



Get Bigger Together

First large cap fund investing in top companies from India & US



Available with following facilities

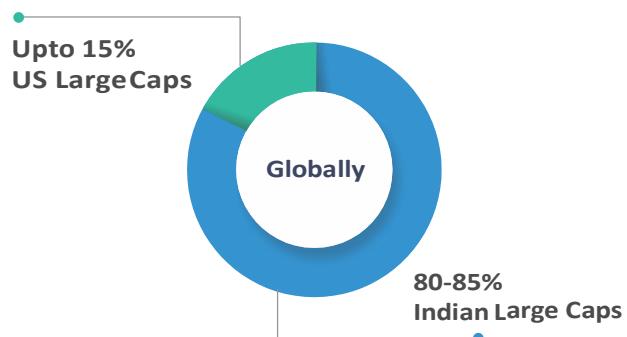
SMART | **MY GAIN**
 Aims to protect against sharp fall in market | Shifts appreciated amount to another fund

Presenting Principal Large Cap Fund

An open ended equity scheme predominantly investing in large cap stocks

NFO Period:
28th Sep, 2020 - 12th Oct, 2020

Large cap companies* are generally the market leaders backed by a legacy of successful business model over a period of time. With Principal Large cap Fund, you get a chance to invest in quality companies not just from India, which is one of the fastest developing economy but also some of the USA's reputed brands that have global presence. So, with single investment, you can own some top domestic and global brands.



Why invest in Principal Large Cap Fund?

- 1 First Large Cap fund in India combining Indian and US Large Cap companies
- 2 Invests in top 100 Indian companies by market capitalization and top USA companies with market cap greater than \$50 billion
- 3 Focus on quality companies with strong fundamentals to potentially gain from power of compounding
- 4 Portfolio of growth oriented companies
- 5 Investing in companies from S&P 500 helps you diversify which may lead to lower volatility
- 6 Principal's strong global resources & access to research & advise

What constitutes US component?

01

Large cap companies with market cap > \$50 Billion

02

Upto 15% allocation and approx 15 large cap companies from US

03

The allocation to US large Cap would be diversified around 4 to 6 sectors

04

Examples of companies in US sectors are Apple, Amazon, Alphabet, Netflix, Nike, JP Morgan, Merck, Johnson & Johnson^

05

Benefit from potential Rupee depreciation

Investment Approach



Quality of the Business

Focus on professionally managed and process driven businesses

Stock selection to be based on operating free cash flow generation

Preference towards compounding franchises

Prefer industries / sectors where the opportunity size is large and increasing



Business Moats

To invest in market leaders with sound balance-sheet and healthy return ratios

Business franchises with brand equity and pricing power

Value Traps to be avoided when business model has ruptured



Investment Returns

Focus on Price Value Gap

Compounding of Intrinsic Value

Seek Opportunities for potential value unlocking

Advantages of Principal for International Investments

01

Principal is 141 year old company and has overcome many downturns to generate wealth for its customers

02

Principal manages assets in US twice the size of Indian Mutual Fund industry as on: June 30, 2020

03

Principal has deep investment expertise & knowledge in US

04

Principal services 3.5 crore customers Benefit from potential Rupee depreciation (Worldwide as on: June 30, 2020 (Indian Mutual Fund industry services ~2 crores)

05

Principal has investment desks across many countries globally, thus being able to bring local knowledge of the countries for better stock selection

Introducing SMART and MY GAIN Facilities

Facilities in Principal Large Cap Fund

SMART

Aim to protect against sharp fall in market

MY GAIN

Shifts appreciated amount to another fund

How SMART Facility works?

SMART Facility divides and deploys your investment in 4 parts:

01

25% is invested in the **Principal Large Cap Fund** and 75% into **Principal Cash Management Fund**

03

In case if the market does not fall, the switch takes place at month end from **Principal Cash Management Fund** to **Principal Large Cap Fund**

02

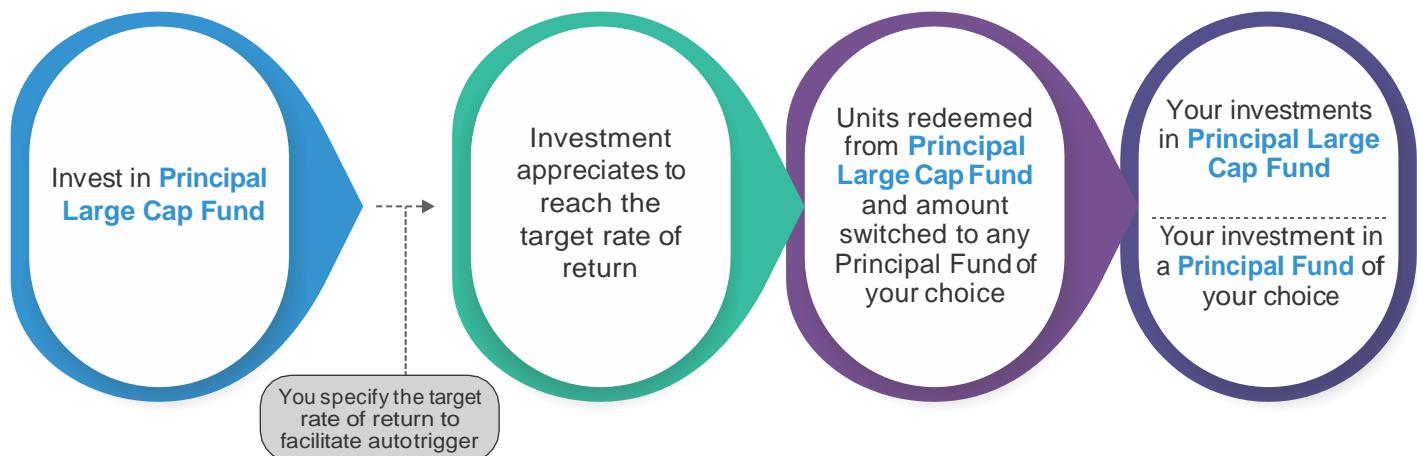
In the subsequent month/s, if the market falls below 3% from the date of allotment, the **SMART Facility** gets activated and 25% of the invested amount is deployed in **Principal Large Cap Fund**

04

If the **SMART Facility** deployment takes place during the month based on market fall, the month end switch gets deactivated for that month

How MY GAIN Facility Works?

The flow of investments:



Fund Details

Nature of Scheme

An open ended equity scheme predominantly investing in **Large Cap stocks**.

Investment Objective

To achieve long term capital appreciation by investing in a diversified portfolio predominantly consisting of equity and equity related securities of Large Cap companies including derivatives. However, there can be no assurance that the investment objective of the Scheme will be achieved.

Min Application Amount

- New Investor – ` 5,000/- for both Dividend and Growth Option and any amount thereafter under each Plan/Option.
- SMART – ` 25,000/-
- Systematic Investment Plan: Minimum twelve installments of ` 500/- each.
- Systematic Transfer Plan: Minimum Six installments of ` 1,000/- each.
- Regular Withdrawal Plan: Minimum Six installments of ` 500/- each.

Load Structure

If redeemed/ switched on or before 365 days from the date of allotment:

- Nil for redemption/ switch out of units upto 24% of the units allotted (the limit)
- 1% on redemption in excess of 24% of the limit stated above- Redemption of units would be done on First in First out Basis (FIFO)

Nil thereafter.



Investment Plan

Direct & Regular



Investment Options

Growth & Dividend



Benchmark

Nifty 100 TRI



Fund Manager

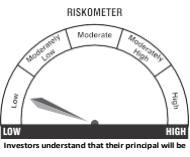
Mr. Sudhir Kedia has over 13 years of experience in research and asset management business.



Fund Manager (for foreign investments)

Mr. Anirvan Sarkar has over 9 years of experience in sell side and buy side research.

Product Label

Principal Large Cap Fund (An open ended equity scheme predominantly investing in large cap stocks)	Principal Cash Management Fund (An Open – Ended Liquid Scheme)
<p>This Product Is Suitable For Investors Who Are Seeking~</p> <ul style="list-style-type: none"> • Long term Capital Growth • Investment predominantly in equity and equity-related securities of large cap companies. <div style="text-align: center;">  <p><small>RISKOMETER</small></p> <p><small>Investors understand that their principal will be at moderately high risk</small></p> </div>	<p>This Product Is Suitable For Investors Who Are Seeking~</p> <ul style="list-style-type: none"> • Income over a short-term investment horizon. • Investment in Debt & Money Market Instruments, with maturity not exceeding 91 days <div style="text-align: center;">  <p><small>RISKOMETER</small></p> <p><small>Investors understand that their principal will be at Low risk</small></p> </div>

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

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

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