



COMMISSION STRUCTURE

JULY 01, 2014 TO SEPTEMBER 30, 2014



**COMMISSION STRUCTURE FOR DISTRIBUTION OF PRINCIPAL MUTUAL FUND SCHEMES FOR THE QUARTER :
JULY 01, 2014 TO SEPTEMBER 30, 2014**

APPLICABLE FOR MOBILIZATION DONE IN TOP 15 CITIES (T-15)

Applicable for application size upto Rs. 10 Lakh			
EQUITY, ELSS AND BALANCED SCHEMES (including EQUITY FoF)	UPFRONT COMMISSION	YEAR 1 TRAIL COMMISSION (p.a.)	YEAR 2 ONWARDS TRAIL COMMISSION (p.a.)
Principal Tax Savings Fund	5.00%	0.00%	1.00%*
Principal Personal Tax Saver Fund	2.00%	1.00%	1.00%
Principal Large Cap Fund	1.25%	0.50%	1.00%
Principal Smart Equity Fund	1.25%	0.50%	1.00%
Principal Emerging Blue Chip Fund	1.25%	0.50%	1.00%
Principal Dividend Yield Fund	1.25%	0.50%	1.00%
Principal Growth Fund	1.25%	0.50%	1.00%
Principal Balanced Fund	1.25%	0.50%	1.00%
Principal Global Opportunities Fund	1.00%	0.00%	0.75%
Principal Index Fund - Nifty	0.00%	0.50%	0.50%
Principal Index Fund - Midcap	0.00%	0.50%	0.50%
Applicable for application size above Rs. 10 Lakh			
EQUITY, ELSS AND BALANCED SCHEMES (including EQUITY FoF)	UPFRONT COMMISSION	YEAR 1 TRAIL COMMISSION (p.a.)	YEAR 2 ONWARDS TRAIL COMMISSION (p.a.)
Principal Tax Savings Fund	5.00%	0.00%	1.00%*
Principal Personal Tax Saver Fund	2.00%	1.00%	1.00%
Principal Large Cap Fund	0.00%	1.75%	1.00%
Principal Smart Equity Fund	0.00%	1.75%	1.00%
Principal Emerging Blue Chip Fund	0.00%	1.75%	1.00%
Principal Dividend Yield Fund	0.00%	1.75%	1.00%
Principal Growth Fund	0.00%	1.75%	1.00%
Principal Balanced Fund	0.00%	1.75%	1.00%
Principal Global Opportunities Fund	0.00%	1.00%	0.75%
Principal Index Fund - Nifty	0.00%	0.50%	0.50%
Principal Index Fund - Midcap	0.00%	0.50%	0.50%

* Trail Commission for Principal Tax Savings Fund will be payable from Year 4 onwards.

NOTE 1 : Upfront Commission (if any applicable as per the above structure) shall not be payable for Switches into a particular scheme, if the Investor has been charged an Exit Load in the Switch-out scheme for that Switch transaction.

**COMMISSION STRUCTURE FOR DISTRIBUTION OF PRINCIPAL MUTUAL FUND SCHEMES FOR THE QUARTER :
JULY 01, 2014 TO SEPTEMBER 30, 2014**

APPLICABLE FOR MOBILIZATION DONE IN CITIES BEYOND TOP 15 CITIES (B-15)

Applicable for application size upto Rs. 10 Lakh			
EQUITY, ELSS AND BALANCED SCHEMES (including EQUITY FoF)	UPFRONT COMMISSION	YEAR 1 TRAIL COMMISSION (p.a.)	YEAR 2 ONWARDS TRAIL COMMISSION (p.a.)
Principal Tax Savings Fund	5.00%	0.00%	1.00%*
Principal Personal Tax Saver Fund	2.00%	1.00%	1.00%
Principal Large Cap Fund	1.25%	1.00%	1.00%
Principal Smart Equity Fund	1.25%	1.00%	1.00%
Principal Emerging Blue Chip Fund	1.25%	1.00%	1.00%
Principal Dividend Yield Fund	1.25%	1.00%	1.00%
Principal Growth Fund	1.25%	1.00%	1.00%
Principal Balanced Fund	1.25%	1.00%	1.00%
Principal Global Opportunities Fund	1.00%	0.00%	0.75%
Principal Index Fund - Nifty	0.00%	0.50%	0.50%
Principal Index Fund - Midcap	0.00%	0.50%	0.50%
Applicable for application size above Rs. 10 Lakh			
EQUITY, ELSS AND BALANCED SCHEMES (including EQUITY FoF)	UPFRONT COMMISSION	YEAR 1 TRAIL COMMISSION (p.a.)	YEAR 2 ONWARDS TRAIL COMMISSION (p.a.)
Principal Tax Savings Fund	5.00%	0.00%	1.00%*
Principal Personal Tax Saver Fund	2.00%	1.00%	1.00%
Principal Large Cap Fund	0.00%	2.25%	1.00%
Principal Smart Equity Fund	0.00%	2.25%	1.00%
Principal Emerging Blue Chip Fund	0.00%	2.25%	1.00%
Principal Dividend Yield Fund	0.00%	2.25%	1.00%
Principal Growth Fund	0.00%	2.25%	1.00%
Principal Balanced Fund	0.00%	2.25%	1.00%
Principal Global Opportunities Fund	0.00%	1.00%	0.75%
Principal Index Fund - Nifty	0.00%	0.50%	0.50%
Principal Index Fund - Midcap	0.00%	0.50%	0.50%

* Trail Commission for Principal Tax Savings Fund will be payable from Year 4 onwards.

NOTE 1 : Upfront Commission (if any applicable as per the above structure) shall not be payable for Switches into a particular scheme, if the Investor has been charged an Exit Load in the Switch-out scheme for that Switch transaction.

PLEASE REFER TO PAGE 5 FOR ADDITIONAL TERMS AND DISCLOSURES
COMMISSION STRUCTURE FOR DISTRIBUTORS EMPANELLED WITH PRINCIPAL MUTUAL FUND



**COMMISSION STRUCTURE FOR DISTRIBUTION OF PRINCIPAL MUTUAL FUND SCHEMES FOR THE QUARTER :
JULY 01, 2014 TO SEPTEMBER 30, 2014
APPLICABLE FOR MOBILIZATION DONE IN ALL CITIES**

Applicable for application size upto Rs. 10 Lakh			
DEBT AND LIQUID SCHEMES	UPFRONT COMMISSION	YEAR 1 TRAIL COMMISSION (p.a.)	YEAR 2 ONWARDS TRAIL COMMISSION (p.a.)
Principal Debt Savings Fund - MIP	1.25%	0.50%	0.75%
Principal Debt Opportunities Fund - Corporate Bond Plan	1.00%	0.40%	0.75%
Principal Income Fund -Long Term Plan	1.00%	0.25%	0.75%
Principal Government Securities Fund	0.00%	1.15%	0.60%
Principal Debt Savings Fund -Retail Plan	0.00%	1.00%	0.60%
Principal Income Fund - Short Term Plan*	0.50%	0.80%	0.50%
Principal Bank CD Fund	0.25%	0.50%	0.30%
Principal Debt Opportunities Fund - Conservative Plan	0.00%	0.90%	0.50%
Principal Cash Management Fund	0.00%	0.05%	0.05%
Principal Retail Money Manager Fund	0.00%	0.05%	0.05%
* FOR STP, YEAR 1 TRAIL COMMISSION SHALL BE APPLICABLE ONLY FROM 7TH MONTH ONWARDS			

NOTE 1 Upfront Commission (if any applicable as per the above structure) shall not be payable for Switches into a particular scheme, if the Investor has been charged an Exit Load in the Switch-out scheme for that Switch transaction.

NOTE 2 For Principal Cash Management Fund
Additional annualized first year commission at the rate of 0.10 % p.a shall be paid on Applications of Rs 5 crore or more, subject to these being received from Investors who do not have any AUM with Principal Mutual Fund since July 1, 2013, until the date of such Application. Additional mobilization received from such Investors in Principal Cash Management Fund post such qualifying Application, shall also remain eligible for additional annualized first year commission at the rate of 0.10 % p.a, subject to such mobilization being received on or before September 30, 2014.

Applicable for application size above Rs. 10 Lakh			
DEBT AND LIQUID SCHEMES	UPFRONT COMMISSION	YEAR 1 TRAIL COMMISSION (p.a.)	YEAR 2 ONWARDS TRAIL COMMISSION (p.a.)
Principal Debt Savings Fund - MIP	0.00%	1.75%	0.75%
Principal Debt Opportunities Fund - Corporate Bond Plan	0.00%	1.40%	0.75%
Principal Income Fund -Long Term Plan	0.00%	1.25%	0.75%
Principal Government Securities Fund	0.00%	1.15%	0.60%
Principal Debt Savings Fund -Retail Plan	0.00%	1.00%	0.60%
Principal Income Fund - Short Term Plan	0.00%	0.90%	0.50%
Principal Bank CD Fund	0.25%	0.50%	0.30%
Principal Debt Opportunities Fund - Conservative Plan	0.00%	0.90%	0.50%
Principal Cash Management Fund	0.00%	0.05%	0.05%
Principal Retail Money Manager Fund	0.00%	0.05%	0.05%

NOTE 3 For Principal Debt Opportunities Fund – Conservative Plan
i) Year 1 Trail Commission for the first three months from the date of allotment, shall be 1.00% p.a. (instead of 0.90% p.a), if Net Mobilisation during the period (July 1, 2014 to September 30, 2014) from the distributor, is Rs.5 Crore or more, but less than Rs.20 Crore.
ii) Year 1 Trail Commission for the first three months from the date of allotment, shall be 1.10% p.a. (instead of 0.90% p.a), if Net Mobilization during the period (July 1, 2014 to September 30, 2014) from the distributor, is Rs.20 Crore or more.

PLEASE REFER TO PAGE 5 FOR ADDITIONAL TERMS AND DISCLOSURES
COMMISSION STRUCTURE FOR DISTRIBUTORS EMPANELLED WITH PRINCIPAL MUTUAL FUND

ADDITIONAL TERMS & CONDITIONS:

- 1) The commission structure/rates outlined in the table above is applicable only for the period mentioned in the table above. Principal Pnb Asset Management Co. Pvt. Ltd ('AMC') reserves the right to modify this commission structure/rates, including trail commission structure, at any time in the future, without any notice, following changes in SEBI / AMFI regulations, change in scheme expense structure, market conditions, etc.
- 2) The list of Top 15 (T15) Cities is provided by AMFI from time to time & Cities Beyond Top 15 Cities (B-15) refers to all the cities beyond the Top 15 cities.
- 3) The Commission computation by our R&T will be considered to be final. The AMC shall not entertain any queries on the commission statement/commission payout, if the same are received after 15 days from the submission of commission statement/commission payout.
- 4) The above commission structure and the payout thereof is subject to empanelment of the distributor with the AMC, various SEBI/AMFI regulations/guidelines as may be applicable from time to time, including regulations/guidelines relating to forfeiture of Commission.
- 5) The above commission structure is inclusive of any cess, charges, taxes, etc. that may be applicable to the Distributor / AMC on behalf of the distributor. TDS will be recovered as required under IT Act as per rates applicable and as amended from time to time.
- 6) The distributors shall adhere to all relevant SEBI circulars on Code of Conduct and SEBI Regulations and ensure that no rebate is given to investors in any form.
- 7) If any distributor is found indulging in excessive churning of investments, the AMC reserves the right to stop all future payments of commission and may also claw back the commission already paid.
- 8) As per the current guidelines issued by SEBI, upfront commission may also be paid by the Investor directly to his Distributor / Advisor based on his assessment of various factors including the service rendered by the Distributor / Advisor. Further, the revised guidelines state that the Distributor / Advisor is required to disclose all commissions (in the form of trail commission or any other mode) payable to them for the different competing schemes of various mutual funds from amongst which the scheme is being recommended to the Investor.
- 9) As communicated by SEBI, any sales promotional or any other literature, prepared by Distributors about the fund house products, should adhere and comply with SEBI guidelines. Accordingly you are required to ensure that such literature issued by you should comply with the relevant SEBI prescribed Advertisement Code and all other relevant circulars / guidelines issued from time to time, including any guidelines/instructions issued by AMC inter alia concerning preparation and release of such material.
- 10) SEBI requires to ensure that all Unitholders are provided unrestricted access to the Mutual Fund/AMC and ensure that the existing and potential Unitholder's rights are not restricted in any manner. Accordingly, the AMCs shall accept and suitably act upon any requests to undertake commercial/non-commercial transactions related to the Schemes of Principal Mutual Fund directly initiated by the Unitholders/Investors.
- 11) As per SEBI regulations, you are not entitled to commission on your own investments. Please note that receiving commission on own investments will be violation of SEBI Regulations and you are required to immediately bring any such instances to our attention so that the same can be recovered immediately.
- 12) AMC reserves the right to recover any amounts due to the AMC from the Distributor, against any commission payable to the Distributor.
- 13) **Principal Mutual Fund communicates all Distributor Commission/Incentive Structures only through pmfdistributorcommission@principalindia.com. Principal Mutual Fund shall not take liability for any commission/incentive structure communicated through any other email id, or, through any other medium, unless such communication has been confirmed by pmfdistributorcommission@principalindia.com**

