

KEY INFORMATION MEMORANDUM

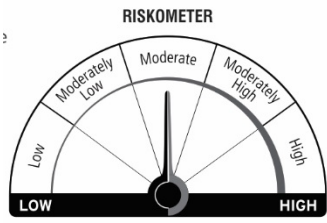
AND

APPLICATION FORM

Principal Credit Risk Fund

An open-ended debt scheme predominately investing in AA and below rated corporate bonds (excluding AA+ rated corporate bonds)

(Offer of units at applicable NAV based price)

| | |
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| This product is suitable for investors who are seeking~- | |
| <ul style="list-style-type: none"> Income over a Medium to long term investment horizon Investment in AA and below Rated Corporate Debt & other Debt and Money Market Instruments. |  <p>Investors understand that their principal will be at moderate risk</p> |
| ~ 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

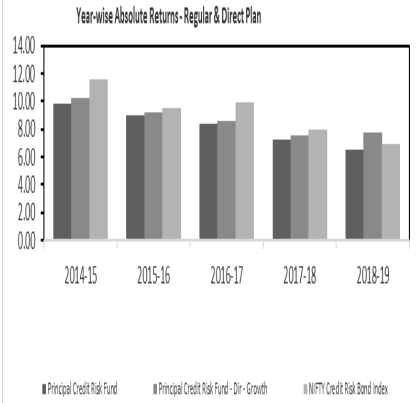
Exchange Plaza, 'B' Wing, Ground Floor, NSE Building, Bandra Kurla Complex, Bandra (East), Mumbai-400 051.

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 Credit Risk Fund (Erstwhile Principal Credit Opportunities Fund) | | | | | | | | | | | | | | | | | | | | |
|---|--|---------|----------------|--------------------|-------------------------------------|--|--------------|---------|---------|--|-----|------|----------------|---|----|-----|---------------|--------------------------------|----|-----|----------------|
| Investment Objective | The Fund seeks to generate income and capital gains by predominantly investing in a portfolio of AA and below rated corporate debt securities across the credit spectrum within the investment grade. | | | | | | | | | | | | | | | | | | | | |
| Type of Scheme | An open ended debt scheme predominately investing in AA and below rated corporate bonds (excluding AA+ rated corporate bonds) | | | | | | | | | | | | | | | | | | | | |
| Asset Allocation Pattern of the scheme | <p>Under normal circumstances, the asset allocation would be as follows:</p> <table border="1"> <thead> <tr> <th rowspan="2">Type of instrument</th> <th colspan="2">Normal Allocation (% of Net Assets)</th> <th rowspan="2">Risk Profile</th> </tr> <tr> <th>Minimum</th> <th>Maximum</th> </tr> </thead> <tbody> <tr> <td>Investments in Corporate Debt (AA* and below rated instruments) including, Securitised Debt#</td> <td>65%</td> <td>100%</td> <td>Medium to High</td> </tr> <tr> <td>Other Debt and Money market instruments and units of Liquid/ Money Market/ Debt Mutual Fund Scheme(s)</td> <td>0%</td> <td>35%</td> <td>Low to Medium</td> </tr> <tr> <td>Units issued by REITs & InvITs</td> <td>0%</td> <td>10%</td> <td>Medium to High</td> </tr> </tbody> </table> <p>(excludes AA+ rated corporate bonds)</p> <p>#Investment in Securitised Debt may be up to 30% of its Net Assets.</p> <p>Investment in derivatives shall be upto 35% of the net assets of the Scheme.</p> <p>Investment in Securities lending – up to 20% of the net assets</p> <p>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.</p> | | | Type of instrument | Normal Allocation (% of Net Assets) | | Risk Profile | Minimum | Maximum | Investments in Corporate Debt (AA* and below rated instruments) including, Securitised Debt# | 65% | 100% | Medium to High | Other Debt and Money market instruments and units of Liquid/ Money Market/ Debt Mutual Fund Scheme(s) | 0% | 35% | Low to Medium | Units issued by REITs & InvITs | 0% | 10% | Medium to High |
| Type of instrument | Normal Allocation (% of Net Assets) | | Risk Profile | | | | | | | | | | | | | | | | | | |
| | Minimum | Maximum | | | | | | | | | | | | | | | | | | | |
| Investments in Corporate Debt (AA* and below rated instruments) including, Securitised Debt# | 65% | 100% | Medium to High | | | | | | | | | | | | | | | | | | |
| Other Debt and Money market instruments and units of Liquid/ Money Market/ Debt Mutual Fund Scheme(s) | 0% | 35% | Low to Medium | | | | | | | | | | | | | | | | | | |
| Units issued by REITs & InvITs | 0% | 10% | Medium to High | | | | | | | | | | | | | | | | | | |
| Risk Profile of the Scheme | <p>Mutual Fund Units involve investment risks including the possible loss of principal. Please read the Scheme Information Document carefully for details on risk factors before investment. Scheme specific Risk Factors are summarized below:</p> <p>Different types of securities in which the scheme would invest (bonds / money market instruments etc.) as given in the Scheme Information Document carry different levels and types of risks. Accordingly the scheme's risk may increase or decrease depending upon its investment pattern. Corporate bonds carry a higher amount of risk than Government securities. Further even among corporate bonds, bonds which are rated AA and below are comparatively more risky than bonds which are rated below AAA. Since the fund will invest in corporate debt securities that are AA and below rated, it may increase the risk of the portfolio.</p> | | | | | | | | | | | | | | | | | | | | |
| Risk Mitigation Factors | <p>Risk mitigation factors for investments associated with Debt and/or Money Market Instruments:</p> <ul style="list-style-type: none"> • Rigorous in-depth credit evaluation of the securities proposed to be invested focussing on analysis of fundamentals of the company, company's financials and the quality of management. • Use derivatives and hedging products to protect the value of portfolio. • To invest over a range of companies, groups as well as industries in accordance with SEBI Regulations with an endeavour to reduce risk using diversification. • Having appropriate portfolio turnover to meet cash flow requirements, adjustments relating to average maturity of the assets held, change or an anticipated change in the credit worthiness of the investee companies. • Control credit risk by investing in rated papers of the companies having strong fundamentals, sound financial strength and superior quality of management. • Reduce Liquidity Risk by investing in TREPS and other such similar short term highly liquid instruments. | | | | | | | | | | | | | | | | | | | | |
| Investment Plans & Options | Regular Plan & Direct Plan. Both the Plans offer Growth & Dividend Option. Dividend Frequencies (under both the Plan) - Monthly | | | | | | | | | | | | | | | | | | | | |

| Investment Strategy | <p>The fund will predominantly invest in AA and below rated corporate debt instruments (including Securitized Debt) across the credit spectrum with an aim to generate consistent superior levels of portfolio yields while managing overall credit and liquidity risks of the investment portfolio through sector, issuer and instrument diversification.</p> <p>The scheme may invest in derivatives shall be upto 35% of the net assets of the Scheme.</p> | | | | | | | | |
|--|--|----------------------|---------------------|------------|--|--|----------------------|--|--|
| Applicable NAV (after the scheme opens for repurchase and sale) | <p>For Subscription / Switch –in / Sweep:</p> <p>(a) In respect of valid applications received upto 3.00 pm with a local cheque or demand draft payable at par at the repurchase and sale) Official Points of Acceptance of Transactions where it is received, the closing NAV of the day of receipt of application shall be applicable;</p> <p>(b) In respect of valid applications received after 3.00 pm with a local cheque or demand draft payable at par at the Official Points of Acceptance of Transactions where it is received, the closing NAV of the next business day shall be applicable.</p> <p>In respect of purchase/switch-in in any of the above mentioned Schemes for an amount equal to or more than Rs 2 Lakhs, the closing NAV (Net Asset Value) of the day shall be applicable subject to realisation of the funds upto 3.00 p.m. and receipt of application (duly time stamped).</p> <p>Further, in case of multiple applications for purchases/switch-ins in any of the Scheme (irrespective of its Plan/Option) for an aggregate investment amount equal to or more than Rs 2 Lakh on the same business day, such application shall be consolidated at PAN level irrespective of the number of the total application amount of Rs 2 Lakh and above to determine the NAV applicability.</p> <p>For Redemptions / Switch–out:</p> <p>(a) In respect of valid applications received upto 3.00 p.m. at the Official Points of Acceptance of Transactions, the closing NAV of the day of receipt of application shall be applicable; and</p> <p>(b) In respect of valid applications received after 3.00 p.m. at the Official Points of Acceptance of Transactions, the closing NAV of the next business day shall be applicable.</p> <p>The above cut-off timings shall also be applicable to investment made through “Sweep” mode available in the Dividend Option.</p> <p>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</p> | | | | | | | | |
| Minimum Application Amount / Number of Units | <table border="1"> <thead> <tr> <th>Purchase</th> <th>Additional Purchase</th> <th>Repurchase</th> </tr> </thead> <tbody> <tr> <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</td> </tr> </tbody> </table> | Purchase | Additional Purchase | Repurchase | Rs 5,000 and any amount thereafter under each Plan/Option. | Rs 1,000 and any amount thereafter under each Plan/Option. | Rs 500/- or 50 units | | |
| Purchase | Additional Purchase | Repurchase | | | | | | | |
| Rs 5,000 and any amount thereafter under each Plan/Option. | Rs 1,000 and any amount thereafter under each Plan/Option. | Rs 500/- or 50 units | | | | | | | |
| 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 | | | | | | | | |
| Comparison of open-ended schemes | The scheme aims to generate income by predominantly investing in AA and below rated Debt securities. | | | | | | | | |
| 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 Credit Risk Bond Index | | | | | | | | |
| Folio Count & AUM (As on Aug 31, 2019) | <ul style="list-style-type: none"> Folio – 603 AUM – Rs. 58.30 Crores | | | | | | | | |
| Fund Manager & Managing the Current Fund from | Mr. Gurvinder Singh Wasan - January 2018 (Tenure of the Fund Manager – 1 year 8 months) | | | | | | | | |
| Total Investment Experience | 15 years | | | | | | | | |

| Name of the Trustee Company | Principal Trustee Company Private Limited | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|---|---|---|---|----------------------------------|-------------------|------------------------|---|--------------------------|-------------|----------------------------|-----------|---|-------|-------------------------------|------|--------------------------------------|--------------|--------------------------------|------|-----------------------|------|------------------------|------|--|------|------|------------------|----------|--------------------|-------|--------|---|--------|-------|----------------|------|----------------|------|
| PERFORMANCE OF THE SCHEME: | Returns (%) of Growth Option under Regular Plan and Direct Plan as at Aug. 30, 2019 | | Absolute Returns for each financial year for the last 5 years | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | <table border="1"> <thead> <tr> <th rowspan="2">Period</th> <th colspan="2">Regular Plan</th> <th colspan="2">Direct Plan</th> </tr> <tr> <th>Scheme</th> <th>Benchmark</th> <th>Scheme</th> <th>Benchmark</th> </tr> </thead> <tbody> <tr> <td>Last 1 Year</td> <td>-0.06</td> <td>9.35</td> <td>0.95</td> <td>9.35</td> </tr> <tr> <td>Last 3 Years</td> <td>4.71</td> <td>8.15</td> <td>5.39</td> <td>8.15</td> </tr> <tr> <td>Last 5 Years</td> <td>6.49</td> <td>9.11</td> <td>6.98</td> <td>9.11</td> </tr> <tr> <td>Since Inception*</td> <td>7.07</td> <td>8.81</td> <td>7.35</td> <td>9.32</td> </tr> </tbody> </table> | | Period | Regular Plan | | Direct Plan | | Scheme | Benchmark | Scheme | Benchmark | Last 1 Year | -0.06 | 9.35 | 0.95 | 9.35 | Last 3 Years | 4.71 | 8.15 | 5.39 | 8.15 | Last 5 Years | 6.49 | 9.11 | 6.98 | 9.11 | Since Inception* | 7.07 | 8.81 | 7.35 | 9.32 |  | | | | | | |
| Period | Regular Plan | | | Direct Plan | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | Scheme | Benchmark | Scheme | Benchmark | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Last 1 Year | -0.06 | 9.35 | 0.95 | 9.35 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Last 3 Years | 4.71 | 8.15 | 5.39 | 8.15 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Last 5 Years | 6.49 | 9.11 | 6.98 | 9.11 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Since Inception* | 7.07 | 8.81 | 7.35 | 9.32 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | <p>* Regular Plan - September 14, 2004 Direct Plan - January 1, 2013 Past performance may or may not be sustained in the future. Note: Returns more than 1 year are calculated on compounded annualised basis.</p> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| PORTFOLIO - Top 10 Holdings (As on Aug. 31, 2019) | | SECTOR ALLOCATION - Top 10 (As on Aug. 31, 2019) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
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| Instrument | % of NAV | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Suryoday Small Finance Bank Ltd. | 13.76 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| IIFL Home Finance Ltd. | 11.69 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Hindalco Industries Ltd. | 8.89 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Coastal Gujarat Power Ltd. | 8.62 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Jamnagar Utilities & Power Private Ltd. | 8.61 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Steel Authority of India Ltd. | 8.60 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Power Grid Corporation of India Ltd. | 7.00 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Power Finance Corporation Ltd. | 6.54 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| National Housing Bank | 6.22 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Godrej Industries Ltd. | 5.14 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Sectors | % of NAV | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
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| TREASURY BILLS | 0.10 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Website link for Monthly Portfolio Holding - www.principalindia.com | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Expenses of the Scheme (i) Load Structure: | Exit Load: <ul style="list-style-type: none"> • 3% if redeemed on or before 180 days from the date of allotment. • 1% if redeemed after 180 days and on or before 365 days from the date of allotment. • Nil if redeemed after 365 days from the date of allotment. | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| (ii) Recurring Expenses: | Annual Recurring expenses as a percentage of Daily Net Assets: The AMC has estimated the below mentioned expenses expressed as a percentage to the daily net assets of the Scheme which will be charged to the Scheme as expenses. The estimated expenses under the Regular Plan and Direct Plan ⁵ under the Schemes are as per the table below: <table border="1" data-bbox="386 1617 1404 1854"> <thead> <tr> <th>Nature of Expense</th> <th>% of daily Net Assets</th> </tr> </thead> <tbody> <tr> <td>Investment Management and Advisory Fees</td> <td rowspan="3">Upto 2.00%</td> </tr> <tr> <td>Trustee fee</td> </tr> <tr> <td>Audit fees</td> </tr> </tbody> </table> | | | | Nature of Expense | % of daily Net Assets | Investment Management and Advisory Fees | Upto 2.00% | Trustee fee | Audit fees | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Nature of Expense | % of daily Net Assets | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Investment Management and Advisory Fees | Upto 2.00% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Trustee fee | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Audit fees | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

| | |
|--|-------------------|
| Custodian fees | |
| RTA Fees | |
| Marketing & Selling expense incl. agent commission | |
| Cost related to investor communications | |
| Cost of fund transfer from location to location | |
| Cost of providing account statements and dividend redemption cheques and warrants | |
| Costs of statutory Advertisements | |
| Cost towards investor education & awareness (at least 2 bps) | |
| Brokerage & transaction cost over and above 12 bps and 5 bps for cash and derivative market trades resp. | |
| Goods and Services Tax on expenses other than investment and advisory fees | |
| Goods and Services Tax on brokerage* and transaction cost | |
| Other Expenses | |
| Maximum total expense ratio (TER) permissible under Regulation 52 (6) (c) (i) and (6) (a) | Upto 2.00% |
| Additional expenses under regulation 52 (6A) (c)^ | Upto 0.05% |
| Additional expenses for gross new inflows from specified cities # | Upto 0.30% |

§**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.

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

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

The AMC may charge investment management and advisory fees and other expenses up to 2.00% of the daily net assets. The AMC reserves the right to change the estimates; both inter se or in total, subject to prevailing SEBI Regulations.

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

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

Maximum Recurring Expenses:

| Daily net assets | As a % of daily net Assets (per annum) | Additional Total Expense Ratio as per SEBI Regulations 52 (6A) (c) # | Additional Total Expense Ratio as per SEBI Regulations 52 (6A) (b) # |
|--|--|--|--|
| First Rs. 500 crores | 2.00% | 0.05% | 0.30% |
| Next Rs. 250 crores | 1.75% | 0.05% | 0.30% |
| Next Rs. 1,250 crores | 1.50% | 0.05% | 0.30% |
| Next 3,000 crores | 1.35% | 0.05% | 0.30% |
| Next 5,000 crores | 1.25% | 0.05% | 0.30% |
| Next 40,000 crores | Reduction of 0.05% for every increase of INR 5000 crores | 0.05% | 0.30% |
| Balance of assets over and above Rs. 50,000 crores | 0.80% | 0.05% | 0.30% |

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;
- (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 atleast (i) 30% of gross inflows in the Scheme OR (ii) 15% of the average assets under management (year to date) of the Scheme - whichever is higher.

However if inflows from such cities is less than the higher of (i) & (ii) as mentioned above, such expenses on daily net assets of the Scheme may be charged on proportionate basis. Further, the expenses charged under this clause shall be utilized for distribution expenses incurred for bringing inflows from such cities. The amount incurred as expense on account of inflows from such cities shall be credited back to the scheme in case the said inflows are redeemed within a period of one year from the date of investment. Inflows of amount upto Rs 2,00,000/- per transaction, by individual investors shall be considered as inflows from "retail investor".

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:

<https://www.principalindia.com/downloads-disclosures.aspx>

AMC may charge Goods and Services Tax on investment and advisory fees of the scheme in addition to the maximum limit of Total Expense Ratio as per the Regulation 52(6) and (6A).

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| | <p>Further, the following may be charged to the Schemes within the maximum limit of Total Expense Ratio as per Regulation 52 of the SEBI (Mutual Funds) Regulations, as amended from time to time -</p> <p>(a) *Goods and Services Tax on expenses other than investment and advisory fees, if any; (b) Goods and Services Tax on brokerage and transaction costs on execution of trades, if any; and (c) Investor Education and awareness fees of at least 2 basis point on daily net assets of respective schemes. The Goods and Services Tax on brokerage and transaction costs which are incurred for the purpose of execution of trade, will be within the limit of prescribed under Regulation 52 of SEBI Regulations.</p> <p>The Fund shall strive to reduce the level of these expenses so as to keep them well within the maximum limits currently allowed by SEBI and any revision in the said expenses limits by SEBI would be applicable.</p> <p>The Annual Recurring Expenses for the Plans under the Scheme shall be within the overall limit of 2.00% of the daily net assets.</p> <p>These estimates have been made in good faith by the AMC as per the information available to AMC – the investment manager, based on the past experience and are subject to change inter-se. The expenses may be more than as specified in the table above, but the total recurring expenses that can be charged to the Scheme will be subject to limits prescribed from time to time under the SEBI Regulations. Expenses over and above the permissible limits will be borne by the AMC and/or the Trust and/ or the sponsor. The purpose of the above table is to assist the unitholder in understanding the various costs and expenses that a unitholder in the Scheme will bear directly or indirectly.</p> <p>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.</p> <p>All scheme related expenses including commission paid to distributors, by whatever name it may be called and in whatever manner it may be paid, shall necessarily be paid from the scheme only within the regulatory limits and not from the books of the Asset Management Companies (AMC), its associate, sponsor, trustee or any other entity through any route.</p> <p>All fees and expenses charged in a direct plan (in percentage terms) under various heads including the investment and advisory fee shall not exceed the fees and expenses charged under such heads in a regular plan.</p> |
| (iii)Actual Expenses:# (For the previous Financial Year 2018-2019) | Direct Plan – 0.56 % • Regular Plan – 1.64 % #Expense ratio includes Goods and Service tax on Management Fees over and above TER and Additional B15 Exp ratio. |
| Waiver of Load for Direct Applications | 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. |
| Tax treatment for the Investors (Unitholders) | Investors are advised to refer to the details in the Statement of Additional Information and also independently consult their tax advisor. |
| Daily Net Asset Value (NAV) Publication | The NAV of the Scheme will be calculated on all Business Days. The same would also be updated on AMFI website by 11.00 p.m. on all Business Days. The NAV can also be viewed on the website of the Mutual Fund i.e. www.principalindia.com . |
| For Investor Grievances Please Contact | Principal Mutual Fund: Exchange Plaza, 'B' Wing, Ground Floor, NSE Building, Bandra Kurla Complex, Bandra (East), Mumbai-400 051. TOLL FREE: 1800 425 5600. Fax: +91 22 6772 0512. E-mail: customer@principalindia.com Registrar: Karvy Fintech Private Limited. (Unit: Principal Mutual Fund), Karvy Selenium Tower B, Plot number 31 & 32, Financial District, Nanakramguda, Serilingampally Mandal, Hyderabad - 500032. • www.karvyfintech.com |

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| <p>Unitholders' Information:</p> | <p>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).</p> <p>Securities Consolidated Account Statement (SCAS): Investors who have a demat account and opt to hold units in non demat form, a single SCAS generated based on PAN for each calendar month, shall be sent by mail/email in whose folio(s) transaction(s) has/have taken place during the month on or before 10th of the succeeding month. The SCAS will be sent by e-mail to the investor(s) whose e-mail address is registered with the Depositories. In case an investor does not wish to receive SCAS through e-mail, an option shall be given by the Depository to receive SCAS in physical. Where PAN is not available, the account statement shall be sent to the Unit holder by the AMC. In case there is no transaction in the folio, a half yearly SCAS detailing holding across all schemes of mutual funds and securities held in dematerialized form across demat accounts shall be sent by Depositories to investors at the end of every six months (i.e. September/March), on or before 10th day of succeeding month. The half yearly SCAS will be sent by mail/e-mail as per the mode of receipt opted by the investors to receive monthly SCAS. Investors who are not eligible for receiving SCAS shall continue to receive a monthly account statement from the AMC. The holding(s) of the beneficiary account holder for units held in demat mode will be shown in the statement issued by respective Depository Participants (DPs) periodically. For more details, please refer the SID and SAI.</p> <p>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 - www.principalindia.com 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 www.principalindia.com and on the website of AMFI within 10 days from the 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.</p> <p>For more details, please refer the Scheme Information Document (SID) and Statement of Additional Information (SAI).</p> |
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Key Information Memorandum dated September 30, 2019.

PRODUCT DIFFERENTIATION

| Comparison of certain features of Principal Credit Risk Fund vis-a-vis other existing open-ended Debt/Income/Liquid Schemes of Principal Mutual fund | | | | | | | | | | | | | | | | |
|--|--|--|---------------------|--|----------------------|-------------------------------------|--------------|-----------------|-----------|---------------|--------------------------|-----------|-----|------------------|----------|---------------|
| Scheme Name | Principal Cash Management Fund | | | Principal Dynamic Bond Fund | | | | | | | | | | | | |
| Investment Objective | To provide investors with as high a level of income available from short-term investments as is considered consistent with preservation of capital and maintenance of liquidity, by investing in a portfolio of money market and investment grade debt instruments | | | To generate regular income and capital appreciation/accretion through investment in debt instruments and related securities besides preservation of capital. | | | | | | | | | | | | |
| Asset Allocation Pattern | Under normal circumstances, the asset allocation would be as follows: | | | Under normal circumstances, the asset allocation would be as follows: | | | | | | | | | | | | |
| | Types of Instruments | Normal Allocation (% of Net Assets) | Risk Profile | <table border="1"> <thead> <tr> <th>Types of Instruments</th> <th>Normal Allocation (% of Net Assets)</th> <th>Risk Profile</th> </tr> </thead> <tbody> <tr> <td>Debt Securities</td> <td>Upto 100%</td> <td>Low to Medium</td> </tr> <tr> <td>Money Market Instruments</td> <td>Upto 100%</td> <td>Low</td> </tr> <tr> <td>Securitised Debt</td> <td>Upto 50%</td> <td>Low to Medium</td> </tr> </tbody> </table> | Types of Instruments | Normal Allocation (% of Net Assets) | Risk Profile | Debt Securities | Upto 100% | Low to Medium | Money Market Instruments | Upto 100% | Low | Securitised Debt | Upto 50% | Low to Medium |
| Types of Instruments | Normal Allocation (% of Net Assets) | Risk Profile | | | | | | | | | | | | | | |
| Debt Securities | Upto 100% | Low to Medium | | | | | | | | | | | | | | |
| Money Market Instruments | Upto 100% | Low | | | | | | | | | | | | | | |
| Securitised Debt | Upto 50% | Low to Medium | | | | | | | | | | | | | | |
| | Call / Term Money / Repos / Reverse Repos / Deposits with Banks | Upto 100% | Low to medium | | | | | | | | | | | | | |
| | Bill Re-discounting | Upto 50% | Low to medium | | | | | | | | | | | | | |
| | Other equivalent Money Market Instruments | Upto 100% | Very Low | | | | | | | | | | | | | |
| | | | | Investment in derivatives shall be upto 35% of the net assets of the Scheme. Investment in Overseas Financial | | | | | | | | | | | | |

| | | | | | |
|--|--|---|----------|---------------|---|
| | <table border="1" data-bbox="337 191 889 338"> <tr> <td data-bbox="337 191 545 338">Debt (including Securitised Debt) instruments other than those above</td> <td data-bbox="545 191 737 338">Upto 50%</td> <td data-bbox="737 191 889 338">Low to medium</td> </tr> </table> <p data-bbox="329 344 898 491">The Scheme may upto 35% of the net assets of the Scheme invest in Derivatives. The Scheme may also invest in Overseas financial debt instruments including units of overseas mutual funds not exceeding than 25% of the net assets of the Scheme.</p> <p data-bbox="329 520 898 611">Subject to the SEBI Regulations, the Mutual Fund may deploy upto 50% of its total net assets of the Scheme in Stock Lending.</p> <p data-bbox="329 636 846 663">Pursuant to the SEBI circular dated January 19, 2009:</p> <ul data-bbox="329 688 898 774" style="list-style-type: none"> the Scheme can make investment in / purchase Debt and Money Market Instruments with the residual maturity of up to 91 days only. <p data-bbox="329 808 898 898">Inter scheme transfers in the Scheme shall be carried out in Debt and Money Market Instruments with the residual maturity of upto 91 days.</p> | Debt (including Securitised Debt) instruments other than those above | Upto 50% | Low to medium | <p data-bbox="917 195 1495 254">Debt Instruments including units of Overseas Mutual Funds shall not be exceeding 25% of the Scheme's assets.</p> <p data-bbox="917 331 1495 422">Subject to the SEBI Regulations, the Mutual Fund may deploy upto 50% of its total net assets of the Scheme in Stock Lending.</p> |
| Debt (including Securitised Debt) instruments other than those above | Upto 50% | Low to medium | | | |
| Investment Strategy | The scheme will invest its assets in a portfolio of money market instruments. The investments will be in securities, which the Investment Manager believes present minimal liquidity risks and/or credit risks. | The Scheme will aim to invest its assets in a portfolio of debt instruments and related securities of government, quasi-government, corporate issuers and money market instruments with varying risks – rated investment grade or higher or otherwise comparable (if not rated). | | | |
| AUM in Rs. Cr. (Aug 31, 2019) | 210.44 | 34.63 | | | |
| No. of Folios (Aug 31, 2019) | 3713 | 1,971 | | | |
| Differentiation | This scheme is suitable for investors who seek income from short term investments alongwith preservation of capital and maintenance of liquidity. The Fund Manager will endeavour to invest in securities which present minimal liquidity and/or credit risks. The investment universe of the scheme covers Call/Term Money/Repo/Reverse Repo/Deposits with Banks - upto 100%, Bills Re-discounting - upto 50%, other equivalent Money Market Instruments - upto 100%, Debt (including Securitised Debt) instruments other than those above - upto 50%. However as the scheme is positioned as a liquid fund, the scheme would be investing in instruments with maturity of up to 91 days. | The fund is Suitable for investors seeking risk efficient exposure to an actively managed fixed income portfolio that invests in a diversified basket of short-term debt, long-term debt and higher yielding debt securities. The fund manager will dynamically manage the portfolio by adjusting the duration and credit exposures over the interest rate cycle with an aim to provide superior risk adjusted return. This also mitigates the need for investors to switch between low and high duration funds over the interest rate cycle. | | | |

| Scheme Name | Principal Credit Risk Fund | Principal Short Term Debt Fund | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|---|--|---|-------------------------------------|--|--------------|---------|---------|---|-----|------|----------------|---|----|-----|---------------|--------------------------------|----|-----|----------------|--|--------------------|-------------------------------------|--------------|---|-----------|---------------|---|-----------|-----|
| Investment Objective | The Fund seeks to generate income and capital gains by predominantly investing in a portfolio of AA and below rated corporate debt securities across the credit spectrum within the investment grade. | To generate regular income and capital appreciation/ accretion through investment in debt instruments and related securities besides preservation of capital and has been designed to achieve stable returns over shorter-term investment horizons. | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Asset Allocation Pattern | <p>Under normal circumstances, the asset allocation would be as follows:</p> <table border="1" data-bbox="334 510 859 1388"> <thead> <tr> <th rowspan="2">Type of instrument</th> <th colspan="2">Normal Allocation (% of Net Assets)</th> <th rowspan="2">Risk Profile</th> </tr> <tr> <th>Minimum</th> <th>Maximum</th> </tr> </thead> <tbody> <tr> <td>Investments in Corporate Debt (AA* and below rated instruments) including Securitised Debt#</td> <td>65%</td> <td>100%</td> <td>Medium to High</td> </tr> <tr> <td>Other Debt and Money market instruments and units of Liquid/ Money Market/ Debt Mutual Fund Scheme(s)</td> <td>0%</td> <td>35%</td> <td>Low to Medium</td> </tr> <tr> <td>Units issued by REITs & InvITs</td> <td>0%</td> <td>10%</td> <td>Medium to High</td> </tr> </tbody> </table> <p>(excludes AA+ rated corporate bonds)</p> <p>#Investment in Securitised Debt may be up to 30% of its Net Assets.</p> <p>Investment in derivatives shall be upto 35% of the net assets of the Scheme.</p> <p>Investment in Securities lending – up to 20% of the net assets</p> <p>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.</p> | Type of instrument | Normal Allocation (% of Net Assets) | | Risk Profile | Minimum | Maximum | Investments in Corporate Debt (AA* and below rated instruments) including Securitised Debt# | 65% | 100% | Medium to High | Other Debt and Money market instruments and units of Liquid/ Money Market/ Debt Mutual Fund Scheme(s) | 0% | 35% | Low to Medium | Units issued by REITs & InvITs | 0% | 10% | Medium to High | <p>Under normal circumstances, the asset allocation pattern of the Scheme would be as follows:</p> <table border="1" data-bbox="919 510 1468 1050"> <thead> <tr> <th>Type of instrument</th> <th>Normal Allocation (% of Net Assets)</th> <th>Risk Profile</th> </tr> </thead> <tbody> <tr> <td>Debt Securities (including securitized debt upto 50%)</td> <td>Upto 100%</td> <td>Low to Medium</td> </tr> <tr> <td>Money Market Instruments (including cash and TREPS) and units of Liquid/ Money Market/ Debt Mutual Fund Scheme(s)</td> <td>Upto 100%</td> <td>Low</td> </tr> </tbody> </table> <p>Investment in derivatives shall be upto 35% of the net assets of the Scheme.</p> <p>Investment in Securities lending – up to 20% of the net assets</p> <p>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.</p> <p>Macaulay Duration of the portfolio shall be maintained between 1 year and 3 years.</p> | Type of instrument | Normal Allocation (% of Net Assets) | Risk Profile | Debt Securities (including securitized debt upto 50%) | Upto 100% | Low to Medium | Money Market Instruments (including cash and TREPS) and units of Liquid/ Money Market/ Debt Mutual Fund Scheme(s) | Upto 100% | Low |
| Type of instrument | Normal Allocation (% of Net Assets) | | Risk Profile | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | Minimum | Maximum | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Investments in Corporate Debt (AA* and below rated instruments) including Securitised Debt# | 65% | 100% | Medium to High | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Other Debt and Money market instruments and units of Liquid/ Money Market/ Debt Mutual Fund Scheme(s) | 0% | 35% | Low to Medium | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Units issued by REITs & InvITs | 0% | 10% | Medium to High | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Type of instrument | Normal Allocation (% of Net Assets) | Risk Profile | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Debt Securities (including securitized debt upto 50%) | Upto 100% | Low to Medium | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Money Market Instruments (including cash and TREPS) and units of Liquid/ Money Market/ Debt Mutual Fund Scheme(s) | Upto 100% | Low | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Investment Strategy | The fund will predominantly invest in AA and below rated corporate debt instruments (including Securitised Debt) | The corpus of the Scheme be predominantly invested in Debt Securities including securitised debt and Money | | | | | | | | | | | | | | | | | | | | | | | | | | | |

| | <p>across the credit spectrum with an aim to generate consistent superior levels of portfolio yields while managing overall credit and liquidity risks of the investment portfolio through sector, issuer and instrument diversification.</p> <p>The scheme may invest in derivatives shall be upto 35% of the net assets of the Scheme.</p> | <p>Market Instruments. The Scheme may also invest its assets in a portfolio of debt instruments and related securities of government, quasi-government, corporate issuers and money market instruments (rated investment grade or higher or other-wise comparable, if not rated) and varying risks such that the Macaulay Duration of the portfolio is between 1 year and 3 years.</p> | | | | | | | | | | | | |
|--|--|--|-------------------------------------|--------------|--|-----------|---------------|--|--------------------|-------------------------------------|--------------|--|-----------|---------------|
| AUM in Rs. Cr. (Aug 31, 2019) | 58.3 | 156.86 | | | | | | | | | | | | |
| No. of Folios (Aug 31, 2019) | 603 | 3,707 | | | | | | | | | | | | |
| Differentiation | The scheme aims to generate income by predominantly investing in AA and below rated Debt securities. | The scheme aims to generate income by investing in debt instruments and related securities of government, quasi-government, corporate issuers and money market instruments with Macaulay Duration of the Portfolio ranging between 1 year and 3 years. | | | | | | | | | | | | |
| Scheme Name | Principal Ultra Short Term Fund | Principal Low Duration Fund | | | | | | | | | | | | |
| Investment Objective | To generate regular income & capital appreciation through investments in debt securities and money market instruments. | To generate regular income & capital appreciation through investments in debt securities and money market instruments. | | | | | | | | | | | | |
| Asset Allocation Pattern | <p>Under normal circumstances, the asset allocation would be as follows:</p> <table border="1"> <thead> <tr> <th>Type of instrument</th> <th>Normal Allocation (% of Net Assets)</th> <th>Risk Profile</th> </tr> </thead> <tbody> <tr> <td>Debt Instruments & Money Market Instruments (including cash and TREPS) and units of Liquid/ Money Market/ Debt Mutual Fund Scheme(s)</td> <td>Upto 100%</td> <td>Low to Medium</td> </tr> </tbody> </table> <p>Investment in Securitised Debt may be up to 50% of the net assets of the Scheme.</p> <p>Investment in Securities lending – up to 20% of the net assets</p> <p>The Scheme may also invest up to 50% of net assets of the Scheme in such derivative instruments as may be introduced from time to time for the purpose of hedging and portfolio balancing and other uses as may be permitted under the SEBI (Mutual Funds) Regulations, 1996.</p> | Type of instrument | Normal Allocation (% of Net Assets) | Risk Profile | Debt Instruments & Money Market Instruments (including cash and TREPS) and units of Liquid/ Money Market/ Debt Mutual Fund Scheme(s) | Upto 100% | Low to Medium | <p>Under normal circumstances, the asset allocation would be as follows:</p> <table border="1"> <thead> <tr> <th>Type of instrument</th> <th>Normal Allocation (% of Net Assets)</th> <th>Risk Profile</th> </tr> </thead> <tbody> <tr> <td>Debt Instruments & Money Market Instruments (including cash and TREPS) and units of Liquid/ Money Market/ Debt Mutual Fund Scheme(s)</td> <td>Upto 100%</td> <td>Low to Medium</td> </tr> </tbody> </table> <p>Investment in Securitised Debt may be up to 50% of the net assets of the Scheme. The Scheme may also invest up to 50% of net assets of the Scheme in such derivative instruments as may be introduced from time to time for the purpose of hedging and portfolio balancing and other uses as may be permitted under the SEBI (Mutual Funds) Regulations, 1996.</p> <p>Investment in Securities lending – up to 20% of the net assets.</p> | Type of instrument | Normal Allocation (% of Net Assets) | Risk Profile | Debt Instruments & Money Market Instruments (including cash and TREPS) and units of Liquid/ Money Market/ Debt Mutual Fund Scheme(s) | Upto 100% | Low to Medium |
| Type of instrument | Normal Allocation (% of Net Assets) | Risk Profile | | | | | | | | | | | | |
| Debt Instruments & Money Market Instruments (including cash and TREPS) and units of Liquid/ Money Market/ Debt Mutual Fund Scheme(s) | Upto 100% | Low to Medium | | | | | | | | | | | | |
| Type of instrument | Normal Allocation (% of Net Assets) | Risk Profile | | | | | | | | | | | | |
| Debt Instruments & Money Market Instruments (including cash and TREPS) and units of Liquid/ Money Market/ Debt Mutual Fund Scheme(s) | Upto 100% | Low to Medium | | | | | | | | | | | | |

| | | |
|-------------------------------|---|---|
| | <p>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.</p> <p>Macaulay Duration of the portfolio shall be maintained between 3 months and 6 months.</p> | <p>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.</p> <p>Macaulay Duration of the portfolio shall be maintained between 6 months and 12 months.</p> |
| Investment Strategy | <p>The net assets of the Scheme will be invested in debt and money market instruments. The Scheme will seek to optimize the risk return proposition for the benefit of investors. The investment process will focus on macro-economic research, credit risk and liquidity management. The Scheme will maintain a judicious mix of cash, short term and medium term instruments based on the mandates of the Scheme. As part of credit risk assessment, the Scheme will also apply its credit evaluation process besides taking guidance from ratings of rating agencies. In order to maintain liquidity, the Scheme will maintain a reasonable proportion of the Scheme's investments in relatively liquid investments.</p> | <p>The net assets of the Scheme will be invested in money market and debt instruments. The fund will seek to optimize the risk return proposition for the benefit of investors. The investment process will focus on macro-economic research, credit risk and liquidity management. The fund will maintain a judicious mix of cash, short term and medium term instruments based on the mandates of the Scheme. As part of credit risk assessment, the fund will also apply its credit evaluation process besides taking guidance from ratings of rating agencies. In order to maintain liquidity, the fund will maintain a reasonable proportion of the Scheme's investments in relatively liquid investments.</p> |
| AUM in Rs. Cr. (Aug 31, 2019) | 62.31 | 162 |
| No. of Folios (Aug 31, 2019) | 1,885 | 2880 |
| Differentiation | <p>The scheme aims to generate income by investing in Debt & Money Market Instruments (including cash & TREPS) with Macaulay Duration of the portfolio ranging between 3 months and 6 months.</p> | <p>The scheme aims to generate income by investing in debt & money market securities (including cash & TREPS) with the Macaulay Duration of the portfolio ranging between 6 months and 12 months.</p> |

FORM 1 - APPLICATION FORM FOR LUMP SUM AND/OR SIP INVESTMENTS

THE APPLICATION FORM SHOULD BE FILLED IN BLOCK LETTERS ONLY. PLEASE READ THE INSTRUCTIONS BEFORE FILLING THE APPLICATION FORM

| Broker ARN/RIA Code [^] | Sub-Broker ARN Code | EUIN | Sub-Broker Code | APPLICATION NO. |
|----------------------------------|---------------------|------|-----------------|-----------------|
| ARN - | | | | |

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

Sole / First Applicant's Signature (Mandatory)

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

I am a First Time Investor in Mutual Fund Industry I am an Existing Investor in Mutual Fund Industry

1A FIRST APPLICANT'S DETAILS (Ref instruction B. All fields are mandatory) Existing Unit Holder (Fill & skip to section 5) Folio No.

Name of First Applicant (As in PAN / KYC/ Aadhaar)

City & Country of Birth City Country Date of birth (Proof in case of minor) D D M M Y Y Gender Male Female

PAN/PEKRN KIN^^ CKYC / KYC Form / Acknowledgement Copy

Mobile No.

Email ID

On providing email-id investors shall receive scheme wise annual report or an abridged summary thereof/ account statements/ statutory and other documents by email. In case email id is not provided, abridged summary of scheme wise annual report shall be sent to only those unit holders who specifically request to receive the same in the physical form. (Refer instruction no B15)

Correspondence Address (Please note: Address will be replaced as per KYC records)

State Country Pin Code Are you a tax resident of any country other than India? Yes No (If yes, fill and attach FATCA & CRS individual form available at www.principalindia.com)

Overseas address (For FIs/NRIs/PIOs) (Ref B 5)

Name of the Guardian (in case of minor) / POA (Contact person for non individuals / POA holder name) PAN (Guardian / POA)

City & Country of Birth City Country Date of Birth (Guardian / POA) D D M M Y Y Gender Male Female

PAN/PEKRN KIN^^ CKYC / KYC Form / Acknowledgement Copy

Are you a tax resident of any country other than India? Yes No (If yes, fill and attach FATCA & CRS individual form available at www.principalindia.com)

For Investments "On behalf of Minor" (Refer B 11) Birth Certificate School Certificate Passport Other Specify Guardian named above is Father Mother Court Appointed

1B JOINT APPLICANT'S DETAILS (All fields are mandatory) Mode of operation Single Joint (Default option) Either or Survivor(s)

Name of Second Applicant (As in PAN / KYC/ Aadhaar)

City & Country of Birth City Country Date of birth (Proof in case of minor) D D M M Y Y Gender Male Female

PAN/PEKRN KIN^^ CKYC / KYC Form / Acknowledgement Copy

Are you a tax resident of any country other than India? Yes No (If yes, fill and attach FATCA & CRS individual form available at www.principalindia.com)

Name of Third Applicant (As in PAN / KYC/ Aadhaar)

City & Country of Birth City Country Date of birth (Proof in case of minor) D D M M Y Y Gender Male Female

PAN/PEKRN KIN^^ CKYC / KYC Form / Acknowledgement Copy

Are you a tax resident of any country other than India? Yes No (If yes, fill and attach FATCA & CRS individual form available at www.principalindia.com)

2 KYC/ FATCA DETAILS (All fields are mandatory, Please tick or specify. Ref Instruction D & I)

| Details of | Occupation Details | | | | | | | | | | Politically Exposed Person (PEP) Details | | | |
|---------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--|--------------------------|--------------------------|--------------------------|
| | Private Sector | Public Sector | Gov. Service | Business | Professional | Agriculturist | Retired | Housewife | Student | Proprietorship | Others | Is a PEP | Related to PEP | Not Applicable |
| 1st Applicant | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | Specify | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 2nd Applicant | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | Specify | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 3rd Applicant | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | Specify | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Guardian | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | Specify | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

Authorised Signatories/ Promoters/ Partners/ Karta/ Whole-time Directors / Trustee

| Details of | Gross Annual Income Range (₹) | | | | | | Status Details | | | | | | | | | |
|---------------|-------------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|-------------------|--------------------------|--------------------------|--------------------------|--------------------------|---|---|--|---------|---------|
| | < 1L | 1-5L | 5-10L | 10-25L | 25L-1C | > 1C | *Or Networth in ₹ | Resident Individual | NRI / PIO / NRO | Sole Proprietorship | Minor through Guardian | Non Individual | | | Others | |
| 1st Applicant | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | as on | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> Company/Body <input type="checkbox"/> Corporate <input type="checkbox"/> HUF | Is the entity involved in any of the following: | | | Specify |
| 2nd Applicant | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | as on | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> Partnership <input type="checkbox"/> Society <input type="checkbox"/> Trust | Foreign Exchange/ Money Changer | <input type="checkbox"/> Yes <input type="checkbox"/> No | Specify | |
| 3rd Applicant | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | as on | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> Bank <input type="checkbox"/> AOP <input type="checkbox"/> FI/FII/FPI <input type="checkbox"/> NPO | Gaming/ Gambling/ Lottery (casinos, betting syndicates) | <input type="checkbox"/> Yes <input type="checkbox"/> No | Specify | |
| Guardian | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | as on | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> BOI <input type="checkbox"/> OCI <input type="checkbox"/> LLP | Money Lending/ Pawning | <input type="checkbox"/> Yes <input type="checkbox"/> No | Specify | |

*Mandatory for Non Individual. Not older than 1 year

ACKNOWLEDGEMENT SLIP (To be filled in by the investor)

From Date D D M M Y Y

| Sr | Scheme | Plan/Option | Amount |
|----|----------------------|----------------------|----------------------|
| 1 | <input type="text"/> | <input type="text"/> | <input type="text"/> |
| 2 | <input type="text"/> | <input type="text"/> | <input type="text"/> |
| 3 | <input type="text"/> | <input type="text"/> | <input type="text"/> |

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. Type Savings Current NRO NRE FCNR NRSR Others Specify

Branch Name City Pin

IFSC / NEFT Code (11 digit)* MICR Code (9 digit)* *Mentioned on your cheque leaf

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)

| Payment mode | Instrument/ Reference No. | Amount (₹) | Account No. | Account type |
|---|---------------------------|----------------------------|--------------------------|----------------------------------|
| <input type="checkbox"/> Cheque/ DD | | | | <input type="checkbox"/> Savings |
| <input type="checkbox"/> RTGS/ NEFT | | DD Charges (if any) | Bank & Branch | <input type="checkbox"/> Current |
| <input type="checkbox"/> Funds Transfer | | | | <input type="checkbox"/> NRO |
| | | | | <input type="checkbox"/> NRE |

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.

| Scheme Names | Plan | | Option | | Sub Option | | | Dividend Frequency (if applicable) | Amount in figure (₹) |
|-------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|---|----------------------|
| | Regular | Direct | Dividend | Growth | Payout | Reinvest | Sweep | Tick any one* | |
| 1. Principal | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> D <input type="checkbox"/> W <input type="checkbox"/> M <input type="checkbox"/> Q <input type="checkbox"/> HY <input type="checkbox"/> A | Lumpsum |
| 2. Principal | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> D <input type="checkbox"/> W <input type="checkbox"/> M <input type="checkbox"/> Q <input type="checkbox"/> HY <input type="checkbox"/> A | |
| 3. Principal | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> D <input type="checkbox"/> W <input type="checkbox"/> M <input type="checkbox"/> Q <input type="checkbox"/> HY <input type="checkbox"/> A | |
| Total (Amount in words) | | | | | | | | | |
| Dividend Sweep into | Scheme | | | | | | Plan | Option | |
| | Scheme | | | | | | Plan | Option | |
| | Scheme | | | | | | Plan | Option | |

*D-Daily, W-Weekly, M-Monthly, Q-Quarterly, HY-Half Yearly & A-Annual

5B - SIP REGISTRATION DETAILS

My Date* Choose your favourite day

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

| Scheme No. | SIP Amount (₹) (Minimum amount ₹ 500/ 2,000. Refer KIM) | SIP Date(s)* (*Default date 10th) | SIP Frequency | Start Date | End Date | Perpetual |
|-------------------------|--|--------------------------------------|---|------------|----------|--------------------------|
| 1. | | | <input type="checkbox"/> Monthly <input type="checkbox"/> Quarterly | MM / YY | MM / YY | <input type="checkbox"/> |
| 2. | | | <input type="checkbox"/> Monthly <input type="checkbox"/> Quarterly | MM / YY | MM / YY | <input type="checkbox"/> |
| 3. | | | <input type="checkbox"/> Monthly <input type="checkbox"/> Quarterly | MM / YY | MM / YY | <input type="checkbox"/> |
| Total (Amount in words) | | | | | | |

Perpetual No hassle to Renew your SIPs

BOOSTER Meet your life goals faster

Pause Why Stop when you can Pause?

PERPETUAL SIP A better way to plan for your dreams

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

| Scheme No. | Top up Amount (Min. ₹ 500 & Multiple of ₹1/-) | Frequency (HY-Half Yearly Y-Yearly (Default)) | Top Up Start Month/Year | Cap Month/Year | Cap Amount |
|------------|--|--|-------------------------|----------------|------------|
| 1. | | <input type="checkbox"/> HY <input type="checkbox"/> Y | MM / YY | MM / YY | |
| 2. | | <input type="checkbox"/> HY <input type="checkbox"/> Y | MM / YY | MM / YY | |
| 3. | | <input type="checkbox"/> HY <input type="checkbox"/> Y | MM / YY | MM / YY | |

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

| SIP Cycle Date | SIP Pause Period Start from | SIP Pause Period End on |
|----------------|-----------------------------|-------------------------|
| D D | MM / YY | MM / YY |
| D D | MM / YY | MM / YY |
| D D | MM / YY | MM / YY |

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)

Instructions for SIP Registration

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 onetime 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 onetime mandate is successfully registered, new SIP registration will take upto 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 onetime 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 amt cap (Default).
- 7 The top up cap amount should not exceed the maximum amount as mentioned in the NACH mandate. In case the top up cap 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 cheque should not fall in the same month for monthly SIP and in the same quarter in case of quarterly SIP.

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.

MANDATORY FIELDS

Date: Date is mandatory

- **CREATE/MODIFY/CANCEL:** tick is mandatory for create/modify & cancel if not ticked mandate will be rejected
- **To Debit (tick):** account type is mandatory
- **Bank A/c Number:** Investor debit bank a/c number mandatory
- **With Bank:** Investor bank name is mandatory
- **IFSC / MICR:** Correct IFSC code or MICR code is mandatory
- **An amount of Rupees:** SIP fixed instalment amount in words in word column is mandatory, maximum amount in words in word column is mandatory
- **₹ :** SIP fixed instalment amount in figures in figure column is mandatory, Maximum instalment amount in figures in figure column is mandatory
- **Frequency:** SIP monthly/ quarterly mandatory, Lump sum : as & when presented is mandatory
- **Debit Type:** For SIP fixed Amount & for Lump sum Maximum Amount is mandatory
- **Folio No.:** For Existing Investor only
- **Phone No./ Email ID:** Phone No. or Email ID is Mandatory
- **PAN Number:** Mandatory
- **Period:** SIP start date is Mandatory, Lump sum : indicate till what date the mandate should be valid
- **Signature of Account Holder:** Signature is mandatory as per bank record
- **Name of the Bank A/c Holder:** Name of the Bank A/c Holder is mandatory

INSTRUCTIONS

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

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

AMC will reject the application, reverse the units credited, restrain the investor from making any further investment in any of the Schemes of Principal Mutual Fund, recover / debit 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 payment for units by cheque/demand draft, payable locally and drawn on any bank which is a member of the Bankers Clearing House located at the place where the application form is submitted.

Investors have an option to invest in multiple schemes through a single payment instruction / instrument. Also, investors could opt for multiple mode 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". Upon credit receipt, the funds will be moved into the respective scheme account, basis the amount of subscription mentioned against each scheme / mode of investment in the application form.

Applicable NAV for allotment of units shall be as per the amount of investment at the scheme level as per the application form. The same shall be in accordance with the SID of the respective scheme.

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

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

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

Payment Procedure - FIs

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

Payment Procedure - General

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

(B) APPLICATION DETAILS

1. **Existing Unitholders:** In case of Applicant(s) who already have a Folio in Principal Mutual Fund, they can provide their folio number & first holder name in Section 1 and proceed to Section 4 of the Form. The details of such applicant(s) including details of bank account, sequence & mode of holding, address and nomination, as registered in the existing Folio number would apply to this investment and the said registered details would prevail over any conflicting information that may be furnished in this form. First Unitholders' name should be as per details in the existing folio number, else it would be liable for rejection. Where mandatory details for eg: PAN/KYC documents, local address in case of FI/NRI/PIO has not been provided/furnished earlier the same be provided alongwith this application form. Any changes in details registered with us need to be done vide a separate application request.
2. If the broker name & code is left blank, the application shall be treated as direct.
3. Please write application serial number and name on the reverse of the cheque/demand draft.
4. The applicants name and address including PIN Code number must be given in full (post box number alone is not sufficient).
5. In case the investor is a NRI/FI, an overseas address should also be provided, along with the local address. However, all correspondence shall be sent to the local address. Where local address is not provided the application is liable for rejection.

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

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

6. If the account has more than one (upto three) Unitholder, the account will be registered either as 'joint' or 'either/anyone or survivor' basis, as specified. If nothing is specified the default mode of holding will be 'joint'.
7. It is expressly understood that the investor/Unitholder has the express authority from the relevant constitution (wherever required) to invest in units of the Fund and the AMC/ Trustee/ Fund would not be responsible if the investment is ultravires the relevant constitution.
8. All communications and payments will be made to the first applicant.
9. Signatures should be in English or in any Indian language as specified in the Eighth Schedule of the Constitution of India. Thumb impressions must be attested by a Magistrate/Notary Public under his/her official seal. In case of HUF, the Karta should sign on behalf of the HUF. In case of Partnership firms, the authorised Partner will sign on behalf of the firm.

Similarly, for the Association of Persons (AOP)/Company, the application must be signed by the Authorised Signatory(s).

10. **Direct Plan:** In accordance with SEBI Circular no. CIR/IMD/DF/21/2012 dated September 13, 2012, effective January 1, 2013, Direct Plan has been launched under all the open ended Schemes/Plans of

Principal Mutual Fund (Except which has been closed for further subscription). "Direct Plan" is only for investors who purchase/subscribe Units in a Scheme directly with the Fund and is not available for investors who route their investments through a Distributor. All Options / Sub-Options/facilities offered under the Regular Plan of the Scheme are available for subscription under Direct Plan. Further, Scheme characteristics such as Investment Objective, Asset Allocation Pattern, Investment Strategy, Risk Factors, facilities offered and terms and conditions will be the same for the Regular Plan and the Direct Plan except that, Direct Plan shall have a lower expense ratio excluding distribution expenses, commission, etc. and no commission for distribution of Units will be paid/ charged under Direct Plan.

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

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

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

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

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

11. Minor Applicants

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

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

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

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

14. Transaction Charges

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

- (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.
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.
- (ii) Investor other than First Time Mutual Fund Investor : Transaction charge of ₹ 100/- per subscription of ₹ 10,000 and above will be deducted from the subscription amount and paid to the Distributor/Agent of the investor and the balance shall be invested.
- (iii) Systematic Investment Plan (SIP) : Transaction Charges in case of investments through SIP shall be deducted only if the total commitment (i.e. amount per SIP installment x No. of installments) amounts to ₹ 10,000/- or more. The Transaction Charges shall be deducted in 3-4 installments
- (iv) Transaction charges shall not be deducted for:
 - (a) Purchases /subscriptions for an amount less than ₹ 10,000/-;
 - (b) Transaction other than purchases/subscriptions relating to new inflows such as Switch/Systematic Transfer Plan/Sweep facility under the Dividend Option of the Scheme(s) etc.;
 - (c) Purchases/subscriptions made directly with PMF (i.e. not through any Distributor/ Agent);
 - (d) Transactions routed through Stock Exchange route.

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

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

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 Allotment confirmations, consolidated account statement/account statement, annual report/abridged annual report and or any statutory / other information as permitted via electronic mode /email. These documents shall be sent physically in case the Unit holder opts/request for the same. Should the Unit holder experience any difficulty in accessing the electronically delivered documents, then, the Unit holder shall promptly intimate the Fund about the same 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. The AMC / Trustee reserves the right to send any communication in physical mode.

(C) BANK DETAILS

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

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

The investor will not hold the Mutual Fund or the AMC or the Registrar responsible for any 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.

(I) Third Party Payments:

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

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

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

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

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

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

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

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

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

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

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

AMC can directly credit all the dividend payouts and redemption amount to investor's bank account, where AMC has such arrangement with the investor's Bank.

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

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

For Declaration format contact any of our Investor Service Centre or visit our website www.principalindia.com

(II) Multiple Bank Accounts:

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

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

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

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

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

For Application Form and details, please refer www.principalindia.com and Statement of Additional Information.

- **E-mail Communication:** Account Statements / Newsletters / Annual Reports / Other statutory information (as may be permitted under SEBI (Mutual Funds) Regulations, 1996) can be sent to each Unit holder by e-mail (where provided by the investor) or by courier/post, where e-mail ID is not provided.

Unit holders receiving these documents by e-mail will be required to download and print the documents after receiving e-mail from the Mutual Fund. Should the Unit holder experience any difficulty in accessing the electronically delivered documents, the Unit holder shall promptly advise the Mutual Fund to enable the Mutual Fund to deliver such document through alternative means. It is deemed that the Unit holder is aware of all security risks including possible third party interception of the documents and contents of the documents becoming known to third parties.

- **RTGS/NEFT/DIRECT CREDIT:** Investors will be paid their Dividend/Redemption amounts electronically through RTGS/NEFT/Direct Credit, wherever the complete details like IFS Code, NEFT Code and complete bank account number details are available. RTGS/NEFT will be the preferred mode for remitting the payments.

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

(D) KYC REQUIREMENTS

As per SEBI directive, the requirement for submitting PAN details for all investments of Mutual Funds is mandatory for all investors (including Non-Resident Indians) irrespective of the amount of transaction involved [Except for SIP upto ₹ 50,000/- per year per investor (Micro SIP)].

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

With effect from 1st January, 2011, KYC (Know Your Customer) norms are mandatory for ALL investors for making investments in Mutual Funds, irrespective of the amount of investment.

Investors shall mean to include (i) their constituted Power of Attorney (PoA) holder, in case of investments through a PoA (both issuer of PoA & PoA holder must attach KYC Acknowledgement) and (ii) each of the applicants, in case of application in joint names (iii) Guardian in case of minor.

Further, to bring uniformity in KYC process, SEBI has introduced a common KYC procedure across all the SEBI registered intermediaries viz. Mutual Funds, Portfolio Managers, Depository Participants, Stock Brokers, Venture Capital Funds, Collective Investment Schemes etc. All new Investors who are not KYC compliant are required to use common KYC Application Form to apply for KYC process and to mandatorily undergo In Person Verification (IPV) with any of the SEBI registered Intermediaries including Mutual Funds. With respect to Mutual Funds, IPV can be conducted by AMCs or any KYC compliant Mutual Fund Distributor who holds AMFI/NISM, certification. Further, for applications received directly by the Mutual Fund, IPV carried out by Succeeded Commercial Banks can also be relied upon. Investor upon completing KYC requirements (including IPV) through any of the SEBI registered Intermediary, will not be required to undergo KYC process again with such Intermediaries including Mutual Funds.

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

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official points of acceptance of transactions of the AMC. The KYC requirements shall be governed by SEBI Circulars/ notifications and AMFI Guidelines which may change from time to time.

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

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

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

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

(E) NOMINATION

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

(F) BENEFICIAL OWNER

1. Pursuant to guidelines on identification of Beneficial Ownership issued vide SEBI circular no. CIR / MIRSDD / 2/2013 dated January 24, 2013, investors (other than Individuals) are required to provide details of Ultimate Beneficial Owner(s) ('UBO').
2. The applicant Investor(s) has/have to confirm that the units applied, upon allotment would be beneficially owned by them by ticking the appropriate response. In case the section is left blank, it shall be deemed that the Applicant Investor(s) is/are the Beneficial owner.
3. In case the applicant investor(s) selects "No" (i.e. the applicant Investor does not have beneficial interest in the units), he should specify the name of the beneficial owner as well.

Where the applicant investor does not have beneficial ownership of units applied for or where the information is not fully provided, AMC may ask for further information/documents (including PAN/KYC acknowledgement) from applicant investor(s) or pertaining to the beneficial owner and/or reject the application or reverse the unit allotment or freeze the folio for further transactions / requests, till specified conditions are complied.

The Ultimate Beneficial Owner means "Natural Person", who, whether acting alone or together, or through one or more juridical person, exercises control through ownership or who ultimately has a controlling ownership interest of / entitlements to: i. more than 25% of shares or capital or profits of the juridical person, where the juridical person is a company; ii. more than 15% of the capital or profits of the juridical person, where the juridical person is a partnership; or iii. more than 15% of the property or capital or profits of the juridical person, where the juridical person is a unincorporated association or body of individuals. In case of a Trust, the settler of the trust, the trustees, the protector, the beneficiaries with 15% or more of interest in the trust and any other natural person exercising ultimate effective control over the trust through a chain of control or ownership is considered as the UBO. Non-Individual investors who are not the ultimate beneficial owners of the investments, must mandatorily enclose a Declaration for Ultimate Beneficial Ownership duly signed by the authorized signatory along with the purchase application for units of schemes of Principal Mutual Fund. The provisions w.r.t. 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 is a majority-owned subsidiary of such a company.

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

Applicability for foreign investors

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

This Declaration form must mandatorily be accompanied with

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

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

(G) EMPLOYEE UNIQUE IDENTIFICATION NUMBER (EUIIN)

EUIIN is a unique identification number granted to the employee of Corporate ARN holders. This unique identification 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 EUIIN will help curb mis-selling of Mutual Fund Products, prevent fraudulent practices and will help the Mutual Fund to know the personnel on whose advice the transaction was executed and take suitable action, even if the employee/relationship manager/salesperson quits the Company, particularly in an advisory transaction. In case EUIIN field is left blank, it would be assumed that the Investor agrees to the declaration provided in bold in

the section "Distributor Information & Application Form Receipt Date". Investors are requested to mandatorily sign at the space allocated in the section, as a token of having read and understood the declaration.

(H) PRIVACY POLICY

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

(I) FATCA & CRS TERMS & CONDITIONS INDIVIDUAL

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

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

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

Towards compliance with tax information sharing laws, such as FATCA, we would be required to seek additional personal, tax and beneficial owner information and certain certifications and documentation from our account holders. Such information may be sought either at the time of account opening or any time subsequently. In certain circumstances (including if we do not receive a valid self-certification from you) we may be obliged to share information on your account with relevant tax authorities. If you have any questions about your tax residency, please contact your tax advisor. **Should there be any change in any information provided by you, please ensure you advise us promptly, i.e., within 30 days.** Towards compliance with such laws, we may also be required to provide information to any institutions such as withholding agents for the purpose of ensuring appropriate withholding from the account or any proceeds in relation thereto. As may be required by domestic or overseas regulators/ tax authorities, we may also be constrained to withhold and pay out any sums from your account or close or suspend your account(s). If you are a US citizen or resident or green card holder, please include United States in the foreign country information field along with your US Tax Identification Number. Foreign Account Tax Compliance provisions (commonly known as FATCA) are contained in the US Hire Act 2010. Please note that you may receive more than one request for information if you have multiple relationships with the AMC or its group entities. Therefore, it is important that you respond to our request, even if you believe you have already supplied any previously requested information. For more information on the relevant sections covered above, please refer the updated Scheme Information Document and Statement of Additional Information.

FATCA Instructions & Definitions - Non-individual:

1. (I) **Financial Institution (FI)** - The term FI means any financial institution that is a Depository Institution, Custodial Institution, Investment Entity or Specified Insurance company, as defined.
- (II) **Depository 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 assets for the account of others and where its income attributable to holding financial assets and related financial services equals or exceeds 20 percent of the entity's gross income during the shorter of:
 - (a) The three financial years preceding the year in which determination is made; or
 - (b) The period during which the entity has been in existence, whichever is less.
- (IV) **Investment entity is any entity:**
 - (a) That primarily conducts a business or operates for or on behalf of a customer for any of the following activities or operations for or on behalf of a customer:
 - (i) Trading in money market instruments (cheques, bills, certificates of deposit, derivatives, etc.); foreign exchange; exchange, interest rate and index instruments; transferable securities; or commodity futures trading; or Individual and collective portfolio management; or
 - (ii) Investing, administering or managing funds, money or financial asset or money on behalf of other persons;
 - (b) The gross income of which is primarily attributable to investing, reinvesting, or trading in financial assets, if the entity is managed by another entity that is a depository institution, a custodial institution, a specified insurance company, or an investment entity described above. An entity is treated as primarily conducting as a business one or more of the 3 activities described above, or an entity's gross income is primarily attributable to investing, reinvesting, or trading in financial assets of the entity's gross income attributable to the relevant activities equals or exceeds 50 percent of the entity's gross income during the shorter of:
 - (i) The three-year period ending on 31 March of the year preceding the year in which the determination is made; or
 - (ii) The period during which the entity has been in existence.The term "Investment Entity" does not include an entity that is an active non-financial entity as per codes 04, 05, 06 and 07 - refer point 2c.)
- (V) **Specified Insurance Company:** Entity that is an insurance company (or the holding company of an insurance company) that issues, or is obligated to make payments with respect to, a Cash Value Insurance Contract or an Annuity Contract.
- (VI) **FI not required to apply for GFIN:** Refer Rule 114F (5) of Income Tax Rules, 1962 for the conditions to be satisfied as "non-reporting financial institution and Guidance issued by CBDT in this regard.

For more details on FATCA, please refer to FATCA form available on www.principalindia.com