

## Principal Midcap Fund

|                     |  |
|---------------------|--|
| Name of the Scheme  | Principal Midcap Fund  |
| Fund Manager        | Mr. Ravi Gopalakrishnan and Mr. Sudhir Kedia.  |
| NFO Period          | 06 <sup>th</sup> December 2019 to 20 <sup>th</sup> December 2019   |
| Exit Load           | 1% on redemption in excess of 20% of the units, redeemed/ switched on or before 365 days from the date of allotment                              |
| Type of Fund        | Open ended equity scheme predominantly investing in mid cap stocks   |
| Expense Ratio       | Maximum 2.25% p.a. of daily net assets   |
| Face Value          | Rs. 10   |
| Minimum Application | Lumpsum - Rs 5,000 each and in multiple of Re.1 thereafter<br>SIP – Rs 500 each and in multiple of Re 1 thereafter for minimum of 12 instalments |
| Benchmark           | Nifty Midcap 100 TRI   |
| Riskometer          | Moderately High  |

**Investment Objective:** To generate long term capital appreciation by predominantly investing in equity and equity related instruments of midcap companies

### Plans/ Options:

Growth (cumulative) Option, Dividend Option (with Dividend Payout and Dividend Reinvestment facilities).

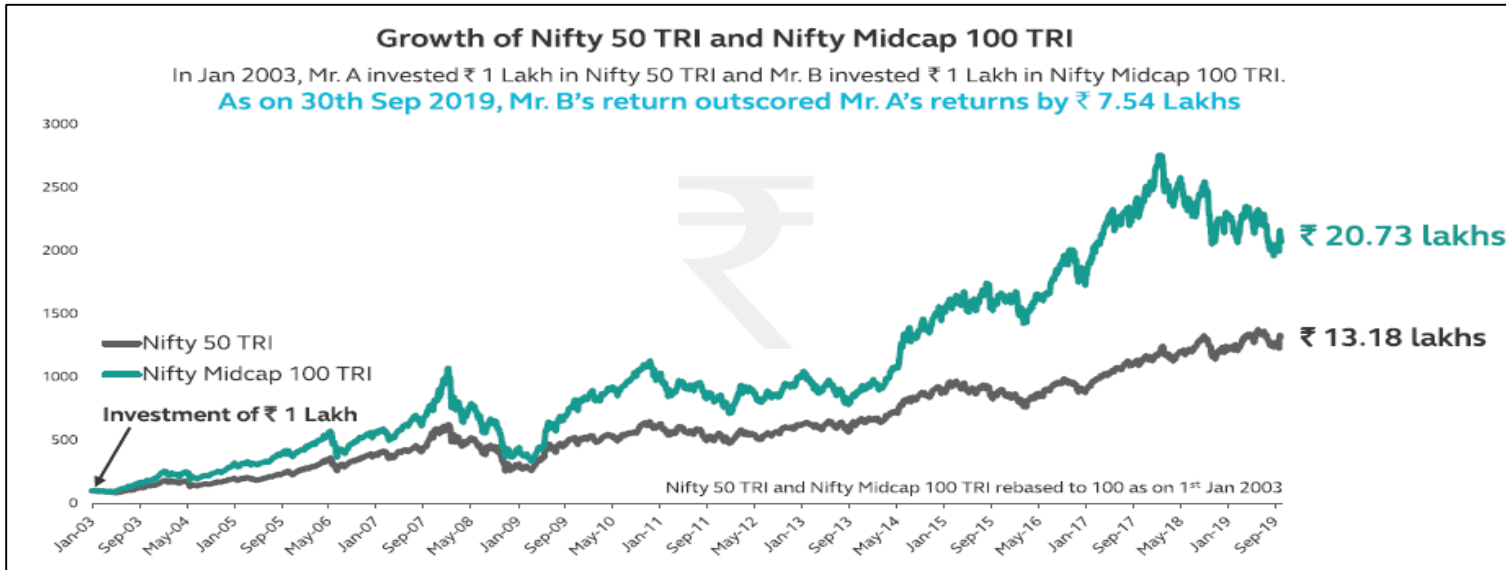
### Who can Invest?

- Resident adult individual either singly or jointly (not exceeding three), Sole proprietorship
- Non-Resident Indians (NRIs)/Persons of Indian Origin (PIO) on full repatriation basis or on non-repatriation basis
- Minor through parent/lawful guardian
- Hindu Undivided Family (HUF) through karta
- Partnership Firms, LLP
- Companies, Bodies Corporate, Public Sector Undertakings, association of persons or bodies of individuals and societies registered under the Societies Registration Act
- Foreign Portfolio Investors (FPI) registered with SEBI on repatriation basis, Qualified Foreign Investors (subject to and in compliance with the extant regulations)
- Banks, Public Financial Institutions, Insurance Company
- Army, Air Force, Navy and other para-military funds
- Scientific and Industrial Research Organizations, Religious and Charitable Trusts, Wakfs or endowments of private trusts
- Mutual fund Schemes, the trustee, AMC or Sponsor or their associates
- Provident/Pension/Gratuity and such other Funds as and when permitted to invest;
- International Multilateral Agencies approved by the Government of India/RBI;
- Such other individuals/institutions/body corporate etc., as may be decided by the AMC from time to time, so long as wherever applicable they are in conformity with SEBI (MF) Regulations/ RBI etc.

**Who cannot Invest?**

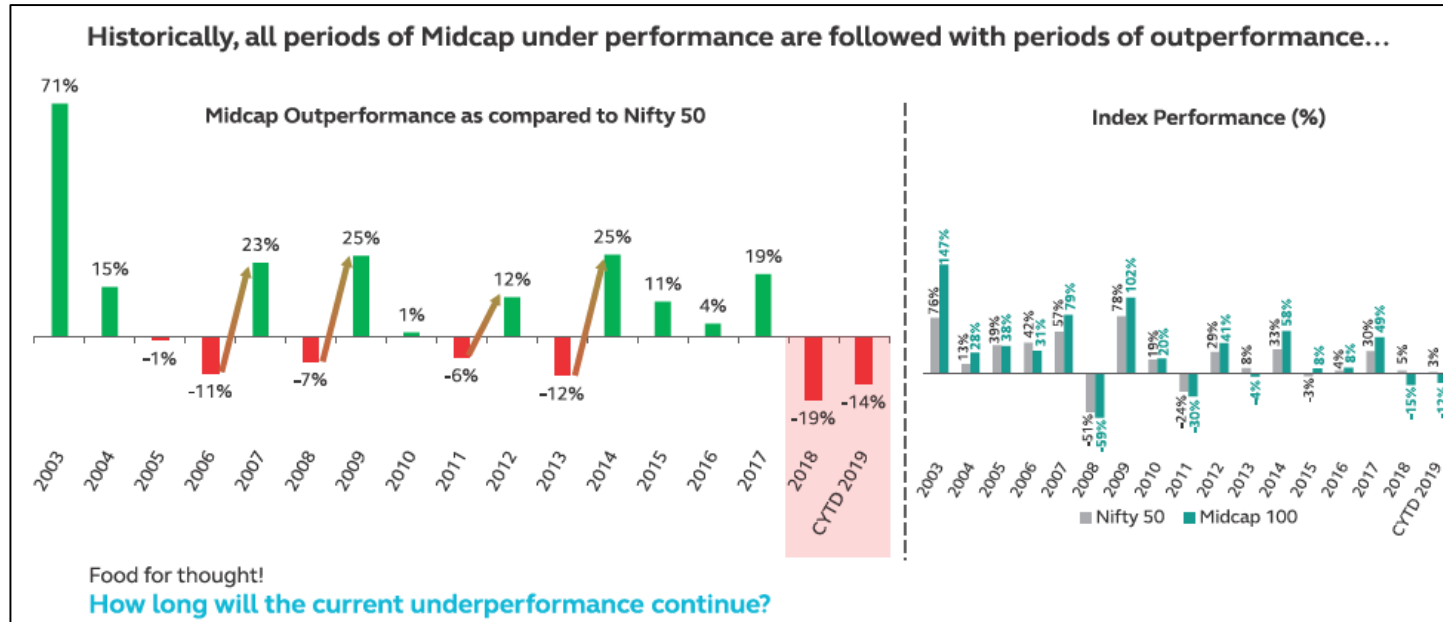
- Any person who is a foreign national;
- United States Persons within the meaning of Regulation ‘S’ under the United States Securities Act of 1933 or as defined by the U.S. Commodity Futures Trading Commission or as defined under Foreign Account Tax Compliance Act (FATCA) or as defined under any other extant laws of the United States of America or as per such rules as may be in force from time to time and Persons resident of Canada.
- 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).
- 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.
- Any other person determined by the AMC or the Trustee as not being eligible to invest in the Scheme.

**Why Midcaps?**



On 3, 5 and 10 years daily rolling return basis, Nifty Midcap 100 TRI has delivered more than 15% CAGR for more than 50% of time. In the study, Nifty Midcap 100 TRI has no negative observation in 5 and 10 years periods.

Why Midcaps now?



**Why Invest in Principal Midcap Fund?**

- Midcap has potential to outperform Large cap in long-term
- Recent correction in Midcap sectors offer opportunity for allocation
- Their investment themes focuses on Indian demographics, Value buying, business undergoing restructuring and betting on emerging sectors
- Experience & expertise of picking successful stocks
- Aims to invest in emerging leaders with potential growth
- Favorable valuation as Midcaps are trading below their long-term averages
- Risk management embedded in portfolio to mitigate volatility

**Asset Allocation:**

| Instruments   | Indicative allocations<br>(% of total assets) |         | Risk Profile         |
|---|---|---------|----------------------|
|   | Minimum                                       | Maximum | High/ Medium/<br>Low |
| Equity and equity related instruments of midcap companies (101 <sup>st</sup> -250 <sup>th</sup> company in terms of full market capitalization) | 65  | 100     | High                 |
| Equity and equity related instruments of companies other than midcap companies  | 0   | 35      | High                 |
| Debt and Money Market Instruments including units of debt & liquid schemes  | 0   | 35      | Low to Medium        |

**Performance of other schemes managed by Mr. Ravi Gopalakrishnan:**

| Scheme Name                           | Corpus<br>(Rs in cr) | Trailing Returns |                 |                 | Rolling Returns |                 | Benchmark                           |
|---------------------------------------|----------------------|------------------|-----------------|-----------------|-----------------|-----------------|-------------------------------------|
|                                       |                      | 1 Year<br>CAGR   | 3 Years<br>CAGR | 5 Years<br>CAGR | 3 Years<br>CAGR | 5 Years<br>CAGR |                                     |
| Principal Dividend Yield Fund (G)     | 200                  | 3.1              | 12.7            | 7.6             | 13.9            | 12.1            | Nifty Dividend Opportunities 50 TRI |
| Principal Emerging Bluechip Fund (G)  | 2,260                | 5.3              | 11.3            | 10.5            | 12.5            | 17.4            | Nifty LargeMidcap 250 TRI           |
| Principal Focused Multicap Fund (G)   | 350                  | 9.9              | 12.5            | 7.9             | 10.9            | 10.9            | S&P BSE 250 Large MidCap Index TRI  |
| Principal Multi Cap Growth Fund - (G) | 853                  | 3.4              | 12.0            | 8.3             | 12.7            | 13.1            | Nifty 500 TRI                       |
| <b>Indices</b>                        |                      |                  |                 |                 |                 |                 |                                     |
| Nifty 500 TRI                         |                      | 8.1              | 13.3            | 8.3             | 12.5            | 11.8            |                                     |
| Nifty Dividend Opportunities 50 TRI   |                      | 1.0              | 9.7             | 5.5             | 13.4            | 9.9             |                                     |
| Nifty LargeMidcap 250 TRI             |                      | 5.6              | 12.6            | 9.2             | 12.6            | 13.7            |                                     |

Source: NAVIndia, returns as on Dec 03, 2019. Rolling returns is based on daily periodicity for the last one year.

**Key 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 Midcap Fund 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-settlers are not responsible or liable for any loss resulting from the operation of the Scheme beyond the initial contribution of Rs. 25 lakhs made by it towards setting up the Fund.
- Equity & Equity related securities are volatile and prone to price fluctuations on a daily basis.
- The value of Scheme's investments may be affected by factors affecting the Securities markets and price and volume volatility in the capital markets, interest rates, currency exchange rates, changes in law/policies of the Government, taxation laws and political, economic or other developments which may have an adverse bearing on individual securities, a specific sector or all sectors
- The present scheme is not a guaranteed or assured return scheme

Source: (SID, NAVIndia, PPT)

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