



# **COMMISSION STRUCTURE**

**OCTOBER 1, 2014 TO DECEMBER 31, 2014**



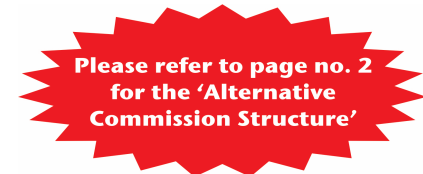
**COMMISSION STRUCTURE FOR MOBILIZATION IN PRINCIPAL MUTUAL FUND SCHEMES DURING THE QUARTER : OCTOBER 01, 2014 TO DECEMBER 31, 2014**

<b>EQUITY, ELSS AND BALANCED SCHEMES (including EQUITY FoF)</b>			
<b>SCHEME NAME</b>	<b>UPFRONT COMMISSION</b>	<b>YEAR 1 TRAIL COMMISSION (p.a.)</b>	<b>YEAR 2 ONWARDS TRAIL COMMISSION (p.a.)</b>
Principal Tax Savings Fund	5.50%	NIL	1.00%*
Principal Personal Tax Saver Fund	0.00%	3.00%	1.00%
Principal Large Cap Fund	0.00%	2.25%	1.00%
Principal Smart Equity Fund	0.00%	2.50%	1.00%
Principal Emerging Blue Chip Fund	0.00%	2.25%	1.00%
Principal Dividend Yield Fund	0.00%	2.25%	1.00%
Principal Balanced Fund	0.00%	2.25%	1.00%
Principal Growth 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%

An **ADDITIONAL YEAR 1 TRAIL COMMISSION** of 1.00% p.a. shall be payable on mobilization in B15 cities in the below mentioned Equity schemes:

- Principal Large Cap Fund
- Principal Emerging Blue-chip Fund
- Principal Dividend Yield Fund
- Principal Smart Equity Fund
- Principal Balanced Fund
- Principal Growth Fund

\* Rate of Commission indicated as Year 2 Trail commission (p.a) for Principal Tax Savings Fund will be payable from Year 4 onwards.



PLEASE REFER TO PAGE 4 FOR ADDITIONAL TERMS AND DISCLOSURES

## **ALTERNATIVE COMMISSION STRUCTURE (ACS)** **for the quarter Oct 1, 2014 - Dec 31, 2014**

**For select Equity Schemes\* in all cities  
(all application sizes)**

<b>Upfront</b>	<b>Year 1 Trail Commission (p.a.)</b>	<b>Year 2 Trail Commission (p.a.)</b>	<b>Year 3 Onwards Trail Commission (p.a.)</b>
0.10%	1.25%	1.50%	1.75%

\* Applicable for Principal Large Cap Fund, Principal Growth Fund, Principal Emerging Bluechip Fund, Principal Dividend Yield Fund, Principal Smart Equity Fund, Principal Balanced Fund

NOTE: ACS would be applicable (in lieu of the commission structure provided for these Equity Schemes on Page 1 of the attachment) only on receipt of confirmation from the Distributor on or before October 20, 2014, through any of the e-mail IDs registered with CDMS.

**COMMISSION STRUCTURE FOR MOBILIZATION IN PRINCIPAL MUTUAL FUND SCHEMES DURING THE QUARTER : OCTOBER 01, 2014 TO DECEMBER 31, 2014**

<b>DEBT AND LIQUID SCHEMES</b>		
<b>SCHEME NAME</b>	<b>YEAR 1 TRAIL COMMISSION (p.a.)</b>	<b>YEAR 2 ONWARDS TRAIL COMMISSION (p.a.)</b>
Principal Debt Savings Fund - MIP	1.75%	0.75%
Principal Income Fund -Long Term Plan	1.25%	0.75%
Principal Government Securities Fund	1.15%	0.60%
Principal Debt Savings Fund -Retail Plan	1.00%	0.60%
Principal Income Fund - Short Term Plan	0.90%	0.50%
Principal Bank CD Fund	0.75%	0.30%
Principal Debt Opportunities Fund - Corporate Bond Plan	0.15%	0.15%
Principal Debt Opportunities Fund - Conservative Plan	0.90%	0.50%
Principal Retail Money Manager Fund	0.05%	0.05%
Principal Cash Management Fund	0.05%	0.05%

NOTE 1

**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 (October 1, 2014 to December 31, 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 (October 1, 2014 to December 31, 2014) from the distributor, is Rs.20 Crore or more.

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 October 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 December 31, 2014.

PLEASE REFER TO PAGE 4 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](mailto: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](mailto:pmfdistributorcommission@principalindia.com)**

