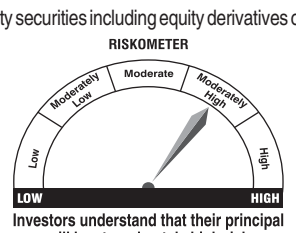
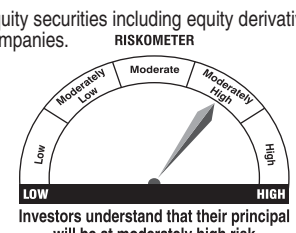


**NOTICE-CUM-ADDENDUM TO THE SCHEME INFORMATION DOCUMENT (SID) & KEY INFORMATION MEMORANDUM (KIM) OF PRINCIPAL INDEX FUND - NIFTY (AN OPEN-ENDED INDEX SCHEME) [NO. 12/2018]**

**NOTICE IS HEREBY GIVEN** to the Unitholders of Principal Index Fund – Nifty (an open-ended Index Scheme) (“the Scheme”) of Principal Mutual Fund that pursuant to SEBI circular no. SEBI/HO/IMD/DF3/CIR/P/2017/114 dated October 6, 2017 pertaining to Categorization and Rationalization of Mutual Fund Schemes, the Board of Directors of Principal Pnb Asset Management Company Private Limited (“AMC”) and Principal Trustee Company Private Limited (“Trustees”) have approved the following changes to the scheme features:

Scheme Features	Existing	Proposed																												
<b>Name of the Scheme</b>	Principal Index Fund – Nifty	Principal Nifty 100 Equal Weight Fund																												
<b>Type of the Scheme</b>	An Open Ended Index Scheme	An open ended scheme replicating/ tracking Nifty 100 Equal Weight Index																												
<b>Benchmark</b>	Nifty 50 Index	Nifty 100 Equal Weight Index																												
<b>Investment Objective</b>	To invest principally in securities that comprise Nifty 50 (NSE) and subject to tracking errors endeavour to attain results commensurate with the Nifty.	To invest principally in securities that comprise Nifty 100 Equal Weight Index and subject to tracking errors endeavour to attain results commensurate with the Nifty 100 Equal Weight Index.																												
<b>Asset Allocation Pattern</b>	Under normal circumstances, the asset allocation would be as follows: <table border="1" style="width:100%; border-collapse: collapse;"> <thead> <tr> <th rowspan="2">Type of instrument</th> <th colspan="2">Normal Allocation (% of Net Assets)</th> <th rowspan="2">Risk Profile</th> </tr> <tr> <th>Minimum</th> <th>Maximum</th> </tr> </thead> <tbody> <tr> <td>Nifty Stocks</td> <td align="center">0</td> <td align="center">100</td> <td align="center">Medium to High</td> </tr> <tr> <td>Money Market Instruments</td> <td align="center">0</td> <td align="center">10</td> <td align="center">Low</td> </tr> </tbody> </table> <p>The Asset Management Company reserves the right to invest in derivatives up to 50% of the net assets of the Scheme.                      Subject to the SEBI Regulations, the Mutual Fund may deploy upto 50% of its total net assets of the Scheme in Stock Lending.</p>	Type of instrument	Normal Allocation (% of Net Assets)		Risk Profile	Minimum	Maximum	Nifty Stocks	0	100	Medium to High	Money Market Instruments	0	10	Low	Under normal circumstances, the asset allocation would be as follows: <table border="1" style="width:100%; border-collapse: collapse;"> <thead> <tr> <th rowspan="2">Type of instrument</th> <th colspan="2">Normal Allocation (% of Net Assets)</th> <th rowspan="2">Risk Profile</th> </tr> <tr> <th>Minimum</th> <th>Maximum</th> </tr> </thead> <tbody> <tr> <td>Nifty 100 Equal Weight Index Stocks</td> <td align="center">95</td> <td align="center">100</td> <td align="center">High</td> </tr> <tr> <td>Money Market Instruments</td> <td align="center">0</td> <td align="center">5</td> <td align="center">Low</td> </tr> </tbody> </table> <p>The Asset Management Company reserves the right to invest in derivatives up to 50% of the net assets of the Scheme                      Subject to the SEBI Regulations, the Mutual Fund may deploy upto 20% of its total net assets of the Scheme in Stock Lending.</p>	Type of instrument	Normal Allocation (% of Net Assets)		Risk Profile	Minimum	Maximum	Nifty 100 Equal Weight Index Stocks	95	100	High	Money Market Instruments	0	5	Low
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<b>Investment Strategy<sup>†</sup></b>	Units of the scheme have been designed with the intention of tracking the movement of securities (from time to time) included in the Nifty 50 Index. The Scheme plans to do this by investing the entire corpus in the stocks that comprise the Nifty 50 Index in weights similar to the weightage given by Nifty 50 Index so that the portfolio would appreciate or depreciate (subject to tracking errors) more or less in the same manner as the Nifty 50 Index. Subject to the requirements of cash flows to meet the recurring expenses and to service investors who decide to exit from the Scheme or for distribution of income, if any, to investors, it is proposed that the corpus of the scheme will be invested in the Nifty 50 Index securities. It is also proposed that disinvestment will take place only when investors exit from the Scheme or when any security ceases to be included in the Nifty 50 Index or to meet the cash flow requirements. The Nifty 50 Index is designed to reflect the perceptions of the investors about the Indian economy. This is sought to be achieved by IISL by including companies representing a cross-section of the various sectors of the Indian economy. By endeavoring to track the Nifty 50 Index to the extent possible under the prevailing circumstances and environment objectives and the features of the Scheme, the Fund expects to generate returns in the Scheme approximating the performance of the Nifty 50 Index. The Nifty 50 Index is at present being managed by IISL. IISL is a joint venture company promoted by the National Stock Exchange of India Ltd. (“NSE”) and the Credit Rating and Information Services of India Ltd. (“CRISIL”) for constructing, maintaining and disseminating data regarding various indices	The scheme has been designed with the intention of tracking the movement of securities (from time to time) included in the Nifty 100 Equal Weight Index. The Scheme plans to do this by investing the entire corpus in the stocks that comprise the Nifty 100 Equal Weight Index in weights similar to the weightage given by Nifty 100 Equal Weight Index so that the portfolio would appreciate or depreciate (subject to tracking errors) more or less in the same manner as the Nifty 100 Equal Weight Index. Subject to the requirements of cash flows to meet the recurring expenses and to service investors who decide to exit from the Scheme or for distribution of income, if any, to investors, it is proposed that the corpus of the scheme will be invested in the Nifty 100 Equal Weight Index securities. It is also proposed that disinvestment will take place only when investors exit from the Scheme or when any security ceases to be included in the Nifty 100 Equal Weight Index or to meet the cash flow requirements. The NIFTY 100 Equal Weight Index comprises of same constituents as NIFTY 100 Index (free float market capitalization based Index). The NIFTY 100 tracks the behaviour of combined portfolio of two indices viz. NIFTY 50 and NIFTY Next 50. Each constituent in NIFTY 100 Equal Weight Index is allocated fixed equal weight at each re-balancing. The Nifty 100 Equal Weight Index is at present being managed by IISL.																												
<b>Specific Risk Factors:</b>	The value of the equity securities owned by the Scheme changes on a daily basis. Equity Securities, prices reflect the activities of individual companies and general market and economic conditions. In the short term, equity security prices can fluctuate dramatically in response to these factors <b>Tracking Error:</b> The performance of the Scheme may not be commensurate with the performance of the Nifty on any given day or over any given period. Such variation, referred to as tracking errors as defined elsewhere in this Scheme Information Document may result from a variety of factors including but not limited to: - The Nifty reflects the prices of securities at close of business hours. However the Scheme may buy or off-load securities at different points of time during the trading session at the then prevailing prices which may not correspond to the closing prices on the NSE. - IISL undertakes a periodical review of the scrips that comprise the Nifty and may either drop or include new securities. In such an event the Scheme will endeavour to reallocate its portfolio but the available investment opportunities may not permit precise mirroring of the Nifty. - Dis-investments to meet exits of investors, recurring expenses, etc. as elsewhere indicated in this Scheme Information Document. As with all Mutual Funds, the value of the Scheme’s assets under this option may rise or fall. If units are redeemed when their value is less than the price paid for money may be lost by the Unitholder.	The value of the equity securities owned by the Scheme changes on a daily basis. Equity Securities, prices reflect the activities of individual companies and general market and economic conditions. In the short term, equity security prices can fluctuate dramatically in response to these factors <b>Tracking Error:</b> The performance of the Scheme may not be commensurate with the performance of the Nifty 100 Equal Weight Index on any given day or over any given period. Such variation, referred to as tracking errors as defined elsewhere in this Scheme Information Document may result from a variety of factors including but not limited to: - The Nifty 100 Equal Weight Index reflects the prices of securities at close of business hours. However the Scheme may buy or off-load securities at different points of time during the trading session at the then prevailing prices which may not correspond to the closing prices on the NSE. - IISL undertakes a periodical review of the scrips that comprise the Nifty 100 Equal Weight Index and may either drop or include new securities. In such an event the Scheme will endeavour to reallocate its portfolio but the available investment opportunities may not permit precise mirroring of the Nifty 100 Equal Weight Index. - Dis-investments to meet exits of investors, recurring expenses, etc. as elsewhere indicated in this Scheme Information Document. As with all Mutual Funds, the value of the Scheme’s assets under this option may rise or fall. If units are redeemed when their value is less than the price paid for money may be lost by the Unitholder.																												
<b>Where will the Scheme Invest?</b>	Principal Index Fund- Nifty is structured as an Index linked open ended equity scheme with the objective to invest principally in securities of companies whose securities are included in Nifty and subject to tracking errors endeavor to attain results commensurate with the Nifty. This would be done by investing in all the stocks comprising the Nifty 50 Index in approximately the same weightage that they represent in Nifty 50 Index. The scheme has been designed with the intention of tracking the movement of securities from time to time included in the Nifty. The Scheme plans to do this by investing the entire corpus in the stocks that comprise the Nifty in weights similar to the weightage given by Nifty so that the portfolio would appreciate or depreciate (subject to tracking errors) more or less in the same manner as the Nifty. Subject to the requirements of cash flows to meet the recurring expenses and to service investors who decide to exit from the Scheme or for distribution of income to investors, it is proposed that income (by way of dividend or otherwise) will be invested in the Nifty securities. It is also proposed that disinvestment will take place only on investors exiting from the Scheme or any security ceasing to be included in the Nifty or to meet the cash flow requirements. The Nifty is designed to reflect the perceptions of the investors about the Indian economy. This is sought to be achieved by IISL by including companies representing a cross-section of various sectors of the Indian economy. By endeavoring to track the Nifty to the extent possible under the prevailing circumstances and environment objectives and the features of the Scheme, the Fund expects to generate returns approximating the performance of the Nifty. However, due to market conditions, the AMC may invest beyond the range set out above. Such deviations shall normally be for a short term defensive considerations, and the intention being at all times to protect the interests of the Unit Holder At present Mutual Funds are not permitted to participate in Inter Bank Calls. The Scheme will participate in Inter Bank Calls only when Mutual Funds are permitted to do so. The Scheme may participate in securities lending as permitted under the Regulations. The Scheme may also invest in another schemes managed by the same AMC or by the AMC of any other mutual fund without charging any fees on such investments, within the limits specified under SEBI Regulations. The Asset Management Company further reserves the right to invest in foreign securities and derivatives subject to SEBI / RBI or any other Regulatory Authorities permitted from time to time.	Principal Nifty 100 Equal Weight Fund is structured as an Index linked open ended equity scheme with the objective to invest principally in securities of companies whose securities are included in Nifty 100 Equal Weight Index and subject to tracking errors, Fund manager endeavors to attain results commensurate with the Nifty 100 Equal Weight Index. This would be done by investing in all the stocks comprising the Nifty 100 Equal Weight Index in approximately the same weightage that they represent in Nifty 100 Equal Weight Index. The scheme has been designed with the intention of tracking the movement of securities (from time to time) included in the Nifty 100 Equal Weight Index. The Scheme plans to do this by investing the entire corpus in the stocks that comprise the Nifty 100 Equal Weight Index in weights similar to the weightage given by Nifty 100 Equal Weight Index so that the portfolio would appreciate or depreciate (subject to tracking errors) more or less in the same manner as the Nifty 100 Equal Weight Index Subject to the requirements of cash flows to meet the recurring expenses and to service investors who decide to exit from the Scheme or for distribution of income, if any, to investors, it is proposed that the corpus of the scheme will be invested in the Nifty 100 Equal Weight Index securities. It is also proposed that disinvestment will take place only when investors exit from the Scheme or when any security ceases to be included in the Nifty 100 Equal Weight Index or to meet the cash flow requirements. The NIFTY 100 Equal Weight Index comprises of same constituents as NIFTY 100 Index (free float market capitalization based Index). The NIFTY 100 tracks the behaviour of combined portfolio of two indices viz. NIFTY 50 and NIFTY Next 50. Each constituent in NIFTY 100 Equal Weight Index is allocated fixed equal weight at each re-balancing. However, due to market conditions, the AMC may invest beyond the range set out above. Such deviations shall normally be for a short term defensive considerations, and the intention being at all times to protect the interests of the Unit Holder. At present Mutual Funds are not permitted to participate in Inter Bank Calls. The Scheme will participate in Inter Bank Calls only when Mutual Funds are permitted to do so. The Scheme may participate in securities lending as permitted under the Regulations. The Scheme may also invest in another schemes managed by the same AMC or by the AMC of any other mutual fund without charging any fees on such investments, within the limits specified under SEBI Regulations. The Asset Management Company further reserves the right to invest in foreign securities and derivatives subject to SEBI / RBI or any other Regulatory Authorities permitted from time to time.																												
<b>Product Label</b>	<b>This product is suitable for investors who are seeking* –</b> - Long term Capital Growth - Investment in equity securities including equity derivatives of Nifty 50 Companies.  * Investors should consult their financial advisers if in doubt about whether the product is suitable for them.	<b>This product is suitable for investors who are seeking* –</b> - Long term Capital Growth - Investment in equity securities including equity derivatives of Nifty 100 Equal Weight Index Companies.  * Investors should consult their financial advisers if in doubt about whether the product is suitable for them.																												

<sup>†</sup>The list of scrips constituting Nifty 50 and their weightages as on May 30, 2017 shall be replaced with the list of scrips constituting Nifty 100 Equal Weight Index as on March 28, 2018 as provided in the letter to unit holders.

The above modification in the features of the Scheme, is considered to be a change in the fundamental attributes of the Scheme, in terms of regulation 18(15A) of SEBI (Mutual Funds) Regulations. In this regard, individual communication has been dispatched to Unitholders of the Scheme, existing in the Register of Unitholders of our Registrar & Transfer Agents, M/s. Karvy Computershare Pvt. Ltd., as on April 06, 2018. Unitholders who do not receive the communication can contact the Registrar - M/s. Karvy Computershare Private Limited. The existing Unitholders under the Scheme who do not consent to the above, are entitled to exit the Scheme between April 10, 2018 to May 09, 2018 (both days inclusive) (“the Notice Period”) upto 3.00 p.m. at applicable NAV without any exit load, if any. The NAV applicable, should you choose to exit / redeem/ switch out during the notice period would be based on the date/time of receipt of your application for exit / redemption/ switch out during business hours on a business day. The unit-holders who have pledged or encumbered their units will not have the option to exit unless they procure an effective release of their pledges / encumbrances prior to the submission of exit/ redemption / switch-out requests. Any tax consequences, arising out of exercise of exit option during the exit option period hereunder, shall be borne by the investor in line with the relevant provisions, as have been set forth in the Statement of Additional Information / Scheme Information Document / Key Information Memorandum.

Unitholders who do not exercise the exit option on or before May 09, 2018 would be deemed to have consented to the proposed change.

Such change to the feature of the Scheme, as detailed herein shall be effective from May 10, 2018 (effective date). Proposed revisions as indicated above shall be carried out throughout the SID and KIM of the Scheme, appropriately. All other features, terms and conditions of the Scheme, as stated in the Scheme Information Document (SID) & the Key Information Memorandum (KIM) of the Scheme, read with the addenda issued from time to time, remain unchanged.

Contents hereof shall respectively form an integral part of the SID/ KIM of the Scheme of Principal Mutual Fund as amended from time to time and all other features / terms and conditions as mentioned therein shall remain unchanged.

**For further information/assistance do visit us at [www.principalindia.com](http://www.principalindia.com) or e-mail us at [customer@principalindia.com](mailto:customer@principalindia.com) or call on our Toll Free: 1800 425 5600.**

**For Principal Pnb Asset Management Company Pvt. Ltd.**

Place : Mumbai  
 Date : April 06, 2018

Sd/  
 Authorised Signatory

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