



# SCHEME INFORMATION DOCUMENT

## Principal Pnb Fixed Maturity Plan – Series B16

(A Close-ended Debt Scheme offering Fixed Maturity Plan having maturity of 1094 Days)

Offer of Units of ₹ 10/- each for cash during the New Fund Offer.

**This product is suitable for investors who are seeking\*:**

- Income over a medium term investment horizon.
- Investment in Debt & Money Market Instruments, Government Securities with maturity on or before the maturity of the scheme.
- Low Risk.   (BLUE)

\*Investors should consult their financial advisers if in doubt about whether the product is suitable for them.

*Note:*

<span style="background-color: #4F81BD; color: white; padding: 5px;"> </span> (BLUE) investors understand that their principal will be at low risk	<span style="background-color: #FFD700; color: black; padding: 5px;"> </span> (YELLOW) investors understand that their principal will be at medium risk	<span style="background-color: #8B4513; color: white; padding: 5px;"> </span> (BROWN) investors understand that their principal will be at high risk
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**New Fund Offer Opens on: April 21, 2014**

**New Fund Offer Closes on: April 29, 2014**

<b>Name of Mutual Fund</b>	Principal Mutual Fund
<b>Name of Asset Management Company</b>	Principal Pnb Asset Management Company Private Limited
<b>Name of Trustee Company</b>	Principal Trustee Company Private Limited

**Address, Website of the Entities:**

<b>Principal Mutual Fund</b>	<b>Address:</b> Exchange Plaza, 'B' Wing, Ground Floor, NSE Building, Bandra Kurla Complex, Bandra (East), Mumbai - 400 051 <b>Website:</b> <a href="http://www.principalindia.com">www.principalindia.com</a> <b>Email:</b> <a href="mailto:customer@principalindia.com">customer@principalindia.com</a> <b>Toll Free No.:</b> 1800 425 5600 <b>Fax No. –</b> (022) 67720512
<b>Principal Pnb Asset Management Company Private Limited</b>	
<b>Principal Trustee Company Private Limited</b>	

The particulars of the Scheme have been prepared in accordance with the Securities and Exchange Board of India (Mutual Funds) Regulations 1996, (herein after referred to as SEBI (MF) Regulations) as amended till date, and filed with SEBI, along with a Due Diligence Certificate from Principal Pnb Asset Management Company Pvt. Ltd. The units being offered for public subscription have not been approved or recommended by SEBI nor has SEBI certified the accuracy or adequacy of the Scheme Information Document.

The Scheme Information Document sets forth concisely the information about the scheme that a prospective investor ought to know before investing. Before investing, investors should also ascertain about any further changes to this Scheme Information Document after the date of this Document from the Mutual Fund / Investor Service Centres / Website / Distributors or Brokers.

The investors are advised to refer to the Statement of Additional Information (SAI) for details of Principal Mutual Fund, Tax and Legal issues and general information on [www.principalindia.com](http://www.principalindia.com). It is pointed out that the Mutual Fund, the AMC and their empanelled brokers have not and shall not give indicative portfolio /indicative yield in any communication or in any manner whatsoever. Investors are advised not to rely on any communication concerning indicative portfolio/indicative yield with regard to the Scheme.

**SAI is incorporated by reference and is legally a part of the Scheme Information Document. For a free copy of the current SAI, please contact your nearest Investor Service Centre or log on to our website. The Scheme Information Document should be read in conjunction with the SAI and not in isolation.**

This Scheme Information Document is dated April 04, 2014

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**SECTION I: HIGHLIGHTS/SUMMARY OF THE SCHEME**

<b>Investment Objective</b>	To build an income oriented portfolio and generate returns through investment in Debt/Money Market Instruments and Government Securities.
<b>Investment Strategy</b>	The Scheme will invest in a portfolio of Debt/Money Market and Government Securities maturing on or before the date of the maturity of the Scheme.
<b>Tenure</b>	The tenure of the Scheme will be 1094 Days from the date of allotment (including the date of allotment).
<b>Liquidity</b>	<p>The Scheme being offered through this Scheme Information Document is a close-ended debt scheme having maturity of 1094 days. The tenure of the Scheme as decided at the time of the launch of the Scheme shall be accordingly and appropriately indicated in the final /launch documents.</p> <p>In-principle approval has been obtained from National Stock Exchange (NSE) for Series B16 vide its letter no. NSE/LIST/227283-A dated January 13, 2014.</p> <p>The units of the Scheme will be listed on NSE. Units in demat form can be traded on NSE. The units may also be listed on Bombay Stock Exchange (BSE) and/or other stock exchange(s) as may be deemed appropriate by the AMC, accordingly the reference herein to Stock Exchange shall deem to mean and include National Stock Exchange, Bombay Stock Exchange and/or such other Stock Exchange(s).</p> <p>Being closed ended schemes, the Fund does not intend to buy the units back till the maturity of the Scheme. However, in order to provide the liquidity to the investors, the Scheme is proposed to be listed on the NSE. The AMC will list the Scheme within 5 working days from the date of allotment of units. Hence, Investors who want to liquidate their units of the Scheme can sell the units in the secondary market.</p> <p>The units of the Scheme will be admitted with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). Applicant who wishes to apply for allotment in electronic form must have a demat account prior to making the application. The Units would be available for trading only in electronic form.</p>
<b>Benchmark</b>	<p>The Benchmark Index for the scheme shall be Crisil Short Term Bond Fund Index.</p> <p>The Fund reserves the right to change the said benchmark and/or adopt one/more other benchmarks to compare the performance of the Scheme, subject to SEBI Regulations.</p>
<b>Transparency / NAV Disclosure.</b>	<p>The NAV will be calculated by the AMC for each business day and released to the Press, News Agencies and the Association of Mutual Funds of India (AMFI). The AMC shall update the NAVs on the website of the Mutual Fund (<a href="http://www.principalindia.com">www.principalindia.com</a>) and on the website of Association of Mutual Funds in India - AMFI (<a href="http://www.amfiindia.com">www.amfiindia.com</a>) by the timelines prescribed in this regard by SEBI / AMFI from time to time (currently 9.00 p.m.) every Business Day and shall release the NAV for publication in two newspapers. In case of any delay, the reasons for such delay would be explained to AMFI in writing. If the NAVs are not available before commencement of business hours on the following day due to any reasons, the Mutual Fund shall issue a press release giving reasons and explaining when the Mutual Fund would be able to publish the NAVs.</p> <p>The fund shall within one month of the close of each half year that is 31st March and 30th September, host its unaudited financial results of the Scheme on its website: <a href="http://www.principalindia.com">www.principalindia.com</a> in a user friendly and downloadable format (preferably in a</p>

	<p>spread sheet). An advertisement intimating the same, shall be published in atleast one English daily newspaper having nationwide circulation and in a newspaper having wide circulation published in the language of the region where the Head Office of the Mutual Fund is situated.</p> <p>The Fund shall on a monthly basis disclose portfolio (along with ISIN) as on the last day of the month for all the schemes of Principal Mutual Fund on its website <a href="http://www.principalindia.com">www.principalindia.com</a>, on or before the tenth day of the succeeding month in a user friendly and downloadable format (preferably in a spread sheet).</p> <p>Further, the fund shall within one month of the close of each half year that is 31<sup>st</sup> March and 30<sup>th</sup> September host full portfolio of the Scheme in the prescribed format in atleast one English daily newspaper having nationwide circulation and in a newspaper having wide circulation published in the language of the region where the Head Office of the Mutual Fund is situated.</p> <p>All investors may buy/sell units on NSE on all the trading days of NSE. The trading will be as per the normal settlement cycle. Investors can purchase/sell units at market prices.</p>
<p><b>Loads</b> (During NFO as well as ongoing basis) "Entry Load" "Exit Load" or "Redemption Load" (Load on Redemption / Switch out of Units)</p>	<p><b>Entry Load</b> : Not Applicable</p> <p><b>Exit Load</b> : Not Applicable</p>
<p><b>Minimum Application Amount</b></p>	<p>Minimum application amount will be ₹5,000/- and in multiple of ₹ 1/- thereafter.</p>
<p><b>Investment Plans (s) / Option(s)</b></p>	<p>The Scheme will have two Plans<sup>#</sup> i.e. Regular Plan &amp; Direct Plan with a common portfolio and separate NAVs. Investors should indicate the Plan for which the subscription is being made by indicating the choice in the application form.</p> <p>Each of the Plans mentioned above offers Growth and Dividend Option.</p> <p>The Dividend Option under both the Plans will have the facility of Payout and Sweep.</p> <p><sup>#</sup> Direct Plan is only for investors who purchase /subscribe Units in a Scheme directly with the Fund. This plan is not available for investors who wish to purchase/ subscribe units through a Distributor – such investors have to subscribe for Regular Plan. Regular Plan and Direct Plan have the same features (i.e. Investment Objective, Asset Allocation Pattern, Investment Strategy, Risk factors) and Facilities offered including terms and conditions 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. At least 10% of the TER is charged towards distribution expenses/ commission in the Regular Plan. The TER of the Direct Plan will be lower to the extent of the abovementioned distribution expenses/ commission (at least 10%) which is charged in the Regular Plan.</p>

<b>Asset Allocation Pattern</b>	Under normal circumstances, the asset allocation pattern of the Scheme would be as follows:															
	<table border="1"> <thead> <tr> <th rowspan="2">Instrument</th> <th colspan="2">Indicative allocations (% of total assets)</th> <th rowspan="2">Risk Profile</th> </tr> <tr> <th>Minimum</th> <th>Maximum</th> </tr> </thead> <tbody> <tr> <td>Debt</td> <td>70</td> <td>100</td> <td>Low to Medium</td> </tr> <tr> <td>Money Market Instruments</td> <td>0</td> <td>30</td> <td>Low to Medium</td> </tr> </tbody> </table>	Instrument	Indicative allocations (% of total assets)		Risk Profile	Minimum	Maximum	Debt	70	100	Low to Medium	Money Market Instruments	0	30	Low to Medium	<p>The cumulative gross exposure through Debt and Money Market Instruments will not exceed 100% of the net assets of the Scheme. The Scheme has no intention to invest in Securitized Debt, Credit Default Swap, Derivatives and Foreign Debt Instruments including Foreign Securitized Debt and/or participate in Short Selling &amp; Securities Lending. Further, the Scheme shall not invest in Debt &amp; Money Market Instruments issued by Companies predominantly engaged in Real Estate Sector, Airline and Gems &amp; Jewelry and in repos of Corporate Bonds and Equity Linked Debentures.</p>
Instrument	Indicative allocations (% of total assets)		Risk Profile													
	Minimum	Maximum														
Debt	70	100	Low to Medium													
Money Market Instruments	0	30	Low to Medium													
<b>Fund Manager</b>	Mr. Pankaj Jain															

## SECTION II. INTRODUCTION

### A. RISK FACTORS

#### *Standard Risk Factors:*

- Investment in Mutual Fund Units involves investment risks such as trading volumes, settlement risk, liquidity risk, default risk including the possible loss of principal.
- As the price / value / interest rates of the securities in which the scheme invests fluctuates, the value of your investment in the Scheme may go up or down. As with any investment in stocks, shares and securities, the NAV of the Units under the Scheme can go up or down, depending on the factors and forces affecting the capital markets.
- Past performance of the Sponsor/AMC/Mutual Fund does not guarantee future performance of the scheme.
- Principal Pnb Fixed Maturity Plan – Series B16 is only the name of the Scheme and does not in any manner indicate either the quality of the Scheme or its future prospects and returns.
- The sponsor or any of its associates including co-settlors are not responsible or liable for any loss resulting from the operation of the Scheme beyond the initial contribution of ₹25 lakhs made by it towards setting up the Fund.
- The present scheme is not a guaranteed or assured return scheme

#### **Scheme Specific Risk Factors:**

##### • **Schemes investing in Bonds** –

<b><i>RISK(S)</i></b>	<b><i>RISK MITIGATION FACTORS</i></b>
<b><i>Price-Risk or Interest-Rate Risk:</i></b> Fixed income securities such as bonds, debentures and money market instruments run price-risk or interest-rate risk. Generally, when interest rates rise, prices of existing fixed income securities fall and when interest rates drop, such prices increase. The extent of fall or rise in the prices is a function of the existing coupon, days to maturity and the increase or decrease in the level of interest rates.	The Fund seeks to mitigate this risk by investing in securities that are maturing on or before the maturity of the Scheme.
<b><i>Credit Risk:</i></b> In simple terms this risk means that the issuer of a debenture/bond or a money market instrument may default on interest payment or even in paying back the principal amount on maturity. Even where no default occurs, the price of a security may go down because the credit rating of an issuer goes down. It must, however, be noted that where the Scheme has invested in Government Securities, there is no credit risk to that extent.	The Fund seeks to control credit risk by investing in rated papers of the companies having strong fundamentals, sound financial strength and superior quality of management.
<b><i>Re-investment Risk:</i></b> Investments in fixed income securities may carry re-investment risk as interest rates prevailing on the interest or maturity due dates may differ from the original coupon of the bond. Consequently, the proceeds may get invested at a lower rate.	Reinvestment risks will be limited to the extent of coupons received on debt instruments, which will be a very small portion of the portfolio value.
<b><i>Liquidity and Settlement Risks:</i></b> The liquidity of the Scheme's investments may be inherently restricted by	The Fund seeks to mitigate this risk by focusing on good quality paper at the time of portfolio construction and by

trading volumes, transfer procedures and settlement periods. From time to time, the Scheme will invest in certain securities of certain companies, industries, sectors etc. based on certain investment parameters as adopted internally by AMC. While at all times the Trustees and the AMC will endeavor that excessive holding/investment in certain securities of industries, sectors, etc. by the Scheme be avoided, the assets invested by the Scheme in certain securities of industries, sectors etc. may acquire a substantial portion of the Scheme's investment portfolio and collectively may constitute a risk associated with non-diversification and thus could affect the value of investments. The Scheme may have difficulty in disposing of certain securities because the security may be unlisted, due to greater price fluctuations there may be a thin trading market, different settlement periods and transfer procedures for a particular security at any given time. Settlement if accomplished through physical delivery of stock certificates is labour and paper intensive and may affect the liquidity. It should be noted that the Fund bears the risk of purchasing fraudulent or tainted papers. The secondary market for money market/debt securities does exist, but is generally not as liquid as the secondary market for other securities. Reduced liquidity in the secondary market may have an adverse impact on market price and the Scheme's ability to dispose of particular securities, when necessary, to meet the Scheme's liquidity needs or in response to a specific economic event, such as the deterioration in the creditworthiness of the issuer, etc. or during restructuring of the Scheme's investment portfolio.

investing in securities having liquid market.

- **Risks associated with Listing and Trading of the Scheme**

Although Units will be listed on NSE there can be no assurance that an active secondary market will develop or be maintained. Units may also be listed on BSE and/or other stock exchange(s) at the discretion of AMC. Consequent reference herein to NSE shall be deemed to mean and include BSE and/or such other Stock Exchange(s). Trading on NSE may be halted because of market conditions or for reasons that in view of the market authorities or SEBI, trading in the Units is not advisable. In addition, trading is subject to trading halts caused by extraordinary market volatility and pursuant to stock exchange(s) and /or SEBI 'circuit filter' rules. There can be no assurance that the requirements of the market necessary to maintain the listing of the Units will continue to be met or will remain unchanged. The AMC and the Trustees will not be liable for delay in trading of Units on the stock exchange(s) due to the occurrence of any event beyond their control.

**Risk factors specific to Principal Pnb Fixed Maturity Plan – Series B16:**

In case of Fixed Income and Government Securities, changes in the prevailing rates of interest are likely to affect the value of the Scheme's holdings (and thus the value of the Scheme's units). Increased rates of interest, which frequently accompany inflation and/or a growing economy, are likely to have a negative effect on the value of the units. The value of securities held by the Scheme generally will vary inversely with changes in prevailing interest rates.



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**B. REQUIRMENT OF MINIMUM NUMBER OF INVESTORS**

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The Scheme shall have a minimum of 20 investors and no single investor shall account for more than 25% of the corpus of the Scheme. These conditions will be complied with immediately after the close of the NFO itself i.e. at the time of allotment. In case of non-fulfillment with the condition of minimum 20 investors, the Scheme shall be wound up in accordance with Regulation 39 (2) (c) of SEBI (MF) Regulations automatically without any reference from SEBI. In case of non-fulfillment with the condition of 25% holding by a single investor on the date of allotment, the application to the extent of exposure in excess of the stipulated 25% limit would be liable to be rejected and the allotment would be effective only to the extent of 25% of the corpus collected. Consequently, such exposure over 25% limits will lead to refund within 5 business days of the date of closure of the New Fund Offer.

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**C. SPECIAL CONSIDERATIONS, IF ANY**

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Investment in the Scheme should be viewed by an investor/unitholder as a medium term investment as mutual funds carry normal market risks and there can be no assurance and no guarantee that the Scheme will achieve its objective. It is recommended that an investment in the Scheme should not constitute a substantial proportion of an investment portfolio and may not be appropriate for all, as investment decisions made by the AMC will not always be profitable or prove to be correct. As with any investment in stocks and securities, the NAV of the Units under the Scheme can go up or down, depending on the factors and forces affecting the capital markets. Past performance of the schemes of Principal Mutual Fund, the Sponsor or its Group affiliates is not indicative of and does not guarantee the future performance of the Scheme. The name of the Scheme does not in any manner indicate the quality of the Scheme, its future prospects or the returns. Units may trade at a premium/discount to the Scheme's NAV. The Scheme is not intended as a complete investment program. Investors, therefore, are urged to study the terms of this offer carefully and consult their Investment Advisor before they invest in the Scheme. Investors'/unitholders' attention is drawn to the risk factors set out in the beginning of this Scheme Information Document and also to the following specific risks:

**Regulatory Risks:** Neither this SID nor the Units have been registered in any jurisdiction. The distribution of this SID in certain jurisdictions may be restricted or subject to registration requirements and, accordingly, persons who come into possession of this SID are required to inform themselves about, and to observe, any such restrictions. No person receiving a copy of this Scheme Information Document or any accompanying application form in such jurisdiction may treat this SID or such application form as constituting an invitation to them to subscribe for Units, nor should they in any event use any such application form, unless in the relevant jurisdiction such an invitation could lawfully be made to them and such application form could lawfully be used without compliance with any registration or other legal requirements. Accordingly, this Scheme Information Document does not constitute an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not lawful or in which the person making such offer or solicitation is not qualified to do so or to anyone to whom it is unlawful to make such offer or solicitation. It is the responsibility of any persons in possession of this Scheme Information Document and any persons wishing to apply for Units pursuant to this Scheme Information Document to inform themselves of and to observe, all applicable laws and Regulations of such relevant jurisdiction.

Prospective investors should review/study this SID along with SAI and KIM carefully and in its entirety and shall not construe the contents hereof or regard the summaries contained herein as advice relating to legal, taxation, or financial/investment matters and are advised to consult their own professional advisor(s) as to the legal or any other requirements or restrictions relating to the subscription, gifting, acquisition, holding, disposal (sale, transfer, switch or redemption or conversion into money) of Units and to the treatment of income (if any), capitalization, capital gains, any distribution, and other tax consequences relevant to their subscription, acquisition, holding, capitalization, disposal (sale, transfer, switch or redemption or conversion into money) of Units within their jurisdiction/of nationality, residence, domicile etc. or under the laws of any jurisdiction to which they or any managed Funds to be used to purchase/gift Units are subject, and (also) to determine possible legal, tax, financial or other consequences of subscribing/gifting to, purchasing or holding Units before making an application for Units.

No person has been authorized to give any information or to make any representations not confirmed in this SID in connection with the Offer of Units, and any information or representations not contained herein must not be relied upon as having been authorized by the Mutual Fund or the AMC or the Trustee. Statements made in this SID are based on the law and practice currently in force in India and are subject to change therein. Neither the delivery of this SID nor any

sale made hereunder shall, under any circumstances, create any impression that the information herein is correct as of any time subsequent to the date hereof.

**Performance Risk:** The value of (and income from) an investment in the Scheme can decrease as well as increase, depending on a variety of factors, which may affect the values and income generated by a Scheme's portfolio of securities. The returns of a Scheme's investments are based on the current yields of the securities, which may be affected generally by factors affecting capital markets such as price and volume, volatility in the stock markets, interest rates, currency exchange rates, changes in government and Reserve Bank of India policy, taxation, political, economic or other developments and closure of the stock exchanges. Investors should understand that the investment composition indicated for the Scheme(s), in line with prevailing market conditions, is only a hypothetical example as all investments involve risk and there can be no assurance that the scheme's investment objective will be attained nor will the scheme be in a position to maintain the model percentage of investment pattern/composition particularly under exceptional circumstances such that the interest of the unitholders are protected.

Changes in the prevailing rates of interest are likely to affect the value of the scheme investments and thus the value of the scheme's units. The value of money market/debt instruments held by the scheme generally will vary inversely with the changes in prevailing interest rates. The AMC, while investing in fixed-income instruments like debt, etc., shall consider and evaluate the risk of an issuer's ability to meet principal and interest payments (credit risk) and also the price volatility due to such factors as interest sensitivity, market perception or the creditworthiness of the issuer and general market liquidity (market risk). While it is the intent of the AMC to invest primarily in more highly rated debt securities and highly researched growth companies, the scheme may from time to time invest in high yielding/growth, lower rated and/or privately placed/unlisted/securitised securities. Lower rated securities are more likely to react to developments affecting market and credit risk than highly rated securities. The credit risk factors pertaining to lower rated securities also apply to lower rated zero coupon, deferred interest bonds.

**Political Risk:** Whereas the Indian market was formerly restrictive, a process of deregulation has been taking place over recent years. This process has involved the removal of trade barriers and other protectionist measures, which could adversely affect the value of investments. It is possible that future changes in the Indian political situation, including political, social, or economic instability, diplomatic developments and changes in laws or regulations could have an effect on the value of investments. Expropriation, confiscatory taxation, or other relevant developments could also affect the value of investments.

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#### **D. NSE DISCLAIMER**

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As required, a copy of this SID has been submitted to NSE. NSE for Series B16 vide its letter no. NSE/LIST/227283-A dated January 13, 2014 has given permission to the Mutual Fund to use the Exchange's name in this SID as one of the stock exchanges on which the Mutual Fund's units are proposed to be listed subject to, the Mutual Fund fulfilling the various criteria for listing. The Exchange has scrutinized this SID for its limited internal purpose of deciding on the matter of granting the aforesaid permission to the Mutual Fund. It is to be distinctly understood that the aforesaid permission given by NSE should not in any way be deemed or construed that the SID has been cleared or approved by NSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this SID; nor does it warrant that the Mutual Fund's units will be listed or will continue to be listed on the Exchange; nor does it take any responsibility for the financial or other soundness of the Mutual Fund, its sponsors, its management or any scheme of the Mutual Fund.

Every person who desires to apply for or otherwise acquire any units of the Mutual Fund may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Exchange whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription/acquisition whether by reason of anything stated or omitted to be stated herein or any other reason whatsoever.

## **E. DEFINITIONS/ABBREVIATIONS**

**AMC/Asset Management Company/Investment Manager/Principal:** Principal Pnb Asset Management Company Private Limited.

**Applicable NAV:**

The NAV applicable for subscription / redemption / switch in /switch out based on the time of the business day on which the application is accepted.

**Business Day:** A day other than:

- (i) Saturday and Sunday,
- (ii) a day on which the Banks in Mumbai and/or RBI are closed for business/clearing,
- (iii) a day on which the Bombay Stock Exchange Limited and/or National Stock Exchange of India Limited are closed,
- (iv) a day which is a public and/or bank holiday at an Investor Service Centre where the application is received,
- (v) a day on which sale and repurchase of units is suspended by the AMC,
- (vi) a day on which normal business could not be transacted due to storms, floods, bandhs, strikes etc.

The AMC reserves the right to declare any day as a Business Day or otherwise at any or all Investor Service Centres.

**Calendar Year / Year:** A Calendar Year shall be full English Calendar months viz. 12 months commencing from 1st January and ending on 31st December.

**CBLO:** Collateralized Borrowing and Lending Obligations is a Money Market Instruments approved by RBI, (developed by Clearing Corporation of India Limited). CBLO is a discounted instrument issued in an electronic book entry form for maturity ranging from one day to one year.

**Co-Settlers:** Principal Financial Group (Mauritius) Limited, Punjab National Bank and Vijaya Bank, the co-settlers to Principal Mutual Fund.

**Credit Risk:** Risk of default in payment of principal or interest or both.

**Custodian:** An entity (for the time being Citi Bank NA) appointed for holding the securities and other assets of the Fund.

**Central Depository Services (India) Limited (CDSL)/ National Securities Depository Limited (NSDL):** A Depository registered with SEBI under the SEBI (Depositories and Participant) Regulations, 1996, as amended from time to time.

**Day :** Any day (including Saturday, Sunday and holiday) as per English Calendar viz 365 days in a year.

**Debt Instruments :** Government securities including Treasury Bills, corporate debentures, bonds, promissory notes, money market instruments, pass-through obligations and other possible similar securities.

**Dematerialisation:** It is a process by which physical certificates of an investor are converted to an equivalent number of securities in electronic form and credited in the investors account with its Depository Participant.

**Depository :** Depository as defined in the Depository Act, 1996 (22 of 1996).

**Depository Participant :** A person registered as participant under sub section (1A) of section 12 of the Securities and Exchange Board of India Act, 1992 and who acts like an intermediary between the Depository and the investors to offer depository related services.

**Dividend :** Income distributed by the Mutual Fund on the units.

**Entry Load :** Load, if any, on sale/switch in of units.

**Exit Load :** Load on repurchase/switch out of units.

**FII(s) :** Foreign Institutional Investor(s), registered with SEBI under Securities and Exchange Board of India (Foreign Institutional Investors) Regulation, 1995.

**Financial Year :** A Financial Year shall be full English Calendar months viz. 12 months commencing from 1st April and ending on 31st March.

**Fund/Mutual Fund :** Principal Mutual Fund, a trust set up under the provisions of the Indian Trust Act, 1882 and registered with SEBI bearing Registration No. MF/019/94/0 dated December 13, 1994.

**Debt Securities :** Debt Securities created and issued by, inter alia, Central Government, State Government, Local Authorities, Municipal Corporations, PSUs, Public Companies, Private Companies, Bodies Corporate, Unincorporated Special Purpose Vehicles (SPVs) and any other entities which may be recognised/permitted which yield at fixed or variable rate by way of interest, premium, discount or a combination of any of them.

**Gilts/Government Securities :** As defined under Section 2(b) of the Securities Contract (Regulation) Act, 1956, Government Security means a security created and issued, whether before or after the commencement of the Act, by the Central Government and/or a State Government and having one of the forms specified in clause (2) of Section 2 of the Public Debt Act, 1944 (18 of 1944) including any amendments thereto or any replacement or re-enactment thereof/clarification and guidelines in the form of notes or circulars etc. issued from time to time; Treasury Bills, such other instruments as may be declared by Government of India and/or SEBI and/or RBI and/or any other regulatory authority to be securities; and rights or interest in the securities.

**GOI :** Government of India.

**Group :** As defined in clause (ef) of section 2 of the Monopolies and Restrictive Trade Practices Act, 1969 (54 of 1969).

**Investment Management Agreement/IMA :** Investment Management Agreement dated 25/11/94 as amended from time to time, between the Trustee and AMC.

**ISC :** Offices of AMC and such other centres / offices as may be designated by the AMC from time to time as its Investor Service Centre. It shall also include the Official Points of Acceptance as mentioned on the last /back cover page of this SID.

**Listing:** Listing of units of the Scheme on or more Stock Exchange(s).

**Load :** A sum of money deducted from the value received or paid to the unitholder towards Sale/Repurchase of units.

**Market Price:** Price which could be at premium /discount to the NAV depending upon the demand and supply of units.

**Money Market Instruments:** Includes Commercial Papers, Commercial Bills, Treasury Bills, Government securities having an unexpired maturity up to one year Call or Notice Money, Certificate of Deposit, Usance Bill and any other like instrument as specified by RBI from time to time.

**NAV:** Net Asset Value of the units of the Scheme (and Plans / Options therein) calculated in the manner provided in this Scheme Information Document by dividing the net assets by the number of outstanding units (on any valuation day)

or as may be prescribed by the SEBI Regulations from time to time. The NAV will be computed upto four decimal places.

**Net Assets :** Net Assets of the Scheme at any time shall be the total value of the Schemes' assets, less its liabilities taking into consideration the accruals and the provision.

**NFO:** New Fund Offer

**Non Resident/NRI:** Non resident is any person who is not a resident in India.

**NSE:** National Stock Exchange.

**Overseas Corporate Bodies (OCB) :** Overseas Corporate Bodies, partnership firms and societies which are held directly or indirectly but ultimately to the extent of at least 60% by non-resident individuals of Indian nationality or origin, as also an overseas trust in which at least 60% of the beneficial interest is irrevocably held by such persons.

**Official Points of Acceptance:** Offices as specified by AMC from time to time where application for subscription / redemption / switch will be accepted on an ongoing basis.

**Person of Indian Origin:** A person (not being a citizen of Pakistan or Bangladesh or Sri Lanka) shall be deemed to be of Indian origin, if: -

- (i) He (She), at any time, held an Indian Passport;
- (ii) He (She) or either of his (her) parents or any of his (her) grandparents was a citizen of India by virtue of the Constitution of India or the Citizenship Act, 1955 (57 of 1955);
- (iii) The person is the spouse of an Indian citizen or of a person of Indian origin (not being a citizen of Pakistan or Bangladesh or Sri Lanka).

**Permissible Investments or Investments :** Collective or group investments made on account of the unitholders of the scheme(s) in Securities and other assets in accordance with the SEBI/RBI Regulations and amendments thereto.

**Portfolio:** Portfolio at any time shall include all Permissible Investments and Cash.

**RBI:** Reserve Bank of India, established under the Reserve Bank of India Act, 1934, as amended from time to time.

**Registrars/Registrar and Transfer Agent :** Registrar for the time being of the Mutual Fund which, at present, is Karvy Computershare Pvt. Ltd., or such agency appointed by the AMC.

**Regulations :** Regulations imply SEBI Regulations and the relevant rules and provisions of the Securities and Exchange Board of India (Depositories and Participants) Regulations 1996; Public Debt Act, 1944; The Income Tax Act, 1961; Wealth Tax Act, 1957, the Foreign Exchange Management Act, 1999, the Indian Trusts Act, 1882 as amended from time to time and shall also include any Circulars, Press releases or Notifications that may be issued by SEBI or the Government of India or the Reserve Bank of India.

**Repo/Reverse Repo :** Sale/Purchase of Securities as may be allowed by RBI from time to time with simultaneous agreement to repurchase/resell them at a later date.

**Repurchase/Redemption:** The units of Principal Pnb Fixed Maturity Plan – Series B16, which will be bought back by the Fund on maturity of the Scheme. Investors wishing to exit during the tenure of the Scheme may do so through the stock exchange mode.

**Resident :** A resident means any person resident in India under the Foreign Exchange Management Act, and under the Income Tax Act, 1961 including amendments thereto from time to time.

**SAI :** Statement of Additional Information of Principal Mutual Fund

**Scheme:** would mean Principal Pnb Fixed Maturity Plan – Series B16 and Options there under offered by the Fund.

**Scheme Information Document/SID:** This document issued by Principal Mutual Fund, inviting to subscribe to the units of Principal Pnb Fixed Maturity Plan – Series B16.

**SEBI :** Securities and Exchange Board of India, established under the Securities and Exchange Board of India Act, 1992, as amended from time to time.

**SEBI Regulations/Mutual Fund Regulations:** The Securities and Exchange Board of India (Mutual Funds) Regulations, 1996, or such other Regulation in force from time to time including any amendment thereto or any replacement or re-enactment thereof/clarification and guidelines in the form of notes or circulars etc. issued from time to time for regulating Mutual Funds in India, by SEBI.

**Securities :** As defined under Section 2(h) of the Securities Contracts (Regulations) Act, 1956 of India and includes but without limitation debt instruments like notes, bonds, debentures, debenture stock, warrants, derivatives etc. or other transferable securities of a like nature in or of any incorporated company or other body corporate, Gilts/Government securities, Mutual Fund units, Money Market Instruments like Call Deposit, Commercial Paper, Treasury Bills etc. such other instruments as may be declared by GOI and/or SEBI and/or RBI and/or any other regulatory authority to be securities; and rights or interest in securities etc.

**Sponsor :** Principal Financial Services Inc., USA acting through its wholly owned subsidiary Principal Financial Group (Mauritius) Limited.

**Stock Exchange:** Would mean and include Bombay Stock Exchange Limited (BSE), National Stock Exchange of India Limited (NSE) and such other stock exchange(s) where the units of the scheme may be listed.

**Switch :** Redemption of a Unit(s) in any scheme of Principal Mutual Fund against purchase of a Unit in another scheme of the Principal Mutual Fund.

**Tax Act :** Income Tax Act, 1961 and Wealth Tax Act 1957 , or such other legislation in force from time to time including any amendment thereto or any replacement or re-enactment thereof/rules, regulations any clarification and guidelines issued from time to time by the GOI.

**Total Assets :** Total Assets of the Scheme at any time shall be the total value of the Scheme's assets, taking into consideration the accruals.

**Trust Deed :** The Trust Deed of the Mutual Fund dated November 25, 1994 made by and between the Sponsor and the Trustee as amended from time to time or any replacement or substitution thereof.

**Trustee(s) :** Principal Trustee Company Private Limited incorporated under the Companies Act, 1956.

**Unitholder :** A unitholder means any individual / non-individual, holding units of the Scheme.

**Units :** Undivided Share of a unitholder in the assets of the Scheme (and of the option(s),if any) as evidenced by any letter/advice or any other statement/certificate/instrument.

**Year :** A year shall be full English Calendar months. Viz.12 months.

## Interpretation

For all purposes of this Scheme Information Document, except as otherwise expressly provided or unless the context otherwise requires:

- The terms defined in this Scheme Information Document include the plural as well as the singular.
- Pronouns having a masculine or feminine gender shall be deemed to include the other.

In this Scheme Information Document, all references to “dollars” or “\$” refers to United States dollars, and “R” refers to Indian Rupees. A “crore” means “ten million” and a “lakh” means a “hundred thousand”.

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**F. DUE DILIGENCE BY THE ASSET MANAGEMENT COMPANY**

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It is confirmed that:

- a. the Scheme Information Document for Principal Pnb Fixed Maturity Plan – Series B16 forwarded to SEBI is in accordance with the SEBI (Mutual Funds) Regulations, 1996 and the guidelines and directives issued by SEBI from time to time.
- b. all legal requirements connected with the launching of the scheme as also the guidelines, instructions, etc., issued by the Government and any other competent authority in this behalf, have been duly complied with.
- c. the disclosures made in the Scheme Information Document are true, fair and adequate to enable the investors to make a well informed decision regarding investment in the proposed Scheme.
- d. the intermediaries named in the Scheme Information Document and Statement of Additional Information are registered with SEBI and their registration is valid, as on date.

**For Principal Pnb Asset Management Company Private Limited**

Sd/-

**Sudhin Padhye**  
**Head- Operations Control, Risk & Compliance**

Date: April 4, 2014

Note: The Due Diligence Certificate as stated above was submitted to Securities and Exchange Board of India.



### SECTION III. INFORMATION ABOUT THE SCHEME

#### A. TYPE OF THE SCHEME

A close-ended debt scheme offering Fixed Maturity Plan having maturity of 1094 days.

#### B. WHAT IS THE INVESTMENT OBJECTIVE OF THE SCHEME?

To build an income oriented portfolio and generate returns through investment in Debt/Money Market Instruments and Government Securities

The Scheme will invest in a diversified portfolio of debt, money market securities and Government Securities from time to time. In terms of SEBI Circular no. SEBI/IMD/CIR No.12/147132/08 dated December 11, 2008, the Scheme shall invest only in such securities which mature on or before the date of the maturity of the Scheme. The Scheme does not guarantee any returns and there is no assurance that the Investment objectives of the Scheme will be achieved.

#### C. HOW WILL THE SCHEME ALLOCATE ITS ASSETS?

Under normal circumstances, the asset allocation pattern of the Scheme would be as follows:

Instrument	Indicative allocations (% of total assets)		Risk Profile
	Minimum	Maximum	
Debt	70	100	Low to Medium
Money Market Instruments	0	30	Low to Medium

The cumulative gross exposure through Debt and Money Market Instruments will not exceed 100% of the net assets of the Scheme. The Scheme has no intention to invest in Securitized Debt, Credit Default Swap, Derivatives and Foreign Debt Instruments including Foreign Securitized Debt and/or participate in Short Selling & Securities Lending. Further, the Scheme shall not invest in Debt & Money Market Instruments issued by Companies predominantly engaged in Real Estate Sector Airline and Gems & Jewelry and in repos of Corporate Bonds and Equity Linked Debentures.

Subject to the SEBI Regulations, the asset allocation pattern indicated above may change from time to time, keeping in view market conditions, market opportunities, applicable regulations and political and economic factors. It must be clearly understood that the percentages stated above are only indicative and not absolute. These proportions can vary substantially depending upon the perception of the Fund Manager; the intention being at all times to seek to protect the interests of the Unitholders. The AMC may from time to time, for a short term, alter the asset composition on defensive consideration and may also invest the funds available in repos, bank deposits and/ or other scheme/s of the mutual funds in accordance with the provisions of SEBI (Mutual Funds) Regulations, 1996 and the circulars issued by SEBI from time to time. Such changes in the investment pattern will be for defensive considerations and the intention being at all times to seek to protect the interests of the Unit Holders and may be caused due to reason such as non – availability of the appropriate assets as mentioned in the above asset allocation matrix or due to perceived weakness in the credit worthiness of the issuer of the assets which are held in the portfolio during the tenor of the Scheme. Such deviations shall be reviewed periodically and the Fund Manager shall do the rebalancing of the portfolio within 30 days from the date of the deviation to bring it in alignment with the asset allocation pattern as indicated above.

## Overview of Debt & Money Market in India

Indian debt markets have witnessed a rapid growth in the last decade aided by increased government borrowing and initiatives by Reserve Bank of India to implement structural changes in the market place. The debt market is primarily divided into four segments - Government Securities Market, Corporate Debt Market, Money Market and Derivatives market. The main participants in debt market are banks, primary dealers, mutual funds, insurance companies, provident funds and corporates. The primary risks associated with fixed-income investment are interest rate risk, credit risk and liquidity risk.

While government securities market is highly liquid and accounts for almost 90% of daily market turnover, the Corporate Debt Market is also well developed especially for instruments maturing upto ten years and Derivatives markets are developing rapidly. The volumes in the government securities market range between ₹ 5000 to ₹ 20,000 crores. The government securities are issued in the form of Treasury Bills (91,182 and 364 days) and long-term bonds. The corporate debt issuance is in the form of short-term commercial papers (upto 1yr) and Debentures. The short-term placement market comprises Money Market Instruments, Bank Deposits etc.

The money market in India essentially consist of Call / Notice / Term Money Market (i.e. market for overnight and term money between Banks and Primary Dealers), Repo transactions, CBLO, Commercial Papers (CPs, short term unsecured promissory note, generally issued by corporates), certificate of deposits (CDs, issued by banks) and Treasury Bills (issued by RBI).

Following table exhibits various debt instruments along with recent indicative yields (as on April 3, 2014)

Instrument and Maturity Profile	Indicative	Liquidity Profile	Risk
	Yield (p.a)		
Treasury bills 3 months - 1 year	8.65 - 9.00%	High	Low
Government of India Securities – 1 – 3 Years	8.90 - 9.10%	High	Moderate
Government of India Securities – 3 - 7 Years	9.10 - 9.25%	High	Moderate
Government of India Securities – 7 -20 Years	9.25 - 9.35%	High	High
Certificate of Deposits	8.75 - 9.15%	High	Low
Commercial Papers	8.85 - 9.40%	High	Low
AAA rated Corporate Bonds – 1 -3 Years Maturity	9.40 - 9.60%	Moderate to High	Low to Moderate
Corporate Bonds AAA rated 3-5 years Maturity	9.40 - 9.60%	Moderate to High	Moderate to High
Corporate Bonds below AAA rated but of investment grade 3-5 years	9.60 - 9.90%	Low to Moderate	Moderate to High

Source: Bloomberg

## INVESTMENT PROCESS

There is separate team for investment in fixed income instruments & equities. The team works under the supervision of Chief Investment Officer (CIO). CIO is overall in charge for the Fund's investment.

**Debt – Decision making process:**

The debt team comprises of the Head – Fixed Income, Fund Manager, Credit Analyst & Dealer. The Fund Manager holds charge of the schemes under his management. He is responsible for the performance of the schemes under him. Role of Credit Analysts is to study all companies in which the fund is investing for credit quality. The dealer executes the trading mandates that are passed onto him with a view to getting the best execution in terms of price and quantity.

A Credit Committee (CC) comprising of Managing Director, Chief Investment Officer, Chief Finance Officer, Head – Fixed Income and the Debt Fund Manager has been constituted to approve the investment in Securities having credit risks. The decision making in the committee is by majority vote. The investment proposals in specified format are put up before the committee for their approval. The Fund Manager can invest only in those credits that have been approved by the committee. Such approvals are kept to record the decision taken at the credit committee meeting. No specific approval is required for investment in Government Securities and Treasury Bills.

The AMC has been recording investment decisions since the receipt of instructions from SEBI.

**Review by Board of AMC and Trustees**

A detailed review of the schemes of the Fund including its performance vis-à-vis benchmark index, assets size, rankings/ratings received, if any is placed before the Board of Directors of AMC and to the Trustee on a quarterly basis.

**D. WHERE WILL THE SCHEME INVEST?**

- Predominantly, investments would be in Money Market Instruments and Debt Instruments and Government Securities.
- Investment by the scheme will be made only in such instruments which mature on or before the date of maturity of the Scheme.
- The Scheme may also invest in another schemes managed by the same AMC or by the AMC of any other mutual fund without charging any fees on such investments, within the limits specified under SEBI Regulations.

**Other disclosures for close ended schemes****I. Credit Evaluation Policy**

The Head of Fixed Income (HoFI) is responsible for reviewing the credit risk in the Debt portfolio of the Schemes and is also accountable for:

- Continually identifying credit opportunities;
- Generating credit risk proposals to facilitate timely approvals so as not to lose acceptable credit opportunities;
- The HoFI evaluates and recommends the proposals to the Investment Committee (IC) which is the approver of the credit risk.
- Reviewing and ensuring that the entire portfolio credit exposure would be subject to the restrictions specified under the section titled “Investment Restrictions”

**Process flow for ‘CREDITS’ approvals:**

1. The Credit Analyst (CA) prepares and sends the Credit Review (in the Principal Financial Group [PFG] format) for the "Issuer", which the HoFI has approved in principle for credit risk;
2. The Credit Review, if supported by the HoFI, is forwarded to the members of the IC;
3. The HoFI while submitting such proposal to IC duly highlights the associated risks (financial, reputational and regulatory) etc. in his recommendations;

4. The IC conveys its decision (with a minimum of two Members consenting) within the stipulated time;
5. The approval once received is added to the list of 'In Principle' approvals;
6. All credits once approved are added to the 'credit tracker' and form part of review process.

The Credit Review prepared by the Credit Analyst broadly covers the following points:

**A. Key Points :**

- Date of report, name of analyst;
- Type of instruments (long term / short term / secured / unsecured);
- Company profile : Brief about the company, Industry;
- Ratings : External / Internal.

**B. Financials (relating to last three financial years [if available] including cash flows and ratios)**

**C. Review of the financials (with specific attention to the following):**

- Revenue of the company
- Capital adequacy Ratio
- Existing liability of the company (credit concentration, borrowing, outstanding tax liability etc.)

**D. Outlook and recommendations**

The approval for Credit unless otherwise stated, is valid for a year. Before the expiry of the approval period, the credit analyst reviews the approved credits to seek necessary approval extensions if deemed appropriate. Accordingly a request for further extension may be referred.

**Process flow for review of existing 'in-principle' approved credits**

1. The Credit Analyst is expected to carry out a daily review of the rating updates, news, material events and incorporate the updates in the 'credit tracker'<sup>#</sup>.
2. The Credit Analyst; as at the end of every month end appraises the IC through HoFI about the updation in the 'credit tracker' with respect to rating (if any) and any significant remarks/ notes;
3. The Investment Committee reviews the HoFI's comments/ recommendations and reaffirms/removes the names in the approved horizon list and communicates the same to the HoFI, basis which investments are accordingly carried out.

<sup>#</sup>'credit tracker' is an internal record /tracker sheet which lists down /provides details on (a) names of the banks/ corporates in our approved horizon (b) ratings from external rating agency (c) date of last rating reaffirmation (d) internal limit, if any, for exposure term/horizon (e) material developments/news/meeting or conference call notes since the date of the rating and (f) and a link to the rating summary by the external rating agency.

- II.** As such all investments of the Scheme will be made in accordance with SEBI Regulations including Schedule VII thereof. The Scheme has no intention to invest in Securitized Debt, Credit Default Swap, Derivatives and Foreign Debt Instruments including Foreign Securitized Debt and/or participate in Short Selling & Securities Lending. Further, the Scheme shall not invest in Debt & Money Market Instruments issued by Companies predominantly engaged in Real Estate Sector Airline and Gems & Jewelry and in repos of Corporate Bonds and Equity Linked Debentures
- III.** The Scheme intends to invest in the following securities within the floor and ceiling limit as indicated in the table below, within a range of 5% of the intended allocation:

**IV.**

	Credit Rating (%) A1+	Credit Rating(%) AAA	Credit Rating(%) AA	Credit Rating(%) A	Credit Rating(%) BBB	Credit Rating(%) Not Applicable
Certificate of Deposits (CDs)	-	-	-	-	-	-
Commercial Papers (CPs)	-	-	-	-	-	-
Non-Convertible Debentures (NCDs) / Bonds	-	-		95%-100%	-	-
Cash & Cash Equivalent (REPO of G-Sec/T-Bills)	-	-	-	-	-	0% - 5%

**Notes:**

- a) All investments will be made basis the rating prevailing at the time of Investment. If dual ratings are prevailing for any particular instrument in which investment is being made, the Fund would consider the most conservative public available rating for the said instrument, for the purpose of intended allocation range – for e. g. if for a particular investment CRISIL has rated it as AAA, but ICRA has rated it as AA then the Fund would consider it as AA rated instrument.
- b) The Scheme has no intention to invest in unrated debt instrument and derivatives.
- c) The rating symbols as specified in the above intended allocation range would include modifiers like + (plus) / - (minus) (which reflects the comparative standing within the Category) to each rating symbol viz. AA would include AA+ or AA-. Securities with Rating AA will include AA+ and AA-. Similarly, securities with Ratings A1 will include A1+
- d) The Scheme reserves the right to invest in another scheme under the same AMC or any other Mutual Fund, subject to investment restriction as prescribed in the SEBI (Mutual Funds) Regulations, 1996 in this regard.
- e) The Scheme shall ensure that the total exposure in a particular sector (determined as per AMFI classification) (Excluding investments in Bank CDs, CBLO, Government Securities, T-Bills and AAA rated securities issued by Public Financial Institution and Public Sector Banks) shall not exceed 30% of the net assets of the Scheme.

Provided that an additional exposure to financial services sector (over and above the limit of 30%) not exceeding 10% of the net assets of the Scheme shall be allowed by way of increase in exposure to Housing Finance Companies(HFCs) only. Provided further that the additional exposure to such securities issued by HFCs are rated AA and above and these HFCs are registered with National Housing Bank (NHB) and the total investment/exposure in HFCs shall not exceed 30% of the net assets of the Scheme.

There would be no variation between the intended portfolio and the final portfolio, subject to the following:

- (i) Positive variation in investment toward higher credit rating in the same instrument may be allowed.
- (ii) The order of risk-reward in instrument categories could be considered as Certificate of Deposits (CD) being of lower risk compared to CP/NCDs. The Fund Manager can deploy funds in CDs (with highest rating category i.e. A1+) or Collateralized Borrowing and Lending Obligation (CBLO) or Government Securities (G-sec) or Treasury bill (T-bills), in case Commercial Papers (CPs)/ Non – Convertible Debentures (NCDs)/Bonds, are

not available or the Fund Manager is of the view that the risk-reward is not in the best interest of the Unit holders.

Similarly, the Fund Manager can deploy funds in G-sec or T-bills or CBLO, incase CDs are not available or the Fund Manager is of the view that the risk-reward is not in the best interest of the Unit holders.

- (iii) At the time of building up the portfolio post NFO and towards the maturity of the Scheme, the Fund Manager may deploy (upto 100 %) the funds in cash/cash equivalents/in units of money market/liquid schemes of Principal Mutual Fund and/any other mutual Fund in terms of applicable regulations, for temporary period.
- (iv) Changes in the investment pattern will be for defensive considerations and the intention being at all times to seek to protect the interests of the Unit Holders and may be caused due to reason such as non – availability of the appropriate assets as mentioned in the above asset allocation matrix or due to perceived weakness in the credit worthiness of the issuer of the assets which are held in the portfolio during the tenor of the Scheme. Such deviations shall be reviewed periodically and the Fund Manager shall do the rebalancing of the portfolio within 30 days from the date of the deviation to bring it in alignment with the asset allocation pattern as indicated above.

### **Depository**

Securities of the Scheme will be held in dematerialised form. In case the securities are held in dematerialized (electronic) mode, the rules of the Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996, would apply. The service charges payable to the Depository Participant will form a part of the annual recurring expenses.

### **E. WHAT ARE THE INVESTMENT STRATEGIES?**

Predominantly, investments would be in money market instruments and debt instruments and Government Securities. Investment by the Scheme will be made only in such instruments which mature on or before the date of maturity of the Scheme. The Scheme will have a portfolio in line with the maturity of the Scheme. The Scheme will have two option viz. Growth and Divided Option.

As a risk control measure the Fund while investing in fixed-income instruments like debt, etc., considers and evaluates the risk of an issuer's ability to meet principal and interest payments (credit risk) and also the price volatility due to such factors as interest sensitivity, market perception or the creditworthiness of the issuer and general market liquidity (market risk).

### **Portfolio Turnover Rate**

The Portfolio Turnover Rate (PTR) means the Lower of aggregate sales or purchases made during a particular year /period divided by the Average Asset Under Management (average of Assets Under Management on last day of month) for the relevant year / period.

"Portfolio Turnover" is the term used by any Mutual Fund for measuring the amount of trading that occurs in a Scheme's portfolio during the year.

Portfolio turnover in the Schemes will be a function of market opportunities. The economic environment changes on a continuous basis and exposes debt portfolio to systematic as well as non-systematic risk. Consequently, it is difficult to estimate with any reasonable measure of accuracy, the likely turnover in the portfolio. The Fund Manager will endeavour to optimise portfolio turnover to optimise risk adjusted return keeping in mind the cost associated with it. A high portfolio turnover rate is not necessarily a drag on portfolio performance and may be representative of arbitrage opportunities that exist for scrips / securities held in the portfolio rather than an indication of a change in AMC's view on a scrip, etc.

## F. FUNDAMENTAL ATTRIBUTES

Following are the Fundamental Attributes of the Scheme, in terms of Regulation 18 (15A) of the SEBI (MF) Regulations:

### (i) Type of a scheme

- Close ended debt scheme offering Fixed Maturity Plan

### (ii) Investment Objective

- Main Objective - Please refer “What is the investment objective of the Scheme?” on page no.17
- Investment pattern - Please refer “How will the Scheme allocate its assets?” on page no. 17

### (iii) Terms of Issue

- Liquidity provisions such as listing - Please refer section on “ongoing offer details” on page no.37
- Aggregate fees and expenses charged to the scheme - Please refer section on “Fees and Expenses” on page no.45
- Any safety net or guarantee provided - Not applicable

In accordance with Regulation 18(15A) of the SEBI (MF) Regulations, the Trustees shall ensure that no change in the fundamental attributes of the Scheme and the Plan(s) / Option(s) thereunder or the trust or fee and expenses payable or any other change which would modify the Scheme and the Plan(s) / Option(s) thereunder and affect the interests of Unitholders is carried out unless:

- A written communication about the proposed change is sent to each Unitholder and an advertisement is given in one English daily newspaper having nationwide circulation as well as in a newspaper published in the language of the region where the Head Office of the Mutual Fund is situated; and
- The Unitholders are given an option for a period of 30 days to exit at the prevailing Net Asset Value without any exit load.

## G. HOW WILL THE SCHEME BENCHMARK ITS PERFORMANCE?

The Benchmark Index for the scheme shall be Crisil Short Term Bond Fund Index.

The Fund reserves the right to change the said benchmark and/or adopt one/more other benchmarks to compare the performance of the Scheme, subject to SEBI Regulations

## H. WHO MANAGES THE SCHEME?

Mr. Pankaj Jain is the Fund Manager of the Scheme whose details are as follows:

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**Name & Designation:** Mr. Pankaj Jain, Senior Fund Manager

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**Age & Qualification:** 34 years /PGDM, IIM Bangalore

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**Brief Experience:** Over 7 years of experience in Fixed Income Markets

Details of previous assignments is stated here below –

- 1) January’ 2012 to till date – Senior Fund Manager at Principal Mutual Fund
  - 2) December’ 2009 to January’ 2012 – Fixed Income Fund Manager at Taurus Mutual Fund
  - 3) March’ 2009 to December’ 2009 – Fixed Income Fund Manager at Edelweiss Mutual Fund
  - 4) July’ 2007 to March’ 2009 – Manager at Edelweiss Capital Limited
  - 5) June’ 2005 to July’ 2007- Trader at State Bank of India
  - 6) June’ 2002 – June’ 2003 – Site Engineer at Thermax Babcock and Wilcox Limited
-

**Name of other schemes under his management:**

1. Principal Cash Management Fund
2. Principal Retail Money Manager Fund
3. Principal Debt Opportunities Fund – Conservative Plan
4. Principal Debt Savings Fund – MIP
5. Principal Debt Savings Fund – Retail Plan
6. Principal Pnb Fixed Maturity Plan – B2
7. Principal Pnb Fixed Maturity Plan – B5
8. Principal Pnb Fixed Maturity Plan – B10
9. Principal Pnb Fixed Maturity Plan – B12
10. Principal Pnb Fixed Maturity Plan – B13
11. Principal Pnb Fixed Maturity Plan – B14
12. Principal Pnb Fixed Maturity Plan – B15

**I. WHAT ARE THE INVESTMENT RESTRICTIONS?**

Following Investment limitations/restrictions are specific to this Scheme:-

- The Scheme shall not invest more than 15% of its NAV in debt instruments issued by a single issuer which are rated not below investment grade by a credit rating agency authorized to carry out such activity under the Act. Such investment limit may be extended to 20% of the NAV of the scheme with the prior approval of the Board of Trustees and the Board of the AMC.

Provided that such limit shall not be applicable for investments in government securities.

The Scheme shall not invest more than 30% of its net assets in money market instruments of an issuer. Provided that such limit shall not be applicable for investments in Government Securities, Treasury Bills and Collateralized Borrowing and Lending Obligations.

- The Scheme shall ensure that the total exposure in a particular sector (determined as per AMFI classification) (Excluding investments in Bank CDs, CBLO, Government Securities, T-Bills and AAA rated securities issued by Public Financial Institution and Public Sector Banks) shall not exceed 30% of the net assets of the Scheme.

Provided that an additional exposure to financial services sector (over and above the limit of 30%) not exceeding 10% of the net assets of the Scheme shall be allowed by way of increase in exposure to Housing Finance Companies(HFCs) only. Provided further that the additional exposure to such securities issued by HFCs are rated AA and above and these HFCs are registered with National Housing Bank (NHB) and the total investment/exposure in HFCs shall not exceed 30% of the net assets of the Scheme.

- Transfers of investments from one scheme to another scheme in the same Mutual Fund shall be allowed only if:
  - Such transfers are done at the prevailing market price for quoted instruments on spot basis.  
Explanation - "Spot basis" shall have same meaning as specified by stock exchange for spot transactions.
  - The securities so transferred shall be in conformity with the investment objective of the scheme to which such transfer has been made.
- The Scheme may invest in another scheme under the same AMC or any other Mutual Fund without charging any fees, provided that aggregate inter-scheme investment made by all schemes under the same management



or in schemes under the management of any other AMC shall not exceed 5% of the NAV of the Mutual Fund.

- The Scheme shall buy and sell securities on the basis of deliveries and shall in all cases of purchases, take delivery of relative securities and in all cases of sale, deliver the securities.
- The Mutual Fund shall get the securities purchased or transferred in the name of the Mutual Fund on account of the concerned scheme, wherever investments are intended to be of long-term nature.
- Pending deployment of Funds of the Scheme in securities in terms of investment objective of the Scheme, the Scheme may invest the Funds of the scheme in short term deposits of scheduled commercial banks. Such investments shall be in accordance with SEBI Circular No. SEBI/IMD/CIR No. 1/ 91171 /07 dated April 16, 2007 and any amendment thereof from time to time.
  - The Scheme shall not park more than 15% of the net assets in Short term deposit(s) of all the scheduled commercial banks put together. However, it may be raised to 20% with prior approval of the trustees. Also, parking of funds in short term deposits of associate and sponsor scheduled commercial banks together shall not exceed 20% of total deployment by the mutual fund in short term deposits.
  - The Scheme shall not park more than 10% of the net assets in short term deposit(s), with any one scheduled commercial bank including its subsidiaries.
  - No funds of the Scheme may be parked in short term deposit of a bank which has invested in that scheme.
  - Short Term for such parking of fund by the Scheme shall be treated at a period not exceeding 91 days.
- The Scheme shall not make any investment in:
  - any unlisted security of an associate or group company of the sponsor; or
  - any security issued by way of private placement by an associate or group company of the sponsor; or
  - the listed securities of group companies of the sponsor which is in excess of 25% of the net assets
- The Scheme shall not make any investment in any fund of funds scheme.
- The Scheme will not invest in foreign debt instrument including foreign securitised debt.
- The Scheme shall make investment out of the NFO proceeds only on or after the closure of the NFO period.

The Scheme has no intention to invest in Securitised Debt, Credit Default Swap, Derivatives and Foreign Debt Instruments including Foreign Securitised Debt and/or participate in Short Selling & Securities Lending. Further, the Scheme shall not invest in Debt & Money Market Instruments issued by Companies predominantly engaged in Real Estate Sector, Airline and Gems & Jewelry and in repos of Corporate Bonds and Equity Linked Debentures.

These investment limitations/parameters (as expressed/linked to the net asset/NAV/capital) shall in the ordinary course apply as of the date of the most recent transaction or commitment to invest, and changes do not have to be effected merely because, owing to appreciation or depreciation in value, or by reason of the receipt of any rights, bonuses or benefits in the nature of capital, or of any scheme of arrangement, or for amalgamation, reconstruction or exchange, or at any repayment or repurchase or other reason outside the control of the Fund, any such limits would thereby be breached. If these limits are exceeded for reasons beyond its control, the AMC shall adopt as a priority objective the remedying of that situation, taking due account of the interests of the unitholders.

In addition, certain investment parameters (like limits on exposure to sectors, industries, issuers, etc.) may be adopted internally by the AMC, as amended from time to time, to ensure appropriate diversification/security for the Fund. The AMC may alter these above stated limitations from time to time, and also to the extent the SEBI Regulations change, so as to permit the Fund to make its investments in the full spectrum of permitted investments for Mutual Funds to achieve its investment objective. As such all investments of the Fund will be made in accordance with SEBI Regulations including Schedule VII thereof.

**J. HOW HAS THE SCHEME PERFORMED?**

This scheme is a new scheme and does not have any performance track record.

**K. INVESTMENT BY AMC**

The AMC, and investment companies managed by the Sponsor, its affiliates, its associate companies and subsidiaries may invest either directly or indirectly in the Scheme. The money managed by these affiliates, associates, the Sponsor, subsidiaries of the Sponsor and/or the AMC may acquire a substantial portion of the Scheme's units and collectively constitute a major investment in the Scheme. The AMC reserves the right to invest its own funds in the Scheme as may be decided by the AMC from time to time and in accordance with SEBI Circular no. SEBI/IMD/CIR No. 10/22701/03 dated December 12, 2003 and SEBI/IMD/CIR No. 1/42529/05 dated June 14, 2005 regarding minimum number of investors in the Scheme/Plan. The AMC shall not charge any fees on investment by the AMC in the units of the Scheme.

## SECTION IV: UNITS AND OFFER

This section provides details you need to know for investing in the scheme.

### A. New Fund Offer (NFO)

<p><b>New Fund Offer Period</b> This is the period during which a new scheme sells its units to the investors</p>	<p><b>NFO opens on:</b> April 21, 2014 <b>NFO closes on:</b> April 29, 2014</p> <p>The AMC reserve the right to extend the closing date, subject, however, to the condition that the subscription shall not be kept open for more than 15 days.</p>
<p><b>New Fund Offer Price:</b> This is the price per unit that the investors have to pay to invest during the NFO.</p>	<p>₹ 10/- per unit</p>
<p><b>Minimum Amount for Application in the NFO</b></p>	<p>Minimum application amount will be ₹ 5000/- and in multiple of ₹ 1/- thereafter.</p>
<p><b>Minimum Target amount</b> This is the minimum amount required to operate the scheme and if this is not collected during the NFO period, then all the investors would be refunded the amount invested without any return. However, if AMC fails to refund the amount within five business days, interest as specified by SEBI (currently 15% p.a.) will be paid to the investors from the expiry of due date of refund.</p>	<p>₹ 20 Crore</p>
<p><b>Maximum Amount to be raised (if any)</b>  This is the maximum amount which can be collected during the NFO period, as decided by the AMC.</p>	<p>There is no maximum amount.</p>
<p><b>Plans / Options offered</b></p>	<p>The Scheme will have two Plans i.e. Regular Plan &amp; Direct Plan. Both the Plans, offer two Options viz. Dividend and Growth Option. Further, Dividend option will have the facility of Payout and Sweep.</p> <p>The Investment Options (Regular and Direct Plan) will share a common portfolio.</p> <p><b>Regular Plan:</b> Investors opting to invest through a Distributor shall be allotted units under the Regular Plan. Kindly ensure that a Distributor code is provided in the relevant space on the application form. In the absence of the Distributor Code, the application will be processed under the DIRECT Plan, by default.</p> <p><b>Direct Plan:</b></p>

“Direct Plan” is only for investors who purchase /subscribe Units in a Scheme directly with the Fund. This plan is not available for investors who wish to purchase/ subscribe units through a Distributor. All categories of investors (whether existing or new Unitholders) as permitted under the Scheme Information Document of the Scheme are eligible to subscribe under Direct Plan. Investments under Direct Plan can be made through various modes offered by the Mutual Fund for investing directly with the Mutual Fund [except through Stock Exchange Platforms for Mutual Funds and all other Platform(s) where investors’ applications for subscription of units are routed through Distributors].

Investors desirous of subscribing under Direct Plan of a Scheme will have to ensure to indicate “Direct Plan” against the Scheme name in the application form. Further, Investors should also indicate “Direct” in the ARN column of the application form.

**Dividend Option:**

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 Trustees decision with regard to availability and adequacy, rate, timing and frequency of distribution of dividend shall be final.

Further, the Dividend Option will have the facility of Payout and Sweep. Applicants should indicate the Option/Facility for which the subscription is made by indicating the choice in the appropriate box provided for this purpose in the Application Form. Applicants shall also have the option to invest in both the facilities together (viz., payout & sweep) under the Dividend option through a single application subject to the minimum application/investment amount of the Scheme. (Note: Cumulative investments made under both the facilities shall be considered for minimum investment amount requirement.)

**Dividend Payout Facility**

Under this Facility, the unitholders would receive payout of their dividend in the Option.

**Dividend Sweep Facility**

Under this facility, the unitholders may reinvest their dividend in any other open ended scheme of the Fund at the applicable NAV based prices, subject to the minimum investment and eligibility requirements of the scheme in which the dividend is being invested. The appropriate number of units shall be credited to unitholder’s account (of such other open ended Scheme) basis the NAV of next business day of such other open ended Scheme.

**Growth Option**

Under this Option, no dividend shall be declared. All income earned and profits realized in respect of a Unit issued under the Option will continue to remain invested until repurchased and shall be deemed to have remained invested in the Option itself, which will be reflected in the NAV. However, the Trustees reserve the right to pay out dividends either based on a change in market conditions, tax regulations or any other situation that would make it more beneficial for Unitholders to receive dividends.

In the interest of the Scheme and the unitholders the AMC may consider providing returns to the unitholders at appropriate times by way of periodic declaration of dividend and /or bonus units under the Scheme after providing all necessary recurring and other expenses.

**Default Option**

In case of Subscriptions, where in case Distributor code is mentioned in the application form, but “Direct Plan” is indicated against the Scheme name, the Distributor code will be ignored and the application will be processed under Direct Plan. Further, where application is received for Regular Plan without Distributor code or “Direct” mentioned in the ARN Column, the application will be processed under Direct Plan.

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

<b>Plan selected by the Investor</b>	<b>Whether provided by the Investor in the application form</b>	<b>ARN by the Investor</b>	<b>Plans under which the units will be allotted</b>
Direct	Yes		Direct
Direct	No		Direct
Regular	Yes		Regular
Regular	No		Direct
No Plan Selected	Yes		Regular
No Plan Selected	No		Direct

As mentioned above Investors should indicate the Option for which the subscription is made by indicating the choice in the appropriate box provided for this purpose in the application form. In case of valid applications received without indicating any choice of Option, it will be considered as option for Growth option and processed accordingly. In case of valid application received without indicating any choice of Dividend Payout Facility or Dividend Sweep Facility, it will be considered as option for Dividend Payout Option and processed accordingly.

**Dividend Policy**

In the interest of the Scheme and the unitholders the AMC may consider providing returns to the unitholders at appropriate times by way of periodic declaration of dividend and /or bonus units under the Scheme after providing for all necessary recurring and other expenses. Distribution of dividend is subject to availability and adequacy of distributable surplus.

Only those unitholders whose names appear in the register of unitholders/beneficiary position received from Depositories as on the record date will be entitled for dividend. This date will be fixed by the AMC/Trustees appropriately.

The dividend warrants and/or fresh Account Statement with the bonus units shall be dispatched /credited to the unit holders within 30 days or such stipulated period of the declaration of dividend/bonus units. In the event of delay the AMC shall pay to the concerning investors; interest @15% p.a. for such number of days beyond the specified period of 30 days.

Dividends will be paid net of taxes as may be applicable, and payments will be in favour of the Unitholder's registered name or, if there is more than one registered holder, of the first named registered holder on the original application form. The trustees may not declare a dividend at all in the event of inadequacy of distributable income. There is no assurance or guarantee to unitholders as to the periodicity of dividend, rate of dividends distribution nor that dividend will be regularly paid.

All benefits accruing/earned/received under the Scheme in respect of income (not included in NAV), capital reserves and surpluses, if any, at the time of its/their declaration or otherwise under the Scheme shall be available only to the unitholders who hold the units at the time of its/their declaration.

## Allotment

### **Allotment :**

Allotment of units will be made not later than 5 business days from the closure of the New Fund Offer. The allotment will be made to all applicants provided the applications received are complete in all respects. An offer to purchase units is not binding on, and may be rejected by AMC.

### **Account Number/Statement:**

An applicant whose application has been accepted shall have the option either to receive the statement of accounts or to hold units in dematerialised form. The asset management company shall dispatch, an account statement specifying the number of units allotted to the applicant who has opted to receive statement of accounts or allotment advice to an applicant who has opted to hold units in dematerialized form respectively, as soon as possible but not later than 5 business days from the date of closure of the NFO.

A confirmation shall be sent specifying the number of units allotted to the unit holder by way of e-mail and/or SMS's to the unit holder's registered email address and/or mobile number (where provided by the Unitholder) as soon as possible but not later than five business days from the date of closure of NFO.

Where a unit holder may have provided his e-mail address for receipt of mandatory documents and updates, an account statement reflecting the units allotted to the Unitholder shall be sent on such registered e-mail address as soon as possible but not later than 5 business days from the date of closure of the NFO.

Account Statement will also be issued to those unitholders who opt for allotment of units in demat form or where the units are not credited to their demat account(s) for any reason whatsoever.

For trading in units, the unitholders are required to have a demat account.

An Account Statement so issued shall not be construed as a proof of title and is only a computer-printed statement indicating the details of transactions under the scheme and is a non-transferable document.

### **Common Account Number:**

As a unitholder friendly measure, (unless otherwise requested by the unitholder), one Common Account Number will be assigned for one entity / investor investing

in different schemes of the Fund. In such a case, one consolidated account statement will be provided. The AMC reserves the right to assign the existing Common Account Number against multiple applications and/or subsequent purchases under a new application form by an existing unitholder, with identical mode of holding and address.

An Account or Transaction Statement reflecting the unit balance of the unitholder will be mailed to the unitholder by ordinary post, after every financial transaction is effected.

**Unit Certificates**

Normally no unit certificates will be issued under the Scheme. However, if the unitholder so desires, the AMC shall issue a non-transferable unit certificate to the unitholder within 30 days of the receipt of request for the certificate. The cost of stamp duty paid for issuing the unit certificate will form part of the annual ongoing expenses and/or may be recovered from the Unitholder.

**Units With Depository**

The unitholders can dematerialise their holding at any time by making an application to their Depository Participant by filling up the Dematerialisation Request Form (DRF). The AMC shall issue units in demat form to the unitholder within 2 business days of receipt of request from unitholder.

The same number of Units held in the physical mode shall be continued in the demat mode. The expenses incurred by the AMC in dematting of the referred units may be recovered from unitholders or may be charged to the scheme as per annual recurring expenses.

**Rematerialisation of Demat Units**

The unitholders who converted their units in demat mode may also rematerialize their units. The request for rematerialising the demat Units may be given to the respective Depository Participant (DP) of the investor. On receiving the confirmation of Remat Units balance, account statement for the physical Units shall be issued. The same number of Units held in the demat mode shall be continued in the physical mode. Rematerialisation of demat Units shall be processed within the thirty days or such other days as may be stipulated under SEBI Regulations from the date of receipt of such a request, provided it is complete and valid in all respects.

**Refund**

If application is rejected, full amount will be refunded within 5 business days of closure of NFO. If refunded later than 5 business days, interest @ 15% p.a. for delay period will be paid and charged to the AMC.  
If the Scheme fails to collect the minimum subscription amount, the Fund shall be liable to refund the money to the applicants.

**Who can invest**

This is an indicative list and you are requested to consult your financial advisor to ascertain whether the scheme is suitable to your risk profile.

The following persons (subject wherever relevant to, purchase of Units being permitted under their respective constitutions and relevant State Regulations) are eligible to apply for purchase of units under the Scheme.

- (i) Resident Indian Nationals who are :
  - Adult individuals as sole holder,
  - Adult individuals not exceeding three jointly or on an either/anyone or survivor basis.
  - Parents/Lawful guardians on behalf of Minors.
  - Partnership Firms
  - Hindu Undivided Families(HUF), through their Karta acting or on behalf of

the HUF

- Institutions, Companies, Bodies Corporate, Public Sector Undertakings, Societies registered under the Societies Registration Act 1860, or Co-operative Societies, subject to their byelaws permitting them to invest in the units of the mutual fund.
- Banks (including Co-operative Banks and Regional Rural Banks), Funds, Financial and Investment Institutions
- Religious and Charitable Trusts, drafts or endowments and Private Trusts, under the provisions of Section 11(5) of Income tax Act, 1961 read with Rule 17(C) of Income tax Rules 1962 registered under the Societies Registration Act/Indian Trusts Act, Trustees of Private Trusts authorized to invest in mutual fund schemes under their trust deeds
- Scientific and Industrial Research Organizations
- Association of Persons/Body of Individuals, whether incorporated or not
- Army/Air Force/Navy, other paramilitary units and bodies created by such institutions besides other eligible institutions
- Mutual Funds registered with SEBI

ii) Multilateral Funding Agencies/Bodies Corporate incorporated outside India with the permission of Government of India/Reserve Bank of India.

iii) Overseas Financial Organizations which have entered into an arrangement for investment in India, inter-alia with a Mutual Fund registered with SEBI and which arrangement is approved by the Central Government.

iv) Non-Resident Indians (NRIs)/FIIs and Persons of Indian origin residing abroad (except persons covered under “Who cannot invest?” section below), on a full repatriation basis or non-repatriation basis. Presently OCBs cannot invest in domestic mutual funds pursuant to RBI A.P.(DIR Series) Circular No.14 dated September 16, 2003.

v) Foreign Institutional Investors (FIIs)

vi) Such other individuals/institutions/body corporate, etc. as may be decided by the Fund from time to time, so long as wherever applicable they are in conformity with regulations.

vii) Other Schemes of Principal Mutual Fund subject to the conditions and limits prescribed by applicable SEBI Regulations

viii) The Trustees/Trust, AMC or Sponsor or its affiliates, its associate companies and subsidiaries may also subscribe to the units under this Fund.

ix) Provident/Pension/Gratuity/Superannuation Fund(s) and such other retirement and employee benefit and other similar Funds.

x) Qualified Foreign Investor (QFI) subject to the conditions prescribed by SEBI, RBI, any other regulatory authorities and the AMC from time to time.

QFI shall mean a person who fulfills the following criteria:

(i) Resident in a country that is a member of Financial Action Task Force (FATF) or a member of a group which is a member of FATF; and



(ii) Resident in a country that is a signatory to IOSCO's MMOU (Appendix A Signatories) or a signatory of a bilateral MOU with SEBI:

Provided that the person is not resident in a country listed in the public statements issued by FATF from time to time on-(i) jurisdictions having a strategic Anti-Money Laundering/Combating the Financing of Terrorism (AML/CFT) deficiencies to which counter measures apply, (ii) jurisdictions that have not made sufficient progress in addressing the deficiencies or have not committed to an action plan developed with the FATF to address the deficiencies. Provided further such person is not resident in India. Provided further that such person is not registered with SEBI as Foreign Institutional Investor or Sub-account or Foreign Venture Capital Investor.

Explanation.-For the purposes of this definition:

(1)The term "Person" shall carry the same meaning under section 2(31) of the Income Tax Act, 1961; (2) The phrase "resident in India" shall carry the same meaning as in the Income Tax Act, 1961; (3) "Resident" in a country, other than India, shall mean resident as per the direct tax laws of that country. (4) "Bilateral MoU with SEBI" shall mean a bilateral MoU between SEBI and the overseas regulator that inter alia provides for information sharing arrangements. (5) Member of FATF shall not mean an Associate member of FATF.

The Trustees may accept an application from an unincorporated body of persons/trusts. The Trustees may from time to time add and review the persons eligible for making application for purchase of units under the Scheme.

The Scheme has not been and will not be registered in any country outside India. To ensure compliance with any Laws, Acts, Enactment, etc. including by way of Circulars, Press Releases, or Notifications of Government of India, the Fund may require/give verification of identity/any special/additional subscription-related information from/ of the unitholders (which may result in delay in dealing with the applications, Units, benefits, distribution, etc./giving subscription details, etc.). Each unitholder must represent and warrant to the Trustees/AMC that, among other things, he is able to acquire Units without violating applicable laws. The Trustees will not knowingly offer or sell Units to any person to whom such offer or sale would be unlawful, or might result in the Fund incurring any liability or suffering any other pecuniary disadvantages which the Fund might not otherwise incur or suffer. Units may not be held by any person in breach of the law or requirements of any governmental, statutory authority including, without limitation, exchange control regulations. In view of the individual nature of investment portfolio and its consequence, each unitholder is advised to consult his/her own professional advisor concerning possible consequences of purchasing, holding, selling, converting or otherwise disposing of the Units under the laws of his/her state/country of incorporation, establishment, citizenship, residence or domicile.

Kindly note that neither the Statement of Additional Information; nor this Scheme Information Document, nor the Application for the Units, nor the Units ("these Documents") have been registered in any jurisdiction. The distribution of these Documents in certain jurisdictions may be prohibited or restricted or subject to registration requirements and accordingly, persons who come into possession of any of these Documents are required to inform themselves about and to observe, any such restrictions. No person receiving a copy of any of these Documents in

such jurisdiction may act or treat these Document or any part/portion thereof as constituting an invitation to him to subscribe for Units, nor should he in any event use any such Documents, unless in the relevant jurisdiction such an invitation could lawfully be made to him and such Documents could lawfully be used without compliance with any registration or other legal requirements. Accordingly, none of these Documents (including or any part/portion thereof) constitute an offer or solicitation by any one in any jurisdiction in which such offer or solicitation is not lawful or in which the person making such offer or solicitation is not qualified to do so or to any one to whom it is unlawful to make such offer or solicitation. It is the responsibility of any persons in possession of any of these Documents and any persons wishing to apply for Units pursuant to these Documents to inform themselves of and to observe, all applicable laws and Regulations of such relevant jurisdiction.

**Who cannot invest**

It should be noted that the following persons cannot invest in the Scheme:

1. Any person who is a foreign national;
2. 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, as amended from time to time and Persons resident of Canada;
3. Overseas Corporate Bodies (OCBs) shall not be allowed to invest in the Scheme. These would be firms and societies, which are held directly or indirectly but ultimately to the extent of at least 60% by NRIs and trusts in which at least 60% of the beneficial interest is similarly held irrevocably by such persons (OCBs).
4. Religious and charitable trusts, wakfs or other public trusts that have not received necessary approvals and a private trust that is not authorised to invest in Mutual Fund schemes under its trust deed. The Mutual Fund will not be responsible for or any adverse consequences as a result of an investment by a public or a private trust if it is ineligible to make such investments.
5. Any other person determined by the AMC or the Trustee as not being eligible to invest in the Scheme.

The Fund reserves the right to include / exclude new / existing categories of investors to invest in the Scheme from time to time, subject to SEBI Regulations and other prevailing statutory regulations, if any.

As Units may not be held by any person in breach of the SEBI Regulations, any law or requirements of any governmental, statutory authority including, without limitation, exchange control regulations, the Mutual Fund / Trustee / AMC may mandatorily redeem all the Units of any Unitholder where the Units are held by a Unitholder in breach of the same.

The Mutual Fund / Trustee / AMC may redeem Units of any Unitholder in the event it is found that the Unitholder has submitted information either in the application or otherwise that is false, misleading or incomplete.

Note:

1. RBI has vide Schedule 5 of the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations,

	<p>2000, granted a general permission to NRIs / Persons of Indian Origin residing abroad (PIOs) and FIIs for purchasing / redeeming Units of the mutual funds subject to conditions stipulated therein.</p> <p>2. Returned cheques are liable not to be presented again for collection, and the accompanying application forms are liable to be rejected. In case the returned cheques are presented again, the necessary charges are liable to be debited to the investor</p>
Where can you submit the filled up applications.	<p>During the NFO period the applications filled up and duly signed by the applicants should be submitted at the offices of AMC or Karvy Computershare Private Limited ('Karvy') - Registrar and Transfer Agent, which have been identified as ISCs / Official Points of Acceptance and whose names and addresses are mentioned on the last/back cover page of this SID.</p> <p>The Office of the Registrar &amp; Transfer Agent, Karvy Computershare Private Limited is located at 'Madhura Estates', Municipal No. 1-9/13/C, Plot No. 13 &amp; 13 C, Survey No. 74 &amp; 75, Madhapur Village, Serilingampally Mandal &amp; Municipality, Ranga Reddy District, Hyderabad - 500081.</p> <p>Investors may also apply through the ASBA facility by filling in the ASBA form and submitting the same to their respective banks, which in turn will block the amount in the account as per the authority contained in the ASBA form. ASBA is offered by selected Self Certified Syndicate Banks (SCSBs) which are registered with SEBI for offering the facility. Please refer last page for the list of the SCSB's. Investors are requested to check with their respective banks about the availability of the ASBA facility. For the complete list of controlling / designated branches of above mentioned SCSB's, please refer to the websites of SEBI, BSE and NSE at <a href="http://www.sebi.gov.in">www.sebi.gov.in</a>, <a href="http://www.bseindia.com">www.bseindia.com</a> and <a href="http://www.nseindia.com">www.nseindia.com</a>.</p>
How to Apply	Please refer to the SAI and Application form for the instructions.
Listing	In-principle approval has been obtained from NSE for Series B16 vide its letter no. NSE/LIST/227283-A dated January 13, 2014. The units of the Scheme will be listed on NSE. Units in demat form can be traded on a NSE. The units may also be listed on BSE and/or other stock exchange(s) as may be deemed appropriate by the AMC.
Special Products / facilities available during the NFO	<p><b>Switch-in Option:</b></p> <p>During the NFO, Investors can switch into the Scheme from the other select open ended scheme(s) managed under the Fund currently in existence. For any application of switch-in from any other schemes of Principal Mutual Fund into this Scheme, received on any date during the NFO, the application will be deemed to have been received on the last date of the NFO and will be processed accordingly. The Fund reserves the right to amend or terminate or introduce special facilities in the SID.</p>
Restrictions, if any, on the right to freely retain or dispose of units being offered.	On listing, the units of the scheme would be transferable. Transfers should be only in favour of transferees who are eligible for holding units under the Scheme. The AMC shall not be bound to recognise any other transfer. For effecting the transfer of Units held in electronic form, the Unitholders would be required to lodge delivery instructions for transfer of Units with the DP in requisite form as may be required from time to time and the transfer will be effected in accordance with such rules/ regulations as may be in force governing transfer of securities in dematerialized mode.
Roll Over	The Scheme may be rolled over in compliance with Regulation 33(4) of the SEBI (Mutual Funds) Regulations, 1996 and the period of roll over, if applicable, shall

be same as the original tenure of the Scheme.

The said Regulation prescribes that the Scheme may be allowed to be rolled over if the purpose, period and other terms of the roll over and all other material details of the Scheme including the likely composition of assets immediately before the roll over, the net assets and net asset value of the scheme, are disclosed to the unitholders and a copy of the same has been filed with SEBI.

Provided further that such roll over will be permitted only in case of those unitholders who express their consent in writing and the unitholders who do not opt for the roll over or have not given written consent shall be allowed to redeem their holdings in full at NAV based price.

## B. Ongoing Offer Details

<b>Ongoing Offer Period</b> This is the date from which the scheme will reopen for subscriptions/redemptions after the closure of the NFO period.	Being a close ended Scheme, Investors can subscribe to the Units of the Scheme during the New Fund Offer Period only and the scheme will not reopen for subscriptions after the closure of NFO.  Buying or selling of Units by investors can be made from the secondary market on the NSE. Units can be bought or sold like any other listed stock on the Exchange at market prices. The minimum number of Units that can be bought or sold on the Exchange is one unit. Investors can purchase Units at market prices, which may be at a premium/discount to the NAV of the Scheme depending upon the demand and supply of Units at NSE. All investors may buy/sell Units on NSE on all the trading days of NSE. The trading will be as per the normal settlement cycle.
<b>Ongoing price for purchase /sale</b>	Units cannot be subscribed after the closure of NFO.
<b>Minimum balance to be maintained and consequences of non maintenance</b>	Nil
<b>Accounts Statements</b>	<p>Pursuant to Regulation 36 of SEBI (Mutual Funds) Regulations, 1996 and amendments thereto read with SEBI Circular No. Cir/ IMD/ DF/16/ 2011 dated September 8, 2011, Investor whose transaction has been accepted by PMF, shall receive the following :-</p> <ul style="list-style-type: none"><li>(i) On acceptance of the application for subscription, an allotment confirmation specifying the number of units allotted will be sent by way of an email and/or SMS within 5 Business Days from the date of receipt of transaction request to the Unit holders' registered e-mail address and/or mobile number.</li><li>(ii) A ^Consolidated Account Statement (CAS) for each calendar month shall be sent to the Unit holder(s) in whose folio(s) **transaction (s) has/have taken place during the month on or before 10<sup>th</sup> of the succeeding month vide e-mail (where e-mail id has been provided)/physical copy (where e-mail id has not been provided).</li><li>(iii) For the purpose of sending CAS, common investors across Mutual Funds shall be identified by their Permanent Account Number(PAN).</li><li>(iv) In case of specific request received from the Unitholders, the AMC/PMF will provide the account statement for the Investors within 5 Business days from the receipt of such request.</li><li>(v) In case of Folio(s) having more than one registered Unitholder, the first named Unitholder shall receive the CAS/Account Statement.</li><li>(vi) The CAS shall not be sent to such Unit holders where the PAN details are not updated /provided in the folio(s).</li></ul> <p><b>Half Yearly Account Statement:</b></p> <p>^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 10<sup>th</sup> day of succeeding month, to all such Unit holders in whose folios no transactions** has taken place during that period.</p> <p>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.</p>

^ Consolidated Account Statement (CAS) shall contain 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 including transaction charges paid to the distributor.

\*\* 'Transaction' shall include Purchase, Redemption, Switch, Dividend Payout, Dividend Reinvestment, Systematic Investment Plan, Systematic Withdrawal Plan, Systematic Transfer Plan and Bonus Transactions.

**Account Statements for investors holding units of the scheme in demat accounts:**

Existing unitholder having an account statement who may wish to seek dematerialization of their Units, would have to submit a request with his/her Depository Participant by filing up the Dematerialisation Request Form (DRF) alongwith the account statement issued by the Fund. The same number of Units held in the physical mode shall be continued in the demat mode.

Account statement for transactions of demat units of the scheme in the market may be obtained from the depository participants with whom the investor holds the DP account.

**Redemption**

**Repurchase Procedure**

Being a close ended listed Scheme, the AMC shall not entertain requests for redemptions/switches subsequent to the closure of NFO and upto the date of Maturity.

Investors wishing to exit may do so through stock exchange.

On maturity of the Scheme/ Plan, the outstanding Units shall be redeemed at the NAV of the maturity date, subject to availability of relevant documents & details and proceeds will be paid to the Unitholders. In case the Units are held in physical form, the Unitholders need not surrender the Unit Certificate(s) for redemption on maturity of the respective Plan. The Unit Certificate(s) shall automatically stand cancelled on the maturity date and the redemption amount shall be paid to the Unitholders. For the units held in electronic form, the units will be extinguished with the depository. The redemption amount will be paid on the maturity date, at the prevailing NAV on that date. In case if the date of maturity of the scheme is a holiday / non business day, the deemed date will be the next business day. The maturity amount will be paid to the first named Unitholders whose names appear on the Register of Unitholders/Beneficiary position received from Depositories, at the prevailing NAV on that date.

**Redemption by NRI's/FIIs on maturity**

Credit balances in the account of an NRI/FII will be subject to any procedures laid down by the RBI. Such redemption proceeds on maturity will be paid by means of a rupee cheque payable to the designated NRE/NRO account of the unitholder or by a US dollar (or any other currency) draft drawn at the exchange rates prevailing at that time and subject to RBI procedures and approvals and subject to deduction of tax at source, as applicable. All bank charges in connection with such payment will have to be borne by the unitholder and/or the Scheme by way of ongoing expenses.

The Fund will not be liable for any delays or for any loss on account of exchange fluctuations, while converting the rupee amount in US Dollar or any other currency.

**Payment of Redemption Proceeds on maturity**

As per the SEBI Regulations, the Fund shall mail the redemption proceeds on maturity within ten Business Days. In the event of failure to dispatch the redemption proceeds within the statutory period specified above as per the SEBI Regulations, the AMC shall be liable to pay interest to the unitholders at such rate (currently 15% per annum) as may be specified by SEBI for the period of such delay.

**Electronic Credit Clearing Services (ECS)/National Electronic Funds Transfer (NEFT) - Identified Banks**

ECS/NEFT is a facility offered by RBI for facilitating better customer service by direct credit of dividend or repurchase amount to a unitholder's bank account through electronic credit. This helps in avoiding loss of dividend or repurchase warrant in transit or fraudulent encashment. The Fund will endeavour to arrange such facility for payment of dividend/redemption proceeds to the unitholders. However, this facility is optional for the unitholders. Redemption proceeds on maturity may be released through the ECS /NEFT facility to unitholders residing in any of the cities where such a facility is available. In order to avail the above facility, the unitholder will have to give a written request to the Registrar. If the unitholder has opted for the ECS/NEFT facility his/her bank branch will directly credit the amount due to them in their account whenever the payment is through ECS/NEFT. The Registrar will send a separate advice to the unitholder informing them of the direct credit.

It may be noted that there is no commitment from the Fund that this facility will be made available to the unitholders for payment of dividend/redemption proceeds. While the Fund will endeavour in arranging the facility it will be dependent on various factors including sufficient demand for the facility from unitholders at any centre, as required by the authorities. In places where such a facility is not available or if the facility is discontinued by the Fund for any reason the redemption warrants will be mailed to the unitholder.

**Unitholder's Bank Account Details**

Unitholders are on a mandatory basis required to mention their bank account details in their applications/requests for redemption. Redemption Cheques and/or any other instruments will then be made out in favour of the Bank for crediting the respective unitholder's account so specified.

The normal processing time may not be applicable in situations where such details are not provided by unitholders. The AMC will not be responsible for any loss arising out of fraudulent encashment of cheques and delay/loss in transit.

**Closure of Unitholder's Account**

Unitholders may note that the AMC at its sole discretion may close a unitholder's account after giving notice of 45 days where the units are held by a unitholder in breach of any Regulation.

**Restriction on Third Party Payments for subscription of Mutual Fund Units and**

**Third Party Payments for subscription of Units**

Applications for subscription shall not be accepted when accompanied with \*Third

## Registration of Multiple Bank Accounts

Party payments, except in the following 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 R50,000/- (each regular purchase or per SIP installment). However, this limit of R 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 Plan(s) or Lumpsum/One time subscription through Payroll deductions;
- Custodian on behalf of 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 stated above, following 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 (Guardian in case of Minor) 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(s). (Declaration Format shall be available at any of our Investor Service Centre or on [www.principalindia.com](http://www.principalindia.com))

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). Investor shall also have the facility to register multiple bank accounts as detailed in the section 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 and name of the Investor as on account holder are available OR copy of pass book/bank statement evidencing the debit for issuance of a DD, shall also be accepted by the Mutual Fund.

b) **Demand Draft/Pay Order, Banker's Cheque 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 such instance, 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 “XYZ Scheme A/c. First Investor Name” OR “XYZ Scheme A/c. Permanent Account Number” OR “XYZ Scheme A/c. Folio Number”.

#### **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 in case of Change of Bank Account along with Redemption application submitted by the Investor, the redemption proceeds shall be credited to

	the said bank account only if it is a registered bank account in the records of R&T.
<b>Delay in payment of redemption proceeds</b>	The Asset Management Company shall be liable to pay interest to the unitholders at such rate as may be specified by SEBI for the period of such delay (presently @ 15% per annum)

### C. PERIODIC DISCLOSURES

<p><b>Net Asset Value</b></p> <p>This is the value per unit of the scheme on a particular day. You can ascertain the value of your investments by multiplying the NAV with your unit balance.</p>	<p>The Mutual Fund shall declare the Net asset value of the scheme on every business day on AMFI's website <a href="http://www.amfiindia.com">www.amfiindia.com</a> by 9.00 p.m. (<i>time limit for uploading NAV as per applicable guidelines</i>) and also on website of Principal Mutual Fund i.e. <a href="http://www.principalindia.com">www.principalindia.com</a> and shall release the NAV for publication in two newspapers.</p> <p>In case of delay, the reasons for such delay would be explained to AMFI in writing. NAVs would however be made available before commencement of business hours of the following business day, failing which a press release explaining the material reasons for non-availability would be released. In the event NAV cannot be calculated and/or published because of suspension of trading on the BSE/NSE/RBI, during the existence of a state of emergency and/or a breakdown in communications, the AMC may suspend calculation and/or publication of NAV etc. of the units.</p>
<b>Monthly Portfolio Disclosures</b>	The Fund shall on a monthly basis disclose portfolio (along with ISIN) as on the last day of the month for the Scheme on its website <a href="http://www.principalindia.com">www.principalindia.com</a> , on or before the tenth day of the succeeding month in a user friendly and downloadable format (preferably in a spread sheet).
<p><b>Half yearly Disclosures: Portfolio / Financial Results</b></p> <p>This is a list of securities where the corpus of the scheme is currently invested. The market value of these investments is also stated in portfolio disclosures advertisement.</p>	<p>The mutual fund shall publish a complete statement of the scheme portfolio and the unaudited financial results, within one month from the close of each half year (i.e. 31st March and 30th, September) by way of an advertisement at least, in one National English daily and one regional newspaper in the language of the region where the head office of the mutual fund is located.</p> <p>The mutual fund may opt to send the portfolio statement to all unit holders in lieu of the advertisement referred above.</p>
<b>Half Yearly Results</b>	The fund shall before the expiry of one month from the close of each half year that is on 31 <sup>st</sup> March and on 30th September, publish its unaudited financial results in one national English daily newspaper and in a regional newspaper published in the language of the region where the Head Office of the mutual fund is situated. These shall also be displayed on the website of the Mutual Fund and that of AMFI
<b>Annual Report</b>	<p>A link to Annual Report or Abridged Summary of the Annual Report will be available on AMC's website <a href="http://www.principalindia.com">www.principalindia.com</a> and a link in this regard shall also be available on the website of AMFI i.e. <a href="http://www.amfiindia.com">www.amfiindia.com</a>. Annual Report / Abridged Annual Report shall be sent by way of an e-mail link to the Investor's registered e-mail address or physical copies (if investor's e-mail address is not registered), not later than four months after the close of each financial year.</p> <p>Such Unitholders who have mentioned their e-mail address will receive the Annual Report/Abridged Summary of Annual Report only by e-mail and not in physical copy. However, Investors who have mentioned their e-mail address but</p>

still wish to receive physical copy of the Annual Report, may do so by submitting written request at any of our OPT.

Physical Copy(ies) of Annual Report will be available for inspection at the Registered Offices of the AMC at all times.

**Associate Transactions**

Please refer to Statement of Additional Information (SAI).

**Taxation**

This is provided for general information only. However, in view of the individual nature of the implications, each investor is advised to consult his or her own tax advisors/authorised dealers with respect to the specific amount of tax and other implications arising out of his or her participation in the schemes

Particulars	Resident investors	Mutual Funds
Tax on Dividend	Nil, in the hands of the investors	<p><b>Dividend Distribution Tax ('DDT')</b></p> <p><b>Individual &amp; HUF</b> 28.325% (25% plus 10% surcharge plus 3% education cess - from 1.6.2013 to 31.3.2014)</p> <p>14.1625% (12.50% plus 10% surcharge plus 3% education cess - from 1.4.2013 to 31.5.2013)</p> <p><b>Other than Individual &amp; HUF</b> 33.99% (30% plus 10% surcharge plus 3% education cess)</p>
<p><b>Capital Gain<sup>1</sup>:</b></p> <p>Long Term</p> <p>Short Term</p>	<p>10% * (without indexation) 20% * (with indexation)</p> <p>Individual/HUF/AOP/BOI – Taxable as per the applicable slab rates*</p> <p>Companies/Firms – 30%*</p>	<p>Nil</p> <p>Nil</p>

<sup>1</sup>Investors may be subject to Minimum Alternate Tax / Alternate Minimum Tax under section 115JB of the Act / Section 115JC of the Act respectively.

\* Plus applicable surcharge; and education cess at the rate of 2% on income-tax and surcharge and secondary and higher education cess at the rate of 1% on income-tax and surcharge. For rates of surcharge, please refer to the clause on Taxation in the SAI.

	Note: The rates given above are as per the Finance Act, 2013 and applicable for the Financial year 2013-14. The actual tax rates as applicable in the year / at the time of transaction will apply. Investors are advised to consult their tax advisers with respect to applicability of tax rates / other tax related provisions at the time of transaction in the Scheme during the NFO or thereafter.
<b>Investor services</b>	For any enquiries and/or queries or complaints in respect of any terms and conditions of/investments in this Scheme, the investors are advised to address a suitable communication to AMC and marked to the attention of Head Customer Services - Mr. Hariharan Iyer at <a href="mailto:customer@principalindia.com">customer@principalindia.com</a> . Written communications may also be forwarded to Principal Mutual Fund at Exchange Plaza, Ground Floor, B Wing, NSE Building, Bandra Kurla Complex, Bandra(East), Mumbai – 400 051, India and/or alternatively faxed at +91 22 67720512.  Our Customer Service Executives can also be reached at the following Toll Free No. - 1800 425 5600.

### C. COMPUTATION OF NAV

The NAV of the Scheme for each option at any time shall be determined by dividing the net assets of the Scheme by the number of outstanding units on the valuation date.

The NAV of the Scheme will be calculated on a daily basis as shown below:

$\text{NAV per unit} = \frac{\text{(Market / Fair Value of Securities + Accrued Income + Receivables + other assets - Accrued Expenses - payables-other liabilities)}}{\text{No. of units outstanding of the Scheme / Option}}$
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The NAV will be calculated up to four decimals. The NAVs will be declared on every Business Day by 9.00 p.m.

The computation of Net Asset Value, valuation of assets, computation of applicable Net Asset Value (related price) for repurchase, switch and their frequency of disclosure shall be based upon a formula in accordance with the Regulations and as amended from time to time including by way of Circulars, Press Releases, or Notifications issued by SEBI or the Government of India to regulate the activities and growth of Mutual Funds.

The dividend paid on units under the Dividend Option of the Fund shall be deducted in computing the NAV of the units under the Dividend Option, each time a dividend is declared and till it is distributed. Consequently, once the dividend is distributed, the NAV of the units will always remain lower than the NAV of the units under the Growth Option. The income earned and profits realized attributable to the units under the Growth Option shall remain invested and shall be deemed to have remained invested in the Growth Option (exclusive of the units under the Dividend Option) and would be reflected in the NAV of the units under the Growth Option.

The valuation of the Scheme's assets and calculation of the Scheme's NAV shall be subject to audit on an annual basis and such regulations as may be prescribed by SEBI from time to time.

The first NAV will be calculated and announced within a period of 5 business days after the close of the NFO Period. Subsequently, the NAV shall be calculated on all Business Days and released for publication in at least two daily newspapers having circulation all over India.

## SECTION V: FEES AND EXPENSES

This section outlines the expenses that will be charged to the schemes.

### A. NEW FUND OFFER (NFO) EXPENSES

These expenses are incurred for the purpose of various activities related to the NFO like sales and distribution fees paid marketing and advertising, registrar expenses, printing and stationary, bank charges etc. The entire new fund offer expenses of the said scheme shall be borne by the AMC.

### B. ANNUAL SCHEME RECURRING EXPENSES

These are the fees and expenses for operating the scheme. These expenses include Investment Management and Advisory Fee charged by the AMC, Registrar and Transfer Agents' fee, marketing and selling costs etc. as given in the table below:

The AMC has estimated the following percentage of the daily net assets of the scheme will be charged to the scheme as expenses. For the actual current expenses being charged, the investor should refer to the website of the mutual fund.

Nature of Expenses**	% of Daily net assets**
Investment Management and Advisory Fees	Upto 2.25%
Trustee Fees	
Audit Fees	
Custodian Fees	
RTA Fees	
Marketing & Selling Expense (including Agents 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 for cash market trades	
Service tax on expenses other than investment and advisory fees	
Service tax on brokerage and transaction cost	
Other Expenses	
Maximum total expense ratio (TER) permissible under Regulation 52 (6) (c) (i) and (6) (a)	<b>Upto 2.25%</b>
Additional expenses under regulation 52 (6A) (c)	Upto 0.20%
Additional expenses for gross new inflows from specified cities	Upto 0.30%

\*\*Further, Direct Plan shall have a lower expense ratio excluding distribution expenses, commission, etc. as compared to Regular Plan and no commission will be paid / charged under Direct Plan. At least 10% of the TER is charged towards distribution expenses/ commission in the Regular Plan. The TER of the Direct Plan will be lower to the extent of the abovementioned distribution expenses/ commission (at least 10%) which is charged in the Regular Plan.

These estimates have been made in good faith by the AMC 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. Any expense other than those specified in the SEBI Regulations shall be borne by the AMC and/ or the Sponsors and/or Trust. 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.

As per Regulation 52(6) of SEBI(Mutual Funds) Regulations, 1996, the maximum recurring expenses including the investment management and advisory fee that can be charged to the Scheme shall be subject to a percentage limit of Daily net assets as given in the table below.

Daily Net Assets	%
On first R100 crores	2.25%
On the next R 300 Crores	2.00%
On the next R 300 Crores	1.75%
On the balance of assets	1.50%

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(s) -

- (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. Further, in accordance with SEBI circular no. CIR/IMD/DF/24/2012 dated November 19, 2012, the brokerage and transaction costs incurred for the execution of trades will be capitalized to the extent of 0.12% of the value of the trades in case of cash market transactions. Any payment towards brokerage and transaction costs(including service tax, if any incurred) for the execution of trades over and the said 0.12% of the cash market transactions may be charged to the scheme within the maximum limit of Total Expense Ratio as prescribed under Regulation 52 of the SEBI(MF) Regulations. Any expenditure in excess of the said prescribed limit (including brokerage and transaction cost. if any) shall be borne by the AMC or by the Trustee or Sponsor.
- (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.

- (c) Additional expenses incurred towards different heads mentioned under sub-regulation 52(2) & 52(4) of the Regulation not exceeding 0.20% of the daily net assets of the scheme.
- (d) Service tax on Investment and Advisory fees.

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 -

- (a) Service tax on expenses other than investment and advisory fees, if any;
- (b) Service 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.

Principal Pnb Asset Management Company Private Limited (PAMC) may charge the Scheme(s) with Investment and Advisory Fees which shall be within the limits of total expenses prescribed under Regulation 52.

Any expenditure in excess of the limits specified in the SEBI Regulations shall be borne by the AMC and /or by the Sponsor and/or Trust.

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.

### C. LOAD STRUCTURE & TRANSACTION CHARGES

Load is an amount which is paid by the investor to subscribe to the units or to redeem the units from the scheme. This amount is used by the AMC to pay commissions to the distributor and to take care of other marketing and selling expenses. Load amounts are variable and are subject to change from time to time. For the current applicable structure, please refer to the website of the AMC [www.principalindia.com](http://www.principalindia.com) or may call at (toll free no.) or your distributor.

Type of Load : Load Chargeable (As a %age of NAV)	
Entry Load	Not Applicable  Pursuant to SEBI circular no. SEBI/IMD/CIR No.4/ 168230/09 dated June 30, 2009, no entry load will be charged by the Scheme to the investor. The upfront commission on investment made by the investor, if any, shall be paid to the ARN Holder (AMFI registered Distributor) directly by the investor, based on the investor's assessment of various factors including service rendered by the ARN Holder.
Exit Load	Not Applicable  Since the Scheme is a close ended listed Scheme, the Units cannot be redeemed upto the maturity of the Scheme.

#### Transaction Charges –

In accordance with SEBI Circular No. Cir/ IMD/ DF/13/ 2011 dated August 22, 2011, Principal Pnb Asset Management Company Private Limited (PAMC) /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.

Further, in accordance with SEBI CIR/IMD/DF/21/2012 dated September 13, 2012, the Distributors/Agents shall have the option to either opt-in or opt-out of levying transaction charges based on type of product.

#### (iii) Transaction charges shall not be deducted for:

- purchases /subscriptions for an amount less than ₹ 10,000/-;
- 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.;
- purchases/subscriptions made directly with the Fund (i.e. not through any Distributor/Agent);
- 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.

Further, in accordance with SEBI Circular No. SEBI/IMD/CIR/No.4/168230/09 dated June 30, 2009, upfront commission to Distributors/Agents shall continue to 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.



## SECTION VI. RIGHTS OF UNITHOLDERS

Please refer to Statement of Additional Information for details.

## SECTION VII. PENALTIES, PENDING LITIGATION OR PROCEEDINGS, FINDINGS OF INSPECTIONS OR INVESTIGATIONS FOR WHICH ACTION MAY HAVE BEEN TAKEN OR IS IN THE PROCESS OF BEING TAKEN BY ANY REGULATORY AUTHORITY.

*This section shall contain the details of penalties, pending litigation, and action taken by SEBI and other regulatory and Govt. Agencies.*

1	Penalties and action(s) taken against foreign Sponsor(s) may be limited to the jurisdiction of the country where the principal activities (in terms of income / revenue) of the Sponsor(s) are carried out or where the headquarters of the Sponsor(s) is situated. Further, only top 10 monetary penalties during the last three years shall be disclosed.	Nil
2	In case of Indian Sponsor(s), details of all monetary penalties imposed and/ or action taken during the last three years or pending with any financial regulatory body or governmental authority, against Sponsor(s) and/ or the AMC and/ or the Board of Trustees /Trustee Company; for irregularities or for violations in the financial services sector, or for defaults with respect to shareholders or debenture holders and depositors, or for economic offences, or for violation of securities law. Details of settlement, if any, arrived at with the aforesaid authorities during the last three years shall also be disclosed.	Nil
3	Details of all enforcement actions taken by SEBI in the last three years and/ or pending with SEBI for the violation of SEBI Act, 1992 and Rules and Regulations framed there under including debarment and/ or suspension and/ or cancellation and/ or imposition of monetary penalty/adjudication/enquiry proceedings, if any, to which the Sponsor(s) and/ or the AMC and/ or the Board of Trustees /Trustee Company and/ or any of the directors and/ or key personnel (especially the fund managers) of the AMC and Trustee Company were/ are a party. The details of the violation shall also be disclosed.	SEBI in January 2013 had initiated adjudicating proceedings against the Principal Mutual Fund, Principal Pnb Asset Management Company Private Limited (“AMC”) and Principal Trustee Company Private Limited (“Trustee”) to enquire and adjudge the alleged violations of Clause 5 under Schedule II of SEBI Circular no. SEBI/IMD/Cir no.11/78450/06 dated October 11, 2006 and SEBI Circular no. SEBI/IMD/CIR No. 6/98057/07 dated July 05, 2007. The adjudicating officer vide its order dated September 26, 2013 levied a penalty of Rs. 10 lakh each on the AMC and Trustee, respectively under section 15D(b) of the SEBI Act.
4	Any pending material civil or criminal litigation incidental to the business of the Mutual Fund to which the Sponsor(s) and/ or the AMC and/ or the Board of Trustees /Trustee Company and/ or any of the directors and/ or key personnel are a party should also be disclosed separately.	*As mentioned below
5	Any deficiency in the systems and operations of the Sponsor(s) and/ or the	Nil

AMC and/ or the Board of Trustees/Trustee Company which SEBI has specifically advised to be disclosed in the SID, or which has been notified by any other regulatory agency, shall be disclosed.
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\* There is a legal case pending against Mr. Rajat Jain, Chief Investment Officer of Principal Pnb Asset Management Company Pvt. Ltd. in the “Court of Sessions of Greater Bombay”. The case was filed at the instance of CBI, Economic Offences Wing, Mumbai pertaining to a matter alleged during Mr. Jain’s previous employment with SBI Mutual Fund, prior to his joining Principal Pnb Asset Management Company Pvt. Ltd. The case pertains to the purchase of certain shares at SBI Mutual Fund where Mr. Rajat Jain was, at that time, Chief Investment Officer.

**Notwithstanding anything contained in this Scheme Information Document, the provisions of the SEBI (Mutual Funds) Regulations, 1996 and the guidelines there under shall be applicable.**

**Note:** The Scheme under this Scheme Information Document was approved by the Board of Directors of Principal Trustee Company Private Limited vide their resolution dated April 9, 2012. In-principle approval has been obtained from National Stock Exchange (NSE) for Series B16 vide its letter no. NSE/LIST/227283-A dated January 13, 2014.

#### **Offices of AMC Identified as Official Point of Acceptance / Investor Service Centres**

##### **Principal Pnb Asset Management Company Private Limited - OPA & ISC:**

**Mumbai:** Exchange Plaza, ‘B’ wing, Ground Floor, NSE Building, Bandra Kurla Complex, Bandra (East), Mumbai-400 051

##### **Centres of Karvy Computershare Private Limited (R&T to Principal Mutual Fund) which have been identified as Official Point of Acceptance:**

**Agra:** Deepak Wasan Plaza, Behind Holiday Inn, Opp. Megdoot Furnitures, Sanjay Place, Agra-282 002 • **Ahmedabad:** 201, Shail Building, Opp. Madhusudhan House, Nr. Navrangpura Telephone Exchange, Navrangpura, Ahmedabad-380 006 • **Ajmer:** 1-2, II Floor, Ajmer Tower, Kutchary Road, Ajmer-305 001 • **Aligarh:** 1st Floor, Kumar Plaza, Aligarh-202 001 • **Allahabad:** RSA Towers, 2nd Floor, Above Sony TV Showroom, 57, S.P. Marg, Civil Lines, Allahabad-211 001 • **Amritsar:** 72-A, Taylor’s Road, Aga Heritage Gandhi Ground, Amritsar-143 001 • **Anand:** F-6, Chitrangana Complex, Opp. Motikaka Chawl, V.V. Nagar, Anand-388 001 • **Asansol:** 114 / 71, G.T. Road, Near Sony Centre, Bhanga Pachil, Asansol-713 303 • **Aurangabad:** Ramkunj, Railway Station Road, Near Osmanpura Circle, Aurangabad-431 005 • **Bangalore:** No. 51/25, 1st Floor, Surya Building, Ratna Avenue, Richmond Road, Bangalore-560 025 • **Bankura:** Ambika Market, Natunganj, Bankura-722 101 • **Bareilly:** 1st Floor, 165, Civil Lines, Opp. Hotel Bareilly Palace, Near Rly. Station Road, Bareilly-243 001 • **Baroda:** SB-4&5, Mangaldeep Complex, Opp. Mesonic Hall, Productivity Road, Alkapuri, Vadodara-390 007 • **Belgaum:** CTS No. 3939/ A2 A1, Above Raymonds Show Room, Beside Harsha Appliances, Club Road, Belgaum-590 001 • **Bharuch:** 147-148, Aditya Complex, Near Kasak Circle, Bharuch-392 002 • **Bhatinda:** #2047- A, 2nd Floor, Above Max New York Life Insurance, The Mall Road, Bhatinda-151 001 • **Bhavnagar:** Surabhi Mall, 301, 3rd Floor, Waghawadi Road, Bhavnagar-364 001 • **Bhilai:** Shop No. 1, First Floor, Plot No. 1, Old Sada Office Block, Commercial Complex, Nehru Nagar- East, Bhilai-490 020 • **Bhopal:** Kay Kay Busniss Centre, 133, Zone I, M.P. Nagar, Bhopal-462 011 • **Bhubaneswar:** 2nd & 3rd Floor, Janardan House, A-181, Saheed Nagar, Bhubaneswar-751 007 • **Bikaner:** 2nd Floor, Plot No 70 & 71, Panchshati Circle, Sardul Gunj Scheme, Bikaner-334 003 • **Bokaro:** B-1, 1st Floor, Near Sona Chandi Jewellers, City Centre, Sector - 4, Bokaro-827 004 • **Burdwan:** 63, G.T. Road, Birhata, Halder Complex, 1st Floor, Burdwan-713 101 • **Calicut:** Sowbhagya Shopping Complex, Areyadathupalam, Mavoor Road, Calicut-673 004 • **Chandigarh:** SCO 371-372, 1st Floor, Above HDFC Bank, Sector 35-B, Chandigarh-160 022 • **Chennai:** Flat No F-11, 1st Floor, Akshya Plaza, (Erstwhile Harris Road), Opp. Chief City Metropolitan Court, # 108, Adhithanar Salai, Egmore, Chennai-600 002 • **Cochin:** Building Nos. 39, Ali Arcade, 1st Floor, Near Atlantis Junction, Kizhvana Road, Panampili Nagar, Cochin-682 036 • **Coimbatore:** 3rd Floor, 1056/1057, Jaya Enclave, Avanashi Road, Coimbatore-641 018 • **Cuttack:** Dargha Bazar, Opp. Dargha Bazar Police Station, Buxibazar, Cuttack-753 001 • **Dehradun:** Kaulagarh Road, Near Sirmour Marg, Above Reliance Webworld, Dehradun-248 001 • **Dhanbad:** 208, New Market, 2nd Floor, Katras Road, Bank More, Dhanbad-826 001 • **Durgapur:** MWAV-16 Bengal Ambuja, 2nd Floor, City Centre, Durgapur-713 216 • **Erode:** No. 4, KMY Salai, Veerappan Traders Complex, Opp. Erode Bus Stand, Sathy Road, Erode-638 003 • **Faridabad:** A-2B, 1st Floor, Nehru Ground, Neelam Bata Road, Nit, Faridabad-121 001 •

**Ghaziabad:** 1st Floor, C-7, Lohia Nagar, Ghaziabad-201 001 • **Gorakhpur:** Above V.I.P. House, Ajdacent A.D. Girls Inter College, Bank Road, Gorakpur-273 001 • **Gurgaon:** Shop No. 18, Gr. Floor, Sector - 14, Opp. AKD Tower, Near Huda Office, Gurgaon-122 001 • **Guwahati:** 54 Sagarika Bhawan, R.G. Baruah Road, (AIDC Bus Stop), Guwahati-781 024 • **Gwalior:** 2<sup>nd</sup> Floor, Rajeev Plaza, Jayendra Ganj, Lashkar, Gwalior-474 009 • **Hubli:** 22 & 23, 3rd Floor, Eureka Junction, T.B. Road, Hubli-580 029. • **Hyderabad:** 8-2-596 Karvy Plaza, Avenue 4, Street No.1, Banjara Hills, Hyderabad-500 034. • **Indore:** 2<sup>nd</sup> Floor, 203-205, Balaji Corporates, Above ICICI Bank, 19/1 New Palasia, Indore-452 001 • **Jabalpur:** 43, Naya Bazar, Opp. Shyam Talkies, Jabalpur-482 001 • **Jaipur:** S-16 A, 3rd Floor, Land Mark, Opp. Jaipur Club, Mahavir Marg, C-Scheme, Jaipur-302 001 • **Jalandhar:** Lower Ground Floor, Office No. 3, Arora Prime Tower, Plot No. 28, G.T. Road, Jalandhar-144 004 • **Jalgaon:** 148 Navi Peth, Opp. Vijaya Bank, Near Bharat Dudhalay, Jalgaon-425 001 • **Jammu:** 5 A/D Second Extn., Opp. Panama Chowk Petrol Pump, Gandhi Nagar, Jammu-180 012 • **Jamnagar:** 108 Madhav Plaza, Opp. SBI Bank, Near Lal Bangalow, Jamnagar-361 001 • **Jamshedpur:** Kanchan Tower, 3rd Floor, Chhaganlal Dayalji & Sons, 3-S B Shop Area, Main Road, Bistupur, Jamshedpur-831 001 • **Jodhpur:** 203, Modi Arcade, Chupasni Road, Jodhpur-342 001 • **Junagadh:** 124/125, Punit Shopping Center, Ranavat Chowk, Junagadh, Gujarat-362 001 • **Kanpur:** 15/46, Ground Floor, Opp. Muir Mills, Civil Lines, Kanpur-208 001 • **Kolhapur:** 605/1/4, E Ward, Near Sultane Chambers, Shahupuri 2nd Lane, Kolhapur-416 001 • **Kolkata:** 166A, Rashbehari Avenue, 2nd Floor, Near Adi Dhakerhwari Bastralaya, Opp. Fortis Hospital, Kolkata-700 029 • **Kota:** H.No. 29, First Floor, Near Lala Lajpat Rai Circle, Shopping Centre, Kota-324 007 • **Kottayam:** 1st Floor, CSI Ascension Church Complex, Kottayam-686 001 • **Lucknow:** Usha Sadan, 24, Prem Nagar, Ashok Marg, Lucknow-226 001 • **Ludhiana:** SCO-136, 1st Floor, Above Airtel Show Room, Feroze Gandhi Market, Ludhiana-141 001 • **Madurai:** Rakesh Towers, 30-C, Bye Pass Road, 1st Floor, Opp. Nagappa Motors, Madurai-625 010 • **Malda:** Sahistuli Under Ward, No-6, English Bazar Municipality, No-1 Govt. Colony, Malda-732 101 • **Mangalore:** Gr. Floor, Mahendra Arcade, Kodial Bail, Mangalore-575 003 • **Meerut:** 1st Floor, Medi Centre Complex, Opp. ICICI Bank, Hapur Road, Meerut-250 002 • **Mehsana:** Ul-47, Appolo Enclave, Opp. Simandhar Temple, Modhera Char Rasta, Highway, Mehsana-384 002 • **Moradabad:** Om Arcade, Parker Road, Above Syndicate Bank, Tari Khana Chowk, Moradabad-244 001 • **Mumbai:** **Fort:** Office No. 01/04, 24/B, Raja Bahadur Compound, Ambalal Doshi Marg, Behind Bombay Stock Exchange, Fort, Mumbai-400 001 • **Thane:** Yashwant Tower, 101, 1st Floor, Opp. Puja Hotel, Ram Maruti Road, Navpada, Thane-400 602 • **Borivali:** Gr. Floor, Himanshu Bldg., Sodawala Lane, Chandawarkar Road, Borivali (West), Mumbai-400 092 • **Muzaffarpur:** 1st Floor, Uma Market, Near Thana Gumti, Motijheel, Muzaffarpur, Bihar-842 001 • **Mysore:** L - 350, Silver Tower, Clock Tower, Ashoka Road, Mysore-570 001 • **Nadiad:** 105 GF City Point, Near Paras Cinema, Nadiad-387 001 • **Nagpur:** Plot No.2/1, House No. 102/1, Mangaldeep Apartment, Mata Mandir Road, Opp. Khandelwal Jewellers, Dharampeth, Nagpur-440 010 • **Nasik:** S-12, Second Floor, Suyojit Sankul, Sharanpur Road, Nasik-422 002 • **Navsari:** 1st Floor, Chinmay Arcade, Opp. Sattapir, Tower Road, Navsari-396 445 • **New Delhi:** 305, 3rd Floor, New Delhi House, Bara Khamba Road, Connaught Place, New Delhi-110 001 • **Noida:** 307 Jaipuria Plaza, D-68-A, 2nd Floor, Opp. Delhi Public School, Sector 26, Noida-201 301 • **Panipat:** 1st Floor, Krishna Tower, Near HDFC Bank, Opp. Railway Road, G.T. Road, Panipat-132 103 • **Panjim:** City Business Centre, Coelho Pereira Building, Room Nos.18,19 & 20, Dada Vaidya Road, Panjim-403 001 • **Patiala:** SCO 27 D, Chhoti Baradari, Patiala-147 001 • **Patna:** 3A, 3rd Floor, Anand tower, Beside Chankya Cinema Hall, Exhibition Road, Patna-800 001 • **Pondicherry:** 1st Floor, No.7, Thiayagaraja Street, Pondicherry-605 001 • **Pune:** Shop No. 16, 17 & 18, Ground Floor, Sreenath Plaza, Dyaneshwar Paduka Chowk, F.C. Road, Pune-411 004 • **Raipur:** Room No. TF-31, 3rd Floor, Millennium Plaza, Behind Indian Coffee House, G.E. Road, Raipur-492 001 • **Rajkot:** 104, Siddhi Vinayak Complex, Dr. Yagnik Road, Opp. Ramkrishna Ashram, Rajkot-360 001 • **Ranchi:** Room No. 307, 3rd Floor, Commerce Towers, Beside Mahabir Towers, Main Road, Ranchi-834 001 • **Rourkela:** 1st Floor, Sandhu Complex, Kanchery Road, Udit Nagar, Rourkela-769 012 • **Salem:** Door No. 40, Brindavan Road, Near Perumal Koil, Fairlands, Salem-636 016 • **Shillong:** Mani Bhawan, Thana Road, Lower Police Bazar, Shillong-793 001 • **Shimla:** Triveni Building, By Pas Chowk, Khallini, Shimla-171 002 • **Siliguri:** Nanak Complex, Near Church Road, Sevoke Road, Siliguri-734 001 • **Surat:** G-6, Empire State Building, Near Parag House, Udhna Darwaja, Ring Road, Surat-395 002 • **Tirunelveli:** Jeney Building, 55/18, S.N. Road, Near Arvind Eye Hospital, Tirunelveli-627 001 • **Trichur:** 2nd Floor, Brother's Complex, Near Dhana Laxmi Bank Head Office, Naikkanal Junction, Trichur-680 001 • **Trichy:** Sri Krishna Arcade, 1st Floor, 60, Thennur High Road, Trichy-620 017 • **Trivandrum:** 2nd Floor, Akshaya Towers, Above Jetairways, Sasthamangalam, Trivandrum-695 010 • **Udaipur:** 201-202, Madhav Chambers, Opp. G.P.O, Chetak Circle, Madhuban, Udaipur-313 001 • **Valsad:** Shop No 2, Phiroza Corner, Opp. Next Showroom, Tithal Road, Valsad-396 001 • **Vapi:** Shop No 5, Pikhaji Residency, Opp. DCB Bank, Vapi Silvassa Road, Vapi-396 195 • **Varanasi:** D-64/132, KA, 1st Floor, Anant Complex, Sigra, Varanasi-221 010 • **Vellore:** No.1, M.N.R. Arcade, Officer's Line, Krishna Nagar, Vellore-632 001 • **Vijayawada:** 39-10-7, Opp. Municipal Water Tank, Labbipet, Vijayawada-520 010 • **Visakhapatnam:** 47-14-5/1,

Eswar Paradise, Dwaraka Nagar, Main Road, Visakhapatnam-530 016 • **Warangal:** 5-6-95, 1st Floor, Opp. B.Ed. Collage, Lashkar Bazar, Chandra Complex, Hanmakonda, Warangal-506 001.

*In addition to above, for all the Schemes, Eligible Brokers/Clearing Members/Depository Participants as defined in the SID will be considered as the Official Point of Acceptance for the transactions preferred through the MFSS.*

#### **List of Self Certified Syndicate Banks (SCSBs) under the ASBA process**

1. Axis Bank Ltd 2. State Bank of Hyderabad 3. State Bank of Travencore 4. IDBI Bank Ltd. 5. State Bank of Bikaner and Jaipur 6. YES Bank Ltd. 7. Punjab National Bank 8. Deutsche Bank 9. Union Bank of India 10. HDFC Bank Ltd. 11. ICICI Bank Ltd 12. Vijaya Bank 13. State Bank of India 14. HSBC Ltd. 15. Kotak Mahindra Bank Ltd. 16. CITI Bank 17. IndusInd Bank 18. Allahabad Bank 19. Karur Vysya Bank Ltd. 20. Oriental Bank of Commerce 21. Standard Chartered Bank 22. J P Morgan Chase Bank, N.A. 23. Nutan Nagarik Sahakari Bank Ltd. 24. Canara Bank 25. United Bank of India 26. Indian Overseas Bank 27. Tamilnad Mercantile Bank Ltd. 28. BNP Paribas 29. The Kalupur Commercial Co - Operative Bank Ltd. 30. Bank of America N.A. 31. The Lakshmi Vilas Bank Ltd. 32. State Bank of Mysore 33. Dena Bank 34. The Saraswat Co-operative Bank Ltd. 35. The Surat Peoples Co-op Bank 36. Dhanlaxmi Bank Ltd

For the complete list of controlling / designated branches of above mentioned SCSBs, please refer to the websites of SEBI, BSE and NSE at [www.sebi.gov.in](http://www.sebi.gov.in), [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com)

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#### ***Name, Address and Website of Registrar:***

**Karvy Computershare Pvt. Ltd. (Unit: Principal Mutual Fund), 'Madhura Estates', Municipal No.1-9/13/C, Plot No.13 & 13-C, Survey No.74 & 75, Madhapur Village, Ranga Reddy District, Hyderabad-500 081.**

• Tel.: (040) 2331 2454. • [www.karvycomputershare.com](http://www.karvycomputershare.com)

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