KEY INFORMATION MEMORANDUM

AND

APPLICATION FORM

Principal
Arbitrage
Fund
An open-ended scheme investing in arbitrage opportunities

(Offer of units at applicable NAV based price)

This product is suitable for investors who are seeking:

- Income over short-term
- Income through arbitrage opportunities between cash and derivative market and arbitrage opportunities within the derivative segment.

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

Principal Asset Management Private Limited
(formerly known as Principal Pnb Asset Management Company Private Limited)

Investment Manager to Principal Mutual Fund

Exchange Plaza, ‘B’ Wing, Ground Floor, NSE Building, Bandra Kurla Complex, Bandra (East), Mumbai-400 051, India.

Principal Mutual Fund

Exchange Plaza, ‘B’ Wing, Ground Floor, NSE Building, Bandra Kurla Complex, Bandra (East), Mumbai-400 051.

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

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

Investment Objective: The investment objective of the scheme is to generate capital appreciation and income by predominantly investing in arbitrage opportunities in the cash and derivative segments of the equity markets and the arbitrage opportunities available within the derivative segment and by investing the balance in debt and money market instruments. There is no assurance or guarantee that the investment objective of the scheme will be realized.

Type of Scheme: An open ended scheme investing in arbitrage opportunities.

Asset Allocation Pattern of the scheme:

<table>
<thead>
<tr>
<th>Instruments</th>
<th>Indicative allocation (% of total assets)</th>
<th>Risk Profile</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Minimum</td>
<td>Maximum</td>
</tr>
<tr>
<td>Equity and equity related instruments</td>
<td>65</td>
<td>90</td>
</tr>
<tr>
<td>Equity derivatives</td>
<td>65</td>
<td>90</td>
</tr>
<tr>
<td>Debt securities and Money Market Instruments# (including Margin for Derivatives) and Fixed Income Derivatives</td>
<td>10</td>
<td>35</td>
</tr>
</tbody>
</table>

# The Scheme may invest in Treasury Bills, Repos, Reverse Repos & Collateralized Borrowing and Lending Obligations ("CBLO") and units of Debt / Liquid and Money Market Mutual Fund Schemes.

When adequate arbitrage opportunities are not available in the Derivative and Equity markets, the anticipated alternate asset allocation on defensive considerations would be in accordance with the allocation given below. However, in case no arbitrage opportunity is available, then 100% of the remaining investible corpus (excluding margin for derivatives and to the extent not deployed in arbitrage opportunities in the asset allocation pattern mentioned above) will be deployed in short term debt and money market instruments with tenure not exceeding 91 days (including investments in securitized debt). In this scenario also, the allocation in Equities and equity related instruments, Derivatives including index futures, stock futures will continue to be made in arbitrage opportunities only.

In this scenario also, the allocation in Equities and equity related instruments, Derivatives including index futures, stock futures will continue to be made in arbitrage opportunities only.

<table>
<thead>
<tr>
<th>Instruments</th>
<th>Minimum</th>
<th>Maximum</th>
<th>Risk Profile</th>
</tr>
</thead>
<tbody>
<tr>
<td>Equity and equity related instruments including Derivatives</td>
<td>0</td>
<td>65</td>
<td>Medium to High</td>
</tr>
<tr>
<td>Debt securities and Money Market Instruments# (including Margin for Derivatives) and Fixed Income Derivatives</td>
<td>10</td>
<td>35</td>
<td>Medium to High</td>
</tr>
<tr>
<td>Short term Debt and Money market instruments not exceeding tenure of 91 days (including investments in securitized debt)</td>
<td>0</td>
<td>100</td>
<td>Low</td>
</tr>
</tbody>
</table>

# The Scheme may invest in Treasury Bills, Repos, Reverse Repos & Collateralized Borrowing and Lending Obligations ("CBLO") and units of Debt / Liquid and Money Market Mutual Fund Schemes.

Investment in Securitized Debt may be up to 30% of the net assets of the Scheme.

Subject to the SEBI Regulations, the Mutual Fund may deploy upto 20% of its total net assets of the Scheme in Stock Lending.

The above asset allocation for defensive consideration will be for a maximum period of 30 days within which the asset allocation will be rebalanced back to as indicated for normal circumstances. Any further deviation over the period of 30 days in the rebalancing would be referred to the Investment Committee of the AMC for review and suggestions.

The above mentioned investment pattern is indicative and may change for short duration. Subject to the SEBI (MF) Regulations, the asset allocation pattern indicated above may change from time to time, keeping in view market conditions, market opportunities, and political and economic factors. The intention being at all times to seek to protect the interests of the unit holders. Such changes in the investment pattern will be for short term and defensive considerations. However, due to market conditions, the AMC may invest beyond the range set out above. Such deviations shall normally be for a short-term purpose only, for defensive considerations and the intention being at all times to protect the interests of the Unit Holders.

The Fund Manager shall rebalance the portfolio within 30 days from the date of deviation to bring it in line with the asset allocation pattern as indicated in this SID. Further, in case the rebalancing is not done within 30 days, the rebalancing would be referred to the Investment Committee of the AMC for review and suggestions.
the specified period, justification for the same shall be provided to the Investment Committee and the reason for the same shall be recorded in writing. The Investment Committee shall then decide on the course of action.

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

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

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

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

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

Type of Risk & Measures to mitigate risk

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

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

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

Investment Plans & Options
The Scheme will offer two Plans i.e. Regular Plan & Direct Plan.

Each of the Plans mentioned above offers Growth and Dividend Option.

The Monthly Dividend Option under both the Plans will have the facility of Payout, Reinvestment and Sweep.

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

<table>
<thead>
<tr>
<th>Scenario</th>
<th>Broker Code mentioned by the investor</th>
<th>Plan mentioned by the investor</th>
<th>Default Plan to be captured</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Not mentioned</td>
<td>Not mentioned</td>
<td>Direct Plan</td>
</tr>
<tr>
<td>2</td>
<td>Not mentioned</td>
<td>Direct</td>
<td>Direct Plan</td>
</tr>
<tr>
<td>3</td>
<td>Not mentioned</td>
<td>Regular</td>
<td>Direct Plan</td>
</tr>
<tr>
<td>4</td>
<td>Mentioned</td>
<td>Direct</td>
<td>Direct Plan</td>
</tr>
<tr>
<td>5</td>
<td>Direct</td>
<td>Not Mentioned</td>
<td>Direct Plan</td>
</tr>
<tr>
<td>6</td>
<td>Direct</td>
<td>Regular</td>
<td>Direct Plan</td>
</tr>
<tr>
<td>7</td>
<td>Mentioned</td>
<td>Regular</td>
<td>Regular Plan</td>
</tr>
<tr>
<td>8</td>
<td>Mentioned</td>
<td>Not Mentioned</td>
<td>Regular Plan</td>
</tr>
</tbody>
</table>

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

In cases of wrong/invalid/incomplete ARN codes mentioned on the application form, the application shall be processed under Regular plan. The AMC shall contact and obtain the correct ARN code within 30 calendar days.
The Scheme will endeavor to invest predominantly in arbitrage opportunities between spot and futures prices of exchange traded equities. In absence of profitable arbitrage opportunities available in the market, the scheme may predominantly invest in short-term debt and money market securities. The fund manager will evaluate the difference between the price of a stock in the futures market and in the spot market. If the price of a stock in the futures market is higher than in the spot market, after adjusting for costs and taxes the scheme shall buy the stock in the spot market and sell the same stock in equal quantity in the futures market, simultaneously. For example, on December 4, 2014, the scheme buys a share of XYZ Company on spot @ Rs 1000 and at the same time sells XYZ Company futures for December 2014 expiry @ Rs 1020. The Scheme thus enters into a fully hedged transaction by selling the equity position in the futures market for expiry on say December 25, 2014. If the scheme holds this position till expiry of the futures, the scheme earns profit of Rs 20 on the date of expiry before accounting for trading costs and taxes.

In case the scheme has to unwind the transaction prior to the expiry date on account of redemption pressures or any other reason, the returns would be a function of the spread at which the transaction is unwound. For example, if spot is sold at Rs 980 and the futures are bought at ` 1010 then there would be negative returns on the trade. If the spot is sold at Rs 1020 and the futures are bought at ` 1015 then there would be positive returns from the trade. On the date of expiry, if the price differential between the spot and futures position of the subsequent month maturity still remains attractive, the scheme may rollover the futures position and hold onto the position in the spot market. In case such an opportunity is not available, the scheme would liquidate the spot position and settle the futures position simultaneously. Rolling over of the futures transaction means unwinding the short position in the futures of the current month and simultaneously shorting futures of the subsequent month maturity while holding onto the spot position. There could also be occasions when both the spot and the future position is unwound before the expiry of the current-month future to increase the base return or to meet redemption. Return enhancement through the use of arbitrage opportunity would depend primarily on the availability of such opportunities.

The Scheme will strive to build similar market neutral positions that offer an arbitrage potential for e.g. buying the basket of index constituents in the cash segment and selling the index futures. The Scheme would also look to avail of opportunities between one futures contract and another. For example on 16 December 2014, the scheme buys 1000 futures contracts of ABC Ltd. For December expiry at Rs 3000 each and sells an equivalent 1000 futures contract of ABC Ltd. for January expiry at Rs 3030. Thereby the scheme enters into a fully hedged transaction. Closer to the Expiry date of the December contract, the scheme has two options. 1) Unwind the transaction by selling the 1000 December contracts and buying 1000 January contracts of ABC. The returns are a function of the spread between the sale price of the January contract and the buy price of the December contract. If this spread is less than Rs 30, the returns are positive else the returns are negative. 2) On the expiry date i.e. 30 December, 2014, the scheme would let the December contract expire and square off 1000 contracts that it holds for January maturity. The returns would be a function of the spread between settlement price of the December contract and the price at which January contracts are squared-off. If this spread is lower than Rs 30 then the returns are positive and if it is higher than Rs 30 the returns are negative. The Scheme can also initiate the transaction in the opposite direction i.e. by selling the December futures and buying the January futures, if it sees a profit potential. Under all circumstances the scheme would keep its net exposures neutral to the underlying direction of the market by maintaining completely hedged positions. In addition to stock specific futures, the scheme can also take offsetting positions in index futures of different calendar month.

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

Applicable NAV (after the scheme opens for repurchase and sale)

- Purchase/Switch-in for an amount less than Rs 2 Lakh
  - In respect of valid applications received upto 3.00 pm with a local cheque or demand draft payable at par at the Official Points of Acceptance of Transactions where it is received, the closing NAV of the day of receipt of application shall be applicable;
**Cut Off Time For Redemptions / Switch-out:**

- In respect of valid applications received up to 3.00 p.m. at the Official Points of Acceptance of Transactions, same day's closing NAV will be applicable.
- In respect of valid applications received after 3.00 p.m. at the Official Points of Acceptance of Transactions, the closing NAV of the next business day shall be applicable.

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

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

### Minimum Application Amount / Number of Units

<table>
<thead>
<tr>
<th></th>
<th>Purchase</th>
<th>Additional Purchase</th>
<th>Repurchase</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Rs 5,000 and any amount thereafter under each Plan/Option.</td>
<td>Rs 1,000 and any amount thereafter under each Plan/Option.</td>
<td>Rs 500/- or 50 units or account balance whichever is less</td>
</tr>
</tbody>
</table>

### Dispatch of Redemption Proceeds

Within 10 business days of the receipt of the redemption request at the Official Points of Acceptance of the Principal Mutual Fund.

### Dividend Policy

Under Dividend Option, dividend will be declared subject to availability of distributable surplus and at discretion of AMC / Trustee. The undistributed portion of the income will remain in the Option and be reflected in the NAV, on an ongoing basis. The Trustee's decision with regard to availability and adequacy, rate, timing and frequency of distribution of dividend shall be final.

### Benchmark Index

Nifty 50 Arbitrage Index

### Folio Count & AUM (As on Sep. 30, 2018)

- Folio – 257
- AUM – Rs.09.44 Crores

### Fund Manager & Managing the Current Fund from

Mr. Rajat Jain - April 2016 (Tenure of the Fund Manager - 2 years 5 Months)

### Total Investment Experience

29 years

### Name of the Trustee Company

Principal Trustee Company Private Limited
PERFORMANCE OF THE SCHEME:

<table>
<thead>
<tr>
<th>Period</th>
<th>Regular Plan</th>
<th>Direct Plan</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Scheme</td>
<td>Benchmark</td>
</tr>
<tr>
<td>Last 1 Year</td>
<td>-0.51</td>
<td>4.44</td>
</tr>
<tr>
<td>Since Inception *</td>
<td>3.01</td>
<td>5.03</td>
</tr>
</tbody>
</table>

* Regular Plan - April 21, 2016  Direct Plan - April 21, 2016
Past performance may or may not be sustained in the future.
Note: Returns more than 1 year are calculated on compounded annualised basis.

PORTFOLIO - Top 10 Holdings
(As on Sep 30, 2018)

<table>
<thead>
<tr>
<th>Issuer Name</th>
<th>% of NAV</th>
</tr>
</thead>
<tbody>
<tr>
<td>Principal Mutual Fund (Mutual Fund Units)</td>
<td>11.01</td>
</tr>
<tr>
<td>Multi Commodity Exchange of India Ltd.</td>
<td>8.68</td>
</tr>
<tr>
<td>Aurobindo Pharma Ltd.</td>
<td>6.31</td>
</tr>
<tr>
<td>ICICI Bank Ltd.</td>
<td>6.23</td>
</tr>
<tr>
<td>Bharti Airtel Ltd.</td>
<td>6.10</td>
</tr>
<tr>
<td>Reliance Industries Ltd.</td>
<td>5.33</td>
</tr>
<tr>
<td>IDFC Ltd.</td>
<td>5.00</td>
</tr>
<tr>
<td>Steel Authority of India Ltd.</td>
<td>4.34</td>
</tr>
<tr>
<td>CESC Ltd.</td>
<td>3.83</td>
</tr>
<tr>
<td>The India Cements Ltd.</td>
<td>3.75</td>
</tr>
</tbody>
</table>

SECTOR ALLOCATION - Top 10
(As on Sep.30, 2018)

<table>
<thead>
<tr>
<th>Sectors</th>
<th>% of NAV</th>
</tr>
</thead>
<tbody>
<tr>
<td>FINANCIAL SERVICES</td>
<td>24.79</td>
</tr>
<tr>
<td>MUTUAL FUND</td>
<td>11.01</td>
</tr>
<tr>
<td>ENERGY</td>
<td>9.79</td>
</tr>
<tr>
<td>PHARMA</td>
<td>9.16</td>
</tr>
<tr>
<td>TELECOM</td>
<td>6.10</td>
</tr>
<tr>
<td>METALS</td>
<td>4.34</td>
</tr>
<tr>
<td>CEMENT &amp; CEMENT PRODUCTS</td>
<td>3.75</td>
</tr>
<tr>
<td>CONSTRUCTION</td>
<td>2.54</td>
</tr>
<tr>
<td>AUTOMOBILE</td>
<td>2.49</td>
</tr>
<tr>
<td>INDUSTRIAL MANUFACTURING</td>
<td>0.65</td>
</tr>
</tbody>
</table>

*PORTFOLIO TURNOVER RATIO
(As on Sep. 30, 2018)

<table>
<thead>
<tr>
<th>Nature of Expenses**</th>
<th>Regular Plan under - Principal Arbitrage Fund</th>
</tr>
</thead>
<tbody>
<tr>
<td>A. Investment Management and Advisory Fees charged by the AMC</td>
<td>2.50</td>
</tr>
<tr>
<td>B. Other expenses relating to administration of the Plan - Trustee Fees</td>
<td></td>
</tr>
</tbody>
</table>

Note: Returns more than 1 year are calculated on compounded annualised basis.

Websites link for Monthly Portfolio Holding - www.principalindia.com

Expenses of the Scheme (i)Load Structure:

Exit Load: If redeemed on or before 30 days from the date of allotment - 0.50%.
If redeemed after 30 days from the date of allotment - NIL

(ii)Recurring Expenses:

Annual Recurring expenses as a percentage of Daily Net Assets:
These are the fees and expenses for operating the scheme. These expenses include Investment Management and Advisory Fee charged by the AMC, Registrar and Transfer Agents' fee, marketing and selling costs etc. as given in the table below:

The AMC has estimated the following percentage of the daily net assets of the scheme will be charged to the scheme as expenses. For the actual current expenses being charged, the investor should refer to the website of the mutual fund.
- Registrar and Transfer Agent Fees
- Audit Fees
- Custodian Fees
- Costs related to investor communications
- Marketing and Selling Expenses
- Costs of fund transfer from one location to another,
- Cost of providing account statements and repurchase cheques and warrants
- Costs of statutory advertisements
- Cost towards investor education & awareness (at least 0.02 percent)
- Brokerage & transaction cost (inclusive of Goods and Service tax) over and above 0.12 percent and 0.05 percent for cash and derivative market trades respectively
- Goods and Service tax on expenses other than Investment Management and advisory fees

<table>
<thead>
<tr>
<th>Total Annual Recurring Expenses (A+B)</th>
<th>2.50</th>
</tr>
</thead>
<tbody>
<tr>
<td>Additional expenses under regulation 52 (6A) (c)@</td>
<td>Upto 0.05%</td>
</tr>
<tr>
<td>Additional expenses for gross new inflows from specified cities #</td>
<td>Upto 0.30%</td>
</tr>
</tbody>
</table>

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

It is clarified that the sum total of A plus B shall not exceed 2.50% of the daily net assets of the Scheme.

**Direct Plan** under the aforementioned Scheme 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. At least 10% of the TER is charged towards distribution expenses/ commission in the Regular Plan. The TER of the Direct Plan will be lower to the extent of the abovementioned distribution expenses/ commission (at least 10%) which is charged in the Regular Plan.

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

As per Regulation 52(6) of SEBI (Mutual Funds) Regulations, 1996, the maximum recurring expenses including the investment management and advisory fee that can be charged to the Scheme shall be subject to a percentage limit of Daily net assets as given in the table below.

<table>
<thead>
<tr>
<th>Daily Net Assets</th>
<th>%</th>
<th>Additional Total Expense Ratio as per SEBI Regulations 52 (6A) (c) #</th>
<th>Additional Total Expense Ratio as per SEBI Regulations 52 (6A) (b) #</th>
</tr>
</thead>
<tbody>
<tr>
<td>On first Rs.100 crores</td>
<td>2.5%</td>
<td>0.05%</td>
<td>0.30%</td>
</tr>
<tr>
<td>On the next Rs. 300 Crores</td>
<td>2.25%</td>
<td>0.05%</td>
<td>0.30%</td>
</tr>
<tr>
<td>On the next Rs. 300 Crores</td>
<td>2.00%</td>
<td>0.05%</td>
<td>0.30%</td>
</tr>
</tbody>
</table>
On the balance of assets

<table>
<thead>
<tr>
<th></th>
<th>1.75%</th>
<th>0.05%</th>
<th>0.30%</th>
</tr>
</thead>
</table>

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

(a) Brokerage and transaction costs incurred for the purpose of execution of trades and included in the cost of investment, not exceeding 0.12% of the value of trades in case of cash market transactions and 0.05% of the value of trades in case of derivative transactions.; Further, in accordance with SEBI circular no. CIR/IMD/DF/24/2012 dated November 19, 2012, the brokerage and transaction costs incurred for the execution of trades will be capitalized to the extent of 0.12% of the value of the trades in case of cash market transactions and 0.05% of the value of the trades in case of derivatives transactions. Any payment towards brokerage and transaction costs(including Goods and Service tax, if any incurred) for the execution of trades over and the said 0.12% and 0.05% of the cash market transactions and derivative transactions respectively may be charged to the scheme within the maximum limit of Total Expense Ratio as prescribed under Regulation 52 of the SEBI(MF) Regulations. Any expenditure in excess of the said prescribed limit (including brokerage and transaction cost. if any) shall be borne by the AMC or by the Trustee or Sponsor.

(b) Expenses not exceeding 0.30% of daily net assets, if the new inflows from such cities as specified by SEBI from time to time are at least (i) 30% of gross inflows in the Scheme OR (ii) 15% of the average assets under management (year to date) of the Scheme - whichever is higher.

However if inflows from such cities is less than the higher of (i) & (ii) as mentioned above, such expenses on daily net assets of the Scheme may be charged on proportionate basis. Further, the expenses charged under this clause shall be utilized for distribution expenses incurred for bringing inflows from such cities. The amount incurred as expense on account of inflows from such cities shall be credited back to the Plan in case the said inflows are redeemed within a period of one year from the date of investment.

(c) Additional expenses incurred towards different heads mentioned under sub-regulation 52(2) & 52(4) of the Regulation not exceeding 0.05% of the daily net assets of the scheme or as specified by the Board.

“Provided that such additional expenses shall not be charged to the schemes where the exit load is not levied or applicable.”

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

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

The mutual fund would update the current expense ratios on the website at least three working days prior to the effective date of the change. Additionally, AMCs shall upload the TER details on the website under the below link:


Any other expenses that are directly attributable to the Scheme, and permissible under SEBI (Mutual Funds) Regulations, 1996 from time to time, may be charged within the overall limits as specified in the Regulations.

The Scheme shall strive to reduce the level of these expenses so as to keep them well within the maximum limits currently allowed by SEBI and any revision in the said expenses limits by SEBI would be applicable.

| (iii) Actual Expenses:| Direct Plan – 0.36% | Regular Plan – 1.04% |
| Expenses: | | #Expense ratio includes Goods and Services tax on Management Fees over and above TER and Additional B15 Exp ratio. |
Unitholders’ Information:

<table>
<thead>
<tr>
<th>Financial Year 2017-2018</th>
<th>Waiver of Load for Direct Applications</th>
<th>Tax treatment for the Investors (Unitholders)</th>
<th>Daily Net Asset Value (NAV) Publication</th>
<th>For Investor Grievances Please Contact</th>
<th>Unitholders’ Information:</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Pursuant to SEBI circular no. SEBI/IMD/CIR No.4/ 168230/09 dated June 30, 2009 no entry load shall be charged for all Mutual Fund Scheme(s). Therefore, the procedure for waiver of load for direct applications is no longer applicable.</td>
<td>Investors are advised to refer to the details in the Statement of Additional Information and also independently consult their tax advisor.</td>
<td>The NAV of the Scheme will be calculated on all Business Days. The same would also be updated on AMFI website by 9.00p.m. on all Business Days. The NAV can also be viewed on the website of the Mutual Fund i.e. <a href="http://www.principalindia.com">www.principalindia.com</a>.</td>
<td>Principal Mutual Fund: Exchange Plaza, ‘B’ Wing, Ground Floor, NSE Building, Bandra Kurla Complex, Bandra (East), Mumbai-400 051. TOLL FREE: 1800 425 5600. Fax: +91 22 6772 0512. E-mail: <a href="mailto:customer@principalindia.com">customer@principalindia.com</a></td>
<td>Account Statement: An allotment confirmation specifying the units allotted shall be sent by way of email and/or SMS within 5 Business Days of receipt of valid application to the Unit holders registered e-mail address and/or mobile number. Thereafter, a Consolidated Account Statement (CAS) containing details relating to all the transactions carried out by the investor across all schemes of all mutual funds during the month and holding at the end of the month shall be sent to the Unit holder in whose folio transactions have taken place during that month, on or before 10th of the succeeding month. In case of a specific request received from the Unit holders, the AMC/Fund will provide an account statement (reflecting transactions of the Fund) to the investors within 5 Business Days from the receipt of such request. Further, the CAS detailing holding across all schemes of all mutual funds at the end of every six months (i.e. September/March), shall be sent by mail/e-mail on or before 10th of succeeding month, to all such Unit holders in whose folios no transaction has taken place during that period. The half yearly consolidated account statement will be sent by e-mail to the Unit holders whose e-mail address is available, unless a specific request is made to receive in physical form. The holding(s) of the beneficiary account holder for units held in demat mode will be shown in the statement issued by respective Depository Participants (DPs) periodically. Investors having MF investments and holding securities in Demat account shall receive a single Consolidated Account Statement (CAS) from the Depository. If an investor does not wish to receive single CAS from the Depository, an option shall be given to the investor to indicate negative consent and receive the normal CAS only w.r.t mutual fund investments in lieu of this single CAS. For more details, please refer the Scheme Information Document (SID) and Statement of Additional Information (SAI). Securities Consolidated Account Statement (SCAS): Investors who have a demat account and opt to hold units in nondemat form, a single SCAS generated based on PAN for each calendar month, shall be sent by mail/email in whose folio(s) transaction(s) has/have taken place during the month on or before 10th of the succeeding month. The SCAS will be sent by e-mail to the investor(s) whose e-mail address is registered with the Depositories. In case an investor does not wish to receive SCAS through e-mail, an option shall be given by the Depository to receive SCAS in physical. Where PAN is not available, the account statement shall be sent to the Unit holder by the AMC. In case there is no transaction in the folio, a half yearly SCAS detailing holding across all schemes of mutual funds and securities held in dematerialized form across demat accounts shall be sent by Depositories to investors at the end of each six months (i.e. September/March), on or before 10th day of succeeding month. The half yearly SCAS will be sent by mail/e-mail as per the mode of receipt opted by the investors to receive monthly SCAS. Investors who are not eligible for receiving SCAS shall continue to receive a monthly account statement from the AMC. The holding(s) of the beneficiary account holder for units held in demat mode will be shown in the statement issued by respective Depository Participants (DPs) periodically. For more details, please refer the SID and SAI. Portfolio Statement: The Annual financial results of the Schemes or an abridged summary thereof shall be provided to all unitholders within 4 months from the date of the closure of the relevant accounts i.e. March 31 each year. Half Yearly unaudited financial results shall be hosted on our website - <a href="http://www.principalindia.com">www.principalindia.com</a> within one month from the close of each half year (i.e. 31st March and 30th September). The Fund shall disclose portfolio (along with ISIN) as on the last day of the month/ half-year for the Scheme on its website <a href="http://www.principalindia.com">www.principalindia.com</a> and on the website of AMFI within 10 days from the</td>
</tr>
</tbody>
</table>
close of each month/ half-year respectively in a user friendly and downloadable format. Mutual Fund/ AMC shall provide a physical copy of the statement of its scheme portfolio, without charging any cost, on specific request received from a unitholder.

For more details, please refer the Scheme Information Document (SID) and Statement of Additional Information (SAI).

Key Information Memorandum dated October 08, 2018.
# PRODUCT DIFFERENTIATION

## Comparison of certain features of Principal Arbitrage Fund vis-a-vis other existing open-ended Hybrid Schemes of Principal Mutual fund

<table>
<thead>
<tr>
<th>Scheme Name</th>
<th>Principal Balanced Advantage Fund</th>
<th>Principal Arbitrage Fund</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Investment Objective</strong></td>
<td>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 Earnings 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 cash future arbitrage/ equity derivatives, debt and/or money market instruments and vice versa</td>
<td>The investment objective of the Scheme is to generate capital appreciation and income by predominantly investing in arbitrage opportunities in the cash and derivative segments of the equity markets and the arbitrage opportunities available within the derivative segment and by investing the balance in debt and money market instruments. There is no assurance or guarantee that the investment objective of the Scheme will be realized.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Asset Allocation Pattern</th>
<th>Under normal circumstances, the asset allocation would be as follows:</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Type of Instrument</strong></td>
<td><strong>Normal Allocation of Net Assets (%)</strong></td>
</tr>
<tr>
<td>Equity and Equity Related Instruments</td>
<td>65 100</td>
</tr>
<tr>
<td>Debt or Money Market Securities and/or units of Liquid/ Money Market/ Debt Mutual Fund Scheme(s) of Principal Mutual Fund</td>
<td>0 35</td>
</tr>
</tbody>
</table>

The minimum net equity exposure will be 15% at all points of time.

Investment in derivatives shall be upto 85% of the net assets of the Scheme.

Deployment upto 20% of its total net assets of the Scheme in Stock Lending, subject to the SEBI regulations.

The Scheme has no intention to invest in Securitised Debt.

<table>
<thead>
<tr>
<th>Instruments</th>
<th>Minimum (%)</th>
<th>Maximum (%)</th>
<th>Risk Profile</th>
</tr>
</thead>
<tbody>
<tr>
<td>Equity and equity related instruments</td>
<td>65</td>
<td>90</td>
<td>Medium to High</td>
</tr>
<tr>
<td>Equity derivatives</td>
<td>65</td>
<td>90</td>
<td>Medium to High</td>
</tr>
<tr>
<td>Debt securities and Money Market Instruments# (including Margin for Derivatives) and Fixed Income Derivatives</td>
<td>10</td>
<td>35</td>
<td>Low</td>
</tr>
</tbody>
</table>

# The Scheme may invest in Treasury Bills, Repos, Reverse Repos & Collateralized Borrowing and Lending Obligations (“CBLO”) and units of Debt/Liquid and Money Market Mutual Fund Schemes.
The Scheme will endeavor to invest predominantly in arbitrage opportunities between spot and futures prices of exchange traded equities. In absence of profitable arbitrage opportunities available in the market, the scheme may predominantly invest in short-term debt and money market securities. The fund manager will evaluate the difference between the price of a stock in the futures market and in the spot market. If the price of a stock in the futures market is higher than in the spot market, after adjusting for costs and taxes the scheme shall buy the stock in the spot market and sell the same stock in equal quantity in the futures market, simultaneously. For example, on December 4, 2014, the scheme buys a share of XYZ Company on spot @ Rs. 1000 and at the same time sells XYZ Company futures for December 2014 expiry @ Rs. 1020. The Scheme thus enters into a fully hedged transaction by selling the equity position in the futures market for expiry on say December 25, 2014. If the scheme holds this position till expiry of the futures, the scheme earns profit of Rs. 20 on the date of expiry before accounting for trading costs and taxes.

In case the scheme has to unwind the transaction prior to the expiry date on account of redemption pressures or any other reason, the returns would be a function of the spread at which the transaction is unwound. For example, if spot is sold at Rs. 980 and the futures are bought at Rs. 1010 then there would be negative returns on the trade. If the spot is sold at Rs. 1020 and the futures are bought at Rs. 1015 then there would be positive returns from the trade. On the date of expiry, if the price differential between the spot and futures position of the subsequent month maturity still remains attractive, the scheme may rollover the futures position and hold onto the position in the spot market. In case such an opportunity is not available, the scheme would liquidate the spot position and settle the futures position simultaneously. Rolling over of the futures transaction means unwinding the short position in the futures of the current month and simultaneously shorting futures of the subsequent month maturity while holding onto the spot position. There could also be occasions when both the spot and the future position is unwind before the expiry of the current-month future to increase the base return or to meet redemption. Return enhancement through the use of arbitrage opportunity would depend primarily on the availability of such opportunities. The Scheme will strive to build similar market neutral positions that offer an arbitrage potential for e.g. buying the basket of index constituents in the cash segment and selling the index futures. The Scheme would also look to avail of opportunities between one futures contract and another. For example on 16 December 2014, the scheme buys 1000 futures contracts of ABC Ltd. For December expiry at Rs.3000 each and sells an equivalent 1000 futures contract of ABC Ltd. for January expiry at Rs.3030. Thereby the scheme enters into a fully hedged transaction. Closer to the expiry date of the December contract, the scheme has two options. 1) Unwind the transaction by selling the 1000 December contracts and buying 1000 January contracts of ABC. The returns are a function of the spread between the sale price of the January contract and the buy price of the December contract. If this

<table>
<thead>
<tr>
<th>Weighted Avg PE (Standalone) of Nifty 50 Index</th>
<th>Net Equity Component (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than or equal to 18</td>
<td>80-100</td>
</tr>
<tr>
<td>Above 18 – Less than or equal to 20</td>
<td>60-80</td>
</tr>
<tr>
<td>Above 20 – Less than or equal to 22</td>
<td>40-60</td>
</tr>
<tr>
<td>Above 22 – Less than or equal to 24</td>
<td>30-50</td>
</tr>
<tr>
<td>Above 24 – Less than or equal to 26</td>
<td>20-40</td>
</tr>
<tr>
<td>Above 26</td>
<td>15-25</td>
</tr>
</tbody>
</table>

For this purpose the month-end Trailing PE Ratio of Nifty 50 Index (NSE Nifty) will be considered.

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

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

| Level –                                      |
|----------------------------------------------|--------------------------|
| Above 26                                    | 15-25                    |

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

In under normal circumstances; the scheme’s asset allocation would follow the table below based on Nifty 50 Trailing PE Ratio levels –

The PE Ratio has traditionally been used as a tool to assess the market. In case such an opportunity is not available, the scheme would liquidate the spot position and settle the futures position simultaneously. Rolling over of the futures transaction means unwinding the short position in the futures of the current month and simultaneously shorting futures of the subsequent month maturity while holding onto the spot position. There could also be occasions when both the spot and the future position is unwind before the expiry of the current-month future to increase the base return or to meet redemption. Return enhancement through the use of arbitrage opportunity would depend primarily on the availability of such opportunities. The Scheme will strive to build similar market neutral positions that offer an arbitrage potential for e.g. buying the basket of index constituents in the cash segment and selling the index futures. The Scheme would also look to avail of opportunities between one futures contract and another. For example on 16 December 2014, the scheme buys 1000 futures contracts of ABC Ltd. For December expiry at Rs.3000 each and sells an equivalent 1000 futures contract of ABC Ltd. for January expiry at Rs.3030. Thereby the scheme enters into a fully hedged transaction. Closer to the expiry date of the December contract, the scheme has two options. 1) Unwind the transaction by selling the 1000 December contracts and buying 1000 January contracts of ABC. The returns are a function of the spread between the sale price of the January contract and the buy price of the December contract. If this

| Level –                                      |
|----------------------------------------------|--------------------------|
| Above 26                                    | 15-25                    |

For this purpose the month-end Trailing PE Ratio of Nifty 50 Index (NSE Nifty) will be considered.

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

Thus every month end we would observe the above mentioned PE ratio and the resultant PE band. The investment strategy outlines different PE bands and the asset allocation applicable to each band. If there is a change in the PE band as observed on the latest month-end as compared to last month-end (due to Nifty’s PE moving out of one band to another) then it will require rebalancing of portfolio to bring the equity component in line with the new band. This rebalancing would be done latest before the end of the subsequent month.
To determine the net equity allocation within the asset allocation bands specified above, the Fund Manager may also take into account parameters such as those listed below:

1. Yield Gap (defined as the ratio of the prevailing 10 years G-Sec bond yield and the inverse of the Index level trailing PE)
2. Index level Price to Book Value in relation to the Index RoE,
3. Market Volatility Indicator (India VIX)
4. Other valuation parameters namely, Enterprise Value to EBITDA Ratio,
Index level PE to Growth Ratio (PEG), Index level Price to Cash EPS, Index Level Dividend Yield etc.

The Trustee reserves the right; to change the above said PE Ratio bands or to apply any other criteria for determining the allocation of funds to equity instruments, if the NSE Nifty Index is either suspended or becomes irrelevant for any reasons whatsoever.

<table>
<thead>
<tr>
<th>Differe ntiatio n</th>
<th>AUM in Rs. Cr. (Sep 30, 2018)</th>
<th>No. of Folios (Sep 30, 2018)</th>
<th>Scheme Name</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>168.99</td>
<td>6388</td>
<td>Principal Equity Savings Fund</td>
</tr>
<tr>
<td></td>
<td>9.44</td>
<td>257</td>
<td></td>
</tr>
</tbody>
</table>

The scheme is an equity scheme, 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 is positioned to generate capital appreciation and income by investing in arbitrage opportunities in the cash and derivative segments of equity markets and in debt and money market securities.

The investment objective of the Scheme is to provide capital appreciation and income distribution to the investors by using equity and equity related instruments, arbitrage opportunities, and investments in debt and money market instruments.
However, there can be no assurance that the investment objective of the Scheme will be realized or that income will be generated and the scheme does not assure or guarantee any returns.

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

<table>
<thead>
<tr>
<th>Type of instrument</th>
<th>Normal Allocation (% of Net Assets)</th>
<th>Risk Profile</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Minimum</td>
<td>Maximum</td>
</tr>
<tr>
<td>Equity and equity related instruments</td>
<td>65</td>
<td>90</td>
</tr>
<tr>
<td>Of which Net Long Equity Exposure (including units of Equity Mutual Fund Schemes)*</td>
<td>20</td>
<td>35</td>
</tr>
<tr>
<td>Of which Equity Exposure Equity (only arbitrage opportunity)**</td>
<td>40</td>
<td>70</td>
</tr>
<tr>
<td>Debt securities and money market instruments# (including margin for derivatives) and Fixed Income Derivatives</td>
<td>10</td>
<td>35</td>
</tr>
</tbody>
</table>

* In the scheme, unhedged equity exposure shall be limited to 35% of the portfolio value. Unhedged equity exposure means exposure to equity shares alone without a corresponding equity derivative exposure.

** Equity exposure would be completely hedged with corresponding equity derivatives; the exposure to derivatives shown in the above asset allocation tables is exposure taken against the underlying equity investments and should not be considered for calculating the total asset allocation and / or investment restrictions on the issuer. The margin money requirement for the purposes of derivative exposure may be held in the form of Term Deposits.

# The Scheme may invest in Treasury Bills, Repos, Reverse Repos, Collateralized Borrowing and Lending Obligations (“CBLO”), cash and cash equivalents and units of Debt/Liquid/ Money Market Mutual Fund Schemes.

When adequate arbitrage opportunities are not available in the Derivative and Equity markets, the anticipated alternate asset allocation on defensive considerations would be in accordance with the allocation given below. However, in case no arbitrage opportunity is available, then 100% of the remaining investible corpus (excluding margin for derivatives and to the extent not deployed in arbitrage opportunities in the asset allocation pattern mentioned above) will be deployed in short term debt and money market instruments with tenure not exceeding 91 days (including investments in securitized debt).

<table>
<thead>
<tr>
<th>Type of instrument</th>
<th>Normal Allocation (% of Net Assets)</th>
<th>Risk Profile</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Minimum</td>
<td>Maximum</td>
</tr>
<tr>
<td>Equity and equity related instruments</td>
<td>20</td>
<td>75</td>
</tr>
<tr>
<td>Of which Net Long Equity Exposure (including units of Equity Mutual Fund Schemes)*</td>
<td>20</td>
<td>35</td>
</tr>
<tr>
<td>Of which Equity Exposure Equity (only arbitrage opportunity)**</td>
<td>0</td>
<td>55</td>
</tr>
<tr>
<td>Debt securities and money market instruments# (including margin for derivatives) and Fixed Income Derivatives</td>
<td>25</td>
<td>80</td>
</tr>
</tbody>
</table>

* In the scheme, unhedged equity exposure shall be limited to 35% of the portfolio value. Unhedged equity exposure means exposure to equity shares alone without a corresponding equity derivative exposure.
**Equity exposure would be completely hedged with corresponding equity derivatives:** the exposure to derivatives shown in the above asset allocation tables is exposure taken against the underlying equity investments and should not be considered for calculating the total asset allocation and/or investment restrictions on the issuer. The margin money requirement for the purposes of derivative exposure may be held in the form of Term Deposits.

*The Scheme may invest in Treasury Bills, Repos, Reverse Repos, Collateralized Borrowing and Lending Obligations (“CBLO”), cash and cash equivalents and units of Debt/Liquid/ Money Market Mutual Fund Schemes. Investment in Securitized Debt may be up to 30% of the net assets of the Scheme.*

Subject to the SEBI Regulations, the Mutual Fund may deploy up to 20% of its total net assets of the Scheme in Stock Lending. Further, Unit holders are requested to note that post said changes, the Scheme will be treated as equity oriented scheme as per the extant Income-tax laws. However, at the time of changes in the investment pattern during defensive considerations as stated above, the fund manager may choose to have a lower equity exposure. Accordingly, the Scheme may not be able to meet the criteria for equity oriented scheme as specified under the extant Income-tax laws. Consequently, the Unit holders may not be able to avail tax advantage available to an equity oriented fund in that particular financial year. During the defensive circumstances the Tax benefit available for equity oriented scheme will not be applicable and shall be communicated to unit holders vide letters, addendum published in the newspapers as per regulations.

### Net Long Equity:

The Scheme will invest its assets in a portfolio of equity and equity related instruments including units of Equity mutual Funds Schemes. The focus of the investment strategy would be to identify stocks which can provide capital appreciation in the long term. Companies selected for the portfolio which in the opinion of the AMC would possess some of the characteristics mentioned below:

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

### Equity Derivatives:

The Scheme will endeavor to invest predominantly in arbitrage opportunities between spot and futures prices of exchange traded equities. In absence of profitable arbitrage opportunities available in the market, the Scheme may predominantly invest in short-term debt and money market securities. The fund manager will evaluate the difference between the price of a stock in the futures market and in the spot market. If the price of a stock in the futures market is higher than in the spot market, after adjusting for costs and taxes the Scheme shall buy the stock in the spot market and sell the same stock in equal quantity in the futures market, simultaneously. For example, on December 4, 2014, the Scheme buys a share of XYZ Company on spot @ Rs. 1000 and at the same time sells XYZ Company futures for December 2014 expiry @ Rs. 1020. The Scheme thus enters into a fully hedged transaction by selling the equity position in the futures market for expiry on say December 24, 2014. If the Scheme holds this position till expiry of the futures, the Scheme earns profit of Rs. 20 on the date of expiry before accounting for trading costs and taxes.

In case the Scheme has to unwind the transaction prior to the expiry date on account of redemption pressures or any other reason, the returns would be a function of the spread at which the transaction is unwound. For example, if spot is sold at Rs. 980 and the futures are bought at Rs. 1010 then there would be negative returns on the trade. If the spot is sold at Rs. 1020 and the futures are bought at Rs. 1015 then there would be positive returns from the trade. On the date of expiry, if the price differential between the spot and futures position of the subsequent month maturity still remains attractive, the Scheme may rollover the futures position and hold onto the position in the spot market. In case such an opportunity is not available, the Scheme would liquidate the spot position and settle the futures position simultaneously. Rolling over of the futures transaction means unwinding the short position in the futures of the current month and simultaneously shorting futures of the subsequent month maturity while holding onto the spot position. There could also be occasions when both the spot and the future position is unwound before the expiry of the current-month future to increase the base return or to meet redemption. Return enhancement through the use of arbitrage opportunity would depend primarily on the availability of such opportunities. The Scheme will strive to build similar market neutral positions that offer an arbitrage potential for e.g. buying the basket of index constituents in the cash segment and selling the index futures, Buying ADR/GDR and selling the corresponding stock future etc. The Scheme would also look to avail of opportunities between one futures contract and another. For example on 16 December 2014,
the Scheme buys 1000 futures contracts of ABC Ltd. for December expiry at Rs.3000 each and sells an equivalent 1000 futures contract of ABC Ltd. for January expiry at Rs.3030. Thereby the Scheme enters into a fully hedged transaction. Closer to the expiry date of the December contract, the Scheme has two options. 1) Unwind the transaction by selling the 1000 December contracts and buying 1000 January contracts of ABC. The returns are a function of the spread between the sale price of the January contract and the buy price of the December contract. If this spread is less than Rs. 30, the returns are positive else the returns are negative. 2) On the expiry date i.e. 24 December, 2014, the Scheme would let the December contract expire and square off 1000 contracts that it holds for January maturity. The returns would be a function of the spread between settlement price of the December contract and the price at which January contracts are squared-off. If this spread is lower than Rs. 30 then the returns are positive and if it is higher than Rs. 30 the returns are negative. The Scheme can also initiate the transaction in the opposite direction i.e. by selling the December futures and buying the January futures, if it sees a profit potential. Under all circumstances the Scheme would keep its net exposures neutral to the underlying direction of the market by maintaining completely hedged positions. In addition to stock specific futures, the Scheme can also take offsetting positions in index futures of different calendar month. The debt and money market instruments include any margin money that has to be maintained for the derivative position. The margin money could also be maintained partly as Fixed deposits with Scheduled commercial banks.

Debt Instruments:

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

<table>
<thead>
<tr>
<th>AUM in Rs. Cr. (Sep 30, 2018)</th>
<th>75.77</th>
</tr>
</thead>
<tbody>
<tr>
<td>No. of Folios (Sep 30, 2018)</td>
<td>2976</td>
</tr>
<tr>
<td>Differentiation</td>
<td>Principal Equity Savings Fund is the only scheme offered by AMC that invests predominantly in arbitrage opportunities in the cash &amp; derivatives segment of the equity market and has a moderate exposure to long positions in equity &amp; equity related instruments. The only other arbitrage scheme offered by AMC is Principal Arbitrage Fund, which is a market neutral fund and does not take long only equity exposure. The entire market risk of Principal Arbitrage Fund is completely hedged using derivatives. On the other hand, Principal Equity Savings Fund will take market risk by investing between 20% - 30% of its assets into long only un-hedged equity.</td>
</tr>
<tr>
<td>Scheme Name</td>
<td>Principal Hybrid Equity Fund</td>
</tr>
<tr>
<td>Investment Objective</td>
<td>The investment objective of the Scheme is to provide long-term appreciation and current income by investing in a portfolio of equity, equity related securities and fixed income securities.</td>
</tr>
<tr>
<td>Asset Allocation</td>
<td>Under normal circumstances, the asset allocation would be as follows:</td>
</tr>
<tr>
<td>Type of instrument</td>
<td>Normal Allocation (% of Net Assets)</td>
</tr>
<tr>
<td>----------------------------------------------------------------------------------</td>
<td>------------------------------------</td>
</tr>
<tr>
<td></td>
<td>Minimum</td>
</tr>
<tr>
<td>Equity &amp; Equity Related Instruments</td>
<td>65</td>
</tr>
<tr>
<td>Debt and Money Market Instruments including Cash and Cash Equivalents and units of Liquid/ Money Market/ Debt Mutual Fund Schemes and Securitised Debt*</td>
<td>20</td>
</tr>
</tbody>
</table>

Investment in the units of Liquid/ Money Market/ Debt Mutual Fund Scheme(s) shall not exceed 5% of the net asset value of the mutual fund.

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

The cumulative gross exposure to equity, equity related instruments, debt, money market instruments and derivatives shall not exceed 100% of the net assets of the scheme.

Note: The Asset Management Company (AMC) reserves the right to invest in derivatives not exceeding 50% of the Net Assets, subject to limits specified by SEBI from time to time. The AMC further reserves the right to invest in foreign securities and derivatives subject to SEBI/RBI or any other Regulatory Authorities permitted from time to time.

The Scheme may engage in short selling of securities in accordance with the framework relating to short selling and securities lending and borrowing specified by SEBI. Subject to the SEBI Regulations, the Mutual Fund may deploy up to 20% of its total net assets of the Scheme in Stock Lending.

The Scheme may invest up to 15% in ETFs#

The Scheme may invest up to 25% in stocks listed on SME platform of BSE and NSE.

The scheme may invest up to 30% in foreign securities, ADR's and GDRs, subject to SEBI / RBI or any other Regulatory Authorities permitted from time to time.

The Scheme may also participate in repo/reverse repo in corporate debt securities.

The Scheme does not seek to participate in credit default swaps.

# ETFs Risk Disclosure: To the extent that the Scheme is invested in ETFs, the Scheme will be subject to all risks associated with such ETFs and the underlying assets that it is tracking. The Scheme can purchase/redeem units of ETFs only through stock exchanges on which such ETFs are listed and not directly through a mutual fund. Thus there could be a liquidity issue. The units of ETF may trade above (at a premium) or below (at a discount) the scheme’s net asset value (NAV). The price of the units of an ETF’s is influenced by the forces of supply and demand. Thus the Scheme may not be able to purchase/redeem units of an ETF at the applicable NAVs.

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

<table>
<thead>
<tr>
<th>AUM in Rs. Cr. (Sep 30, 2018)</th>
<th>1601.27</th>
</tr>
</thead>
<tbody>
<tr>
<td>No. of Folios (Sep)</td>
<td>47407</td>
</tr>
<tr>
<td>Differe ntiatio n</td>
<td>The scheme is having an asset allocation with a ceiling on exposure to equity/ equity related instruments. The investment mandate allows a maximum of 80% exposure to equity with an investment of at least 20% in debt instruments. Thus the scheme offers growth potential with equity investments and also seeks to generate interest income by investing in debt securities. This is the only scheme that is the Balanced Fund that PMF has.</td>
</tr>
</tbody>
</table>
**APPLICATION FORM FOR LUMPSUM AND/OR SIP INVESTMENTS**

The application form should be filled in block letters only. Please read the instructions before filling the application form.

<table>
<thead>
<tr>
<th>Details of</th>
<th>Occupation Details</th>
<th>Politically Exposed Person (PEP) Details</th>
</tr>
</thead>
<tbody>
<tr>
<td>Broker ARN/RIA Code</td>
<td>Sub-Broker ARN Code</td>
<td>EUIN</td>
</tr>
</tbody>
</table>

1. **FIRST APPLICANT’S DETAILS**
   - Name of First Applicant (As in PAN / KYC/Aadhaar)
   - City & Country of Birth
   - PAN/PEKRN
   - Mobile No.
   - Email ID

2. **JOINT APPLICANT’S DETAILS**
   - Name of Second Applicant (As in PAN / KYC/Aadhaar)
   - City & Country of Birth
   - PAN/PEKRN

3. **KYC/ FATCA DETAILS**
   - Name of Third Applicant (As in PAN / KYC/Aadhaar)
   - City & Country of Birth
   - PAN/PEKRN

4. **CKYC / KYC Form / Acknowledgement Copy**

---

**Mutual Fund**

**APPLICATION SLIP**

<table>
<thead>
<tr>
<th>Details of</th>
<th>Status Details</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gross Annual Income Range (₹)</td>
<td>Non Individual</td>
</tr>
<tr>
<td>1st Applicant</td>
<td>Guardian</td>
</tr>
<tr>
<td>2nd Applicant</td>
<td>Guardian</td>
</tr>
<tr>
<td>3rd Applicant</td>
<td>Guardian</td>
</tr>
</tbody>
</table>

---

**ACKNOWLEDGEMENT SLIP**

**Date**

**Stamp & Signature**
3. BANK DETAILS FOR PAY-OUT
(Mandatory. Refer C and avail of Multiple Bank Registration Facility. Please attach cancelled cheque copy.)

Bank Name: ____________________
Bank A/c No. ____________________
Branch Name: ____________________
IFSC / NEFT Code (11 digit): ____________
MICR Code (9 digit): ____________
City: ____________________
Pin: ____________

DD Charges (if any): ____________
Bank & Branch: ____________________

4. PAYMENT DETAILS
(Applicable for both lumpsum & SIP investment)

Payment Account: 
- Non Third Party Payment
- Third Party Payment (Please attach declaration form available at www.principalindia.com)

<table>
<thead>
<tr>
<th>Payment mode</th>
<th>Instrument/ Reference No.</th>
<th>Amount (₹)</th>
<th>Account No.</th>
<th>Account type</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cheque/DD</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>RTGS/ NEFT</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Funds Transfer</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

DD Charges (if any): ____________

5. INVESTMENT DETAILS
(In case of discrepancy, Default plan/option will be applied. Ref Instruction A, B & C)

i-Name: ____________________
Give a name to your goal: ____________________
Goal Value (₹): ____________
Track the progress of your goals through account statements easily

5A. INVESTMENT TYPE
- ONLY LUMPSUM (Fill 5A)
- ONLY SIP*
- LUMPSUM & SIP*  
*Fill 5A, B and attach SIP Auto Debit/ NACH form

3-in-1 Invest in upto 3 schemes with a single cheque.

<table>
<thead>
<tr>
<th>Scheme Names</th>
<th>Plan</th>
<th>Option</th>
<th>Sub Option</th>
<th>Dividend Frequency</th>
<th>Amount in figure (₹)</th>
<th>Lumpsum</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Regular</td>
<td>Direct</td>
<td>Dividend</td>
<td>Growth</td>
<td>Payout</td>
<td>Reinvest</td>
</tr>
<tr>
<td>1. Principal</td>
<td>D</td>
<td>W</td>
<td>M</td>
<td>Q</td>
<td>HY</td>
<td>A</td>
</tr>
<tr>
<td>2. Principal</td>
<td>D</td>
<td>W</td>
<td>M</td>
<td>Q</td>
<td>HY</td>
<td>A</td>
</tr>
<tr>
<td>3. Principal</td>
<td>D</td>
<td>W</td>
<td>M</td>
<td>Q</td>
<td>HY</td>
<td>A</td>
</tr>
</tbody>
</table>

Total (Amount in words): ____________________
Dividend Sweep into: ____________________

5B. SIP REGISTRATION DETAILS
(Applicable to scheme number mentioned in table 5A. Refer SIP instructions point A)

<table>
<thead>
<tr>
<th>Scheme No.</th>
<th>Sip Amount (₹)</th>
<th>Sip Date(s)</th>
<th>Sip Frequency</th>
<th>Start Date</th>
<th>End Date</th>
<th>Perpetual</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td></td>
<td></td>
<td>Monthly</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2.</td>
<td></td>
<td></td>
<td>Quarterly</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3.</td>
<td></td>
<td></td>
<td>Monthly</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Total (Amount in words): ____________________

5C. PAUSE DETAILS
(Applicable to scheme number mentioned in 5A table. Refer SIP instructions point C)

<table>
<thead>
<tr>
<th>Scheme No.</th>
<th>SIP Cycle Date</th>
<th>SIP Pause Period Start from</th>
<th>SIP Pause Period End on</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3.</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Quick Checklist:
- KYC acknowledgement letter (Compulsory for MICRO Investments)
- Self attested PAN card
- Email ID and mobile number provided for regular updates
- Plan Option/ Sub Option name mentioned along with scheme name
- SIP Auto Debit/ NACH form is filled & attached for SIP investments
- Relationship proof between Guardian and Minor (if application is in the name of a Minor) attached
- Additional documents attached for Third Party payments. Refer instructions
- FATCA & CRS Declaration for non individual/Entity is attached (mandatory)
INDIVIDUAL/ NON-INDIVIDUAL DECLARATION: I/We have read and understood the contents of the Scheme Information Document(s) to the Scheme(s) including the sections on “Prevention of Money Laundering and Know Your Customers”. I /We hereby apply to the Trustees of the Principal Mutual Fund (the Mutual Fund) for units of the Scheme as indicated above* the Scheme and agree to abide by the terms and conditions, of the Scheme. I /We have not received nor have been induced by any rebate or gifts, directly or indirectly, in making this investment. I /We further declare that the amount invested by me/us in the Scheme(s) is derived through legitimate sources and is not held or designed for the purpose of contravention of any act, rule, or regulations or any statute or law or any other applicable laws or any notifications, directions issued by any governmental or statutory authority from time to time. I /We further confirm that I/we have the express authority from the relevant constitution to invest in the units of the Scheme and the Principal Asset Management Pvt. Ltd. (AMC), its Trustee and the Mutual Fund would not be responsible if the investment is ultra vires the relevant constitution. I /We further confirm that the ARN holder (Broker/Sub-Broker) has disclosed to me/us all the commissions (in the form of trail commission or any other mode), payable to him for the different competing Schemes of various Mutual Funds from amongst which the Scheme(s) has been recommended to me/us. I /We hereby agree for the AMC to reject the application or compulsorily redeem any Units held directly or beneficially by me/us if I/we fail to provide the information called for by the AMC. I /We hereby declare and agree that I am/we are not a “U.S. person” for U.S. federal income tax purposes and that I am/we are not acting for, or on behalf of a U.S. person.

I /We hereby agree to keep the information provided to AMC updated and to provide any additional information/documentation that may be required by AMC in connection with this application. Also, I /We hereby confirm that the information provided in this Application Form is true, correct, and complete to the best of my knowledge and belief and that I shall be solely liable and responsible for the information submitted herewith. Also, I /We hereby confirm that I have read and understood the FATCA & CRS Terms and Conditions given under Instructions and hereby accept the same.

I /We hereby agree to provide my/our consent in accordance with Aadhaar Act, 2016 and regulations made thereunder, for (i) collecting, storing and using (ii) validating/authenticating and (iii) updating my/our Aadhaar number(s) in accordance with the Aadhaar Act, 2016 and regulations made thereunder and PMLA. I /We hereby provide my/our consent for sharing/disclosing of my/our Aadhaar number including demographic information with the asset management companies of SEBI registered mutual fund and their Registrar and Transfer Agent (RTA) for the purpose of updating the same in the folios linked to my/our PAN.

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

Declarantion for SIP registration: Having read, understood and agreed to the contents of OTM Facility, the Scheme Information Document, Statement of Additional Information, Key information Memorandum, Instructions and Addenda issued from time to time of the respective Schemes of Principal Mutual Fund mentioned within, I hereby declare that the particulars given in the form are correct and express my willingness to make payments towards SIP instruments referred above through participation in NACH/ECS/Direct Debit. The ARN holder, where applicable, has disclosed to me/us all the commissions (trail commission or any other mode), payable to him for the different competing Schemes of various Mutual Funds from amongst which the Scheme(s) has been recommended to me/us.

I /We hereby agree for the AMC to reject the application or compulsorily redeem any Units held directly or beneficially by me/us if I/we fail to provide the information called for by the AMC. I /We hereby declare and agree that I am/we are not a “U.S. person” for U.S. federal income tax purposes and that I am/we are not acting for, or on behalf of a U.S. person.

I /We hereby agree to keep the information provided to AMC updated and to provide any additional information/documentation that may be required by AMC in connection with this application. Also, I /We hereby confirm that the information provided in this Application Form is true, correct, and complete to the best of my knowledge and belief and that I shall be solely liable and responsible for the information submitted herewith. Also, I /We hereby confirm that I have read and understood the FATCA & CRS Terms and Conditions given under Instructions and hereby accept the same.
10. All communications and payments will be made to the first applicant. Investors who route their investments through a Distributor, All Options / Sub-Options/facilities offered under the Regular Plan of the Scheme are available for subscription under Direct Plan. Further, Scheme characteristics such as Investment Objective, Asset Allocation Pattern, Investment Strategy, Risk Factors, facilities offered and terms and conditions will be the same for the Regular Plan and the Direct Plan except that, Direct Plan will have lower expense ratio for the benefits of the investors. Please read the terms of the Scheme Information Document of the Scheme carefully before making any investment. Please note the Scheme Information Document for a minimum amount specified for each Scheme/Plan/Option. The Fund reserves the right to accept or reject any application in whole or in part.

AMC will not accept the application, reverse the units credited, restrain the investor from making any further investment in any of the Schemes of Principal Mutual Fund, recover (debt the investor's folio(s) with the penal interest and take any appropriate action against the investor in case the cheque(s) / payment instrument is / are returned unpaid by the investor's bank for any reason whatsoever.

(A) PAYMENT PROCEDURE

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

Investors have an option to invest in multiple schemes through a single payment instruction / instrument. Also, investors could opt for multiple modes of investments (Lumpsum & SIP) through the same payment instruction/instrument which must be drawn in favor of the “Principal Mutual Fund” and crossed “Account Payee Only.” On credit card payments, details will be recorded in the respective scheme’s fund account. Kindly note, in case the instruction / instrument is returned unpaid for any reason, the entire subscription will be rejected. There will be no partial processing of the application.

Payment Procedures for NRIs

Repayment Basis: Payments may be made through Indian Currency Cheques/Demand Drafts. NRI applications can also be accepted through remittance drafts drawn on any authorized bank in India and payable in Indian Rupees, drawn on NRE accounts. All cheques/drafts should be locally payable at any of the Domestic Point of Acceptance. All applications must be accompanied by a FIRC.

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

Payment Procedure - Fils

Films may pay their subscription amounts by direct remittance from abroad or out of their special Non-Resident Rupee Accounts maintained with a designated bank branch in India or as may be permitted under Law. All FII’s may pay their subscription amounts by direct remittance from abroad or out of their special Non-Resident Rupee Accounts maintained with a designated bank branch in India or as may be permitted under Law. All cheques/drafts should be locally payable at any of the Domestic Point of Acceptance. All applications must be accompanied by a FIRC.

(B) APPLICATION DETAILS

1. Existing Unit Holders: In case of Applicants who already have a Folio in Principal Mutual Fund, they can provide their folio number & first holder name in Section 1 and proceed to Section 4 of the Form. The details of all applicant(s) including details of bank account, sequence & mode of holding, address and nomination, as registered in the existing Folio number would apply to this investment and the said registered details, would prevail over any conflicting information that may be furnished in this form. First Unit Holders’ name will appear on the folio number. The second holder’s name will be made liable for rejection. Where mandatory details for eg: PAN/VCX numbers, local address of Folio/Name/PIN/ID has not been provided/verified earlier the same will be provided alongside this application form. Any changes in details registered with us need to be duly made on a separate application form.

2. If the broker name & code is left blank, the application will be treated as direct.

3. Please write application serial number and name on the reverse of the cheque/demand draft.

4. The applicant’s name and address including PIN Code number must be given in full (post box alone is not sufficient).

5. In case the investor is a NR/RF/RF, an overseas address should also be provided, along with the local address. Howard correspondence shall be sent to the local address. Where local address is not provided the application is liable for rejection.

Note: Following person(s) will not be permitted to make any fresh purchases/additional purchases/switches in any of the schemes of Principal Mutual Fund (a) “United States Persons” within the meaning of Regulation S under the United States Securities Act of 1933 or as defined by the U.S. Commodity Futures Trading Commission or as defined under Foreign Account Tax Compliance Act (FATCA) or persons who are resident in any other country of the United States of America or any person other than you who is not a citizen of the United States, the United States of America or any other country, who is subject to any governmental rule, regulation, interpretation, legislation, or court order which has the effect of requiring that you cease from investing in the Folio/Name/PIN/ID, or (b) any person of whom the Folio/Name/PIN/ID is穿透 any statutory / other information as permitted via electronic mode/email. These documents shall be submitted along with the Application Form.

11. Minor Applicants

(a) Minor applicant shall be the first and the sole holder in an account. There shall not be any joint accounts with minor as the first or joint holder. (b) Only Natural Guardian (i.e. Father or Mother) or Court Appointed Legal Guardian shall be permitted. (c) As a mandatory requirement a photograph of Supporting document evidencing the relationship of Guardian with Minor and Date of Birth of Minor to be submitted along with the Application Form. Such Document can be a copy of Birth Certificate of the Minor, School Leaving Certificate (Mark sheet issued by Higher Secondary Board of Respective States, ICSE, ISC etc. or Passport of the Minor or such other suitable document recognizing the Identity of the Minor and the date of Birth, duly attested by a Gazetted Officer or Bank Manager. (d) In case of Legal Guardian, supporting documentary evidence shall be submitted duly attested by a Gazetted Officer or Bank Manager. (e) To facilitate the processing of refund requests, Investors are advised that the Guardian to the Minor Account/ Folio to the Bank Account - as provided are one and the same person. (f) Minor Applicants are not eligible to Nominate. (g) Effective the date of Minor attaining Majority, no financial and non-financial transactions including SEBI / AMFI registration of Systematic Investment Plans (SIP), Systematic Transfer Plans (STPs), Systematic Withdrawal Plans (SWPs) etc., shall be permitted, till such time a duly filled in “Service Request Form” along with mandatory enclosures are duly received at the OPF and the status of the Folio Account is updated to “Major” by the Fund/Registrar.

Further information/requirements in this regard are provided on www.principalindia.com or you may also visit any of our OPF nearest to you.

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

13. Allotment of Units in Demat Mode/Demat Account Details

Applicant who wishes to apply for allotment of units in electronic format must: (a) Have a demat account with National Stock Exchanges Depository Limited or Central Depository Services (India) Ltd. prior to making the application (b) Fill the demat account number and PID details in relevant section provided in the Application Form (c) Ensure that the name(s) in the application is identical to those appearing in the account details of the DP. (d) Gaining access to any joint holder’s Folio/Name/PIN/ID, the names should be arranged in the same sequence as they appear in the account details in the depository. For allotment in electronic format, units will be credited directly in the demat account of the investor. In case of incorrect/incomplete details, allotment of units will be made in physical form.

14. Transaction Charges

In accordance with SEBI Circular No. CIR/IMD/Circ/(53)2012 dated August 22, 2011, Principal Asset Management Private Limited (PAMPIL)/Principal Mutual Fund (PMF) shall deduce Transaction charges on purchase / subscription received from the Investors through Distributors/Agents (who have opted to receive the transaction charges) as under:

(i) First Time Mutual Fund Investor (across Mutual Funds): Transaction charge of ₹ 150/- for subscription of ₹ 10,000 and above will be deducted from the subscription amount and paid to the Distributor/Agent of the first time investor and the balance shall be invested.

(ii) First time investor in this regard shall mean an investor who invests for the first time ever in any Mutual Fund either by way of Subscription or Systematic Investment Plan.

(iii) Systematic Investment Plan (SIP): Transaction charges in case of investments through SIP shall be chargeable according to the following schedule, i.e. amount per installment maximum allowed, ₹ 1,000 and above will be deducted from the subscription amount and paid to the Distributor/Agent of the investor and the balance shall be invested.

15. E-mail Communication: If the investor has provided an email address, the same will be registered in our records for receiving documents through email and will be treated as your consent to receive eAlert confirmation(s), consolidated account statement/account statement, annual report kBinded annual report and any other information permitted via electronic mode (email). These documents shall be
INSTRUCTIONS (CONTD.)

sent physically in case the Unit holder opts/requests for the same. Should the Unit holder experience any difficulty in accessing the electronically delivered documents, the Unit holder shall promptly advise the Mutual Fund to enable the Fund to make the delivery through alternate means. The requested documents shall be dispatched. It is deemed that the Unit holder is aware of all security risks including possible third party interception of the documents and contents of the documents becoming known to third parties.

Please verify and ensure the accuracy of the bank details provided above as it shall appear in your account statement which shall be issued to you should your application be accepted. Principal Mutual Fund shall not be held responsible for delays or errors in processing your request if the information provided is incomplete or inaccurate.

(1) Third Party Payments:
Asset Management Companies (AMCs) shall not accept subscriptions with "Third Party payments except in the following situations:

• Payment by Parents/Guardian/related persons on behalf of a minor in consideration of natural love and affection or as gift for a value not exceeding ₹ 50,000 per SIP in any one investment of the Funds managed by the AMC. The AMC/Trustee reserves the right to reject the application on the grounds of natural affection or gift.

• Payment by Corporate to its agent/distributor/dealer (similar arrangement with Principal agent of the AMC) for the purpose of issuing Demand Draft / Pay Order on behalf of the investor. The investor will not hold the Mutual Fund or the AMC or the Registrar responsible for any nonreceipt or delay of receipt of redemption & dividend proceeds due to any negligence or deficiency in service by the bank executing direct credits/RTGS/NEFT, or due to incorrect bank account details provided by the investor. For Minor Applicants, to facilitate the processing of redemption requests, Investors are advised to ensure that the Guardian to the Minor Account / Folio and to the Bank Account - as provided are one and the same person.

(2) Multiple Bank Accounts:
Unitholders shall have the facility to register multiple bank accounts at folio level - up to a maximum of 5 Bank accounts. A partial and full redemption of units shall be possible in these accounts.

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

a) Cancelled cheque leaf of the bank account which has to be registered (the account number and name of the bank must be mentioned in the application form).

b) Bank Statement / Pass Book with the account number, name of the Unitholder and Address:

(2a) KYC REQUIREMENTS
As per SEBI directive, the requirement for submitting PAN details for all investments of Mutual Funds is mandatory for all investors (including Non-Resident Indians) irrespective of the amount of transaction involved (Except for SIP with a minimum of ₹ 500 per month).

Where the person making an application is minor and who does not have any income chargeable to income-tax, he shall quote the PAN of his/her father or mother or guardian, as the case may be. As directed by SEBI, on submission of sufficient documentary evidence, submission of PAN shall not be insisted in case of Central Government, State Government and the officials appointed by the Courts e.g. official liquidator, court receiver etc. (under the category of Government) and residents of Skimik while investing in Mutual Funds. The exemption from mandatory PAN requirement will apply to transactions undertaken on behalf of Central and State Government and fund not to the transactions undertaken by the employees of Central and State Government in their personal capacity. It may be noted that these “Customer Identification Procedures” form part of the Know Your Customer ("KYC") process laid down under the relevant SEBI circulars issued from time to time.

With effect from 1st January, 2017, any New / Old Customers norms are mandatory for all investors investing in Mutual Funds, irrespective of the amount of investment.

Investors shall mean to include (i) the constituted Power of Attorney (PoA) holder, in case of investments through a PoA (ii) issue of PoA & PoA holder must attach KYC Acknowledgement and (ii) all the applicants, in case of applications joint names (iii) SEBI KYC and has a KYC Certificate.

Further, to bring uniformity in KYC process, SEBI has introduced a common KYC procedure across all the SEBI registered intermediaries viz. Mutual Funds, Portfolio Managers, Depository Participants, Stock Brokers, Venture Capital Funds, Collective Investment Schemes etc. All PoAs who are not KYC compliant are required to update common KYC Application form for all applications received directly by the Mutual Fund, IPV carried out by AMCs or any KYC compliant Mutual Fund Distributor who holds AMFI/NISM, certification. Further, for applications received indirectly through the following channels, the Mutual Fund may be required to undergo KYC process again with such intermediaries including Mutual Funds.

AMFI vide circular dated December 22, 2016 has prescribed new KYC forms which shall be applicable for all applications received from February 1, 2017.

• Cancellation of cheque
• Bank & Passbook
• Copy of Bank statement
• Aadhaar Card

All KYC forms shall be available on the website of the fund, viz. www.principalindia.com and at the official points of acceptance of transactions of the AMC. The KYC requirements shall be governed by SEBI Circulars/ notifications and AMFI Guidelines which may change from time to time.

As per the new KYC norms, the customer will complete the KYC process with an entity authorized to conduct KYC by SEBI. Once the customer will complete the KYC process they will allow the AMC to access the KYC database. The principle Mutual Fund reserves the right to reject the application for transactions in units of WMF not accompanied by a letter (acknowledgment) issued by the AMC. The KYC compliance status will be validated with the records of the AMC in a paperless environment.

Existing KYC compliant Investors of Principal Mutual Fund can continue to transact as per the current practice. However, existing investors are urged to comply with new KYC requirements including IPV as mandated by SEBI. All applications without PAN details and KYC requirements, are liable to be rejected, unless exempted.
INSTRUCTIONS (CONT'D.)

ID UPDATION OF AADHAAR
In accordance with the amendment to Prevention of Money Laundering Act (PMLA) Rules, 2017 dated June 1, 2021, it is hereby made mandatory for all Aadhaur Holders to update their Aadhaar number. The purpose of collection/usage of Aadhaar including demographic information is to comply with applicable laws / rules / regulations and provision of the said data is mandatory as per applicable laws / rules / regulations. Post obtaining Aadhaar details, the Principal Asset Management Company Limited (PAMCO)/Fund(IRA) shall update the investor’s demographic information which was used only to comply with applicable laws / rules / regulations. Submission of Aadhaar details does not warrant linking of Aadhaur in the investor file.

The request for Aadhaar updation will be subject to:

- Aadhaar details provided is correct;
- Investor name & Date of Birth to be mentioned should be identical to that appearing in Aadhaar;
- A declaration is made by the investor that the information supplied is true and genuine. The form may be rejected at the discretion of the AMC/Fund.

(II) NOMINATION

(1) Nomination shall be maintained at a Folio/Account level and shall be applicable for all investments in the Scheme/Account.

(2) The nomination can be made only by individuals applying for holding units on their own behalf singly or jointly. Non-individuals including society, trust, body corporate, partnership firm, Kartu of Hindu Undivided Family, holder of Power of Attorney cannot nominate. (3) In case of Sole Applicants, it is strongly recommended to provide the nomination details of the nominee as per the valid Aadhaar Card. (4) If the nominee is a Trust or a body of individuals, the Unit-holders do not wish to nominate, it is mandatory to confirm their non-intent to nominate by signing in the nomination section, failing which the form may be rejected at the discretion of the AMC/Fund. (5) If the units are held jointly, all joint holders shall sign on identical nomination forms. If there are more than one joint holder, additional forms may be used for signatures of the holders of units and witnesses. (6) A minor can be nominated and in that event, the nomination of the guardian of the minor nominee shall be provided by the unit holder. Nomination can also be in favour of the Central Government, State Government, Local authority any person designated by virtue of his office or a religious or charitable trust. (7) The Nominee shall not be a Trust other than religious/charitable trust, society, body corporate, partnership firm, Kartu of Hindu Undivided Family or a Power of Attorney holder. A non-resident Indian, if a Nominee subject to the jurisdiction of the tax laws of the country of residence. If the nominations are required by the AMC/Fund, then it is mandatory to ensure that the Nominee fulfills the above conditions.

(III) FATCA & CRS TERMS & CONDITIONS INDIVIDUAL

Note:

- FATCA & CRS: The Central Board of Direct Taxes has notified Rules 11F to 11H, as part of the Income Tax Rules, 1962, which Rules require Indian financial institutions such as the Bank to seek additional personal, tax and identification information of each individual who is its client, and to maintain such information on our records. In case of a Trust, the settler of the trust, the trustees, the protector, the grantor, or the individual holding more than 15% of the property or capital or profits of the juridical person, where the juridical person is a unincorporated association of the persons or entity holding more than 15% of the property or capital or profits of the juridical person, or an entity whose gross income is primarily attributable to investing, reinvesting, or trading in financial assets, if the entity is a non-subsidiary of a company described above, or an entity whose gross income attributable to the relevant activities equals or exceeds 50 percent of the entity’s gross income during the shorter of:
  - the three-year period ending on 31 March of the year preceding the year in which the determination is made; or
  - the period during which the entity has been in existence, whichever is less.

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

(I) Financial Institution (FI): The term FI means any financial institution that is a Depositary Institution, Custodian Institution, Investment Entity or Specified Insurance company, as defined.

(II) Depositary institution is an entity that accepts deposits in the ordinary course of banking or similar business.

(III) Custodial institution is an entity that holds as a substantial portion of its business, holds financial accounts for the account of others and the entity performs one or more of the following activities or operations for or on behalf of a customer:

- (a) Financial Institutions (FIs), their sub-accounts and Multifacational Agencies / Bodies Corporate incorporated outside India with the permission of Government of India / Reserve Bank of India may be guided by the clarifications issued vide SEBI circular CIR/MIRSD/2/2013 dated September 5, 2012.

This Declaration form must mandatorily be accompanied with

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

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

(E) EMPLOYEE UNIQUE IDENTIFICATION NUMBER (EUID)

EUID is an unique identification number granted to the employee of Corporate ARN holders. This unique identity number helps to capture the details of employee/relationship manager/sales person of the Distributor who has interacted with the Investor for sale of Mutual Fund Products. Capturing EUID will help curbing mis-selling of Mutual Fund Products, prevent fraudulent practices and will help the Mutual Fund to know the personnel on whose advice the transaction was executed and take suitable action, even if the employee/relationship manager/sales person is not available in the organization. In case EUID field is left blank, it would be assumed that the Investor agrees to the declaration provided in bold in the section “Distribution Information & Application Form Receipt Date”. Investors are requested to mandatorily sign at the space allocated in the section, as a token of having read and understood the declaration.

(H) PRIVACY POLICY

Privacy Policy of the Asset Management Company (AMC) is hosted on our website www.principalindia.com and Investors are requested to kindly read the same. For the purpose of processing the application AMC collects personal information / sensitive personal data or information from the Investor such as, but not limited to, Address Details, Name & Date of Birth, Folio/Account Information, Transaction Registration, Transaction Bank Account (Debit/Credit/Card/Credit) Information, PAN details, KYC status documents etc. AMC does not disclose any non-public personal information or sensitive personal data or information to investors/investment products except as specified in the Privacy Policy or required under the applicable regulatory statutory provisions, or as called upon by any Statutory Authority/Agency, or as necessary to provide and offer services and products or otherwise consented by the Investor. If the investor has not consented, such personal information or sensitive personal data or information may also be shared with Associates/Groups company of AMC, enabling them to offer their services and products. However, AMC may disclose all of the information collected with respect to the Investor, to certain Affiliates, Business Service Providers, Subsidiary company in respect of any non-affiliated third parties that provide services to us, or to certain non-affiliated third parties, but not limited to, attorneys, accountants, auditors and persons or entities that are assessing our compliance with industry standards, post entering into contractual agreements with such third parties that prohibit such third parties from disclosing/use such personal information or sensitive personal data or information other than to carry out the purposes for which such personal information or sensitive personal data or information has been disclosed.

(I) FATCA & CRS TERMS & CONDITIONS INDIVIDUAL

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

Details under FATCA & CRS: The Central Board of Direct Taxes has notified Rules 11F to 11H, as part of the Income Tax Rules, 1962, which Rules require Indian financial institutions such as the Bank to seek additional personal, tax and identification information of each individual who is its client, and to maintain such information on our records. Applicability for foreign investors

- Pursuant to guidelines on identification of Beneficial Ownership issued vide SEBI circular no. CIR/MIRSD/2/2013 dated January 24, 2013, investors (other than Individual) are required to provide details of Ultimate Beneficial Owners(s)(UBO).

The Applicant Investor(s) have/have to confirm that the units applied, on allotment would be beneficially owned by them by ticking the appropriate response. In case the section is left blank, it shall be deemed that the Applicant Investor(s) is /are the Beneficial owner.

In case the applicant investor(s) selects “No” (i.e. the applicant investor does not have beneficial interest in the units), he/she should specify the name of the beneficial owner as well.

Where the applicant investor does not have beneficial ownership of units applied for or where the interest is not fully granular in nature, you may ask for further information/documentation may also be required to ensure proper identification of the applicant investor(s). The information sought may include details of the Ultimate Beneficial Owner. The Ultimate Beneficial Owner means ‘Natural Person’, who, whether acting alone or together, or through one or more juridical person, exercises control over the legal entity or a juridical person or is a beneficial owner. In case the investor is a body corporate, the holder of Power of Attorney or entity holding a beneficial interest in the UBO. Non-Individual investors who are not the ultimate beneficial owners of the investments, must mandatorily sign a Declaration for Ultimate Beneficial Owner duly signed by the authorized signatory along with the purchase application for units of schemes of Principal Mutual Fund. The provisions of s-r. Identification of UBO are not applicable to the investor or the owner of the controlling interest is a company listed on a stock exchange, or a majority-owned subsidiary of such a company. The guidance Note / notification issued by the CBDT shall prevail in respect to interpretation of the terms specified in the form. The guidance Note / notification issued by the CBDT shall prevail in respect to interpretation of the terms specified in the form.

(II) Financial Institution (FI) - The term FI means any financial institution that is a Depositary Institution, Custodian Institution, Investment Entity or Specified Insurance company, as defined.

(II) Depositary institution is an entity that accepts deposits in the ordinary course of banking or similar business.

(III) Custodial institution is an entity that holds as a substantial portion of its business, holds financial accounts for the account of others and the entity performs one or more of the following activities or operations for or on behalf of a customer:

- Trading in financial instruments such as, but not limited to, stocks, shares, warrants, options, futures, options, contracts or any other derivative financial instrument.

The guidance Note / notification issued by the CBDT shall prevail in respect to interpretation of the terms specified in the form.
A. SIP INSTRUCTIONS

1. A minimum gap of 21 days needs to be maintained between date of Application & SIP start date.

2. With the introduction of One Time Mandate (OTM) facility, the mandate registration and SIP registration through OTM facility has been delinked.

3. Where a one-time mandate is already registered in a folio for a bank account, the Unit Holder(s) will have to fill only the SIP Registration Form and there is no need of a separate cheque to be given along with the SIP Registration Form.

4. Where the mandate form and the SIP registration form are submitted together, debits for the SIP may happen only on successful registration of the mandate by the Unit holder(s) bank. The Fund / AMC would present the SIP transactions or additional purchase transactions without waiting for the confirmation of the successful registration from the Unit holder(s) bank.

5. In case the mandate is successfully registered, new SIP registration will take up to five days. The first debit may happen any time thereafter, based on the dates opted by the Unit holder(s).

6. If start date for SIP period is not specified, SIP will be registered and processed as per default date i.e. 10th of each month.

7. If anytime during the SIP period, the one-time mandate is modified to reduce the validity period, future installments of all SIPs registered under the mandate will be deemed to have the end period coinciding with the mandate.

8. In case of Micro SIP application without PAN, the investor/s hereby declare that they do not have any existing Micro SIPs with Principal Mutual Fund which together with the current application will result in aggregate investments exceeding ₹ 50,000 in a year.

9. If end date is not specified, SIP will be continued till the perpetuity or until cancelled.

B. TOP UP

1. SIP Top-Up will be subject to minimum SIP investment requirement, as applicable to the eligible schemes from time to time.

2. Investors subscribing for this facility are required to submit the request at least 25 days prior to the SIP top-up date.

3. SIP Top-Up facility can be availed at half yearly and yearly intervals. In case the frequency is not specified, the top-up will be processed with the default yearly frequency.

4. The minimum Top-Up amount would be ₹ 500/- & in multiples of ₹ 1/- . In case the investor does not specify Top-Up amount, ₹ 500/- will be considered as the default Top-Up amount.

5. If the end-date of the Top-up facility is not mentioned the Top-up facility will be continued till the tenure of the SIP.

6. Top-Up Limit
   
   Cap Amt : It is the amount at which the investor can stop the SIP Top up. The SIP will continue to be processed with the previous topped up amount.
   
   Cap Month and year : The investor can also select the date from which the future SIP Top up will stop. In case the investor chooses a limit on both amount and date, the SIP Top up will be capped as per the lower limit amount (Default).

7. The top-up cap amount should not exceed the maximum amount as mentioned in the NACH mandate. In case the top-up amount exceeds the maximum amount as mentioned in the NACH mandate, then the lesser amount shall be considered as the default cap amount.

8. SIP Top-up facility can be started after minimum 6 months from the date of 1st SIP. However, for investors availing SIP Top-Up facility, the maximum amount of SIP Installment including SIP Top-Up will be limited to ₹ 5,00,000/- (Rupees Five Lakhs) or the limit of bank mandate authorisation, whichever is lesser, subject to scheme specific transaction limits where applicable.

9. SIP Top-Up facility is currently available only for SIP registration and installment payments made directly with the fund and through modes like Electronic Clearing System (ECS)/Auto Debit/One Time Mandate (OTM) mode. SIP Top-Up facility is currently not available for SIP registration and installment being made by submission of Post-dated cheques (PDCs) and where SIP is registered and installments are sent through Mutual Fund Utility (MFU), MFSS system of NSE or BSE StAR MF platform of BSE or any other platforms of these stock exchanges or Channel Partners. As and when relevant systems are put in place, this facility will be automatically offered.

10. The Top-up details cannot be modified once enrolled. In order to make any changes, the investor must cancel the existing SIP and enroll for a fresh SIP with Top-up option.

11. In case the SIP top up is cancelled the SIP will continue to be processed with the last topped up amount till the SIP end-date.

C. SIP PAUSE FACILITY

1. The SIP pause facility can be availed only once during the tenure of the existing SIP.

2. SIP can be paused for a minimum period of 1 month to a maximum period of 6 months.

3. The request to pause the SIP should be submitted at least 25 days prior to the subsequent SIP date.

4. The SIP pause facility is applicable only for SIPs through ECS/NACH/Direct Debit.

5. If the SIP Pause period coincides with the Top up month, the topped up amount shall be debited in the next installment (after the completion of the pause period).

6. The SIP pause facility can be availed only after debit of the first installment.

7. The SIP pause facility will not be available for SIPs registered through Mutual Fund Utility (MFU), MFSS system of NSE or BSE StAR MF platform of BSE or any other platforms of these stock exchanges and Channel Partners or those who have standing instructions with Banks as the SIP are registered directly with them and not with the fund house.

D. ANY DAY SIP

1. The investor can choose any day of the month for SIP.

2. In case no SIP date is mentioned, the SIP will be processed with the cycle date of 10th of the month (Default).

3. In case the chosen date falls on a non-business day the SIP will be processed on the next business day.

4. In case the SIP date is not available for the particular month, the SIP will be processed on the last day of that month.

5. The first cheque and the subsequent cheques should not fall in the same month for monthly SIP and in the same quarter in case of quarterly SIP.
Investors who have already submitted an OTM form or already registered for OTM facility should not submit OTM form again as OTM registration is a one-time process only for each bank account. However, such investors if wish to add a new bank account towards OTM facility may fill the form.

Other investors, who have not registered for OTM facility, may fill the OTM form and submit duly signed with their name mentioned.

Registration process for OTM forms submitted during the NFO period will commence after the closure and allotment of NFO applications.

Mobile Number and Email ID: Unit holder(s) should mandatorily provide their mobile number and Email ID on the mandate form. Where the mobile number and Email ID mentioned on the mandate form differs from the ones as already existing in the folio, the details provided on the mandate will be updated in the folio. All future communication whatsoever would be, thereafter, sent to the updated mobile number and Email ID.

Unit holder(s) need to provide along with the mandate form an original cancelled cheque (or a copy) with name and account number pre-printed of the bank account to be registered or bank account verification letter for registration of the mandate failing which registration may not be accepted. The Unit holder(s) cheque/bank account details are subject to third party verification.

Investors are deemed to have read and understood the terms and conditions of OTM Facility, SIP registration through OTM facility, the Scheme Information Document, Statement of Additional Information, Key Information Memorandum, Instructions and Addenda issued from time to time of the respective Scheme(s) of Principal Mutual Fund.

If end date/frequency is not mentioned in the OTM Form, the same will be considered as per the SIP Registration Form and vice versa.

**MANDATORY FIELDS**

- Date: Date is mandatory
- Sponsor Bank Code: Mandatory
- Utility Code: Mandatory
- To Debit [Tick]: Mandatorily
- Frequency: Mandatory
- DEBIT TYPE: Mandatory
- Phone No.: Mandatory
- Email ID: Mandatory
- Folio No.: Mandatory
- Signature of Account Holder: Mandatory
- Name of the Bank A/c Holder: Mandatory

**SIP AUTO DEBIT/ NACH FORM**

Attention: No need to attach One Time Mandate again, if already registered / submitted earlier.

1. Signature of 1st Account holder
   Name as in bank records

2. Signature of 2nd Account holder
   Name as in bank records

3. Signature of 3rd Account holder
   Name as in bank records

This is to confirm that the declaration has been carefully read, understood & made by me / us. I am authorizing the User Entity / Corporate to debit my account, based on the instructions as agreed and signed by me.

I have understood that I am authorized to cancel / amend this mandate by appropriately communicating the cancellation / amendment request to the User entity / Corporate or the bank where I have authorized the debit.

I/We hereby authorize
Principal Mutual Fund
Bank A/c number

Tick (✓)
CREATE ✓ MODIFY x CANCEL x

I agree for the debit of mandate processing charges by the bank whom I am authorizing to debit my accounts as per latest schedule of charges of the bank.

**PERIOD**

From: 1 2 3 0 0 0
To: 9 9 9 9
Or: Until Cancelled

Signature of 1st Account holder
Signature of 2nd Account holder
Signature of 3rd Account holder

Name as in bank records
Name as in bank records
Name as in bank records

OTM Instructions: Terms & Conditions

- Investors who have already submitted an OTM form or already registered for OTM facility should not submit OTM form again as OTM registration is a one-time process only for each bank account. However, such investors if wish to add a new bank account towards OTM facility may fill the form.
- Other investors, who have not registered for OTM facility, may fill the OTM form and submit duly signed with their name mentioned.
- Registration process for OTM forms submitted during the NFO period will commence after the closure and allotment of NFO applications.
- Mobile Number and Email ID: Unit holder(s) should mandatorily provide their mobile number and Email ID on the mandate form. Where the mobile number and Email ID mentioned on the mandate form differs from the ones as already existing in the folio, the details provided on the mandate will be updated in the folio. All future communication whatsoever would be, thereafter, sent to the updated mobile number and Email ID.
- Unit holder(s) need to provide along with the mandate form an original cancelled cheque (or a copy) with name and account number pre-printed of the bank account to be registered or bank account verification letter for registration of the mandate failing which registration may not be accepted. The Unit holder(s) cheque/bank account details are subject to third party verification.
- Investors are deemed to have read and understood the terms and conditions of OTM Facility, SIP registration through OTM facility, the Scheme Information Document, Statement of Additional Information, Key Information Memorandum, Instructions and Addenda issued from time to time of the respective Scheme(s) of Principal Mutual Fund.
- If end date/frequency is not mentioned in the OTM Form, the same will be considered as per the SIP Registration Form and vice versa.