

# PRINCIPAL MUTUAL FUND

Exchange Plaza, 'B' Wing, Ground Floor, NSE Building, Bandra Kurla Complex, Bandra (East), Mumbai – 400 051.



## PRINCIPAL PNB FIXED MATURITY PLAN - SERIES B15 – ABRIDGED ANNUAL REPORT FOR 2013-14

### INDEPENDENT AUDITORS' REPORT

#### TO THE TRUSTEE OF PRINCIPAL MUTUAL FUND

##### Report on the Financial Statements

We have audited the accompanying financial statements of the schemes mentioned below (collectively "the Schemes"), which comprise the Balance Sheets as at March 31, 2014, the Revenue Accounts and Cash Flow Statements of the respective schemes for the year/period then ended and a summary of significant accounting policies and other explanatory information.

• Principal Growth Fund • Principal Index Fund - Nifty (Formerly known as Principal Index Fund) • Principal Large Cap Fund • Principal Dividend Yield Fund • Principal Emerging Bluechip Fund • Principal Personal Tax Saver Fund • Principal Smart Equity Fund • Principal Tax Savings Fund • Principal Global Opportunities Fund • Principal Debt Opportunities Fund - Conservative Plan • Principal Debt Opportunities Fund - Corporate Bond Plan • Principal Government Securities Fund • Principal Income Fund - Long Term Plan • Principal Bank CD Fund • Principal Income Fund - Short Term Plan • Principal Debt Savings Fund - MIP • Principal Debt Savings Fund - Retail Plan • Principal Balanced Fund • Principal Cash Management Fund • Principal Retail Money Manager Fund • Principal PNB Fixed Maturity Plan - Series B2 • Principal PNB Fixed Maturity Plan - Series B5 • Principal PNB Fixed Maturity Plan - Series B10 • Principal PNB Fixed Maturity Plan - Series B12 • Principal PNB Fixed Maturity Plan - Series B13 • Principal PNB Fixed Maturity Plan - Series B14 • Principal PNB Fixed Maturity Plan - Series B15

##### Management's Responsibility for the Financial Statements

Trustee of Principal Mutual Fund and Principal Pnb Asset Management Company Private Limited are responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Schemes in accordance with the accounting policies and standards as specified in the Ninth Schedule of the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996 and amendments thereto ("the Regulations"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

##### Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Scheme's preparation and fair presentation of the financial

statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Schemes internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Opinion:** In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Regulations as applicable and give a true and fair view in conformity with the accounting principles generally accepted in India:

- in the case of the Balance Sheets, of the state of affairs of the Scheme as at March 31, 2014;
- in the case of the Revenue Accounts, of the surplus/deficit, as applicable for the year/period ended on that date; and
- in the case of the Cash Flow Statements, of the cash flows for the year/period ended on that date.

##### Report on Other Legal and Regulatory Requirements

As required under the Regulations, we report that:

- We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
- The Balance Sheets, Revenue Accounts and Cash Flow Statements dealt with by this Report are in agreement with the books of account of the Schemes;
- In our opinion, the Balance Sheets, Revenue Accounts and Cash Flow Statements dealt with by this report have been prepared in accordance with the accounting policies and standards as specified in Ninth Schedule of the Regulations.
- The methods used to value non traded securities (referred in II(3) of Schedule 9), as determined by Principal Pnb Asset Management Company Private Limited and as approved by the Trustee of Principal Mutual Fund are in good faith and in accordance with the guidelines for valuation of securities for mutual funds as mentioned in the Eighth Schedule of the Regulations issued by the Securities and Exchange Board of India, and are fair and reasonable.

For Haribhakti & Co.  
Chartered Accountants  
Firm Registration No. 103523W  
Sd/-

Chetan Desai

Partner

Membership No. 17000

Place : Mumbai

Date : April 28, 2014

### TRUSTEE REPORT

To the Unitholders,

Directors of Principal Trustee Company Private Limited have the pleasure in presenting the Twentieth Annual Report along with the audited financial statements of the Schemes of Principal Mutual Fund for the Financial Year 2013-2014.

#### 1. Scheme Performance, Future Outlook and Operations of the Scheme :

##### Performance as on March 31, 2014:

**Principal Pnb Fixed Maturity Plan - Series B15 (A Close Ended Debt Scheme offering Fixed Maturity Plan of 377 days)**

Period	Date	Regular Plan <sup>^</sup>		Direct Plan <sup>^</sup>	
		Returns (%)	Crisil Short Term Bond Fund Index (%)	Returns (%)	Crisil Short Term Bond Fund Index (%)
Since Inception	26-Mar-14	0.23	0.14	0.23	0.14

<sup>^</sup>Growth Option

Past performance may or may not be sustained in the future

**Note: Returns less than one year are calculated on absolute basis and returns for more than one year are calculated on Compounded Annualised basis.**

Most of the scheme(s) under the Fixed Maturity Plans since their inception have been in line with their benchmarks, whereas Principal Pnb Fixed Maturity Plan - Series B2 has outperformed its benchmark significantly. The same has essentially been on account of the scheme(s) being Fixed Maturity Plan(s) which required locking in investments till maturity of the Scheme(s) and better timing and stock selection.

##### Outlook and Operations of the Scheme:

###### a. Equity Market:

The equity market has run up substantially in the second half of the previous year for the reasons we listed in the review above viz. the efforts of the government to kick start investment, some improvement in macroeconomic parameters and market expectations of a stable government at the centre. In addition, if there is improvement in corporate profitability as the economy revives, it can lead to decent earnings growth. However, the big challenge remains on the fiscal front as government revenues can remain weak in an environment of weak growth. The markets however are not too expensive, and are in line with long term averages, so they are likely to trade with a positive bias.

###### b. Debt Market:

The key drivers for debt market in FY 2014-15 would be the RBI monetary policy stance, CPI Inflation trajectory, Banking system liquidity conditions and demand supply dynamics for Government Securities (G-Sec). The policies of the new government concerning fiscal management would also be keenly awaited.

RBI is expected to keep CPI inflation as the nominal anchor of monetary policy. If the trajectory of CPI inflation is in line with RBI projections (8% by Dec 14, and 6% by Dec 15), then we may see an extended pause in benchmark rates this year.

Global crude oil prices would continue to remain an important indicator in terms of fuel inflation, oil import growth and subsidy bill of government. Any fall in prices to below US\$100 on account of global growth concerns would be positive for debt market.

Banking system liquidity is expected to remain in deficit mode in FY15 as well. Most of the deficit, though, would be financed through Term repo, unlike FY14, when overnight LAF window was the major source for liquidity injection.

The supply of G-Sec in the first half of FY 2014-15 is 61% of the total dated G-sec borrowing programme of ₹ 5.97 lakh crores (in turn higher than ₹ 5.63 Lac Cr of FY 2013-14). The government plans to conduct buyback (swap) of short tenor G-sec and issue fresh long dated G-sec of an equivalent amount this year as well, which may put pressure on long term G-Sec yields. Lack of OMOs along with excess supply may keep pressure on the G-Sec yields. The broad range for 10 year benchmark for Financial year 2014-15 is likely to be 8.50%-9.50%.

The fiscal policies of the new elected government, stance on Gold import restrictions and change in the net supply of G-Sec for FY 14-15 would be very important for the markets. Overall we may expect volatility in rates in the various segments.

**Operations:** Principal Mutual Fund (PMF) as at March 31, 2014 offers twenty seven Schemes. These include eight Equity Schemes (including two Equity Linked Savings Schemes), one Balanced Scheme, one Hybrid Scheme, one Fund of Fund Scheme (Overseas), nine Debt

Schemes/Plans including one Liquid Scheme, and seven Fixed Maturity Plans. The total assets under management across all these Schemes as on March 31, 2014 was ₹ 3776.34 Crore.

The AMC operates out of 11 branches, including Mumbai. Increased use of technology coupled with optimum allocation and utilization of resources has helped us to enhance operational efficiency at PMF. During the year, SEBI has introduced significant changes to the MF regulations which has impacted the industry as a whole. PMF has continued to modify its processes, wherever required, to remain compliant with the said regulations at all times.

##### Brief background of Sponsors, Trust, Trustee Co. and AMC Co.

###### A. Constitution of the Mutual Fund<sup>+</sup>

Principal Mutual Fund (formerly known as IDBI-PRINCIPAL Mutual Fund and herein referred to as the "Mutual Fund") has been constituted as a trust on November 25, 1994 in accordance with the provision of the Indian Trusts Act, 1882 (2 of 1882).

The Fund was initially set up by Industrial Development Bank of India (IDBI) in 1994 by execution of a Trust Deed, under which IDBI was the sole Settlor, Sponsor and Principal Trustee and an initial amount of ₹ 1 lakh and additional amount of ₹ 24.99 Crore was settled as the trust corpus. Accordingly the Board of Trustees were vested with all the rights, duties and responsibilities vis-a-vis functioning of the Mutual Fund. The said Trust Deed has been registered under the Indian Registration Act, 1908 and the Mutual Fund was registered with SEBI on December 13, 1994 under Registration Code - MF/019/94/0.

Subsequently, on March 31, 2000, Principal Financial Services Inc., USA, became the deemed sponsor (along with the IDBI) by acquiring 50% stake in IDBI-PRINCIPAL Asset Management Company Limited, where after and pursuant to the SEBI letter dated October 18, 2002 all rights, responsibilities and duties of the Board of Trustees were transferred in favour of IDBI-Principal Trustee Company Ltd. On June 23, 2003, Principal Financial Services Inc. USA became the sole sponsor by acquiring 100% stake in IDBI-PRINCIPAL Asset Management Company Limited, through its wholly owned subsidiary Principal Financial Group (Mauritius) Limited (Principal Mauritius). Principal Mauritius thus became the sole settlor of the Fund and the name of the Trustee Company and of the Asset Management Company was changed respectively to Principal Trustee Company Pvt. Ltd. and Principal Asset Management Company Private Limited to reflect the change in ownership. In tune with the industry standards and practices, Principal Mauritius, the Settlor, maintains a corpus of ₹ 25 lakh in the Trust in place of the original contribution of ₹ 1 lakh and additional contribution of ₹ 24.99 crore vide execution of a supplemental trust deed dated April 16, 2004. On May 5, 2004, Punjab National Bank (PNB) and Vijaya Bank (VB) became equity shareholders and they hold equity shares to the extent of 30% and 5% respectively of the equity capital of both Principal Trustee Company Private Limited and Principal Pnb Asset Management Company Private Limited (earlier name - Principal Asset Management Company Private Limited). Pursuant to this change in ownership, certain amendments have been made to the Principal Mutual Fund vide Supplemental Trust Deed dated 5th May 2004, to reflect, amongst other amendments, the addition of Punjab National Bank and Vijaya Bank as the co-settlers to the Fund. Accordingly, Principal Mauritius, Punjab National Bank and Vijaya Bank have 65%, 30% and 5% rights, title, interest and obligations respectively as co-settlers to Principal Mutual Fund.

<sup>+</sup> Note: Effective June 27, 2014, shareholding pattern of AMC and Trustee Co. has been revised as under: Principal Mauritius - 70%; PNB - 30%

###### B. Principal Trustee Company Private Limited ("the Trustee")

The Trustee is the exclusive owner of the Trust Fund and holds the same in trust for the benefit of the Unitholders. The Trustee has been discharging its duties and carrying out its responsibilities as provided in the SEBI (Mutual Funds) Regulations, 1996 and the Trust Deed. The Trustee seeks to ensure that the Fund and the Schemes floated there under are managed by the AMC in accordance with the Trust Deed, the Regulations, directions and guidelines issued by the SEBI, the Association of Mutual Funds in India and other regulatory agencies.

#### 2. Liabilities and Responsibilities of Trustee and Settlor

The key responsibility of the Trustee is to safeguard the interest of the Unit holders and inter-alia ensure that Principal Pnb Asset Management Company Private Limited functions in the interest of investors and as laid down under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996, the provisions of the Investment Management Agreement, Statement of Additional Information and Scheme Information Document of the respective Schemes. From the information provided to the Trustees and the reviews the Trustee has undertaken, the Trustee believes Principal AMC has operated in the interests of the Unit holders.

The Sponsor and any of its associates including co-settlers is not responsible or liable for any loss resulting from the operations of the Mutual Fund beyond the initial contribution of an amount of ₹ 25 lakhs towards setting up of Principal Mutual Fund.

**3. Investment Objective**

The investment objective of the Scheme(s) is to build an income oriented portfolio and generate returns through investment in Debt/Money Market Instruments and Government Securities.

**4. Significant Accounting Policies**

The Significant Accounting Policies form part of the Notes to the Accounts annexed to the Balance Sheet of the Scheme. Accounting policies are in accordance with Securities Exchange Board of India (Mutual Fund) Regulations, 1996.

**5. Unclaimed Dividends & Redemptions for the financial year 2013-2014**

Scheme	Unclaimed Dividends		Unclaimed Redemptions	
	Amount (₹ in Lacs)	No. of Investors	Amount (₹ in Lacs)	No. of Investors
Principal Pnb Fixed Maturity Plan - Series B15	-	-	-	-

**6. Investor Grievances**

The data on Investor Grievance as per the SEBI prescribed is enclosed herewith as Annexure I.

**7. General Policies & Procedures for exercising the voting rights & Exercise of Proxy Votes**  
As per the requirements of the SEBI Circular No. SEBI/IMD/CIR No.18/198647/2010 dated March 15, 2010, the General policies and procedures for exercising voting rights (along with the relevant disclosures) in respect of the shares held by the Schemes of Principal Mutual Fund; has been hosted on our website – www.principalindia.com

**8. Statutory Information**

- The Sponsors/Co-Settlers are not responsible or liable for any loss resulting from the operations of the Schemes of Principal Mutual Fund beyond their initial contribution of an amount of ₹ 25 lakhs towards setting up Principal Mutual Fund, and such other accretions/ additions to the same;
- The price and redemption value of the units, and income from them, can go up as well down with fluctuations in the market value of its underlying investment;
- Full Annual Report shall be disclosed on the website www.principalindia.com and shall also be available for inspection at the Head Office of Principal Mutual Fund. Present and prospective unitholder can obtain copy of the trust deed, the full Annual Report of the Fund / AMC at a price.

**Acknowledgement**

The Trustee wish to thank Securities and Exchange Board of India, Reserve Bank of India and Association of Mutual Funds in India for their support and direction. The Trustees also wish to thank all the Unitholders for their strong support.

For Principal Trustee Company Private Limited

Date : April 28, 2014  
Place : Mumbai

Sd/-  
V. S. Mathur  
Chairman

**Annexure – I**

Redressal of Complaints received against Mutual Funds(MFs) during 2013-2014:

Principal Mutual Fund Total number of folios as on March 31, 2014 – 5,25,202

Complaint Code	Type of Complaint #	(a) No. of complaints pending at the beginning of the year Total	(b) No of complaints received during the year Total	Action on (a) and (b)								
				Resolved				Non Actionable*	Pending			
				Within 30 days	30-60 days	60-180 days	Beyond 180 days		0-3 months	3-6 months	6-9 months	9-12 months
IA	Non receipt of Dividend on Units	-	2	1	1	-	-	-	-	-	-	-
IB	Interest on delay payment of dividend	-	-	-	-	-	-	-	-	-	-	-
IC	Non receipt of Redemption Proceeds	4	201	200	1	-	-	-	4	-	-	-
ID	Interest on delay payment of redemption	1	1	1	1	-	-	-	-	-	-	-
IIA	Non receipt of Statement of Account/Unit Certificate	-	-	-	-	-	-	-	-	-	-	-
IIB	Discrepancy in Statement of Account	2	824	824	-	-	-	-	2	-	-	-
IIC	Non receipt of Annual Report/Abridged Summary	-	-	-	-	-	-	-	-	-	-	-
IIIA	Wrong switch between Schemes	-	8	8	-	-	-	-	-	-	-	-
IIIB	Unauthorized switch between Schemes	-	-	-	-	-	-	-	-	-	-	-
IIIC	Deviation from Schemes attributes	-	-	-	-	-	-	-	-	-	-	-
IIID	Wrong or excess charges/load	-	-	-	-	-	-	-	-	-	-	-
IIIE	Non updation of changes viz. address, PAN, bank details, nomination, etc	-	125	125	-	-	-	-	-	-	-	-
IV	Others	8	292	298	2	-	-	-	-	-	-	-
	<b>Total</b>	<b>15</b>	<b>1453</b>	<b>1457</b>	<b>5</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>6</b>	<b>0</b>	<b>0</b>	<b>0</b>

Notes: # including against its authorized persons/distributors/employees etc. \* Non actionable means the complaints that are incomplete / outside the scope of Mutual Fund

**ABRIDGED BALANCE SHEET AS AT MARCH 31, 2014**

	(₹ In Lacs)
	As at March 31, 2014
<b>LIABILITIES</b>	
Unit Capital	2,963.87
<b>Reserves &amp; Surplus</b>	
Unit Premium Reserves	-
Unrealised Appreciation Reserve	4.40
Other Reserves	4.66
<b>Loans &amp; Borrowings</b>	-
<b>Current Liabilities &amp; Provisions</b>	
Provision for doubtful Income/Deposits	-
Other Current Liabilities & Provisions	0.18
<b>TOTAL</b>	<b>2,973.11</b>
<b>ASSETS</b>	
<b>Investments</b>	
<b>Listed Securities:</b>	
Equity Shares	-
Preference Shares	-
Equity Linked Debentures	-
Other Debentures & Bonds	1,031.92
Securitized Debt securities	-
<b>Securities Awaited Listing:</b>	
Equity Shares	-
Preference Shares	-
Equity Linked Debentures	-
Other Debentures & Bonds	-
Securitized Debt securities	-
<b>Unlisted Securities</b>	
Equity Shares	-
Preference Shares	-
Equity Linked Debentures	-
Other Debentures & Bonds	-
Securitized Debt securities	-
<b>Government Securities</b>	
Treasury Bills	-
Commercial Paper	-
Certificate of Deposits	1,799.74
Bill Rediscounting	-
Units of Domestic Mutual Fund	-
Foreign Securities	-
<b>Total Investments</b>	<b>2,831.66</b>
<b>Deposits</b>	
<b>Other Current Assets</b>	
Cash & Bank Balance	1.02
CBLO/ Reverse Repo Lending	138.97
Others	1.46
<b>Deferred Revenue Expenditure</b> (to the extent not written off)	-
<b>TOTAL</b>	<b>2,973.11</b>

Notes to Accounts – Annexure I

**ABRIDGED REVENUE ACCOUNT FOR THE PERIOD ENDED MARCH 31, 2014**

	(₹ In Lacs)
	Current Period ended March 31, 2014
<b>INCOME</b>	
Dividend	-
Interest	4.69
Realised Gain / (Loss) on Foreign Exchange Transactions	-
Realised Gains / (Losses) on Interscheme sale of investments	-
Realised Gains / (Losses) on External sale / redemption of investments	-
Realised Gains / (Losses) on Derivative Transactions	-
Other Income	-
	<b>(A)</b>
	<b>4.69</b>
<b>EXPENSES</b>	
Management fees	-
Service tax on Management fees	-
Transfer agents fees and expenses	-
Custodian fees	-
Trusteeship fees	-
Commission to Agents	0.01
Marketing & Distribution expenses	-
Audit fees	-
Other operating expenses (Refer note 4 of Notes to Accounts)	0.02
Excess of Expenditure Over Permissible Limit to be Recovered from AMC	-
	<b>(B)</b>
	<b>0.03</b>
<b>NET REALISED GAINS / (LOSSES) FOR THE PERIOD (A - B = C)</b>	<b>4.66</b>
Change in Unrealised Depreciation in value of investments (D)	0.14
<b>NETGAINS / (LOSSES) FOR THE PERIOD (E-(C-D))</b>	<b>4.52</b>
Change in unrealised appreciation in the value of investments (F)	4.54
<b>NET SURPLUS / (DEFICIT) FOR THE PERIOD (E + F = G)</b>	<b>9.06</b>
<b>Opening Balance</b>	-
Add: Balance transfer from Unrealised Appreciation Reserve	-
Less: Balance transfer to Unrealised Appreciation Reserve	4.40
Add / (Less): Equalisation	-
<b>Total (Including G)</b>	<b>4.66</b>
<b>Dividend appropriation</b>	
Income Distributed during the period	-
Tax on income distributed during the period	-
<b>Retained Surplus / (Deficit) carried forward to Balance sheet</b>	<b>4.66</b>

Notes to Accounts – Annexure I

**NOTES TO ACCOUNTS**

**Annexure I to the Abridged Balance Sheet and Revenue Account for the Period Ended 31 March, 2014**

**1 Investments : -**

- 1.1 Except Government Securities, CBLO's and Treasury Bills all other investments of the scheme are registered in the name of Principal Trustee Company Pvt. Ltd. - Trustee to Principal Mutual Fund for the benefit of the Schemes unitholders.
- 1.2 There was no exposure to derivative products during the period ended March 31, 2014.
- 1.3 For the period ended March 31, 2014 the scheme has not made investments in securities of the Associate / Group Companies of the Sponsor. Details of Aggregate Value of Investments made by the schemes of Principal Mutual Fund during the period ended March 31, 2014 is given in Annexure II.  
The above investments were considered sound before making investment. The AMC evaluated the same on merits and on arm's length basis and in accordance with the investment objectives of the respective Schemes.
- 1.4 There are no open position of securities borrowed and / or lent by the scheme as at March 31, 2014.
- 1.5 Non Performing Assets as at March 31, 2014 is ₹ Nil.
- 1.6 Aggregate value of Unrealised Gain / Loss as at the end of the Period, expressed as a percentage to Net Assets.

(₹ in Lacs)

Scheme	Period ended 31-March-2014	
	Unrealised Gain / (Loss)	% of Avg. Net Assets
Principal Pnb Fixed Maturity Plan - Series B15	4.40	0.15

- 1.7 Aggregate Value of Purchase and Sale made during the period, expressed as a percentage of Average Daily Net Asset Value :

(₹ in Lacs)

	Purchases		Sales*	
	Amount	% of Avg. Net Assets	Amount	% of Avg. Net Assets
March 31, 2014	2,824.72	95.05	-	-

\* Sales includes redemptions / maturities

- 1.8 The Aggregate book value of Non-Traded / Thinly traded Debt Investments, which have been valued in good faith in accordance with the guidelines for valuation of securities of Mutual Fund issued by SEBI, expressed as percentage to Net Assets is given below :

(₹ in Lacs)

Scheme	Year ended 31-March-2014	
	Amount	% to Net Assets
Book Value	2,824.01	94.99
Market / Fair Value	2,831.66	95.25

- 2 As per the requirements of Regulation 25 (8) of SEBI Regulation 1996, the details of Payments made to Associates during the year is given in Annexure III.
- 3 As per the SEBI disclosure wide circular No. MFD/CIR No.3/211/2001 dated April 30, 2001; Scheme does not have a single unit holder holding more than 25% of the NAV as on March 31, 2014.
- 4 Expenses are exclusive of Service Tax amount. The Service Tax amount has been included in Other Operating Expenses except for Service Tax on Management Fees which has been reported separately.
- 5 Details of movements in Unit Capital during the period is given in Annexure IV.
- 6 Since the Scheme was launched during the year, there are no figures in respect of the previous year.
- 7 There was no Contingent Liability for the current period.

**Annexure - II**

**Details of Investments made in Associates / Group Companies**

(₹ In Lacs)

Scheme	Equity Shares	
	2013-2014	2012-2013
<b>LARSEN &amp; TOUBRO LTD</b>		
GROWTH	22.41	499.15
INDEX	33.42	209.09
LCAP	1,277.91	874.12
PTSF	1,421.50	974.42
SMART	262.91	237.49
TAX96	-	414.85
MIP	-	4.41
MIPPL	-	4.40
PBF	0.96	19.27

(₹ In Lacs)

Scheme	Equity Shares	
	2013-2014	2012-2013
<b>PUNJAB NATIONAL BANK</b>		
INDEX	4.43	26.82
MIP	-	0.76
MIPPL	-	0.76

  

Scheme	Equity Shares	
	2013-2014	2012-2013
<b>ALLAHABAD BANK<sup>1</sup></b>		
PEBF	-	154.10

<sup>1</sup> Effective September 21, 2012, the same ceases to be our associate and hence the data for F.Y.2012-2013 is only till September 21, 2012.

**SCHEME CODE LIST:** • **FR-FMP** - Principal Debt Opportunities Fund - Conservative Plan • **FR-SMP** - Principal Debt Opportunities Fund - Corporate Bond Plan • **GROWTH** - Principal Growth Fund • **INDEX** - Principal Index Fund • **LCAP** - Principal Large Cap Fund • **LIQUID** - Principal Cash Management Fund • **MIP** - Principal Debt Savings Fund - MIP • **MIPPL** - Principal Debt Savings Fund - Retail Plan • **PBF** - Principal Balanced Fund • **PDYF** - Principal Dividend Yield Fund • **PEBF** - Principal Emerging Bluechip Fund • **PTSF** - Principal Personal Tax Saver Fund • **SMART** - Principal Smart Equity Fund • **STP** - Principal Income Fund - Short Term Plan • **TAX96** - Principal Tax Savings Fund • **LIQPLS** - Principal Bank CD Fund

**Annexure - III**

Commission Paid to Associates / Related Parties / Group Companies of Sponsor AMC is NIL.

**Fees/Charges Paid to Associates / Related Parties / Group Companies of Sponsor AMC**

Name of the Related Party	Nature of Transactions	For the period ended March 31, 2014 (₹)	Outstanding as at March 31, 2014 (₹)
Punjab National Bank	Bank Charges	56	-

**Annexure - IV**

**Details of Movement in Unit Capital for the period ended 31 March 2014**

Scheme	Opening Balance *	Subscription *	Redemption *	Closing Balance *
Principal Pnb Fixed Maturity Plan - Series B15 - Growth Option	-	132,827,273	-	132,827,273
Principal Pnb Fixed Maturity Plan - Series B15 - Dividend Option	-	50,165,000	-	50,165,000
Principal Pnb Fixed Maturity Plan - Series B15 - Direct Growth Option	-	113,395,140	-	113,395,140

- : indicates Nil \* Face Value is ₹ 10 per unit.

KEY STATISTICS FOR THE PERIOD ENDED 31 MARCH, 2014

PRINCIPAL PNB FIXED MATURITY PLAN - SERIES B15

Particulars	Regular Plan		Direct Plan	
	Dividend Option	Growth Option	Dividend Option	Growth Option
	March 31, 2014 ₹	March 31, 2013 ₹	March 31, 2014 ₹	March 31, 2013 ₹
1. NAV per unit (₹):				
Open	-	-	-	-
High	10.0305	10.0305	10.0000	10.0307
Low	10.0000	10.0000	10.0000	10.0000
End	10.0231	10.0231	-	10.0231
2. Closing Assets Under Management (₹ in Lakhs)				
End	503.18	1,332.32	-	1,137.43
<b>March 31, 2014</b>				
Average (AAuM) - Regular Plan (₹ in Lakhs)	1,834.77			
- Direct Plan (₹ in Lakhs)	1,137.05			
3. Gross income as % of AAuM <sup>1</sup>	11.52%			
4. Expense Ratio:				
a. Total Expense as % of AAuM (plan wise) <sup>2</sup> - Regular Plan	0.12%			
- Direct Plan	0.00%			
b. Management Fee as % of AAuM (plan wise) - Regular Plan	0.00%			
- Direct Plan	0.00%			
5. Net Income as a percentage of AAuM <sup>2</sup>	11.45%			
6. Portfolio turnover ratio <sup>3</sup>	-			
7. Total Net Dividend per unit distributed during the year / period (plan wise)	<b>March 31, 2014</b>		<b>March 31, 2014</b>	
Corporates	-		-	
Non-Corporates	-		-	
8. Returns (%) <sup>4</sup>	<b>March 31, 2014</b>		<b>March 31, 2014</b>	
a. Last One Year	N.A.		N.A.	
Benchmark	N.A.		N.A.	
b. Since Inception	0.23		0.23	
Benchmark	0.14		0.14	
<b>Benchmark</b>	Crisil Short Term Bond Fund Index			

Past performance may or may not be sustained in the future.

\*\* Calculated after considering that all dividend payouts / bonus have been reinvested in the Scheme at the then prevailing NAV. Returns are calculated only in respect of Growth Plan/Option, on compounded annualised basis for a period of more than one year and on an absolute basis for a period less than one year.

'-' Indicates NIL.

<sup>1</sup> Gross income = amount against (A) in the Revenue account i.e. Income.

<sup>2</sup> Net income = amount against (C) in the Revenue account i.e. NET REALISED GAINS / (LOSSES) FOR THE YEAR / PERIOD

<sup>3</sup> Portfolio Turnover = Lower of sales or purchase divided by the Average AuM for the year/period.

<sup>4</sup> AAuM=Average daily net assets

**General Policies & Procedures for exercising the voting rights & Exercise of Proxy Votes:** As per the requirements of SEBI Circular No. SEBI/IMD/CIR No.18/198647/2010 dated March 15, 2010, the General policies and procedures for exercising voting rights (along with the relevant disclosures) in respect of the shares held by the Schemes of Principal Mutual Fund has been disclosed in the Annual Report of the Schemes and also hosted on [www.principalindia.com](http://www.principalindia.com)



## NOMINATION

Investors who may have not as yet appointed a Nominee for their Investments, are advised to appoint their nominee(s). All that needs to be done, is to submit a duly filled-up Nomination Form at the OPT nearest to you. A nominee is entitled to receive units allotted to the unitholder; in the event of unfortunate demise of a unitholder. Failure to appoint a nominee, could involve a complex and a more time consuming procedure for transmission/redemption of units. Nomination Forms can be procured from any of OPTs or downloaded from [www.principalindia.com](http://www.principalindia.com).

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