

Principal Tax Savings Fund

(An open ended equity-linked saving scheme with a statutory lock-in of 3 years and tax benefit)

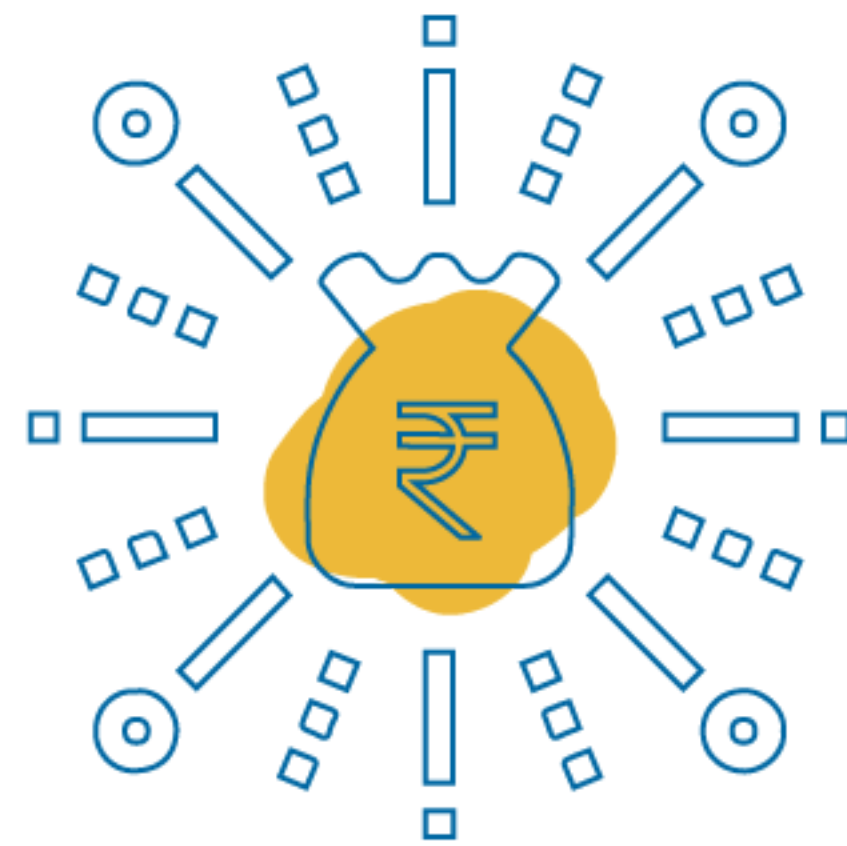
This product is suitable for investors who are seeking

Long term capital growth with three year lock-in. Investment in equity & equity related securities including equity derivatives of companies across market capitalization.



Investors understand that their principal will be at moderately high risk





"A penny saved is a penny earned."

- an old English adage



How to “save money through taxes”?

Under Sec 80C of the Income-tax Act, 1961, you are allowed to invest your income in specified avenues which reduces the burden of taxation.

Why ELSS scores high amongst peers?

Popular Tax Saving Investment Options u/s 80C

Investment Option	Lock-in Period	Annualised Returns	Tax status on returns	Associated Risk
Public Provident Fund	15 Years	8.00%*	Tax free	Low
National Savings Scheme	5 - 10 Years	8.00%*	Taxable with income	Low
Tax Savings Bank Fixed Deposits	5 Years	6.80%**	Taxable with income	Low
Unit Linked Insurance Plans	5 Years	Market Linked	Tax Free	High
Equity-Linked Saving Schemes	3 Years	Market Linked	10% taxable when profit exceeds Rs. 1 Lac annually	High

Source:*www.dea.gov.in; **www.sbi.co.in; Data as on 31st Dec, 2018
Past performance may or may not be sustained in future.

What is ELSS?



An Equity-Linked Savings Scheme (ELSS) is a type of an equity mutual fund which invests at least 80% of its total assets in equity and equity-related instruments.



Save tax upto Rs. 46,800* under section 80C by investing in ELSS up to Rs. 1.5 Lacs



The statutory lock-in period for any ELSS is 3 years, albeit the lowest amongst peers.



The returns on ELSS funds are subject to a Long Term Capital Gains (LTCG) tax at 10%.

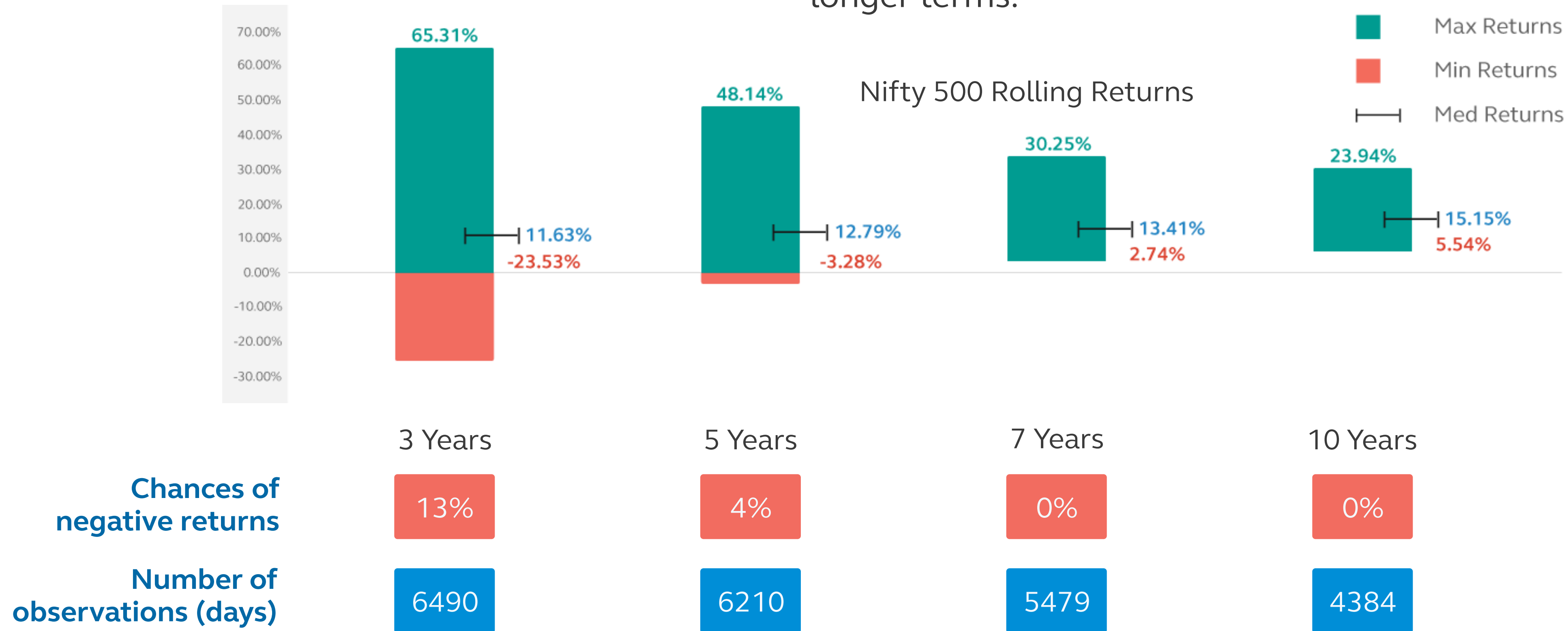


However, long term capital gains up to Rs. 1 lakh per year are exempt from tax.

*This implies that an investor who is in the highest tax slab, can save taxes of Rs. 46,800 on investment of Rs. 1.5 Lac made in ELSS for FY 2018-19 of Indian resident below the age of 60 years.

Why ELSS?

Because it invests in equities. Hence, it doesn't just help you save tax, but it also aims towards wealth creation in longer terms.



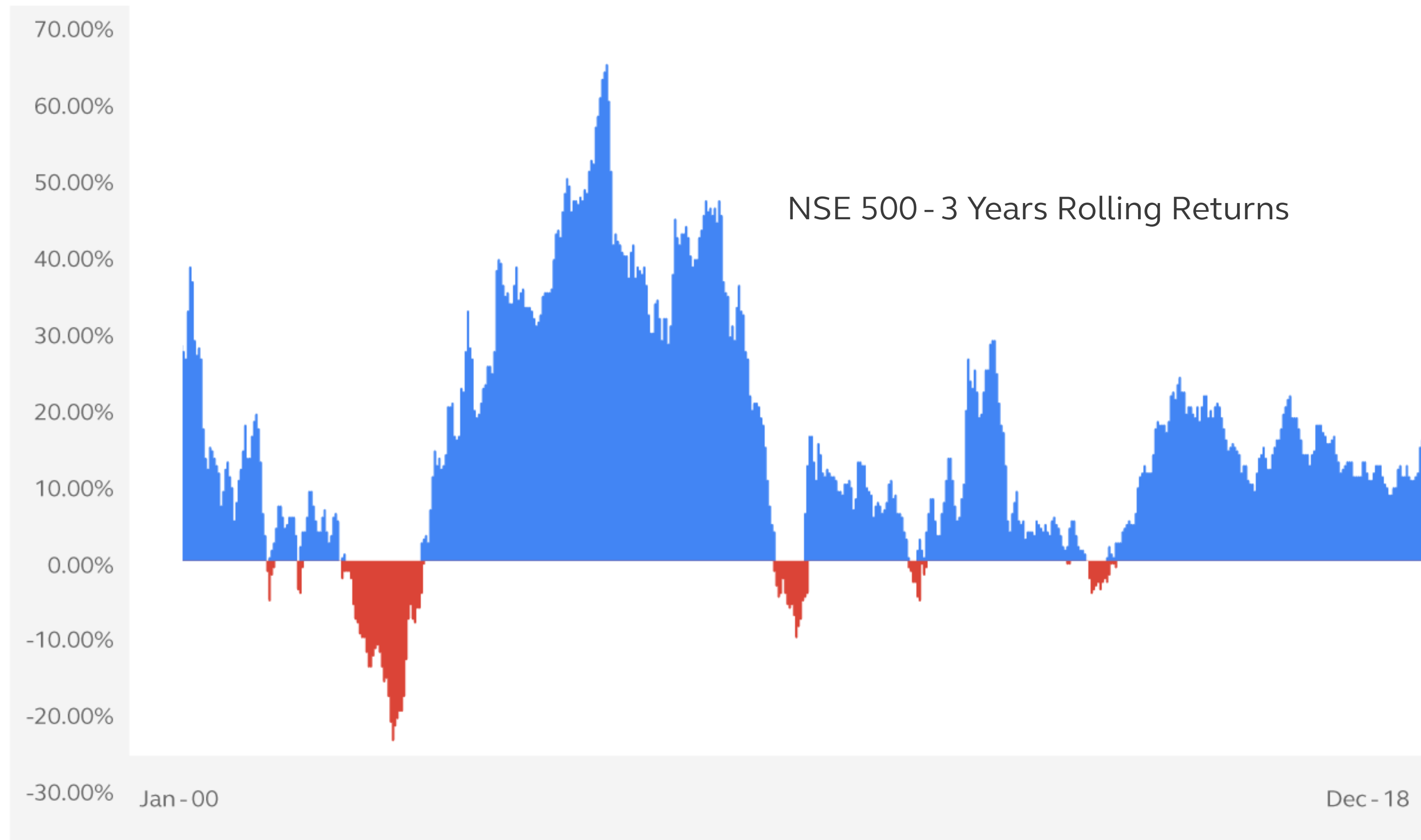
In the long term, equity investments lead to

- declining chances of negative returns.
- consolidation and rationalization of returns.
- increasing median returns.

Past performance may or may not be sustained in future. Data as on 31st Dec, 2018. Daily rolling returns since 1st Jan, 1997. Returns (in %) are calculated on Compounded Annualised Basis (CAGR). The above analysis is for illustration purpose only. Past performance is no guarantee of future returns. Source: MFI Explorer, Internal Analysis

Why ELSS?

With 3-year lock-in, the chances of negative returns are reduced.



For a 3-year rolling period, the returns on NSE 500 Index has been positive for 87% of times.

Past performance may or may not be sustained in future. Data as on 31st Dec, 2018. Daily rolling returns since 1st Jan, 1997. Returns (in %) are calculated on Compounded Annualised Basis (CAGR). The above analysis is for illustration purpose only. Past performance is no guarantee of future returns. Source: MFI Explorer, Internal Analysis

Presenting...

Principal Tax Savings Fund

Why Principal Tax Savings Fund?

Because we manage it like a Multi-cap fund.



Perceived as moderately higher risk-oriented investment product



Usually, the associated risk is higher than Large-cap funds but lower than Mid-cap, Small-cap and other Sectoral Funds.

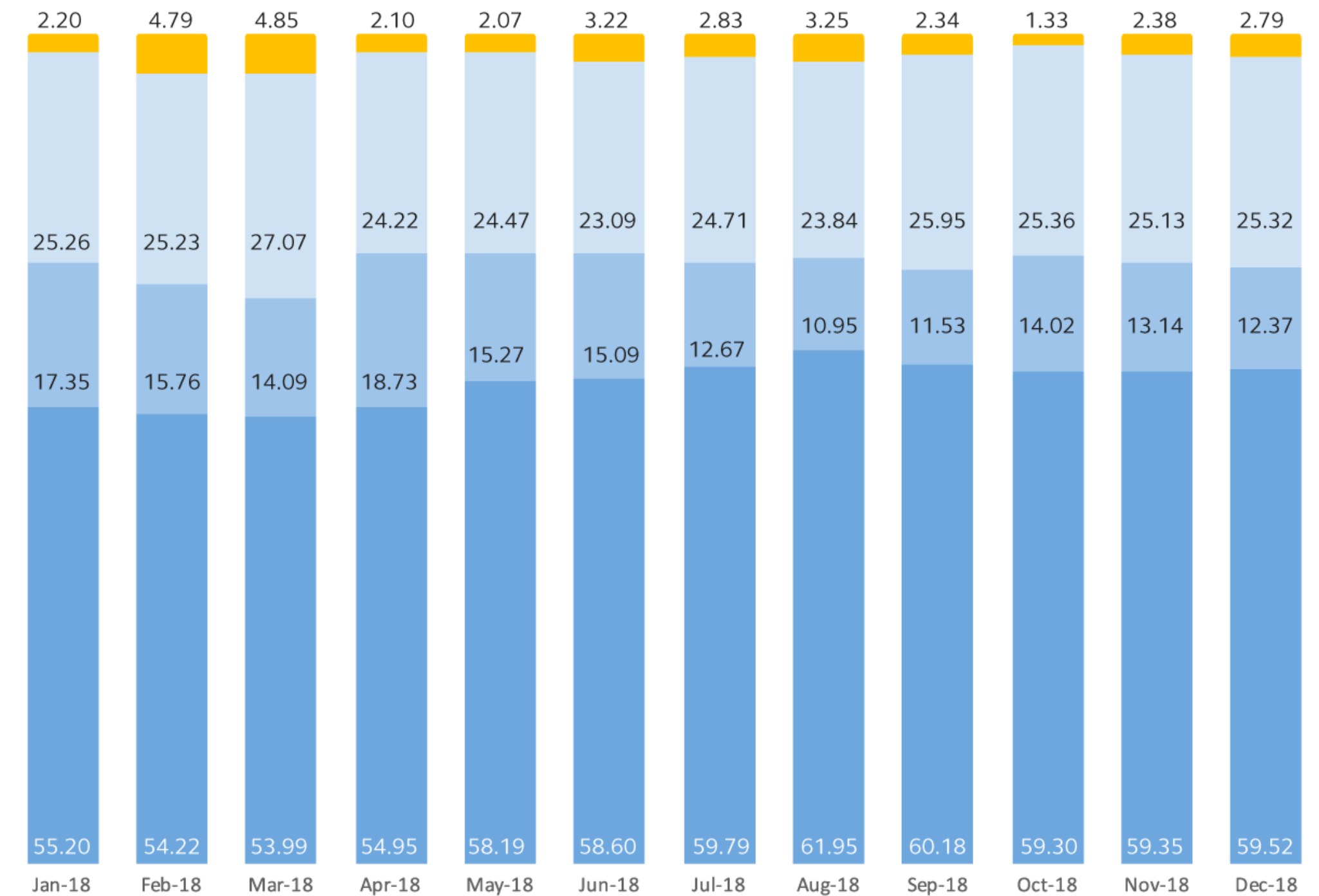


The Fund Manager has the flexibility to change the portfolio as per the prevailing market conditions.



Wealth creation vehicles over longer term of investments

Monthly Market-cap allocation



■ Large-cap(%) ■ Mid-cap(%) ■ Small-cap(%) ■ DEBT & Cash(%)

Market Cap Ranges will be determined as per prevailing SEBI/ AMFI guidelines where

- Large-cap: 1st-100th company in terms of full market capitalization.
- Mid-cap: 101st-250th company in terms of full market capitalization.
- Small-cap: 251st company onwards in terms of full market capitalization.

DISCLAIMER: The investment strategy stated above may change from time to time without any notice and shall be in accordance with the strategy as mentioned in the Scheme Information Document of the scheme.

Why we manage it like a Multi-cap fund?

Because performance of Large, Mid and Small-cap stocks can deviate considerably.

	Nifty 50	Nifty Mid-cap 100	Nifty Small-cap 100	Nifty 500
FY 2006	64.56%	59.96%	77.90%	61.21%
FY 2007	12.31%	1.31%	15.10%	8.07%
FY 2008	23.89%	28.67%	25.37%	21.64%
FY 2009	-36.19%	-45.40%	-58.15%	-40.02%
FY 2010	73.76%	126.12%	129.43%	87.95%
FY 2011	11.14%	4.35%	-0.99%	7.26%
FY 2012	-9.23%	-4.09%	-5.52%	-8.75%
FY 2013	7.31%	-4.02%	-7.45%	5.13%
FY 2014	17.98%	16.36%	17.85%	17.72%
FY 2015	26.65%	50.96%	52.27%	33.56%
FY 2016	-8.86%	-1.91%	-13.13%	-7.54%
FY 2017	18.55%	34.85%	42.99%	23.91%
FY 2018	10.25%	9.07%	11.56%	11.47%
FYTD 2019*	7.32%	-4.65%	-17.05%	2.86%
Sum of green	5/14	3/14	6/14	0/14
Sum of red	4/14	4/14	5/14	1/14

* Dec 31, 2018

The above analysis is for illustration purpose only. **Past performance is no guarantee of future returns.** Source: MFI Explorer, Internal Analysis. Returns mentioned above are absolute. Source: MFI Explorer.

Why Principal Tax Savings Fund?



Buy and Hold investment philosophy, thus a low-churn investment



Relatively higher Beta portfolio



Less Index hugging, hence relatively higher active share



Value style of investing



Investments with the intent to play over the full business cycles of underlying companies



Suitable for investment horizon over 3-5 years and for ones who do not bother about short term volatility

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Why Principal Tax Savings Fund?

Some insight on how we invest!



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Why Principal Tax Savings Fund?

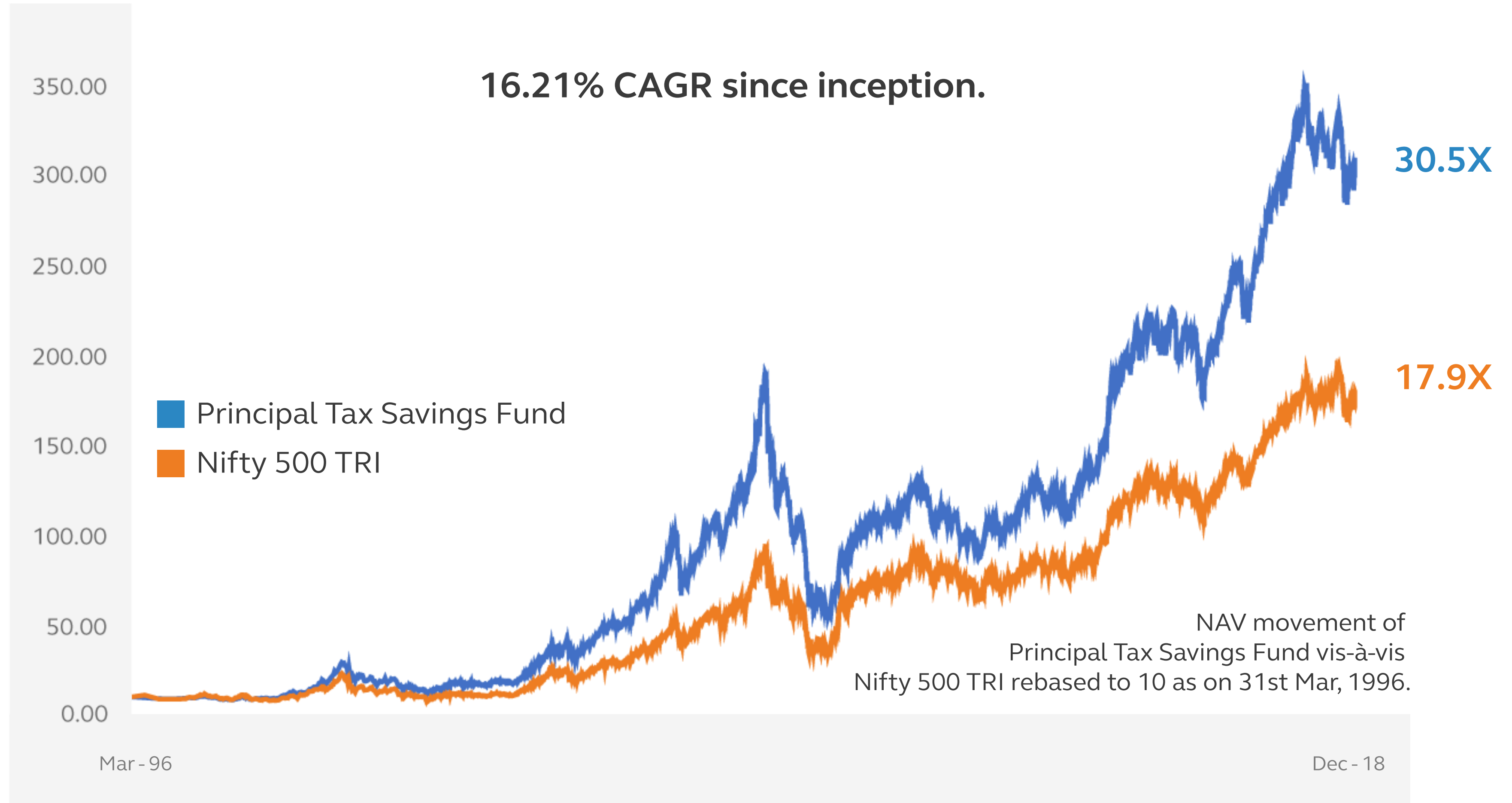
Fund Performance since the current Fund Manager took over

From - To	Major Market Event*	Nifty 500 TRI	Principal Tax Savings Fund	Out / Underperformance
28/09/2010 - 20/12/2011	E1	-27.70%	-30.54%	-2.84%
20/12/2011 - 31/01/2013	E2	37.00%	47.93%	10.93%
31/01/2013 - 28/08/2013	E3	-14.80%	-16.46%	-1.66%
28/08/2013 - 06/08/2015	E4	81.50%	108.40%	26.90%
06/08/2015 - 25/02/2016	E5	-19.00%	-21.87%	-2.87%
25/02/2016 - 23/01/2018	E6	74.00%	100.23%	26.23%
23/01/2018 - 31/12/2018	E7	-5.93%	-12.74%	-6.81%

*Major Market Event; E1: Eurozone Debt Crisis; E2: Bounce back in the US and global rally; E3: Taper Tantrum; E4: Oil price correction; E5: Chinese economic slowdown; E6: Domestic reforms and implementation; E7: LTCG on equities and ongoing period.

Different plans shall have a different expense structure. The performance details provided herein are of Principal Tax Savings Fund - Regular Plan - Growth option. **Past performance may or may not be sustained in future.** The returns given above are absolute returns. For detailed scheme performance data refer to slide no. 16 and performance data of other schemes managed by the Fund Manager, please refer to the performance table Annexure on slide no. 20.

Why Principal Tax Savings Fund?



As TRI data is not available since inception of the scheme, benchmark performance is calculated using composite CAGR of Nifty 500 Index PRI values from date 31-03-1996 to 26-11-1998 and TRI values since 26-11-1998.

Different plans shall have a different expense structure. The performance details provided herein are of Principal Tax Savings Fund - Regular Plan - Growth option. **Past performance may or may not be sustained in future.** The returns given above are absolute returns. For detailed scheme performance data refer to slide no. 16 and performance data of other schemes managed by the Fund Manager, please refer to the performance table Annexure on slide no. 20.

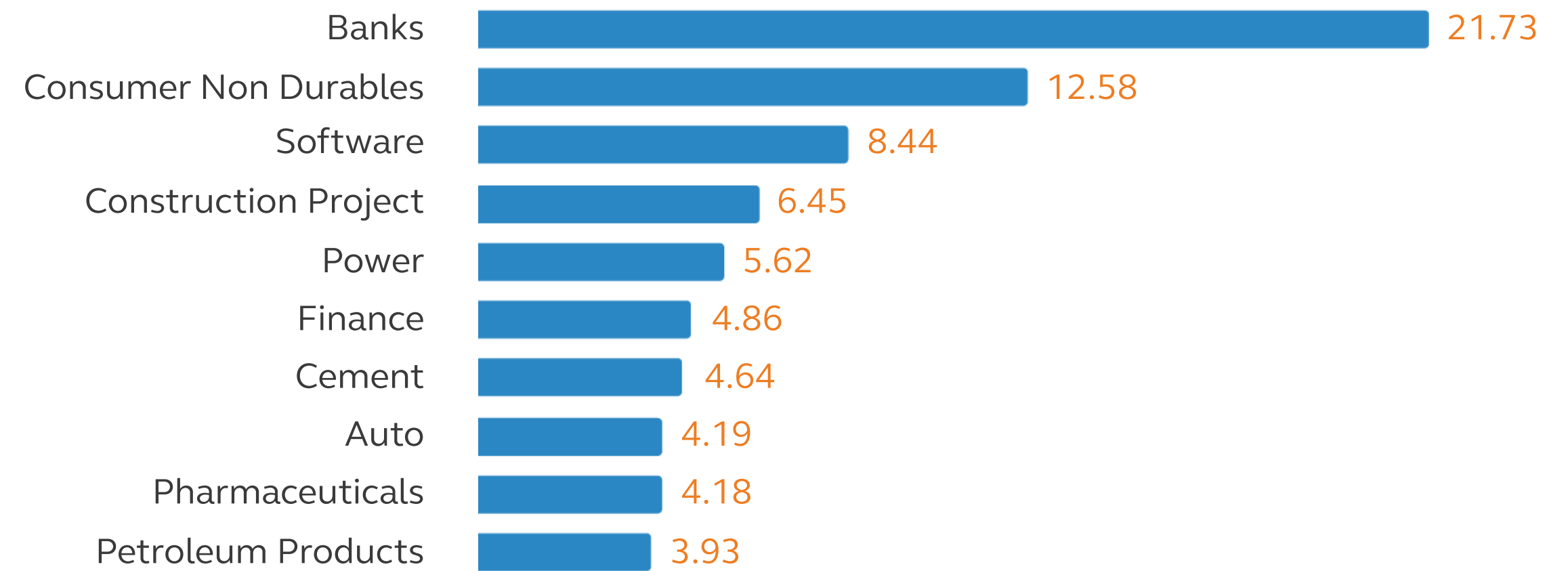
Fund facts

(as on 31st Dec, 2018)

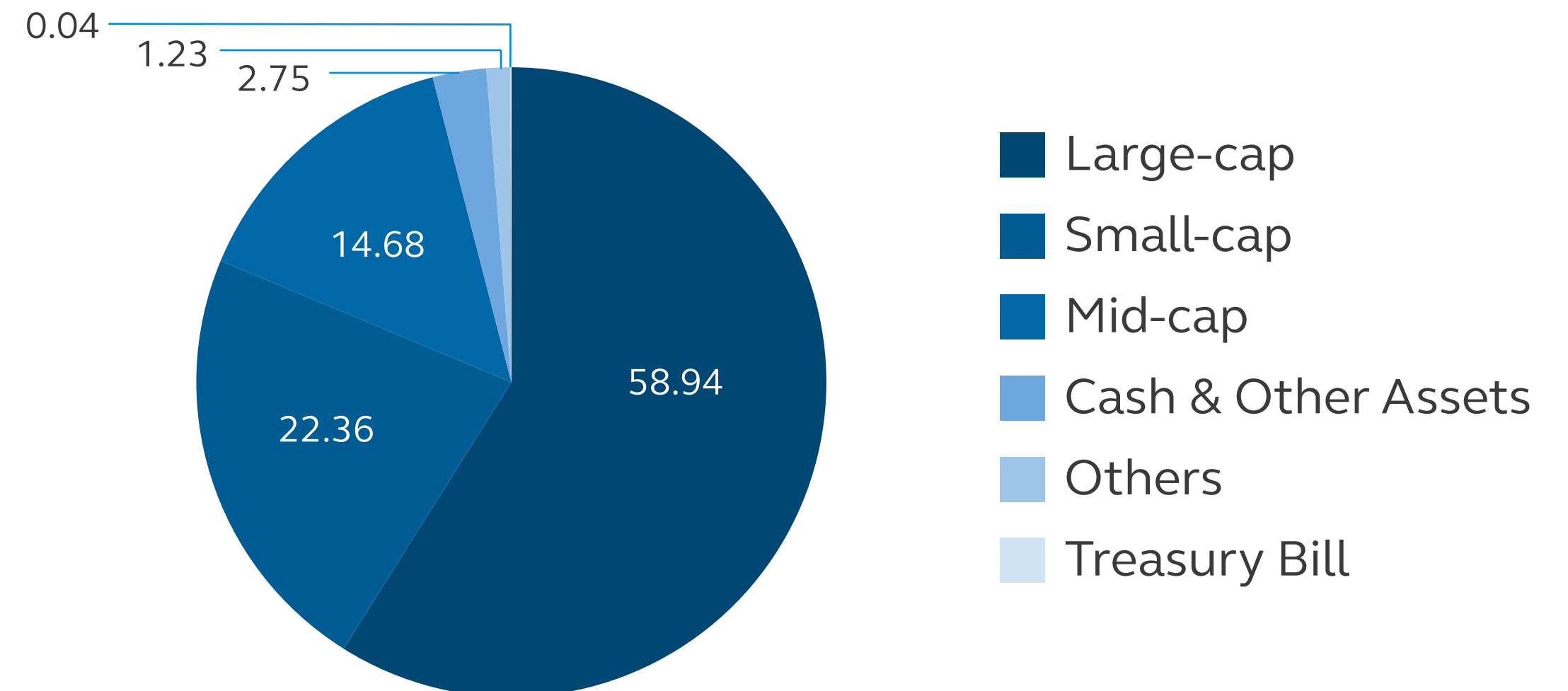
Top 10 Stocks

Stock Name	% of NAV
HDFC Bank Ltd.	5.05
ICICI Bank Ltd.	4.78
Reliance Industries Ltd.	3.93
Tata Consultancy Services Ltd.	3.39
ITC Ltd.	3.34
Larsen & Toubro Ltd.	2.9
Tata Power Company Ltd.	2.89
State Bank of India	2.85
Infosys Ltd.	2.78
Marico Ltd.	2.44

Top 10 Sectors (% of NAV)



Market Capitalization (% of NAV)



Market Cap Ranges will be determined as per prevailing SEBI/ AMFI guidelines in which

- Large-cap: 1st-100th company in terms of full market capitalization.
- Mid-cap: 101st-250th company in terms of full market capitalization.
- Small-cap: 251st company onwards in terms of full market capitalization.

Point to Point Performance

Period	Principal Tax Savings Fund		Nifty 500 TRI*		Nifty 50 TRI**	
	Returns	PTP Returns\$	Returns	PTP Returns\$	Returns	PTP Returns\$
1 Year	-9.15%	9080.61	-2.12%	9786.35	4.61%	10463.82
3 Year	12.78%	14348.29	12.29%	14161.66	12.47%	14229.87
5 Year	17.09%	22021.07	14.60%	19771.09	12.89%	18341.57
Since inception*	16.21%	305878.00	13.53%	179665.37	12.44%	144385.75

SIP Performance

Period	Total Amount Invested(in Rs.)	Principal Tax Savings Fund		Nifty 500 TRI^		Nifty 50 TRI^^	
		Returns	Market Value (in Rs.)	Returns	Market Value (in Rs.)	Returns	Market Value (in Rs.)
1 Year SIP	120,000.00	-6.85%	115,517	-1.55%	118,993	2.97%	121,914
3 Year SIP	360,000.00	9.61%	415,920	10.26%	419,938	11.67%	428,661
5 Year SIP	600,000.00	11.86%	808,215	10.95%	790,161	10.67%	784,584
7 Year SIP	840,000.00	15.39%	1,453,861	12.91%	1,330,350	12.03%	1,289,515
10 Year SIP	1,200,000.00	14.66%	2,582,588	12.38%	2,286,003	11.71%	2,206,213
Since inception*	2,660,000.00	17.10%	24,634,527	Not Available	Not Available	Not Available	Not Available

*31st Mar, 1996

The performance details provided herein are of Regular Plan - Growth option. **Past performance may or may not be sustained in future.** Returns (in%) are calculated on Compounded Annualised Basis (CAGR). PTP (Point to Point) Returns are based on standard investment of Rs. 10,000/- made at the beginning of relevant period. Performance of the dividend option for the investors would be net of dividend distribution tax, as applicable. Mr. PVK Mohan manages total of 9 schemes. Please refer slide no. 20 for annexure of returns for all scheme managed by the fund manager.

Data as on 31st Dec 2018. Different plans shall have a different expense structure. The returns shown under SIP are calculated using XIRR approach (CAGR Returns) assuming investment of Rs. 10,000/- on the 1st business day of every month. XIRR helps in calculating return on investments given an initial and final value and a series of cash inflows and outflows with the correct allowance for the time impact of the transactions. Load is not taken into consideration for computation of performance.

Mr. PVK Mohan is the Fund Manager managing Since September 2010.

*As TRI data is not available since inception of the scheme, benchmark performance is calculated using composite CAGR of Nifty 500 Index PRI values from date 31-03-1996 to 26-11-1998 and TRI values since 26-11-1998. **As TRI data is not available since inception of the scheme, additional benchmark performance is calculated using composite CAGR of Nifty 50 Index PRI values from date 31-03-1996 to 30-06-1999 and TRI values since 30-06-1999. ^ Since TRI data is not available for the period 31-03-1996 to 30-06-1999 for Nifty 50 Index, SIP performance for since inception period is not provided.

^^Since TRI data is not available for the period 31-03-1996 to 26-11-1998 for Nifty 500 Index, SIP performance for since inception period is not provided.

Disclaimer: The above investment simulation is for illustrative purposes only and should not be construed as a promise on minimum returns and safeguard of capital. The AMC / Mutual Fund is not guaranteeing or promising or forecasting any returns. SIP does not assure a profit or guarantee protection against a loss in a declining market.

Our Investment Philosophy

At Principal, we firmly believe:



Bottom-up stock selection is the most reliable and repeatable source of consistent investment performance.



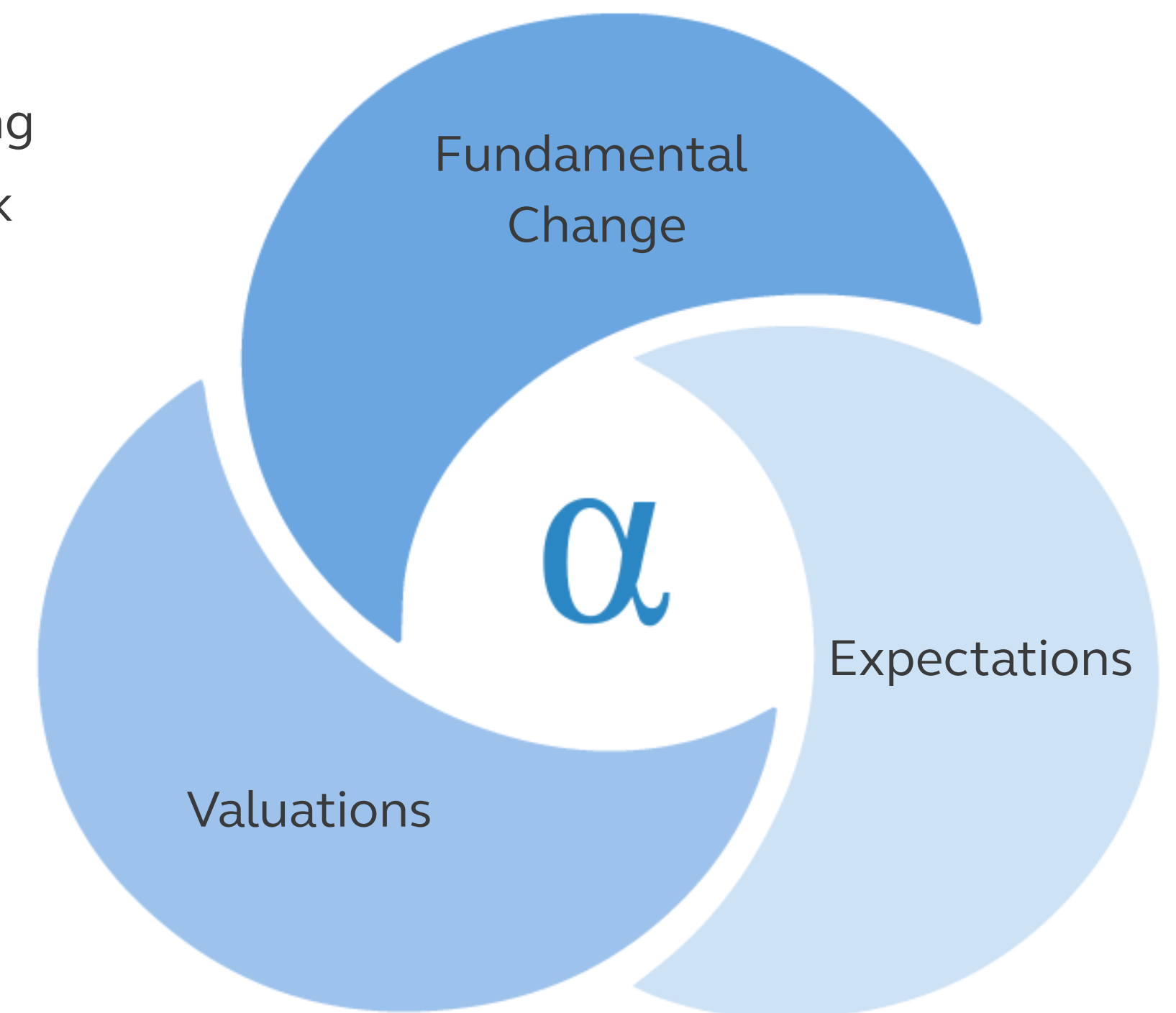
Integration of traditional and quantitative fundamental research by achieving

- Breadth through a sophisticated comparative stock selection framework
- Depth through focused due diligence and expertise



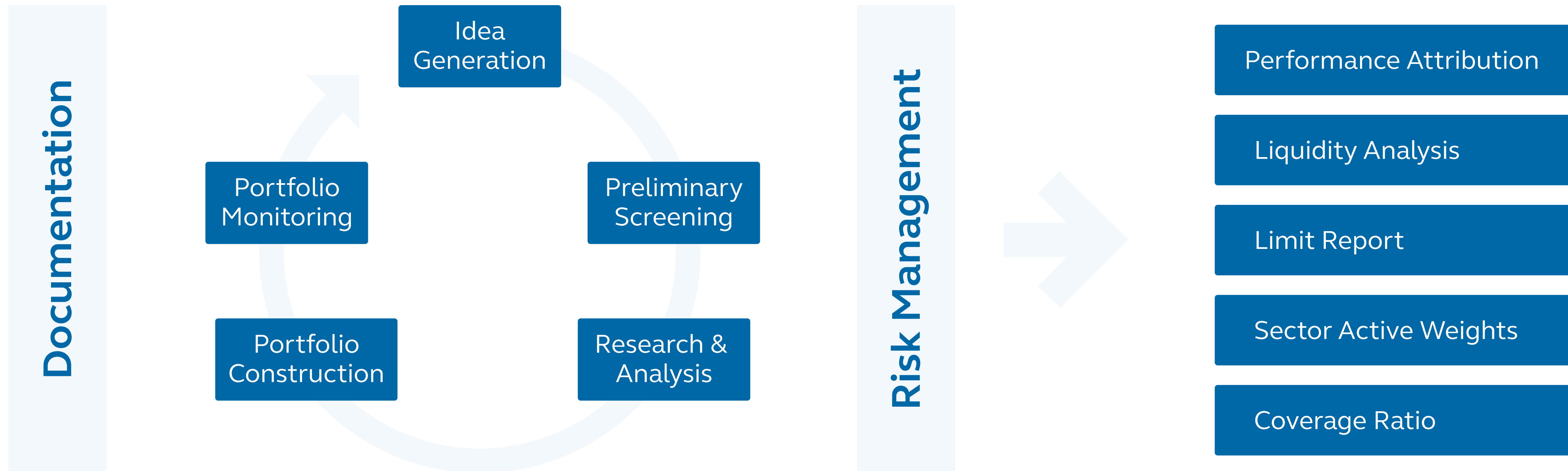
Three key attributes distinguish superior stock selection :

- Sustainable Fundamental Change
- Rising Investor Expectations
- Attractive Relative Valuations



Our Investment Process

Benchmark aware, risk-controlled process backed by
Global Best Practices



Nature of Scheme	An open-ended equity-linked saving scheme with a statutory lock-in of 3 years and tax benefit
Inception Date (Regular Plan)	31st Mar, 1996
Investment Objective	To build a high-quality, growth-oriented portfolio to provide long-term capital gains to the investors. The scheme aims at providing returns through capital appreciation.
Fund Manager	Mr. PVK Mohan (managing since September 2010)
Investment Plan	Direct & Regular
Investment Options	Growth & Dividend
Min. Application Amount	<ul style="list-style-type: none">● Minimum application amount will be Rs. 500/- and any amount thereafter for each Plan.● Subsequent investment amount shall be Rs. 500/- and any amount thereafter for each Plan.● Systematic Investment Plan/Systematic Transfer Plan (post lock in period) /● Regular Withdrawal Plan (post lock-in period): Minimum 6 installments of Rs 500/- each.
Benchmark	Nifty 500
Load Structure	Nil
Fund Manager	Mr. PVK Mohan joined Principal Asset Management Pvt. Ltd.(formerly known as Principal PNB Asset Management Company Pvt. Ltd.) as Head Equity in June 2010. He has spent over 25 years in equity research and fund management. Previously, he was associated with ICICI Prudential Mutual Fund, DSP BlackRock Mutual Fund and IL&FS Mutual Fund. He has earned a B.Tech and a Post-Graduate Diploma in Management.

Period	1 Year CAGR (%)	3 Year CAGR (%)	5 Year CAGR (%)	Since Inception CAGR (%)	Date of Inception
Principal Multi-cap Growth Fund	-8.62%	13.06%	17.27%	15.54%	25/10/2010
Nifty 500 TRI	-2.12%	12.29%	14.60%	15.79%	
Principal Personal Tax Saver Fund*	-8.78%	8.07%	12.79%	19.37%	31/03/1996
Nifty 500 TRI\$	-2.12%	12.29%	14.60%	13.53%	
Principal Balanced Advantage Fund (Equity Portion)	3.21%	6.87%	11.10%	9.30%	16/12/2010
50% Nifty 100 TRI Index + 35% CRISIL Short-Term Bond Index + 15% Nifty Arbitrage Index	4.27%	9.73%	10.74%	8.80%	
Principal Hybrid Equity Fund (Equity Portion)	-1.53%	13.90%	15.49%	11.23%	14/01/2000
CRISIL Hybrid 35+65 - Aggressive Index**	2.82%	11.22%	12.86%	-	
Principal Equity Savings Fund (Equity Portion)	1.57%	7.20%	7.55%	7.86%	23/05/2002
30% Nifty 50 - TRI + 70% CRISIL Liquid Fund Index	6.68%	8.81%	9.35%	9.86%	
Principal Retirement Savings Fund (Conservative Plan)	1.59%	6.57%	-	6.73%	14/12/2015
30% Nifty 50 - TRI + 70% CRISIL Liquid Fund Index	6.68%	8.81%	-	9.18%	
Principal Retirement Savings Fund (Progressive Plan)	-3.07%	9.39%	-	10.01%	14/12/2015
Nifty 200 Full Market-cap Index	0.31%	12.53%	-	13.81%	
Principal Retirement Savings Fund (Moderate Plan)	-0.70%	7.08%	-	7.46%	14/12/2015
CRISIL Hybrid 35+65 - Aggressive Index**	2.82%	11.22%	-	12.04%	

Data as on Dec 31, 2018.

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P.V.K. Mohan also manages Principal Balanced Advantage Fund - Equity Portion and Principal Personal Tax Saver Fund (w.e.f. July 01, 2017), Principal Hybrid Equity Fund - Equity Portion since May 2010, ^Principal Equity Savings Fund - Equity Portion w.e.f. June 23, 2016, Principal Multi cap Growth Fund (w.e.f. September 2010) and Principal Retirement Savings Fund (Conservative Plan-Progressive Plan-Moderate Plan) (w.e.f. June 2018)

*Fresh sale of units i.e. by way of purchase/ Switch-ins and registration of fresh SIP arrangement under the Scheme is suspended till further notice.

\$ - As TRI data is not available since inception of the scheme, benchmark performance is calculated using composite CAGR of Nifty 500 Index PRI values from date 31-03-1996 to 26-11-1998 and TRI values since 26-11-1998.

** The equity component of CRISIL Hybrid 35+65 - Aggressive Index is represented by total returns variant of S&P BSE 200.

Principal Retirement Savings Fund (Conservative Plan, Progressive Plan & Moderate Plan) was launched on 14th Dec 2015 and is yet to complete 5 years of performance.

Performance of Dividend option for the investors would be net of Dividend Distribution Tax as applicable..

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Mutual Fund investments are subject to market risks, read all scheme-related documents carefully.

ARN-Number :ARN-124555
Distributor Name : Tanim Goswami
Contact Person : Test

To know more, contact your financial advisor

