

PRINCIPAL BALANCED FUND



FUND MANAGERS



BEKXY KURIAKOSE
Debt Portion



P V K MENON
Equity Portion

WHY INVEST IN THIS FUND?

Key Features

- This is a balanced fund with an investment strategy which invests minimum 65% in equities and maximum 35% in debt.
- The portfolio is periodically rebalanced to ensure that the above allocation remains constant. It maintains a more or less steady-state asset allocation between equity and debt, with equity swinging in a narrow band of 66 to 70 per cent.
- Currently the portfolio has about 66.49% invested in equities, 27.59% in Debt, (of this 9.74% is held in government securities and 17.85% in corporate bonds) and 5.92% in cash equivalents.
- The equity portion of the portfolio contains 62 stocks from 46 sectors
- Within equities, over 91% of the allocation is parked in large-cap stocks, which is higher than the peers' allocations. In terms of style, the fund follows a growth style
- On the debt portion, the fund relies more on duration than credit calls to improve returns. The Modified Duration of the Debt Portfolio is 2.80 Years excluding the Investment in Debt Mutual Fund Units of Principal Credit Opportunities Fund (1.43% allocation within the Debt Portion of the Portfolio) Within the Debt portion of the portfolio 3.85% is allocated to AA rated securities while the balance is in Government Securities and AAA/A1+ rated Bonds This indicates a high quality Debt Portfolio
- The annual portfolio turnover ratio for the last 1 year is 1.40 times indicates a higher level of Portfolio Churning in 1 year
- The top 3 sectors in the portfolio are Consumer Non Durables (10.49%), Software (9.21%) and Banks (8.51%)
- The latest portfolio suggests a growth oriented approach in the equity portion of the portfolio
- Fund Benchmark is : CRISIL Hybrid 35+65 - Aggressive Index
- Fund manager is Mr P V K Menon (Equity Portion since May 2010) and Bekxy Kuriakose (Debt Portion since Mar 2016)
- Current AUM of this fund is Rs 1,063 Crores
- Current expense ratio is 2.52%
- Exit load is 1% (up to 1 year for more than 24% of units). Minimum investment: Rs 5,000 (Lump sum) and Rs 2000(SIP)




Benefits

- Fund has been a consistent performer over the last 5 years and its returns are comparable to those of pure equity funds.
- Fund returns over the last **3 years (13.35%p.a)**, **5 years (17.83%p.a) have been ahead of its benchmark** (CRISIL Hybrid 35+65 - Aggressive Index) **by 5.24% and 6.33% respectively.** (Returns as on March 22, 2017)
- Risk Adjusted Returns of this Fund over the Last 2 years is the highest in its category which proves its superior performance
- Backed by a stable management team, this fund is amongst the top choices in the balanced funds category
- This fund is a long term wealth creator and can be part of an investor's core portfolio
- Lump sum and SIP/STP/SWP investment mode is available

Recommendation

- We recommend this fund **with a 3 to 5 years time horizon for investors who have a low to moderate risk appetite and expect equity like returns**

Principal Balanced Fund(G)

Fund Report Card		Principal Balanced Fund(G)																																														
Fund Objective/Mission The scheme seeks long term capital appreciation and current income from a balanced portfolio of equity and debt securities.		Investment Information Scheme: Open ended scheme Launch Date: 16/Jan/2002 Fund Manager: P.V.Krishna Bench Mark: CRISIL Balanced Fund - Aggressive Index Max.Entry Load(%): NA Max.Exit Load(%): 1			Fund Structure Total Stocks: 92 Total Sectors: 26.2 P/B Ratio: 0.92 Avg. Market Cap (Rs.Cr./Feb-2018): 89878.94																																											
Fund House Details AMC Name: Principal Pfd Asset Management Company Private Limited Address: Exchange Plaza, Ground Floor, 8 Wing, 503 Building, Bandra Kurla Complex, Bandra(West) Mumbai - 400 051 Website: www.principal.co.in		5 Years History <table border="1"> <thead> <tr> <th>Financial Year</th> <th>2017-2018</th> <th>2016-2017</th> <th>2015-2016</th> <th>2014-2015</th> <th>2013-2014</th> </tr> </thead> <tbody> <tr> <td>TNAV % (as on 31st March)</td> <td>15.3</td> <td>22.83</td> <td>28.21</td> <td>30.29</td> <td>38.39</td> </tr> <tr> <td>Net Assets(Rs Crores.) (as on 31st March)</td> <td>1060</td> <td>112</td> <td>33</td> <td>23</td> <td>17</td> </tr> <tr> <td>Return(%)</td> <td>18.12</td> <td>26.73</td> <td>-3.94</td> <td>29.86</td> <td>18.62</td> </tr> <tr> <td>CRISIL Nifty Return(%)</td> <td>6.48</td> <td>18.94</td> <td>-8.87</td> <td>26.32</td> <td>17.62</td> </tr> <tr> <td>Category Rank</td> <td>2(288)</td> <td>9(288)</td> <td>103(242)</td> <td>22(206)</td> <td>11(147)</td> </tr> </tbody> </table> * Last Av on 22/Mar/18					Financial Year	2017-2018	2016-2017	2015-2016	2014-2015	2013-2014	TNAV % (as on 31st March)	15.3	22.83	28.21	30.29	38.39	Net Assets(Rs Crores.) (as on 31st March)	1060	112	33	23	17	Return(%)	18.12	26.73	-3.94	29.86	18.62	CRISIL Nifty Return(%)	6.48	18.94	-8.87	26.32	17.62	Category Rank	2(288)	9(288)	103(242)	22(206)	11(147)						
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