

May 2013

towards **Stability**



and **Consistency**

INDEX

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Fixed Income Update for May 2013

Key Market Highlights:

- May witnessed a strong rally in the G-sec and corporate bond market with yields falling by 30-40 bps. Short term money market rates were range bound with marginal fall in yields. The major factors which were responsible for the rally were lower than expected inflation data, IIP, PMI releases, and rate cut expectations.
- In its policy review scheduled on 3rd May 2013, RBI cut key repo and reverse repo rates by 25 bps each as per market expectations and kept other rates including CRR unchanged. RBI has resumed OMOs (Open Market Operations) by announcing the first OMO for FY 2013-14 for ₹ 10,000 cr.
- G sec yields ended the month lower with the existing ten yr benchmark closing at 7.44%, 30 bps lower than previous month. A new ten yr benchmark G-sec was issued during the month at 7.16%, it closed the month below par at 7.24%. This G-sec is expected to become the new benchmark going forward.
- The ten yr AAA PSU Corporate bond benchmark closed at 8.10%, 35 bps lower than previous month. Corporate bond spreads marginally fell across tenors.
- April WPI data release came at 4.89% y-o-y vs. 5.96% in previous month. CPI came sharply lower for April 2013 at 9.39% compared to 10.39% in previous month.
- March industrial production (IIP) came marginally higher at 2.5% reflecting muted growth.

- Banks credit growth was higher at 14.63% in May 2013 while deposit growth was at 13.38%.
- 1 year CD rates fell to 8.30% a fall of 5 bps as compared to previous month.
- Liquidity deficit was higher as compared to April with average LAF repo borrowing for the month was at ₹ 99,000 cr approx.

Outlook:

- Bond markets are expected to consolidate and be range bound after the sharp rally of past two months.
- We expect new ten year benchmark G-sec to trade in a range of 7.10% to 7.35% during the month.
- Liquidity in the banking system is expected continue to remain in deficit mode in the range of 70,000 cr to 1 lakh cr as RBI resumes OMOs.
- Yields of short term CDs and CPs are expected to be under pressure on account of MF redemptions and advance tax outflows. We expect one yr CD rate to trade in a range of 8.10% to 8.35%.
- Corporate bond spreads are expected to remain stable for most of the regular issuers. We expect the five year benchmark AAA PSU corporate bond to trade in a range of 8.00% to 8.30% during the month.

Review of Equity Market for the Month of May 2013

On the back of weaker commodity prices and hopes of more rate cuts by RBI, Sensex and Nifty rallied in the month of May by 1.3% and 0.9% (m-o-m), respectively.

FII investors have been buyers of Indian equity over the past few months, with an inflow of \$3.8 billion in May, which was much above the average level of \$ 2.8 billion for the months of January-April. On the other hand, domestic institutional investors continued to sell with net sales of about \$634 million during the month.

India's GDP growth rate slid to 4.8% in the Q4FY13 on account of dismal shows by all the three sectors to end the entire 2012-13 fiscal year at the decade's lowest expansion at 5%. Slowdown in GDP growth from 9.3% in FY11 to 5% was due to a slowdown in investments and halving in consumption growth.

PERFORMANCE AS ON MAY 31, 2013

	Index	1 Month (%)	3 Months (%)	6 Months (%)	1 Year (%)
Broad Markets					
CNX Nifty Index	5986	0.94	5.14	1.80	21.56
S&P BSE Sensex	19760	1.31	4.77	2.17	21.84
S&P BSE 100	5991	0.84	4.74	1.39	21.23
S&P BSE 200	2409	0.85	4.39	0.82	20.27
S&P BSE 500	7442	0.77	3.88	-0.41	18.50
S&P BSE Mid Cap	6389	0.72	1.38	-7.43	8.15
S&P BSE Small Cap	5943	-1.29	-4.23	-18.31	-5.22
Sectoral Performance					
S&P BSE AUTO	11166	1.90	6.77	3.25	25.85
S&P BSE Bankex	14261	-0.71	8.01	2.22	31.02
S&P BSE CG	9407	-3.20	2.43	-15.10	6.70
S&P BSE CD	7695	3.53	7.29	-4.19	24.08
S&P BSE FMCG	6772	3.41	19.46	12.16	48.05
S&P BSE Metal	8503	-1.71	-6.23	-17.89	-15.87
S&P BSE Oil & Gas	8655	-0.65	0.08	4.88	14.06
S&P BSE PSU	6656	-3.04	-3.01	-7.27	-1.54
S&P BSE Teck	3603	3.69	-7.56	2.12	9.92
S&P BSE HC	8847	1.79	13.27	11.33	33.13

Source - Internal

In macroeconomic news, the trend of a declining trade deficit reversed in April with it widening to US\$17.8 billion. While exports moderated, this was largely due to a surge in gold imports up 138% YoY.

Following double-digit CPI readings in the last few months, the April print came in at 9.4% - nearly 100bps lower (on back of lower food prices) than the March print of 10.4%, while WPI drops to 4.9%, lowest since Nov 2009.

March IIP bounced back to 2.5% compared to 0.5% in the February month due to better performance of manufacturing & power sector coupled with higher output of capital goods.

In results, defensive sectors, including Consumer Staples, Pharma, IT and Telecom have generally done well, whereas cyclical sectors including Capital goods, Infra plays, Materials (mainly Cement), Utilities and Energy have fared poorly. Companies across sectors such as Capital Goods and Auto and Auto ancillaries indicated that demand remains sluggish, leading to lower orders/volume growth, discounting, and pricing pressures. Private banks and NBFCs did uniformly well, in sharp contrast to the performance of PSU banks. Banks indicated that asset quality may deteriorate further in FY14, as stress on the corporate segment remains elevated. Further, PSU banks expect operating costs to rise faster than revenue in FY14 due to wage inflation and revision in actuarial valuation for pension liabilities.

Some of the important local factors to look out for will be currency trajectory, monsoon and earnings; while global factors will be likelihood of QE tapering in the U.S. (sometime in 2H13), continuous skepticism in Europe and possible/ likely stimulus in South-East Asia and risks of competitive de-valuations.

Overall we expect a slight corrective phase in the face of global uncertainties but the trend overall continues to be one of a range bound market with greater focus on bottom up stock opportunities.

In most of our Funds, we are overweight (relative to respective benchmarks) on Pharmaceuticals, Automobile. We are underweight (relative to respective benchmarks) on Metals, Energy, and Industrial manufacturing.

Fund at a Glance

Particulars	EQUITY SCHEMES					
	Principal Large Cap Fund	Principal Emerging Bluechip Fund	Principal Growth Fund	Principal Dividend Yield Fund	Principal Index Fund	Principal SMART Equity Fund
Nature of the Scheme	An Open-ended Equity Scheme	An Open-ended Equity Scheme	An Open-ended Equity Scheme	An Open-ended Equity Scheme	An Open-ended Index Scheme	An Open-ended Equity Scheme
Allotment Date - Regular Plan	November 11, 2005	November 12, 2008	October 25, 2000	October 15, 2004	July 27, 1999	December 16, 2010
- Direct Plan	January 1, 2013	January 1, 2013	January 1, 2013	January 1, 2013	January 1, 2013	January 1, 2013
Investment Plans / Options⁺	Regular Plan & Direct Plan. Both the Plans offer Growth & Dividend Option. Dividend Option under both the Plans offers facility of Payout, Reinvestment and Sweep.					
Fund Manager & Managing the Current Fund from	Anupam Tiwari July 2011	Dhimant Shah June 2011	P.V.K. Mohan September 2010	Dhimant Shah December 2011	Rupali Pandit October 2012	Anupam Tiwari July 2011
Total Investment Experience	8 years	21 years	20 years	21 years	12 years	8 years
Benchmark	S&P BSE 100 Index	CNX Midcap Index	S&P BSE 200 Index	CNX Dividend Opportunities Index	CNX Nifty Index	Crisil Balanced Fund Index
Minimum Application Amount	New Investor: ₹ 5,000 Existing Investor: ₹ 500	New Investor: ₹ 5,000 Existing Investor: ₹ 500	New Investor: ₹ 5,000 Existing Investor: ₹ 500	New Investor: ₹ 5,000 Existing Investor: ₹ 500	New Investor: ₹ 5,000 Existing Investor: ₹ 500	New Investor: ₹ 5,000 Existing Investor: ₹ 500
Cut Off Time[#]	3.00 pm	3.00 pm	3.00 pm	3.00 pm	3.00 pm	3.00 pm
Exit Load (including STP / SWP, if available)	If redeemed on or before 1 Year from the date of allotment - 1%.				Nil	1% if redeemed within 1 year from the date of allotment.
SIP	Available					
SWP / STP	Available					
Minimum No. & Amt. of SIP/SWP/STP (if available)	6 installment of ₹ 500/- each.					

Particulars	EQUITY LINKED SAVINGS SCHEME (ELSS)		FUND OF FUNDS SCHEME	TARGET RISK FUNDS	
	Principal Personal Tax Saver Fund	Principal Tax Savings Fund (Close for subscription)	Principal Global Opportunities Fund	Principal Debt Savings Fund - Monthly Income Plan	Principal Balanced Fund
Nature of the Scheme	An Open-ended Equity Linked Savings Scheme	An Open-ended Equity Linked Savings Scheme	An Open-ended Fund of Funds Scheme	An Open-ended Income Fund (Monthly Income is not assured and is subject to the availability of distributable surplus)	An Open-ended Balanced Scheme
Allotment Date - Regular Plan	March 31, 1996	March 31, 1996	March 29, 2004	May 23, 2002	January 14, 2000
- Direct Plan	January 1, 2013	January 1, 2013	January 1, 2013	January 1, 2013	January 1, 2013
Investment Plans / Options⁺	Regular Plan & Direct Plan. Both the Plan do not have any options at present.	Regular Plan & Direct Plan. Both the Plan do not have any options at present.	Regular Plan & Direct Plan. Both the Plans offer Growth & Dividend Option. Dividend Option under both the Plan offers facility of Payout, Reinvestment and Sweep.	Regular Plan and Direct Plan. Both the Plans offer Dividend & Growth Option. Dividend Frequencies - Monthly / Quarterly	Regular Plan & Direct Plan. Both the Plans offer Growth & Dividend Option. Dividend Option under both the Plan offers facility of Payout, Reinvestment and Sweep.
Fund Manager & Managing the Current Fund from	Anupam Tiwari July 2011	P.V.K. Mohan September 2010	Rajat Jain March 2004	Pankaj Jain January 2012	P.V.K. Mohan May 2010
Total Investment Experience	8 years	20 years	24 years	11 years	20 years
Benchmark	S&P BSE 100 Index	S&P BSE 200 Index	MSCI World Index	Crisil MIP Blended Index	Crisil Balanced Fund Index
Minimum Application Amount	New Investor: ₹ 500 Existing Investor: ₹ 500	New Investor: ₹ 500 Existing Investor: ₹ 500	New Investor: ₹ 10,000 Existing Investor: ₹ 5,000	New Investor: ₹ 5,000 Existing Investor: ₹ 500	New Investor: ₹ 5,000 Existing Investor: ₹ 500
Cut Off Time[#]	3.00 pm	3.00 pm	12.30 pm	3.00 pm	3.00 pm
Exit Load (including STP / SWP, if available)	Nil	Nil	If redeemed on or before 1 Year from the date of allotment - 1%.		
SIP	Available				
SWP / STP	Available after lock-in period		Available	Available	Available
Minimum No. & Amt. of SIP/SWP/STP (if available)	6 installment of ₹ 500/- each.				

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

Fund at a Glance (Contd.)

DEBT SCHEMES

Particulars	Principal Government Securities Fund	Principal Income Fund - Long Term Plan	Principal Debt Opportunities Fund - Corporate Bond Plan	Principal Income Fund - Short Term Plan	Principal Bank CD Fund
Nature of the Scheme	An Open-ended dedicated Gilt Scheme investing in Government Securities	An Open-ended Income Scheme	An Open-ended Debt Scheme	An Open-ended Income Scheme	An Open-ended Debt Scheme
Allotment Date - Regular Plan	August 23, 2001	May 09, 2003	September 14, 2004	May 09, 2003	November 6, 2007
- Direct Plan	January 1, 2013	January 1, 2013	January 1, 2013	January 1, 2013	January 1, 2013
Investment Plans / Options*	Regular Plan and Direct Plan. Both the Plans offer Dividend & Growth Option.				
Dividend Frequencies	Quarterly / Annual	Quarterly / Annual	Monthly	Monthly	Monthly
Fund Manager & Managing the Current Fund from	Bekxy Kuriakose October 2012	Bekxy Kuriakose January 2013	Bekxy Kuriakose January 2013	Gurvinder Singh Wasan April 2011	Gurvinder Singh Wasan April 2011
Total Investment Experience	13 years	13 years	13 years	9 years	9 years
Benchmark	I-Sec Composite Index	Crisil Composite Bond Fund Index	Crisil Composite Bond Fund Index	CRISIL Short-Term Bond Fund Index	Crisil Liquid Fund Index
Minimum Application Amount	New Investor: ₹ 5,000 Existing Investor: ₹ 500	New Investor: ₹ 5,000 Existing Investor: ₹ 500	New Investor: ₹ 5,000 Existing Investor: ₹ 1,000	New Investor: ₹ 5,000 Existing Investor: ₹ 500	New Investor: ₹ 5,000 Existing Investor: ₹ 1,000
Cut Off Time					
Subscription#	3.00 pm	3.00 pm	3.00 pm	3.00 pm	3.00 pm
Redemption	3.00 pm	3.00 pm	3.00 pm	3.00 pm	3.00 pm
Exit Load (including STP / SWP, if available)	Nil	If redeemed on or before 1 Year from the date of allotment - 1%.	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	If redeemed on or before 30 days from the date of allotment - 0.50%	If redeemed on or before 3 months from the date of allotment - 0.25%
SIP / SWP / STP	Available	Available	Available	Available	Available
Minimum number & Amount of SIP/ SWP/STP (if available)	6 installment of ₹ 500/- each.		6 installment of SIP - ₹ 1,000/- each & SWP/STP - ₹ 500/- each.	6 installment of ₹ 500/- each.	6 installment of SIP - ₹ 1,000/- each & SWP/STP - ₹ 500/- each.

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

Fund at a Glance (Contd.)

Particulars	DEBT SCHEMES	LIQUID SCHEME*	RETAIL SCHEMES		
	Principal Debt Opportunities Fund - Conservative Plan	Principal Cash Management Fund	Principal Retail Money Manager Fund*~	Principal Debt Savings Fund - Retail Plan~	Principal Retail Equity Savings Fund~
Nature of the Scheme	An Open-ended Debt Scheme	An Open-ended Liquid Scheme	An Open-ended Liquid Scheme	An Open-ended Income Fund	An Open-ended Equity Scheme
Allotment Date - Regular Plan	September 14, 2004	August 30, 2004	December 28, 2007	December 30, 2003	January 7, 1998
- Direct Plan	January 1, 2013	January 1, 2013	January 1, 2013	January 1, 2013	January 1, 2013
Investment Plans/ Options+/ Dividend Frequencies	Regular Plan and Direct Plan. Both the Plans offer Dividend & Growth Option. Dividend Frequency - Daily / Weekly / Monthly	Regular Plan and Direct Plan. Both the Plans offer Dividend & Growth Option. Dividend Frequency - Daily / Weekly / Monthly	Growth & Dividend Both the Plans offer Dividend & Growth Option. Dividend Frequency - Regular Plan~: Daily / Weekly / Monthly. Direct Plan: Monthly (Reinvestment)	Regular Plan and Direct Plan. Both the Plans offer Dividend~ and Growth Option. Dividend Frequency - Monthly / Quarterly	Regular Plan & Direct Plan. Regular Plan offers Dividend~ & Growth Option. Direct Plan offers Growth Option. Dividend Option offers facility of Payout, Reinvestment and Sweep.
Fund Manager & Managing the Current Fund from	Pankaj Jain January 2012	Pankaj Jain January 2012	Pankaj Jain January 2012	Pankaj Jain January 2012	P.V.K. Mohan October 2012
Total Investment Experience	11 years	11 years	11 years	11 years	20 years
Benchmark	Crisil Liquid Fund Index	Crisil Liquid Fund Index	Crisil Liquid Fund Index	Crisil Short Term Bond Fund Index (w.e.f. June 6, 2013)	S&P BSE 100 Index
Minimum Application Amount	New Investor: ₹ 5,000 Existing Investor: ₹ 1,000	New Investor: ₹ 5,000 Existing Investor: ₹ 1,000	New Investor: ₹ 5,000 Existing Investor: ₹ 1,000	New Investor: ₹ 5,000 Existing Investor: ₹ 500	New Investor: ₹ 5,000 Existing Investor: ₹ 500
Cut Off Time Subscription#	3.00 pm	2.00 pm	2.00 pm	3.00 pm	3.00 pm
Redemption	3.00 pm	3.00 pm	3.00 pm	3.00 pm	3.00 pm
Exit Load (including STP / SWP, if available)	Nil	Nil	If redeemed within 1 month from the date of allotment - 0.50%	If redeemed on or before 1 Year from the date of allotment - 1%.	If redeemed on or before 1 Year from the date of allotment - 1%.
SIP	Available	Not Available	Not Available	Available	Available
SWP / STP	Available	Available	Available	Available	Available
Minimum number & Amount of SIP/ SWP/STP (if available)	6 installment of ₹ 500/- each.				

* In respect of Liquid Scheme(s) NAV applicable shall be subject to receipt of valid application/switch-in request at the OPT and credit of entire subscription/switch-in amounts into the Bank Account of the concerning Scheme(s)/ Plan(s) and funds are available for utilization by the Scheme(s)/Plan(s), within relevant cut-off time as applicable to the relevant Scheme(s)/Plan(s).

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

~ 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, (a) Daily & Weekly Dividend Option and the Payout & Sweep facility to Monthly Dividend Option under Regular Plan of Principal Retail Money Manager Fund (b) Dividend Option under Regular Plan of Principal Debt Savings Fund - Retail Plan and (c) Dividend Option under Regular Plan of Principal Retail Equity Savings Fund, are not available for subscription/Switch-in. Direct Plan under the Scheme do not offer this Options.

+ Effective January 1, 2013, new plan i.e. Direct Plan has been launched, for those investors who purchase/subscribe units in a scheme directly with the Fund and not through a Distributor. Both Regular Plan & Direct Plan share a common portfolio.

Principal Large Cap Fund (An open-ended equity scheme)

FUND FEATURES

QAAUM (For the period January to March 2013):
₹ 365.83 crore

NAV per unit (As on May 31, 2013)

	Direct Plan	Regular Plan
Growth Option :	₹ 29.24	₹ 29.15
Dividend Option :	₹ 20.02	₹ 19.96

INVESTMENT OBJECTIVE

To provide capital appreciation and /or dividend distribution by predominantly investing in companies having a large market capitalization.

DIVIDEND UPDATE (REGULAR PLAN)

Date	Dividend (₹/Unit)*	Cum Dividend NAV
June 24, 2010	1.5000	20.2200
July 28, 2009	2.0000	17.6700
February 5, 2008	2.0000	23.5600
May 15, 2007	1.5000	17.7600

Past performance may or may not be sustained in the future.

* On face value of ₹ 10.

Note: All Dividend (₹/Unit) figures are Gross Dividend.

RATIOS & OTHER DETAILS (As on May 31, 2013)

Standard Deviation [^] (Annualised)	16.09%
Beta [^]	0.89
Sharpe Ratio [^] (Annualised)	-0.05
Portfolio Turnover Ratio ^{**}	1.18
Expense Ratio (Regular Plan) ^{#+}	2.52%

Note: [^] The above measures have been calculated by taking rolling returns for a 3 year period with 7.3105% risk free rate of return (91 days - T Bill Rate as on May 29, 2013).

^{**} Portfolio Turnover Ratio is calculated as lower of sales or purchases divided by average AUM for last rolling 12 months.

[#] Calculated as year to date ratio to average AUM.

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

MARKET CAP ALLOCATION (As on May 31, 2013)

	% of NAV
Equity & Equity Related Instruments of Large Cap Companies	96.91
Equity & Equity Related Instruments of Mid Cap & Other Companies	-
Cash & Other Assets	3.09

PORTFOLIO (As on May 31, 2013)

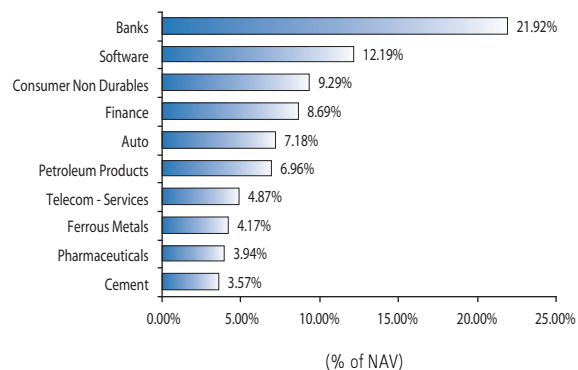
Instrument	Industry	% of NAV
Equity		96.91
Infosys	Software	8.75
ICICI Bank	Banks	8.00
ITC	Consumer Non Durables	6.98
Housing Development Finance Corporation	Finance	5.96
State Bank of India	Banks	5.46
Reliance Industries	Petroleum Products	5.29
Tata Motors	Auto	5.07
HDFC Bank	Banks	4.73
Jindal Steel & Power	Ferrous Metals	4.17
Divi's Laboratories	Pharmaceuticals	3.94
Shree Cements	Cement	3.57
Oracle Financial Services Software	Software	3.44

Oil & Natural Gas Corporation	Oil	3.40
Idea Cellular	Telecom - Services	3.36
NHPC	Power	2.21
Maruti Suzuki India	Auto	2.11
Motherson Sumi Systems	Auto Ancillaries	2.08
LIC Housing Finance	Finance	1.95
Larsen & Toubro	Construction Project	1.80
Aditya Birla Nuvo	Services	1.69
Bharat Petroleum Corporation	Petroleum Products	1.67
Axis Bank	Banks	1.58
Bharti Airtel	Telecom - Services	1.51
Canara Bank	Banks	1.50
Hindustan Unilever	Consumer Non Durables	1.30
Nestle India	Consumer Non Durables	1.01
NMDC	Minerals/Mining	0.95
Sun TV Network	Media & Entertainment	0.92
Coal India	Minerals/Mining	0.87
IDFC	Finance	0.78
Union Bank of India	Banks	0.65
United Phosphorus	Pesticides	0.21

Cash and Other Assets **3.09**

Net Assets **100.00**

SECTOR ALLOCATION (TOP 10) (As on May 31, 2013)



Principal Emerging Bluechip Fund (An open-ended equity scheme)

FUND FEATURES

QAAUM (For the period January to March 2013):
₹ 277.80 crore

NAV per unit (As on May 31, 2013)

	Direct Plan	Regular Plan
Growth Option :	₹ 32.71	₹ 32.60
Dividend Option :	₹ 24.91	₹ 24.84

INVESTMENT OBJECTIVE

To achieve long-term capital appreciation by investing in equity & equity related instruments of Mid Cap & Small Cap companies.

DIVIDEND UPDATE (REGULAR PLAN)

Date	Dividend (₹/Unit)*	Cum Dividend NAV
October 15, 2010	1.0000	27.4300
June 19, 2009	4.0000	19.3500

Past performance may or may not be sustained in the future.

* On face value of ₹ 10.

Note: All Dividend (₹/Unit) figures are Gross Dividend.

RATIOS & OTHER DETAILS (As on May 31, 2013)

Standard Deviation [^] (Annualised)	19.21%
Beta [^]	0.90
Sharpe Ratio [^] (Annualised)	-0.01
Portfolio Turnover Ratio ^{**}	0.52
Expense Ratio (Regular Plan) ^{#+}	2.54%

Note: [^] The above measures have been calculated by taking rolling returns for a 3 year period with 7.3105% risk free rate of return (91 days - T Bill Rate as on May 29, 2013).

^{**} Portfolio Turnover Ratio is calculated as lower of sales or purchases divided by average AUM for last rolling 12 months.

[#] Calculated as year to date ratio to average AUM.

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

MARKET CAP ALLOCATION (As on May 31, 2013)

	% of NAV
Equity and equity related instruments of Mid Cap Companies	83.77
Equity and equity related instruments of Small Cap Companies	11.09
Equity and equity related instruments of Companies other than Mid & Small Cap	5.31
Cash and Money Market / Fixed Income Securities (including MIBOR Linked Short Term Papers & Securitised Debt)	-0.17

Market Cap Range for CNX Midcap Stocks

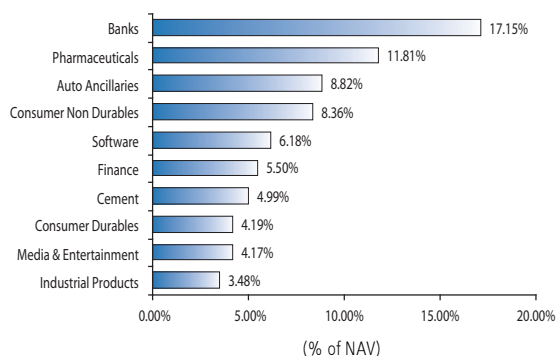
As on March 31, 2013 ₹ 51,253.12 Cr – ₹ 1,839.31 Crs

PORTFOLIO (As on May 31, 2013)

Instrument	Industry	% of NAV
Equity		100.17
Amara Raja Batteries	Auto Ancillaries	4.48
Shree Cements	Cement	3.88
ING Vysya Bank	Banks	3.22
ICICI Bank	Banks	3.11
The Federal Bank	Banks	3.09
The Jammu & Kashmir Bank	Banks	2.68
Godrej Consumer Products	Consumer Non Durables	2.59
LIC Housing Finance	Finance	2.57
Divi's Laboratories	Pharmaceuticals	2.52
Eicher Motors	Auto	2.49
Sadbhav Engineering	Construction Project	2.43
Kaveri Seed Company	Consumer Non Durables	2.41
IPCA Laboratories	Pharmaceuticals	2.39
Apollo Tyres	Auto Ancillaries	2.34

Yes Bank	Banks	2.32
Glenmark Pharmaceuticals	Pharmaceuticals	2.28
HCL Technologies	Software	2.20
Satyam Computer Services	Software	2.20
Oil India	Oil	2.13
Motherson Sumi Systems	Auto Ancillaries	2.00
Cummins India	Industrial Products	1.95
Sun TV Network	Media & Entertainment	1.94
Lupin	Pharmaceuticals	1.81
Tata Global Beverages	Consumer Non Durables	1.80
Oracle Financial Services Software	Software	1.78
Aditya Birla Nuvo	Services	1.78
Union Bank of India	Banks	1.73
Torrent Pharmaceuticals	Pharmaceuticals	1.66
Symphony	Consumer Durables	1.61
Asian Paints	Consumer Non Durables	1.56
Max India	Finance	1.54
Titan Industries	Consumer Durables	1.54
MT Educare	Diversified Consumer Services	1.53
Tata Chemicals	Chemicals	1.40
Hindustan Petroleum Corporation	Petroleum Products	1.40
Mahindra & Mahindra Financial Services	Finance	1.39
Gateway Distriparks	Transportation	1.38
Spicejet	Transportation	1.31
Prestige Estates Projects	Construction	1.31
Hathway Cable & Datacom	Media & Entertainment	1.30
Aurobindo Pharma	Pharmaceuticals	1.15
JK Cement	Cement	1.11
Bata India	Consumer Durables	1.04
Petronet LNG	Gas	1.02
Oriental Bank of Commerce	Banks	1.00
Godrej Industries	Chemicals	0.96
Dish TV India	Media & Entertainment	0.93
Graphite India	Industrial Products	0.92
Gujarat Mineral Development Corporation	Minerals/Mining	0.91
Arvind	Textile Products	0.89
Indraprastha Gas	Gas	0.88
United Phosphorus	Pesticides	0.84
KEC International	Power	0.80
Reliance Infrastructure	Power	0.69
Puravankara Projects	Construction	0.67
Pantaloon Retail (India)	Retailing	0.63
Jain Irrigation Systems	Industrial Products	0.61
Pantaloons Fashion & Retail	Retailing	0.07
Cash and Other Assets		-0.17
Net Assets		100.00

SECTOR ALLOCATION (TOP 10) (As on May 31, 2013)



Principal Growth Fund (An open-ended equity scheme)

FUND FEATURES

QAAUM (For the period January to March 2013):

₹ 261.38 crore

NAV per unit (As on May 31, 2013)

	Direct Plan	Regular Plan
Growth Plan :	₹ 55.46	₹ 55.32
Dividend Plan :	₹ 25.13	₹ 25.07

INVESTMENT OBJECTIVE

To achieve long-term capital appreciation.

DIVIDEND UPDATE (REGULAR PLAN)

Date	Dividend (₹/Unit)*	Cum Dividend NAV
December 31, 2007	2.5000	37.1400
March 20, 2006	2.5000	24.6400

Past performance may or may not be sustained in the future.

* On face value of ₹ 10.

Note: All Dividend (₹/Unit) figures are Gross Dividend.

RATIOS & OTHER DETAILS (As on May 31, 2013)

Standard Deviation [^] (Annualised)	18.01%
Beta [^]	0.98
Sharpe Ratio [^] (Annualised)	-0.05
Portfolio Turnover Ratio ^{**}	1.34
Expense Ratio (Regular Plan) ^{#+}	2.55%

Note: [^] The above measures have been calculated by taking rolling returns for a 3 year period with 7.3105% risk free rate of return (91 days - T Bill Rate as on May 29, 2013).

^{**} Portfolio Turnover Ratio is calculated as lower of sales or purchases divided by average AUM for last rolling 12 months.

[#] Calculated as year to date ratio to average AUM.

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

PORTFOLIO (As on May 31, 2013)

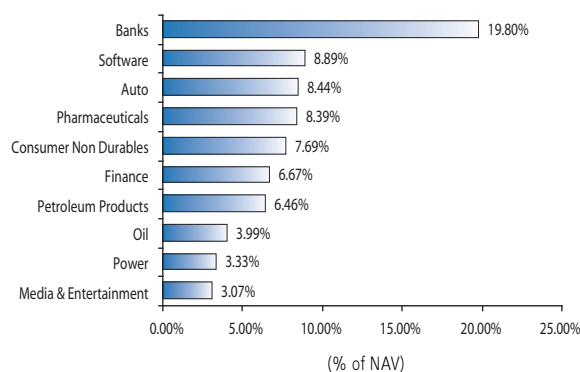
Instrument	Industry	% of NAV
Equity		95.15
ITC	Consumer Non Durables	7.69
ICICI Bank	Banks	5.69
Reliance Industries	Petroleum Products	5.18
Tata Motors	Auto	4.53
Housing Development Finance Corporation	Finance	4.19
HDFC Bank	Banks	3.57
Maruti Suzuki India	Auto	2.95
Oracle Financial Services Software	Software	2.72
Motherson Sumi Systems	Auto Ancillaries	2.60
IPCA Laboratories	Pharmaceuticals	2.56
The Federal Bank	Banks	2.53
State Bank of India	Banks	2.35
Jain Irrigation Systems	Industrial Products	2.17
Oil & Natural Gas Corporation	Oil	2.00
HCL Technologies	Software	1.91
Infosys	Software	1.72
NIIT Technologies	Software	1.72
Titan Industries	Consumer Durables	1.60
ING Vysya Bank	Banks	1.59
IDFC	Finance	1.54
Aurobindo Pharma	Pharmaceuticals	1.52

Bharat Petroleum Corporation	Petroleum Products	1.28
Lupin	Pharmaceuticals	1.23
Idea Cellular	Telecom - Services	1.23
Jaiprakash Power Ventures	Power	1.21
Prestige Estates Projects	Construction	1.19
Zee Entertainment Enterprise	Media & Entertainment	1.18
Hathway Cable & Datacom	Media & Entertainment	1.18
Aditya Birla Nuvo	Services	1.16
United Phosphorus	Pesticides	1.16
Alembic Pharmaceuticals	Pharmaceuticals	1.15
Axis Bank	Banks	1.14
Sterlite Industries (India)	Non - Ferrous Metals	1.11
Raymond	Textile Products	1.10
Union Bank of India	Banks	1.09
Reliance Infrastructure	Power	1.07
Indiabulls Power	Power	1.05
Oil India	Oil	1.02
Larsen & Toubro	Construction Project	0.99
Divi's Laboratories	Pharmaceuticals	0.99
JK Cement	Cement	0.99
Bank of Baroda	Banks	0.98
Cairn India	Oil	0.97
Escorts	Auto	0.96
Torrent Pharmaceuticals	Pharmaceuticals	0.94
Power Finance Corporation	Finance	0.94
Ambuja Cements	Cement	0.86
Oriental Bank of Commerce	Banks	0.86
Puravankara Projects	Construction	0.78
Gujarat Mineral Development Corporation	Minerals/Mining	0.75
Eros International Media	Media & Entertainment	0.71
Jindal Steel & Power	Ferrous Metals	0.70
Polaris Financial Technology	Software	0.65
Infinite Computer Solutions (India)	Software	0.17
Milestone Global Ltd	Construction Materials	0.03

Cash and Other Assets **4.85**

Net Assets **100.00**

SECTOR ALLOCATION (TOP 10) (As on May 31, 2013)



Principal Dividend Yield Fund (An open-ended equity scheme)

FUND FEATURES

QAAUM (For the period January to March 2013):

₹ 108.40 crore

NAV per unit (As on May 31, 2013)

	Direct Plan	Regular Plan
Growth Plan :	₹ 24.09	₹ 24.03
Dividend Plan :	₹ 17.78	₹ 17.74

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.

DIVIDEND UPDATE (REGULAR PLAN)

Date	Dividend (₹/Unit)*	Cum Dividend NAV
October 12, 2007	1.5000	15.4400
April 24, 2006	1.5000	15.7200
October 3, 2005	0.7500	13.5100
April 20, 2005	0.5000	11.0900

* On face value of ₹ 10.

Past performance may or may not be sustained in the future.

Note: All Dividend (₹/Unit) figures are Gross Dividend.

RATIOS & OTHER DETAILS (As on May 31, 2013)

Standard Deviation [^] (Annualised)	18.13%
Beta [^]	1.03
Sharpe Ratio [^] (Annualised)	0.01
Portfolio Turnover Ratio ^{**}	0.46
Expense Ratio (Regular Plan) ^{#+}	2.70%

Note: [^] The above measures have been calculated by taking rolling returns for a 3 year period with 7.3105% risk free rate of return (91 days - T Bill Rate as on May 29, 2013).

^{**} Portfolio Turnover Ratio is calculated as lower of sales or purchases divided by average AUM for last rolling 12 months.

[#] Calculated as year to date ratio to average AUM.

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

PORTFOLIO (As on May 31, 2013)

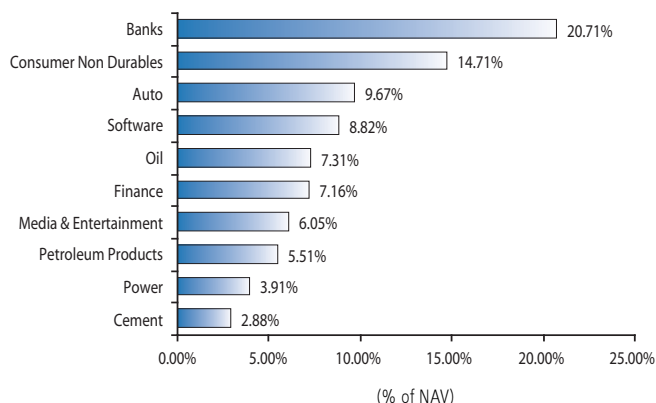
Instrument	Industry	% of NAV
Equity		99.93
ITC	Consumer Non Durables	6.40
Oil & Natural Gas Corporation	Oil	3.98
Tata Motors - A Class	Auto	3.93
ICICI Bank	Banks	3.75
Bajaj Holdings & Investment	Finance	3.49
The Jammu & Kashmir Bank	Banks	3.45
NIIT Technologies	Software	3.26
Sun TV Network	Media & Entertainment	3.03
VST Industries	Consumer Non Durables	2.97
State Bank of India	Banks	2.87
Bank of Baroda	Banks	2.83
Colgate Palmolive (India)	Consumer Non Durables	2.74
Bajaj Auto	Auto	2.61
Hero MotoCorp	Auto	2.47
Oil India	Oil	2.36
Gujarat Industries Power Company	Power	2.25
Gateway Distriparks	Transportation	2.21
ACC	Cement	1.92
National Buildings Construction Corporation	Construction	1.78
Union Bank of India	Banks	1.77

Tata Global Beverages	Consumer Non Durables	1.73
Zensar Technologies	Software	1.70
Cummins India	Industrial Products	1.67
Tata Chemicals	Chemicals	1.66
NTPC	Power	1.66
HCL Technologies	Software	1.61
Castrol India	Petroleum Products	1.58
Hinduja Ventures	Media & Entertainment	1.52
Hindustan Petroleum Corporation	Petroleum Products	1.51
Rural Electrification Corporation	Finance	1.50
Karur Vysya Bank	Banks	1.47
Power Finance Corporation	Finance	1.41
Reliance Industries	Petroleum Products	1.35
Tata Consultancy Services	Software	1.28
Supreme Industries	Industrial Products	1.19
Tamil Nadu Newsprint & Papers	Paper	1.11
Bharat Petroleum Corporation	Petroleum Products	1.07
IPCA Laboratories	Pharmaceuticals	1.07
Oriental Bank of Commerce	Banks	1.06
Jagran Prakashan	Media & Entertainment	1.02
Tata Steel	Ferrous Metals	0.99
Infosys	Software	0.97
Syndicate Bank	Banks	0.97
Cairn India	Oil	0.97
JK Cement	Cement	0.96
The South Indian Bank	Banks	0.94
Kolte - Patil Developers	Construction	0.94
McLeod Russel India	Consumer Non Durables	0.87
Allahabad Bank	Banks	0.86
LIC Housing Finance	Finance	0.76
Dena Bank	Banks	0.74
SML Isuzu	Auto	0.66
Repro India	Media & Entertainment	0.48
Chambal Fertilizers & Chemicals	Fertilisers	0.27
Coal India	Minerals/Mining	0.20
Volant Textile Mills	Textile - Cotton	0.11

Cash and Other Assets **0.07**

Net Assets **100.00**

SECTOR ALLOCATION (TOP 10) (As on May 31, 2013)



Principal Index Fund (An open-ended index scheme)

FUND FEATURES

QAAUM (For the period January to March 2013):

₹ 21.11 crore

NAV per unit (As on May 31, 2013)

	Direct Plan	Regular Plan
Growth Plan :	₹ 41.1400	₹ 41.1008
Dividend Plan :	₹ 24.1785	₹ 24.1558

INVESTMENT OBJECTIVE

To invest principally in securities that comprise CNX Nifty (NSE) and subject to tracking errors endeavour to attain results commensurate with the Nifty.

DIVIDEND UPDATE (REGULAR PLAN)

Date	Dividend (₹/Unit)*	Cum Dividend NAV
December 24, 2008	3.7500	15.7934

* On face value of ₹ 10.

Past performance may or may not be sustained in the future.

Note: All Dividend (₹/Unit) figures are Gross Dividend.

RATIOS & OTHER DETAILS (As on May 31, 2013)

Standard Deviation [^] (Annualised)	17.51%
Beta [^]	1.00
Sharpe Ratio [^] (Annualised)	0.05
Portfolio Turnover Ratio ^{**}	2.67
Expense Ratio (Regular Plan) ^{#+}	0.73%

Note: [^] The above measures have been calculated by taking rolling returns for a 3 year period with 7.3105% risk free rate of return (91 days - T Bill Rate as on May 29, 2013).

^{**} Portfolio Turnover Ratio is calculated as lower of sales or purchases divided by average AUM for last rolling 12 months.

[#] Calculated as year to date ratio to average AUM.

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

TRACKING DEVIATION

0.95% *

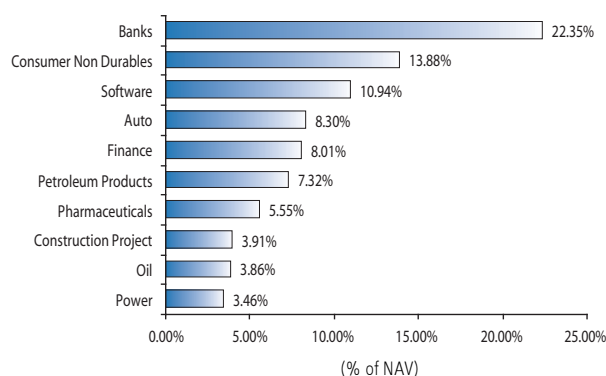
* Trailing 12 months ended May 31, 2013 (Annualized).

PORTFOLIO (As on May 31, 2013)

Instrument	Industry	% of NAV
Equity		99.08
ITC	Consumer Non Durables	9.61
Housing Development Finance Corporation	Finance	7.09
ICICI Bank	Banks	6.86
Reliance Industries	Petroleum Products	6.82
HDFC Bank	Banks	6.63
Infosys	Software	5.99
Tata Consultancy Services	Software	3.93
Larsen & Toubro	Construction Project	3.91
Hindustan Unilever	Consumer Non Durables	3.13
Oil & Natural Gas Corporation	Oil	2.99
Tata Motors	Auto	2.85
State Bank of India	Banks	2.72
Mahindra & Mahindra	Auto	2.29
Axis Bank	Banks	2.28
Sun Pharmaceuticals Industries	Pharmaceuticals	2.02
Bharti Airtel	Telecom - Services	1.86
NTPC	Power	1.64

Kotak Mahindra Bank	Banks	1.52
Dr. Reddy's Laboratories	Pharmaceuticals	1.36
Bajaj Auto	Auto	1.26
Asian Paints	Consumer Non Durables	1.14
Indusind Bank	Banks	1.13
Coal India	Minerals/Mining	1.06
Maruti Suzuki India	Auto	1.05
HCL Technologies	Software	1.02
Tata Steel	Ferrous Metals	1.00
Ultratech Cement	Cement	0.98
Cipla	Pharmaceuticals	0.97
Grasim Industries	Cement	0.93
IDFC	Finance	0.92
Lupin	Pharmaceuticals	0.90
Cairn India	Oil	0.87
Hero MotoCorp	Auto	0.85
Power Grid Corporation of India	Power	0.83
Bharat Heavy Electricals	Industrial Capital Goods	0.82
Tata Power Company	Power	0.74
Ambuja Cements	Cement	0.72
GAIL (India)	Gas	0.71
Hindalco Industries	Non - Ferrous Metals	0.68
Bank of Baroda	Banks	0.63
ACC	Cement	0.59
Punjab National Bank	Banks	0.58
Jindal Steel & Power	Ferrous Metals	0.56
Bharat Petroleum Corporation	Petroleum Products	0.50
NMDC	Minerals/Mining	0.48
Jaiprakash Associates	Construction	0.41
DLF	Construction	0.37
Sesa Goa	Minerals/Mining	0.33
Ranbaxy Laboratories	Pharmaceuticals	0.30
Reliance Infrastructure	Power	0.25
Cash and Other Assets		0.92
Net Assets		100.00

SECTOR ALLOCATION (TOP 10) (As on May 31, 2013)



Principal SMART Equity Fund (An open-ended equity scheme)

FUND FEATURES

QAAUM (For the period January to March 2013):

₹ 91.69 crore

NAV per unit (As on May 31, 2013)

	Direct Plan	Regular Plan
Growth Plan :	₹ 11.12	₹ 11.07
Dividend Plan :	₹ 11.12	₹ 11.07

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.

RATIOS & OTHER DETAILS (As on May 31, 2013)

Portfolio Turnover Ratio**	1.15
Expense Ratio (Regular Plan)#+	2.70%

** Portfolio Turnover Ratio is calculated as lower of sales or purchases divided by average AUM for last rolling 12 months.

Calculated as year to date ratio to average AUM.

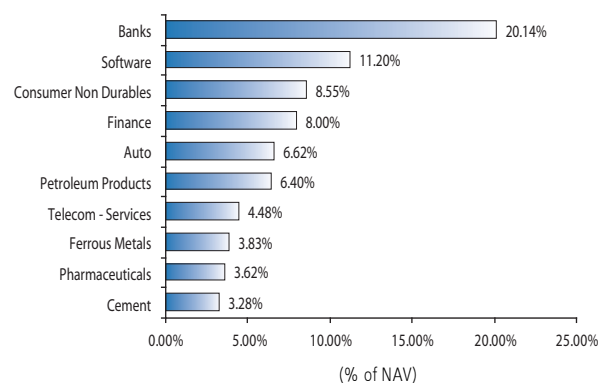
+ Direct Plan shall have a lower expense ratio excluding distribution expenses, commission, etc. and no commission for distribution of Units will be paid / charged under the Direct Plan.

PORTFOLIO (As on May 31, 2013)

Instrument	Industry/Rating	% of NAV
Equity		89.02
Infosys	Software	8.04
ICICI Bank	Banks	7.34
ITC	Consumer Non Durables	6.43
Housing Development Finance Corporation	Finance	5.49
State Bank of India	Banks	5.02
Reliance Industries	Petroleum Products	4.86
Tata Motors	Auto	4.68
HDFC Bank	Banks	4.35
Jindal Steel & Power	Ferrous Metals	3.83
Divi's Laboratories	Pharmaceuticals	3.62
Shree Cements	Cement	3.28
Oracle Financial Services Software	Software	3.16
Oil & Natural Gas Corporation	Oil	3.12
Idea Cellular	Telecom - Services	3.09
NHPC	Power	1.96
Maruti Suzuki India	Auto	1.94
Motherson Sumi Systems	Auto Ancillaries	1.92
LIC Housing Finance	Finance	1.79

Larsen & Toubro	Construction Project	1.65
Aditya Birla Nuvo	Services	1.55
Bharat Petroleum Corporation	Petroleum Products	1.54
Axis Bank	Banks	1.45
Bharti Airtel	Telecom - Services	1.39
Canara Bank	Banks	1.38
Hindustan Unilever	Consumer Non Durables	1.19
Nestle India	Consumer Non Durables	0.93
NMDC	Minerals/Mining	0.87
Sun TV Network	Media & Entertainment	0.84
Coal India	Minerals/Mining	0.80
IDFC	Finance	0.72
Union Bank of India	Banks	0.60
United Phosphorus	Pesticides	0.19
Commercial Paper		7.26
ECL Finance	A1+	7.26
BONDS & NCDs		4.42
Tata Capital Financial Services	AA+	4.42
Cash and Other Assets		-0.70
Net Assets		100.00

SECTOR ALLOCATION OF EQUITY INSTRUMENTS (TOP 10) (As on May 31, 2013)



Principal Personal Tax Saver Fund (An open-ended equity linked savings scheme)

Free
Accidental
Death Insurance
150 times the
number of
units##

FUND FEATURES

QAAUM (For the period January to March 2013):

₹ 400.24 crore

NAV per unit (As on May 31, 2013)

Direct Plan: ₹ 96.03

Regular Plan: ₹ 95.79

INVESTMENT OBJECTIVE

To provide long term growth of capital. The Investment Manager will aim to achieve a return on assets in excess of the performance of S&P BSE 100 Index.

DIVIDEND UPDATE (REGULAR PLAN)

Date	Dividend (₹/Unit)*	Cum Dividend NAV
March 25, 2008	40.0000	124.66
February 26, 2008	20.0000	172.57
December 31, 2007	11.0000	221.26
October 30, 2007	11.0000	190.53
March 13, 2006	10.0000	118.96
November 2, 2005	40.0000	124.43

* On face value of ₹ 10.

Past performance may or may not be sustained in the future.

Note: All Dividend (₹/Unit) figures are Gross Dividend.

RATIOS & OTHER DETAILS (As on May 31, 2013)

Standard Deviation [^] (Annualised)	16.74%
Beta [^]	0.93
Sharpe Ratio [^] (Annualised)	-0.12
Portfolio Turnover Ratio ^{**}	1.18
Expense Ratio (Regular Plan) ^{#+}	2.52%

Note: [^] The above measures have been calculated by taking rolling returns for a 3 year period with 7.3105% risk free rate of return (91 days - T Bill Rate as on May 29, 2013).

^{**} Portfolio Turnover Ratio is calculated as lower of sales or purchases divided by average AUM for last rolling 12 months.

[#] Calculated as year to date ratio to average AUM.

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

PORTFOLIO (As on May 31, 2013)

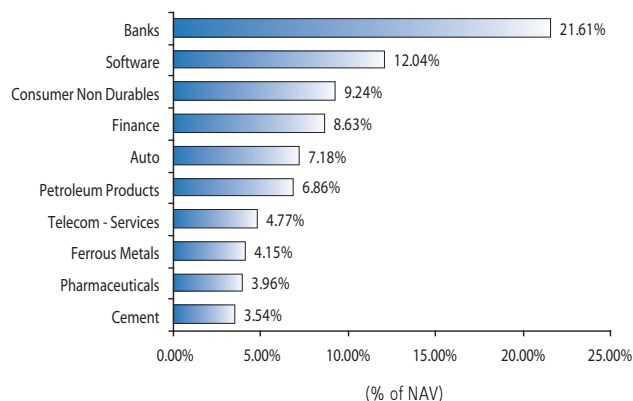
Instrument	Industry	% of NAV
Equity		95.94
Infosys	Software	8.62
ICICI Bank	Banks	7.93
ITC	Consumer Non Durables	6.93
Housing Development Finance Corporation	Finance	5.93
State Bank of India	Banks	5.42
Reliance Industries	Petroleum Products	5.20
Tata Motors	Auto	5.10
HDFC Bank	Banks	4.60
Jindal Steel & Power	Ferrous Metals	4.15
Divi's Laboratories	Pharmaceuticals	3.96
Shree Cements	Cement	3.54
Oracle Financial Services Software	Software	3.42

Oil & Natural Gas Corporation	Oil	3.41
Idea Cellular	Telecom - Services	3.28
NHPC	Power	2.12
Maruti Suzuki India	Auto	2.08
Motherson Sumi Systems	Auto Ancillaries	2.07
LIC Housing Finance	Finance	1.94
Larsen & Toubro	Construction Project	1.76
Aditya Birla Nuvo	Services	1.68
Bharat Petroleum Corporation	Petroleum Products	1.66
Axis Bank	Banks	1.56
Bharti Airtel	Telecom - Services	1.49
Canara Bank	Banks	1.46
Hindustan Unilever	Consumer Non Durables	1.29
Nestle India	Consumer Non Durables	1.02
NMDC	Minerals/Mining	0.94
Sun TV Network	Media & Entertainment	0.91
Coal India	Minerals/Mining	0.86
IDFC	Finance	0.76
Union Bank of India	Banks	0.64
United Phosphorus	Pesticides	0.21

Cash and Other Assets **4.06**

Net Assets **100.00**

SECTOR ALLOCATION (TOP 10) (As on May 31, 2013)



Conditions Apply. Also, subject to a maximum of ₹ 1 lakh.

Principal Tax Savings Fund (An open-ended equity linked savings scheme)

(Close for subscription)

Free
Personal
Accident Death
Insurance upto
₹ 5 lacs##

FUND FEATURES

QAAUM (For the period January to March 2013):

₹ 217.34 crore

NAV per unit (As on May 31, 2013)

Direct Plan: ₹ 81.78

Regular Plan: ₹ 81.53

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.

DIVIDEND UPDATE (REGULAR PLAN)

Date	Dividend (₹/Unit)*	Cum Dividend NAV
March 31, 2008	8.0000	90.1200
January 15, 2007	5.0000	83.6600

* On face value of ₹ 10.

Past performance may or may not be sustained in the future.

Note: All Dividend (₹/Unit) figures are Gross Dividend.

RATIOS & OTHER DETAILS (As on May 31, 2013)

Standard Deviation^ (Annualised)	17.81%
Beta^	0.97
Sharpe Ratio^ (Annualised)	-0.02
Portfolio Turnover Ratio**	1.05
Expense Ratio (Regular Plan)#+	2.57%

Note: ^ The above measures have been calculated by taking rolling returns for a 3 year period with 7.3105% risk free rate of return (91 days - T Bill Rate as on May 29, 2013).

** Portfolio Turnover Ratio is calculated as lower of sales or purchases divided by average AUM for last rolling 12 months.

Calculated as year to date ratio to average AUM.

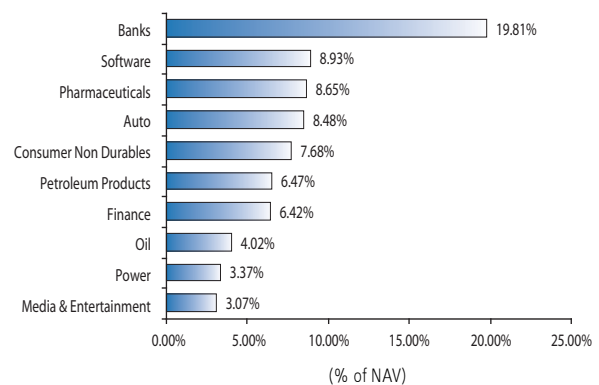
+ Direct Plan shall have a lower expense ratio excluding distribution expenses, commission, etc. and no commission for distribution of Units will be paid / charged under the Direct Plan.

PORTFOLIO (As on May 31, 2013)

Instrument	Industry	% of NAV
Equity		95.34
ITC	Consumer Non Durables	7.68
ICICI Bank	Banks	5.71
Reliance Industries	Petroleum Products	5.19
Tata Motors	Auto	4.55
Housing Development Finance Corporation	Finance	4.17
HDFC Bank	Banks	3.57
Maruti Suzuki India	Auto	2.98
Oracle Financial Services Software	Software	2.72
Motherson Sumi Systems	Auto Ancillaries	2.60
IPCA Laboratories	Pharmaceuticals	2.57
The Federal Bank	Banks	2.53
State Bank of India	Banks	2.32
Jain Irrigation Systems	Industrial Products	2.17
Oil & Natural Gas Corporation	Oil	2.01
HCL Technologies	Software	1.92
Infosys	Software	1.75
NIIT Technologies	Software	1.72
Titan Industries	Consumer Durables	1.61
ING Vysya Bank	Banks	1.59
Aurobindo Pharma	Pharmaceuticals	1.53
IDFC	Finance	1.31
Bharat Petroleum Corporation	Petroleum Products	1.28
Lupin	Pharmaceuticals	1.26

Idea Cellular	Telecom - Services	1.24
Jaiprakash Power Ventures	Power	1.22
Prestige Estates Projects	Construction	1.19
Hathway Cable & Datacom	Media & Entertainment	1.18
Zee Entertainment Enterprise	Media & Entertainment	1.18
Aditya Birla Nuvo	Services	1.17
United Phosphorus	Pesticides	1.16
Alembic Pharmaceuticals	Pharmaceuticals	1.15
Axis Bank	Banks	1.15
Torrent Pharmaceuticals	Pharmaceuticals	1.14
Sterlite Industries (India)	Non - Ferrous Metals	1.11
Raymond	Textile Products	1.10
Union Bank of India	Banks	1.09
Reliance Infrastructure	Power	1.08
Indiabulls Power	Power	1.07
Oil India	Oil	1.03
Larsen & Toubro	Construction Project	1.00
Divi's Laboratories	Pharmaceuticals	1.00
Bank of Baroda	Banks	0.99
JK Cement	Cement	0.99
Cairn India	Oil	0.98
Escorts	Auto	0.95
Power Finance Corporation	Finance	0.94
Ambuja Cements	Cement	0.86
Oriental Bank of Commerce	Banks	0.86
Puravankara Projects	Construction	0.78
Gujarat Mineral Development Corporation	Minerals/Mining	0.76
Eros International Media	Media & Entertainment	0.71
Jindal Steel & Power	Ferrous Metals	0.70
Polaris Financial Technology	Software	0.65
Infinite Computer Solutions (India)	Software	0.17
Cash and Other Assets		4.66
Net Assets		100.00

SECTOR ALLOCATION (TOP 10) (As on May 31, 2013)



Conditions Apply.

Note: In terms of enabling provisions of the SID, post 3.00 p.m of September 2, 2011, fresh sale of units (by way of Purchase or Switch-ins) under the scheme has been suspended (refer notice-cum addendum no. 15/2011 dated August 30, 2011)

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.)

FUND FEATURES

QAAUM (For the period January to March 2013):
₹ 32.30 crore

NAV per unit (As on May 31, 2013)

	Direct Plan	Regular Plan
Growth Plan :	₹ 25.5134	₹ 25.4288
Dividend Plan (Monthly):	₹ 11.0379	₹ 11.0014
Dividend Plan (Quarterly):	₹ 12.5778	₹ 12.5362

INVESTMENT OBJECTIVE

To generate regular income through investments in fixed income securities so as to make periodical income distribution to the Unitholders and also to generate long-term capital appreciation by investing a portion of the Scheme's assets in equity and equity related instruments.

DIVIDEND UPDATE

Date	Regular Plan		Direct Plan	
	Dividend (₹/Unit)*	Cum Dividend NAV	Dividend (₹/Unit)*	Cum Dividend NAV
Monthly Dividend (Last 3 Months)				
May 24, 2013	0.0800	11.0859	0.0800	11.1207
April 23, 2013	0.0500	10.8476	0.0500	10.8742
March 22, 2013	0.0500	10.7468	0.0500 [^]	10.7655 [^]
Quarterly Dividend (Last 3 Quarters)				
March 22, 2013	0.0500	12.0959	0.0500	12.1172
December 24, 2012	0.0500	11.9729	-	-
September 24, 2012	0.1000	11.7427	-	-

* On face value of ₹ 10. [^] Record Date as on March 26, 2013

Past performance may or may not be sustained in the future.

Note: All Dividend (₹/Unit) figures are Gross Dividend.

RATIO (As on May 31, 2013)

Portfolio Turnover Ratio** 0.01

** Portfolio Turnover Ratio is calculated as lower of sales or purchases divided by average AUM for last rolling 12 months.

AVERAGE MATURITY (As on May 31, 2013)

3.42 years

MODIFIED DURATION (As on May 31, 2013)

2.17 years

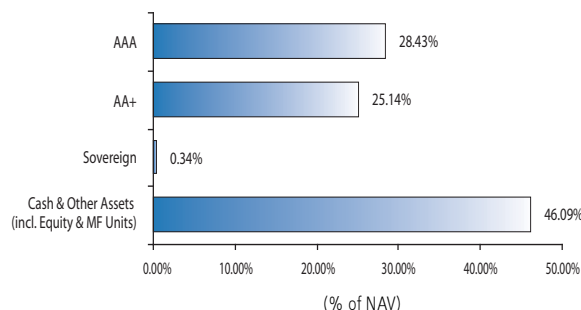
PORTFOLIO (As on May 31, 2013)

Instrument	Industry/Rating	% of NAV
Treasury Bill		0.34
TBILL 91 DAY 2013	Sovereign	0.34
Bonds & NCDs		53.57
Sundaram Finance	AA+	19.44
Reliance Utility and Power	AAA	14.91
State Bank of Mysore	AAA	7.33
Power Finance Corporation	AAA	6.19
Fullerton India Credit Company	AA+	4.34
Dr. Reddy's Laboratories	AA+	1.36
Mutual Fund Units		10.41
Principal Index Fund - Regular Plan - Growth Option	Mutual Funds	10.41
Cash and Other Assets		35.68
Net Assets		100.00

COMPOSITION BY ASSETS (As on May 31, 2013)

Industry / Ratings	% of NAV
Bonds & NCDs	53.57
Mutual Funds	10.41
Treasury Bill	0.34
Cash and Other Assets	35.68

RATING PROFILE (As on May 31, 2013)



Principal Balanced Fund (An open-ended balanced scheme)

FUND FEATURES

QAAUM (For the period January to March 2013):

₹ 15.52 crore

NAV per unit (As on May 31, 2013)

	Direct Plan	Regular Plan
Growth Plan :	₹ 33.91	₹ 33.79
Dividend Plan :	₹ 17.15	₹ 17.08

INVESTMENT OBJECTIVE

To provide long term appreciation and current income by investing in a portfolio of equity, equity related securities and fixed income securities.

DIVIDEND UPDATE (REGULAR PLAN)

Date	Dividend (₹/Unit)*	Cum Dividend NAV
March 24, 2008	2.5000	14.9200
November 5, 2007	6.0000	23.9000
November 9, 2005	3.2000	16.4100

Past performance may or may not be sustained in the future. * On face value of ₹ 10.
Note: All Dividend (₹/Unit) figures are Gross Dividend.

RATIOS & OTHER DETAILS (As on May 31, 2013)

Standard Deviation [^] (Annualised)	12.92%
Beta [^]	1.02
Sharpe Ratio [^] (Annualised)	-0.08
Portfolio Turnover Ratio ^{**}	0.78
Expense Ratio (Regular Plan) ^{#+}	2.70%

Note: [^] The above measures have been calculated by taking rolling returns for a 3 year period with 7.3105% risk free rate of return (91 days - T Bill Rate as on May 29, 2013).

^{**} Portfolio Turnover Ratio is calculated as lower of sales or purchases divided by average AUM for last rolling 12 months. [#] Calculated as year to date ratio to average AUM.

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

AVERAGE MATURITY (As on May 31, 2013)

2.98 years

MODIFIED DURATION (As on May 31, 2013)

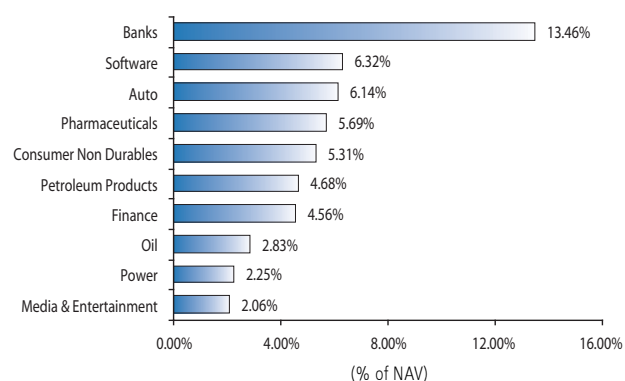
2.11 years

PORTFOLIO (As on May 31, 2013)

Instrument	Industry / Rating	% of NAV
Equity		66.05
ITC	Consumer Non Durables	5.31
ICICI Bank	Banks	3.83
Reliance Industries	Petroleum Products	3.82
Tata Motors	Auto	3.34
Housing Development Finance Corporation	Finance	2.89
HDFC Bank	Banks	2.41
Maruti Suzuki India	Auto	2.17
Oracle Financial Services Software	Software	2.01
Motherson Sumi Systems	Auto Ancillaries	1.92
IPCA Laboratories	Pharmaceuticals	1.73
State Bank of India	Banks	1.73
The Federal Bank	Banks	1.68
Oil & Natural Gas Corporation	Oil	1.48
Jain Irrigation Systems	Industrial Products	1.44
HCL Technologies	Software	1.35
NIIT Technologies	Software	1.26
Titan Industries	Consumer Durables	1.24
Infosys	Software	1.16
ING Vysya Bank	Banks	1.07

IDFC	Finance	1.04
Aurobindo Pharma	Pharmaceuticals	1.02
Bharat Petroleum Corporation	Petroleum Products	0.86
United Phosphorus	Pesticides	0.85
Lupin	Pharmaceuticals	0.85
Idea Cellular	Telecom - Services	0.82
Jaiprakash Power Ventures	Power	0.82
Prestige Estates Projects	Construction	0.81
Zee Entertainment Enterprise	Media & Entertainment	0.79
Hathway Cable & Datacom	Media & Entertainment	0.79
Alembic Pharmaceuticals	Pharmaceuticals	0.79
Aditya Birla Nuvo	Services	0.78
Axis Bank	Banks	0.77
Sterlite Industries (India)	Non - Ferrous Metals	0.75
Raymond	Textile Products	0.74
Union Bank of India	Banks	0.73
Reliance Infrastructure	Power	0.72
Indiabulls Power	Power	0.71
Oil India	Oil	0.69
Larsen & Toubro	Construction Project	0.67
Divi's Laboratories	Pharmaceuticals	0.67
JK Cement	Cement	0.67
Bank of Baroda	Banks	0.66
Cairn India	Oil	0.66
Torrent Pharmaceuticals	Pharmaceuticals	0.63
Power Finance Corporation	Finance	0.63
Escorts	Auto	0.63
Ambuja Cements	Cement	0.58
Oriental Bank of Commerce	Banks	0.58
Gujarat Mineral Development Corporation	Minerals/Mining	0.50
Puravankara Projects	Construction	0.50
Eros International Media	Media & Entertainment	0.48
Jindal Steel & Power	Ferrous Metals	0.48
Polaris Financial Technology	Software	0.43
Infinite Computer Solutions (India)	Software	0.11
Treasury Bill		0.50
T-Bill 91 Day 2013	Sovereign	0.50
Bonds & NCDs		17.75
Tata Capital Financial Services	AA+	8.55
Reliance Utility and Power	AAA	6.56
Power Finance Corporation	AAA	2.64
Cash and Other Assets		15.70
Net Assets		100.00

SECTOR ALLOCATION OF EQUITY INSTRUMENTS (TOP 10) (As on May 31, 2013)



Principal Government Securities Fund

(An open-ended dedicated gilt scheme investing in government securities)

FUND FEATURES

QAAUM (For the period January to March 2013):
₹ 65.30 crore

NAV per unit (As on May 31, 2013)

	Direct Plan	Regular Plan
Growth Option:	₹ 24.9214	₹ 24.8702
Quarterly Dividend Option:	₹ 12.3029	₹ 12.2782
Annual Dividend Option:	₹ 14.8317	₹ 14.8007

INVESTMENT OBJECTIVE

To generate return through investment in sovereign securities and thus provide capital gains and income distribution to its Unitholders.

DIVIDEND UPDATE (REGULAR PLAN)

Date	Regular Plan		Direct Plan	
	Dividend (₹/Unit)*	Cum Dividend NAV	Dividend (₹/Unit)*	Cum Dividend NAV

Quarterly Dividend Option (Last 3 Quarters)

Date	Regular Plan Dividend (₹/Unit)*	Regular Plan Cum Dividend NAV	Direct Plan Dividend (₹/Unit)*	Direct Plan Cum Dividend NAV
March 22, 2013	0.1500	11.7404	0.1500	11.7533
December 24, 2012	0.1500	11.5500	-	-
September 24, 2012	0.2000	11.5460	-	-

Annual Dividend Option (Last 3 Years)

Date	Regular Plan Dividend (₹/Unit)*	Regular Plan Cum Dividend NAV	Direct Plan Dividend (₹/Unit)*	Direct Plan Cum Dividend NAV
September 24, 2012	0.8000	14.1275	-	-
September 23, 2011	0.6000	13.7418	-	-
September 20, 2010	0.8000	13.8993	-	-

* On face value of ₹ 10.

Past performance may or may not be sustained in the future.

Note: All Dividend (₹/Unit) figures are Gross Dividend.

AVERAGE MATURITY (As on May 31, 2013)

8.94 years

MODIFIED DURATION (As on May 31, 2013)

5.44 years

MATURITY PROFILE

Period	Portfolio (%)
Less than 3 years	1.25
3 - 5 years	5.56
5 - 10 years	14.16
10 - 15 years	47.01
Above 15 years	9.29
Cash and Other Assets	22.73

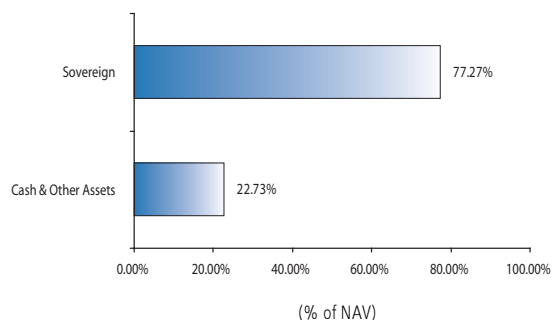
PORTFOLIO (As on May 31, 2013)

Instrument	Rating	% of NAV
Treasury Bill		1.25
T-Bill 95 Days 8-Aug-2013	Sovereign	1.25
Sovereign		76.02
08.20 GOI 24-Sep-2025	Sovereign	29.39
08.33 GOI 09-Jul-2026	Sovereign	14.57
08.97 GOI 05-Dec-2030	Sovereign	9.29
08.15 GOI 11-Jun-2022	Sovereign	8.50
08.12 GOI 10-Dec-2020	Sovereign	5.66
08.07 GOI 03-Jul-2017	Sovereign	5.56
09.15 GOI 14-Nov-2024	Sovereign	3.05
Cash and Other Assets		22.73
Net Assets		100.00

COMPOSITION BY ASSETS (As on May 31, 2013)

Ratings	% of NAV
Sovereign	76.02
Treasury Bill	1.25
Cash and Other Assets	22.73

RATING PROFILE (As on May 31, 2013)



Principal Income Fund - Long Term Plan (An open-ended income scheme)

FUND FEATURES

QAAUM (For the period January to March 2013):
₹ 120.62 crore

NAV per unit (As on May 31, 2013)

	Direct Plan	Regular Plan
Growth Option:	₹ 21.1819	₹ 21.1168
Dividend Option (Quarterly):	₹ 13.4374	₹ 13.3957
Dividend Option (Annual):	₹ 12.4621	₹ 12.4238

INVESTMENT OBJECTIVE

To generate regular income and capital appreciation/accretion through investment in debt instruments and related securities besides preservation of capital.

DIVIDEND UPDATE (REGULAR PLAN)

Date	Regular Plan		Direct Plan	
	Dividend (₹/Unit)*	Cum Dividend NAV	Dividend (₹/Unit)*	Cum Dividend NAV
Quarterly Dividend Option (Last 3 Quarters)				
March 22, 2013	0.2000	13.0003	0.2000	13.0218
December 24, 2012	0.2000	12.8727	-	-
September 24, 2012	0.2500	12.8770	-	-
Annual Dividend Option (Last 3 Years)				
September 24, 2012	1.0000	12.3525	-	-
September 23, 2011	0.6000	11.7136	-	-
September 20, 2010	0.4882	11.4302	-	-

* On face value of ₹ 10.

Past performance may or may not be sustained in the future.

Note: All Dividend (₹/Unit) figures are Gross Dividend.

AVERAGE MATURITY (As on May 31, 2013)

7.11 years

MODIFIED DURATION (As on May 31, 2013)

4.53 years

MATURITY PROFILE

Period	Portfolio (%)
Less than 1 year	4.56
1 - 3 years	6.05
3 - 5 years	12.28
5 - 10 years	28.00
Above 10 years	31.99
Cash and Others Assets	17.12

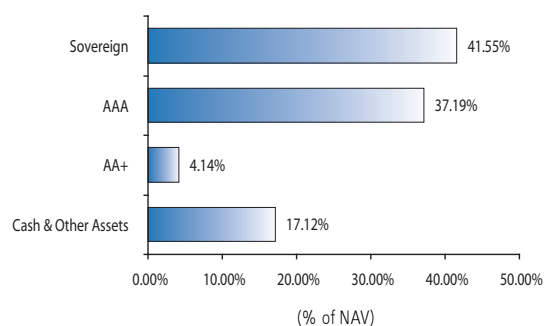
PORTFOLIO (As on May 31, 2013)

Instrument	Rating	% of NAV
Treasury Bill		
T-Bill 91 Days 08-Aug-2013	Sovereign	1.41
Sovereign		
08.20 GOI 24-Sep-2025	Sovereign	13.02
08.33 GOI 09-Jul-2026	Sovereign	11.82
08.97 GOI 05-Dec-2030	Sovereign	5.38
08.15 GOI 11-Jun-2022	Sovereign	4.93
08.07 GOI 03-Jul-2017	Sovereign	3.22
09.15 GOI 14-Nov-2024	Sovereign	1.77
Bonds & NCDs		
Rural Electrification Corporation	AAA	9.79
LIC Housing Finance	AAA	8.06
Power Finance Corporation	AAA	6.12
Reliance Utility and Power	AAA	3.87
Tata Capital Financial Services	AA+	3.50
Power Grid Corporation of India	AAA	3.24
Housing Development Finance Corporation	AAA	3.15
Exim Bank	AAA	2.96
Fullerton India Credit Company	AA+	0.64
Cash and Other Assets		
		17.12
Net Assets		100.00

COMPOSITION BY ASSETS (As on May 31, 2013)

Ratings	% of NAV
Bonds & NCDs	41.33
Sovereign	40.14
Treasury Bill	1.41
Cash and Other Assets	17.12

RATING PROFILE (As on May 31, 2013)



Principal Debt Opportunities Fund - Corporate Bond Plan

(An open-ended debt scheme)

FUND FEATURES

QAAUM (For the period January to March 2013):

₹ 4.80 crore

NAV per unit (As on May 31, 2013)

	Direct Plan	Regular Plan
Growth Option:	₹ 1871.3428	₹ 1867.3779
Dividend Option (Monthly):	₹ 1248.5264	₹ 1246.0226

INVESTMENT OBJECTIVE

The primary objective is to generate income and capital gains through investments in a portfolio of securities issued by Private and Public Sector Companies.

DIVIDEND UPDATE

Date	Regular Plan		Direct Plan	
	Dividend (₹/Unit)*	Cum Dividend NAV	Dividend (₹/Unit)*	Cum Dividend NAV
Monthly Dividend (Last 3 Months)				
May 28, 2013	7.500	1255.9538	7.500	1258.5825
April 26, 2013	7.500	1245.2112	7.500	1247.4381
March 26, 2013	6.000	1238.5526	6.000	1240.1753

* On face value of ₹ 1,000/-.

Past performance may or may not be sustained in the future.

All Dividend (₹/Unit) figures are Gross Dividend.

AVERAGE MATURITY (As on May 31, 2013)

2.45 years

MODIFIED DURATION (As on May 31, 2013)

0.01 year

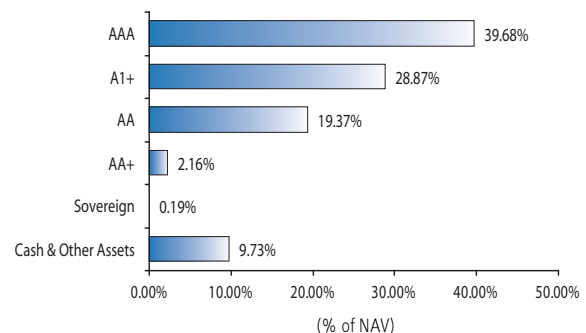
PORTFOLIO (As on May 31, 2013)

Instrument	Rating	% of NAV
Commercial Paper		28.87
Vardhman Special Steel	A1+	9.63
JK Lakshmi Cement	A1+	9.62
India Infoline Finance	A1+	9.62
Treasury Bill		0.19
T-Bill 91 Day 08-Aug-2013	Sovereign	0.19
Bonds & NCDs		61.21
Exim Bank	AAA	10.13
LIC Housing Finance	AAA	9.97
Power Finance Corporation	AAA	9.96
Marico	AA	9.73
Cholamandlam Investment & Finance Company	AA	9.64
Indian Oil Corporation	AAA	7.63
Tata Capital Financial Services	AA+	2.16
Reliance Utility and Power	AAA	1.99
Cash and Other Assets		9.73
Net Assets		100.00

COMPOSITION BY ASSETS (As on May 31, 2013)

Industry / Ratings	% of NAV
Bonds & NCDs	61.21
Commercial Paper	28.87
Treasury Bill	0.19
Cash and Other Assets	9.73

RATING PROFILE (As on May 31, 2013)



Principal Income Fund - Short Term Plan (An open-ended income scheme)

FUND FEATURES

QAAUM (For the period January to March 2013):
₹ 185.82 crore

NAV per unit (As on May 31, 2013)

	Direct Plan	Regular Plan
Growth Option:	₹ 21.1660	₹ 21.1225
Dividend Option (Monthly):	₹ 12.8903	₹ 12.8632

INVESTMENT OBJECTIVE

To generate regular income and capital appreciation/ accretion through investment in debt instruments and related securities besides preservation of capital and has been designed to achieve stable returns over shorter-term investment horizons.

DIVIDEND UPDATE

Date	Regular Plan		Direct Plan	
	Dividend (₹/Unit)*	Cum Dividend NAV	Dividend (₹/Unit)*	Cum Dividend NAV
Monthly Dividend (Last 3 Months)				
May 28, 2013	0.0700	12.9532	0.0700	12.9800
April 26, 2013	0.0700	12.8279	0.0700	12.8485
March 26, 2013	0.0600	12.7430	0.0600	12.7580

* On face value of ₹ 10.

Past performance may or may not be sustained in the future.

Note: All Dividend (₹/Unit) figures are Gross Dividend.

AVERAGE MATURITY (As on May 31, 2013)

2.40 years

MODIFIED DURATION (As on May 31, 2013)

0.40 years

PORTFOLIO (As on May 31, 2013)

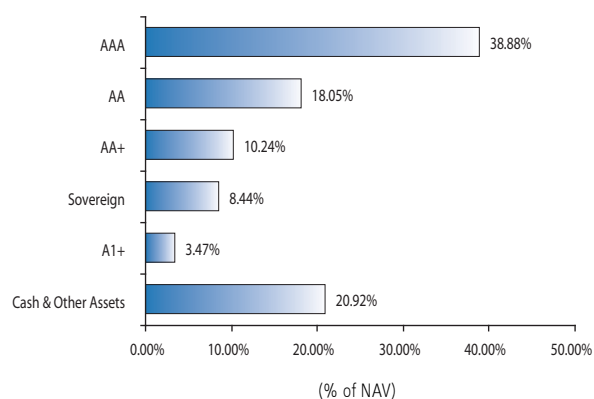
Instrument	Rating	% of NAV
Certificate of Deposit		1.92
ICICI Bank	A1+	1.40
IDBI Bank	A1+	0.52
Commercial Paper		1.55
Fullerton India Credit Company	A1+	1.55
Treasury Bill		0.40
T-Bill 91 Days 08-Aug-2013	Sovereign	0.40
Sovereign		3.43
8.07 GOI 03-Jul-2017	Sovereign	8.04
Bonds & NCDs		67.17

Power Finance Corporation	AAA	15.84
Jindal Power	AA	10.46
Tata Capital Financial Services	AA+	5.82
Rural Electrification Corporation	AAA	5.41
Nabard	AAA	5.36
Cholamandalam Investment and Finance Company	AA	4.97
LIC Housing Finance	AAA	3.71
Reliance Utility and Power	AAA	2.95
Tata Sons	AAA	2.73
Fullerton India Credit Company	AA+	2.64
Housing Development Finance Corporation	AAA	2.62
Shriram Equipment Finance	AA	2.62
Sundaram Finance	AA+	1.78
Exim Bank	AAA	0.26
Cash and Other Assets		20.92
Net Assets		100.00

COMPOSITION BY ASSETS (As on May 31, 2013)

Ratings	% of NAV
Bonds & NCDs	67.17
Sovereign	8.04
Certificate of Deposit	1.92
Commercial Paper	1.55
Treasury Bill	0.40
Cash & Cash Equivalents	20.92

RATING PROFILE (As on May 31, 2013)



Principal Bank CD Fund (An open-ended debt scheme)

FUND FEATURES

QAAUM (For the period January to March 2013):
₹ 14.23 crore

NAV per unit (As on May 31, 2013)

	Direct Plan	Regular Plan
Growth Option:	₹ 1525.4482	₹ 1523.9150
Dividend Option (Monthly):	₹ 1125.4185	₹ 1124.5378

INVESTMENT OBJECTIVE

The objective is to generate returns by primarily investing in Bank CDs. Bank CDs provide liquidity and a relatively lower credit risk.

DIVIDEND UPDATE

Date	Regular Plan		Direct Plan	
	Dividend (₹/Unit)*	Cum Dividend NAV	Dividend (₹/Unit)*	Cum Dividend NAV
Monthly Dividend (Last 3 Months)				
May 28, 2013	6.5000	1130.3740	6.5000	1131.2307
April 26, 2013	6.5000	1129.5998	6.5000	1130.4075
March 26, 2013	3.5000	1123.5194	3.5000	1124.1947

* On face value of ₹ 1,000/-

Past performance may or may not be sustained in the future.

All Dividend (₹/Unit) figures are Gross Dividend.

AVERAGE MATURITY (As on May 31, 2013)

21 days

MODIFIED DURATION (As on May 31, 2013)

21 days

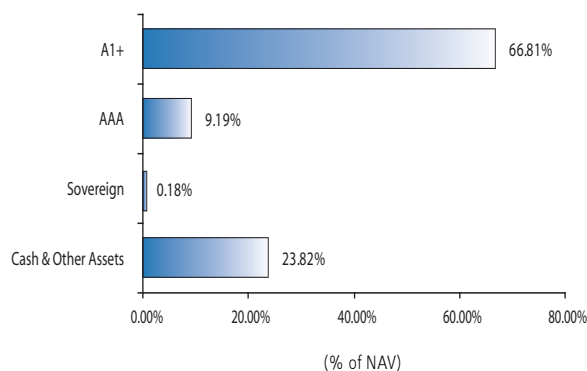
PORTFOLIO (As on May 31, 2013)

Instrument	Rating	% of NAV
Certificate of Deposit		
IDBI Bank	A1+	45.76
ICICI Bank	A1+	16.47
Canara Bank	A1+	4.58
Treasury Bill		
T-Bill 91 Day 08-Aug-2013	Sovereign	0.18
Bonds & NCDs		
Exim Bank	AAA	9.19
Cash and Other Assets		
		23.82
Net Assets		100.00

COMPOSITION BY ASSETS (As on May 31, 2013)

Ratings	% of NAV
Certificate of Deposit	66.81
Bonds & NCDs	9.19
Treasury Bill	0.18
Cash & Cash Equivalents	23.82

RATING PROFILE (As on May 31, 2013)



Principal Debt Opportunities Fund - Conservative Plan

(An open-ended debt scheme)

Credit
Risk Rating
[ICRA] AAAmfs⁺⁺

FUND FEATURES

QAAUM (For the period January to March 2013):

₹ 417.49 crore

NAV per unit (As on Apr. 28, 2013)

	Direct Plan	Regular Plan
Growth Option:	₹ 1893.2956	₹ 1890.5742
Dividend Option (Daily):	₹ 1001.3376	₹ 1001.2300
Dividend Option (Weekly):	₹ 1002.3672	₹ 1000.6011
Dividend Option (Monthly):	₹ 1140.8018	₹ 1139.1590

INVESTMENT OBJECTIVE

To generate regular income and capital appreciation through investments in debt securities and money market instruments.

DIVIDEND UPDATE

Date	Regular Plan		Direct Plan	
	Dividend (₹/Unit)*	Cum Dividend NAV	Dividend (₹/Unit)*	Cum Dividend NAV
Monthly Dividend (Last 3 Months)				
May 28, 2013	7.0000	1145.4620	7.0000	1147.0789
April 26, 2013	7.0000	1144.1275	7.0000	1145.4142
March 26, 2013	5.0000	1139.3214	5.0000	1140.2549

* On face value of ₹ 1,000/-.

Past performance may or may not be sustained in the future.

All Dividend (₹/Unit) figures are Gross Dividend.

AVERAGE MATURITY (As on May 31, 2013)

50 days

MODIFIED DURATION (As on May 31, 2013)

41 days

PORTFOLIO (As on May 31, 2013)

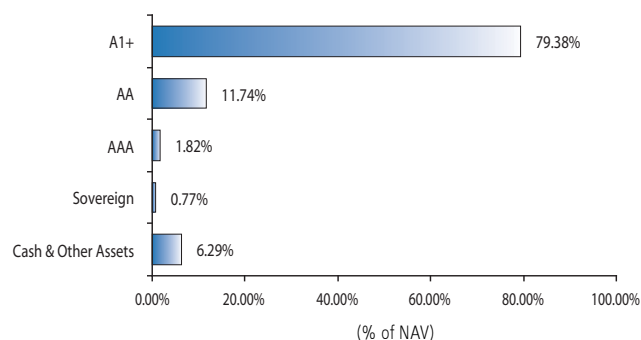
Instrument	Rating	% of NAV
Certificate of Deposit		10.73
State Bank of Patiala	A1+	8.95
Canara Bank	A1+	1.78
Commercial Paper		68.65
Essel Mining & Industries	A1+	17.89
Tube Investment of India	A1+	12.17

India Infoline Finance	A1+	11.74
Steel Authority of India	A1+	8.95
Kotak Mahindra Investment	A1+	8.94
Chamble Fertiliser & Chemical	A1+	5.39
Fullerton India Credit Company	A1+	3.57
Treasury Bill		0.77
T-Bill 91 Days 08-Aug-2013	Sovereign	0.77
Bonds & NCDs		13.56
Cholamandalam Investment and Finance Company	AA	5.42
Marico	AA	5.24
Tata Sons	AAA	1.82
Jindal Power	AA	1.08
Cash and Other Assets		6.29
Net Assets		100.00

COMPOSITION BY ASSETS (As on May 31, 2013)

Ratings	% of NAV
Commercial Paper	68.65
Certificate of Deposit	10.73
Bonds & NCDs	13.56
Treasury Bill	0.77
Cash & Cash Equivalents	6.29

RATING PROFILE (As on May 31, 2013)



Past performance is no guarantee of future result. (** for rating methodology please refer page 34.)

Principal Cash Management Fund (An open-ended liquid scheme)

Credit
Risk Rating
[ICRA] A1+mfs⁺

FUND FEATURES

QAAUM (For the period January to March 2013):
₹ 2603.78 crore

NAV per unit (As on May 31, 2013)

	Direct Plan	Regular Plan
Growth Option:	₹ 1157.2501	₹ 1156.7470
Dividend Option (Daily):	₹ 1000.0700	₹ 1000.0700
Dividend Option (Weekly):	₹ 1006.3066	₹ 1006.2334
Dividend Option (Monthly):	₹ 1022.5860	₹ 1022.6195

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.

DIVIDEND UPDATE

Date	Regular Plan		Direct Plan	
	Dividend (₹/Unit)*	Cum Dividend NAV	Dividend (₹/Unit)*	Cum Dividend NAV
Monthly Dividend (Last 3 Months)				
May 26, 2013	6.7589	1028.6858	6.8451	1028.7965
April 26, 2013	6.9721	1028.1916	7.0673	1028.3012
March 26, 2013	6.2909	1026.7189	6.3927	1026.8253

* On face value of ₹ 1,000/-.

Past performance may or may not be sustained in the future.

All Dividend (₹/Unit) figures are Gross Dividend.

AVERAGE MATURITY (As on May 31, 2013)

21 days

MODIFIED DURATION (As on May 31, 2013)

21 days

PORTFOLIO (As on May 31, 2013)

Instrument	Rating	% of NAV
Certificate of Deposit		40.28
IDBI Bank	A1+	9.10
HDFC Bank	A1+	4.55
ING Vysya Bank	A1+	4.55
State Bank of Travancore	A1+	4.55
Kotak Mahindra Bank	A1+	3.42
Syndicate Bank	A1+	3.42
Canara Bank	A1+	3.39
Karur Vysya Bank	A1+	2.28
State Bank of Bikaner & Jaipur	A1+	2.28
Indusind Bank	A1+	1.14
State Bank of Patiala	A1+	1.14
Axis Bank	A1+	0.23
Central Bank of India	A1+	0.23
Commercial Paper		48.65
Edelweiss Commodities Services	A1+	6.61
Chamble Fertiliser & Chemical	A1+	4.97
Aditya Birla Finance	A1+	4.55

CESC	A1+	4.55
ECL Finance	A1+	4.29
Steel Authority of India	A1+	3.41
India Infoline Finance	A1+	3.01
Tata Capital	A1+	2.28
Power Finance Corporation	A1+	2.26
Srei Equipment Finance	A1+	2.24
JK Lakshmi Cement	A1+	2.23
Tube Investment of India	A1+	1.82
Godrej Industries	A1+	1.37
EID Parry India	A1+	1.14
Godrej and Boyce Manufacturing Co	A1+	1.12
Vardhman Special Steel	A1+	1.11
Gruh Finance	A1+	1.10
Kotak Commodity Services	A1+	0.45
Fullerton India Credit Company	A1+	0.14

Treasury Bill **0.37**

T-Bill 91 Days 08-Aug-2013 Sovereign 0.37

Bonds & NCDs **1.19**

Sundaram BNP Paribas Home Finance AA+ 1.14

Exim Bank AAA 0.05

Fixed Deposit **8.24**

The South Indian Bank Unrated 2.29

Canara Bank Unrated 2.29

Karur Vysya Bank Unrated 2.29

Karur Vysya Bank Unrated 1.37

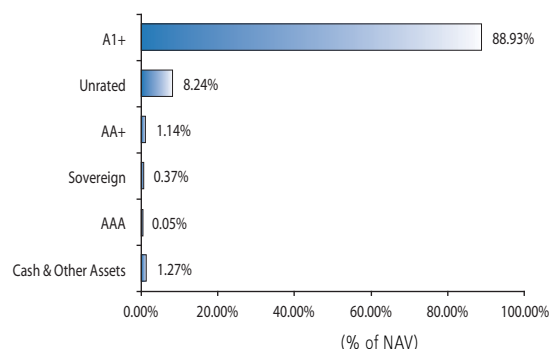
Cash and Other Assets **1.27**

Net Assets **100.00**

COMPOSITION BY ASSETS (As on May 31, 2013)

Ratings	% of NAV
Commercial Paper	48.65
Certificate of Deposit	40.28
Fixed Deposit	8.24
Bonds & NCDs	1.19
Treasury Bill	0.37
Cash and Other Assets	1.27

RATING PROFILE (As on May 31, 2013)



Principal Global Opportunities Fund (An open-ended Fund of Funds scheme)

FUND FEATURES

QAAUM (For the period January to March 2013):
₹ 32.51 crore

NAV per unit (As on Mar. 30, 2013)

	Direct Plan	Regular Plan
Growth Option:	₹ 21.3598	₹ 21.3289
Dividend Option:	₹ 21.3598	₹ 21.3289

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.

PORTFOLIO (As on May 31, 2013)

Instrument	% of NAV
Foreign Securities	
I. Units of Mutual Fund / Unit Trust	98.55
Principal Global Investors Funds - Emerging Markets Equity Fund	
II. Cash and Other Current Assets	1.45
Net Assets	100.00

Principal Retail Money Manager Fund (An open-ended liquid scheme)

FUND FEATURES

QAAUM (For the period January to March 2013):
₹ 2.03 crore

NAV per unit (As on May 31, 2013)

	Direct Plan	Regular Plan
Growth Option:	₹ 1335.1532	₹ 1334.6061
Dividend Option (Daily):	N.A.	₹ 1005.4300
Dividend Option (Weekly):	N.A.	₹ 1012.1216
Dividend Option (Monthly):	₹ 1058.7714	₹ 1058.7318

INVESTMENT OBJECTIVE

To generate steady return by investing in debt and money market securities.

DIVIDEND UPDATE

Date	Regular Plan		Direct Plan	
	Dividend (₹/Unit)*	Cum Dividend NAV	Dividend (₹/Unit)*	Cum Dividend NAV
Monthly Dividend (Last 3 Months)				
May 28, 2013	7.2554	1065.2845	6.8451	1065.4266
April 26, 2013	7.7566	1065.0582	7.8353	1065.1583
March 26, 2013	7.1154	1063.2775	7.1891	1063.3639

* On face value of ₹ 10/-.

Past performance may or may not be sustained in the future.

Note: All Dividend (₹/Unit) figures are Gross Dividend.

AVERAGE MATURITY (As on May 31, 2013)

20 days

MODIFIED DURATION (As on May 31, 2013)

20 days

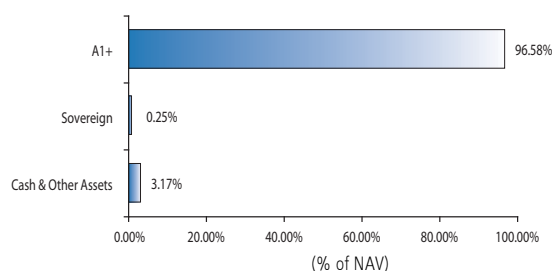
PORTFOLIO (As on May 31, 2013)

Instrument	Rating	% of NAV
Commercial Paper		96.58
Tube Investment of India	A1+	24.75
Gruh Finance	A1+	19.82
Chamble Fertiliser & Chemical	A1+	12.41
Godrej and Boyce Manufacturing Co	A1+	12.38
JK Lakshmi Cement	A1+	12.36
India Infoline Finance	A1+	7.42
Edelweiss Commodities Services	A1+	3.73
SREI Equipment Finance	A1+	3.71
Treasury Bill		0.25
T-Bill 91 Day 08-Aug-2013	Sovereign	0.25
Cash and Other Assets		3.17
Net Assets		100.00

COMPOSITION BY ASSETS (As on May 31, 2013)

Ratings	% of NAV
Commercial Paper	96.58
Treasury Bill	0.25
Cash and Other Assets	3.17

RATING PROFILE (As on May 31, 2013)



Principal Debt Savings Fund (An open-ended income fund)

- Retail Plan

FUND FEATURES

QAAUM (For the period January to March 2013):
₹ 50.23 crore

NAV per unit (As on May 31, 2013)

	Direct Plan	Regular Plan
Growth Plan:	₹ 21.7656	₹ 21.6678
Dividend Plan (Monthly):	N.A.	₹ 10.6606
Dividend Plan (Quarterly):	₹ 11.9814	₹ 11.9285

INVESTMENT OBJECTIVE

To seek to generate stable returns and capital appreciation through investment in Debt instruments and related securities over medium to long term investment horizon.

DIVIDEND UPDATE

Date	Regular Plan		Direct Plan	
	Dividend (₹/Unit)*	Cum Dividend NAV	Dividend (₹/Unit)*	Cum Dividend NAV
Monthly Dividend (Last 3 Months)				
May 24, 2013	0.0800	10.7587	–	–
April 23, 2013	0.0600	10.5996	–	–
March 22, 2013	0.0600	10.5328	–	–
Quarterly Dividend (Last 3 Quarters)				
March 22, 2013	0.0700	11.6354	0.0700	11.6675
December 24, 2012	0.1000	11.4796	–	–
September 24, 2012	0.1000	11.2837	–	–

* On face value of ₹ 10.

Past performance may or may not be sustained in the future.

Note: All Dividend (₹/Unit) figures are Gross Dividend.

RATIO (As on May 31, 2013)

Portfolio Turnover Ratio** –

** Portfolio Turnover Ratio is calculated as lower of sales or purchases divided by average AUM for last rolling 12 months.

AVERAGE MATURITY (As on May 31, 2013)

3.43 years

MODIFIED DURATION (As on May 31, 2013)

2.11 years

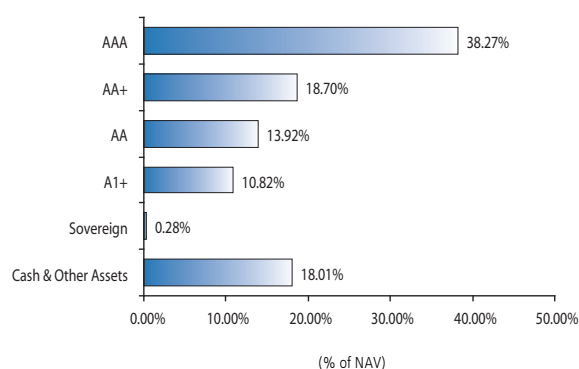
PORTFOLIO (As on May 31, 2013)

Instrument	Rating	% of NAV
Certificate of Deposit		
State Bank of Travancore	A1+	9.82
Commercial Paper		
Chamble Fertiliser & Chemical	A1+	1.00
Treasury Bill		
T-Bill 91 Days 08-Aug-2013	Sovereign	0.28
Bonds & NCDs		
70.89		
Reliance Utility and Power	AAA	14.96
Sundaram Finance	AA+	13.63
Housing Development Finance Corporation	AAA	9.95
Cholamandlam Investment & Finance Company	AA	9.92
Power Finance Corporation	AAA	5.16
State Bank of Mysore	AAA	5.14
Fullerton India Credit Company	AA+	5.07
Jindal Power	AA	4.00
Power Grid Corporation of India	AAA	3.06
Cash and Other Assets		
18.01		
Net Assets		
100.00		

COMPOSITION BY ASSETS (As on May 31, 2013)

Industry / Ratings	% of NAV
Bonds & NCDs	70.89
Certificate of Deposit	9.82
Commercial Paper	1.00
Treasury Bill	0.28
Cash and Other Assets	18.01

RATING PROFILE (As on May 31, 2013)



Principal Retail Equity Savings Fund (An open-ended equity scheme)

FUND FEATURES

QAAUM (For the period January to March 2013):
₹ 23.13 crore

NAV per unit (As on May 31, 2013)

	Direct Plan	Regular Plan
Growth Plan :	₹ 86.77	₹ 86.53
Dividend Plan :	N.A.	₹ 9.93

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

RATIOS & OTHER DETAILS (As on May 31, 2013)

Standard Deviation [^] (Annualised)	13.87%
Beta [^]	0.75
Sharpe Ratio [^] (Annualised)	-0.30
Portfolio Turnover Ratio ^{**}	1.13
Expense Ratio (Regular Plan) ^{#+}	2.66%

Note: [^] The above measures have been calculated by taking rolling returns for a 3 year period with 7.3105% risk free rate of return (91 days - T Bill Rate as on May 29, 2013).

^{**} Portfolio Turnover Ratio is calculated as lower of sales or purchases divided by average AUM for last rolling 12 months.

[#] Calculated as year to date ratio to average AUM.

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

PORTFOLIO (As on May 31, 2013)

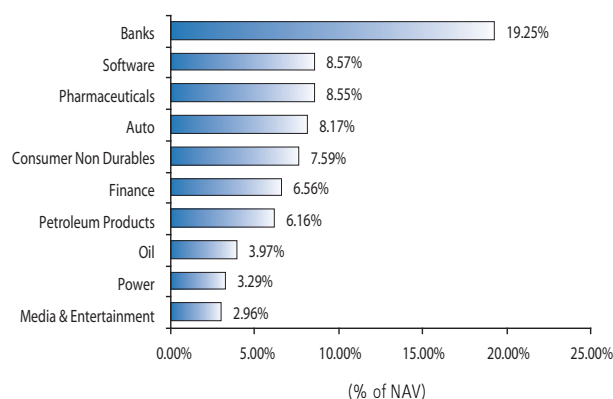
Instrument	Industry / Rating	% of NAV
Equity		92.69
ITC	Consumer Non Durables	7.59
ICICI Bank	Banks	5.67
Reliance Industries	Petroleum Products	4.89
Tata Motors	Auto	4.32
Housing Development Finance Corporation	Finance	4.18
HDFC Bank	Banks	3.34
Maruti Suzuki India	Auto	2.89
Oracle Financial Services Software	Software	2.67
The Federal Bank	Banks	2.52
Motherson Sumi Systems	Auto Ancillaries	2.51
IPCA Laboratories	Pharmaceuticals	2.41
State Bank of India	Banks	2.31
Jain Irrigation Systems	Industrial Products	2.14
Oil & Natural Gas Corporation	Oil	2.00
HCL Technologies	Software	1.91
Infosys	Software	1.69
NIIT Technologies	Software	1.65
Lupin	Pharmaceuticals	1.65
ING Vysya Bank	Banks	1.53
IDFC	Finance	1.51
Aurobindo Pharma	Pharmaceuticals	1.48
Titan Industries	Consumer Durables	1.46
Bharat Petroleum Corporation	Petroleum Products	1.27
Idea Cellular	Telecom - Services	1.21
Jaiprakash Power Ventures	Power	1.20

Prestige Estates Projects	Construction	1.19
Hathway Cable & Datacom	Media & Entertainment	1.16
United Phosphorus	Pesticides	1.15
Zee Entertainment Enterprise	Media & Entertainment	1.14
Aditya Birla Nuvo	Services	1.14
Alembic Pharmaceuticals	Pharmaceuticals	1.14
Axis Bank	Banks	1.12
Reliance Infrastructure	Power	1.06
Sterlite Industries (India)	Non - Ferrous Metals	1.04
Indiabulls Power	Power	1.03
Union Bank of India	Banks	1.01
Oil India	Oil	1.01
Larsen & Toubro	Construction Project	0.99
Divi's Laboratories	Pharmaceuticals	0.98
Cairn India	Oil	0.96
Escorts	Auto	0.96
Bank of Baroda	Banks	0.94
Raymond	Textile Products	0.94
JK Cement	Cement	0.93
Torrent Pharmaceuticals	Pharmaceuticals	0.89
Power Finance Corporation	Finance	0.87
Oriental Bank of Commerce	Banks	0.81
Puravankara Projects	Construction	0.78
Gujarat Mineral Development Corporation	Minerals/Mining	0.74
Ambuja Cements	Cement	0.71
Jindal Steel & Power	Ferrous Metals	0.69
Eros International Media	Media & Entertainment	0.66
Polaris Financial Technology	Software	0.65

Cash and Other Assets **7.31**

Net Assets **100.00**

SECTOR ALLOCATION OF EQUITY INSTRUMENTS (TOP 10) (As on May 31, 2013)



SCHEMES MANAGED BY MR. ANUPAM TIWARI

PRINCIPAL LARGE CAP FUND

Performance Date	Scheme		Scheme's Benchmark (S&P BSE 100 Index)		Additional Benchmark (CNX Nifty Index)	
	^Returns (%)	§PTP Returns (₹)	^Returns (%)	§PTP Returns (₹)	^Returns (%)	§PTP Returns (₹)
30-Mar-12 to 28-Mar-13	6.49	10649.30	6.84	10683.99	7.31	10730.80
31-Mar-11 to 30-Mar-12	-8.59	9140.79	-9.23	9077.15	-9.23	9077.44
31-Mar-10 to 31-Mar-11	11.46	11146.15	8.55	10855.39	11.14	11113.81
Since Inception as on 11-Nov-05 to 28-Mar-13	15.09	28210.00	11.21	21904.59	11.48	22296.31

PRINCIPAL PERSONAL TAX SAVER FUND

Performance Date	Scheme		Scheme's Benchmark (S&P BSE 100 Index)		Additional Benchmark (CNX Nifty Index)	
	Returns (%)	§PTP Returns (₹)	Returns (%)	§PTP Returns (₹)	Returns (%)	§PTP Returns (₹)
30-Mar-12 to 28-Mar-13	6.78	10677.57	6.84	10683.99	7.31	10730.80
31-Mar-11 to 30-Mar-12	-10.00	9000.21	-9.23	9077.15	-9.23	9077.44
31-Mar-10 to 31-Mar-11	6.65	10664.75	8.55	10855.39	11.14	11113.81
Since Inception as on 31-Mar-96 to 28-Mar-13	21.51	274489.00	11.45	63197.08	10.86	57673.30

PRINCIPAL SMART EQUITY FUND

Performance Date	^Returns (%)		
	Scheme	Scheme's Benchmark (Crisil Balanced Fund Index)	Additional Benchmark (CNX Nifty Index)
30-Mar-12 to 28-Mar-13	7.71	8.18	7.31
31-Mar-11 to 30-Mar-12	0.50	-3.17	-9.23
Since Inception as on 16-Dec-10 to 28-Mar-13	3.26	1.81	-1.99

SCHEMES MANAGED BY MR. RAJAT JAIN

PRINCIPAL GLOBAL OPPORTUNITIES FUND

Performance Date	Scheme		Scheme's Benchmark (MSCI World Index)		Additional Benchmark (CNX Nifty Index)	
	^Returns (%)	§PTP Returns (₹)	^Returns (%)	§PTP Returns (₹)	^Returns (%)	§PTP Returns (₹)
30-Mar-12 to 28-Mar-13	9.00	10899.87	11.69	11169.29	7.31	10730.80
31-Mar-11 to 30-Mar-12	4.75	10474.71	-0.84	9915.64	-9.23	9077.44
31-Mar-10 to 31-Mar-11	16.37	11636.84	6.70	10670.07	11.14	11113.81
Since Inception as on 29-Mar-04 to 28-Mar-13	8.72	21222.60	2.87	12896.15	13.89	32249.65

SCHEMES MANAGED BY BEKXY KURIAKOSE

PRINCIPAL GOVERNMENT SECURITIES FUND

Performance Date	Scheme		Scheme's Benchmark (I-Sec Composite Index)		Additional Benchmark (CRISIL 10 Year Gilt Index)	
	^Returns (%)	§PTP Returns (₹)	^Returns (%)	§PTP Returns (₹)	^Returns (%)	§PTP Returns (₹)
30-Mar-12 to 28-Mar-13	9.71	10970.75	11.64	11164.21	11.25	11125.15
31-Mar-11 to 30-Mar-12	4.31	10430.51	6.79	10679.00	2.43	10243.43
31-Mar-10 to 31-Mar-11	5.03	10503.14	6.41	10640.68	4.61	10461.44
Since Inception as on 23-Aug-01 to 28-Mar-13	7.64	23488.70	N.A.	N.A.	N.A.	N.A.

PRINCIPAL DEBT OPPORTUNITIES FUND - CORPORATE BOND PLAN

Performance Date	Scheme		Scheme's Benchmark (Crisil Composite Bond Fund Index)		Additional Benchmark (CRISIL 10 Year Gilt Index)	
	^Returns (%)	§PTP Returns (₹)	^Returns (%)	§PTP Returns (₹)	^Returns (%)	§PTP Returns (₹)
30-Mar-12 to 28-Mar-13	9.09	10909.43	9.24	10924.12	11.25	11125.15
31-Mar-11 to 30-Mar-12	9.10	10909.63	7.68	10767.79	2.43	10243.43
31-Mar-10 to 31-Mar-11	6.44	10643.60	5.06	10506.18	4.61	10461.44
Since Inception as on 14-Sep-04 to 28-Mar-13	7.31	18261.62	6.10	16578.83	5.35	15604.27

PRINCIPAL INCOME FUND - LONG TERM PLAN

Performance Date	Scheme		Scheme's Benchmark (Crisil Composite Bond Fund Index)		Additional Benchmark (CRISIL 10 Year Gilt Index)	
	^Returns (%)	§PTP Returns (₹)	^Returns (%)	§PTP Returns (₹)	^Returns (%)	§PTP Returns (₹)
30-Mar-12 to 28-Mar-13	9.93	10993.04	9.24	10924.12	11.25	11125.15
31-Mar-11 to 30-Mar-12	9.53	10953.21	7.68	10767.79	2.43	10243.43
31-Mar-10 to 31-Mar-11	6.54	10654.42	5.06	10506.18	4.61	10461.44
Since Inception as on 9-May-03 to 28-Mar-13	7.37	20207.30	5.69	17292.40	5.34	16735.95

SCHEMES MANAGED BY RUPALI PANDIT

PRINCIPAL INDEX FUND

Performance Date	Scheme		Scheme's Benchmark (CNX Nifty Index)		Additional Benchmark (S&P BSE Sensex)	
	^Returns (%)	§PTP Returns (₹)	^Returns (%)	§PTP Returns (₹)	^Returns (%)	§PTP Returns (₹)
30-Mar-12 to 28-Mar-13	7.40	10740.34	7.31	10730.80	8.23	10822.54
31-Mar-11 to 30-Mar-12	-8.81	9118.97	-9.23	9077.44	-10.50	8950.37
31-Mar-10 to 31-Mar-11	10.94	11094.17	11.14	11113.81	10.94	11093.95
Since Inception as on 27-Jul-99 to 28-Mar-13	10.45	38925.80	11.32	43383.21	10.87	41007.68

Past performance may or may not be sustained in future. Since Inception Returns (in %) are calculated on Compounded Annualised Basis.

§ PTP (Point to Point) Returns is based on standard investment of ₹ 10,000/- made at the beginning of relevant period.

Performance of the dividend option for the investors would be net of dividend distribution tax, as applicable.

^ Regular Plan - Growth Option [Direct Plan - N.A., Since launched on January 1, 2013]

SCHEMES MANAGED BY MR. P.V.K. MOHAN

PRINCIPAL GROWTH FUND

Performance Date	Scheme		Scheme's Benchmark (S&P BSE 200 Index)		Additional Benchmark (CNX Nifty Index)	
	^Returns (%)	^PTP Returns (₹)	^Returns (%)	^PTP Returns (₹)	^Returns (%)	^PTP Returns (₹)
30-Mar-12 to 28-Mar-13	10.49	11048.88	6.03	10602.76	7.31	10730.80
31-Mar-11 to 30-Mar-12	-7.26	9274.32	-9.28	9071.76	-9.23	9077.44
31-Mar-10 to 31-Mar-11	1.44	10144.07	8.15	10814.69	11.14	11113.81
Since Inception as on 25-Oct-00 to 28-Mar-13	14.30	52670.00	14.88	56087.07	13.45	47998.56

PRINCIPAL BALANCED FUND

Performance Date	Scheme		Scheme's Benchmark (Crisil Balanced Fund Index)		Additional Benchmark (CNX Nifty Index)	
	^Returns (%)	^PTP Returns (₹)	^Returns (%)	^PTP Returns (₹)	^Returns (%)	^PTP Returns (₹)
30-Mar-12 to 28-Mar-13	9.65	10965.45	8.18	10818.15	7.31	10730.80
31-Mar-11 to 30-Mar-12	-2.99	9700.95	-3.17	9682.66	-9.23	9077.44
31-Mar-10 to 31-Mar-11	1.84	10184.07	9.37	10936.69	11.14	11113.81
Since Inception as on 14-Jan-00 to 28-Mar-13	9.30	32370.00	N.A.	N.A.	9.95	35018.02

PRINCIPAL TAX SAVINGS FUND

Performance Date	Scheme		Scheme's Benchmark (S&P BSE 200 Index)		Additional Benchmark (CNX Nifty Index)	
	Returns (%)	^PTP Returns (₹)	Returns (%)	^PTP Returns (₹)	Returns (%)	^PTP Returns (₹)
30-Mar-12 to 28-Mar-13	11.05	11104.59	6.03	10602.76	7.31	10730.80
31-Mar-11 to 30-Mar-12	-6.44	9356.10	-9.28	9071.76	-9.23	9077.44
31-Mar-10 to 31-Mar-11	1.72	10171.57	8.15	10814.69	11.14	11113.81
Since Inception as on 31-Mar-96 to 28-Mar-13	15.57	117074.50	11.76	66240.88	10.86	57673.30

PRINCIPAL RETAIL EQUITY SAVINGS FUND

Performance Date	Scheme		Scheme's Benchmark (S&P BSE 100 Index)		Additional Benchmark (CNX Nifty Index)	
	^Returns (%)	^PTP Returns (₹)	^Returns (%)	^PTP Returns (₹)	^Returns (%)	^PTP Returns (₹)
30-Mar-12 to 28-Mar-13	5.02	10502.17	6.84	10683.99	7.31	10730.80
31-Mar-11 to 30-Mar-12	-10.00	8999.77	-9.23	9077.15	-9.23	9077.44
31-Mar-10 to 31-Mar-11	2.95	10295.23	8.55	10855.39	11.14	11113.81
Since Inception as on 7-Jan-98 to 28-Mar-13	14.85	82400.00	12.60	60962.31	11.50	52499.54

SCHEMES MANAGED BY MR. DHIMANT SHAH

PRINCIPAL EMERGING BLUECHIP FUND

Performance Date	Scheme		Scheme's Benchmark (CNX Midcap Index)		Additional Benchmark (CNX Nifty Index)	
	^Returns (%)	^PTP Returns (₹)	^Returns (%)	^PTP Returns (₹)	^Returns (%)	^PTP Returns (₹)
30-Mar-12 to 28-Mar-13	13.76	11375.64	-4.02	9598.26	7.31	10730.80
31-Mar-11 to 30-Mar-12	-6.06	9393.52	-4.09	9591.11	-9.23	9077.44
31-Mar-10 to 31-Mar-11	-1.46	9853.99	4.35	10435.11	11.14	11113.81
Since Inception as on 12-Nov-08 to 28-Mar-13	29.52	31010.00	17.45	20215.22	17.10	19949.62

PRINCIPAL DIVIDEND YIELD FUND

Performance Date	Scheme		Scheme's Benchmark (CNX Dividend Opportunities Index)		Additional Benchmark (CNX Nifty Index)	
	^Returns (%)	^PTP Returns (₹)	^Returns (%)	^PTP Returns (₹)	^Returns (%)	^PTP Returns (₹)
30-Mar-12 to 28-Mar-13	3.36	10335.84	2.50	10250.25	7.31	10730.80
31-Mar-11 to 30-Mar-12	-4.11	9588.98	3.93	10393.28	-9.23	9077.44
31-Mar-10 to 31-Mar-11	14.84	11484.18	22.27	12226.52	11.14	11113.81
Since Inception as on 15-Oct-04 to 28-Mar-13	10.57	23390.00	N.A.	N.A.	14.60	31657.66

SCHEMES MANAGED BY MR. GURVINDER SINGH WASAN

PRINCIPAL BANK CD FUND

Performance Date	Scheme		Scheme's Benchmark (CRISIL Liquid Fund Index)		Additional Benchmark (CRISIL 1 Year T-Bill Index)	
	^Returns (%)	^PTP Returns (₹)	^Returns (%)	^PTP Returns (₹)	^Returns (%)	^PTP Returns (₹)
30-Mar-12 to 28-Mar-13	9.13	10912.71	8.17	10817.44	8.33	10833.11
31-Mar-11 to 30-Mar-12	9.14	10913.78	8.44	10844.40	6.59	10659.16
31-Mar-10 to 31-Mar-11	6.49	10648.54	6.21	10620.69	3.86	10385.79
Since Inception as on 6-Nov-07 to 28-Mar-13	7.82	15010.63	7.06	14446.62	5.84	13580.85

PRINCIPAL INCOME FUND - SHORT TERM PLAN

Performance Date	Scheme		Scheme's Benchmark (CRISIL Short-Term Bond Fund Index)		Additional Benchmark (CRISIL 10 Year Gilt Index)	
	^Returns (%)	^PTP Returns (₹)	^Returns (%)	^PTP Returns (₹)	^Returns (%)	^PTP Returns (₹)
30-Mar-12 to 28-Mar-13	9.68	10967.67	9.05	10905.10	11.25	11125.15
31-Mar-11 to 30-Mar-12	9.34	10933.76	8.28	10828.01	2.43	10243.43
31-Mar-10 to 31-Mar-11	6.27	10626.67	5.12	10511.99	4.61	10461.44
Since Inception as on 9-May-03 to 28-Mar-13	7.59	20613.40	6.48	18611.00	5.34	16735.95

Past performance may or may not be sustained in future. Since Inception Returns (in %) are calculated on Compounded Annualised Basis.

^ PTP (Point to Point) Returns is based on standard investment of ₹ 10,000/- made at the beginning of relevant period.

Performance of the dividend option for the investors would be net of dividend distribution tax, as applicable.

^ Regular Plan - Growth Option [Direct Plan - N.A., Since launched on January 1, 2013]

SCHEMES MANAGED BY MR. PANKAJ JAIN

PRINCIPAL DEBT OPPORTUNITIES FUND - CONSERVATIVE PLAN

Performance Date	Scheme		Scheme's Benchmark (CRISIL Liquid Fund Index)		Additional Benchmark (CRISIL 1 Year T-Bill Index)	
	^Returns (%)	^PTP Returns (₹)	^Returns (%)	^PTP Returns (₹)	^Returns (%)	^PTP Returns (₹)
30-Mar-12 to 28-Mar-13	9.46	10945.93	8.17	10817.44	8.33	10833.11
31-Mar-11 to 30-Mar-12	9.60	10959.78	8.44	10844.40	6.59	10659.16
31-Mar-10 to 31-Mar-11	6.41	10641.17	6.21	10620.69	3.86	10385.79
Since Inception as on 14-Sep-04 to 28-Mar-13	7.54	18605.85	6.60	17259.18	5.54	15852.14

PRINCIPAL CASH MANAGEMENT FUND#

Performance Date	Scheme		Scheme's Benchmark (CRISIL Liquid Fund Index)		Additional Benchmark (CRISIL 1 Year T-Bill Index)	
	^Returns (%)	^PTP Returns (₹)	^Returns (%)	^PTP Returns (₹)	^Returns (%)	^PTP Returns (₹)
31-Mar-12 to 31-Mar-13	9.36	10936.15	8.17	10817.44	8.33	10833.11
31-Mar-11 to 31-Mar-12	9.38	10937.76	8.44	10844.40	6.59	10659.16
31-Mar-10 to 31-Mar-11	6.42	10642.49	6.21	10620.69	3.86	10385.79
Since Inception as on 30-Aug-04 to 31-Mar-13	7.25	18246.61	6.58	17285.58	5.52	15865.17

PRINCIPAL DEBT SAVINGS FUND - MONTHLY INCOME PLAN

Performance Date	Scheme		Scheme's Benchmark (Crisil MIP Blended Index)		Additional Benchmark (Crisil 10 year Gilt Index)	
	^Returns (%)	^PTP Returns (₹)	^Returns (%)	^PTP Returns (₹)	^Returns (%)	^PTP Returns (₹)
30-Mar-12 to 28-Mar-13	8.93	10893.27	9.06	10906.29	11.25	11125.15
31-Mar-11 to 30-Mar-12	5.64	10563.69	5.24	10523.59	2.43	10243.43
31-Mar-10 to 31-Mar-11	3.47	10347.33	6.17	10616.67	4.61	10461.44
Since Inception as on 23-May-02 to 28-Mar-13	8.59	24466.40	8.36	23905.80	6.66	20141.79

PRINCIPAL RETAIL MONEY MANAGER FUND#

Performance Date	Scheme		Scheme's Benchmark (CRISIL Liquid Fund Index)		Additional Benchmark (CRISIL 1 Year T-Bill Index)	
	^Returns (%)	^PTP Returns (₹)	^Returns (%)	^PTP Returns (₹)	^Returns (%)	^PTP Returns (₹)
31-Mar-12 to 31-Mar-13	9.82	10982.00	8.17	10817.44	8.33	10833.11
31-Mar-11 to 31-Mar-12	7.99	10798.81	8.44	10844.40	6.59	10659.16
31-Mar-10 to 31-Mar-11	5.52	10551.72	6.21	10620.69	3.86	10385.79
Since Inception as on 28-Dec-07 to 31-Mar-13	5.34	13148.24	7.05	14309.22	5.90	13517.38

PRINCIPAL DEBT SAVINGS FUND - RETAIL PLAN

Performance Date	Scheme		Scheme's Benchmark (Crisil Composite Bond Fund Index)		Additional Benchmark (Crisil 10 year Gilt Index)	
	^Returns (%)	^PTP Returns (₹)	^Returns (%)	^PTP Returns (₹)	^Returns (%)	^PTP Returns (₹)
30-Mar-12 to 28-Mar-13	10.51	11051.05	9.24	10924.12	11.25	11125.15
31-Mar-11 to 30-Mar-12	2.65	10265.06	7.68	10767.79	2.43	10243.43
31-Mar-10 to 31-Mar-11	3.26	10326.08	5.06	10506.18	4.61	10461.44
Since Inception as on 30-Dec-03 to 28-Mar-13	8.38	21047.60	5.48	16383.39	4.70	15298.14

Note: Effective June 6, 2013 the Benchmark of the Scheme stands revised from 'Crisil Composite Bond Fund Index' to 'Crisil Short Term Bond Fund Index'.

Past performance may or may not be sustained in future. Since Inception Returns (in %) are calculated on Compounded Annualised Basis.

^ PTP (Point to Point) Returns is based on standard investment of ₹ 10,000/- made at the beginning of relevant period.

Performance of the dividend option for the investors would be net of dividend distribution tax, as applicable.

^ Regular Plan - Growth Option [Direct Plan - N.A., Since launched on January 1, 2013]. # Returns as on March 31, 2013

Tax Rates for Mutual Fund Investors¹ as per the Finance Bill, 2013 – SNAPSHOT



EQUITY ORIENTED FUNDS (SUBJECT TO STT³)

Financial Year	Short Term Capital Gains Tax (STCG) ²		Long Term Capital Gains Tax (LTCG) ²		Dividend Income		Tax on Distributed Income		TDS on Capital Gains ⁷	
	2012-13	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13	2013-14
Resident Individual / HUF / AOP / BOI	15%	15%	Nil	Nil	Exempt	Exempt	Nil	Nil	Nil	Nil
Resident Partnership Firms	15%	15%	Nil	Nil	Exempt	Exempt	Nil	Nil	Nil	Nil
Domestic Companies	15%	15%	Nil	Nil	Exempt	Exempt	Nil	Nil	Nil	Nil
NRIs ⁴	15%	15%	Nil	Nil	Exempt	Exempt	Nil	Nil	STCG - 15% ² LTCG - Nil	STCG - 15% ² LTCG - Nil
FII's ⁴	15%	15%	Nil	Nil	Exempt	Exempt	Nil	Nil	STCG - Nil ⁶ LTCG - Nil ⁶	STCG - Nil ⁶ LTCG - Nil ⁶
QFI (Individual / HUF) ⁴	15%	15%	Nil	Nil	Exempt	Exempt	Nil	Nil	STCG - 15% ² LTCG - Nil	STCG - 15% ² LTCG - Nil
QFI (Companies) ⁴	15%	15%	Nil	Nil	Exempt	Exempt	Nil	Nil	STCG - 15% ² LTCG - Nil	STCG - 15% ² LTCG - Nil

OTHER THAN EQUITY ORIENTED FUNDS (including Infrastructure Debt Funds⁸)

	Short Term Capital Gains Tax ²		Long Term Capital Gains Tax ²		Dividend Income		Tax on Distributed Income - Other than Liquid / Money Market Schemes		Tax on Distributed Income - Liquid / Money Market Schemes		TDS on Capital Gains ⁷	
	2012-13	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13	2013-14
Resident Individual / HUF	As per slab rates	As per slab rates	10% (20% with Indexation)	10% (20% with Indexation)	Exempt	Exempt	13.519% (12.50% plus 5% surcharge plus 3% education cess)	14.1625% (12.50% plus 10% surcharge plus 3% education cess - from 1.4.2013 to 31.5.2013) 28.325% (25% plus 10% surcharge plus 3% education cess - from 1.6.2013 to 31.3.2014)	27.038% (25% plus 5% surcharge plus 3% education cess)	28.325% (25% plus 10% surcharge plus 3% education cess)	Nil	Nil
AOP / BOI	As per slab rates	As per slab rates	10% (20% with Indexation)	10% (20% with Indexation)	Exempt	Exempt	32.445% (30% plus 5% surcharge plus 3% education cess)	33.99% (30% plus 10% surcharge plus 3% education cess)	32.445% (30% plus 5% surcharge plus 3% education cess)	33.99% (30% plus 10% surcharge plus 3% education cess)	Nil	Nil
Domestic Companies / Firms	30%	30%	10% (20% with Indexation)	10% (20% with Indexation)	Exempt	Exempt	32.445% (30% plus 5% surcharge plus 3% education cess)	33.99% (30% plus 10% surcharge plus 3% education cess)	32.445% (30% plus 5% surcharge plus 3% education cess)	33.99% (30% plus 10% surcharge plus 3% education cess)	Nil	Nil
NRIs ⁴	As per slab rates	As per slab rates	Listed Units - 10% (20% with Indexation) Unlisted Units - 10% (without Indexation) ^f	Listed Units - 10% (20% with Indexation) Unlisted Units - 10% (without Indexation) ^f	Exempt	Exempt	13.519% (12.50% plus 5% surcharge plus 3% education cess)	14.1625% (12.50% plus 10% surcharge plus 3% education cess - from 1.4.2013 to 31.5.2013) 28.325% (25% plus 10% surcharge plus 3% education cess - from 1.6.2013 to 31.3.2014) 5.665% for IDFs (5% plus 10% surcharge plus 3% education cess - from 1.6.2013 to 31.3.2014)	27.038% (25% plus 5% surcharge plus 3% education cess)	28.325% (25% plus 10% surcharge plus 3% education cess)	STCG - 30% ² LTCG - 20% ² with indexation for listed units 10% ² without indexation for unlisted units ⁵	STCG - 30% ² LTCG - 20% ² with indexation for listed units 10% ² without indexation for unlisted units ⁵

(Contd. on next page)

Tax Rates for Mutual Fund Investors¹ as per the Finance Bill, 2013 – SNAPSHOT



OTHER THAN EQUITY ORIENTED FUNDS (including Infrastructure Debt Funds⁸) [Contd.]

	Short Term Capital Gains Tax ²		Long Term Capital Gains Tax ²		Dividend Income		Tax on Distributed Income - Other than Liquid / Money Market Schemes		Tax on Distributed Income - Liquid / Money Market Schemes		TDS on Capital Gains ⁷	
	2012-13	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13	2013-14
FIIs⁴	30%	30%	10% without Indexation	10% without Indexation	Exempt	Exempt	32.445% (30% plus 5% surcharge plus 3% education cess)	33.99% (30% plus 10% surcharge plus 3% education cess) 5.665% for IDFs (5% plus 10% surcharge plus 3% education cess - from 1.6.2013 to 31.3.2014)	32.445% (30% plus 5% surcharge plus 3% education cess)	33.99% (30% plus 10% surcharge plus 3% education cess)	STCG - Nil ⁶ LTCG - Nil ⁶	STCG - Nil ⁶ LTCG - Nil ⁶
QFI (Individual/HUF)⁴	As per slab rates	As per slab rates	Listed Units - 10% (20% with Indexation) Unlisted Units - 10% (without Indexation) ³	Listed Units - 10% (20% with Indexation) Unlisted Units - 10% (without Indexation) ³	Exempt	Exempt	13.519% (12.50% plus 5% surcharge plus 3% education cess)	14.1625% (12.50% plus 10% surcharge plus 3% education cess - from 1.4.2013 to 31.5.2013) 28.325% (25% plus 10% surcharge plus 3% education cess - from 1.6.2013 to 31.3.2014) 5.665% for IDFs (5% plus 10% surcharge plus 3% education cess - from 1.6.2013 to 31.3.2014)	27.038% (25% plus 5% surcharge plus 3% education cess)	28.325% (25% plus 10% surcharge plus 3% education cess)	STCG - 30% ² LTCG - 20% ² with indexation for listed units 10% ² without indexation for unlisted units ⁵	STCG - 30% ² LTCG - 20% ² with indexation for listed units 10% ² without indexation for unlisted units ⁵
QFI (Companies)⁴	40%	40%	Listed Units - 10% (20% with Indexation) Unlisted Units - 10% (without Indexation) ³	Listed Units - 10% (20% with Indexation) Unlisted Units - 10% (without Indexation) ³	Exempt	Exempt	32.445% (30% plus 5% surcharge plus 3% education cess)	33.99% (30% plus 10% surcharge plus 3% education cess) 5.665% for IDFs (5% plus 10% surcharge plus 3% education cess - from 1.6.2013 to 31.3.2014)	32.445% (30% plus 5% surcharge plus 3% education cess)	33.99% (30% plus 10% surcharge plus 3% education cess)	STCG - 40% ² LTCG - 20% ² with indexation for listed units 10% ² without indexation for unlisted units ⁵	STCG - 40% ² LTCG - 20% ² with indexation for listed units 10% ² without indexation for unlisted units ⁵

- Resident Individuals, HUF, BOI, AOP, Domestic companies, Non Resident Individuals ('NRIs'), Foreign Institutional Investor ('FIIs') and Qualified Foreign Investors ('QFI'). It is assumed that the units are held as capital assets by the investors.
- Plus applicable surcharge [refer note 9], if any, and Education Cess at the rate of 2% on income-tax and surcharge and Secondary and Higher Education cess at the rate of 1% on income-tax and surcharge.
- Securities Transaction Tax ('STT') is applicable in respect of purchase/ sale of units of Equity-oriented funds ('EOFs') on a recognised stock exchange and redemption of EOFs by the mutual fund. Purchase/ sale/ redemption of units other than EOFs are not subject to STT.
- Non-resident investors / FIIs / QFIs shall be entitled to be governed by provisions of the applicable Tax Treaty, which India has entered with the country of residence of the non-resident investor, if that is more beneficial than the provisions of the Income-tax Act, 1961 ('the Act'), subject to certain conditions. As per section 90(4) of the Act, a non-resident shall not be entitled to claim treaty benefits, unless the non-resident obtains a Tax Residency Certificate ('TRC') from their home country, containing such particulars as may be prescribed. The Central Board of Direct Taxes has issued a notification dated 17 September, 2012, wherein certain particulars have been prescribed in this regard.
- As per section 112 of the Act (as amended by the Finance Act, 2012), long-term capital gains in case of non-residents would be taxable @ 10% on transfer of capital assets, being unlisted securities, computed without giving effect to first & second proviso to section 48 i.e. without taking benefit of foreign currency fluctuation and indexation benefit.
- Section 196D of the Act provides that no tax is required to be withheld for payment to a FII in respect of capital gains arising on transfer of units.
- As per provisions of Section 206AA of the Act, if there is default on the part of a non-resident investor (entitled to receive redemption proceeds from the Mutual Fund on which tax is deductible under Chapter XVII of the Act) to provide its Permanent Account Number ('PAN'), the tax shall be deducted at higher of the following rates: i) rates specified in relevant provisions of the Act; or ii) rate or rates in force; or iii) rate of 20%.
- "Infrastructure debt fund" means an infrastructure debt fund as defined in clause 1 of the regulation 49L of the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996. As per clause 1 of regulation 49L, an 'infrastructure debt fund scheme' would mean, a scheme which invests primarily (minimum 90% of scheme assets) in debt securities or securitized debt instrument of infrastructure companies or infrastructure capital companies or infrastructure projects or special purpose vehicles, etc or other permissible assets in accordance with these regulations or bank loans in respect of completed and revenue generating projects of infrastructure companies or projects or special purpose vehicles.

(Contd. on next page)

Tax Rates for Mutual Fund Investors¹ as per the Finance Bill, 2013 – SNAPSHOT



9 Surcharge applicable for FY 2013-14:

Type of Investor	Surcharge rate as a % of Income-tax		
	If income is less than ₹ 1 crores	If income exceeds ₹ 1 crore but less than ₹ 10 crores	If income exceeds ₹ 10 crores
Individual (including non-resident individuals, QFI-individuals), HUF, AOP & Partnership Firm	Nil	10%	10%
Domestic Company	Nil	5%	10%
Foreign Company / FII / QFI (corporates)	Nil	2%	5%
FII and QFI (non-corporates)	Nil	10%	10%

INCOME TAX RATES FOR INDIVIDUAL / HUF / AOP / BOI for AY 2014-15

Total Income	Tax Rates (c)
Up to ₹ 200,000 (a)(b)(d)	NIL
₹ 200,001 to ₹ 500,000	10%
₹ 500,001 to ₹ 1,000,000	20%
₹ 1,000,001 and above	30%

(a) In the case of a resident individual of the age of 60 years or more but less than 80 years, the basic exemption limit is ₹ 250,000.
 (b) In the case of a resident individual of the age of 80 years or more, the basic exemption limit is ₹ 5,00,000.
 (c) Plus, surcharge on income-tax, as applicable and education cess is applicable at the rate of 2% on income-tax and secondary and higher education cess at the rate of 1% on income-tax.
 (d) Rebate of upto ₹ 2,000 available for resident individuals whose total income does not exceed ₹ 5,00,000.

WEALTH TAX ON MF UNITS

Wealth Tax	MF units are exempt
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SECURITIES TRANSACTION TAX

Equity Oriented Fund
STT on sale of a unit of equity oriented mutual fund to the mutual fund has been reduced to 0.001% w.e.f. 1.06.2013. Prior to this date, STT is chargeable at 0.25%.
STT on purchase of units of an equity oriented mutual fund entered into in recognised stock exchange has been reduced to Nil w.e.f. 1.06.2013. Prior to this date, STT is chargeable at 0.1%.
Sale of a unit of an equity oriented mutual fund where transaction is entered into in recognized stock exchange and the contract for sale is settled by the actual delivery has been reduced to 0.001% w.e.f. 1.06.2013. Prior to this date, STT is chargeable at 0.1%.
Other than Equity Oriented Fund: Purchase/ sale/ redemption of units other than equity-oriented units shall not be subject to STT.
Mutual Fund would also pay securities transaction tax wherever applicable on the securities bought/sold
As per Section 94(7): The loss due to sale of Units in the schemes (where income distributed on MF units is tax free) will not be available for set-off to the extent of the tax free income distributed; if units are :- (A) Bought within three months prior to the record date fixed for income distribution; and (B) sold within nine months after the record date fixed for income distribution.
As per Section 94(8): The loss due to sale of original Units in the schemes, where bonus Units are issued, will not be available for setoff; if original units are :- (A) Bought within three months prior to the record date fixed for allotment of bonus units; and (B) sold within nine months after the record date fixed for allotment of bonus units However, the amount of loss so ignored shall be deemed to be the cost of purchase or acquisition of such unsold bonus units held on the date of transfer of original units.

This information is being provided for basic guidance for investments in mutual funds and is based on provisions of the Income-tax Act, 1961 as proposed by the Finance Bill, 2013. The tax implication may vary for each assessee based on the details of his income. All rates and figures appearing are for illustrative purposes only. Tax benefits are subject to change in tax laws. Contents of this note have been drawn for informative purpose only and the same should not be used or considered as an investment/tax advice. The AMC/Trustee/Sponsor accepts no liability whatsoever for any direct or consequential loss arising from any information provided in this note.

Understanding Ratios & Risk Measures

➤ **STANDARD DEVIATION** - Is the average deviation from the mean returns. It is an indication of volatility i.e. deviation from mean returns. Lower the better.

- For instance a scheme that has a consistent four-year return of 3% would have a mean or average of 3%. The standard deviation for this scheme would then be zero because the scheme's return in any given year does not differ from its four-year mean of 3%.
- On the other hand, a scheme that in each of the last four years returned -5%, 17%, 2% and 30% will have a mean return of 11%. The scheme will also exhibit a high standard deviation because each year the return of the scheme differs from the mean return. This scheme is therefore riskier because it fluctuates widely between negative and positive returns within a short period.

Calculation = Square Root of Variance. Where Variance is the average of the squared deviations from mean returns.

➤ **BETA** - Can be interpreted as percentage change in price of a scheme for every one percentage change in the market benchmark. For example if a scheme's beta is 1.1 and the market is expected to go up/down by 10% then the scheme will move up/down by 11%.

Calculation = Covariance of Market and Scheme's Returns Divided by Variance of the Market. Where Covariance is the Deviation of Mean Returns of Market multiplied by Deviation of Mean Returns of the scheme.

➤ **JENSEN'S ALPHA** - Gives the average return of the portfolio over and above the risk free rate and market determined return. This is the addition by the fund manager over and above the market return and hence higher the better.

Calculation = Portfolio Return - (Risk Free Rate of Return + beta [market return - Risk Free Rate of Return]).

➤ **SHARPE** - Gives the returns per unit of risk. i.e. for every 1 unit of risk what is the returns of the scheme. For this purpose risk is defined as standard deviation of the scheme. Higher the Sharpe, the better.

It signifies that scheme with a higher sharpe ratio generates returns taking lesser risk. In other words, the scheme is less volatile and yet generating good returns. Thus, given same returns, the scheme with a higher Sharpe ratio offers a better avenue for investing.

Calculation = Average Scheme Return - Risk Free Rate of Return ÷ Standard Deviation of the Scheme.

➤ **PORTFOLIO TURNOVER** - Portfolio turnover is a measure of how actively a fund manager trades the portfolio of your scheme. Expressed in percentage or number of times, the inverse of a scheme's turnover ratio is the average holding period for a security in that scheme. If a scheme has a 20 per cent turnover ratio, it would suggest that on average that scheme will hold a security for five years before selling it. A scheme with a 200 per cent turnover ratio will change its portfolio in six months or in other words, replace the entire holdings in its portfolio with new stocks in six months.

Calculation = Lower of sales or purchases divided by average AUM for last rolling 12 months.

++ ICRA has assigned credit risk rating of [ICRA]A1+mfs to Principal Cash Management Fund. The rating is the highest-credit-quality short-term rating assigned by ICRA to debt funds. It has also assigned the credit risk rating of [ICRA] AAAmfs to Principal Debt Opportunities Fund - Conservative Plan. The rating is the highest-credit-quality long term rating assigned by ICRA to debt funds. Rating methodology used by ICRA is based on evaluating the inherent credit quality of the mutual funds portfolio. As a measure of the credit quality of a debt fund's assets, ICRA uses the concept of "credit scores", based on ICRA's assessment of credit risk associated with each exposure of the portfolio taking into account its maturity. To quantify the credit risk scores, ICRA uses its database of historical default rates for various rating categories for various maturity buckets. The credit risk ratings incorporate ICRA's assessment of a debt fund's published investment objectives and policies, its management characteristics, and the creditworthiness of its investment portfolio. ICRA reviews relevant fund information on an ongoing basis to support its published rating opinions. If the portfolio credit score meets the benchmark of the assigned rating during the review, the rating is retained. In an event that the benchmark credit score is breached, ICRA gives a month's time to the debt fund manager to bring the portfolio credit score within the benchmark credit score. If the debt fund manager is able to reduce the portfolio credit score within the benchmark credit score, the rating is retained. If the portfolio still continues to breach the benchmark credit score, the rating is revised to reflect the change in credit quality. The ratings should, however, not be construed as an indication of the prospective performance of the Mutual fund scheme or of volatility in its returns. ICRA ratings should not be treated as recommendation to buy, sell or hold the rated debt instruments. ICRA ratings are subject to a process of surveillance which may lead to a revision in ratings. **Source:** ICRA Ltd.

DISCLAIMER:

Mutual Fund investments are subject to market risks, read all scheme related documents carefully.

This factsheet is for informative purpose only and under no circumstances is to be used or considered as an investment advice. Terms of issue / load structure / Scheme specific risk factors are set forth in the Scheme Information Document (SID). Copy of the same is available at all our Investor Service Centres. Alternatively, Investor can download the SID from our website - www.principalindia.com or can call us at 1800 425 5600 to get a copy of the same.

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, Shail Building, Opp. Madhusudhan House, Nr. Navrangpura Telephone Exchange, Navrangpura, Ahmedabad-380 006 • **Ajmer:** 1-2, II 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 • **Asansol:** 114 / 71, G.T. Road, Near Sony Centre, Bhanga Pachil, Asansol-713 303 • **Aurangabad:** Ramkunj, Railway Station Road, Near Osmanpura Circle, Aurangabad-431 005 • **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 • **Baroda:** SB-4&5, Mangaldeep Complex, Opp. Mesonic Hall, Productivity Road, Alkapuri, Vadodara-390 007 • **Belgaum:** CTS No. 3939/ A2 A1, Above Raymonds Show Room, Beside Harsha Appliances, Club Road, Belgaum-590 001 • **Bharuch:** 147-148, Aditya Complex, Near Kasak Circle, Bharuch-392 002 • **Bhatinda:** #2047- A, 2nd Floor, Above Max New York Life Insurance, The Mall Road, Bhatinda-151 001 • **Bhavnagar:** Surabhi Mall, 301, 3rd Floor, Waghawadi Road, Bhavnagar-364 001 • **Bhilai:** Shop No. 1, First Floor, Plot No. 1, Old Sada Office Block, Commercial Complex, Nehru Nagar- East, Bhilai-490 020 • **Bhopal:** Kay Kay Busniss Centre, 133, Zone I, M.P. Nagar, Bhopal-462 011 • **Bhubaneswar:** 2nd & 3rd Floor, Janardan House, A-181, Saheed Nagar, Bhubaneswar-751 007 • **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-827 004 • **Burdwan:** 63, G.T. Road, Birhata, Halder Complex, 1st Floor, Burdwan-713 101 • **Calicut:** Sowbhagya Shopping Complex, Areyadathupalam, Mavoor Road, Calicut-673 004 • **Chandigarh:** SCO 371-372, 1st Floor, Above HDFC Bank, Sector 35-B, Chandigarh-160 022 • **Chennai:** Flat No F-11, 1st Floor, Akshya Plaza, (Erstwhile Harris Road), Opp. Chief City Metropolitan Court, # 108, Adhithanar Salai, Egmore, Chennai-600 002 • **Cochin:** Building Nos. 39, Ali Arcade, 1st Floor, Near Atlantis Junction, Kizhvana Road, Panampili Nagar, Cochin-682 036 • **Coimbatore:** 1057/1058, Jaya Enclave, Avanashi Road, Coimbatore-641 018 • **Cuttack:** Dargha Bazar, Opp. Dargha Bazar Police Station, Buxibazar, Cuttack-753 001 • **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:** MWAV-16 Bengal Ambuja, 2nd Floor, City Centre, Durgapur-713 216 • **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, (AIDC Bus Stop), Guwahati-781 024 • **Gwalior:** Shindi Ki Chawani, Nadi Gate Pul, M.L.B. Road, Gwalior-474 001 • **Hubli:** 22 & 23, 3rd Floor, Eurecka Junction, T.B. Road, Hubli-580 029. • **Hyderabad:** 8-2-596 Karvy Plaza, Avenue 4, Street No.1, Banjara Hills, Hyderabad-500 034. • **Indore:** 218, City Center, Opp. High Court, M.G. Road, Indore-452 010 • **Jabalpur:** 43, Naya Bazar, Opp. Shyam Talkies, Jabalpur-482 001 • **Jaipur:** S-16 A, 3rd Floor, Land Mark, Opp. Jaipur Club, Mahavir Marg, C-Scheme, Jaipur-302 001 • **Jalandhar:** Lower Ground 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:** 5 A/D Second Extn., Opp. Panama Chowk Petrol Pump, Gandhi Nagar, Jammu-180 012 • **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, Gujarat-362 001 • **Kanpur:** 15/46, Ground Floor, Opp. Muir Mills, Civil Lines, Kanpur-208 001 • **Kolhapur:** 605/1/4, E Ward, Near Sultane Chambers, Shahupuri 2nd Lane, Kolhapur-416 001 • **Kolkata:** 166A, Rashbehari Avenue, 2nd Floor, Near Adi Dhakerhwari Bastralaya, Opp. Fortis Hospital, Kolkata-700 029 • **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-136, 1st Floor, Above Airtel Show Room, 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:** Gr. Floor, Mahendra Arcade, Kodial Bail, Mangalore-575 003 • **Meerut:** 1st Floor, Medi Centre Complex, Opp. ICICI Bank, Hapur Road, Meerut-250 002 • **Mehsana:** Ul-47, Appolo Enclave, Opp. Simandhar Temple, Modhera Char Rasta, Highway, 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-400 001 • **Thane:** Yashwant Tower, 101, 1st Floor, Opp. Puja Hotel, Ram Maruti Road, Navpada, Thane-400 602 • **Borivali:** Gr. Floor, Himanshu Bldg., Sodawala Lane, Chandawarkar Road, Borivali (West), Mumbai-400 092 • **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:** Plot No.2/1, House No. 102/1, Mangaldeep Apartment, Mata Mandir Road, Opp. Khandelwal Jewellers, Dharampeth, Nagpur-440 010 • **Nasik:** S-12, Second Floor, Suyojit Sankul, Sharanpur Road, Nasik-422 002 • **Navsari:** 1st Floor, Chinmay Arcade, Opp. Sattapir, Tower Road, Navsari-396 445 • **New Delhi:** 305, 3rd Floor, New Delhi House, Bara Khamba Road, Connaught Place, New Delhi-110 001 • **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 & 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, Thiayagaraja Street, Pondicherry-605 001 • **Pune:** Shop No. 16, 17 & 18, Ground Floor, Sreenath Plaza, Dyaneshwar 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:** Room No. 307, 3rd Floor, Commerce Towers, Beside Mahabir Towers, Main Road, Ranchi-834 001 • **Rourkela:** 1st Floor, Sandhu Complex, Kanchery Road, Udit Nagar, Rourkela-769 012 • **Salem:** Door No. 40, Brindavan Road, Near Perumal Koil, Fairlands, Salem-636 016 • **Shillong:** Mani Bhawan, Thana Road, Lower Police Bazar, Shillong-793 001 • **Shimla:** Triveni Building, By Pas Chowk, Khallini, Shimla-171 002 • **Siliguri:** Nanak Complex, Near Church Road, Sevoke Road, Siliguri-734 001 • **Surat:** G-6, Empire State Building, Near Parag House, Udhna Darwaja, Ring Road, Surat-395 002 • **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:** Sri Krishna Arcade, 1st Floor, 60, Thennur High Road, Trichy-620 017 • **Trivandrum:** 2nd Floor, Akshaya Towers, Above Jetairways, Sasthamangalam, Trivandrum-695 010 • **Udaipur:** 201-202, Madhav Chambers, Opp. G.P.O, Chetak Circle, Madhuban, Udaipur-313 001 • **Valsad:** Shop No 2, Phiroza Corner, Opp. Next Showroom, 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, Sibra, Varanasi-221 010 • **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-506 001.

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

Principal Pnb Asset Management Company Private Limited - OPA & ISC:

- **Mumbai:** Exchange Plaza, 'B' wing, Ground Floor, NSE Building, Bandra Kurla Complex, Bandra (East), Mumbai-400 051

Principal Pnb Asset Management Company Private Limited - ISC:

- **Ahmedabad:** 101, Megha House, Opp. Kotak Mahindra Bank, Mithakhali, Navrangpura, Ahmedabad-380 009
- **Bengaluru:** Salarpuria Landmark, 2nd Floor, Unit No. 2002, 100 Feet Road, HAL II Stage, Bengaluru-560 038
- **Chandigarh:** SCO No. 145-146, 1st Floor, Sector 9-C, Chandigarh-160 009
- **Chennai:** Nirupama & Neelima Building, New Unit No.55, Vijaya Raghava Road, T. Nagar, Chennai-600 017
- **Cochin:** 2nd Flr., Mayur Business Center, Pullepady Junction, Chittor Road, Cochin-682 035
- **Hyderabad:** ANR Center, Unit No. 201, 1st Floor, Road No.1, Banjara Hills, Hyderabad - 500 034
- **Indore:** 222, 2nd Floor, City Center, 570, M.G. Road, Indore-452 001
- **Jaipur:** 61-A, Vasanti, Sardar Patel Marg, C-Scheme, Jaipur-302 001
- **Kanpur:** 118-119, Kan Chambers, Near Stock Exchange Bldg., 14/113 Civil Lines, Kanpur-208 001
- **Kolkata:** Bachhawat House, Premises No.2, Dr. Martin Luther King Sarani, (Formerly Upper Wood Street), Kolkata-700 016
- **Lucknow:** Rohtas Trident, 1st Floor, 10, Rana Pratap Marg, Lucknow-226 001
- **New Delhi:** Unit No. 001 & 002, Gr. Floor, DLF Capitol Point, Baba Kharag Singh Marg, New Delhi-110 001
- **Pune:** Unit No: 103 & 104, 1st Floor, Rainbow Plaza, Opp. Modern Highschool, Jangali Maharaj Road, Shivaji Nagar, Pune - 411 005
- **Surat:** 206 Jolly Plaza, Athwagate, Surat-395 001
- **Vadodara:** 103, Paradise Complex, Sayajigunj, Vadodara-390 005.

Name, Address and Website of 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:

