



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 Services Industries Fund
Principal Index Fund
Principal Emerging Bluechip Fund
Principal Balanced Fund
Principal Retail Equity Savings Fund
Principal SMART Equity Fund

Debt / Liquid Funds

Principal Debt Savings Fund
Principal Income Fund
Principal Government Securities Fund
Principal Bank CD Fund
Principal Near-Term 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.

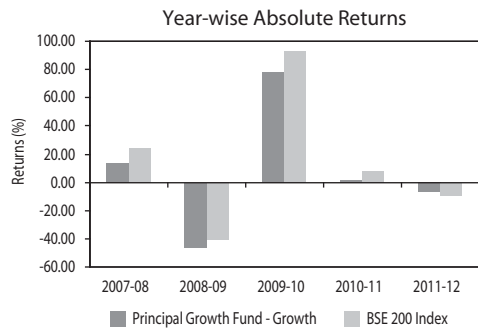
This Key Information Memorandum (KIM) sets forth the information, which a prospective investor ought to know before investing. **For further details of the scheme/Mutual Fund, due diligence certificate by the AMC, Key Personnel, investors' rights & services, risk factors, penalties & pending litigations 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 April 30, 2012.

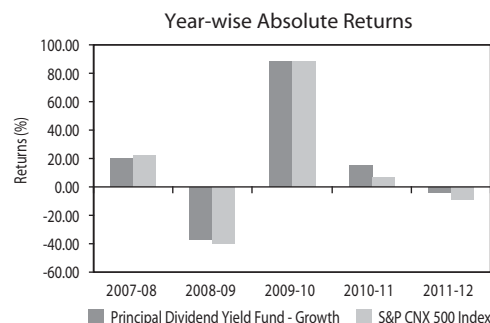
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Principal Growth Fund *(An open ended Equity Scheme)*

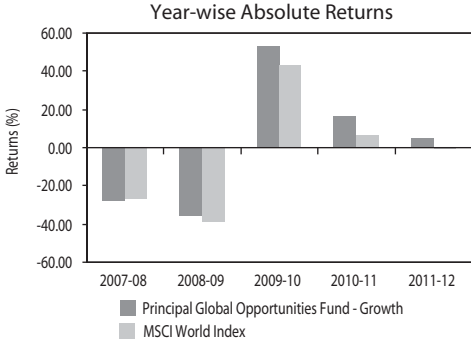
Investment Objective	To achieve long term capital appreciation.			
Asset Allocation Pattern of the Scheme	Under normal circumstances, the asset allocation would be as follows:			
	Types of Instruments	% of Net Assets of the scheme		Risk Profile
		Min.	Max.	
	Equity and Equity related instruments	65%	100%	High
	Debt (including Securitized Debt*) and Money Market instruments - * Investment in Securitized Debt may be up to 35% of the net assets of the Scheme.	0%	35%	Low to Medium
	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.			
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. 25			
Investment Plans & Options	Dividend and Growth Option. The Dividend Option offers the facility of Payout, Reinvestment and Sweep.			
Applicable NAV	Please Refer to Page No. 24			
Minimum Application Amount / Number of Units	Purchase	Additional Purchase		Repurchase
	₹ 5,000 and any amount thereafter under each option	₹ 500 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	BSE 200 Index			
Risk Mitigation Factors	Please Refer to Page No. 28			
Folio Count & Asset Under Management (AUM) (As on March 31, 2012)	Folio - 82719 • AUM - ₹ 197.44 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 March 30, 2012			
	Period	Returns (%)	BSE 200 (%)	
	Last 1 Year	-6.84	-8.77	
	Last 3 Years	19.26	24.38	
	Last 5 Years	0.49	6.74	
	Since Inception*	14.63	15.68	
	Past performance may or may not be sustained in the future. Note: Returns more than 1 year are calculated on compounded annualised basis. *October 25, 2000.			
Expenses of the Scheme	(i) Load Structure: Exit Load : If redeemed on or before 1 Year from the date of allotment - 1%. (Any amount in excess of 1% of the redemption value charged to the unitholder as exit load/CDSC shall be credited to the respective scheme immediately.) (ii) Recurring expenses as a percentage of Average Daily Net Assets ● First ₹ 100 crores : 2.50 ● Next ₹ 300 crores : 2.25 ● Next ₹ 300 crores : 2.00 ● Balance : 1.75 (iii) Actual expenses for the previous financial year 2011-2012 : 2.37%			
Waiver of Load for Direct Applications	Please Refer to Page No. 28			
Tax Treatment for the Investors (Unitholders)	Please Refer to Page No. 20			
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. 28			
Unitholders' Information	Please Refer to Page No. 28			

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

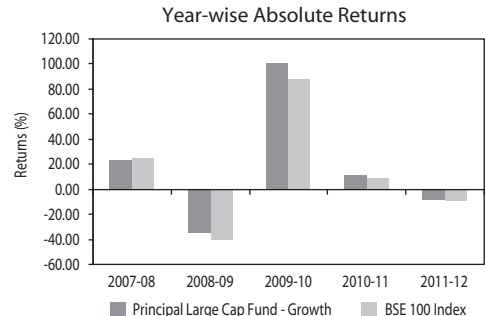
Investment Objective	To provide capital appreciation and / or dividend distribution by investing predominantly in a well-diversified portfolio of companies that have a relatively high dividend yield.																				
Asset Allocation Pattern of the Scheme	Please Refer to Page No. 22																				
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. 25																				
Investment Plans & Options	Growth Option and Dividend Option. Dividend Option will have the facility of Payout, Reinvestment and Sweep.																				
Applicable NAV	Please Refer to Page No. 24																				
Minimum Application Amount / Number of Units	Purchase ₹ 5,000 and any amount thereafter under each option	Additional Purchase ₹ 500 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	S&P CNX 500 index																				
Risk Mitigation Factors	Please Refer to Page No. 28																				
Folio Count & AUM (As on March 31, 2012)	Folio - 40480 • AUM - ₹ 105.16 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	<table><tr><td colspan="3">Returns (%) of Growth Option as at March 30, 2012.</td></tr><tr><td>Period</td><td>Returns (%)</td><td>S&P CNX 500 Index (%)</td></tr><tr><td>Last 1 Year</td><td>-3.36</td><td>-8.17</td></tr><tr><td>Last 3 Years</td><td>27.97</td><td>23.14</td></tr><tr><td>Last 5 Years</td><td>9.51</td><td>6.06</td></tr><tr><td>Since Inception*</td><td>11.57</td><td>14.79</td></tr></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. *October 15, 2004.</p>			Returns (%) of Growth Option as at March 30, 2012.			Period	Returns (%)	S&P CNX 500 Index (%)	Last 1 Year	-3.36	-8.17	Last 3 Years	27.97	23.14	Last 5 Years	9.51	6.06	Since Inception*	11.57	14.79
Returns (%) of Growth Option as at March 30, 2012.																					
Period	Returns (%)	S&P CNX 500 Index (%)																			
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Last 3 Years	27.97	23.14																			
Last 5 Years	9.51	6.06																			
Since Inception*	11.57	14.79																			
Expenses of the Scheme	<p>(i) Load Structure</p> <p>Exit Load : If redeemed on or before 1 Year from the date of allotment - 1%. (Any amount in excess of 1% of the redemption value charged to the unitholder as exit load/CDSC shall be credited to the respective scheme immediately.)</p> <p>(ii) Recurring expenses as a percentage of Average Daily Net Assets</p> <ul style="list-style-type: none">● First ₹ 100 crores : 2.50● Next ₹ 300 crores : 2.25● Next ₹ 300 crores : 2.00● Balance : 1.75 <p>(iii) Actual expenses for the previous financial year 2011-2012: 2.49%</p>																				
Waiver of Load for Direct Applications	Please Refer to Page No. 28																				
Tax Treatment for the Investors (Unitholders)	Please Refer to Page No. 20																				
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. 28																				
Unitholders' Information	Please Refer to Page No. 28																				



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	Under normal circumstances, the asset allocation would be as follows:			
	Types of Instruments	% of Net Assets		Risk Profile
		Min.	Max.	
	Units of *overseas mutual fund scheme(s).	85	100	High
	Money market securities and/or units of money market/ liquid schemes of Principal Mutual Fund	0	15	Low to Medium
	* Currently Principal Global Investors Funds - Emerging Market Equity Fund - a fund advised by Principal Global Investors - LLC (USA) has been identified as the portfolio for the purpose. Trustees, at their discretion, may decide to shift full or part of the investments to any other similar overseas mutual fund scheme(s).			
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. 25			
Investment Plans & Options	Dividend and Growth options. The Dividend option offers the facility of Payout, Reinvestment and Sweep.			
Applicable NAV	Please Refer to Page No. 24			
Minimum Application Amount / Number of Units	Purchase	Additional Purchase	Repurchase	
	₹ 10,000 and any amount thereafter under each option	₹ 5,000 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	MSCI World Index			
Risk Mitigation Factors	Please Refer to Page No. 28			
Folio Count & AUM (As on March 31, 2012)	Folio - 4719 • AUM - ₹ 37.00 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 March 30, 2012.			
	Period	Returns (%)		MSCI World Index (%)
	Last 1 Year	5.45		-1.06
	Last 3 Years	22.78		15.38
	Last 5 Years	5.51		-3.89
	Since Inception*	8.68		1.81
	Past performance may or may not be sustained in the future. Note: Returns more than 1 year are calculated on compounded annualised basis. *March 29, 2004.			
Expenses of the Scheme	<p>(i) Load Structure Exit Load : If redeemed on or before 1 Year from the date of allotment - 1%. (Any amount in excess of 1% of the redemption value charged to the unitholder as exit load/CDSC shall be credited to the respective scheme immediately.)</p> <p>(ii) Total expenses including charges levied by underlying scheme(s): 2.5% of daily or weekly average net Assets.</p> <p>(iii) Actual expenses for the previous financial year 2011-2012: 1.22%</p>			
Waiver of Load for Direct Applications	Please Refer to Page No. 28			
Tax Treatment for the Investors (Unitholders)	Please Refer to Page No. 20			
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. 28			
Unitholders' Information	Please Refer to Page No. 28			

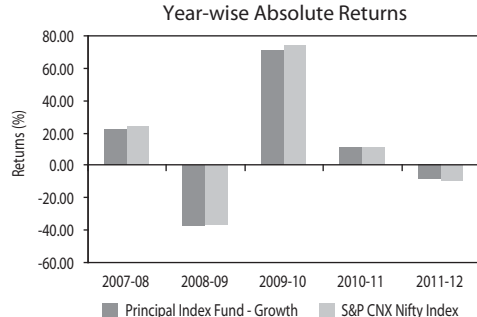
Principal Large Cap Fund *(An open ended Equity Scheme)*

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. 22		
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	Growth Option and Dividend Option. Dividend Option will have the facility of Payout, Re-investment and Sweep.		
Applicable NAV	Please Refer to Page No. 24		
Minimum Application Amount / Number of Units	Purchase	Additional Purchase	Repurchase
	₹ 5,000 and any amount thereafter under each option	₹ 500 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	BSE 100 Index		
Risk Mitigation Factors	Please Refer to Page No. 28		
Folio Count & AUM (As on March 31, 2012)	Folio - 79629 • AUM - ₹ 404.49 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 March 30, 2012.		
	Period	Returns (%)	BSE 100 (%)
	Last 1 Year	-8.03	-8.63
	Last 3 Years	27.87	23.51
	Last 5 Years	10.26	6.82
	Since Inception*	16.48	11.90
	Past performance may or may not be sustained in the future. Note: Returns more than 1 year are calculated on compounded annualised basis. *November 11, 2005.		
			
Expenses of the Scheme	<p>(i) Load Structure Exit Load : If redeemed on or before 1 Year from the date of allotment - 1% . (Any amount in excess of 1% of the redemption value charged to the unitholder as exit load/CDSC shall be credited to the respective scheme immediately.)</p> <p>(ii) Annual Recurring expenses as a percentage of Average Daily Net Assets</p> <ul style="list-style-type: none"> • First ₹ 100 crores : 2.50 • Next ₹ 300 crores : 2.25 • Next ₹ 300 crores : 2.00 • Balance : 1.75 <p>(iii) Actual expenses for the previous financial year 2011-2012: 2.30%</p>		
Waiver of Load for Direct Applications	Please Refer to Page No. 28		
Tax Treatment for the Investors (Unitholders)	Please Refer to Page No. 20		
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. 28		
Unitholders' Information	Please Refer to Page No. 28		

Principal Services Industries Fund *(An open ended Equity Scheme)*

Investment Objective	To provide capital appreciation and income distribution to the unit holders by investing predominantly in equity / equity related securities of the companies belonging to the services industries and the balance in debt securities and money market instruments including call money.																																									
Asset Allocation Pattern of the Scheme	Please Refer to Page No. 22																																									
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 investments under the Scheme are oriented towards equity/equity related securities of the Companies belonging to the service industries and hence will be affected by the risks associated with these industries. As the Scheme may hold securities that are not in the CNX Services Sector Index and may invest in limited number of industries with higher concentration to certain industries, it may perform differently from the general stock market. Further Scheme's performance may differ from the benchmark index to the extent of the investments held in the debt segment, as per the investment pattern indicated under normal circumstances.																																									
Investment Options	Growth Option and Dividend Option. Dividend Option will have the facility of Payout, Re-investment and Sweep.																																									
Applicable NAV	Please Refer to Page No. 24																																									
Minimum Application Amount / Number of Units	Purchase	Additional Purchase	Repurchase																																							
	₹ 5,000 and any amount thereafter under each Option	₹ 500 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	CNX Services Sector Index																																									
Risk Mitigation Factors	Please Refer to Page No. 28																																									
Folio Count & AUM (As on March 31, 2012)	Folio - 37727 • AUM - ₹ 74.23 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 [Assistant Fund Manager - Mr. Anupam Tiwari]																																									
Name of the Trustee Company	Principal Trustee Company Private Limited																																									
Performance of the scheme	<table><tr><td colspan="3">Returns (%) of Growth Option as at March 30, 2012.</td></tr><tr><td>Period</td><td>Returns (%)</td><td>CNX Service Sector Index (%)</td></tr><tr><td>Last 1 Year</td><td>-13.71</td><td>-9.65</td></tr><tr><td>Last 3 Years</td><td>19.19</td><td>23.22</td></tr><tr><td>Last 5 Years</td><td>3.05</td><td>5.54</td></tr><tr><td>Since Inception*</td><td>4.07</td><td>8.58</td></tr><tr><td colspan="3">Past performance may or may not be sustained in the future. Note: Returns more than 1 year are calculated on compounded annualised basis. *March 6, 2006.</td></tr></table> <div><p>Year-wise Absolute Returns</p><table><caption>Year-wise Absolute Returns Data</caption><tr><th>Year</th><th>Principal Services Industries Fund - Growth (%)</th><th>CNX Service Sector Index (%)</th></tr><tr><td>2007-08</td><td>15.00</td><td>10.00</td></tr><tr><td>2008-09</td><td>-40.00</td><td>-35.00</td></tr><tr><td>2009-10</td><td>80.00</td><td>75.00</td></tr><tr><td>2010-11</td><td>10.00</td><td>15.00</td></tr><tr><td>2011-12</td><td>-10.00</td><td>-5.00</td></tr></table></div>			Returns (%) of Growth Option as at March 30, 2012.			Period	Returns (%)	CNX Service Sector Index (%)	Last 1 Year	-13.71	-9.65	Last 3 Years	19.19	23.22	Last 5 Years	3.05	5.54	Since Inception*	4.07	8.58	Past performance may or may not be sustained in the future. Note: Returns more than 1 year are calculated on compounded annualised basis. *March 6, 2006.			Year	Principal Services Industries Fund - Growth (%)	CNX Service Sector Index (%)	2007-08	15.00	10.00	2008-09	-40.00	-35.00	2009-10	80.00	75.00	2010-11	10.00	15.00	2011-12	-10.00	-5.00
Returns (%) of Growth Option as at March 30, 2012.																																										
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Year	Principal Services Industries Fund - Growth (%)	CNX Service Sector Index (%)																																								
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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%. (Any amount in excess of 1% of the redemption value charged to the unitholder as exit load/CDSC shall be credited to the respective scheme immediately.)</p> <p>(ii) Annual Recurring expenses as a percentage of Average Daily Net Assets</p> <ul style="list-style-type: none">● First ₹ 100 crores : 2.50● Next ₹ 300 crores : 2.25● Next ₹ 300 crores : 2.00● Balance : 1.75 <p>(iii) Actual expenses for the previous financial year 2011-2012: 2.50%</p>																																									
Waiver of Load for Direct Applications	Please Refer to Page No. 28																																									
Tax Treatment for the Investors (Unitholders)	Please Refer to Page No. 20																																									
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. 28																																									

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

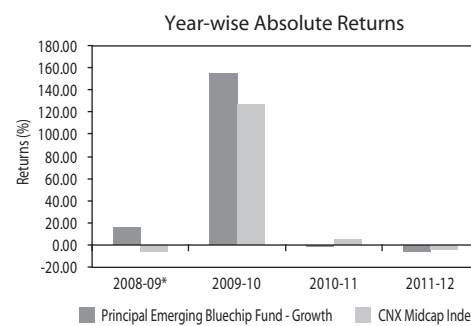
Investment Objective	To invest principally in securities that comprise S&P CNX Nifty (NSE) and subject to tracking errors endeavour to attain results commensurate with the Nifty.			
Asset Allocation Pattern of the Scheme	Under normal circumstances, the asset allocation would be as follows:			
	Types of Instruments	% of Net Assets		Risk Profile
		Minimum	Maximum	
	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.			
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. 25			
Investment Plans & Options	Dividend and Growth Option. The Dividend Option offers the facility of Payout, Reinvestment and Sweep.			
Applicable NAV	Please Refer to Page No. 24			
Minimum Application Amount / Number of Units	Purchase	Additional Purchase	Repurchase	
	₹ 5,000 and any amount thereafter under each option.	₹ 500 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 CNX Nifty Index			
Risk Mitigation Factors	Please Refer to Page No. 28			
Folio Count & AUM (As on March 31, 2012)	Folio - 1005 • AUM - ₹ 13.36 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 March 30, 2012.			
	Period	Returns (%)	S&P CNX Nifty (%)	
	Last 1 Year	-8.07	-8.48	
	Last 3 Years	20.70	21.13	
	Last 5 Years	5.76	6.73	
	Since Inception*	10.68	11.64	
	Past performance may or may not be sustained in the future. Note: Returns more than 1 year are calculated on compounded annualised basis. *July 27, 1999.			
				
Expenses of the Scheme	<p>(i) Load Structure Exit Load : Nil. (Any amount in excess of 1% of the redemption value charged to the unitholder as exit load/CDSC shall be credited to the respective scheme immediately.)</p> <p>(ii) Total expenses of the scheme including the investment management and advisory fees shall not exceed 1.5% of Average Daily Net Assets</p> <p>(iii) Actual expenses for the previous financial year 2011-2012: 1.00%</p>			
Waiver of Load for Direct Applications	Please Refer to Page No. 28			
Tax Treatment for the Investors (Unitholders)	Please Refer to Page No. 20			
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. 28			
Unitholders' Information	Please Refer to Page No. 28			

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. 22											
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	Dividend and Growth Option. The Dividend Option offers the facility of Payout, Reinvestment and Sweep.											
Applicable NAV	Please Refer to Page No. 24											
Minimum Application Amount / Number of Units	Purchase ₹ 5,000 and any amount thereafter under each option	Additional Purchase ₹ 500 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. 28											
Folio Count & AUM (As on March 31, 2012)	Folio - 11528 • AUM - ₹ 151.55 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	<div>Returns (%) of Growth Option as at March 30, 2012.</div> <table><thead><tr><th>Period</th><th>Returns (%)</th><th>Crisil Balanced Fund index (%)</th></tr></thead><tbody><tr><td>Last 1 Year</td><td>0.81</td><td>-2.66</td></tr><tr><td>Since Inception*</td><td>-0.08</td><td>-3.70</td></tr></tbody></table> <div>Past performance may or may not be sustained in the future. Note: Returns more than 1 year are calculated on compounded annualised basis. *December 16, 2010.</div>		Period	Returns (%)	Crisil Balanced Fund index (%)	Last 1 Year	0.81	-2.66	Since Inception*	-0.08	-3.70	<div>Year-wise Absolute Returns</div> <p>* Returns are calculated from the date of allotment to 31st March of the Financial Year.</p>
Period	Returns (%)	Crisil Balanced Fund index (%)										
Last 1 Year	0.81	-2.66										
Since Inception*	-0.08	-3.70										
Expenses of the Scheme	<div>(i) Load Structure Exit Load : From the date of allotment if redeemed any time - • Upto 1 year - 2.00% • Upto 2 years - 1.00% • After 2 years - Nil (Any amount in excess of 1% of the redemption value charged to the unitholder as exit load/CDSC shall be credited to the respective scheme immediately.)</div> <div>(ii) Annual Recurring expenses as a percentage of Average Daily Net Assets including Management Fees: • First ₹ 100 crores : 2.50 • Next ₹ 300 crores : 2.25 • Next ₹ 300 crores : 2.00 • Balance : 1.75 (Note: A maximum of 2.25% of average daily net assets will be charged as recurring expenses per annum when the asset allocation to debt/money market instruments exceeds 65%. This will be done observing the Debt/Money Market component on each Friday or last working day of the week and accordingly the expenses will be charged next week.)</div> <div>(iii) Actual expenses for the previous financial year 2011-2012: 2.35%</div>											
Waiver of Load for Direct Applications	Please Refer to Page No. 28											
Tax Treatment for the Investors (Unitholders)	Please Refer to Page No. 20											
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. 28											
Unitholders' Information	Please Refer to Page No. 28											

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

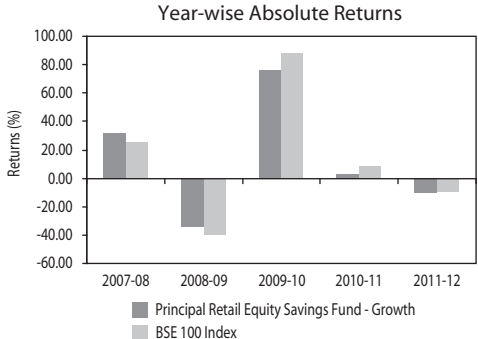
Investment Objective	To achieve long-term capital appreciation by investing in equity & equity related instruments of Mid Cap & Small Cap companies.																													
Asset Allocation Pattern of the Scheme	Please Refer to Page No. 23																													
Risk Profile of the Scheme	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 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.																													
Investment Plans & Options	Growth Option and Dividend Option. Dividend Option will have the facility of Pay-out, Re-investment and Sweep.																													
Applicable NAV	Please Refer to Page No. 24																													
Minimum Application Amount / Number of Units	Purchase ₹ 5,000 and any amount thereafter under each option	Additional Purchase ₹ 500 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	CNX Midcap Index																													
Risk Mitigation Factors	Please Refer to Page No. 28																													
Folio Count & AUM (As on March 31, 2012)	Folio - 90511 • AUM - ₹ 282.93 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	<div>Returns (%) of Growth Option as at March 30, 2012.</div> <table><thead><tr><th>Period</th><th>Returns (%)</th><th>CNX Midcap Index (%)</th></tr></thead><tbody><tr><td>Last 1 Year</td><td>-5.76</td><td>-3.98</td></tr><tr><td>Last 3 Years</td><td>34.08</td><td>31.92</td></tr><tr><td>Since Inception*</td><td>34.53</td><td>24.65</td></tr></tbody></table> <div>Past performance may or may not be sustained in the future. Note: Returns more than 1 year are calculated on compounded annualised basis. *November 12, 2008.</div>		Period	Returns (%)	CNX Midcap Index (%)	Last 1 Year	-5.76	-3.98	Last 3 Years	34.08	31.92	Since Inception*	34.53	24.65	<div>Year-wise Absolute Returns</div> <table><thead><tr><th>Year</th><th>Principal Emerging Bluechip Fund - Growth</th><th>CNX Midcap Index</th></tr></thead><tbody><tr><td>2008-09*</td><td>15.00</td><td>-5.00</td></tr><tr><td>2009-10</td><td>155.00</td><td>125.00</td></tr><tr><td>2010-11</td><td>2.00</td><td>5.00</td></tr><tr><td>2011-12</td><td>5.00</td><td>2.00</td></tr></tbody></table> <div>* Returns are calculated from the date of allotment to 31st March of the Financial Year.</div>	Year	Principal Emerging Bluechip Fund - Growth	CNX Midcap Index	2008-09*	15.00	-5.00	2009-10	155.00	125.00	2010-11	2.00	5.00	2011-12	5.00	2.00
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Expenses of the Scheme	<div>(i) Load Structure Exit Load : If redeemed on or before 1 Year from the date of allotment - 1%. (Any amount in excess of 1% of the redemption value charged to the unitholder as exit load/CDSC shall be credited to the respective scheme immediately.)</div> <div>(ii) Annual Recurring expenses as a percentage of Average Daily Net Assets<ul style="list-style-type: none">● First ₹ 100 crores : 2.50● Next ₹ 300 crores : 2.25● Next ₹ 300 crores : 2.00● Balance : 1.75</div> <div>(iii) Actual expenses for the previous financial year 2011-2012: 2.34%</div>																													
Waiver of Load for Direct Applications	Please Refer to Page No. 28																													
Tax Treatment for the Investors (Unitholders)	Please Refer to Page No. 20																													
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. 28																													
Unitholders' Information	Please Refer to Page No. 28																													



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

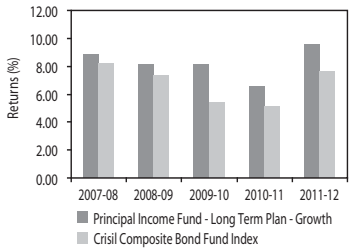
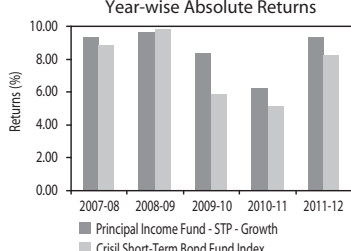
Investment Objective	To provide long-term appreciation and current income by investing in a portfolio of equity, equity related securities and fixed income securities.																																			
Asset Allocation Pattern of the Scheme	Please Refer to Page No. 22																																			
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 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.</p> <p>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.</p> <p>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.</p>																																			
Investment Plans & Options	Dividend and Growth Option. The Dividend Option offers the facility of Payout, Reinvestment and Sweep.																																			
Applicable NAV	Please Refer to Page No. 24																																			
Minimum Application Amount / Number of Units	Purchase ₹ 5,000 and any amount thereafter under each option	Additional Purchase ₹ 500 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. 28																																			
Folio Count & AUM (As on March 31, 2012)	Folio - 4239 • AUM - ₹ 17.55 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 & Mr. Pankaj Jain																																			
Name of the Trustee Company	Principal Trustee Company Private Limited																																			
Performance of the Scheme	<p>Returns (%) of Growth Option as at March 30, 2012.</p> <table><thead><tr><th>Period</th><th>Returns (%)</th><th>CRISIL Balanced Fund Index (%)</th></tr></thead><tbody><tr><td>Last 1 Year</td><td>-2.98</td><td>-2.66</td></tr><tr><td>Last 3 Years</td><td>18.95</td><td>16.34</td></tr><tr><td>Last 5 Years</td><td>7.26</td><td>7.90</td></tr><tr><td>Since Inception*</td><td>9.27</td><td>N.A.</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. *January 14, 2000.</p>		Period	Returns (%)	CRISIL Balanced Fund Index (%)	Last 1 Year	-2.98	-2.66	Last 3 Years	18.95	16.34	Last 5 Years	7.26	7.90	Since Inception*	9.27	N.A.	<p>Year-wise Absolute Returns</p> <table><thead><tr><th>Period</th><th>Principal Balanced Fund - Growth (%)</th><th>CRISIL Balanced Fund Index (%)</th></tr></thead><tbody><tr><td>2007-08</td><td>22.00</td><td>20.00</td></tr><tr><td>2008-09</td><td>-25.00</td><td>-15.00</td></tr><tr><td>2009-10</td><td>65.00</td><td>45.00</td></tr><tr><td>2010-11</td><td>5.00</td><td>10.00</td></tr><tr><td>2011-12</td><td>-5.00</td><td>-2.00</td></tr></tbody></table>	Period	Principal Balanced Fund - Growth (%)	CRISIL Balanced Fund Index (%)	2007-08	22.00	20.00	2008-09	-25.00	-15.00	2009-10	65.00	45.00	2010-11	5.00	10.00	2011-12	-5.00	-2.00
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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%. (Any amount in excess of 1% of the redemption value charged to the unitholder as exit load/CDSC shall be credited to the respective scheme immediately.)</p> <p>(ii) Recurring expenses as a percentage of Average Daily Net Assets</p> <ul style="list-style-type: none">● First ₹ 100 crores : 2.50● Next ₹ 300 crores : 2.25● Next ₹ 300 crores : 2.00● Balance : 1.75 <p>(iii) Actual expenses for the previous financial year 2011-2012: 2.50%</p>																																			
Waiver of Load for Direct Applications	Please Refer to Page No. 28																																			
Tax Treatment for the Investors (Unitholders)	Please Refer to Page No. 20																																			
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. 28																																			
Unitholders' Information	Please Refer to Page No. 28																																			

Principal Retail Equity Savings Fund *(An open ended Equity Scheme)*

Investment Objective	To provide long term capital appreciation and regular income by investing in equity and equity related instruments and also in debt and money market instruments			
Asset Allocation Pattern of the Scheme	Please Refer to Page No. 23			
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. 26			
Investment Plans & Options	Growth Option and Dividend Option. Dividend Option will have the facility of Pay-out, Re-investment and Sweep.			
Applicable NAV	Please Refer to Page No. 24			
Minimum Application Amount / Number of Units^	Purchase	Additional Purchase	Repurchase	
	₹ 5,000 and any amount thereafter	₹ 500 and any amount thereafter	₹ 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). Further, Dividend Option under the scheme is not available for subscription/ Switch-in.			
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	BSE 100 Index			
Risk Mitigation Factors	Please Refer to Page No. 28			
Folio Count & AUM (As on March 31, 2012)	Folio - 6126 • AUM - ₹ 23.35 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 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 March 30, 2012.			
	Period	Returns (%)		BSE 100 Index (%)
	Last 1 Year	-9.95		-8.63
	Last 3 Years	18.35		23.51
	Last 5 Years	7.15		6.82
	Since Inception*	15.57		13.01
	Past performance may or may not be sustained in the future. Note: Returns more than 1 year are calculated on compounded annualised basis. *January 7, 1998.			
Expenses of the Scheme	<p>(i) Load Structure</p> <p>Exit Load : If redeemed on or before 1 year from the date of allotment - 1%. (Any amount in excess of 1% of the redemption value charged to the unitholder as exit load/CDSC shall be credited to the respective scheme immediately.)</p> <p>(ii) Recurring expenses as a percentage of Average Daily Net Assets</p> <ul style="list-style-type: none">● First ₹ 100 crores : 2.50● Next ₹ 300 crores : 2.25● Next ₹ 300 crores : 2.00● Balance : 1.75 <p>(iii) Actual expenses for the previous financial year 2011-2012: 2.50%</p>			
Waiver of Load for Direct Applications	Please Refer to Page No. 28			
Tax Treatment for the Investors (Unitholders)	Please Refer to Page No. 20			
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. 28			
Unitholders' Information	Please Refer to Page No. 28			

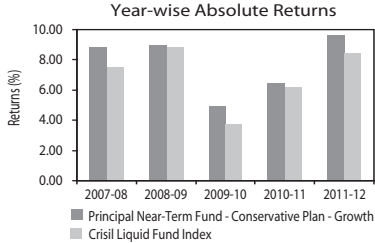
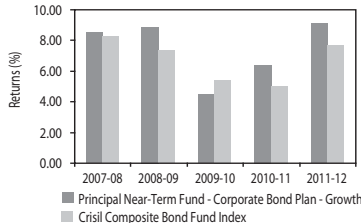
Principal Income Fund

Long Term Plan and Short Term Plan (An open ended Income Scheme)

Investment Objective	Long Term Plan (LTP) - To generate regular income and capital appreciation / accretion through investment in debt instruments and related securities besides preservation of capital. Short Term Plan (STP) - 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. 23																																						
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. 25																																						
Investment Plans & Options	Income Fund offers two Plans namely LTP & STP, having separate portfolios. Both the plans offer Dividend and Growth Option. Further Dividend Option offers Payout, Reinvestment and Sweep facility. Dividend Option under both the plans offer following Frequency:- LTP - Quarterly & Annual Dividend Frequency • STP - Monthly Dividend Frequency.																																						
Applicable NAV	Please Refer to Page No. 24																																						
Minimum Application Amount / Number of Units (For LTP & STP)	Purchase ₹ 5,000 and any amount thereafter under each option	Additional Purchase ₹ 500 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 for Long Term Plan. CRISIL Short Term Bond Fund Index for Short Term Plan																																						
Risk Mitigation Factors	Please Refer to Page No. 28																																						
Folio Count & AUM (As on March 31, 2012)	Income Fund - LTP: Folio - 2454 • AUM - ₹ 37.63 Crores Income Fund - STP: Folio - 1078 • AUM - ₹ 71.41 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	• LTP - Mr. Pankaj Jain • STP - Mr. Pankaj Jain [Assistant Fund Manager - Mr. Gurvinder Singh Wasan]																																						
Name of the Trustee Company	Principal Trustee Company Private Limited																																						
Performance of the Scheme	<div>Returns (%) of Growth Option as at March 30, 2012.</div> <table><thead><tr><th>Period</th><th>Returns (%)</th><th>Benchmark Returns[†] (%)</th></tr></thead><tbody><tr><td>Principal Income Fund - Long Term Plan</td><td></td><td></td></tr><tr><td>Last 1 Year</td><td>9.74</td><td>7.67</td></tr><tr><td>Last 3 Years</td><td>8.15</td><td>6.08</td></tr><tr><td>Last 5 Years</td><td>8.21</td><td>6.74</td></tr><tr><td>Since Inception*</td><td>7.08</td><td>5.30</td></tr><tr><td>Period</td><td>Returns (%)</td><td>Benchmark Returns^{††} (%)</td></tr><tr><td>Principal Income Fund - Short Term Plan</td><td></td><td></td></tr><tr><td>Last 1 Year</td><td>9.64</td><td>8.30</td></tr><tr><td>Last 3 Years</td><td>8.05</td><td>6.45</td></tr><tr><td>Last 5 Years</td><td>8.57</td><td>7.56</td></tr><tr><td>Since Inception*</td><td>7.35</td><td>6.19</td></tr></tbody></table> <div>Past performance may or may not be sustained in the future. Note: Returns more than 1 year are calculated on compounded annualised basis. [†] CRISIL Composite Bond Fund Index ^{††} CRISIL Short Term Bond Fund Index * May 9, 2003</div> <div><div>Year-wise Absolute Returns</div><div>Year-wise Absolute Returns</div></div>			Period	Returns (%)	Benchmark Returns [†] (%)	Principal Income Fund - Long Term Plan			Last 1 Year	9.74	7.67	Last 3 Years	8.15	6.08	Last 5 Years	8.21	6.74	Since Inception*	7.08	5.30	Period	Returns (%)	Benchmark Returns^{††} (%)	Principal Income Fund - Short Term Plan			Last 1 Year	9.64	8.30	Last 3 Years	8.05	6.45	Last 5 Years	8.57	7.56	Since Inception*	7.35	6.19
Period	Returns (%)	Benchmark Returns [†] (%)																																					
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Since Inception*	7.35	6.19																																					
Expenses of the Scheme	(i) Load Structure: Exit Load : LTP - If redeemed on or before 1 Year from the date of allotment - 1%. STP - If redeemed on or before 6 months from the date of allotment - 0.50%. (ii) Recurring expenses as a percentage of Average Daily Net Assets • First ₹ 100 crores : 2.25 • Next ₹ 300 crores : 2.00 • Next ₹ 300 crores : 1.75 • Balance : 1.50 (iii) Actual expenses for the previous financial year 2011-2012 : Income Fund - Long Term Plan : 1.64%, Income Fund - Short Term Plan : 0.97%																																						
Waiver of Load for Direct Applications	Please Refer to Page No. 28																																						
Tax Treatment for the Investors (Unitholders)	Please Refer to Page No. 20																																						
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. 28																																						
Unitholders' Information	Please Refer to Page No. 28																																						

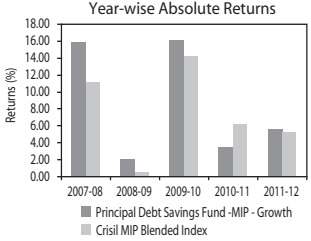
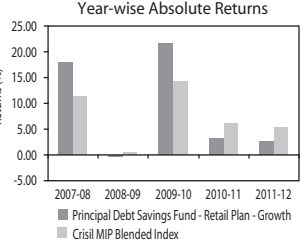
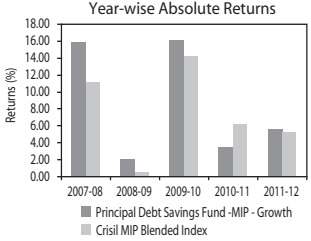
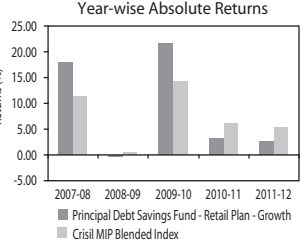
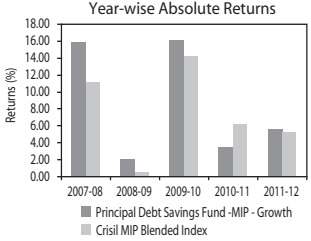
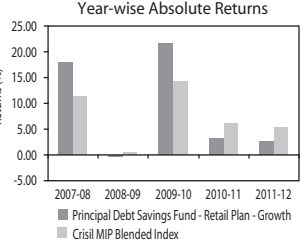
Principal Near-Term Fund

Conservative Plan and Corporate Bond Plan (An open-ended Debt Scheme)

Investment Objective	Conservative Plan: To generate regular income & Capital appreciation through investments in debt securities and money market instruments. Corporate Bond Plan: 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. 23			
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. 25			
Investment Plans & Options	Near-Term Fund offers two investment Plans – Moderate Plan and Conservative Plan, with separate Portfolios.			
	Corporate Bond Plan		Conservative Plan	
	Dividend & Growth Option		Dividend & Growth Option	
	Dividend Option offers Monthly frequency with Payout, Reinvestment and Sweep facility		<i>Frequency / Facilities under Dividend Option -</i> • Daily & Weekly Dividend - Reinvestment Facility • Monthly Dividend - Payout, Reinvestment & Sweep Facility	
Applicable NAV	Please Refer to Page No. 24			
Minimum Application Amount / Number of Units (For Conservative Plan & Moderate Plan)	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	Corporate Bond Plan - Crisil Composite Bond Fund Index • Conservative Plan - CRISIL Liquid Fund Index			
Risk Mitigation Factors	Please Refer to Page No. 28			
Folio Count & AUM (As on March 31, 2012)	Conservative Plan: Folio - 1336 • AUM - ₹ 114.72 Crores Corporate Bond Plan: Folio - 588 • AUM - ₹ 5.83 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 [Assistant 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 March 30, 2012.			
	Period	Returns (%)		Crisil Liquid Fund Index (%)
	Conservative Plan			
	Last 1 Year	9.60		8.45
	Last 3 Years	6.95		6.10
		Period	Returns (%)	Crisil Composite Bond Fund Index (%)
	Corporate Bond Plan			
	Last 1 Year	9.11	7.67	
	Last 3 Years	6.65	6.08	
	Last 5 Years	7.46	6.74	
Since Inception*	7.07	5.68		
Past performance may or may not be sustained in the future. Note: Returns more than 1 year are calculated on compounded annualised basis. *September 14, 2004.				
Expenses of the Scheme	(i) Load Structure: Exit Load : Conservative Plan - Nil. Corporate Bond Plan - From the date of allotment if redeemed any time - • Upto 12 months - 2% • From 12 months and upto 24 months - 1% • After 24 months - Nil. (Any amount in excess of 1% of the redemption value charged to the unitholder as exit load/CDSC shall be credited to the respective scheme immediately.) (ii) Recurring expenses as a percentage of Average Daily Net Assets • First ₹ 100 crores : 2.25 • Next ₹ 300 crores : 2.00 • Next ₹ 300 crores : 1.75 • Balance : 1.50 (iii) Actual expenses for the previous financial year 2011-2012 : • Conservative Plan : 0.54% • Corporate Bond Plan : 0.68%			
Waiver of Load for Direct Applications	Please Refer to Page No. 28			
Tax Treatment for the Investors (Unitholders)	Please Refer to Page No. 20			
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. 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. 28			
Unitholders' Information	Please Refer to Page No. 28			

Principal Debt Savings Fund (An open ended Income Fund)

Monthly Income Plan (Monthly income is not assured and is subject to the availability of distributable surplus) and Retail Plan

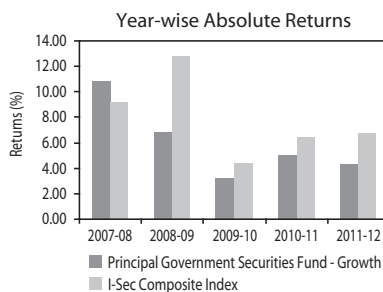
Investment Objective	MIP - To generate regular income through investments in fixed income securities so as to make periodical income distribution to the Unitholders and also to generate long-term capital appreciation by investing a portion of the Scheme's assets in equity and equity related instruments. Retail Plan - The investment objective of Retail Plan is the same as that of the Monthly Income Plan. However, Retail Plan has been designed to cater to investors seeking a slightly more aggressive exposure to equity markets.																																													
Asset Allocation Pattern of the Scheme	Please Refer to Page No. 23																																													
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. 25																																													
Investment Plans & Options^	Monthly Income Plan and Retail Plan are the two Investment Plans having separate portfolio. Both offer Dividend and Growth Option. The Dividend Option offers Payout, Reinvestment and Sweep facility. Growth Option offers Accumulation and Auto Earnings Payout facility. Dividend frequency - Monthly & Quarterly.																																													
Applicable NAV	Please Refer to Page No. 24																																													
Minimum Application Amount / Number of Units	Purchase ₹ 5,000 and any amount thereafter under each option	Additional Purchase ₹ 500 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. 28																																													
Folio Count & AUM (As on March 31, 2012)	MIP: Folio - 4801 • AUM - ₹ 45.79 Crores Retail Plan: Folio - 5566 • AUM - ₹ 61.97 Crores																																													
Dividend Policy	Under Dividend Plan, dividend will be declared subject to availability of distributable surplus and at discretion of AMC / Trustee. The undistributed portion of the income will remain in the Plan 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 and Mr. Pankaj Jain [Assistant Fund Manager - Mr. Anupam Tiwari]																																													
Name of the Trustee Company	Principal Trustee Company Private Limited																																													
Performance of the Scheme	<table><tr><td colspan="3">Returns (%) of Growth Plan as at March 30, 2012.</td><td rowspan="10"></td><td rowspan="10"></td></tr><tr><td>Period</td><td>Returns (%)</td><td>CRISIL MIP Blended Index (%)</td></tr><tr><td>Monthly Income Plan</td><td></td><td></td></tr><tr><td>Last 1 Year</td><td>5.76</td><td>5.36</td></tr><tr><td>Last 3 Years</td><td>8.43</td><td>8.58</td></tr><tr><td>Last 5 Years</td><td>8.47</td><td>7.35</td></tr><tr><td>Since Inception*</td><td>8.55</td><td>8.28</td></tr><tr><td>Retail Plan</td><td></td><td></td></tr><tr><td>Last 1 Year</td><td>2.82</td><td>5.36</td></tr><tr><td>Last 3 Years</td><td>9.02</td><td>8.58</td></tr><tr><td>Last 5 Years</td><td>8.68</td><td>7.35</td></tr><tr><td>Since Inception**</td><td>8.12</td><td>6.81</td></tr><tr><td colspan="3">Past performance may or may not be sustained in the future. Note: Returns more than 1 year are calculated on compounded annualised basis. *May 23, 2002. **December 30, 2003.</td><td></td><td></td></tr></table>			Returns (%) of Growth Plan as at March 30, 2012.					Period	Returns (%)	CRISIL MIP Blended Index (%)	Monthly Income Plan			Last 1 Year	5.76	5.36	Last 3 Years	8.43	8.58	Last 5 Years	8.47	7.35	Since Inception*	8.55	8.28	Retail Plan			Last 1 Year	2.82	5.36	Last 3 Years	9.02	8.58	Last 5 Years	8.68	7.35	Since Inception**	8.12	6.81	Past performance may or may not be sustained in the future. Note: Returns more than 1 year are calculated on compounded annualised basis. *May 23, 2002. **December 30, 2003.				
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Expenses of the Scheme	<p>(i) Load Structure: Exit Load : MIP - If redeemed on or before 1 Year from the date of allotment - 1%. Retail Plan - If redeemed on or before 1 Year from the date of allotment - 1%. (Any amount in excess of 1% of the redemption value charged to the unitholder as exit load/CDSC shall be credited to the respective scheme immediately.)</p> <p>(ii) Recurring expenses as a percentage of Average Daily Net Assets • First ₹ 100 crores : 2.25 • Next ₹ 300 crores : 2.00 • Next ₹ 300 crores : 1.75 • Balance : 1.50</p> <p>(iii) Actual expenses for the previous financial year 2011-2012: Monthly Income Plan : 2.25%, Retail Plan : 1.98%</p>																																													
Waiver of Load for Direct Applications	Please Refer to Page No. 28																																													
Tax Treatment for the Investors (Unitholders)	Please Refer to Page No. 20																																													
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. 28																																													

[^]**Note:** Retail Plan - Subscriptions (by way of purchase / switch in or in any mode) is restricted only for individual investors (including HUFs, Association of Persons & where an individual is an ultimate beneficiary). Further, Dividend Option under Principal Debt Savings Fund - Retail Plan is not available for subscription/Switch-in. (The same may however be open and available for subscription at a later date).

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. 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: 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	The scheme has two Options i.e. Dividend and Growth. Dividend Option has following Frequencies / Facilities: • Daily Dividend - Reinvestment Facility • Weekly Dividend - Reinvestment Facility • Monthly Dividend - Payout, Reinvestment & Sweep Facility																																									
Applicable NAV	Please Refer to Page No. 24																																									
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 ₹ 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. 28																																									
Folio Count & AUM (As on March 31, 2012)	Folio - 1852 • AUM - ₹ 883.63 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	<table><tr><td colspan="3">Returns (%) of Growth Option as at March 31, 2012.</td></tr><tr><td>Period</td><td>Returns (%)</td><td>CRISIL Liquid Fund Index (%)</td></tr><tr><td>Last 1 Year</td><td>9.35</td><td>8.42</td></tr><tr><td>Last 3 Years</td><td>6.68</td><td>6.09</td></tr><tr><td>Last 5 Years</td><td>7.37</td><td>6.90</td></tr><tr><td>Since Inception*</td><td>6.98</td><td>6.37</td></tr><tr><td colspan="3">Past performance may or may not be sustained in the future. Note: Returns more than 1 year are calculated on compounded annualised basis. *August 30, 2004</td></tr></table> <div><p>Year-wise Absolute Returns</p><table><thead><tr><th>Year</th><th>Principal Cash Management Fund - Growth (%)</th><th>CRISIL Liquid Fund Index (%)</th></tr></thead><tbody><tr><td>2007-08</td><td>8.00</td><td>7.50</td></tr><tr><td>2008-09</td><td>8.50</td><td>8.50</td></tr><tr><td>2009-10</td><td>4.50</td><td>3.50</td></tr><tr><td>2010-11</td><td>6.50</td><td>6.00</td></tr><tr><td>2011-12</td><td>9.00</td><td>8.50</td></tr></tbody></table></div>			Returns (%) of Growth Option as at March 31, 2012.			Period	Returns (%)	CRISIL Liquid Fund Index (%)	Last 1 Year	9.35	8.42	Last 3 Years	6.68	6.09	Last 5 Years	7.37	6.90	Since Inception*	6.98	6.37	Past performance may or may not be sustained in the future. Note: Returns more than 1 year are calculated on compounded annualised basis. *August 30, 2004			Year	Principal Cash Management Fund - Growth (%)	CRISIL Liquid Fund Index (%)	2007-08	8.00	7.50	2008-09	8.50	8.50	2009-10	4.50	3.50	2010-11	6.50	6.00	2011-12	9.00	8.50
Returns (%) of Growth Option as at March 31, 2012.																																										
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2011-12	9.00	8.50																																								
Expenses of the Scheme	<p>(i) Load Structure Exit Load : Nil. (Any amount in excess of 1% of the redemption value charged to the unitholder as exit load/CDSC shall be credited to the respective scheme immediately.)</p> <p>(ii) Recurring expenses as a percentage of Average Daily Net Assets • First ₹ 100 crores : 2.25 • Next ₹ 300 crores : 2.00 • Next ₹ 300 crores : 1.75 • Balance : 1.50</p> <p>(iii) Actual expenses for the previous financial year 2011-2012: 0.17%</p>																																									
Waiver of Load for Direct Applications	Please Refer to Page No. 28																																									
Tax Treatment for the Investors (Unitholders)	Please Refer to Page No. 20																																									
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																																									
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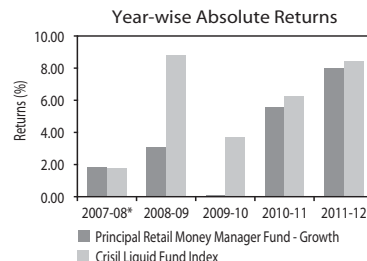
Principal Government Securities Fund (An open-ended dedicated Gilt Scheme investing in Government Securities)

Investment Objective	To generate returns 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 25.																				
Investment Plans & Options	The Scheme has two Options i.e. Dividend and Growth. Dividend Option offers Quarterly and Annual frequency with Payout, Reinvestment and Sweep facility.																				
Applicable NAV	Please Refer to Page No. 24																				
Minimum Application Amount / Number of Units	Purchase	Additional Purchase	Repurchase																		
	₹ 5,000 and any amount thereafter under each option	₹ 500 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. 28																				
Folio Count & AUM (As on March 31, 2012)	Folio - 196 • AUM - ₹ 183.51 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 March 30, 2012.		 <table><caption>Year-wise Absolute Returns</caption><thead><tr><th>Year</th><th>Principal Government Securities Fund - Growth</th><th>I-Sec Composite Index</th></tr></thead><tbody><tr><td>2007-08</td><td>10.50</td><td>9.00</td></tr><tr><td>2008-09</td><td>6.50</td><td>12.50</td></tr><tr><td>2009-10</td><td>3.50</td><td>4.50</td></tr><tr><td>2010-11</td><td>5.50</td><td>6.50</td></tr><tr><td>2011-12</td><td>4.50</td><td>6.50</td></tr></tbody></table>	Year	Principal Government Securities Fund - Growth	I-Sec Composite Index	2007-08	10.50	9.00	2008-09	6.50	12.50	2009-10	3.50	4.50	2010-11	5.50	6.50	2011-12	4.50	6.50
	Year	Principal Government Securities Fund - Growth		I-Sec Composite Index																	
	2007-08	10.50		9.00																	
	2008-09	6.50		12.50																	
	2009-10	3.50		4.50																	
	2010-11	5.50		6.50																	
	2011-12	4.50		6.50																	
Period	Returns (%)	I-Sec Composite Index (%)																			
Last 1 Year	4.32	6.76																			
Last 3 Years	4.26	5.83																			
Last 5 Years	6.02	7.88																			
Since Inception*	7.44	N.A.																			
Past performance may or may not be sustained in the future. Note: Returns more than 1 year are calculated on compounded annualised basis. *August 23, 2001.																					
Expenses of the Scheme	<p>(i) Load Structure</p> <p>Exit Load : 1% if redeemed on or before 365 days from the date of allotment. (Any amount in excess of 1% of the redemption value charged to the unitholder as exit load/CDSC shall be credited to the respective scheme immediately.)</p> <p>(ii) Recurring expenses as a percentage of Average Daily Net Assets</p> <p>• First ₹ 100 crores : 2.25 • Next ₹ 300 crores : 2.00 • Next ₹ 300 crores : 1.75 • Balance : 1.50</p> <p>(iii) Actual expenses for the previous financial year 2011-2012: 2.00%</p>																				
Waiver of Load for Direct Applications	Please Refer to Page No. 28																				
Tax Treatment for the Investors (Unitholders)	Please Refer to Page No. 20																				
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. 28																				
Unitholders' Information	Please Refer to Page No. 28																				

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	80%	100%	Medium to High																	
	Of the above other Money Market Instruments [including CBLO, Repo, units of Liquid / Money Market / Debt Mutual Fund Scheme(s) excluding Commercial Papers]	0%	10%	Low to Medium																	
	Debt Instruments	10%	20%	Medium to High																	
	Subject to the SEBI Regulations, the Mutual Fund may deploy upto 50% of its total net assets of the Scheme in Stock Lending.																				
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: 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.																				
Investment Plans & Options	The Scheme has two Options i.e. Dividend and Growth. Dividend Option offers Monthly frequency with Payout, Reinvestment and Sweep facility.																				
Applicable NAV	Refer to Page No. 24																				
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. 28																				
Folio Count & AUM (As on March 31, 2012)	Folio - 963 • AUM - ₹ 17.45 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 [Assistant 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 March 30, 2012.		<div>Year-wise Absolute Returns</div> <table><thead><tr><th>Year</th><th>Principal Bank CD Fund - Growth (%)</th><th>CRISIL Liquid Fund Index (%)</th></tr></thead><tbody><tr><td>2007-08*</td><td>3.5</td><td>2.5</td></tr><tr><td>2008-09</td><td>9.15</td><td>8.45</td></tr><tr><td>2009-10</td><td>6.81</td><td>6.10</td></tr><tr><td>2010-11</td><td>7.52</td><td>6.80</td></tr><tr><td>2011-12</td><td>9.15</td><td>8.45</td></tr></tbody></table> <p>* Returns are calculated from the date of allotment to 31st March of the Financial Year.</p>	Year	Principal Bank CD Fund - Growth (%)	CRISIL Liquid Fund Index (%)	2007-08*	3.5	2.5	2008-09	9.15	8.45	2009-10	6.81	6.10	2010-11	7.52	6.80	2011-12	9.15	8.45
	Year	Principal Bank CD Fund - Growth (%)		CRISIL Liquid Fund Index (%)																	
	2007-08*	3.5		2.5																	
	2008-09	9.15		8.45																	
	2009-10	6.81		6.10																	
	2010-11	7.52		6.80																	
2011-12	9.15	8.45																			
Period	Returns (%)	CRISIL Liquid Fund Index (%)																			
Last 1 Year	9.15	8.45																			
Last 3 Years	6.81	6.10																			
Since Inception*	7.52	6.80																			
Past performance may or may not be sustained in the future. Note: Returns more than 1 year are calculated on compounded annualised basis. *November 6, 2007.																					
Expenses of the Scheme	(i) Load Structure: Exit Load : If redeemed on or before 6 months from the date of allotment - 0.25% (Any amount in excess of 1% of the redemption value charged to the unitholder as exit load/CDSC shall be credited to the respective scheme immediately.) (ii) Recurring expenses as a percentage of Average Daily Net Assets • First ₹ 100 crores : 2.25 • Next ₹ 300 crores : 2.00 • Next ₹ 300 crores : 1.75 • Balance : 1.50 (iii) Actual expenses for the previous financial year 2011-2012: 0.57%																				
Waiver of Load for Direct Applications	Please Refer to Page No. 28																				
Tax Treatment for the Investors (Unitholders)	Please Refer to Page No. 20																				
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. 28																				
Unitholders' Information	Please Refer to Page No. 28																				

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

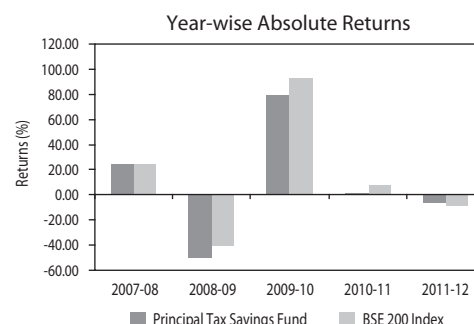
Investment Objective	To generate steady return by investing in debt and money market securities.																				
Asset Allocation Pattern of the Scheme	Please Refer to Page No. 24																				
Risk Profile of the Scheme	Mutual Fund Units involve investment risks including the possible loss of principal. Please read the Scheme Information Document carefully for details on risk factors before investment. Scheme specific risk factors are summarized below: 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^	The Scheme has two Options i.e. Dividend and Growth. Dividend Option has the following Frequency/Facilities:- • Daily Dividend - Reinvestment Facility • Weekly Dividend - Reinvestment Facility • Monthly Dividend - Payout, Reinvestment & Sweep Facility																				
Applicable NAV	Please Refer to Page No. 24																				
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. 28																				
Folio Count & AUM (As on March 31, 2012)	Folio - 93 • AUM - ₹ 0.41 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 March 31, 2012		 <p>Year-wise Absolute Returns</p> <table><tr><th>Period</th><th>Principal Retail Money Manager Fund - Growth (%)</th><th>CRISIL Liquid Fund Index (%)</th></tr><tr><td>2007-08*</td><td>1.97</td><td>1.97</td></tr><tr><td>2008-09</td><td>7.97</td><td>8.42</td></tr><tr><td>2009-10</td><td>4.48</td><td>6.09</td></tr><tr><td>2010-11</td><td>4.32</td><td>6.79</td></tr><tr><td>2011-12</td><td>7.97</td><td>8.42</td></tr></table> <p>* Returns are calculated from the date of allotment to 31st March of the Financial Year.</p>	Period	Principal Retail Money Manager Fund - Growth (%)	CRISIL Liquid Fund Index (%)	2007-08*	1.97	1.97	2008-09	7.97	8.42	2009-10	4.48	6.09	2010-11	4.32	6.79	2011-12	7.97	8.42
	Period	Principal Retail Money Manager Fund - Growth (%)		CRISIL Liquid Fund Index (%)																	
	2007-08*	1.97		1.97																	
	2008-09	7.97		8.42																	
	2009-10	4.48		6.09																	
2010-11	4.32	6.79																			
2011-12	7.97	8.42																			
	Period	Returns (%)	CRISIL Liquid Fund Index (%)																		
	Last 1 Year	7.97	8.42																		
	Last 3 Years	4.48	6.09																		
	Since Inception*	4.32	6.79																		
	Past performance may or may not be sustained in the future. Note: Returns more than 1 year are calculated on compounded annualised basis. *December 28, 2007.																				
Expenses of the Scheme	<p>(i) Load Structure Exit Load: Nil. (Any amount in excess of 1% of the redemption value charged to the unitholder as exit load/CDSC shall be credited to the respective scheme immediately.)</p> <p>(ii) Recurring expenses as a percentage of Average Daily Net Assets • First ₹ 100 crores : 2.25% • Next ₹ 300 crores : 2.00% • Next ₹ 300 crores : 1.75% • Balance : 1.50%</p> <p>(iii) Actual expenses for the previous financial year 2011-2012: 0.18%</p>																				
Waiver of Load for Direct Applications	Please Refer to Page No. 28																				
Tax Treatment for the Investors (Unitholders)	Please Refer to Page No. 20																				
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. 28																				
Unitholders' Information	Please Refer to Page No. 28																				

[^]**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)*

**Free Personal Accident
Death Insurance upto ₹ 5 lacs***
(Details in the Scheme Information Document)

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. 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 25.																				
Investment Plans & Options	No Plans or Options at present																				
Applicable NAV	Please Refer to Page No. 24																				
Minimum Application Amount / Number of Units^	Purchase ₹ 500 and any amount thereafter	Additional Purchase ₹ 500 and any amount thereafter	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	BSE 200 Index																				
Risk Mitigation Factors	Please Refer to Page No. 28																				
Folio Count & AUM (As on March 31, 2012)	Folio - 119579 • AUM - ₹ 221.07 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	<table><tr><td colspan="3">Returns (%) as at March 30, 2012.</td></tr><tr><td>Period</td><td>Returns (%)</td><td>BSE 200 (%)</td></tr><tr><td>Last 1 Year</td><td>-6.05</td><td>-8.77</td></tr><tr><td>Last 3 Years</td><td>20.04</td><td>24.38</td></tr><tr><td>Last 5 Years</td><td>1.11</td><td>6.74</td></tr><tr><td>Since Inception*</td><td>15.85</td><td>12.13</td></tr></table> <p>Past performance may or may not be sustained in the future.</p> <p>Note: Returns more than 1 year are calculated on compounded annualised basis.</p> <p>*March 31, 1996.</p>			Returns (%) as at March 30, 2012.			Period	Returns (%)	BSE 200 (%)	Last 1 Year	-6.05	-8.77	Last 3 Years	20.04	24.38	Last 5 Years	1.11	6.74	Since Inception*	15.85	12.13
Returns (%) as at March 30, 2012.																					
Period	Returns (%)	BSE 200 (%)																			
Last 1 Year	-6.05	-8.77																			
Last 3 Years	20.04	24.38																			
Last 5 Years	1.11	6.74																			
Since Inception*	15.85	12.13																			
Expenses of the Scheme	<p>(i) Load Structure</p> <p>Exit Load : Nil.</p> <p>(Any amount in excess of 1% of the redemption value charged to the unitholder as exit load/CDSC shall be credited to the respective scheme immediately.)</p> <p>(ii) Recurring expenses as a percentage of Average Daily Net Assets</p> <ul style="list-style-type: none">• First ₹ 100 crores : 2.50• Next ₹ 300 crores : 2.25• Next ₹ 300 crores : 2.00• Balance : 1.75 <p>(iii) Actual expenses for the previous financial year 2011-2012: 2.36%</p>																				
Waiver of Load for Direct Applications	Please Refer to Page No. 28																				
Tax Treatment for the Investors (Unitholders)	Please Refer to Page No. 20																				
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. 28																				
Unitholders' Information	Please Refer to Page No. 28																				



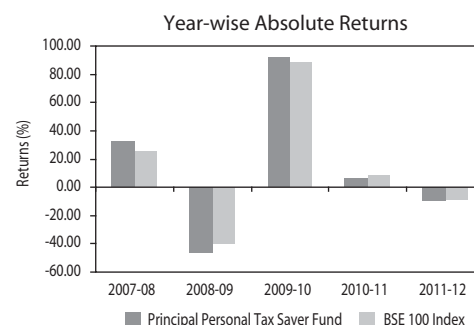
* Conditions Apply.

[^] **Note:** Fresh sale of units (by way of Purchase or Switch-ins) under the scheme has been suspended effective 3 p.m. of September 2, 2011.

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

Free Accidental Death Insurance
150 times the No. of Units[^]
(Details in the Scheme Information Document)

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 BSE 100 Index.																																			
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 25.																																			
Investment Plans & Options	No Plans or Options at present																																			
Applicable NAV	Please Refer to Page No. 24																																			
Minimum Application Amount / Number of Units	Purchase ₹ 500 and any amount thereafter	Additional Purchase ₹ 500 and any amount thereafter	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	BSE 100 Index																																			
Risk Mitigation Factors	Please Refer to Page No. 28																																			
Folio Count & AUM (As on March 31, 2012)	Folio - 259202 • AUM - ₹ 464.71 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	<div>Returns (%) as at March 30, 2012.</div> <table><thead><tr><th>Period</th><th>Returns (%)</th><th>BSE 100 (%)</th></tr></thead><tbody><tr><td>Last 1 Year</td><td>-9.48</td><td>-8.63</td></tr><tr><td>Last 3 Years</td><td>23.17</td><td>23.51</td></tr><tr><td>Last 5 Years</td><td>5.58</td><td>6.82</td></tr><tr><td>Since Inception*</td><td>22.49</td><td>11.74</td></tr></tbody></table> <div>Past performance may or may not be sustained in the future. Note: Returns more than 1 year are calculated on compounded annualised basis. *March 31, 1996.</div>		Period	Returns (%)	BSE 100 (%)	Last 1 Year	-9.48	-8.63	Last 3 Years	23.17	23.51	Last 5 Years	5.58	6.82	Since Inception*	22.49	11.74	<div>Year-wise Absolute Returns</div> <table><thead><tr><th>Year</th><th>Principal Personal Tax Saver Fund</th><th>BSE 100 Index</th></tr></thead><tbody><tr><td>2007-08</td><td>30.00</td><td>25.00</td></tr><tr><td>2008-09</td><td>-45.00</td><td>-35.00</td></tr><tr><td>2009-10</td><td>90.00</td><td>85.00</td></tr><tr><td>2010-11</td><td>5.00</td><td>10.00</td></tr><tr><td>2011-12</td><td>-10.00</td><td>-15.00</td></tr></tbody></table>	Year	Principal Personal Tax Saver Fund	BSE 100 Index	2007-08	30.00	25.00	2008-09	-45.00	-35.00	2009-10	90.00	85.00	2010-11	5.00	10.00	2011-12	-10.00	-15.00
Period	Returns (%)	BSE 100 (%)																																		
Last 1 Year	-9.48	-8.63																																		
Last 3 Years	23.17	23.51																																		
Last 5 Years	5.58	6.82																																		
Since Inception*	22.49	11.74																																		
Year	Principal Personal Tax Saver Fund	BSE 100 Index																																		
2007-08	30.00	25.00																																		
2008-09	-45.00	-35.00																																		
2009-10	90.00	85.00																																		
2010-11	5.00	10.00																																		
2011-12	-10.00	-15.00																																		
Expenses of the Scheme	<div>(i) Load Structure Exit Load : Nil. (Any amount in excess of 1% of the redemption value charged to the unitholder as exit load/CDSC shall be credited to the respective scheme immediately.)</div> <div>(ii) Recurring expenses as a percentage of Average Daily Net Assets<ul style="list-style-type: none">● First ₹ 100 crores : 2.50● Next ₹ 300 crores : 2.25● Next ₹ 300 crores : 2.00● Balance : 1.75</div> <div>(iii) Actual expenses for the previous financial year 2011-2012: 2.24%</div>																																			
Waiver of Load for Direct Applications	Please Refer to Page No. 28																																			
Tax Treatment for the Investors (Unitholders)	Please Refer to Page No. 20																																			
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. 28																																			
Unitholders' Information	Please Refer to Page No. 28																																			



[^] Conditions Apply. Also subject to a maximum of ₹ 1 lakh.

TAX & LEGAL & GENERAL INFORMATION

TAXATION ON INVESTING IN MUTUAL FUNDS

The following outline of tax implications is provided for general information purposes only, based on the law prevalent as at the date of this document. These implications should be considered in light of the specific facts of an individual case. Furthermore, in the event of periodic amendments to the relevant legislation, the nature and / or quantum of these benefits / implications are subject to change.

Accordingly, it is recommended that each unit holder should appropriately consult his / her tax consultant with respect to the specific tax implications arising out of their participation in the scheme.

I. TO THE MUTUAL FUND:

Income in the hands of the Mutual Fund

The entire income of a Mutual Fund registered under the Securities and Exchange Board of India Act, 1992 ('SEBI') or any regulations made thereunder is exempt from income tax in accordance with the provisions of Section 10(23D) of the Income-tax Act, 1961 ("the Act").

Income received by such Mutual Fund is not liable for the deduction of income tax at source as per the provisions of Section 196(iv) of the Act. Where the Mutual Fund receives any income from investments made in overseas jurisdictions, this income may be subject to withholding in the relevant jurisdiction. As the income of the Mutual Fund is exempt from tax in India, credits/ refunds in relation to these foreign taxes may not be available in India.

Distribution of income by the Mutual Fund to the unit holders

Under Section 115R of the Act, where the income is distributed to the unit holders, the Mutual Fund is required to pay tax on the income distributed by it, as under:

- **In case of Money Market Mutual Fund or Liquid Fund**
 - @ 25% plus surcharge on such income tax @ 5% plus education cess and secondary and higher education cess @ 3% on the amount of tax and surcharge, on income distributed to individuals and Hindu Undivided Family ('HUFs'); and
 - @ 30% plus surcharge on such income tax @ 5% plus education cess and secondary and higher education cess @ 3% on the amount of tax and surcharge, on income distributed to persons other than individuals and HUFs.
- **In case of Other than Equity Oriented Fund, not being a Money Market Mutual Fund or a Liquid Fund**
 - @ 12.5% plus surcharge on such income tax @ 5% plus education cess and secondary and higher education cess @ 3% on the amount of tax and surcharge, on income distributed to individuals and HUFs; and
 - @ 30% plus surcharge on such income tax @ 5% plus education cess and secondary and higher education cess @ 3% on the amount of tax and surcharge, on income distributed to persons other than individuals and HUFs.

Provision (b) to Section 115R(2) of the Act exempts equity oriented mutual funds from distribution tax on income distributed.

Further, in case of income already distributed by the Mutual Fund, the Trustee / AMC reserves the right to recover the additional income tax on distribution of income (if not already recovered or shortfall, if any) so paid from the unit holders of the respective Plan/option.

The expression 'Money Market Mutual Fund' has been defined in Explanation (d) to Section 115T of the Act which means a scheme of a Mutual Fund which has been set up with the objective of investing exclusively in money market instruments as defined in sub-clause (p) of clause (2) of the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996.

The expression 'Liquid Fund' has been defined in Explanation (e) to Section 115T of the Act which means a scheme or plan of a Mutual Fund which is classified by the SEBI as a liquid fund in accordance with the guidelines issued by it in this regard under the Securities and Exchange Board of India Act, 1992 or the regulations made thereunder.

Classification of the fund as an 'equity oriented fund' or 'other than equity oriented fund' for the purposes of the Act

The expression 'equity oriented fund' has been defined in Explanation (b) to Section 115T of the Act to include a fund where the investible funds are invested by way of equity shares in domestic companies to the extent of more than sixty-five per cent of the total proceeds of the fund. Further, as per the proviso to Explanation (b) to Section 115T, the percentage of equity shareholding of the fund shall be computed with reference to the annual average of the monthly averages of the opening and closing figures.

II. TO THE UNIT HOLDERS:

Deduction from total income

Under Section 80C of the Act, an assessee, being an individual or HUF, is eligible to claim a deduction up to an aggregate of ₹ 1 lakh on account of sums paid as subscription to units of an Equity Linked Savings Scheme ('ELSS').

Equity Linked Savings Scheme refers to a scheme formulated under Equity Linked Savings Scheme, 2005 as notified by the Central Board of Direct Taxes, Ministry of Finance vide notification dated November 3, 2005 as amended vide notification dated December 13, 2005.

Securities Transaction Tax

Under Chapter VII of the Finance (No. 2) Act, 2004 the unit holder is liable to pay Securities Transaction Tax ('STT') on any 'taxable securities transaction' at the applicable rate. Taxable securities transactions include the purchase or sale of units of an equity oriented fund, entered into on the stock exchange or the sale of units of an equity oriented fund to the Mutual Fund.

The purchaser and seller of the units of an equity oriented fund are liable to pay STT @ 0.125% each where the purchase or sale is entered into on a recognized stock exchange and the contract for the purchase and sale of such units is settled by the actual delivery or transfer of such units.

¹ The Finance Bill, 2012 has proposed to reduce the rate to 0.1% with effect from 1 July 2012.

Further, the seller of the units is also liable to pay STT @ 0.025 % in the case of the sale of units of an equity oriented fund where the transaction is entered into on a recognized stock exchange and the contract for the sale of these units is settled otherwise than by the actual delivery or transfer of such units.

At the time of the sale of units of equity oriented fund to the Mutual Fund, the seller is required to pay STT @ 0.25%.

STT is not deductible for the computation of capital gains. However, if it is held that gains on the sale of securities are in the nature of business profits then an amount equivalent to the STT paid on the transaction value will be allowed as a deduction under Section 36 of the Act, from the gains earned in computing the business income.

Incomes from Units

Under the provisions of section 10(35) of the Act, any income (other than income arising from the transfer of units) received by any person in on the units of the Mutual Fund are exempt from income tax.

Gains on transfer / redemption of Units

Gains arising on transfer / redemption of units as well as switching between schemes will be chargeable to tax under the Act. The characterization of income from investments in securities as 'business income' or 'capital gains' will have to be examined on a case-by-case basis.

➤ **Business Income**

Where the units of the Mutual Fund are regarded as business assets, then any gains arising from the transfer / redemption of units would be taxed under the head of "Profits and gains of business or profession" under section 28 of the Act. The gain / loss is to be computed under the head of "Profits and gains of business or profession" after allowing for normal business expenses (inclusive of the expenses incurred on the transfer).

Business income is chargeable to tax at the following rates:

Assessee	% of Income Tax
Individuals, HUF, Association of Persons	Applicable Slab Rates
Partnership Firms, including Limited Liability Partnerships ('LLPs') & Indian Corporates	30%
Foreign Company	40%

The income tax rates specified above and elsewhere in this document are exclusive of the applicable surcharge, education cess and secondary and higher education cess. The surcharge proposed by the Finance Bill, 2012 is given below:

Assessee	Applicable Surcharge*
Individuals (including proprietorships), HUFs, Association of Persons and Partnership Firms (including LLPs)	Nil
Indian Corporates (if annual income exceeds ₹ 1 crore)	5%
Foreign Companies (if annual income exceeds ₹ 1 crore)	2%

* Additionally, education cess and secondary and higher education cess is leviable @ 3% on the income tax and surcharge as computed above.

➤ **Capital Gains**

The mode of computation of capital gains would be as follows:

Sale Consideration	xxx
Less: Cost of Acquisition (Note 1)	(xxx)
Expenses on Transfer (Note 2)	(xxx)
Capital Gains	xxx

Note 1: In case of the computation of long term capital gains, the option of indexation of cost is available.

Note 2: This would include only expenses relating to transfer of units. Normal business expenses would not be allowable.

Capital gains arising on the transfer or redemption of units held for a period of more than 12 months would be regarded as 'long term capital gains' which otherwise would be 'short term capital gains'. In case of ELSS, the units are subject to a lock-in period of 3 years. Accordingly, any sale of units after this lock-in period will qualify as long term capital gain.

• **Long term capital gains**

In the case of other than equity oriented fund, including a money market mutual fund or a liquid fund

As per Section 112 of the Act, tax on income on long term capital gains arising from the transfer of units shall be lower of the following amount:

- 10% plus applicable surcharge and education cess at the rate of 3% on the amount of tax and surcharge, on the long term capital gains computed without substituting the indexed cost of acquisition in place of the cost of acquisition; or
- 20% plus applicable surcharge and education cess at the rate of 3% on the amount of tax and surcharge, on the long term capital gains computed after substituting the indexed cost of acquisition for the cost of acquisition.

The benefit of indexation will, however, not be available to specified offshore fund which is taxable @ 10% plus the applicable surcharge and education cess at the rate of 3% on the total amount of tax and surcharge in terms of Section 115AB of the Act.

The benefit of indexation will also not be available to Foreign Institutional Investors ('FI') who are taxed under Section 115AD of the Act @ 10% plus applicable surcharge and education cess at the rate of 3% on the total amount of tax and surcharge.

In cases where the taxable income, reduced by long term capital gains of a resident individual or HUF is below the taxable limit, the long term capital gain will be reduced to the extent of this shortfall and only the balance of the long term capital gain is chargeable to income tax.

The following deductions are available on long term capital gains arising on transfer of Mutual Fund units, if the sale proceeds are invested in eligible avenues:

	Section 54 EC	Section 54F
Eligible persons	All assesses	Individual and HUFs
Asset to be purchased to claim exemption	Specified Bonds of National Highways Authority of India and Rural Electrification Corporation Limited (cap of Rupees fifty lakhs in a financial year)	Residential house property
Time-limit for purchase from date of sale of MF units	6 months	Purchase: 1 year backward / 2 years forward & Construction: 3 years forward
Amount Exempt	Investment in the new asset or capital gain whichever is lower	Capital gains proportionate to the investment made from the sale proceeds (subject to other conditions of owning / purchasing the residential house mentioned in the section)
Lock-in period	3 years	3 years

The investment under Section 54EC on account of which the exemption has been claimed from long term capital gains will not be available for deduction under Section 80C of the Act.

In case of Equity Oriented Fund

Units of equity oriented funds (which may include ELSS) are subject to STT. Long term capital gains arising from the transfer of such units are exempt under Section 10(38) of the Act. The Mutual Fund would recover the STT from the unit holder at the applicable rate.

• Short-term Capital Gain

In the case of other than Equity Oriented Fund, including a Money Market Mutual Fund or a Liquid Fund

Short term capital gains arising from the transfer of units of funds other than equity oriented scheme would be chargeable to tax as follow:

Short term capital gains are taxed at the normal rates applicable to each unit holder. In case where the taxable income as reduced by short term capital gains of a resident individual or HUF is below the taxable limit, the short term capital gain will be reduced to the extent of this shortfall and only the balance short term capital gain is chargeable to income tax.

In the case of an Equity Oriented Fund

Short term capital gains arising from the transfer of units of an equity oriented scheme (as defined under section 115T of the Act), being subject to STT would be charged to tax under section 111A of the Act @ 15% (plus the applicable surcharge, education cess and secondary and higher education cess). The Mutual Fund would recover the STT from the unit holder at the applicable rate when the units are repurchased by the Mutual Fund/ redeemed by the investor.

In case where the taxable income as reduced by short term capital gains of a resident individual or HUF is below the taxable limit, the short term capital gain will be reduced to the extent of this shortfall and only the balance of short term capital gain is chargeable to income tax.

• Capital losses

Losses under the head capital gains cannot be set off against income under any other head. Further, within the head capital gains, losses arising from the transfer of long term capital assets cannot be adjusted against gains arising from the transfer of a short term capital asset. However, losses arising from the transfer of short term capital assets can be adjusted against gains arising from the transfer of either a long term or a short term capital asset.

Under Section 10(38) of the Act, long term capital gains on sale of units of an equity oriented fund are exempt from income tax subject to certain conditions. Hence, losses arising from such type of transaction of sale of units of equity oriented fund would not be eligible for set off against taxable capital gains.

Unabsorbed long term capital loss (other than the losses relating to sale of units of equity oriented fund as stated above) can be carried forward and set off against the long term capital gains arising in any of the subsequent eight assessment years. Unabsorbed short term capital loss can be carried forward and set off against the income under the head capital gains in any of the subsequent eight assessment years.

Minimum Alternate Tax / Alternate Minimum Tax: The income on the transfer of units of Mutual Fund by a company would be taken into account in computing the book profits and Minimum Alternate Tax, if any, under Section 115JB of the Act (irrespective of whether or not it is exempt under Section 10(38) of the Act).

The taxable income on transfer of units of Mutual Fund would be taken into account in computing the Adjusted Total Income and Alternate Minimum Tax, if any, under Section 115JC² of the Act.

Tax deduction at source on capital gains

• Resident Unit holders

No income tax is required to be deducted at source from capital gains arising on transfer of units by resident unit holders.

• In the case of other than equity oriented fund

A) Non-Resident Individual unit holders

Tax is required to be deducted at source on payment of any sum chargeable under the provisions of the Act to a non-resident under section 195 of the Act at the following rates.

- On income by way of long term capital gains @ 20% (plus applicable surcharge and education cess)
- On income by way of short term capital gains @ 30% (plus applicable surcharge and education cess)
- A non-resident, eligible to claim treaty benefits, would be governed by the provisions of the Act to the extent that they are more beneficial. Accordingly, tax should be withheld as per the provisions of the Act or the provisions of the relevant Double Taxation Avoidance Agreement ('DTAA') whichever is more beneficial to the assessee. However, the Unit holder will be required to provide appropriate documents to the Fund, to be entitled to a beneficial rate under such DTAA. However, the Unit holder will be required to provide appropriate documents to the Fund, to be entitled to a beneficial rate under such DTAA.
- The Finance Bill, 2012 proposes to restrict the treaty benefits available to non-residents, unless the non-resident obtains a Tax Residency Certificate from their home country, containing such particulars as may be prescribed.

B) Offshore Fund unit holders

Under section 196B of the Act, tax shall be deducted at source from long term capital gains @ 10% plus applicable surcharge, education cess and secondary and higher education cess at the rate of 3% on the amount of tax and surcharge.

Tax is required to be deducted at source on payment of any sum chargeable under the provisions of the Act to a non-resident under section 195 of the Act at the applicable rates. A non-resident, eligible to claim treaty benefits, would be governed by the provisions of the Act to the extent that they are more beneficial. Accordingly, tax should be withheld as per the provisions of the Act or the provisions in the DTAA whichever is more beneficial to the assessee, subject to certain conditions. However, the unit holder will be required to provide appropriate documents to the Fund, in order to be entitled to a beneficial rate under the relevant DTAA. The Finance Bill, 2012 proposes to restrict the treaty benefits available to non-residents, unless the non-resident obtains a Tax Residency Certificate from their home country, containing such particulars as may be prescribed.

• In the case of an equity oriented fund for non-resident unit holders (including offshore fund unit holders)

Tax is required to be deducted at source on payment of any sum chargeable under the provisions of the Act to a non-resident under section 195 of the Act at the following rates:

- Income from way of long term capital gains arising from the transfer of units subject to STT is exempt from tax.
- On income by way of short term capital gains arising from the transfer of units subject to STT taxable under section 111A @ 15% (plus applicable surcharge and education cess).

Tax is required to be deducted at source on payment of any sum chargeable under the provisions of the Act to a non-resident under the provisions of section 195 of the Act at the applicable rates. A non-resident, eligible to claim treaty benefits, would be governed by the provisions of the Act to the extent that they are more beneficial than the DTAA. Accordingly, tax should be withheld as per the provisions of the Act or the provisions in the DTAA whichever is more beneficial to the assessee, subject to certain conditions. However, the unit holder will be required to provide appropriate documents to the Fund, in order to be entitled to a beneficial rate under the relevant DTAA. The Finance Bill, 2012 proposes to restrict treaty benefits to non-residents, unless the non-resident obtains a Tax Residency Certificate from their home country, containing such particulars as may be prescribed.

• Foreign Institutional Investors

As per the provisions of Section 196D of the Act, no deduction of tax shall be made from any income from capital gains arising from the transfer of securities referred to in Section 115AD, payable to a FI.

Failure to provide Permanent Account Number ('PAN')

Section 206AA of the Act inserted by the Finance (No.2) Act, 2009 effective from April 1, 2010 states that the deductee is required to furnish his PAN to the deductor failing which the deductor shall deduct tax at source at higher of the following rates:

1. The rate prescribed in the Act;
2. The rate in force i.e., the rate mentioned in the relevant Finance Act; or
3. The rate of 20%.

Dividend stripping

As per Section 94(7) of the Act, loss arising on sale of units which are bought within 3 months of the record date and sold within 9 months after the record date, shall be ignored for the purpose of computing income chargeable to tax to the extent of exempted income received or receivable on such Units.

Bonus stripping

As per Section 94 (8) of the Act, units purchased within a period of 3 months prior to record date of entitlement of bonus and sold within a period of 9 months after such date, the loss arising on the transfer of original units shall be ignored for the purpose of computing the income chargeable to tax.

The amount of loss ignored shall be deemed to be the cost of purchase / acquisition of the bonus units.

III. Religious and Charitable Trust

Investments in units of the Mutual Fund will rank as an eligible form of investment under Section 11(5) of the Act read with Rule 17C of the Income-tax Rules, 1962 for Religious and Charitable Trust.

IV. New pension scheme

Any income, including gains from redemption of units of scheme of Mutual Fund, received by any

person for, or on behalf of, the New Pension System Trust (as established under the provisions of Indian Trust Act, 1882, on 27 February 2008), is exempt in the hands of such person under Section 10(44) of the Act.

STT is not leviable in respect of taxable securities transactions entered into by any person for, or on behalf of, the New Pension System Trust referred to in Section 10(44) of the Act.

² As per the Finance Bill, 2012, provisions of section 115JC would be applicable to all persons other than company who has claimed any deduction under Chapter VI-A under the heading 'C- Deductions in respect of certain incomes' (other than section 80P) or section 10AA.

V. Wealth-tax

Units held under the scheme of the Mutual Fund are not treated as assets within the meaning of Section 2(ea) of the Wealth-tax Act, 1957 and are, therefore, not liable to Wealth Tax.

VI. Gift-tax

The Gift -tax Act, 1958 has been repealed since October 1, 1998. Gift of Mutual Fund units would be subject to income tax in the hands of the donee. As per Section 56(2)(vi), receipts of securities, fair market value of which exceeds fifty thousand rupees, without consideration or without adequate consideration is taxable as income in the hands of individuals / HUFs.

Further the above provision of Section 56(2)(vi) shall not apply to any units received by the donee: (a) From any relative; or (b) On the occasion of the marriage of the individual; or (c) Under a will or by way of inheritance; or (d) In contemplation of death of the payer or donor, as the case may be; or (e) From any local authority as defined in the Explanation to clause (20) of section 10 of the Act; or (f) From any fund or foundation or university or other educational institution or hospital or other medical institution or any trust or institution referred to in clause (23C) of section 10 of the Act; or (g) From any trust or institution registered under section 12AA of the Act. The Finance Bill, 2012, proposes to amend the definition of 'relative' with retrospective effect from October 1, 2009. The term 'relative' shall mean:

A] In the case of an Individual - (i) The spouse of the individual (ii) The brother or sister of the individual (iii) The brother or sister of the spouse of the individual (iv) The brother or sister of either of the parents of the individual (v) Any lineal ascendant or descendant of the individual (vi) Any lineal ascendant or descendant of the spouse of the individual (vii) The spouse of the person referred to in clauses (ii) to (vi), and

B] In case of a HUF, any member thereof.

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 CNX Midcap 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 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 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 SERVICES INDUSTRIES 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 Services Industries	70%	100%	High
Debt (including securitized debt*) and Money market instruments	0%	30%	Low to Medium

* Investment in the securitized debt may be up to 30% of the net assets of the Scheme

The Asset Management Company 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 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 Securitized 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 BSE 100 Index and which may or may not be a constituent of the 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 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 BSE 100 Index as on March 31, 2012 was ₹ 3,588.77 crores.

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 RETAIL EQUITY SAVINGS 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	65%	100%	Medium to High
Debt and Money Market Instruments (Including Units of Liquid / Money Market / Debt Mutual Fund Scheme(s) and Securitised Debt*)	0%	35%	Low to Medium

* Investment in Securitised Debt may be up to 20% of the net assets of the Scheme.

The Asset Management Company reserves the right to invest in derivatives as follows:

Particulars	% 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 up to 50% of its total net assets of the Scheme in Stock Lending.

ASSET ALLOCATION PATTERN FOR PRINCIPAL NEAR-TERM 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 *Securitised Debt	70%	100%	Medium to High
CBLO, T-bills and units of Liquid / Money Market / Debt Mutual Fund Scheme(s).	0%	35%	Low to Medium

*Investment in Securitised 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 INCOME FUND - LONG TERM PLAN

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
Securitised 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.

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 securitised 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 SAVINGS FUND

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

Monthly Income Plan

Types of Instruments	Normal Allocation (% of Net Assets)	Risk Profile
Debt & Money Market Instruments (including Securitised 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.

Retail Plan

Types of Instruments	Normal Allocation (% of Net Assets)	Risk Profile
Debt & Money Market Instruments (incl. Securitised Debt upto 50%)	Upto 100%	Low to Medium
Equity and Equity Related Instruments [incl. units of Equity Mutual Fund Scheme(s)]	Upto 25%	Medium to High

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 NEAR-TERM 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 Securitised Debt may be up to 50% of the net assets of the Scheme. The Scheme may also invest up to 50% of net assets of the Scheme in such derivative instruments as may be introduced from time to time for the purpose of hedging and portfolio balancing and other uses as may be permitted under the SEBI (Mutual Funds) Regulations, 1996.

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 367 days.

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 Instruments & Money Market Instruments (Including MIBOR linked instruments with daily put and call option)	Upto 100%	Low to Medium

Investment in Securitised Debt may be up to 50% of the net assets of the Scheme.

The Scheme may also invest up to 50% of net assets of the Scheme in such derivative instruments as may be introduced from time to time for the purpose of hedging and portfolio balancing and other uses as may be permitted under the SEBI (Mutual Funds) Regulations, 1996.

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 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 the valid applications received with an outstation cheque or demand draft not payable on par at the Official Points of Acceptance of Transactions where the application is received, the closing NAV of day on which the cheque or demand draft is credited shall be applicable.

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.

Applicable for Principal Debt Savings Fund - Monthly Income Plan, Principal Debt Savings Fund - Retail Plan, Principal Income Fund - Long Term Plan, Principal Income Fund - Short Term Plan, Principal Near-Term Fund - Conservative Plan, Principal Near-Term Fund - Corporate Bond Plan, Principal Bank CD Fund and Principal Government Securities Fund: In respect of purchase / switch-in, in any of the respective schemes for an amount equal to or more than ₹ 1 crore, allotment of units in the Scheme(s) is subject to receipt of valid application/ switch-in request at the Official Point of Acceptance of Transactions (OPT) **AND** credit of entire subscription/ switch-in amounts into the Bank Account of the Scheme(s)/ Plan(s) **AND** funds available for utilization by the scheme within relevant cut-off time, being 3.00 p.m.

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 the valid applications received with an outstation cheque or demand draft payable on par at the Official Points of Acceptance of Transactions where the application is received, the closing NAV of day on which the cheque or demand draft is credited shall be applicable.

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.

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 GLOBAL OPPORTUNITIES FUND

The Scheme will predominantly invest in Principal Global Investors Funds – 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 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 INDEX FUND

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.
- IISL 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 RETAIL EQUITY SAVINGS FUND

The values of the equity securities owned by the Scheme are subject to change on a daily basis. Equity Security prices reflect the activities of individual companies and general market and economic conditions. In the short term, equity security prices can fluctuate dramatically in response to these factors.

Value of debt securities are subject to change on a daily basis. Their prices reflect interest rates, market conditions and announcements of other economic, political or financial information. When interest rates fall, the price of a debt security rises and when interest rate rise, the price declines.

As with all Mutual Funds, the value of the Scheme's assets 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 INCOME FUND - LONG TERM PLAN AND 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 NEAR-TERM FUND - CONSERVATIVE PLAN AND PRINCIPAL NEAR-TERM FUND - CORPORATE BOND 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

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 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 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.

INVESTMENT STRATEGY FOR THE SCHEMES

PRINCIPAL INDEX FUND

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 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 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 CNX 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 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 S&P CNX Nifty PE Ratio Level –

Weighted Average PE Ratio of S&P CNX Nifty	Equity Component (%)	Debt Component (%)
Upto 16	100	0
Above 16 – Upto 18	80 - 100	0 – 20
Above 18 – Upto 20	60 - 80	20 – 40
Above 20 – Upto 24	30 - 50	50 – 70
Above 24 – Upto 26	10 - 20	80 – 90
Above 26 – Upto 28	0 - 10	90 – 100
Above 28	0	100

For this purpose the month end PE Ratio of S&P CNX Nifty Index (NSE Nifty) will be considered.

Such a PE Ratio will be the month end weighted average PE Ratio of the constituent stocks making up the S&P CNX Nifty 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 SERVICES INDUSTRIES FUND

The scheme will inter-alia invests in companies, which are engaged in the following Service industries: Banks, Courier, Finance, Gas, Healthcare Services, Hotels, Industrial Services, Media & Entertainment, Power, Retailing, Software, Telecom-Services, Trading, Transportation and Travel.

The above list is only indicative and not exhaustive and this could undergo changes based on future reforms and developments. The Investment Manager may add such other sector/group of industries which broadly satisfy the category of services industries based on AMFI classification.

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 PERSONAL TAX SAVER FUND

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

PRINCIPAL TAX SAVINGS FUND

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

PRINCIPAL 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 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.

Retail Plan will have a separate portfolio from that of Monthly Income Plan. However each of the investment options under the MIP and Retail Plan will share a common portfolio.

PRINCIPAL INCOME FUND - LONG TERM PLAN

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

PRINCIPAL NEAR-TERM 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 NEAR-TERM 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 CASH MANAGEMENT FUND

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

PRINCIPAL RETAIL MONEY MANAGER FUND

The portfolio will be predominantly invested in overnight repo, CBLO, floating rate instruments and other fixed income instruments.

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 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 RETAIL EQUITY SAVINGS FUND

Investment would be primarily in equity and equity related instruments besides debt securities. In selecting equities the Investment manager looks for companies that have predictable earnings and which based on growth prospects, it believes are undervalued in the market place. The Investment Manager would buy securities with the objective of long term capital appreciation. Equity Securities in which Investment would be made shall normally generate dividend income. From time to time, the AMC shall purchase securities with the expectation of price appreciation over the short term. In response to changes in economic conditions the Investment Manager may change the make-up of the portfolio and emphasize different market sectors by buying and selling the portfolio's securities.

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 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.

COMPARISON OF OPEN-ENDED SCHEMES

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 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 CNX Midcap Index. However such stock may or may not be a constituent of CNX Midcap 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 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. The scheme also provides Accidental Death Insurance upto a maximum of ₹ 1 lakh.

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. Additionally the scheme also provides free personal accident death insurance upto ₹ 5 lakhs.

Currently, fresh sale of units (by way of Purchase or Switch ins) under the scheme is suspended.

PRINCIPAL INDEX FUND: As the name of the scheme suggests, the investment mandate of this Scheme is to invest in securities comprised in S&P CNX Nifty 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 SERVICES INDUSTRIES FUND: This is the only scheme focused towards Services Industries with an investment mandate to predominantly invest in Companies which are engaged in Services Industries. The scheme will target its investments without any market capitalization bias. Unlike other diversified open ended equity schemes, this scheme is a multi sector scheme targeted towards investors who seek to invest and look for growth opportunities by investing in Services Industries. For the comparison of performance, the scheme is benchmarked with CNX Service Sector Index.

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 S&P CNX Nifty 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 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 SMART EQUITY FUND: The asset allocation pattern of current equity schemes offered by Principal Mutual Fund; restrict the Asset 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 (S&P CNX Nifty) 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 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 RETAIL EQUITY SAVINGS FUND: This scheme is uniquely structured to provide long term capital appreciation and regular income to the Investors. The scheme is structured to invest predominantly in equity / equity related instruments but with a component of upto 35% in debt and money market instruments (including units of Liquid / Money Market / Debt Mutual Fund Schemes).

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 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 DEBT SAVINGS FUND: The scheme 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. The scheme offers Monthly Income Plan and Retail Plan. The difference between MIP and Retail Plan is that the latter is more aggressive with a higher limit for equity investments. The equity investment in the scheme is capped at 15% for MIP and at 25% for Retail Plan. The scheme will endeavour to provide monthly income to the investors. However it will be subject to availability of distributable surplus. MIP is the only Monthly Income Plan offering to the investors which has a portion of asset allocation of equity.

PRINCIPAL INCOME FUND (LONG TERM PLAN AND SHORT TERM PLAN): Among the debt schemes offered by Principal Mutual Fund, Principal Income Fund is positioned to generate capital appreciation/accretion through investment in debt instruments. Principal Income Fund consists of Long Term Plan and Short Term Plan. Short Term Plan is positioned to achieve stable returns over short term investment horizons. While both Long Term Plan and Short Term Plan 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. Amongst the open ended debt schemes, this Scheme is the Income Fund offering to the investors.

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 NEAR-TERM FUND - CONSERVATIVE PLAN: 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 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 Re-discounting - upto 50%, other equivalent Money Market Instruments - upto 100%, Debt (including Securitised Debt) instruments other than those above - upto 50%. However as the scheme is positioned as a liquid fund, the scheme would be investing in instruments with maturity of up to 91 days.

PRINCIPAL RETAIL MONEY MANAGER FUND: This scheme is positioned to invest its entire corpus in Debt and Money Market Instruments (including MIBOR linked instruments with daily put and call option). Within the investment mandate, the scheme can invest in instrument with maturity of upto 91 days.

RISK MITIGATION FACTORS

- 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.
- 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)

'Madhura Estates', Municipal No.1-9/13/C, Plot No.13 & 13-C, Survey No.74 & 75, Madhapur Village, Ranga Reddy District, Hyderabad-500 081.
Tel.: (040) 2331 2454 • 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. The holding(s) of the beneficiary account holder for units held in demat mode will be shown in the statement issued by respective Depository Participants (DPs) periodically. For more details, please refer the 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 : April 30, 2012.



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 for Equity / Balanced & Fund of Funds Scheme(s)

Application No. _____

Please read the instructions before filling the Application Form

DISTRIBUTOR INFORMATION & APPLICATION RECEIPT DATE

Broker Name & Code	Sub-Broker Code	I-Code	Registrar Serial No.	Bank Serial No.	Date & Time of Receipt

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.

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

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
(Note: If this section is left blank, it is assumed that the Applicant(s) is not a First Time Investor and Transaction Charges shall be accordingly deducted)

In case the subscription amount is ₹ 10,000/- or more and the Distributor has opted to receive Transaction Charges, ₹ 150 (for first time mutual fund investor) or ₹ 100/- (for investor other than first time mutual fund investor) will be deducted from the subscription amount and paid to the Distributor. Units will be issued against the balance amount invested.

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 (6)

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 [Note: No Joint holding permitted in case of minor applicant - *Refer Instruction no. B(11)]

Date of Birth (Mandatory for Minor Applicant - *Enclose Supporting Document) _____ PAN _____

STATUS - ☐ Resident Individual ☐ HUF ☐ NRI / PIO / FI ☐ Partnership Firm ☐ BOI ☐ Minor ☐ Bank / FI ☐ Society/Club ☐ Trust ☐ Company ☐ Others (Please specify) _____

Guardian (Mandatory for Minor Applicant) / POA Holder / Contact Person (In case of non-individual Investors - PAN & KYC not required for contact person) ☐ Mr. ☐ Ms

Date of Birth _____ PAN _____ Relationship with ☐ Father ☐ Mother ☐ Legal Guardian

[Note: *Enclose Supporting Document]

NAME OF THE SECOND APPLICANT ☐ Mr. ☐ Ms Date of Birth _____ PAN _____

NAME OF THE THIRD APPLICANT ☐ Mr. ☐ Ms Date of Birth _____ PAN _____

Kindly ensure that Copy of PAN & KYC Acknowledgement Letter are enclosed to your Application Form as per Instruction No. D of this Form.

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

City _____ State _____ Country _____ Pin Code _____

OVERSEAS ADDRESS (in case the First Applicant is NRI/FII/PIO) [P.O. Box Address is not sufficient] [Refer Instruction No. B(6)]

City _____ State _____ Country _____ 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 / We wish to receive the following documents via e-mail in lieu of physical document(s) [Please ✓] ☐ Account Statement ☐ Newsletter ☐ Annual Report ☐ All Statutory Returns / Information

IF APPLICANT IS A NON-RESIDENT ☐ NRI (Repatriable) ☐ FII (Repatriable) ☐ NRI Minor (Repatriable)

☐ PIO ☐ NRI (Non Repatriable) ☐ NRI Minor (Non Repatriable)

OCCUPATION OF 1ST APPLICANT / GUARDIAN (Please ✓) ☐ Business ☐ Service ☐ Profession ☐ Retired ☐ Agriculture

☐ House Wife ☐ Student ☐ Others (Please specify) _____

MODE OF HOLDING (Please ✓) ☐ Single ☐ Jointly ☐ Either / Anyone or Survivor (Default Option : Jointly)

3 PERSONAL IDENTIFICATION NUMBER (To serve you better)

Do you want a PIN assigned ? ☐ Yes ☐ No (In case you would want a PIN assigned; please submit a duly filled and signed PIN Form along with this Application. PIN form is available at request / can also be downloaded from our website.)

4 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 _____

NAME OF PARENT / LEGAL GUARDIAN (in case of minor) ☐ Mr. ☐ Ms

ADDRESS OF NOMINEE / GUARDIAN _____

City _____ Pin Code _____ Specimen Signature of Nominee / Guardian

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

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

ACKNOWLEDGEMENT SLIP (To be filled in by the Applicant)

ARN No: _____

Application No. _____

Received from _____

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

Drawn on Bank & Branch _____

Scheme / Plan / Option / Sub-Option _____

Amount ₹ _____

Please Note : All purchases are subject to realisation of payment instrument

Signature, Stamp & Date

[illegible]

Direct Credit Facility is currently available with : BNP Paribas Bank, Citibank, Deutsche Bank, ICICI Bank, IDBI Bank, HDFC Bank, HSBC Bank, Kotak Mahindra Bank, Punjab National Bank, Standard Chartered Bank, Axis Bank, Indusind Bank and Development Credit Bank (only for dividend). For an update in this list please contact any of our ISC at the contact details provided overleaf.

- 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. [* indicates - Mandatory]

☐ MOA & AOA ☐ Trust Deed ☐ Bye-Laws ☐ Partnership Deed ☐ Resolution / Authorisation to invest ☐ List of Authorised Signatories with Specimen Signature(s) ☐ POA

(i) Investment Amount (₹)	(ii) DD Charges (₹)	Net Amount (₹) (i)+(ii)
Mode of Payment (Please ✓)		*Cheque / DD / RTGS / NEFT No.
<input type="checkbox"/> Cheque <input type="checkbox"/> DD <input type="checkbox"/> RTGS <input type="checkbox"/> NEFT <input type="checkbox"/> ECS <input type="checkbox"/> Funds Transfer		
Account Type (Please ✓)		Dated
<input type="checkbox"/> Savings <input type="checkbox"/> Current <input type="checkbox"/> NRE <input type="checkbox"/> NRO <input type="checkbox"/> FCNR <input type="checkbox"/> NRSR		<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>
Payment from Bank A/c. No.	Name of 1st Bank A/c holder	
Drawn on Bank	Name of 2nd Bank A/c holder	
Branch & City	Name of 3rd Bank A/c holder	

Please enclose 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

8 INVESTMENT DETAILS (Please ✓ Choice of Scheme / Plan / Option) - Please ensure there is only one cheque/DD per application form

<input type="checkbox"/> Principal Growth Fund	<input type="checkbox"/> Principal Services Industries Fund	<input type="checkbox"/> Growth <input type="checkbox"/> Dividend <input type="radio"/> Payout <input type="radio"/> Reinvest <input type="radio"/> Sweep	
<input type="checkbox"/> Principal Dividend Yield Fund	<input type="checkbox"/> Principal Emerging Bluechip Fund		
<input type="checkbox"/> Principal Global Opportunities Fund	<input type="checkbox"/> Principal Balanced Fund		
<input type="checkbox"/> Principal Index Fund	<input type="checkbox"/> Principal SMART Equity Fund		
<input type="checkbox"/> Principal Large Cap Fund			
<input type="checkbox"/> Principal Retail Equity Savings Fund [#]	<input type="checkbox"/> Growth	#Subscriptions is restricted only for individual investors (including HUFs, Association of Persons & where an individual is an ultimate beneficiary).	

9 DEMAT ACCOUNT DETAILS [Refer instruction No. 'B (13)']

[illegible]

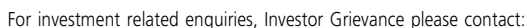
I/We am/are the Beneficial Owner(s) of the Units that will be allotted pursuant to this Application - ☐ Yes ☐ No **(Note: If this section is left blank, it is assumed that the Applicant(s) is the Beneficial Owner)**

If no, kindly indicate the name of the Beneficial Owner _____

[Kindly enclose Copy of PAN & KYC Acknowledgement Letter for the Beneficial Owner. AMC Reserves the right to seek further information/documents for verification purpose]

SIGNATURES	<p>We have read and understood the contents of the Scheme Information Document/s to the Scheme(s) including the sections on "Prevention of Money Laundering and Know Your Customers". I/ We hereby apply to the Trustees of the Principal Mutual Fund (the Mutual Fund) for units of the Scheme as indicated above ["the Scheme"] and agree to abide by the terms and conditions, of the Scheme and such other scheme(s) of the Mutual Fund [Scheme(s)] into which my/our investment may be moved pursuant to any instruction received from me/us to sweep/switch the units as applicable to my / our investment including any further transaction under the Scheme(s). I / We have not received nor have been induced by any rebate or gifts, directly or indirectly, in making this investment. I/We further declare that the amount invested by me/us in the Scheme(s) is derived through legitimate sources and is not held or designed for the purpose of contravention of any act, rules, and regulations or any statute or legislation or any other applicable laws or any notifications, directions issued by any governmental or statutory authority from time to time. I/We hereby confirm that I/We have read and understood the contents on "Third Party Payments" and confirm that the payment for this subscription application has been made from my/our Account or from such accounts as permitted by SEBI / AMFI and provided in the said section on Third Party Payments. Further, relevant declaration and documents as mandated herein have been provided for the mode of my payment.</p> <p>I/We further confirm that I/We have the express authority from the relevant constitution to invest in the units of the Scheme and the Principal Pnb Asset Management Company Pvt. Ltd. [AMC], its Trustee and the Mutual Fund would not be responsible if the investment is ultra vires the relevant constitution.</p> <p>I/We further confirm that the ARN holder (Broker/Sub-Broker) has disclosed to me/us all the commissions (in the form of trail commission or any other mode), payable to him for the different competing Schemes of various Mutual Funds from amongst which the Scheme(s) has been recommended to me/us.</p> <p>I/ We authorize AMC to reject the application, reverse the units credited, restrain me/us from making any further investment in any of the Schemes of Principal Mutual Fund, recover / debit my/our folio(s) with the penal interest and take any appropriate action against me/us in case the cheque(s) / payment instrument is /are returned unpaid by my/our bank for any reason whatsoever.</p> <p>I/We hereby further agree that AMC can directly credit all the dividend payouts and redemption amount to my / our bank account, where AMC has such arrangement with my / our Bank.</p> <p>Applicable to NRIs only: I / We confirm that I am / we are Non-Residents of Indian Nationality / Origin and I / We hereby confirm that the funds for subscription have been remitted from abroad through approved banking channels or from funds in my/our Non-Residents External / Ordinary Account /FCNR Account.</p>									
	APPLICANT SIGNATURE					POA HOLDER SIGNATURE				
	<p>Signature of 1st Applicant / POA Holder / Guardian</p>									
	<p>POA Details - Name</p> <p>PAN <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/></p> <p>Enclosed (please ✓) <input type="checkbox"/> PAN <input type="checkbox"/> KYC (Attach copy of PAN & KYC^)</p>									
	APPLICANT SIGNATURE					POA HOLDER SIGNATURE				
	<p>Signature of 2nd Applicant / POA Holder</p>									
<p>POA Details - Name</p> <p>PAN <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/></p> <p>Enclosed (please ✓) <input type="checkbox"/> PAN <input type="checkbox"/> KYC (Attach copy of PAN & KYC^)</p>										
APPLICANT SIGNATURE					POA HOLDER SIGNATURE					
<p>Signature of 3rd Applicant / POA Holder</p>										
<p>POA Details - Name</p> <p>PAN <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/></p> <p>Enclosed (please ✓) <input type="checkbox"/> PAN <input type="checkbox"/> KYC (Attach copy of PAN & KYC^)</p>										

^ Refer Instruction No. D



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 by CDSL Ventures Ltd / printout of KYC compliance status downloaded from CVL website, 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.

Application No. _____

Please read the instructions before filling the Application Form

DISTRIBUTOR INFORMATION & APPLICATION RECEIPT DATE

Broker Name & Code	Sub-Broker Code	I-Code	Registrar Serial No.	Bank Serial No.	Date & Time of Receipt

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.

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

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
(Note: If this section is left blank, it is assumed that the Applicant(s) is not a First Time Investor and Transaction Charges shall be accordingly deducted)

In case the subscription amount is ₹ 10,000/- or more and the Distributor has opted to receive Transaction Charges, ₹ 150 (for first time mutual fund investor) or ₹ 100/- (for investor other than first time mutual fund investor) will be deducted from the subscription amount and paid to the Distributor. Units will be issued against the balance amount invested.

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 (6) 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 [Note: No Joint holding permitted in case of minor applicant - *Refer Instruction no. B(11)]

Date of Birth (Mandatory for Minor Applicant - *Enclose Supporting Document) _____ PAN _____

STATUS - ☐ Resident Individual ☐ HUF ☐ NRI / PIO / FI ☐ Partnership Firm ☐ BOI ☐ Minor ☐ Bank / FI ☐ Society/Club ☐ Trust ☐ Company ☐ Others (Please specify) _____

Guardian (Mandatory for Minor Applicant) / POA Holder / Contact Person (In case of non-individual Investors - PAN & KYC not required for contact person) ☐ Mr. ☐ Ms

Date of Birth _____ PAN _____ Relationship with Minor Applicant ☐ Father ☐ Mother ☐ Legal Guardian [Note: *Enclose Supporting Document]

NAME OF THE SECOND APPLICANT ☐ Mr. ☐ Ms Date of Birth _____ PAN _____

NAME OF THE THIRD APPLICANT ☐ Mr. ☐ Ms Date of Birth _____ PAN _____

Kindly ensure that Copy of PAN & KYC Acknowledgement Letter are enclosed to your Application Form as per Instruction No. D of this Form.

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

City _____ State _____ Country _____ Pin Code _____

OVERSEAS ADDRESS (in case the First Applicant is NRI/FII/PIO) [P.O. Box Address is not sufficient] [Refer Instruction No. B(6)]

City _____ State _____ Country _____ 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 / We wish to receive the following documents via e-mail in lieu of physical document(s) [Please ✓] ☐ Account Statement ☐ Newsletter ☐ Annual Report ☐ All Statutory Returns / Information

IF APPLICANT IS A NON-RESIDENT

☐ NRI (Repatriable) ☐ FII (Repatriable) ☐ NRI Minor (Repatriable)
☐ PIO ☐ NRI (Non Repatriable) ☐ NRI Minor (Non Repatriable)

OCCUPATION OF 1ST APPLICANT / GUARDIAN (Please ✓)

☐ Business ☐ Service ☐ Profession ☐ Retired ☐ Agriculture
☐ House Wife ☐ Student ☐ Others (Please specify) _____

MODE OF HOLDING (Please ✓) ☐ Single ☐ Jointly ☐ Either / Anyone or Survivor (Default Option : Jointly)

3 PERSONAL IDENTIFICATION NUMBER (To serve you better)

Do you want a PIN assigned? ☐ Yes ☐ No (In case you would want a PIN assigned; please submit a duly filled and signed PIN Form along with this Application. PIN form is available at request / can also be downloaded from our website.)

4 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 (in case of minor) _____

NAME OF PARENT / LEGAL GUARDIAN (in case of minor) ☐ Mr. ☐ Ms

ADDRESS OF NOMINEE / GUARDIAN _____

City _____ Pin Code _____ Specimen Signature of Nominee / Guardian _____

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

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

ACKNOWLEDGEMENT SLIP (To be filled in by the Applicant)

ARN No: _____

Application No. _____

Received from _____

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

Drawn on Bank & Branch _____

Scheme / Plan / Option / Sub-Option _____

Amount ₹ _____

Please Note : All purchases are subject to realisation of payment instrument

Signature, Stamp & Date

5 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 ✓)	For Residents		<input type="checkbox"/> Savings	<input type="checkbox"/> Current	For Non-Resident		<input type="checkbox"/> NRO	<input type="checkbox"/> NRE	<input type="checkbox"/> Repatriable	<input type="checkbox"/> Non-Repatriable	Others									
MICR Code*											This is a 9 digit number next to your Cheque No.					Essential Enclosures : (For Direct Credit)				
Only for IFSC*											NEFT*					<input type="checkbox"/> Blank cancelled cheque <input type="checkbox"/> Copy of cheque				
RTGS* Code											Code									

Direct Credit Facility is currently available with : BNP Paribas Bank, Citibank, Deutsche Bank, ICICI Bank, IDBI Bank, HDFC Bank, HSBC Bank, Kotak Mahindra Bank, Punjab National Bank, Standard Chartered Bank, Axis Bank, Indusind Bank and Development Credit Bank (only for dividend). For an update in this list please contact any of our ISC at the contact details provided overleaf.

• 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. [* indicates - Mandatory]

6 DOCUMENTS ENCLOSED (Please ✓)

☐ MOA & AOA ☐ Trust Deed ☐ Bye-Laws ☐ Partnership Deed ☐ Resolution / Authorisation to invest ☐ List of Authorised Signatories with Specimen Signature(s) ☐ POA

7 PAYMENT DETAILS (Mandatory) [Refer Instruction No. C]

(i) Investment Amount (₹)											(ii) DD Charges (₹)											Net Amount (₹) (i)+(ii)																
Mode of Payment (Please ✓)	<input type="checkbox"/> Cheque		<input type="checkbox"/> DD		<input type="checkbox"/> RTGS		<input type="checkbox"/> NEFT		<input type="checkbox"/> ECS		<input type="checkbox"/> Funds Transfer		*Cheque / DD / RTGS / NEFT No.																									
Account Type (Please ✓)	<input type="checkbox"/> Savings		<input type="checkbox"/> Current		<input type="checkbox"/> NRE		<input type="checkbox"/> NRO		<input type="checkbox"/> FCNR		<input type="checkbox"/> NRSR		Dated <table border="1"><tr><td>D</td><td>D</td><td>M</td><td>M</td><td>Y</td><td>Y</td><td>Y</td><td>Y</td></tr></table>																		D	D	M	M	Y	Y	Y	Y
D	D	M	M	Y	Y	Y	Y																															
Payment from Bank A/c. No.											Name of 1st Bank A/c holder																											
Drawn on Bank											Name of 2nd Bank A/c holder																											
Branch & City											Name of 3rd Bank A/c holder																											

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: Name

☐ Employer: Name ☐ Custodian: Name

Enclosed (please ✓)
☐ KYC Acknowledgement Letter
☐ Declaration of the Bank A/c.

Please enclose 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

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

8 INVESTMENT DETAILS (Please ✓ Choice of Scheme / Plan / Option available for subscription) - Please ensure there is only one cheque/DD per application form

<input type="checkbox"/> Principal Government Securities Fund	<input type="checkbox"/> Growth <input type="checkbox"/> Dividend - <input type="radio"/> Payout <input type="radio"/> Reinvest <input type="radio"/> Sweep
<input type="checkbox"/> Principal Income Fund - Long Term Plan	Dividend Frequency - <input type="checkbox"/> Quarterly <input type="checkbox"/> Annual
<input type="checkbox"/> Principal Near-Term Fund - Conservative Plan	<input type="checkbox"/> Growth <input type="checkbox"/> Dividend
<input type="checkbox"/> Principal Cash Management Fund	Dividend Frequency / Facility - <input type="checkbox"/> Daily <input type="checkbox"/> Weekly - <input type="radio"/> Reinvest
	<input type="checkbox"/> Monthly - <input type="radio"/> Payout <input type="radio"/> Reinvest <input type="radio"/> Sweep
<input type="checkbox"/> Principal Retail Money Manager Fund#	<input type="checkbox"/> Growth <input type="checkbox"/> Dividend (Monthly) <input type="radio"/> Reinvest
<input type="checkbox"/> Principal Near-Term Fund - Corporate Bond Plan	<input type="checkbox"/> Growth <input type="checkbox"/> Dividend - <input type="radio"/> Payout <input type="radio"/> Reinvest <input type="radio"/> Sweep
<input type="checkbox"/> Principal Bank CD Fund <input type="checkbox"/> Principal Income Fund - Short Term Plan	Dividend Frequency - <input type="checkbox"/> Monthly
<input type="checkbox"/> Principal Debt Savings Fund	<input type="radio"/> Monthly Income Plan <input type="checkbox"/> Growth <input type="radio"/> Accumulation <input type="radio"/> AEP <input type="checkbox"/> Dividend <input type="radio"/> Monthly <input type="radio"/> Quarterly - <input type="radio"/> Payout <input type="radio"/> Reinvest <input type="radio"/> Sweep <input type="radio"/> Retail Plan# <input type="checkbox"/> Growth <input type="radio"/> Accumulation <input type="radio"/> AEP

#Subscriptions is restricted only for individual investors (including HUFs, Association of Persons & where an individual is an ultimate beneficiary).

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

9 DEMAT ACCOUNT DETAILS [Refer instruction No. 'B (13)']

Depository Participant (DP) ID Beneficiary Account Number

10 BENEFICIAL OWNER [Refer instruction No. 'F']

I/We am/are the Beneficial Owner(s) of the Units that will be allotted pursuant to this Application - ☐ Yes ☐ No (Note: If this section is left blank, it is assumed that the Applicant(s) is the Beneficial Owner)

If no, kindly indicate the name of the Beneficial Owner

[Kindly enclose Copy of PAN & KYC Acknowledgement Letter for the Beneficial Owner. AMC Reserves the right to seek further information/documents for verification purpose]

11 DECLARATION AND SIGNATURES

I/We have read and understood the contents of the Scheme Information Document/s to the Scheme(s) including the sections on "Prevention of Money Laundering and Know Your Customers". I/We hereby apply to the Trustees of the Principal Mutual Fund (the Mutual Fund) for units of the Scheme(s) as indicated above ("the Scheme") and agree to abide by the terms and conditions, of the Scheme and such other scheme(s) of the Mutual Fund [Scheme(s)] into which my/our investment may be moved pursuant to any instruction received from me/us to sweep/switch the units as applicable to my / our investment including any further transaction under the Scheme(s). I/We have not received nor have been induced by any rebate or gifts, directly or indirectly, in making this investment. I/We further declare that the amount invested by me/us in the Scheme(s) is derived from legitimate sources and is not held or designed for the purpose of contravention of any act, rules, and regulations or any statute or legislation or any other applicable laws and/or any notifications, directions issued by any governmental or statutory authority from time to time. I/We hereby confirm that I/We have read and understood the contents on "Third Party Payments" and confirm that the payment for this subscription application has been made from my/our Account or from such accounts as permitted by SEBI / AMFI and provided in the said section on Third Party Payments. Further, relevant declaration and documents as mandated herein have been provided for the mode of my payment.

I/We further confirm that I/We have the express authority from the relevant constitution to invest in the units of the Scheme and the Principal Pnb Asset Management Company Pvt. Ltd. [AMC], its Trustee and the Mutual Fund would not be responsible if the investment is ultra vires the relevant constitution. I/We further confirm that the ARN holder (Broker/Sub-Broker) has disclosed to me/us all the commissions (in the form of trail commission or any other mode), payable to him for the different competing Schemes of various Mutual Funds from amongst which the Scheme(s) has been recommended to me/us.

I/We authorize AMC to reject the application, reverse the units credited, restrain me/us from making any further investment in any of the Scheme(s) of Principal Mutual Fund, recover / debit my/our folio(s) with the penal interest and take any appropriate action against me/us in case the cheque(s) / payment instrument is/are returned unpaid by my/our bank for any reason whatsoever.

I/We hereby further agree that AMC can directly credit all the dividend payouts and redemption amount to my / our bank account, where AMC has such arrangement with my / our Bank.

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

^ Refer Instruction No. D

SIGNATURES	APPLICANT SIGNATURE		POA HOLDER SIGNATURE	
	Signature of 1st Applicant / POA Holder / Guardian			
	POA Details - Name		POA Details - Name	
	PAN <input type="text"/>		PAN <input type="text"/>	
Enclosed (please ✓) <input type="checkbox"/> PAN <input type="checkbox"/> KYC		(Attach copy of PAN & KYC^)		
SIGNATURES <td colspan="2">APPLICANT SIGNATURE</td> <td colspan="2">POA HOLDER SIGNATURE</td>	APPLICANT SIGNATURE		POA HOLDER SIGNATURE	
	Signature of 2nd Applicant / POA Holder			
	POA Details - Name		POA Details - Name	
	PAN <input type="text"/>		PAN <input type="text"/>	
Enclosed (please ✓) <input type="checkbox"/> PAN <input type="checkbox"/> KYC		(Attach copy of PAN & KYC^)		
SIGNATURES <td colspan="2">APPLICANT SIGNATURE</td> <td colspan="2">POA HOLDER SIGNATURE</td>	APPLICANT SIGNATURE		POA HOLDER SIGNATURE	
	Signature of 3rd Applicant / POA Holder			
	POA Details - Name		POA Details - Name	
	PAN <input type="text"/>		PAN <input type="text"/>	
Enclosed (please ✓) <input type="checkbox"/> PAN <input type="checkbox"/> KYC		(Attach copy of PAN & KYC^)		



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 by CDSL Ventures Ltd / printout of KYC compliance status downloaded from CVL website, 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.

Application No. _____

Please read the instructions before filling the Application Form

DISTRIBUTOR INFORMATION & APPLICATION RECEIPT DATE

Broker Name & Code	Sub-Broker Code	I-Code	Registrar Serial No.	Bank Serial No.	Date & Time of Receipt

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.

TRANSACTION CHARGES FOR APPLICATIONS THROUGH DISTRIBUTORS/AGENTS ONLY [Refer Instruction No. B(14)]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
(Note: If this section is left blank, it is assumed that the Applicant(s) is not a First Time Investor and Transaction Charges shall be accordingly deducted)

In case the subscription amount is ₹ 10,000/- or more and the Distributor has opted to receive Transaction Charges, ₹ 150 (for first time mutual fund investor) or ₹ 100/- (for investor other than first time mutual fund investor) will be deducted from the subscription amount and paid to the Distributor. Units will be issued against the balance amount invested.

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 (6) 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 [Note: No Joint holding permitted in case of minor applicant - *Refer Instruction no. B(11)]

Date of Birth (Mandatory for Minor Applicant - *Enclose Supporting Document) _____ PAN _____

STATUS - ☐ Resident Individual ☐ HUF ☐ NRI / PIO / FI ☐ Partnership Firm ☐ BOI ☐ Minor ☐ Bank / FI ☐ Society/Club ☐ Trust ☐ Company ☐ Others (Please specify) _____Guardian (Mandatory for Minor Applicant) / POA Holder / Contact Person (In case of non-individual Investors - PAN & KYC not required for contact person) ☐ Mr. ☐ MsDate of Birth _____ PAN _____ Relationship with Minor Applicant ☐ Father ☐ Mother ☐ Legal Guardian [Note: *Enclose Supporting Document]NAME OF THE SECOND APPLICANT ☐ Mr. ☐ Ms Date of Birth _____ PAN _____NAME OF THE THIRD APPLICANT ☐ Mr. ☐ Ms Date of Birth _____ PAN _____

Kindly ensure that Copy of PAN & KYC Acknowledgement Letter are enclosed to your Application Form as per Instruction No. D of this Form.

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

City _____ State _____ Country _____ Pin Code _____

OVERSEAS ADDRESS (in case the First Applicant is NRI/FII/PIO) [P.O. Box Address is not sufficient] [Refer Instruction No. B(6)]

City _____ State _____ Country _____ 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 / We wish to receive the following documents via e-mail in lieu of physical document(s) [Please ✓] ☐ Account Statement ☐ Newsletter ☐ Annual Report ☐ All Statutory Returns / Information**IF APPLICANT IS A NON-RESIDENT**☐ NRI (Repatriable) ☐ FII (Repatriable) ☐ NRI Minor (Repatriable)
☐ PIO ☐ NRI (Non Repatriable) ☐ NRI Minor (Non Repatriable)**OCCUPATION OF 1ST APPLICANT / GUARDIAN (Please ✓)**☐ Business ☐ Service ☐ Profession ☐ Retired ☐ Agriculture
☐ House Wife ☐ Student ☐ Others (Please specify) _____MODE OF HOLDING (Please ✓) ☐ Single ☐ Jointly ☐ Either / Anyone or Survivor (Default Option : Jointly)**3 PERSONAL IDENTIFICATION NUMBER (To serve you better)**Do you want a PIN assigned? ☐ Yes ☐ No (In case you would want a PIN assigned; please submit a duly filled and signed PIN Form along with this Application. PIN form is available at request / can also be downloaded from our website.)**4 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 (in case of minor) _____NAME OF PARENT / LEGAL GUARDIAN (in case of minor) ☐ Mr. ☐ Ms

ADDRESS OF NOMINEE / GUARDIAN _____

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] ... continued overleaf**ACKNOWLEDGEMENT SLIP (To be filled in by the Applicant)**

ARN No: _____

Application No. _____

Received from _____

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

Drawn on Bank & Branch _____

Scheme _____

Amount ₹ _____

Please Note : All purchases are subject to realisation of payment instrument

Eligible for deduction under section 80(C) of the Income Tax Act, 1961.

Signature, Stamp & Date

5 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 <input checked="" type="checkbox"/> For Residents <input type="checkbox"/> Savings <input type="checkbox"/> Current <input type="checkbox"/> For Non-Resident <input type="checkbox"/> NRO <input type="checkbox"/> NRE <input type="checkbox"/> Repatriable <input type="checkbox"/> Non-Repatriable <input type="checkbox"/> Others																			
MICR Code*											This is a 9 digit number next to your Cheque No.					Essential Enclosures : (For Direct Credit)				
Only for IFSC*											NEFT* Code					<input type="checkbox"/> Blank cancelled cheque <input type="checkbox"/> Copy of cheque				
RTGS* Code																				

Direct Credit Facility is currently available with : BNP Paribas Bank, Citibank, Deutsche Bank, ICICI Bank, IDBI Bank, HDFC Bank, HSBC Bank, Kotak Mahindra Bank, Punjab National Bank, Standard Chartered Bank, Axis Bank, Indusind Bank and Development Credit Bank (only for dividend). For an update in this list please contact any of our ISC at the contact details provided overleaf.

• 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. [* indicates - Mandatory]

6 DOCUMENTS ENCLOSED (Please ☒)

☐ MOA & AOA ☐ Trust Deed ☐ Bye-Laws ☐ Partnership Deed ☐ Resolution / Authorisation to invest ☐ List of Authorised Signatories with Specimen Signature(s) ☐ POA

7 PAYMENT DETAILS (Mandatory) [Refer Instruction No. C]

(i) Investment Amount (₹)											(ii) DD Charges (₹)						Net Amount (₹) (i)+(ii)								
Mode of Payment (Please <input checked="" type="checkbox"/>)	<input type="checkbox"/> Cheque <input type="checkbox"/> DD <input type="checkbox"/> RTGS <input type="checkbox"/> NEFT <input type="checkbox"/> ECS <input type="checkbox"/> Funds Transfer															*Cheque / DD / RTGS / NEFT No.									
Account Type (Please <input checked="" type="checkbox"/>)	<input type="checkbox"/> Savings <input type="checkbox"/> Current <input type="checkbox"/> NRE <input type="checkbox"/> NRO <input type="checkbox"/> FCNR <input type="checkbox"/> NRSR															Dated					D D M M Y Y Y Y				
Payment from Bank A/c. No.											Name of 1st Bank A/c holder														
Drawn on Bank											Name of 2nd Bank A/c holder														
Branch & City											Name of 3rd Bank A/c holder														

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: Name _____ ☐ Employer: Name _____ ☐ Custodian: Name _____

Enclosed (please ☒)

☐ KYC Acknowledgement Letter
☐ Declaration of the Bank A/c.

Please enclose 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

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

8 INVESTMENT DETAILS (Please ☒ Choice of Scheme) - Please ensure there is only one cheque/DD per application form

☐ Principal Personal Tax Saver Fund

9 ASSIGNMENT CLAUSE (Relevant for resident applicant)

I* _____ hereby assign all the benefits that may be payable in the event of my accidental death by the concerning Insurance Company ["Insurer"] under the Insurance Policy arranged by the Company for the investors in Principal Personal Tax Saver Fund; in favour of :

Name of Assignee Mr/Ms/Mrs _____ Date of Birth DD / MM / YYYY

having his/her address at _____ City _____ Pin _____ State _____

Name of Guardian (where the Assignee is a Minor) _____

I further declare that receipt of the benefits, if any, by the above named Assignee shall be sufficient discharge thereof to the Insurer/ Company.

I also confirm having noted the key terms and conditions of the referred accidental death insurance cover as provided in the Scheme Information Document. The decision of the Insurer on any matter related to admissibility of a claim shall be final and binding. Date _____ Place _____ Witness Name _____

Witness Address _____ Witness Signature _____

* Name of the - Sole/First Applicant only in case of an individual applicant, Karta in case of HUF and First Applicant in case of Association of Persons (AOP)/Body of Individuals.

Minor's Relationship _____

It is compulsory for the applicants to furnish details of the assignee for this insurance cover in the space provided for in the application form. Investor may not get covered under insurance if the assignee is not appointed.

10 DEMAT ACCOUNT DETAILS [Refer instruction No. 'B (13)']

Depository Participant (DP) ID _____ Beneficiary Account Number _____

11 BENEFICIAL OWNER [Refer instruction No. 'F']

I/We am/are the Beneficial Owner(s) of the Units that will be allotted pursuant to this Application - ☐ Yes ☐ No (Note: If this section is left blank, it is assumed that the Applicant(s) is the Beneficial Owner)

If no, kindly indicate the name of the Beneficial Owner _____

[Kindly enclose Copy of PAN & KYC Acknowledgement Letter for the Beneficial Owner. AMC Reserves the right to seek further information/documents for verification purpose]

12 DECLARATION AND SIGNATURES

I/We have read and understood the contents of the Scheme Information Document/s to the Scheme(s) including the sections on "Prevention of Money Laundering and Know Your Customers". I / We hereby apply to the Trustees of the Principal Mutual Fund (the Mutual Fund) for units of the Scheme as indicated above ["the Scheme"] and agree to abide by the terms and conditions of the Scheme and such other scheme(s) of the Mutual Fund [Scheme(s)] into which my/our investment may be moved pursuant to any instruction received from me/us to sweep/switch the units as applicable to my / our investment including any further transaction under the Scheme(s). I / We have not received nor have been induced by any rebate or gifts, directly or indirectly, in making this investment. I/We further declare that the amount invested by me/us in the Scheme(s) is derived through legitimate sources and is not held or designed for the purpose of contravention of any act, rules, and regulations or any statute or legislation or any other applicable laws or any notifications, directions issued by any governmental or statutory authority from time to time. We hereby confirm that I/We have read and understood the contents on "Third Party Payments" and confirm that the payment for this subscription application has been made from my/our Account or from such accounts as permitted by SEBI / AMFI and provided in the said section on Third Party Payments. Further, relevant declaration and documents as mandated herein have been provided for the mode of my payment.

I/We further confirm that I/We have the express authority from the relevant constitution to invest in the units of the Scheme and the Principal PNB Asset Management Company Pvt. Ltd. (AMC), its Trustee and the Mutual Fund would not be responsible if the investment is ultra vires the relevant constitution.

I/We further confirm that the ARN holder (Broker/Sub-Broker) has disclosed to me/us all the commissions (in the form of trail commission or any other mode), payable to him for the different competing Schemes of various Mutual Funds from amongst which the Scheme(s) has been recommended to me/us.

I / We authorize AMC to reject the application, reverse the units credited, restrain me/us from making any further investment in any of the Scheme(s) of Principal Mutual Fund, recover / debit my/our folio(s) with the penal interest and take any appropriate action against me/us in case the cheque(s) / payment instrument is / are returned unpaid by my/our bank for any reason whatsoever.

I/We hereby further agree that AMC can directly credit all the dividend payouts and redemption amount to my / our bank account, where AMC has such arrangement with my / our Bank.

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

^ Refer Instruction No. D

	APPLICANT SIGNATURE	POA HOLDER SIGNATURE
SIGNATURES	Signature of 1st Applicant / POA Holder / Guardian POA Details - Name _____ PAN _____ Enclosed (please <input checked="" type="checkbox"/>) <input type="checkbox"/> PAN <input type="checkbox"/> KYC (Attach copy of PAN & KYC^A)	
	Signature of 2nd Applicant / POA Holder POA Details - Name _____ PAN _____ Enclosed (please <input checked="" type="checkbox"/>) <input type="checkbox"/> PAN <input type="checkbox"/> KYC (Attach copy of PAN & KYC^A)	
	Signature of 3rd Applicant / POA Holder POA Details - Name _____ PAN _____ Enclosed (please <input checked="" type="checkbox"/>) <input type="checkbox"/> PAN <input type="checkbox"/> KYC (Attach copy of PAN & KYC^A)	



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 by CDSL Ventures Ltd / printout of KYC compliance status downloaded from CVL website, 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.

NOMINATION FORM

First Holder : _____
Second Holder : _____
Third Holder : _____
Common Account No. : _____

Please (✓)

- ☐ Appointment of Nominee
☐ Change in Nominee

Date | D | D | M | M | Y | Y | Y | Y |

NOMINEE(S)

I/We do hereby nominate the undermentioned Nominee(s) 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(s) and Signature of the Nominee(s) acknowledging receipt thereof, shall be valid discharge by Principal Pnb Asset Management Co. Pvt. Ltd. (AMC) / Principal Mutual Fund (Fund) / Principal Trustee Company Pvt. Ltd. (TC).

NAME OF FIRST NOMINEE ☐ Mr. ☐ Ms.

| | | | | | | | | | | | | | | | | | | | | |

Date of Birth | D | D | M | M | Y | Y | Y | Y |
(In case of minor)

NAME OF PARENT / LEGAL GUARDIAN (in case of minor) ☐ Mr. ☐ Ms.

| | | | | | | | | | | | | | | | | | | | | |

ADDRESS OF FIRST NOMINEE / LEGAL GUARDIAN

| | | | | | | | | | | | | | | | | | | | | |

| | | | | | | | | | | | | | | | | | | | | |

City | | | | | | | | | | | | | | | | | | | | | | Pin Code | | | | | | | | | |

Specimen Signature of Nominee / Guardian

Percentage of Investment Allocation (integer)

| | | | | %

NAME OF SECOND NOMINEE ☐ Mr. ☐ Ms.

| | | | | | | | | | | | | | | | | | | | | |

Date of Birth | D | D | M | M | Y | Y | Y | Y |
(In case of minor)

NAME OF PARENT / LEGAL GUARDIAN (in case of minor) ☐ Mr. ☐ Ms.

| | | | | | | | | | | | | | | | | | | | | |

ADDRESS OF SECOND NOMINEE / LEGAL GUARDIAN

| | | | | | | | | | | | | | | | | | | | | |

| | | | | | | | | | | | | | | | | | | | | |

City | | | | | | | | | | | | | | | | | | | | | | Pin Code | | | | | | | | | |

Specimen Signature of Nominee / Guardian

Percentage of Investment Allocation (integer)

| | | | | %

NAME OF THIRD NOMINEE ☐ Mr. ☐ Ms.

| | | | | | | | | | | | | | | | | | | | | |

Date of Birth | D | D | M | M | Y | Y | Y | Y |
(In case of minor)

NAME OF PARENT / LEGAL GUARDIAN (in case of minor) ☐ Mr. ☐ Ms.

| | | | | | | | | | | | | | | | | | | | | |

ADDRESS OF THIRD NOMINEE / LEGAL GUARDIAN

| | | | | | | | | | | | | | | | | | | | | |

| | | | | | | | | | | | | | | | | | | | | |

City | | | | | | | | | | | | | | | | | | | | | | Pin Code | | | | | | | | | |

Specimen Signature of Nominee / Guardian

Percentage of Investment Allocation (integer)

| | | | | %

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

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.

(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.

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"**.

Payment Procedures for NRIs

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

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

Payment Procedure - FIs

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

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"**.

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) for subscriptions.
- Bank charges for outstation 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/ Investor Service Centres, 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.
- Unit holders providing the common account number where the unit holders has / have not provided the documents as required mandatorily, such documents should then be provided along with this Application Form.
- Please write application serial number and name on the reverse of the cheque/demand draft.
- The applicants name and address including PIN Code number must be given in full (post box number alone is not sufficient).
- In case the investor is a NRI/FII, an overseas address should also be provided, along with the local address. However, all correspondence shall be at the local address.
- 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 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), the application must be signed by the Authorised Signatory.
- 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.

- 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 continue to 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.
- Custodian on behalf of an FII 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 bank accounts, he should register them with the AMC (refer section 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, unit holder should mandatorily attach supporting documents as required by the fund, like bank certificate, bank passbook copy or statement to prove that the funds are from a bank account held by first unit holder only. 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 in 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 - Karvy Computershare Private Limited, will be relied upon and used for such payments. It is clarified that in case of Change of Bank Account along with Redemption application submitted by the Investor, the redemption proceeds shall be credited to the said bank account only if it is a registered bank account in the records of R&T.

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 courier / post / e-mail.

Unit holders who have opted to receive 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.

- **ECS/NEFT:** Investors who have opted for the ECS/NEFT facility of RBI for dividend payment will receive a direct credit of the amount to them in their notified account whenever the payment is made through ECS/NEFT. It should be noted that while the Mutual Fund will make all efforts, there is no commitment that this facility will be made available to all desirous Investors.

Applicants in cities not covered under ECS/NEFT facility will receive dividend payments by cheques or demand drafts and the same will be mailed to the Unit holders.

Please note that currently the ECS/NEFT facility is available only in respect of dividend payments and not in the case of Redemption of Units. In case an investor has been covered under Direct Credit facility with select banks then dividend payment through ECS/NEFT shall not be effected.

(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 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.

The KYC letter is one time and unique and can be used for transacting across the Mutual Funds.

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

(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) 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) Nomination shall be mandatory for new Folios/Accounts opened by Individual especially with Sole Holding. (4) Nomination shall not be allowed in a Folio held on behalf of Minor. (5) Those Investors who do not wish to nominate must sign separately confirming their non intention to nominate (6) Where a Folio/Account has Joint Holders, all Joint Holders must sign the request for nomination/cancellation of nomination, even if the mode of holding is not "Joint". Applicants can make multiple nomination (to the maximum of three) by filing nomination form available at our Official Point of Acceptance of Transactions / www.principalindia.com (7) A minor can be nominated and in that event, the name and address of the guardian to 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 / payment of redemption proceeds, in favour of a Nominee shall be valid discharge by the AMC against the legal heir(s) to an Account/ Folio. (11) The cancellation / Change of nomination can be made only by those individuals who hold units on their own behalf singly or jointly. 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 AMC shall not be under any obligation to transfer the units in favour of such Nominee. (13) Applicants who do not wish to nominate must, at the designate space, confirm their non-intention to nominate, failing which the form may be rejected at the discretion of the AMC/Fund.

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) 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.

MUTUAL FUND SERVICE SYSTEM (MFSS)

Pursuant to the provisions of SEBI circular no. bearing reference SEBI/MD/CIR No. 11/183204/2009 dated November 13, 2009 and guidelines issued by National Stock Exchange (NSE) thereafter, the below mentioned eligible schemes of Principal Mutual Fund (PMF) have been admitted on the order routing platform of NSE enabling investors to submit applications for subscription and redemption there under:-

Name of Scheme(s)	Type of Scheme(s)
Principal Emerging Bluechip Fund	An Open ended Equity Scheme
Principal Large Cap Fund	An Open ended Equity Scheme
Principal Debt Savings Fund - Monthly Income Plan	An Open Ended Income Fund. Monthly income is not assured and subject to availability of distributable surplus
Principal Debt Savings Fund - Retail Plan	An Open Ended Income Fund
Principal Personal Tax Saver Fund	An Open Ended Equity Linked Savings Scheme

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.
- The list of eligible schemes is subject to change from time to time.
- In order to facilitate transactions through stock exchange infrastructure, NSE has introduced Mutual Fund Service System (MFSS). All trading members registered with NSE as participants and Clearing Members registered with National Securities Clearing Corporation Limited (NCCL), who are registered with AMFI as mutual fund advisors and who are empanelled with Principal Pnb Asset Management Company Pvt. Ltd. (AMC) [Eligible brokers] will be eligible to offer this facility to the investors. Further, Depository Participants of registered Depositories who are also registered with AMFI as mutual fund advisors and empanelled with Principal Pnb Asset Management Company Pvt. Ltd. (AMC) shall also be eligible to process redemption request only. Eligible investors who are willing to transact under this facility are required to register themselves with eligible brokers.
- The units of eligible schemes are not listed on NSE and the same cannot be traded on stock exchange like shares. The window for purchase/redemption of units on NSE 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 and Depository Participants [Eligible Brokers], 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:
 - Physical Form:**
 - Investors desirous of transacting (subscription/redemption) through NSE 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.
 - 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. 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.
 - Dematerialized Form:**
 - Eligible investors having a beneficiary account with a Depository Participant may avail the facility to subscribe units in dematerialize form.
 - Eligible investor desirous in transacting (Subscription/redemption) through NSE should place an order with eligible broker.
 - In case of subscription, the investor should provide their depository account details to the eligible broker. The purchase order thereafter will be entered in the stock exchange system and an order confirmation slip will be issued to the investor. The investor will transfer the funds to eligible broker. The allotment details will be provided by eligible brokers to the investors. Investors shall receive units through Eligible Brokers pool account. Principal Mutual Fund / Principal Pnb Asset Management Company Private Limited (PAMC) would credit the units to Eligible Broker's Pool Account and the Eligible Broker shall in turn credit the units to the respective investor. No account statements will be forwarded to the investor.
 - In case of redemption, the investors should provide their Depository Participant with Depository Instruction Slip with relevant units to be credited to Clearing Corporation pool account. The redemption order shall be entered in the system and an order confirmation slip shall be issued to the investor. The redemption proceeds will be credited to the bank account of the investor, as per bank account details recorded with the Depository Participant through Eligible Broker's Pool Account. Such payment of redemption proceeds will be made by PMF/PAMC to the Broker / Clearing Member and the Eligible Broker shall in turn credit the redemption proceeds to the respective Investors Bank Account. In case of redemption, Investors can also approach Depository Participants for their transactions. Payment of redemption proceeds to the Eligible Broker 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's 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 Brokers with respect to transactions done through NSE, the investor should either contact the concerned Eligible Broker or Investor Grievance Cell of NSE. 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 dematerialize mode.
- Investors will have to comply with KYC norms as prescribed by NSE/CDSL/NSDL and Principal Mutual Fund from time to time.
- 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).
- This facility shall be subject to the terms and conditions specified and guidelines issued by SEBI/AMFI/NSE from time to time.
- AMC reserves the right to change / modify or discontinue this facility at anytime in future.

CHECKLIST

Please ensure that:

- All relevant particulars are filled in / ticked in the form
 - Full name of each holder
 - Full Address
 - ◆ Resident Individual - Indian address or ◆ NRI / FII - Foreign address & Local Address
 - Bank mandate • PAN details & Proof of PAN
 - Scheme / Plan / Option details • Payment details • Mode of holding • Legal Status
- PAN details are furnished [Refer Instruction No. D(I)].
- KYC acknowledgement letter is enclosed [Refer Instruction No. D(II)].
- Your investment is not less than the minimum investment amount.
- Your application is completed and signed by all applicants.
- To prevent fraudulent practices investor are urged to make the Payment Instruments favouring **Name of the Scheme A/c. First Investor Namef OR Name of the Scheme A/c. Permanent Account Numberf OR Name of the Scheme A/c. Folio Numberf** and the same should be crossed **Account Payee Onlyf**.
- On the reverse of the payment instrument submitted please mention the Application Number, PAN and Name of the First Applicant.

Accompanying documents

Please submit the following documents with your application (where applicable).

In case of non-individuals all documents should be true copies certified by a Director / Trustee / Company Secretary / Authorised Signatory.

Documents	Companies	Societies	Partnership Firms	Investments through POA	Trusts	NRI	FII	Individual
Resolution / Authorisation to invest	✓	✓	✓		✓		✓	
List of Authorised Signatories with Specimen signature(s)	✓	✓	✓	✓	✓		✓	
Memorandum & Articles of Association	✓							
Trust Deed					✓			
Bye-laws		✓						
Partnership Deed			✓					
Overseas Auditors Certificate							✓	
Notarised Power of Attorney				✓				
Bank confirmation of Non-Resident Account Type / FIRC						✓		
Copy of PAN Card	✓	✓	✓	✓	✓	✓	✓	✓
Copy of KYC acknowledgement letter	✓	✓	✓	✓	✓	✓	✓	✓

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

• **Agra:** Deepak Wasan Plaza, Behind Holiday Inn, Opp. Megdoot Furnitures, Sanjay Place, Agra-282 002 • **Ahmedabad:** 201-202, Shail Buildings, Opp. Madhusudhan House, Off. C. G. Road, Nr. Navrangpura, Telephone Exchange, Ahmedabad-380 006 • **Ajmer:** 1, 2nd Floor, Ajmer Tower, Kutchary 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, Aga Heritage Gandhi Ground, Amritsar-143 001 • **Anand:** F-6, Chitrangana Complex, Opp. Motikaka Chawl, V.V. Nagar, Anand-388 001 • **Aurangabad:** Shop No. 214/215, Tapadiya City Centre, Nirala Bazar, Aurangabad-431 001 • **Bangalore:** No. 51/25, 1st Floor, Surya Building, Ratna Avenue, Richmond Road, Bangalore-560 025 • **Bankura:** Ambika Market, Natunganj, Bankura-722 101 • **Bareilly:** 1st Floor, 165, Civil Lines, Opp. Hotel Bareilly Palace, Near Rly. Station Road, Bareilly-243 001 • **Belgaum:** Fk-1, Ambedkar Road, Opp. Civil Hospital, Belgaum-590 001 • **Bharuch:** Gr. Floor, Office No-6, Aditya Complex, Opp. Kasak Temple, Bharuch-392 001 • **Bhatinda:** 2048, 1st Floor, Opp. Canara Bank, The Mall Road, Bhatinda-151 001 • **Bhavnagar:** Surabhi Mall, 301, 3rd Floor, Waghawadi Road, Bhavnagar-364 001 • **Bhilai:** No.138, New Civic Centre, Bhilai-490 006 • **Bhopal:** Kay Kay Business Centre, 133, Zone 1, M.P. Nagar, Bhopal-462 011 • **Bhubaneswar:** Plot No- 104/105(P), Jaydev Vihar, Besides Hotel Pal Heights, Bhubaneswar-751 013 • **Bikaner:** 2nd Floor, Plot No 70 & 71, Panchshati Circle, Sardul Gunj Scheme, Bikaner-334 003 • **Bokaro:** B-1, 1st Floor, Near Sona Chandi Jewellers, City Centre, Sector-4, Bokaro Steel City, Bokaro-827 004 • **Burdwan:** 495, B.C. Road, Beside Proyojoni, Burdwan-713 101 • **Calicut:** 2nd Floor, Sowbhagya Shopping Complex, Mavoor Road, Calicut-673 004 • **Chandigarh:** SCO 371-372, 1st Floor, Above HDFC Bank, Sector 35-B, Chandigarh-160 022 • **Chennai:** Flat No. F11, 1st Floor, Akshya Plaza, Erstwhile Harris Road, Opp. Chief City Metropolitan Court, # 108, Adhithanar Salai, Egmore, Chennai-600 002 • **Cochin:** Building No. 39, Ali Arcade, 1st Floor, Near Atlantis Junction, Kizhvana Road, Panampili Nagar, Cochin-682 036 • **Coimbatore:** 29/1, 1st Floor, Chinthamani Nagar, Opp. Indian Overseas Bank, N.S.R. Road, Saibaba Colony, Coimbatore-641 011 • **Cuttack:** Dargha Bazar, Opp. Dargha Bazar Police Station, Buxibazar, Cuttack-753 001 • **Dalhousie:** 19, R.N. Mukherjee Road, 2nd Floor, Dalhousie, Kolkatta-700 001 • **Dehradun:** Kaulagarh Road, Near Sirmour Marg, Above Reliance Webworld, Dehradun-248 001 • **Dhanbad:** 208, New Market, 2nd Floor, Katras Road, Bank More, Dhanbad-826 001 • **Durgapur:** Old Dutta Automobiles Building, 1st Floor, Nachan Road, Benachity, Durgapur-713 213 • **Erode:** No. 4, KMY Salai, Veerappan Traders Complex, Opp. Erode Bus Stand, Sathy Road, Erode-638 003 • **Faridabad:** A-2B, 1st Floor, Nehru Ground, Neelam Bata Road, Nit, Faridabad-121 001 • **Ghaziabad:** 1st Floor, C-7, Lohia Nagar, Ghaziabad-201 001 • **Gorakhpur:** Above V.I.P. House, Ajdacent A.D. Girls Inter College, Bank Road, Gorakhpur-273 001 • **Gurgaon:** Shop No. 18, Gr. Floor, Sector-14, Opp. AKD Tower, Near Huda Office, Gurgaon-122 001 • **Guwahati:** 54 Sagarika Bhawan, R. G. Baruah Road, Guwahati-781 024 • **Gwalior:** Shindi Ki Chawani, Nadi Gate Pul, M.L.B. Road, Gwalior-474 001 • **Hubli:** 8 & 9, Upper Gr. Floor, C Block, Akshaya Park, Gokul Road, Hubli-580 029 • **Hyderabad:** 8-2-596 Karvy Plaza, Avenue 4, Street No.1, Banjara Hills, Hyderabad - 500 034 • **Indore:** G-7, Royal Ratan Building, M.G. Road, Opp. Kotak Mahindra Bank, Indore-452 001 • **Jabalpur:** 43, Naya Bazar, Opp. Shyam Talkies, Jabalpur (M.P.)-482 001 • **Jaipur:** S-16 A, 3rd Floor, Land mark, Opposite Jaipur Club, Mahavir Marg, C-Scheme, Jaipur-302 001 • **Jalandhar:** Lower Gr. Floor, Office No. 3, Arora Prime Tower, Plot No : 28, G.T. Road, Jalandhar-144 004 • **Jalgaon:** 148, Navi Peth, Opp. Vijaya Bank, Near Bharat Dudhalay, Jalgaon-425 001 • **Jammu:** 29 D/C, Green Belt Park, Near Service Selection Commission Office, Gandhi Nagar, Jammu-180 004 • **Jamnagar:** 108 Madhav Plaza, Opp. SBI Bank, Near Lal Bangalow, Jamnagar-361 001 • **Jamshedpur:** Kanchan Tower, 3rd Floor, Chhaganlal Dayalji & Sons, 3-S B Shop Area, Main Road, Bistupur, Jamshedpur-831 001 • **Jodhpur:** 203, Modi Arcade, Chupasni Road, Jodhpur-342 001 • **Junagadh:** 124/125, Punit Shopping Center, Ranavat Chowk, Junagadh-362 001 • **Kanpur:** 15/46, Opp. Muir Mills, Civil Lines, Kanpur-208 001 • **Kolkata:** 166A, Rash Behari Avenue, Kolkata-700029 • **Kolhapur:** 610-A, A.K. Vardhaman Chambers, 2nd Lane, Shahupuri, Kolhapur-416 001 • **Kota:** H.No. 29, First Floor, Near Lala Lajpat Rai Circle, Shopping Centre, Kota-324 007 • **Kottayam:** 1st Floor, CSI Ascension Church Complex, Kottayam-686 001 • **Lucknow:** Usha Sadan, 24, Prem Nagar, Ashok Marg, Lucknow - 226 001. • **Ludhiana:** SCO-3, Bawa Building, Feroze Gandhi Market, Ludhiana-141 001 • **Madurai:** Rakesh Towers, 30-C, Bye Pass Road, 1st Floor, Opp. Nagappa Motors, Madurai-625 010 • **Malda:** Sahistuli Under Ward No. 6, English Bazar, Municipality, No. 1 Govt. Colony, Malda-732 101 • **Mangalore:** Mahendra Arcade, Gr. Floor, Karangalapani, Kodialbail, Mangalore-575 003 • **Meerut:** 1st Floor, Medi Centre Complex, Opp. ICICI Bank, Hapur Road, Meerut-250 002 • **Mehsana:** U L 47 Apollo Enclave, Opp. Simandhar Temple, Modhera Cross Road, Mehsana - 384 002. • **Moradabad:** Om Arcade, Parker Road, Above Syndicate Bank, Tari Khana Chowk, Moradabad-244 001 • **Mumbai:** Fort: Office No. 01/04, 24/B, Raja Bahadur Compound, Ambalal Doshi Marg, Behind Bombay Stock Exchange, Fort, Mumbai-400001 • **Borivali:** Gr. Floor, Himanshu Bldg., Sodawala Lane, Chandawarkar Road, Borivali (West), Mumbai-400 092. • **Thane:** 1st Floor, Jeevan Chaya Bldg, Near Adidas Show Room, Ram Maruti Road, Thane (W)-400 601 • **Muzaffarpur:** 1st Floor, Uma Market, Near Thana Gumti, Motijheel, Muzaffarpur, Bihar-842 001 • **Mysore:** L-350, Silver Tower, Clock Tower, Ashoka Road, Mysore-570 001 • **Nadiad:** 105 GF City Point, Near Paras Cinema, Nadiad-387 001 • **Nagpur:** Sadoday Arcade, Above Top N Town, Dharampeth, Nagpur - 440 001 • **Nasik:** S-12, 2nd Floor, Suyojit Sankul, Sharanpur Road, Nasik-422 002 • **Navsari:** 1st Floor, Chinmay Arcade, Opp. Sattapir, Tower Road, Navsari-396 445 • **New Delhi:** 2E / 23, Jhandewalan Extn., New Delhi-110 055 • **Noida:** 307 Jaipuria Plaza, D-68-A, 2nd Floor, Opp. Delhi Public School, Sector 26, Noida-201 301 • **Panipat:** 1st Floor, Krishna Tower, Near HDFC Bank, Opp. Railway Road, G.T. Road, Panipat-132 103 • **Panjim:** City Business Centre, Coelho Pereira Building, Room Nos. 18, 19 and 20, Dada Vaidya Road, Panjim-403 001 • **Patiala:** SCO 27-D, Chhoti Baradari, Patiala-147 001 • **Patna:** 3A, 3rd Floor, Anand Tower, Beside Chankya Cinema Hall, Exhibition Road, Patna-800 001 • **Pondicherry:** 1st Floor, No.7, Thiagaraja Street, Pondicherry-605 001 • **Pune:** Shop No. 16, 17 & 18, Gr. Floor, Shreenath Plaza, Dnayneshwar Paduka Chowk, F.C.Road, Pune-411 004 • **Raipur:** Room No: TF-31, 3rd Floor, Millennium Plaza, Behind Indian Coffee House, G.E Road, Raipur-492 001. • **Rajkot:** 104, Siddhi Vinayak Complex, Dr. Yagnik Road, Opp. Ramkrishna Ashram, Rajkot-360 001 • **Ranchi:** Commerce Towers, 3rd Floor, Room No. 307, Beside Mahabir Towers, Main Road, Ranchi-834 001 • **Rourkela:** 1st Floor, Sandhu Complex, Kanchery Road, Udit Nagar, Rourkela-769 012 • **Salem:** 49 / 50, Fort Main Road Old No.17, 1st Floor, Shevapet, Salem-636 002 • **Shillong:** Mani Bhawan, Thana Road, Lower Police Bazar, Shillong-739 001 • **Shimla:** Triveni Building, By Pas Chowk, Khallini, Shimla-171 002 • **Siliguri:** Nanak Complex, Near Church Road, Sevoke Road, Siliguri-734 401 • **Surat:** G-16, Empire State Building, Nr. Udhna Darwaja, Ring Road, Surat-395 009 • **Tirunelveli:** Jeney Building, 55/18, S. N. Road, Near Arvind Eye Hospital, Tirunelveli-627 001 • **Trichur:** 2nd Floor, Brother's Complex, Near Dhana Laxmi Bank Head Office, Naikkanal Junction, Trichur-680 001 • **Trichy:** 60 Srikrishna Arcade, 1st Floor, Thennur High Road, Trichy-621 017 • **Trivandrum:** 2nd Floor, Akshaya Towers, Sasthamangalam, Trivandrum-695 010 • **Udaipur:** 201-202, Madhav Chambers, Opp. G. P. O., Chetak Circle, Madhuban, Udaipur-313 001 • **Vadodara:** Piccadilly, Office # 5, 1st Floor, Opp. Adani Super Market, Jetapur Road, Vadodara-390 007 • **Valsad:** Shop No. 2, Phiroza Corner, ICICI Bank Char Rasta, Tithal Road, Valsad-396 001 • **Vapi:** Shop No. 5, Phikhaji Residency, Opp. DCB Bank, Vapi Silvassa Road, Vapi-396 195 • **Varanasi:** D-64/132, KA, 1st Floor, Anant Complex, Sagra, Varanasi-221 001 • **Vellore:** No.1, M.N.R. Arcade, Officer's Line, Krishna Nagar, Vellore-632 001 • **Vijayawada:** 39-10-7 Opp. Municipal Water Tank, Labbipet, Vijayawada-520 010 • **Visakhapatnam:** 47-14-5/1 Eswar Paradise, Dwaraka Nagar, Main Road, Visakhapatnam-530 016 • **Warangal:** 5-6-95, 1st Floor, Opp. B.Ed Collage, Lashkar Bazar, Chandra Complex, Hanmakonda, Warangal-500 601.

Offices of AMC Identified as Official Point of Acceptance / Investor Service Centres

Principal Pnb Asset Management Company Private Limited - Official Point of Acceptance:

- **Mumbai:** Exchange Plaza, 'B' wing, Ground Floor, NSE Building, Bandra Kurla Complex, Bandra (East), Mumbai - 400 051
- **Ahmedabad:** 401, Broadway Business Centre, Opp. Samartheshwar Mahadev Temple, Law Garden Cross Road, Ellisbridge, Ahmedabad-380 006
- **Asansol:** Safe Savings, Street No.1, House No.2, Hindustan Park, Asansol - 713 304
- **Bangalore:** Sigma Trident, 11/2, 1st Floor, Hayes Road, Off. Richmond Road, Bangalore-560 025
- **Bhubaneswar:** Plot No: B-15, Arihant Plaza, 2nd Floor, Sahid Nagar, Bhubaneswar-751 007
- **Chandigarh:** SCO 455-56, 2nd Floor, Sector-35 C, Chandigarh-160 022
- **Chennai:** 305, Challamal Complex, 3rd Floor, 11 Thiyagaraya Road, Chennai-600 017
- **Cochin:** 2nd Flr., Mayur Business Center, Pullepady Junction, Chittor Road, Cochin-682 035
- **Goa*:** C/o Advani Business Center, Neelkamal Arcade, CL -13, Atmaram Borkar Road, Panjim, Goa- 403 001
- **Hyderabad:** White House, 503, 5th Floor, Block No. 1, Begumpet, Hyderabad-500 016
- **Indore:** 222, 2nd Floor, City Center, 570, M.G. Road, Indore-452 001
- **Jaipur:** 305-B, 3rd Floor, Shyam Anukampa Complex, Ashok Marg, C-Scheme, Jaipur-302 001
- **Kanpur:** 118-119, Kan Chambers, Near Stock Exchange Building, 14/113 Civil Lines, Kanpur-208 001
- **Kolkata:** Block No. 503, SHUBHAM, 5th Floor, 1, Sarojini Naidu Sarani, Kolkata-700 017
- **Lucknow:** Sky Hi Chambers, S-205, 2nd Floor, 11/5, Park Road, Lucknow-226 001
- **New Delhi:** Alps Building, 1st Floor, 56 Janpath, New Delhi-110 001
- **Pune:** Unit No: 103 & 104, 1st Floor, Rainbow Plaza, Opp. Modern Highschool, Jangali Maharaj Road, Shivaji Nagar, Pune - 411 005
- **Surat:** 206 Jolly Plaza, Athwagate, Surat-395 001
- **Vadodara:** 103, Paradise Complex, Sayajigunj, Vadodara-390 005.

*Note: These locations are not Official Point of Acceptance.

Registrar:

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

'Madhura Estates', Municipal No.1-9/13/C, Plot No.13 & 13-C, Survey No.74 & 75, Madhapur Village, Ranga Reddy District, Hyderabad-500 081.
• Tel.: (040) 2331 2454. • www.karvycomputershare.com

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



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