

Principal Nifty 100 Equal Weight Fund

An open-ended scheme replicating/tracking Nifty 100 Equal Weight Index

What is an Index Fund?

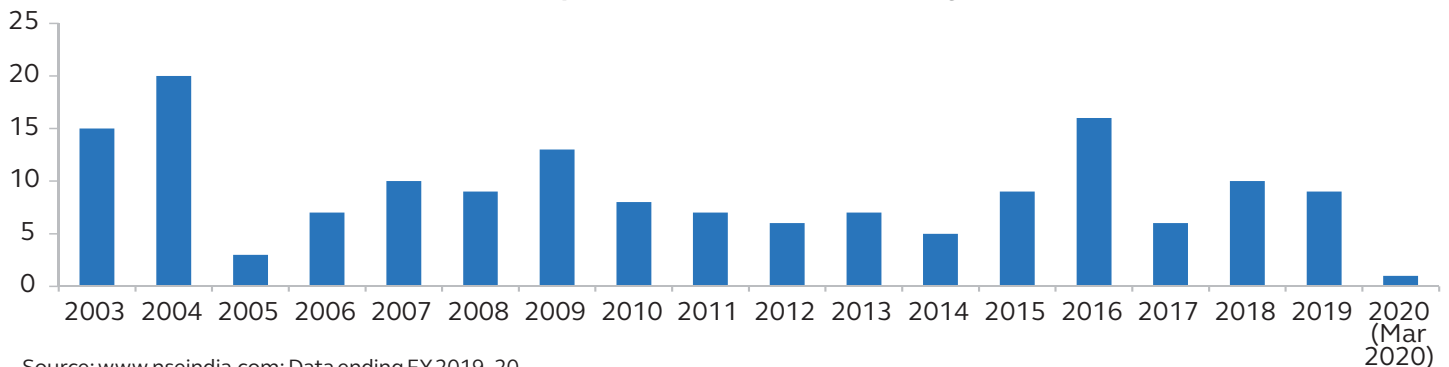


- It is a mutual fund scheme that invests in accordance with its benchmark index.
- Passive investment strategy.
- There are no behavioral biases in stock selection and portfolio construct.
- Usually has lower cost compared to an actively managed fund.
- It provides diversification across sectors and stocks inline with the benchmark index there by reducing non systematic risk.

Investing in Index



No of companies that moved from Nifty 100.



Source: www.nseindia.com; Data ending FY 2019-20

- An Index is typically reflective of the current economy and the companies in the index keep changing over time as the economy develops and evolves.
- So, investment in an index fund, does not mean investment in a static list of companies but companies that broadly reflect the current economy.

What is the Nifty 100 Equal Weight Index?

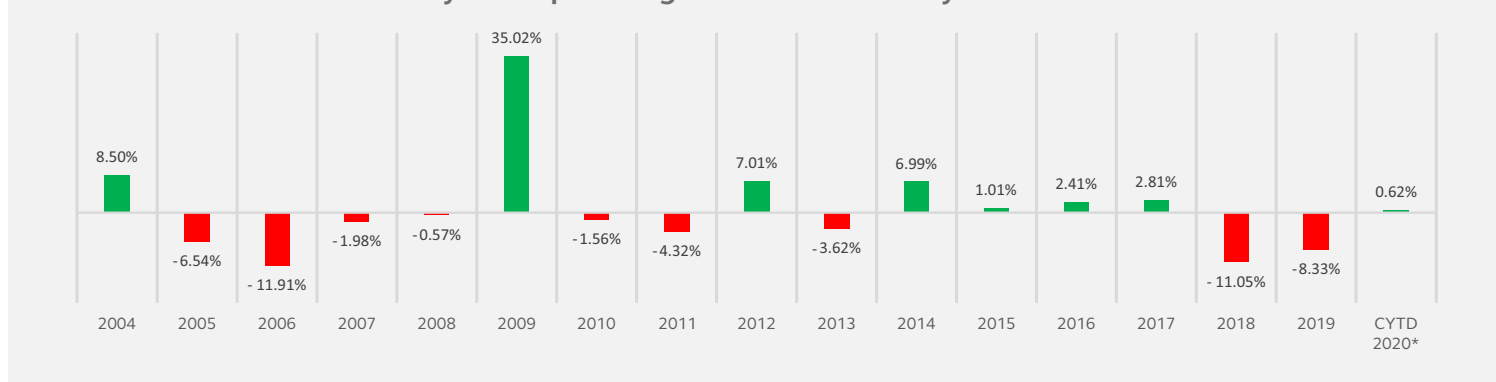


- 1 Nifty 50 + Nifty Next 50 = Nifty 100 Index
- 2 Nifty 100 index is a diversified portfolio of top 100 companies by market capitalization.
- 3 Nifty 100 Equal Weight Index comprises of the same companies as the Nifty 100 Index.
- 4 Each company has equal allocation at every rebalancing date.
- 5 Rebalancing is done quarterly and is regardless of the size of each company in the index.



Calendar year returns of Nifty 100 Equal Weight Index tends to outperform Nifty 100 when there is a broad based market movement

Nifty 100 Equal Weight returns over Nifty 100 returns



Source: www.nseindia.com; Internal Analysis. *as on 31st October 2020. Past performance may or may not be sustained in future. The returns mentioned above are absolute for the calendar year.

Index Returns, Risk and Valuations



Point to Point Returns*

Point to Point Returns*	Returns
1 Year	-1.56
3 Years	-1.79
5 Years	4.43
7 years	9.94
10 Years	5.18
15 Years	9.70

Rolling Returns*

	3 Years	5 Years	7 Years	10 Years
Maximum	64.41	46.60	33.35	22.63
Minimum	-13.00	-4.28	3.85	2.79
Average	14.72	13.22	13.24	12.76
Total Observations	3653	3154	2666	1915
% +ve Observations	89.13%	98.76%	100.00%	100.00%
% -ve Observations	10.87%	1.24%	0.00%	0.00%

Risk Indicators

Parameters	1 Year	5 Years
Std. Deviation	27.60	17.95
Beta (NIFTY 50)	0.85	0.92
Correlation (NIFTY 50)	0.95	0.93

Valuations

Price to Book	2.49
Dividend Yield	1.75

Source: www.nseindia.com; *Internal Analysis. Data as on 31st October 2020. Past performance may or may not be sustained in future. Returns upto 1 year are absolute and greater than 1 year are compounded annualized

Why Principal Nifty 100 Equal Weight Index Fund?



- Ideal for investors seeking to invest in top 100 large cap companies
- Equal weight stock allocation portfolio
- Offers benefits of adequate sectoral diversification
- Quarterly rebalancing and realignment (weights reset to 1%)
- Low expense ratio compared to actively managed funds
- No fund manager bias

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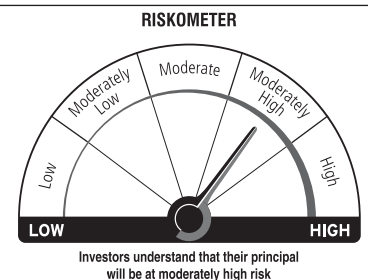
Principal Nifty 100 Equal Weight Fund:

(An open ended scheme replicating/ tracking Nifty 100 Equal Weight Index)

This product is suitable for investors who are seeking ~-

- Long term Capital Growth.
- Investment in equity securities including equity derivatives of Nifty 100 Equal Weight Index companies.

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



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