

# Principal Credit Risk Fund<sup>£^</sup>

An Open-ended Debt Scheme Predominantly Investing In AA And Below Rated Corporate Bonds (Excluding AA + Rated Corporate Bonds)

August, 2020

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.

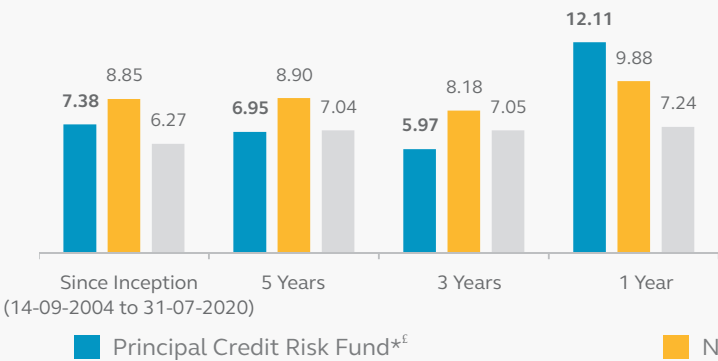
## Why Invest?

- The fund will predominantly (minimum 65%) invest in AA and below rated corporate debt securities with high accrual.
- Endeavors to generate alpha through appropriate credit selection rather than calls on interest rates movement.
- The fund aims to tap mispriced credit across the credit spectrum with or without rating migrations\*
- The fund is suitable for Investors seeking for
  - asset allocation across various asset classes and have credit risk appetite but low duration appetite can look to Invest in this fund.
  - capital conservation with reasonable income accrual along with low interest rate volatility, based on lower weighted average maturity of the portfolio.
- The fund is suitable for the investor with over 1-3 years investment horizon.
- The Portfolio Current Gross YTM as on July 31, 2020 is 3.44%.

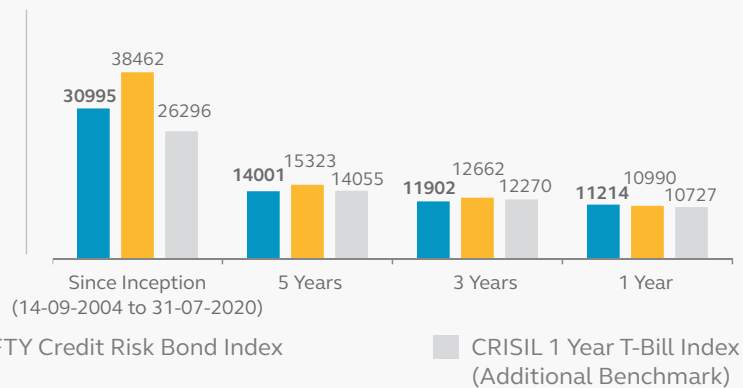
\*Upgrades/Downgrades may or may not provide the alpha as markets are efficient to some extent. However, opportunities may exist for mispriced credits (for example, new capital market issuers, size of issue, credit enhance structures, regulatory changes etc.). The investment strategy stated above is the current strategy and may change from time to time without any notice and shall be in accordance with the strategy as mentioned in the Scheme Information Document of the scheme.

## Performance of Scheme (as on July 31, 2020)

### % Return



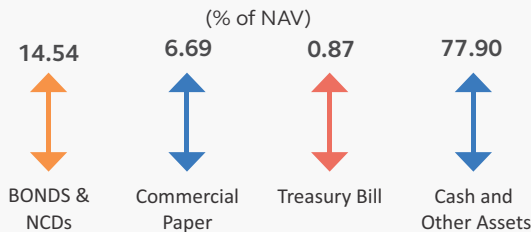
### \$ Point to Point (PTP) Returns (₹)



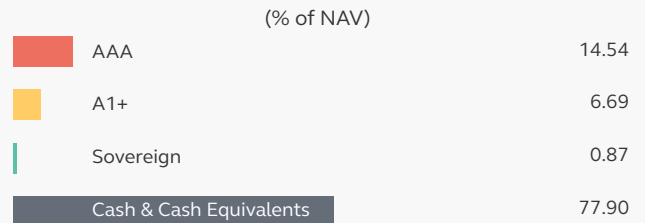
Past performance may or may not be sustained in future. Different plans shall have a different expense structure. The performance details provided herein are of Regular Plan-Growth option. Returns (in %) are calculated on Compounded Annualised Basis (CAGR). <sup>3</sup> PTP (Point to Point) Returns are based on standard investment of 10,000/- made at the beginning of relevant period. Performance of the dividend option for the investors would be net of dividend distribution tax, as applicable.

<sup>£</sup> Formerly known as Principal Credit Opportunities Fund (w.e.f. May 18, 2018)

## Top Composition by Assets (as on July 31, 2020)



## Top 5 Ratings (as on July 31, 2020)



## Investing Facts

### Fund Manager



**Gurvinder Singh Wasan**

Total work experience of 16 years. Managing this scheme since January, 2018

**Plans:** Regular & Direct

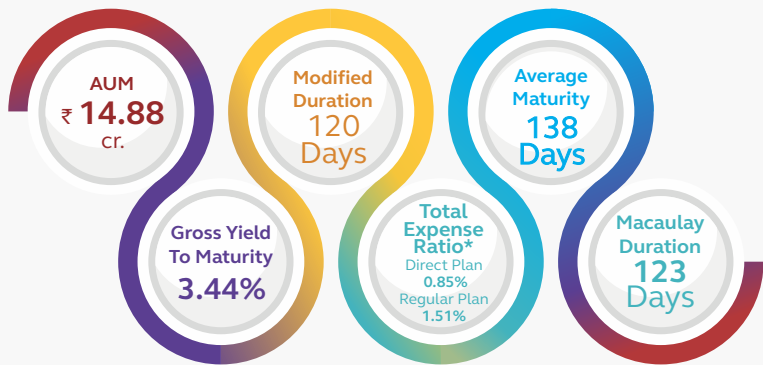
**Options:** Both the Plans offer Dividend and Growth Option.

**Dividend Frequency-** Monthly

**Minimum Investment Amount:** New Investor: ₹ 5,000 | Existing Investor: ₹ 1,000

**Exit Load:** 1% if redeemed on or before 1 year from the date of allotment. (w.e.f December 26, 2019)

**SIP/STP/RWP-** Available



\*Weighted Average TER for the month, includes GST on management fees.

Date	Regular Plan		Direct Plan	
	Dividend (₹/Unit*)	Cum Dividend NAV	Dividend (₹/Unit*)	Cum Dividend NAV
July 17, 2020	75.0255	1310.544	87.4590	1325.9229
May 17, 2019	3.7185	1239.2370	4.8068	1243.2707
April 16, 2019	7.4055	1242.9240	8.4586	1246.9225

Past performance may or may not be sustained in the future. \* On face value of ₹1000/-.

Note: All Dividend (₹/Unit) figures are Gross Dividend. Pursuant payment of dividend, the NAV of Dividend Option of schemes/plans would fall to the extent of payout and statutory levy, if applicable.

## Annexure of returns for all schemes managed by fund manager (as on July 31, 2020)

	1 Year return (%)		3 Years returns (%)		5 Years returns (%)	
	Scheme	Benchmark	Scheme	Benchmark	Scheme	Benchmark
<b>Gurvinder Singh</b>						
<b>PRINCIPAL Short Term Debt Fund<sup>1</sup></b> Benchmark - CRISIL Short Term Bond Fund Index Managing since - April 2011	10.65	11.16	4.42	8.44	6.13	8.61
<b>PRINCIPAL Equity Savings Fund<sup>§</sup></b> Benchmark - Nifty Equity Savings Index Managing since - May 2019 (Debt Portion)	5.45	6.16	3.96	6.42	5.94	7.22

Past performance may or may not be sustained in future. Different plans shall have a different expense structure. The performance details provided herein are of Regular Plan-Growth option. Returns (in %) are calculated on Compounded Annualised Basis (CAGR).

<sup>1</sup> Formerly known as Principal Short Term Income Fund (w.e.f. May 18, 2018).

<sup>§</sup> Mr. Sudhir Kedia manages Equity Portion of Principal Equity Savings Fund (w.e.f. October, 2019)

<sup>^</sup> Pursuant to proposal of merger of Principal Credit Risk Fund and Principal Dynamic Bond Fund into Principal Short Term Debt Fund, the exit option is available to the unitholders of these Schemes from August 06, 2020 to September 04, 2020 upto 3.00 PM. No fresh subscriptions, including switch-ins and registration for systematic transaction i.e. Systematic Investment Plan (SIP) / Systematic Transfer Plan (STP) / Regular Withdrawal Plan (RWP) etc. is being accepted in the Principal Credit Risk Fund and Principal Dynamic Bond Fund with effect from August 06, 2020.

**DISCLAIMER:** The investment strategy stated above may change from time to time without any notice and shall be in accordance with the strategy as mentioned in the Scheme Information Document of the scheme. The views contained herein are not to be taken as an advice or recommendation to buy or sell any investment or interest thereto. Reliance upon information in this material is at the sole discretion of the reader. This material should not be relied upon by you in evaluating the merits of investing in any securities or products. Diversification does not guarantee investment returns and does not eliminate the risk of loss. It should be noted that the value of investments and the income from them may fluctuate in accordance with market conditions and taxation agreements and investors may not get back the full amount invested. **Past performance may or may not be sustained in future.** The views and strategies described may not be suitable for all investors. Furthermore, whilst it is the intention to achieve the investment objective of the investment product(s), there can be no assurance that those objectives will be met. Investors are advised to consult their Investment advisors for determining their risk appetite and Tax Advisor before taking any investment decision.

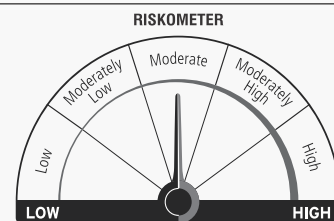
**Principal Credit Risk Fund:**

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

**This product is suitable for investors who are seeking~**

- Income over a Medium to long term investment horizon.
- Investment in AA and below Rated Corporate Debt & other Debt and Money Market Instruments.

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



Investors understand that their principal will be at moderate risk

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