Since Inception*</td> <td>7.65</td> <td>7.14</td> <td>8.98</td> <td>8.83</td> </tr> </tbody> </table> <p>Past performance may or may not be sustained in the future. Note: Returns more than 1 year are calculated on compounded annualised basis. *Regular Plan - August 30, 2004. Direct Plan - January 1, 2013. [†] CRISIL Liquid Fund Index</p>				Period	Regular Plan		Direct Plan		Returns (%)	Benchmark Returns [†] (%)	Returns (%)	Benchmark Returns [†] (%)	Last 1 Year	8.43	8.23	8.50	8.23	Last 3 Years	8.89	8.83	N.A.	N.A.	Last 5 Years	9.05	8.63	N.A.	N.A.	Since Inception*	7.65	7.14	8.98	8.83
Period	Regular Plan		Direct Plan																														
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Last 1 Year	8.43	8.23	8.50	8.23																													
Last 3 Years	8.89	8.83	N.A.	N.A.																													
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Financial Year	Regular Plan (%)	Direct Plan (%)	CRISIL Liquid Fund Index (%)																														
2010-11	6.5	6.5	6.5																														
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2012-13	9.5	8.5	8.5																														
2013-14	9.5	9.5	9.5																														
2014-15	9.0	9.0	9.0																														
Expenses of the Scheme	<p>(i) Load Structure Exit Load : Nil.</p> <p>(ii) Recurring expenses as a percentage of Average Daily Net Assets: (Refer Page No. 27)</p> <p>(iii) Actual expenses for the previous financial year 2014-2015: Regular Plan - 0.18%; Direct Plan - 0.12%.</p>																																
Waiver of Load for Direct Applications	Please Refer to Page No. 32																																
Tax Treatment for the Investors (Unitholders)	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 Calendar Days. 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. The NAV can also be viewed on the website of the Mutual Fund i.e. www.principalindia.com																																
For Investor Grievances please contact	Please Refer to Page No. 32																																
Unitholders' Information	Please Refer to Page No. 32																																

Principal Government Securities Fund *(An open-ended dedicated Gilt Scheme investing in Government Securities)*

Investment Objective	To generate return through investment in sovereign securities and thus provide capital gains and income distribution to its Unitholders.																											
Asset Allocation Pattern of the Scheme	Under normal circumstances, the asset allocation would be as follows:																											
	Types of Instruments	Normal Allocation (% of Net Assets)		Risk Profile																								
	Government Securities	Upto 100%		Low to Medium																								
	Investment in derivatives shall be upto 35% of the net assets of the Scheme.																											
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 on page 28.																											
Investment Plans & Options	Regular Plan and Direct Plan. Both the Plans offer Dividend & Growth Option. Dividend Frequency - Quarterly / Annual																											
Applicable NAV	Please Refer to Page No. 27																											
Minimum Application Amount / Number of Units	Purchase	Additional Purchase		Repurchase																								
	₹ 5,000 and any amount thereafter under each option	₹ 1,000 and any amount thereafter under each option		₹ 500 or 50 units																								
Despatch of Repurchase (Redemption) Request	Within 10 business days of the receipt of the redemption request at the Official Points of Acceptance of the Principal Mutual Fund.																											
Benchmark Index	I-Sec Composite Index																											
Risk Mitigation Factors	Please Refer to Page No. 32																											
Folio Count & AUM (As on Dec. 31, 2015)	Folio - 201 • AUM - ₹ 32.97 Crores																											
Dividend Policy	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.																											
Name of the Fund Manager	Ms. Bekky Kuriakose																											
Name of the Trustee Company	Principal Trustee Company Private Limited																											
Performance of the Scheme	Returns (%) of Growth Option as at Dec. 31, 2015																											
	Period	Regular Plan		Direct Plan																								
		Returns (%)	Benchmark Returns† (%)	Returns (%)	Benchmark Returns† (%)																							
	Last 1 Year	6.63	8.37	7.15	8.37																							
	Last 3 Years	8.05	9.11	N.A.	N.A.																							
	Last 5 Years	7.44	8.98	N.A.	N.A.																							
Since Inception*	7.68	Not Available	8.41	8.95																								
Past performance may or may not be sustained in the future. Note: Returns more than 1 year are calculated on compounded annualised basis. *Regular Plan - August 23, 2001. Direct Plan - January 2, 2013. † I-Sec Composite Index																												
<table border="1"> <caption>Financial Year Absolute Returns - Regular & Direct Plan</caption> <thead> <tr> <th>Financial Year</th> <th>Principal Government Securities Fund - Growth (%)</th> <th>Principal Government Securities Fund - Direct - Growth (%)</th> <th>I-Sec Composite Index (%)</th> </tr> </thead> <tbody> <tr> <td>2010-11</td> <td>~5.0</td> <td>~6.5</td> <td>~6.5</td> </tr> <tr> <td>2011-12</td> <td>~4.5</td> <td>~6.5</td> <td>~6.5</td> </tr> <tr> <td>2012-13</td> <td>~9.5</td> <td>~11.5</td> <td>~11.5</td> </tr> <tr> <td>2013-14</td> <td>~2.0</td> <td>~3.5</td> <td>~3.5</td> </tr> <tr> <td>2014-15</td> <td>~16.5</td> <td>~15.5</td> <td>~15.5</td> </tr> </tbody> </table>					Financial Year	Principal Government Securities Fund - Growth (%)	Principal Government Securities Fund - Direct - Growth (%)	I-Sec Composite Index (%)	2010-11	~5.0	~6.5	~6.5	2011-12	~4.5	~6.5	~6.5	2012-13	~9.5	~11.5	~11.5	2013-14	~2.0	~3.5	~3.5	2014-15	~16.5	~15.5	~15.5
Financial Year	Principal Government Securities Fund - Growth (%)	Principal Government Securities Fund - Direct - Growth (%)	I-Sec Composite Index (%)																									
2010-11	~5.0	~6.5	~6.5																									
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2012-13	~9.5	~11.5	~11.5																									
2013-14	~2.0	~3.5	~3.5																									
2014-15	~16.5	~15.5	~15.5																									
Expenses of the Scheme	<p>(i) Load Structure Exit Load : Nil.</p> <p>(ii) Recurring expenses as a percentage of Average Daily Net Assets: (Refer Page No. 27)</p> <p>(iii) Actual expenses for the previous financial year 2014-2015: Regular Plan - 1.49%; Direct Plan - 1.00%.</p>																											
Waiver of Load for Direct Applications	Please Refer to Page No. 32																											
Tax Treatment for the Investors (Unitholders)	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. 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. The NAV can also be viewed on the website of the Mutual Fund i.e. www.principalindia.com																											
For Investor Grievances please contact	Please Refer to Page No. 32																											
Unitholders' Information	Please Refer to Page No. 32																											

Principal Bank CD Fund *(An open ended Debt Scheme)*

Investment Objective	To generate returns by primarily investing in Bank CDs. Bank CDs provide liquidity and a relatively lower credit risk.																											
Asset Allocation Pattern of the Scheme	Under normal circumstances, the asset allocation would be as follows:																											
	Types of Instruments	% of Net Assets		Risk Profile																								
		Minimum	Maximum																									
	Bank CDs	0%	90%	Medium to High																								
	Repo, CBLO, Units of Money Market / Liquid Funds	0%	90%	Low to Medium																								
Debt Instruments	10%	20%	Medium to High																									
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 on page 28.																											
Investment Plans & Options	Regular Plan and Direct Plan. Both the Plans offer Dividend & Growth Option. Dividend Frequency - Monthly																											
Applicable NAV	Refer to Page No. 27																											
Minimum Application Amount / Number of Units	Purchase	Additional Purchase		Repurchase																								
	₹ 5,000 and any amount thereafter under each option.	₹ 1,000 and any amount thereafter under each option.		₹ 1,000 or 100 units																								
Despatch of Repurchase (Redemption) Request	Within 10 business days of the receipt of the redemption request at the Official Points of Acceptance of the Principal Mutual Fund.																											
Benchmark Index	CRISIL Liquid Fund Index																											
Risk Mitigation Factors	Please Refer to Page No. 32																											
Folio Count & AUM (As on Dec. 31, 2015)	Folio - 671 • AUM - ₹ 73.98 Crores																											
Dividend Policy	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.																											
Name of the Fund Manager	Mr. Gurvinder Singh Wasan																											
Name of the Trustee Company	Principal Trustee Company Private Limited																											
Performance of the Scheme	Returns (%) of Growth Option as at Dec. 31, 2015																											
	Period	Regular Plan		Direct Plan																								
		Returns (%)	Benchmark Returns[†] (%)	Returns (%)	Benchmark Returns[†] (%)																							
	Last 1 Year	8.54	8.23	8.93	8.23																							
	Last 3 Years	8.82	8.83	N.A.	N.A.																							
	Last 5 Years	9.00	8.63	N.A.	N.A.																							
Since Inception*	8.18	7.67	9.25	8.83																								
Past performance may or may not be sustained in the future. Note: Returns more than 1 year are calculated on compounded annualised basis. *Regular Plan - November 6, 2007. Direct Plan - January 2, 2013. † CRISIL Liquid Fund Index																												
<table border="1"> <caption>Financial Year Absolute Returns - Regular & Direct Plan</caption> <thead> <tr> <th>Financial Year</th> <th>Principal Bank CD Fund - Growth (%)</th> <th>Principal Bank CD Fund - Direct - Growth (%)</th> <th>Crisil Liquid Fund Index (%)</th> </tr> </thead> <tbody> <tr> <td>2010-11</td> <td>6.5</td> <td>6.5</td> <td>6.5</td> </tr> <tr> <td>2011-12</td> <td>9.0</td> <td>8.5</td> <td>8.5</td> </tr> <tr> <td>2012-13</td> <td>9.0</td> <td>8.0</td> <td>8.0</td> </tr> <tr> <td>2013-14</td> <td>9.5</td> <td>9.5</td> <td>9.5</td> </tr> <tr> <td>2014-15</td> <td>8.5</td> <td>9.0</td> <td>9.0</td> </tr> </tbody> </table>					Financial Year	Principal Bank CD Fund - Growth (%)	Principal Bank CD Fund - Direct - Growth (%)	Crisil Liquid Fund Index (%)	2010-11	6.5	6.5	6.5	2011-12	9.0	8.5	8.5	2012-13	9.0	8.0	8.0	2013-14	9.5	9.5	9.5	2014-15	8.5	9.0	9.0
Financial Year	Principal Bank CD Fund - Growth (%)	Principal Bank CD Fund - Direct - Growth (%)	Crisil Liquid Fund Index (%)																									
2010-11	6.5	6.5	6.5																									
2011-12	9.0	8.5	8.5																									
2012-13	9.0	8.0	8.0																									
2013-14	9.5	9.5	9.5																									
2014-15	8.5	9.0	9.0																									
Expenses of the Scheme	<p>(i) Load Structure: Exit Load : 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>(ii) Recurring expenses as a percentage of Average Daily Net Assets: (Refer Page No. 27)</p> <p>(iii) Actual expenses for the previous financial year 2014-2015: Regular Plan - 0.80%; Direct Plan - 0.25%.</p>																											
Waiver of Load for Direct Applications	Please Refer to Page No. 32																											
Tax Treatment for the Investors (Unitholders)	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. 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. The NAV can also be viewed on the website of the Mutual Fund i.e. www.principalindia.com																											
For Investor Grievances please contact	Please Refer to Page No. 32																											
Unitholders' Information	Please Refer to Page No. 32																											

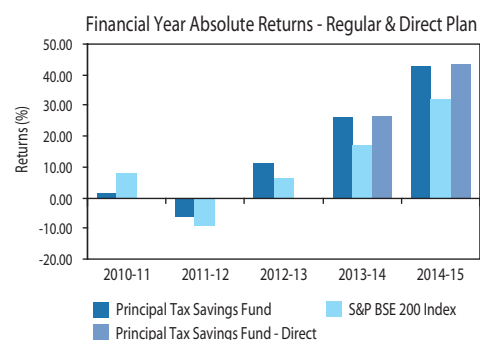
Principal Retail Money Manager Fund *(An Open Ended Debt Scheme)*

Investment Objective	To generate regular income & capital appreciation through investments in debt securities and money market instruments.																												
Asset Allocation Pattern of the Scheme	Please Refer to Page No. 25																												
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 on page 28.																												
Investment Plans & Options[^]	Regular Plan and Direct Plan. Both the Plans offer Dividend & Growth Option. Dividend Frequency - Regular Plan [^] : Daily / Weekly / Monthly. Direct Plan: Monthly (Reinvestment)																												
Applicable NAV	Please Refer to Page No. 27																												
Minimum Application Amount / Number of Units	Purchase	Additional Purchase	Repurchase																										
	₹ 5,000 and any amount thereafter under each option.	₹ 1,000 and any amount thereafter under each option.	₹ 1,000 or 100 units																										
Despatch of Repurchase (Redemption) Request	Within 10 business days of the receipt of the redemption request at the Official Points of Acceptance of the Principal Mutual Fund.																												
Benchmark Index	CRISIL Liquid Fund Index																												
Risk Mitigation Factors	Please Refer to Page No. 32																												
Folio Count & AUM (As on Dec. 31, 2015)	Folio - 1,396 • AUM - ₹ 40.81 Crores																												
Dividend Policy	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.																												
Name of the Fund Manager	Mr. Pankaj Jain																												
Name of the Trustee Company	Principal Trustee Company Private Limited																												
Performance of the Scheme	Returns (%) of Growth Option as at Dec. 31, 2015																												
	Period	Regular Plan		Direct Plan																									
		Returns (%)	Benchmark Returns[†] (%)	Returns (%)	Benchmark Returns[†] (%)																								
	Last 1 Year	8.82	8.23	8.90	8.23																								
	Last 3 Years	9.35	8.83	N.A.	N.A.																								
	Last 5 Years	8.99	8.63	N.A.	N.A.																								
	Since Inception*	6.70	7.68	9.45	8.83																								
	Past performance may or may not be sustained in the future. Note: Returns more than 1 year are calculated on compounded annualised basis. *Regular Plan - December 28, 2007. Direct Plan - January 1, 2013. † CRISIL Liquid Fund Index																												
	<table border="1"> <caption>Financial Year Absolute Returns - Regular & Direct Plan</caption> <thead> <tr> <th>Financial Year</th> <th>Principal Retail Money Manager Fund - Growth (%)</th> <th>Principal Retail Money Manager Fund - Direct - Growth (%)</th> <th>Crisil Liquid Fund Index (%)</th> </tr> </thead> <tbody> <tr> <td>2010-11</td> <td>5.5</td> <td>6.5</td> <td>6.5</td> </tr> <tr> <td>2011-12</td> <td>8.0</td> <td>8.5</td> <td>8.5</td> </tr> <tr> <td>2012-13</td> <td>9.5</td> <td>8.5</td> <td>8.5</td> </tr> <tr> <td>2013-14</td> <td>10.0</td> <td>9.5</td> <td>9.5</td> </tr> <tr> <td>2014-15</td> <td>9.5</td> <td>9.5</td> <td>9.5</td> </tr> </tbody> </table>					Financial Year	Principal Retail Money Manager Fund - Growth (%)	Principal Retail Money Manager Fund - Direct - Growth (%)	Crisil Liquid Fund Index (%)	2010-11	5.5	6.5	6.5	2011-12	8.0	8.5	8.5	2012-13	9.5	8.5	8.5	2013-14	10.0	9.5	9.5	2014-15	9.5	9.5	9.5
Financial Year	Principal Retail Money Manager Fund - Growth (%)	Principal Retail Money Manager Fund - Direct - Growth (%)	Crisil Liquid Fund Index (%)																										
2010-11	5.5	6.5	6.5																										
2011-12	8.0	8.5	8.5																										
2012-13	9.5	8.5	8.5																										
2013-14	10.0	9.5	9.5																										
2014-15	9.5	9.5	9.5																										
Expenses of the Scheme	<p>(i) Load Structure Exit Load: Nil.</p> <p>(ii) Recurring expenses as a percentage of Average Daily Net Assets: (Refer Page No. 27)</p> <p>(iii) Actual expenses for the previous financial year 2014-2015: Regular Plan - 0.16%; Direct Plan - 0.08%.</p>																												
Waiver of Load for Direct Applications	Please Refer to Page No. 32																												
Tax Treatment for the Investors (Unitholders)	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 Calendar Days. 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. The NAV can also be viewed on the website of the Mutual Fund i.e. www.principalindia.com																												
For Investor Grievances please contact	Please Refer to Page No. 32																												
Unitholders' Information	Please Refer to Page No. 32																												

[^]**Note:** 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 the scheme are not available for subscription/Switch-in (The same may however be open and available for subscription at a later date).

Principal Tax Savings Fund *(An open ended Equity Linked Savings Scheme)*

Investment Objective	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.				
Asset Allocation Pattern of the Scheme	Please Refer to Page No. 26				
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 on page 28.				
Investment Plans & Options	Regular Plan & Direct Plan. Both the Plan do not have any options at present.				
Applicable NAV	Please Refer to Page No. 27				
Minimum Application Amount / Number of Units	Purchase	Additional Purchase		Repurchase	
	₹ 500 and any amount thereafter	₹ 500 and any amount thereafter		₹ 500 or 50 units	
Despatch of Repurchase (Redemption) Request	Within 10 business days of the receipt of the redemption request at the Official Points of Acceptance of the Principal Mutual Fund.				
Benchmark Index	S&P BSE 200 Index				
Risk Mitigation Factors	Please Refer to Page No. 32				
Folio Count & AUM (As on Dec. 31, 2015)	Folio - 70,674 • AUM - ₹ 260.51 Crores				
Dividend Policy	Dividend will be declared subject to availability of distributable surplus and at discretion of AMC / Trustee. The undistributed portion of the income will remain 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.				
Name of the Fund Manager	Mr. P.V.K. Mohan				
Name of the Trustee Company	Principal Trustee Company Private Limited				
Performance of the Scheme	Returns (%) of Growth Option as at Dec. 31, 2015				
	Period	Regular Plan		Direct Plan	
		Returns (%)	S&P BSE 200 Index (%)	Returns (%)	S&P BSE 200 Index (%)
	Last 1 Year	2.70	-1.48	3.27	-1.48
	Last 3 Years	18.55	11.69	N.A.	N.A.
	Last 5 Years	11.18	5.91	N.A.	N.A.
Since Inception*	16.74	12.23	18.49	11.12	
<p>Past performance may or may not be sustained in the future. Note: Returns more than 1 year are calculated on compounded annualised basis. *Regular Plan - March 31, 1996. Direct Plan - January 2, 2013.</p>					
Expenses of the Scheme	(i) Load Structure Exit Load : Nil.				
	(ii) Recurring expenses as a percentage of Average Daily Net Assets: (Refer Page No. 27)				
	(iii) Actual expenses for the previous financial year 2014-2015: Regular Plan - 2.55%; Direct Plan - 2.04%.				
Waiver of Load for Direct Applications	Please Refer to Page No. 32				
Tax Treatment for the Investors (Unitholders)	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. 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. The NAV can also be viewed on the website of the Mutual Fund i.e. www.principalindia.com				
For Investor Grievances please contact	Please Refer to Page No. 32				
Unitholders' Information	Please Refer to Page No. 32				



Principal Personal Tax Saver Fund *(An open ended Equity Linked Savings Scheme)*

Investment Objective	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.																																
Asset Allocation Pattern of the Scheme	Please Refer to Page No. 26																																
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 on page 28.																																
Investment Plans & Options	Regular Plan & Direct Plan. Both the Plan do not have any options at present.																																
Applicable NAV	Please Refer to Page No. 27																																
Minimum Application Amount / Number of Units	Purchase	Additional Purchase	Repurchase																														
	₹ 500 and any amount thereafter	₹ 500 and any amount thereafter	₹ 500 or 50 units																														
Despatch of Repurchase (Redemption) Request	Within 10 business days of the receipt of the redemption request at the Official Points of Acceptance of the Principal Mutual Fund.																																
Benchmark Index	S&P BSE 100 Index																																
Risk Mitigation Factors	Please Refer to Page No. 32																																
Folio Count & AUM (As on Dec. 31, 2015)	Folio - 117,938 • AUM - ₹ 322.01 Crores																																
Dividend Policy	Dividend will be declared subject to availability of distributable surplus and at discretion of AMC / Trustee. The undistributed portion of the income will remain 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.																																
Name of the Fund Manager	Mr. Anupam Tiwari																																
Name of the Trustee Company	Principal Trustee Company Private Limited																																
Performance of the Scheme	<p>Returns (%) of Growth Option as at Dec. 31, 2015</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>Returns (%)</th> <th>S&P BSE 100 Index (%)</th> <th>Returns (%)</th> <th>S&P BSE 100 Index (%)</th> </tr> </thead> <tbody> <tr> <td>Last 1 Year</td> <td>0.72</td> <td>-3.25</td> <td>1.37</td> <td>-3.25</td> </tr> <tr> <td>Last 3 Years</td> <td>14.32</td> <td>10.66</td> <td>N.A.</td> <td>N.A.</td> </tr> <tr> <td>Last 5 Years</td> <td>7.52</td> <td>5.51</td> <td>N.A.</td> <td>N.A.</td> </tr> <tr> <td>Since Inception*</td> <td>21.19</td> <td>11.77</td> <td>14.38</td> <td>10.08</td> </tr> </tbody> </table> <p>Past performance may or may not be sustained in the future. Note: Returns more than 1 year are calculated on compounded annualised basis. *Regular Plan - March 31, 1996. Direct Plan - January 2, 2013.</p>				Period	Regular Plan		Direct Plan		Returns (%)	S&P BSE 100 Index (%)	Returns (%)	S&P BSE 100 Index (%)	Last 1 Year	0.72	-3.25	1.37	-3.25	Last 3 Years	14.32	10.66	N.A.	N.A.	Last 5 Years	7.52	5.51	N.A.	N.A.	Since Inception*	21.19	11.77	14.38	10.08
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Expenses of the Scheme	<p>(i) Load Structure Exit Load : Nil.</p> <p>(ii) Recurring expenses as a percentage of Average Daily Net Assets: (Refer Page No. 27)</p> <p>(iii) Actual expenses for the previous financial year 2014-2015: Regular Plan - 2.52%; Direct Plan - 1.94%.</p>																																
Waiver of Load for Direct Applications	Please Refer to Page No. 32																																
Tax Treatment for the Investors (Unitholders)	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. 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. The NAV can also be viewed on the website of the Mutual Fund i.e. www.principalindia.com																																
For Investor Grievances please contact	Please Refer to Page No. 32																																
Unitholders' Information	Please Refer to Page No. 32																																

Principal Asset Allocation Fund-of-Funds *(An open-ended Fund-of-Funds Scheme)*

Name of the Scheme	Principal Asset Allocation Fund of Funds with three separate plans namely; (i) Conservative Plan; (ii) Moderate Plan; (iii) Aggressive Plan.			
Investment Objective	Scheme/Plan(s)	Investment Objective		
	Conservative Plan	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.		
	Moderate Plan	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.		
	Aggressive Plan	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.		
Asset Allocation Pattern of the Scheme	Please Refer to Page No. 26			
Risk Profile of the Scheme	<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"> 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. Investments in the underlying schemes, which also consist of equity funds, will have all the risks associated with investments in equity markets. 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. 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. 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. 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. 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. 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. 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. 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. 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. 			
Investment Plans & Options	<p>Following two Sub-Plans / Options will be available under the Scheme/Plan: Regular Sub-Plan - Growth Option • Direct Sub-Plan - Growth Option Default Sub-Plan: Refer table below for understanding the result for various options selected by the investor for applications -</p>			
	Scenario	Broker Code mentioned by the investor	Plan mentioned by the investor	Default Sub-Plan to be captured
	1	Not mentioned	Not mentioned	Direct Sub-Plan
	2	Not mentioned	Direct	Direct Sub-Plan
	3	Not mentioned	Regular	Direct Sub-Plan
	4	Mentioned	Direct	Direct Sub-Plan
	5	Direct	Not Mentioned	Direct Sub-Plan
	6	Direct	Regular	Direct Sub-Plan
	7	Mentioned	Regular	Regular Sub-Plan
	8	Mentioned	Not Mentioned	Regular Sub-Plan
	As mentioned above Investors should indicate the Sub-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 sub-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 sub-plan from the date of application without any exit load.			
Applicable NAV	Refer to Page No. 27			

Principal Asset Allocation Fund-of-Funds (Contd.)

Minimum Application Amount / Number of Units	<ul style="list-style-type: none"> • Purchase: ₹ 5,000 and any amount thereafter under each sub-plan/option. • Additional Purchase: ₹ 1,000 and any amount thereafter under each sub-plan/option. • Repurchase: <ul style="list-style-type: none"> • Where the holding amount / units exceed ₹ 500/- / 50 units - ₹ 500/- or 50 units; • 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.
Despatch of Repurchase (Redemption) Request	Within 10 business days of the receipt of the redemption request at the Official Points of Acceptance of the Principal Mutual Fund.
Benchmark Index	<p>Conservative Plan: Composite Benchmark* (* consisting of 85% CRISIL Short Term Bond Fund Index and 15% Nifty 50 Index)</p> <p>Moderate Plan: Composite Benchmark* (* consisting of 60% CRISIL Short Term Bond Fund Index and 40% Nifty 50 Index)</p> <p>Aggressive Plan: Composite Benchmark* (* consisting of 80% Nifty 50 Index and 20% CRISIL Short Term Bond Fund Index)</p>
Risk Mitigation Factors	Please Refer to Page No. 32
Folio Count & AUM (As on Dec. 31, 2015)	<p>Conservative Plan: Folio - 235 • AUM - ₹ 37.84 Crores</p> <p>Moderate Plan: Folio - 135 • AUM - ₹ 22.35 Crores</p> <p>Aggressive Plan: Folio - 155 • AUM - ₹ 1.97 Crores</p>
Dividend Policy	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.
Name of the Fund Manager	Mr. Rajat Jain
Name of the Trustee Company	Principal Trustee Company Private Limited
Performance of the Scheme	Year wise returns not available since the scheme has not completed a financial year. (Allotment date: December 14, 2015)
Expenses of the Scheme	<p>(i) Load Structure: Exit Load : NIL. 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) Recurring expenses as a percentage of Average Daily Net Assets: (Refer Page No. 27)</p> <p>(iii) Actual expenses for the previous financial year 2014-2015:</p> <p>Regular Sub-Plan: N.A. (Being a New Scheme)</p> <p>Direct Sub-Plan: N.A. (Being a New Scheme)</p>
Waiver of Load for Direct Applications	Please Refer to Page No. 32
Tax Treatment for the Investors (Unitholders)	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. 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. The NAV can also be viewed on the website of the Mutual Fund i.e. www.principalindia.com
For Investor Grievances please contact	Please Refer to Page No. 32
Unitholders' Information	Please Refer to Page No. 32

ASSET ALLOCATION PATTERN FOR PRINCIPAL GROWTH FUND

Under normal circumstances, the asset allocation would be as follows:

Types of Instruments	% of Net Assets		Risk Profile
	Minimum	Maximum	
Equity and Equity related instruments	65%	100%	High
Debt (including Securitised Debt*) and Money Market instruments	0%	35%	Low to Medium

* 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.

ASSET ALLOCATION PATTERN FOR PRINCIPAL EMERGING BLUECHIP FUND

Under normal circumstances, the asset allocation would be as follows:

Types of Instruments	% of Net Assets		Risk Profile
	Minimum	Maximum	
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
Total Equity	70%	100%	High
Cash and Money Market / Fixed Income Securities (including MIBOR Linked Short Term Papers & Securitised Debt*)	0%	30%	Low to Medium

* 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.

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.

ASSET ALLOCATION PATTERN FOR PRINCIPAL SMART EQUITY FUND

Under normal circumstances, the asset allocation would be as follows:

Types of Instruments	% 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

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.

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 December 31, 2015 was ₹ 3,264.04 crores.

ASSET ALLOCATION PATTERN FOR PRINCIPAL LARGE CAP FUND

Under normal circumstances, the asset allocation would be as follows:

Types of Instruments	% of Net Assets		Risk Profile
	Minimum	Maximum	
1) Large Cap Equity and Equity related instruments**	65%	100%	High
2) Equity & Equity related instruments (other than in (1) above)	0%	35%	High
3) Money Market Instruments	0%	30%	Low to Medium

** 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 Midcap 200 Index. However, should IISL come out with a definition of 'Large Cap companies', the same will be utilized

The AMC reserves the right to invest in foreign securities and derivatives as follows:-

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.

ASSET ALLOCATION PATTERN FOR PRINCIPAL DIVIDEND YIELD FUND

Under normal circumstances, the asset allocation would be as follows:

Types of Instruments	% of Net Assets		Risk Profile
	Minimum	Maximum	
Equity and equity related instruments of high dividend-yield companies*	65	100	High
Other equity and equity-related instruments	0	35	High
Cash and Money Market Instruments	0	20	Low to Medium

* High dividend-yield companies are defined as those having a dividend-yield (i.e. last declared dividend as a percentage of the market price at the time of investment) higher than 1.5 times that of the NSE Nifty on the earlier trading day.

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

The Scheme may also invest in overseas financial debt instruments including units of overseas mutual funds, as detailed below:-

Investments will only be made in instruments denominated in US Dollar, Singapore Dollar, Japanese Yen, Euro or Sterling Pound on 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.

ASSET ALLOCATION PATTERN FOR PRINCIPAL GLOBAL OPPORTUNITIES FUND

Under normal circumstances, the asset allocation would be as follows:

Types of Instruments	% of Net Assets		Risk Profile
	Minimum	Maximum	
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

* Currently Principal Global Investors - 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).

ASSET ALLOCATION PATTERN FOR PRINCIPAL INDEX FUND - NIFTY

Under normal circumstances, the asset allocation would be as follows:

Types of Instruments	% of Net Assets		Risk Profile
	Minimum	Maximum	
Nifty Stocks	0%	100%	Medium to High
Money Market Instruments	0%	10%	Low

The Asset Management Company reserves the right to invest in derivatives up to 50% 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.

ASSET ALLOCATION PATTERN FOR PRINCIPAL BALANCED FUND

Under normal circumstances, the asset allocation would be as follows:

Types of Instruments	% of Net Assets		Risk Profile
	Minimum	Maximum	
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 Securitized Debt*)	30%	40%	Low to Medium

* Investment in Securitized 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:

Particulars	Normal Allocation (% of Net Assets)
Derivatives	Upto 50% of the net assets of the Scheme

Investment in Overseas Financial Instruments are as follows:

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

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

ASSET ALLOCATION PATTERN FOR PRINCIPAL DYNAMIC BOND FUND

Under normal circumstances, the asset allocation would be as follows:

Types of Instruments	Normal Allocation (% of Net Assets)	Risk Profile
Debt Securities	Upto 100%	Low to Medium
Money Market Instruments	Upto 100%	Low
Securitized Debt	Upto 50%	Low to Medium

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.

ASSET ALLOCATION PATTERN FOR PRINCIPAL DEBT OPPORTUNITIES FUND - CONSERVATIVE PLAN

Under normal circumstances, the asset allocation would be as follows:

Types of Instruments	Normal Allocation (% of Net Assets)	Risk Profile
Debt & Money Market Instruments (including cash & CBLO)	Up to 100%	Low to Medium

Investment in Securitized 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.

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

The Plan will have an average maturity of upto 370 days.

ASSET ALLOCATION PATTERN FOR PRINCIPAL INCOME FUND - SHORT TERM PLAN

Under normal circumstances, the asset allocation would be as follows:

Types of Instruments	Normal Allocation (% of Net Assets)	Risk Profile
Debt Securities (including securitized debt upto 50%)	Upto 100%	Low to Medium
Money Market Instruments	Upto 100%	Low

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.

ASSET ALLOCATION PATTERN FOR PRINCIPAL DEBT OPPORTUNITIES FUND - CORPORATE BOND PLAN

Under normal circumstances, the asset allocation would be as follows:

Types of Instruments	% of Net Assets		Risk Profile
	Minimum	Maximum	
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

* Investment in Securitized Debt may be up to 30% of its Net Assets.

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

Average maturity of the portfolio will be maintained at or below 5 years.

ASSET ALLOCATION PATTERN FOR PRINCIPAL DEBT SAVINGS FUND - MONTHLY INCOME PLAN

Under normal circumstances, the asset allocation would be as follows:

Types of Instruments	Normal Allocation (% of Net Assets)	Risk Profile
Debt & Money Market Instruments (including Securitized Debt upto 50%)	Upto 100%	Low to Medium
Equity and Equity Related Instruments (incl. units of Equity Mutual Fund Schemes)	Upto 15%	Medium to High

Investment in derivatives shall be upto 35% of the net assets of the Scheme. Investment in ADRs / GDRs shall be not exceeding 15% of the Scheme's assets. 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.

ASSET ALLOCATION PATTERN FOR PRINCIPAL DEBT SAVINGS FUND - RETAIL PLAN

Under normal circumstances, the asset allocation would be as follows:

Types of Instruments	Normal Allocation (% of Net Assets)	Risk Profile
Debt Securities (incl. Securitized Debt upto 50%)	Upto 100%	Low to Medium
Money Market Instruments (incl. cash & cash equivalent, CBLO & Reverse Repo)	Upto 100%	Low

Investment in derivatives shall be upto 50% of the net assets of the Scheme.

ASSET ALLOCATION PATTERN FOR PRINCIPAL RETAIL MONEY MANAGER FUND

Under normal circumstances, the asset allocation would be as follows:

Types of Instruments	Normal Allocation (% of Net Assets)	Risk Profile
Debt & Money Market Instruments (including cash & CBLO)	Upto 100%	Low to Medium

Investment in Securitized 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.

The Scheme will have an average maturity of upto 180 days.

ASSET ALLOCATION PATTERN FOR PRINCIPAL ASSET ALLOCATION FUND-OF-FUNDS

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.

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.

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.

A sample portfolio across the 3 customer risk profiles is given as an illustration below:

Asset Classes	Customer Risk Profile		
	Conservative Allocation	Moderate Allocation	Aggressive Allocation
Gold	-	10.00%	10.00%
Equity	17.08%	45.47%	82.24%
Debt	82.92%	44.53%	7.76%
Total	100%	100%	100%

A sample portfolio across the 3 customer risk profiles is given as an illustration below:

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 [^]	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 [^]	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 [^]	10	30	Low to Medium
Units of Gold Mutual Funds /ETFs	0	10	High

[^] Including upto 5% in Cash / Cash Equivalents / Money Market Instruments.

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.

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.

Strategic Asset Allocation:

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 **Strategic Asset Allocation** and provides us maximum "expected" returns (as they have been assumed on historical returns) for the associated risk.

Tactical Asset Allocation:

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 **Tactical Asset Allocation** 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.

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.

The Tactical Asset Allocation will be computed at least quarterly.

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.

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).

ASSET ALLOCATION PATTERN FOR PRINCIPAL CASH MANAGEMENT FUND

Under normal circumstances, the asset allocation would be as follows:

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

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.

ASSET ALLOCATION PATTERN FOR PRINCIPAL TAX SAVINGS FUND

Under normal circumstances, the asset allocation would be as follows:

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

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.

ASSET ALLOCATION PATTERN FOR PRINCIPAL PERSONAL TAX SAVER FUND

Under normal circumstances, the asset allocation would be as follows:

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

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.

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.

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:

- 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;
- 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; and

In respect of purchase/switch 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:

- 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
- 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.

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

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

For Subscription / Switch-in / Sweep:

- 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;
- 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
- 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:

- 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
- 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.

APPLICABLE NAV FOR PRINCIPAL GLOBAL OPPORTUNITIES FUND

For Subscriptions / Switch-in:

- 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;
- 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; and

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:

- 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
- 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.

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.

RECURRING EXPENSES AS A PERCENTAGE OF AVERAGE DAILY NET ASSETS:

For All Equity / Balanced Schemes -

First ₹ 100 crores: 2.50% • Next ₹ 300 crores: 2.25%
• Next ₹ 300 crores: 2.00% • Balance: 1.75%.

For All Debt/ Liquid Schemes -

First ₹ 100 crores: 2.25% • Next ₹ 300 crores: 2.00%
• Next ₹ 300 crores: 1.75% • Balance: 1.50%

For Principal Index Fund - Nifty and Principal Index Fund - Midcap -

Total expenses of the scheme including the investment management and advisory fees shall not exceed 1.5% of Average Daily Net Assets

For Principal Global Opportunities Fund - Total expenses including charges levied by underlying scheme(s) shall not exceed 2.5% of daily average net Assets.

For Principal Asset Allocation Fund-of-Funds - 2.50% of the daily net assets of the Scheme/Plan

Direct Plan under the aforementioned Schemes 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.
- Service tax on Investment and Advisory fees.

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.

RISK PROFILE OF THE SCHEME

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 times, may be relatively less liquid as compared to growth stocks.
3. The securities in the fund would be predominantly characterized as those having a value style. There could be time periods when securities of this nature would under-perform relative to other stocks in the market. This could have an impact on the relative performance of the fund over differing time periods.

PRINCIPAL GLOBAL OPPORTUNITIES FUND

The Scheme will predominantly invest in Principal Global Investors – Emerging Market Equity Fund (PGI-EMEF), a Fund advised 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.

PRINCIPAL INDEX FUND - NIFTY

The value of the equity securities owned by the Scheme changes on a daily basis. Equity Securities, 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.

Tracking Error: The performance of the Scheme may not be commensurate with the performance of the Nifty on any given day or over any given period. Such variation, referred to as tracking errors as defined elsewhere in this Scheme Information Document may result from a variety of factors including but not limited to:

- The Nifty reflects the prices of securities at close of business hours. However the Scheme may buy or off-load securities at different points of time during the trading session at the then prevailing prices which may not correspond to the closing prices on the NSE.
- ISL undertakes a periodical review of the scrips that comprise the Nifty and may either drop or include new securities. In such an event the Scheme will endeavour to reallocate its portfolio but the available investment opportunities may not permit precise mirroring of the Nifty.
- Dis-investments to meet exits of investors, recurring expenses, etc. as elsewhere indicated in the Scheme Information Document.

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 INDEX FUND - MIDCAP

Mutual Fund Units involve investment risks including the possible loss of principal. Please read the SID carefully for details on risk factors before investing. Scheme specific Risk Factors are summarized below: Risks associated with Investing in the constituents of Nifty Midcap 100 Index:

Mid cap stocks can be riskier and more volatile on a relative basis. Therefore, the risk levels of investing in small cap and mid cap stocks is more than investing in stocks of large well established companies. Over a time these two categories have demonstrated different levels of volatility and investment returns. Historically, these companies have been more volatile in price than larger company securities, especially over the short-term.

Investments under the Scheme will be concentrated in the Mid Cap segment and hence may perform differently than a broad market portfolio.

The value of the equity securities owned by the Scheme changes on a daily basis. Equity Securities, prices reflect the activities of individual companies and general market / economic conditions. In the short term, equity security prices can fluctuate dramatically in response to these factors. 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 stocks generally tend to be more volatile and less liquid as compared to Large Cap stocks.

Tracking Error: "Tracking Error" is defined as the standard deviation of the difference between daily returns of the underlying index and the NAV of the respective scheme.

The Tracking error may arise due to various reasons and has an impact on the performance of the Scheme. The Scheme's returns may therefore deviate from those of its underlying index due to the reasons mentioned below or other reasons that may arise and particularly when the markets are very volatile. Tracking error may arise from a variety of factors including but not limited to:

- The Nifty Midcap 100 Index reflects the prices of securities at close of business hours. However the Scheme may buy or off-load securities at different points of time during the trading session at the then prevailing prices which may not correspond to the closing prices on the NSE.
- ISL undertakes a periodical review of the scrips that comprise the Nifty Midcap 100 Index and may either drop or include new securities. In such an event the Scheme will endeavour to reallocate its portfolio but the available investment opportunities may not permit precise mirroring of the Nifty Midcap 100 Index.
- 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 TAX SAVINGS FUND AND 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 BALANCED FUND

The value of the equity securities owned by the Scheme changes 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.

Values of debt securities change daily. 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 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 INCOME FUND - SHORT TERM 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.

PRINCIPAL DEBT SAVINGS FUND - MONTHLY INCOME 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. The value of the equity securities owned by the Scheme changes 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.

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.

PRINCIPAL GOVERNMENT SECURITIES FUND

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.

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.

PRINCIPAL RETAIL MONEY MANAGER 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.

INVESTMENT STRATEGY FOR THE SCHEMES

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 DIVIDEND YIELD FUND

The scheme would invest predominantly (at least 65% of the net assets) in companies that have a relatively high dividend yield (i.e. last declared dividend divided by the current market price), at the time of making the investment. The Fund is defining dividend yield as "high" if it is in excess of 1.5 times that of the prevailing dividend yield of the NSE Nifty.

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 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 Index. 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 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 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 Midcap 100 Index. The Scheme plans to do this by investing the corpus in the stocks that comprise the Nifty Midcap 100 Index in similar weights to the weightage given by the Nifty 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 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

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 Midcap 100 Index or to meet the cash flow requirements.

The primary objective of the Nifty Midcap 100 Index is to capture the movement of the midcap segment of the market. Nifty 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 Midcap 100 Index has a base date of Jan 1, 2003 and a base value of 1000

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 Arbitrage (%)
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 Index. 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 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 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 DEBT OPPORTUNITIES FUND - CORPORATE BOND PLAN

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 DYNAMIC BOND FUND

The plan 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 INCOME FUND - SHORT TERM PLAN

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 otherwise comparable, if not rated) with average residual maturity of upto 36 months and varying risks.

PRINCIPAL DEBT OPPORTUNITIES FUND - CONSERVATIVE PLAN

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 DEBT SAVINGS FUND - MONTHLY INCOME PLAN

To achieve the investment objective, assets under the Plan will be invested in wide range of fixed income and money market instruments. The Plan may also invest a small part of its assets in equity/equity related instruments including units of equity mutual fund schemes. Further the Plan may also invest in financial derivatives such as options and futures & 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 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 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 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 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 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 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 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 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

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 (i) the right asset classes for their investor risk appetite (ii) diversified through a strategic asset allocation process which optimizes risk and reward (iii) 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; (iv) tactical asset allocation to ensure that, the portfolios are responsive to market and economic conditions.

COMPARISON OF OPEN-ENDED SCHEMES

PRINCIPAL GROWTH FUND: 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 BSE 200 index. This is the only scheme which can be defined as truly diversified.

PRINCIPAL DIVIDEND YIELD FUND: 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.

PRINCIPAL GLOBAL OPPORTUNITIES FUND: 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.

PRINCIPAL LARGE CAP FUND: 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.

PRINCIPAL INDEX FUND - NIFTY: 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 NSE Nifty companies and participate in the growth offered by these companies. Subject to tracking error, the scheme will seek to offer returns as offered by NSE Nifty Index. Presently this is the only index fund which is available in the bouquet of open ended equity schemes offered by Principal Mutual Fund.

PRINCIPAL INDEX FUND - MIDCAP: The investment mandate of this Scheme is to invest in securities comprised in Nifty 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 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 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.

PRINCIPAL SMART EQUITY FUND: 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.

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.

PRINCIPAL EMERGING BLUECHIP FUND: 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 Midcap 100 Index. However such stock may or may not be a constituent of Nifty 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.

PRINCIPAL BALANCED FUND: 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.

PRINCIPAL DYNAMIC BOND FUND: 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.

PRINCIPAL INCOME FUND - SHORT TERM PLAN: The fund is positioned to generate capital appreciation/accretion through investment in debt instruments. Short Term Plan 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 Plan will seek to invest in securities with average residual maturity of upto 36 months.

PRINCIPAL DEBT OPPORTUNITIES FUND: Among the debt schemes offered by Principal Mutual Fund, Principal Near-Term Fund is positioned to generate regular income & Capital appreciation through investments in debt securities and money market instruments. The Scheme offers two plans viz. Conservative Plan and Corporate Bond Plan. The Conservative Plan will have an average maturity of upto 367 days and duly reflects the conservative character of the portfolio and would cater to invest in such type of instruments that generate consistently superior yields at low levels of risk. Further, amongst the debt schemes offered Corporate Bond Plan is positioned to generate regular income & Capital appreciation through investments in a portfolio of securities issued by Companies. The Plan would seek to deliver returns through an active management strategy. The Fund Manager will take active strategic and tactical positions in corporate bonds with key elements of the alpha generation being Interest Rates and Credit. Corporate Bond Plan will have an average maturity of upto 5 years.

PRINCIPAL DEBT SAVINGS FUND: The scheme has two plans - MIP and Retail. The MIP plan will seek to generate regular income by investing in fixed income securities and also generate long term appreciation by investing a portion of corpus in equity/equity related instruments including units of equity mutual fund schemes while the Retail Plan will seek to generate income by investing in fixed income & related instruments. The equity investment in the MIP is capped at 15%.

The Retail Plan accepts subscriptions from Retail Investors only including Individuals, HUF and AoP.

PRINCIPAL CASH MANAGEMENT FUND: 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 Rediscounting - 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.

PRINCIPAL GOVERNMENT SECURITIES FUND: 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).

PRINCIPAL BANK CD FUND: 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.

PRINCIPAL RETAIL MONEY MANAGER FUND: 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.

PRINCIPAL PERSONAL TAX SAVER FUND: 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 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.

PRINCIPAL TAX SAVINGS FUND: The scheme initially launched as Tax I-NIT'96 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.

PRINCIPAL ASSET ALLOCATION FUND-OF-FUNDS: 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. Therefore, this is a new scheme offered by Principal Mutual Fund and is not a minor modification of any other existing scheme/product.

RISK MITIGATION FACTORS

- 1. Risk mitigation factors for investments associated with equities (applicable where the asset allocation pattern of the scheme(s) provides such investment):**
 1. Focused risk management with an endeavour to ensure adequate safeguards for controlling risks during portfolio construction.
 2. Reducing risks through portfolio diversification, taking care however not to dilute returns of the scheme(s).
 3. Use derivatives and hedging products as permitted as RBI/SEBI to protect the value of portfolio.
 4. Implement exposure limits which may be varied from time to time. In case of Equity funds, restricting the exposure to any industry (as defined in AMFI classification) as a percentage of the portfolio at any point of time.
 5. Portfolio shall be maintained in such a manner so as to provide necessary liquidity (after considering inflows and redemptions).
 6. Due diligence of a company so as to minimize stock specific risks.
- 2. Risk mitigation factors for investments associated with Debt and/or Money Market Instruments (applicable where the asset allocation pattern of the scheme(s) provides such investment):**
 1. Rigorous in-depth credit evaluation of the securities proposed to be invested focussing on analysis of fundamentals of the company, company's financials and the quality of management.
 2. Use derivatives and hedging products to protect the value of portfolio.
 3. To invest over a range of companies, groups as well as industries in accordance with SEBI Regulations with an endeavour to reduce risk using diversification.
 4. Having appropriate portfolio turnover to meet cash flow requirements, adjustments relating to average maturity of the assets held, change or an anticipated change in the credit worthiness of the investee companies.
 5. Control credit risk by investing in rated papers of the companies having strong fundamentals, sound financial strength and superior quality of management.
 6. Reduce Liquidity Risk by investing in CBLO and other such similar short term highly liquid instruments.

WAIVER OF LOAD FOR DIRECT APPLICATIONS:

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 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).

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. The half yearly portfolio and unaudited financial results, shall be published within one month from the close of each half year (i.e. 31st March and 30th September), 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.

Date : January 28, 2016.



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.
 Website: www.principalindia.com • E-mail: customer@principalindia.com

Application Form

(Please read Product Labelling details and Instructions before filling the Form)

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

Application No. _____

Please read the instructions before filling the Application Form

DISTRIBUTOR INFORMATION & APPLICATION RECEIPT DATE

Broker ARN Code	Sub-Broker ARN Code	EUIN	Sub-Broker Code	Principal Group Employee Code
ARN - 17397				

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.

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)

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. Gender - Male Female 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

FATHER'S NAME _____

PAN _____ Place / City of Birth / Incorporation _____ Country of Birth / Incorporation _____ Nationality _____

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 Gender - Male Female 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

FATHER'S NAME _____

PAN _____ Place / City of Birth _____ Country of Birth _____ Nationality _____

NAME OF THE SECOND APPLICANT Mr. Ms. Gender - Male Female 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

FATHER'S NAME _____

PAN _____ Place / City of Birth _____ Country of Birth _____ Nationality _____

NAME OF THE THIRD APPLICANT Mr. Ms. Gender - Male Female 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

FATHER'S NAME _____

PAN _____ Place / City of Birth _____ Country of Birth _____ Nationality _____

ADDRESS OF FIRST / SOLE APPLICANT [P.O. Box Address is not sufficient]

OVERSEAS ADDRESS (in case the First Applicant is NRI/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.

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 **Principal -** Scheme Name

Plan: Direct Plan Regular Plan Option: Dividend Growth AEP Sub-Option: Payout Reinvest Sweep

Frequency: Daily Weekly Monthly Quarterly 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)

ARN No: _____

Sub-Broker ARN: _____

EUIN: _____

Received from _____ Application No. _____

Cheque / DD / RTGS / NEFT No. _____ Dated:

D	D	/	M	M	/	Y	Y	Y	Y
---	---	---	---	---	---	---	---	---	---

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*	<input type="checkbox"/>	-	-	-
Non Individual	<input type="checkbox"/> Company/Body <input type="checkbox"/> Corporate <input type="checkbox"/> Partnership <input type="checkbox"/> Trust <input type="checkbox"/> Society <input type="checkbox"/> HUF <input type="checkbox"/> Bank <input type="checkbox"/> AOP <input type="checkbox"/> FI / FII / FPI	-	-	-
Others (Please specify)	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>

Occupation details for	First Applicant	Second Applicant	Third Applicant	Guardian
Private Sector	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Public Sector	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Government Service	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Business	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Professional	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Agriculturist	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Retired	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Housewife	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Student	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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 ₹ (Mandatory for Non Individual) (Not older than 1 year)	as on <input type="text"/>	as on <input type="text"/>	as on <input type="text"/>	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 RTGS* IFSC* NEFT* 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 / FIRG

* 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 a tax resident of any country other than 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 indicate all countries in which you are resident for tax purpose and the associated Tax Reference Numbers below:			
Country#			
Tax Identification Number##			
Identification Type (TIN or Other, please specify)			

To also include USA, where the individual is a citizen / green card holder of The USA

In case Tax Identification Number is not available, kindly provide its functional equivalent.\$

In case TIN or its functional equivalent is not available, please provide Company Identification Number or Global Entity Identification Number or GIN, etc.

Non individuals: Please fill FATCA & CRS Declaration also

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

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]	<input type="checkbox"/> YES	<input type="checkbox"/> NO
ii.	Foreign Exchange / Money Changer Services	<input type="checkbox"/> YES	<input type="checkbox"/> NO
iii.	Gaming / Gambling / Lottery / Casino Services	<input type="checkbox"/> YES	<input type="checkbox"/> NO
iv.	Money Lending / Pawning	<input type="checkbox"/> YES	<input type="checkbox"/> NO

Ultimate Beneficiary Owner (UBO) Details (Refer Instruction No. F) (For Non-individual Only: UBO Declaration attached)
<input type="checkbox"/> Applicant is the UBO(s) of this investment (Default) <input type="checkbox"/> Applicant is NOT the UBO(s) of this investment

FATCA & CRS – TERMS & CONDITIONS

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. 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.

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.

The total percentage of investment allocation (across all Nominee/s) can not exceed 100%.

SIGNATURE(S) OF THE UNIT HOLDER(S)

Name	Signature and Date
First Unit Holder	
Second Unit Holder	
Third Unit Holder	

INSTRUCTIONS FOR FILLING NOMINATION FORM

- (1) Nomination shall be maintained at folio / account level and shall be applicable for investments in all schemes in the folio / account. For existing investors Folio No., is mandatory, in absence of which the form is liable to be rejected.
- (2) Nomination can be made only by individuals applying for / holding units on their own behalf singly or jointly.
- (3) Nomination shall not be allowed in a Folio held on behalf of a Minor. Non-individuals including society, trust, body corporate, partnership firm, Karta of Hindu Undivided Family, holder of Power of Attorney cannot nominate.
- (4) Where a Folio has Joint Holders, all Joint Holders should sign the request for nomination/cancellation of nomination even if the mode of holding is not "Joint".
- (5) Minor(s) can be nominated and in that event, the name and address of the guardian of the minor nominee(s) 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.
- (6) 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.
- (7) Nomination in respect of the units stands rescinded upon the transfer of units.
- (8) Nomination can be made for maximum number of three nominees. In case of multiple nominees, the percentage of allocation/share in favour of each of the nominees should be indicated against their name and their allocation/share should be in whole numbers without any decimals making a total of 100 percent.
In the event of the Unitholders not indicating the percentage of allocation/share in favour of each of the nominees, Principal Mutual Fund / Principal Pnb Asset Management Company Private Limited (AMC), by invoking default option shall settle the claim equally amongst all the nominees.
- (9) Transfer of units / payment of redemption proceeds, in favour of a Nominee shall be valid discharge by the AMC against the legal heirs.
- (10) The cancellation / change of nomination can be made only by those individuals who hold units on their own behalf singly or jointly.
- (11) 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 such Nominee(s).
- (12) Every new nomination for a folio / account will overwrite the existing nomination.



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

**Declaration for Ultimate Beneficial Ownership [UBO]
(Mandatory for Non-individual Applicant/Investor)**

This declaration is NOT needed for Companies that are Listed on any recognized stock exchange in India or is a Subsidiary of such Listed Company or is Controlled by such Listed Company

A: APPLICANT DETAILS:

Applicant Name:

PAN: Folio No.: Application No.:

B: CATEGORY [✓ applicable category]:

Unlisted Company Partnership Firm LLP Unincorporated association / body of individuals Public Charitable Trust Religious Trust Private Trust / Trust created by a Will
 Others _____ (please specify)

C: DETAILS OF ULTIMATE BENEFICIAL OWNERS (If the given space below is not adequate, please attach multiple declaration forms) All fields are Mandatory

Please list below each controlling person, confirming ALL countries of tax residency / permanent address / citizenship and ALL Tax Identification Numbers for EACH controlling person. If the given rows are not sufficient, required information in the given format can be enclosed as additional sheet(s) duly signed by Authorized Signatories.

Sr. No.	Name of UBO	Country of Tax Residency	PAN / Taxpayer Identification Number / Equivalent ID Number	Document Type (Refer Instruction 4)	% of beneficial interest	Controlling person type Code (Refer Instruction 5)	Place & Country of Birth	Date of Birth [dd-mm-yy]	Address & Contact details [include City, Pincode, State, Country]	Gender [Male, Female, others]	Father's Name	Nationality	Occupation <input type="checkbox"/> Service <input type="checkbox"/> Business <input type="checkbox"/> Others
1.													<input type="checkbox"/> Service <input type="checkbox"/> Business <input type="checkbox"/> Others
2.													<input type="checkbox"/> Service <input type="checkbox"/> Business <input type="checkbox"/> Others
3.													<input type="checkbox"/> Service <input type="checkbox"/> Business <input type="checkbox"/> Others
4.													<input type="checkbox"/> Service <input type="checkbox"/> Business <input type="checkbox"/> Others
5.													<input type="checkbox"/> Service <input type="checkbox"/> Business <input type="checkbox"/> Others

I/We acknowledge and confirm that the information provided above is/are true and correct to the best of my/our knowledge and belief and provided after necessary consultation with tax professionals.

I/We have understood the information requirements of the application form, including FATCA and CRS requirements, terms and conditions (read along with instructions and scheme related documents) and hereby accept the same and further confirm that the information provided by me/us on this form are true, correct, and complete.

Date: ____/____/____

Authorized Signatories [with Company/Trust/Firm/Body Corporate seal]

General Information & Instructions

Controlling Persons / Ultimate Beneficial Owner

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 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.

Pursuant to guidelines on identification of Beneficial Ownership issued vide SEBI circular no. CIR/ISD/AML/3/2010 dated December 31, 2010 regarding client due diligence policy, related circulars on anti-money laundering and CIR/MIRSD/2/2013 dated January 24, 2013, persons (other than Individuals) are required to provide details of Beneficial Owner(s) ('BO'). Accordingly, the Beneficial Owner means '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 of / entitlements to:

1. For Investor other than Individual and Trusts:

- 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.

2. For Investor which is the Trust:

Where the client is a trust, the financial institution shall identify the beneficial owners of the client and take reasonable measures to verify the identity of such persons, through the identity of the settler of the trust, the trustee, the protector, the beneficiaries with 15% or more interest in the trust and any other natural person exercising ultimate effective control over the trust through a chain of control or ownership.

Where no natural person is identified the identity of the relevant natural person who holds the position of senior managing official.

3. Exemption in case of Listed Companies / Foreign Investors:

The client or the owner of the controlling interest is a company listed on a stock exchange, or is a majority-owned subsidiary of such a company, it is not necessary to identify and verify the identity of any shareholder or beneficial owner of such companies. Intermediaries dealing with foreign investors' viz., Foreign Institutional Investors, Sub Accounts and Qualified Foreign Investors, may be guided by the clarifications issued vide SEBI circular CIR/MIRSD/11/2012 dated September 5, 2012, for the purpose of identification of beneficial ownership of the client

4. Document Type: Please mention the Code or Document as per table below

Code	Description
A	Passport
B	Election ID Card
C	PAN Card
D	ID Card
E	Driving License
G	UIDIA / Aadhar letter
H	NREGA Job Card
Z	Others

5. Controlling Person Type [UBO] Codes: Please mention the Code as per table below

Code	Description
C01	CP of legal person - ownership
C02	CP of legal person - other means
C03	CP of legal person - senior managing official
C04	CP of legal arrangement - trust - settlor
C05	CP of legal arrangement - trust - trustee
C06	CP of legal arrangement - trust - protector
C07	CP of legal arrangement - trust - beneficiary
C08	CP of legal arrangement - trust - other
C09	CP of legal arrangement - trust - other - settlor equivalent
C10	CP of legal arrangement - trust - other - trustee - equivalent
C11	CP of legal arrangement - trust - other - protector equivalent
C12	CP of legal arrangement - trust - other - beneficiary - equivalent
C13	CP of legal arrangement - trust - other - other - equivalent
C14	Unknown



1800 425 5600



customer@principalindia.com



www.principalindia.com

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 (✓) 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 FIR.

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 - FILs

FILs 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 FILs 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 6 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/FIL, 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/swiches 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 or you may also visit any of our OPT nearest to you.

12. 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:

- a) KYC acknowledgement letter for Investor (Guardian in case of minor) and the person making the payment.
- b) "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:

- a) **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.
- b) **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.
- c) **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:

- i. Cancelled original cheque having first holder name pre-printed on the cheque;
- ii. 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;
- iii. 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;
- iv. 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

(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:

- a) 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];
- b) Bank Statement / Pass Book with the account number, name of the Unitholder and Address;
- c) 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 - Kavya 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 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 IFSC 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.

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.

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:

1. 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.
2. 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.
3. 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/ MIRS/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 form will not be accepted

(G) Employee Unique Identification Number (EUN):

EUN is a 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 EUN 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 EUN 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 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 its 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: Details under FATCA/Foreign Tax Laws:

Tax Regulations require us to collect information about each investor's tax residency. In certain circumstances (including if we do not receive a valid self-certification from you) we may be obliged to share information on your account with relevant tax authorities. If you have any questions about your tax residency, please contact your tax advisor. Should there be any **change in information provided, please ensure you advise us promptly, i.e., within 30 days**. If you are classified as a passive NFFE for FATCA purposes, please include in the section relating to Ultimate Beneficial Owner (UBO), details of any specified US persons having controlling interest in the foreign country information field along with your US Tax Identification Number for FATCA purposes. Foreign Account Tax Compliance provisions (commonly known as FATCA) are contained in the US Hire Act 2010.

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:	1. Self-certification that the account holder is neither a citizen of United States of America nor a resident for tax purposes; 2. Non-US passport or any non-US government issued document evidencing nationality or citizenship (refer list below); AND 3. Any one of the following documents: 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
Residence/ mailing address in a country other than India:	1. 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 2. Documentary evidence (refer list below)
Telephone number in a country other than India	If no Indian telephone number is provided 1. 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 2. Documentary evidence (refer list below) If Indian telephone number is provided along with a foreign country telephone number 1. 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 2. Documentary evidence (refer list below)
Telephone number in a country other than India	1. 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 2. Documentary evidence (refer list below)

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:

1. 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; or
 - 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 O3, O4, O5 and O6 - refer point 2c.)

04. 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.

• FI not required to apply for GIIN:

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	Trustee of an Indian Trust
09	FI with a local client base
10	Non-registering local banks
11	FFI with only Low-Value Accounts
12	Sponsored investment entity and controlled foreign corporation
13	Sponsored, Closely Held Investment Vehicle
14	Owner Documented FFI

2. Non-financial entity (NFE) - Foreign entity that is not a financial institution - Types of NFEs that are regarded as excluded NFE are:

- Publicly traded company (listed company)** - A company is publicly traded if its stock are regularly traded on one or more established securities markets (Established securities market means an exchange that is officially recognized and supervised by a governmental authority in which the securities market is located and that has a meaningful annual value of shares traded on the exchange)
- Related entity of a publicly traded company** - The NFE is a related entity of an entity of which is regularly traded on an established securities market;

C. **Active NFE** - (is any one of the following):

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 NFE is a Governmental Entity, an International Organization, a Central Bank, or an entity wholly owned by one or more of the foregoing;
03	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;
04	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;
05	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;
06	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;
07	Any NFE that fulfills all of the following requirements: <ul style="list-style-type: none"> 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; It is exempt from income tax in India; • It has no shareholders or members who have a proprietary or beneficial interest in its income or assets;

	<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> <p>(i) an Investor Protection Fund referred to in clause (23EA);</p> <p>(ii) a Credit Guarantee Fund Trust for Small Industries referred to in clause 23EB; and</p> <p>(iii) an Investor Protection Fund referred to in clause (23EC), of section 10 of the Act;</p>
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3. Other definitions:

- (a) **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.
- (b) **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;
- (Note: Foreign persons having controlling interest in a passive NFE are liable to be reported for tax information compliance purposes)
- (c) **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.
- (d) **Specified U.S. person** - A U.S. person other than the following:
- a corporation the stock of which is regularly traded on one or more established securities markets;
 - 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);
 - the United States or any wholly owned agency or instrumentality thereof;
 - 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;
 - 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;
 - any bank as defined in section 581 of the U.S. Internal Revenue Code;
 - any real estate investment trust as defined in section 856 of the U.S. Internal Revenue Code;
 - 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):

- any common trust fund as defined in section 584(a) of the U.S. Internal Revenue Code;
- 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;
- 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;
- a broker as defined in section 6045(c) of the U.S. Internal Revenue Code; or
- 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.

(e) Owner documented FFI - An FFI meets the following requirements:

- The FFI is an FFI solely because it is an investment entity;
- The FFI is not owned by or related to any FFI that is a depository institution, custodial institution, or specified insurance company;
- The FFI does not maintain a financial account for any non-participating FFI;
- The FFI provides the designated withholding agent with all of the documentation and agrees to notify the withholding agent if there is a change in circumstances; and
- The designated withholding agent agrees to report to the IRS (or, in the case of a reporting Model 1 IGA, to the relevant foreign government or agency thereof) all of the information described in (or as appropriate) with respect to any specified U.S. persons and (2). Notwithstanding the previous sentence, the designated withholding agent is not required to report information with respect to an indirect owner of the FFI that holds its interest through a participating FFI, a deemed-compliant FFI (other than an owner-documented FFI), an entity that is a U.S. person, an exempt beneficial owner, or an excepted NFE.

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

(g) Exemption code for U.S. persons

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:

- 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
 - The list of eligible schemes is subject to change from time to time.
 - 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 Participant.
- 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.
 - All Eligible Brokers/Clearing Members/Depository Participants will be considered as the Official Point of Acceptance for the transactions done under this facility.
 - Investors have an option to hold units in physical form or in dematerialized form.
 - 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).
 - Investors will be able to purchase/redeem units in the eligible schemes in the following manner:

I. Physical Form:

- 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.
- 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.
- 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.

- In case investor desires to convert the existing physical units into dematerialized form, the request for the same will have to be submitted to the Depository Participant.

II. Dematerialized Form:

- Eligible investors having a beneficiary account with a Depository Participant may avail the facility to subscribe units in dematerialized form.
- Eligible investor desirous in transacting (Subscription / redemption) through NSE/BSE should place an order with Eligible Broker/Clearing Member/Depository Participant:-
 - 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.
 - 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.

- Applications for purchase/redemption of units which are incomplete / invalid are liable to be rejected.
- 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.
- Investors will have to comply with KYC norms as prescribed by NSE/BSE/CDSL/NSDL and Principal Mutual Fund from time to time.
- 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 equivalent to the account statement for the purpose of adequate compliance with the regulatory requirements applicable on the Fund's part.
- 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 exchange infrastructure for which a system generated confirmation slip will be issued to the investor.
- This facility shall be subject to the terms and conditions specified and guidelines issued by SEBI/AMFI/ NSE/BSE from time to time.
- AMC reserves the right to change / modify or discontinue this facility at any time in future.

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:** Shop 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:** Krushna 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, Panchsati Circle, Sadul Ganj, Bikaner-334 001 • **Bokaro:** B-1, 1st Floor, City Centre, Sector-4, Near Sona Chandi Jewellers, Bokaro-827 004 • **Burdwan:** 63 G.T. Road, Halder Complex 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, Adhithanar 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 Sirmaur Margabove, 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 Bhavan (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 - 781 007 • **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 /22, 115/24 &115/25, Financial District, Gachibowli, Nanakramguda, Serlingampally 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. Shyam 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. Tehsil 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 • **Jamnagar:** 136-138, Madhav Palaza, Opp. SBI Bank, Near Lal Bungalow, Jamnagar-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 Center, 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, Kunjpura 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:** UI-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, Ram Ganesh, 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 Gumtimotoi 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 Appartment, 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, Krishna Tower, Above Amertex, G.T. Road, Panipat-132 103 • **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 • **Tirunelveli:** 55/18, Jeney Building, S.N. Road, Near Aravind Eye Hospital, Tirunelveli-627 001 • **Trichur:** 2nd Floor, Brothers Complex, Naikkanal Junction, Shornur Road Near Dhanalakshmi Bank H O, Thrissur-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, Sagra, 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, Hanmakonda, Warangal-506 001.

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:** 102, Megha House, Opp. Kotak Mahindra Bank, Mithakhali Law Garden Road, Ahmedabad-380 006
- **Bengaluru:** Salarpuria Landmark, 2nd Floor, Unit No. 2002, 100 Feet Road, HAL II Stage, Bengaluru-560 038
- **Chandigarh:** SCO No. 145-146, 1st Floor, Sector 9-C, Chandigarh-160 009
- **Chennai:** Nirupama & Neelima Building, New Unit No.55, Vijaya Raghava Road, T. Nagar, Chennai-600 017
- **Hyderabad:** ANR Center, Unit No. 201, 1st Floor, Road No.1, Banjara Hills, Hyderabad - 500 034
- **Jaipur:** 61-A, Vasanti, Sardar Patel Marg, C-Scheme, Jaipur-302 001
- **Kolkata:** Bachhawat House, Premises No.2, Dr. Martin Luther King Sarani, (Formerly Upper Wood Street), Kolkata-700 016
- **Lucknow:** Rohtas Trident, 1st Floor, 10, Rana Pratap Marg, Lucknow-226 001
- **New Delhi:** Unit No. 001 & 002, Gr. Floor, DLF Capitol Point, Baba Kharag Singh Marg, New Delhi-110 001
- **Pune:** Unit No: 103 & 104, 1st Floor, Rainbow Plaza, Opp. Modern Highschool, Jangali Maharaj Road, Shivaji Nagar, Pune - 411 005.

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.

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

For any enquiries and/or queries, investors are advised to address a suitable communication to AMC at:



1800 425 5600



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