

# Principal Focused Multicap Fund

An open-ended equity scheme investing in maximum 30 multi cap stocks



November, 2020

## Fund Manager's View



**Ravi Gopalakrishnan**

Total work experience of 26 years. Managing this scheme since October, 2019

### Top sectors based on absolute allocation:

- The portfolio is diversified across 12 sectors with top allocation to Financial Services, Consumer Goods and IT on absolute basis.
- The Financial Services (including Banks) had the largest allocation in the fund portfolio. However, this sector was marginally underweight BSE 250 Large Midcap Index (the benchmark). Within this sector, the portfolio is tilted more towards larger private sector banks, insurance and select high quality NBFCs.
- Consumer Goods: The Consumer Goods and especially the Consumer Discretionary space has been materially hit because of Covid and the subsequent lock down. However, as the lockdown tappers off, it may have a long term positive impact on consumption especially in areas such as automobiles, retail, and consumer electronics. Within the electronics space, the PLI (Production Linked Incentives) and the restrictions on fully imported electronic gadgets like TVs and mobile phones is likely to get a boost in domestic manufacturing.

### Relative sectoral allocation:

- The portfolio was overweight Chemicals, Industrial Manufacturing and Cement & Cement Products.
- Materials (speciality chemicals and cement) had the highest overweight in the portfolio. We believe, that Indian speciality chemical companies are very well place to gain from the gradual supply chain shift from China post Covid. Further, many of the Indian players have already established long term relationships with innovators and formulators with a lot of global player's in the agri and pharma space. The margin profile of many of these companies is expected to improve as the percentage share of speciality chemicals increases within the product mix. This will have a sustainable impact on their return ratios overtime.
- Higher exposure to Industrial Product and Cement & Cement is expected to benefit from the demand for building materials due to the expected revival in rural consumption and housing demand.

#### Disclaimer:

- The sectors referred above should not be construed as recommendation from Principal AMC/ Principal Mutual Fund. The scheme may or may not have any future positions in these sectors. The views given above may change from time to time without any notice. 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 data/statistics/comments are given to explain general market trends in the securities market, it should not be construed as any research report/research recommendation.

## Fund Positioning

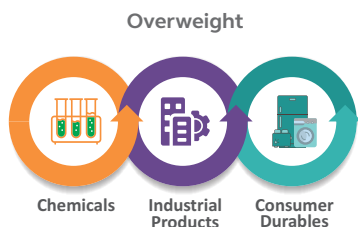


- Predominantly large cap oriented portfolio
- Diversified portfolio across 18 industries despite restriction of 30 stocks
- High conviction and concentrated investment bets
- Bottom up stock selection
- Suitable for high risk profile investors who has investment horizon of 5+ years

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.



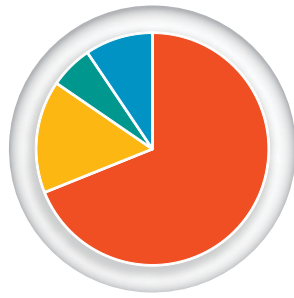
## Top 3 Industry



as on October 31, 2020



## Marketcap Breakup



Large Cap	68.91
Mid Cap	15.66
Small Cap	5.99
Cash & Other Assets	9.44

as on October 31, 2020

## Key Statistics

Standard Deviation <sup>^</sup> (Annualised)	18.30%
Beta <sup>^</sup>	0.84
Sharpe Ratio <sup>^</sup> (Annualised)	0.11
Portfolio Turnover Ratio <sup>**</sup>	0.70

**Note:** <sup>^</sup> The above measures have been calculated by taking rolling returns for a 3 year period with 3.48% risk free rate of return (1 days - MIBOR Rate as on October 29, 2020).

<sup>\*\*</sup> 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).

## Top 10 Stocks

1	Reliance Industries Ltd.	6	Housing Development Finance Corporation Ltd.
2	HDFC Bank Ltd.	7	Navin Fluorine International Ltd.
3	Infosys Ltd.	8	Bajaj Finserv Ltd.
4	ICICI Bank Ltd.	9	Shree Cement Ltd.
5	Nestle India Ltd.	10	AIA Engineering Ltd.

as on October 31, 2020

## Fund Details

**Plans:** Regular Plan & Direct Plan **Options:** Regular Plan & Direct Plan. Both the Plans offer Growth & Half Yearly Dividend Option. Half Yearly Dividend Option under both the Plans offers facility of Payout, Reinvestment and Sweep.

**Minimum Investment Amount:** New Investor: ₹ 300 | Existing Investor: ₹ 300

**Exit Load:** 0.25% for redemptions within 7 days from the date of allotment [Note: w.e.f. March 01, 2019] **SIP/STP/RWP**-Available

## Performance (as on October 30, 2020)

Period	Principal Focused Multicap Fund		S&P BSE 250 Large Midcap - TRI (Scheme's Benchmark)		Nifty 50 - TRI (Additional Benchmark)	
	Returns (%)	<sup>§</sup> PTP Returns	Returns (%)	<sup>§</sup> PTP Returns	Returns (%)	<sup>§</sup> PTP Returns
1 Year (31-10-2019 to 30-10-2020)	1.46	10145.99	-0.04	9995.66	-0.98	9902.13
3 Years (31-10-2017 to 30-10-2020)	3.83	11193.10	3.80	11184.83	5.37	11697.98
5 Years (30-10-2015 to 30-10-2020)	8.14	14793.66	9.06	15434.45	8.98	15378.10
Since Inception (11-11-2005 to 30-10-2020)	13.67	68110.00	12.18	55919.09	12.04	54914.29

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). <sup>§</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.

## Annexure of returns for all schemes managed by Ravi Gopalakrishnan

	1 Year return (%)		3 Years returns (%)		5 Years returns (%)	
	Scheme	Benchmark	Scheme	Benchmark	Scheme	Benchmark
<b>PRINCIPAL Small Cap Fund</b> Benchmark - Nifty SmallCap 100 Index Managing since - May 2019	17.21	12.25	NA	NA	NA	NA
<b>PRINCIPAL Balanced Advantage Fund<sup>†5</sup></b> Benchmark - 50% Nifty 100 Index - TRI + 35% CRISIL Short Term Bond Index + 15% Nifty Arbitrage Index Managing since - July 2019 (Equity Portion)	5.33	4.23	3.55	6.43	5.37	8.60
<b>PRINCIPAL Emerging Bluechip Fund</b> Benchmark - Nifty Large Midcap 250 Index- TRI Managing since - October 2019	4.24	2.22	0.42	2.13	10.14	9.13
<b>PRINCIPAL Dividend Yield Fund</b> Benchmark - Nifty Dividend Opportunities 50 - TRI Managing since - October 2019	2.68	-5.77	2.17	0.58	9.95	7.97
<b>PRINCIPAL Retirement Savings Funds - Moderate Plan<sup>3</sup></b> Benchmark - CRISIL Hybrid 35 + 65 - Aggressive Index** (Managing since - July 2019)	2.54	5.60	1.96	6.40	NA	NA
<b>PRINCIPAL Retirement Savings Funds - Conservative Plan<sup>4</sup></b> Benchmark - 30% Nifty 50- TRI + 70% CRISIL Liquid Fund Index (Managing since - July 2019)	1.56	4.40	2.01	6.72	NA	NA
<b>PRINCIPAL Retirement Savings Funds - Progressive Plan<sup>2</sup></b> Benchmark - Nifty 200 Full Marketcap Index - TRI (Managing since - July 2019)	-1.22	-0.99	0.03	3.42	NA	NA
<b>PRINCIPAL Hybrid Equity Fund<sup>†6</sup></b> Benchmark - CRISIL Hybrid 35+65 Aggressive Index** Managing since - July 2019 (Equity Portion)	1.72	5.60	0.93	6.40	8.77	9.56
<b>PRINCIPAL Multicap Growth Fund<sup>10</sup></b> Benchmark - Nifty 500 Index - TRI Managing since - July 2019	-0.36	-0.12	-1.45	2.73	8.01	8.54

**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). Performance of the dividend option for the investors would be net of dividend distribution tax, as applicable. Mr. Ravi Gopalakrishnan also manages Principal Balanced Advantage Fund (Equity Portion), Principal Hybrid Equity Fund - Equity Portion and Principal Multicap Growth Fund, Principal Retirement Savings Fund (Conservative Plan-Progressive Plan-Moderate Plan) and Principal Small Cap Fund (w.e.f. July, 2019). Mr. Ravi Gopalakrishnan also manages Principal Focused Multicap Fund, Principal Emerging Bluechip Fund and Principal Dividend Yield Fund (w.e.f. October 2019). Mr. Ashish Aggrawal manage Principal Hybrid Equity Fund (Equity Portion) as a Associate Fund Manager (w.e.f October 2019)

\*\* The equity component of CRISIL Hybrid 35+65- Aggressive Index is represented by total returns variant of S&P BSE 200. Ms. Bekxy Kuriakose manages Principal Hybrid Equity Fund- Debt Portion (w.e.f. March 2016).

<sup>†</sup>Mr. Siddarth Mohta has been appointed as a Associate Fund Manager of Principal Multi Cap Growth Fund (w.e.f. August 2018) and Principal Small Cap Fund (w.e.f. May, 2019).

<sup>†</sup>Ms. Bekxy Kuriakose manages Debt Portion of Principal Balanced Advantage (w.e.f. January 01, 2018). <sup>†</sup>Ms. Bekxy Kuriakose manages Debt Portion of Principal Balanced Advantage (w.e.f. January 01, 2018)

Mr. Ravi Gopalakrishnan & Mr. Sudhir Kedia manages Principal Midcap Fund (w.e.f. December 2019)

Mr. Ravi Gopalakrishnan manage Principal Hybrid Equity Fund- Equity Portion, Mr. Bekxy Kuriakose- Debt Portion and Mr. Ashish Aggrawal- Associate Fund Manager (w.e.f. October 2019).

<sup>1</sup>Formely known as Principal Growth Fund (w.e.f. April 23, 2018) & <sup>2</sup>Formely known as Principal Asset Allocation Fund of Funds: Aggressive Plan (w.e.f. June 11, 2018), <sup>3</sup>Principal Asset Allocation Fund of Funds: Moderate Plan (w.e.f. June 11, 2018) & <sup>4</sup>Principal Asset Allocation Fund of Funds: Conservative Plan (w.e.f. June 11, 2018), <sup>5</sup>Formely known as Principal SMART Equity Fund (w.e.f. June 04, 2018), <sup>6</sup>Formely known as Principal Balanced Fund (w.e.f. June 11, 2018). The scheme features of Principal Balanced Fund has changed (w.e.f. June 11, 2018). .5 years performance of Principal Retirement Savings Fund- Progressive, Moderate & Conservative Plan is not given as the scheme have not been in existence for 5 years.

**Note:** Performance of Principal Midcap Fund are not given as the schemes has not completed 1 year.

as on October 31, 2020

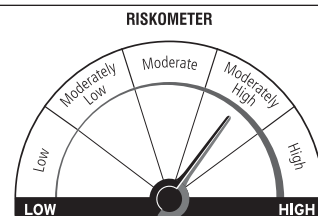
### Principal Focused Multicap Fund:

(An open ended equity scheme investing in maximum 30 Multi cap stocks)

**This product is suitable for investors who are seeking<sup>-</sup>**

- Long term Capital Growth.
- Investment in equity & equity related securities including equity derivatives upto a maximum of 30 stocks across market capitalization.

<sup>-</sup> 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

Distributed by: