

# Principal Equity Savings Fund

An open-ended scheme investing in equity, arbitrage and debt



November, 2020

## Fund Manager's View



**Sudhir Kedia**

Total work experience of 14 years. Managing this scheme since October, 2019



**Gurvinder Singh Wasan**

Total work experience of 16 years. Managing this scheme since May, 2019

- The fund portfolio is diversified across 14 sectors with top allocation to Financial Services, Consumer Goods and IT
- The portfolio was over weight on Consumer Goods, Automobiles and Chemicals sectors
  - Demand in Consumer Goods space is one of the least impacted and further is likely to recover as the COVID19 issue settles
  - Auto and Auto Ancillaries companies are expected to likely be benefited from rural growth especially the 2-wheeler industry. Moreover, the volumes for the industry are expected to improve from 2HFY21
  - The de-risking of supply chains from China is expected to likely be benefited the Specialty Chemical sector in India
- IT and Oil & Gas sectors were largely underweight vis-à-vis benchmark
  - IT (Software) was the top underweight sector. We believe that H1FY21 would be significantly impacted due to clients reducing spends especially on the discretionary side of the business
  - We remain underweight in Energy / Gas sector owing to the slower than expected offtake in the power segment.

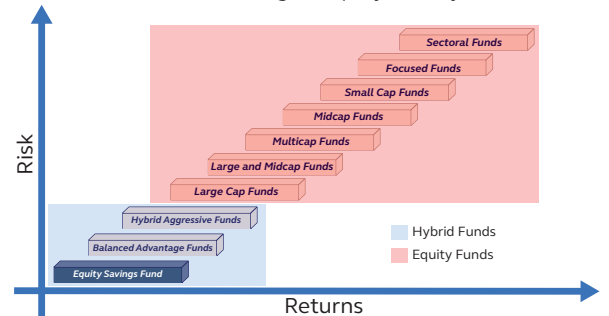
*The sectors referred above should not be construed as recommendation from Principal Asset Management and/or Principal Mutual Fund. The scheme may or may not have any present or future positions in these sectors. The views given above may change from time to time without any notice.*

## Fund Positioning



- 1 Lowest on the risk matrix amongst hybrid and equity fund categories
- 2 Suitable for first time equity investors or investors nearing retirement
- 3 Suitable for conservative type of investors who seeks to participate in equities but are wary of volatility
- 4 Investment option for investors seeking tax efficient returns

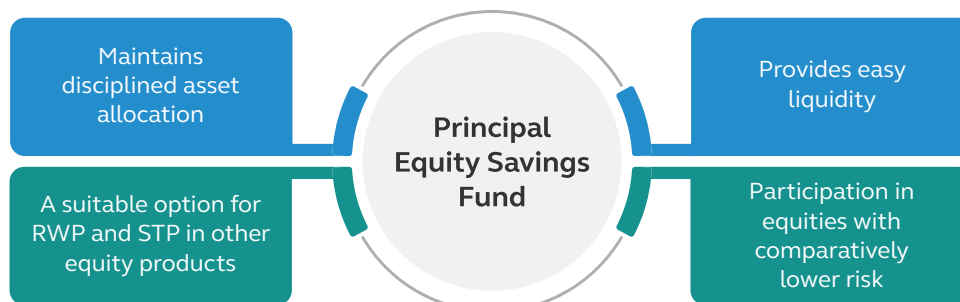
General Product Positioning of Equity and Hybrid Funds



*Though the product label states that the fund has moderately low risk, the fund is Lowest on the risk matrix amongst hybrid and equity fund categories.*

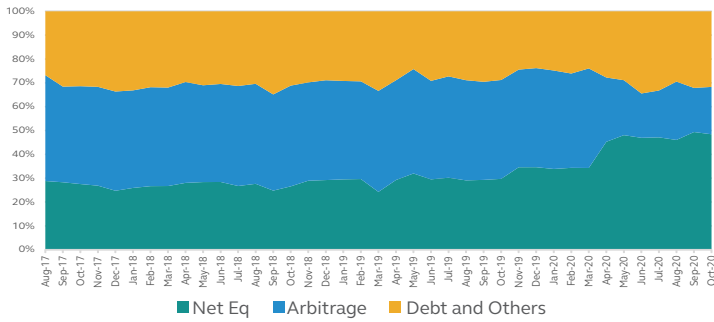


## Why Principal Equity Savings Fund?



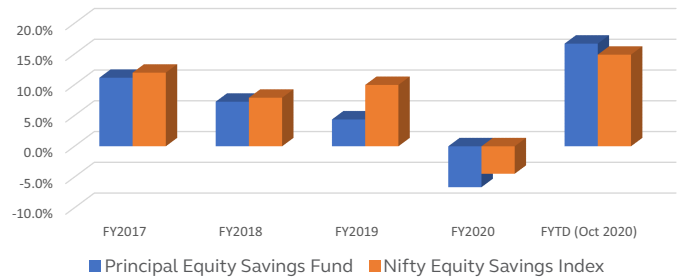


## Historical Asset Allocation

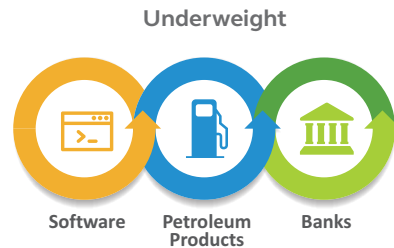
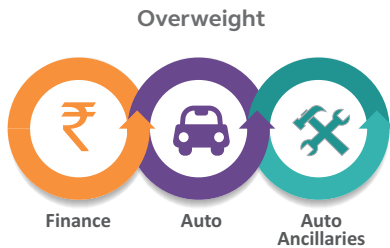


## Performance

### Last 5 Financial Year Performance



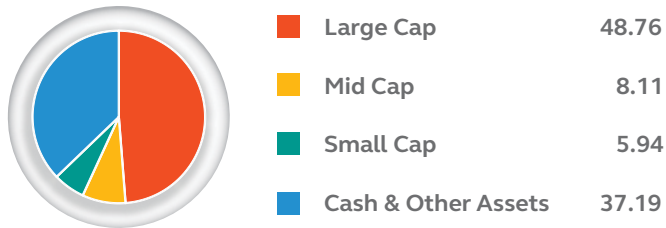
## Top 3 Industry



as on October 31, 2020



## Marketcap allocation (rebased to 100)



Market Cap Ranges are determined as per AMFI classification

- Large Cap: 1st-100th company in terms of full market capitalization.
- Mid Cap: 101st-250th company in terms of full market capitalization.
- Small Cap: 251st company onwards in terms of full market capitalization.

as on October 31, 2020

## Holdings

Top 10 Holdings	% to NAV
Housing Development Finance Corporation Ltd.	6.78
Maruti Suzuki India Ltd.	5.49
ICICI Bank Ltd.	5.34
UTI Asset Management Co Ltd	3.94
Reliance Industries Ltd.	3.88
HDFC Bank Ltd.	3.71
United Spirits Ltd.	2.60
ITC Ltd.	2.51
Amber Enterprises India Ltd.	1.91
Bharti Airtel Ltd.	1.71

as on October 31, 2020



## Key Statistics

AUM (₹ Cr.)	43.47
Average Maturity* (Days)	387
Modified Duration* (Days)	343
Gross Yield To Maturity*	4.53%

Portfolio Turnover Ratio**	5.07
Equity	1.13
Debt	0.12
Derivatives	3.83

\*\* The Portfolio Turnover Rate (PTR) means the lower of aggregate sales or purchases made during the 12 month rolling year/period divided by the 12 month rolling year/period Average asset under Management for the relevant year/period (as on October 31, 2020). \* Debt Portfolio

## Fund Details

**Plans:** Regular & Direct **Options:** Growth & Quarterly and Half yearly Dividend Option.  
**Minimum Investment Amount: New Investor:** ₹5,000 | **Existing Investor:** ₹1,000  
**Exit Load:** Nil (w.e.f. August 02, 2017) **SIP / STP / RWP - Available**





Period	Principal Equity Savings Fund		30 Nifty 50 - TRI + 70 CRISIL Liquid Fund Index (Scheme's Benchmark)		CRISIL 10 Year Gilt Index (Additional Benchmark)	
	Returns (%)	§PTP Returns	Returns (%)	§PTP Returns	Returns (%)	§PTP Returns
1 Year (31-10-2019 to 30-10-2020)	6.16	10616.25	5.20	10519.93	8.87	10887.31
3 Years (31-10-2017 to 30-10-2020)	4.31	11350.37	6.75	12166.00	7.53	12433.11
5 Years (30-10-2015 to 30-10-2020)	6.20	13514.68	7.94	14661.05	7.92	14647.43
Since Inception (23-05-2002 to 30-10-2020)	7.65	38985.00	NA	NA	7.00	34843.28

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

#### Annexure of returns for all schemes managed by Mr. Sudhir Kedia

	1 Year return (%)		3 Years returns (%)		5 Years returns (%)	
	Scheme	Benchmark	Scheme	Benchmark	Scheme	Benchmark
<b>PRINCIPAL Tax Savings Fund</b> Benchmark - Nifty 500 Index - TRI* Managing since - October 2019	0.92	-0.12	-1.45	2.73	7.97	8.54
<b>PRINCIPAL Personal Tax Saver Fund<sup>§</sup></b> Benchmark - Nifty 500 Index - TRI* Managing since - October 2019	0.57	-0.12	-1.74	2.73	4.75	8.54

#### Funds Managed by Mr. Gurvinder Singh Wasan

	1 Year return (%)		3 Years returns (%)		5 Years returns (%)	
	Scheme	Benchmark	Scheme	Benchmark	Scheme	Benchmark
<b>PRINCIPAL Short Term Debt Fund<sup>2</sup></b> Benchmark - CRISIL Short Term Bond Fund Index Managing since - April 2011	9.80	9.97	4.38	8.54	5.85	8.46

**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).

Mr. Sudhir kedia manages Principal Tax Savings Fund, Principal Equity Savings Fund (Equity Portion) & Principal Personal Tax Saver Fund (w.e.f. October, 2019).

Mr. Gurvinder Singh Wasan manages Debt Portion of Principal Equity Savings Fund (w.e.f. May, 2019)

<sup>§</sup>Fresh sale of units i.e. by way of purchase/ Switch-ins and registration of fresh SIP arrangement under the Scheme is suspended till further notice.

\*Principal Tax Savings Fund & Principal Personal Tax Savers Fund - As TRI data is not available since inception of the scheme, benchmark performance is calculated using composite CAGR of Nifty 500 Index PRI values from date 31-03-1996 to 26-11-1998 and TRI values since 26-11-1998.

<sup>2</sup>Formely known as Principal Short Term Income Fund (w.e.f. May 18, 2018).

as on October 31, 2020

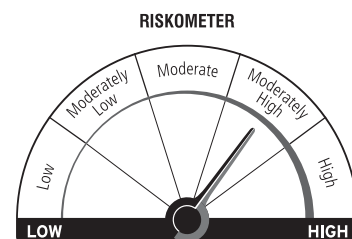
#### Principal Equity Savings Fund:

(An open ended scheme investing in equity, arbitrage and debt)

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

- Income generation and capital appreciation over the medium to long term.
- Investment in equity and equity related instruments, debt and money market instruments and arbitrage opportunities.

~ 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 moderately high risk

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