March 26, 2018

Dear Unitholder,

Thank you for your investments with DHFL Pramerica Mutual Fund.

SEBI vide its circular no. SEBI/HO/IMD/DF3/CIR/P/2017/114 dated October 6, 2017 and circular no. SEBI/HO/IMD/DF3/CIR/P/2017/126 dated December 4, 2017 (‘SEBI Circulars’) has issued guidelines for categorization and rationalization of open-ended mutual fund schemes.

In compliance with the above SEBI Circulars, DHFL Pramerica Trustees Private Limited (Trustees to DHFL Pramerica Mutual Fund), has approved changes, where applicable, to the type of scheme, investment objective, investment strategy, asset allocation pattern and benchmark index of certain schemes of DHFL Pramerica Mutual Fund. These changes are detailed in **Exhibit I** attached to this letter and would take effect from 01-May-2018 (“Effective Date”).

In line with regulatory requirements, for schemes where a change in fundamental attributes is being proposed, we are offering an exit window of 30 days (from 01-Apr-2018 to 30-Apr-2018) to unit holders who are not in agreement with the proposed change. During the exit window, unit holders not consenting to the change may either switch to other schemes or redeem their investments at the prevailing Net Asset Value subject to provisions of applicable cut-off time as stated in the scheme information document of the relevant scheme without exit load. Redemption / Switch requests, if any, may be lodged at any of the Official Points of Acceptance of DHFL Pramerica Mutual Fund. In case you have pledged / encumbered the units, you will not have the option to exit unless you submit a release of their pledges / encumbrances prior to submitting the redemption / switch requests. Please note that switch-out / redemption may have tax implications. In view of the individual nature of these implications, you are advised to consult your tax advisor.

Please note that no action is required from your side in case you consent to the proposed changes and it would be deemed that you have consented to the above proposal. This offer to exit is merely an option and not compulsory. We, at DHFL Pramerica Mutual Fund would like you to continue your investments with us to help you achieve your financial goals.

The updated Scheme Information Document(s) & Key Information Memorandum(s) of the above-mentioned Schemes containing the revised provisions shall be displayed on our website www.dhflpramericamf.com before the proposed changes take effect.

In case you require any further information / assistance please contact DHFL Pramerica AMC at the Toll Free Number: - 18002662667 or at the Email ID: - customercare@dhflpramericamf.in or visit the nearest investor service centre.

Yours sincerely,

For DHFL Pramerica Asset Managers Private Limited
(Asset Management Company to DHFL Pramerica Mutual Fund)

sd/-
Authorised Signatory

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

Exhibit - I

Changes in the scheme features of DHFL Pramerica Large Cap Fund

<table>
<tr><th>Particulars</th><th>Existing Scheme Features</th><th>Proposed Scheme Features</th></tr>
<tr><td>Name of the fund</td><td>DHFL Pramerica Large Cap Fund</td><td>DHFL Pramerica Large Cap Fund</td></tr>
<tr><td>Type of scheme</td><td>An Open Ended Equity Scheme</td><td>Large Cap Fund- An open ended equity scheme predominantly investing in large cap stocks</td></tr>
<tr><td>Investment Objective</td><td>The Investment objective of the Scheme is to generate long term capital growth from a diversified portfolio of equity and equity related securities of companies registered in, and/or listed on a regulated market of India. The Scheme will invest in companies across a range of market capitalisations with a preference for medium and large companies. The investment objective is to generate long-term capital growth from an actively managed portfolio of equity and equity related securities.
However there can be no assurance that the Scheme objective can be realized.</td><td>The Investment objective of the Scheme is to generate long term capital growth from a diversified portfolio of equity and equity related securities of predominantly large cap companies.
However, there can be no assurance that the investment objective of the Scheme will be achieved. The Scheme does not guarantee/ indicate any returns.</td></tr>
<tr><td>Asset Allocation</td><td>
<table>
<tr><th rowspan="2">Instruments</th><th colspan="2">Indicative Allocation (% of Assets)</th><th rowspan="2">Risk Profile**</th></tr>
<tr><th>Min</th><th>Max</th></tr>
<tr><td>Equity and Equity related instruments</td><td>80%</td><td>100%</td><td>Medium to High</td></tr>
<tr><td>Debt Securities & Money Market Instruments (including cash and money at call)</td><td>0%</td><td>20%</td><td>Low to Medium</td></tr>
</table>
** Risk profile refers to the price risk of the respective asset class. Please refer risk factors for more details.
The Scheme will not invest in foreign securitised debt.
If the Scheme decides to invest in securitised debt, it is the intention of the
Investment Manager that such investments will not, normally exceed 10% of the corpus of the scheme and if the Scheme decides to invest in foreign debt
securities, it is the intention of the Investment Manager that such investments will not, normally exceed 10% of the assets of the Scheme. The Investment Manager may review the above pattern of investments based on views on the equity markets and asset liability management needs. However, at all times the portfolio will adhere to the overall investment objective of the Scheme. Investors may note that securities that provide higher returns typically display higher volatility. Accordingly, the investment portfolio of the Scheme would reflect moderate to high volatility in its equity and equity related investments and low to moderate volatility in its debt and money market investments. The Scheme will invest in derivatives only for the purpose of hedging and portfolio balancing, as permitted under the Regulations and guidelines and the exposure to derivatives shall be restricted to 50% of the net assets of the Scheme.
</td><td>
<table>
<tr><th rowspan="2">Instruments</th><th colspan="2">Indicative Allocation (% of Assets)</th><th rowspan="2">Risk Profile</th></tr>
<tr><th>Min</th><th>Max</th></tr>
<tr><td>Equity and Equity related instruments of Large Cap companies</td><td>80%</td><td>100%</td><td>Medium to High</td></tr>
<tr><td>Equity and Equity related instruments of other companies</td><td>0%</td><td>20%</td><td>Medium to High</td></tr>
<tr><td>Debt Securities, Money Market Instruments</td><td>0%</td><td>20%</td><td>Low to Medium</td></tr>
</table>
If the Scheme decides to invest in securitised debt, such investments will not, exceed 20% of the net assets of the scheme.
If the Scheme decides to invest in foreign securities, such investments will not exceed 20% of the net assets of the Scheme.
The Investment Manager may review the above pattern of investments based on views on the equity markets and asset liability management needs. However, at all times the portfolio will adhere to the overall investment objective of the Scheme. Investors may note that securities that provide higher returns typically display higher volatility. Accordingly, the investment portfolio of the Scheme would reflect moderate to high volatility in its equity and equity related investments and low to moderate volatility in its debt and money market investments.
The Scheme will invest in derivatives only for the purpose of hedging and portfolio balancing, as permitted under the Regulations and guidelines and the exposure to derivatives shall be restricted to 50% of the net assets of the Scheme.
The Scheme may also invest in units of debt and liquid mutual fund schemes.
Pending deployment of funds of the Scheme in securities in terms of the investment objective of the Scheme the AMC may park the funds of the Scheme in short term deposits of scheduled commercial banks, subject to the guidelines issued by SEBI vide its circular dated April 16, 2007, as amended from time to time.
</td></tr>
</table>

	Subject to the Regulations, the asset allocation pattern indicated above for the Scheme may change from time to time, keeping in view market conditions, market opportunities, applicable regulations and political and economic factors. It must be clearly understood that the percentages stated above are only indicative and not absolute and that they can vary substantially depending upon the perception of the Investment Manager, the intention being at all times to seek to protect the interests of the Unitholders, and meet the objective of the relevant Scheme. Such changes in the investment pattern will be for short term and defensive considerations.	The cumulative gross exposure through equity, debt and derivative positions shall not exceed 100% of the net assets of the Scheme. Subject to the SEBI (Mutual Funds) Regulations and in accordance with Securities Lending Scheme, 1997, SEBI Circular No. MFD/CIR/01/047/99 dated February 10, 1999, SEBI Circular No. SEBI/IMD/CIR No.14/187175/2009 dated December 15, 2009 and framework for short selling and borrowing and lending of securities notified by SEBI vide Circular No.MRD/ DoP/ SE/Dep/ Cir - 4/2007dated December 20, 2007, as may be amended from time to time, the Scheme may engage in short selling of securities. The Scheme may also engage in securities lending; provided however that the Scheme shall not deploy more than 20% of its net assets in securities lending and not more than 5% of the net assets of the Scheme will deployed in securities lending to any single counterparty. Subject to the Regulations, the asset allocation pattern indicated above for the Scheme may change from time to time, keeping in view market conditions, market opportunities, applicable regulations and political and economic factors. It must be clearly understood that the percentages stated above may vary depending upon the perception of the Investment Manager, the intention being at all times to seek to protect the interests of the Unitholders, and meet the objective of the relevant Scheme. Such changes in the investment pattern will be for short term and defensive considerations. In case of deviation, the portfolio would be rebalanced within 30 calendar days from the date of deviation. Where the portfolio is not rebalanced within 30 calendar days, justification for the same shall be placed before the Investment Committee and reasons for the same shall be recorded in writing. The Investment Committee shall then decide on the course of action. However, at all times, the portfolio will adhere to the overall investment objective of the scheme.
Investment Strategy	The aim of the DPLCF is to deliver above benchmark returns with due regard to capital conservation by providing long-term capital growth from an actively managed portfolio, mainly comprising companies registered in and/or listed on a regulated market of India. Income is not a primary consideration in the investment policies of the DPLCF. The Scheme will invest across a range of market capitalisations with a preference for medium and large companies. A top down and bottom up approach will be used to invest in equity and equity related instruments. Investments will be pursued in selected sectors based on the Investment team's analysis of business cycles, regulatory reforms, competitive advantage etc. Selective stock picking will be done from these sectors. The fund manager in selecting scrips will focus on the fundamentals of the business, the industry structure, the quality of management, sensitivity to economic factors, the financial strength of the company and the key earnings drivers. Since investing requires disciplined risk management, the AMC would incorporate adequate safeguards for controlling risks in the portfolio construction process. Stock specific risk will be minimized by investing only in those companies that have been analyzed by the Investment team at the AMC. Risk will also be reduced through adequate diversification of the portfolio. Diversification will be achieved by spreading the investments over a range of industries/sectors. The Scheme may however, invest in unlisted and/or privately placed securities subject to the limits indicated under "Investment Restrictions for the Scheme(s)" from issuers of repute and sound financial standing.	The scheme seeks to provide long-term capital growth from an actively managed portfolio, mainly comprising Large Cap companies. A top down and bottom up approach will be used to invest in equity and equity related instruments. Investments will be pursued in selected sectors based on the Investment team's analysis of business cycles, regulatory reforms, competitive advantage etc. Selective stock picking will be done from these sectors. The fund manager in selecting scrips will focus on the fundamentals of the business, the industry structure, the quality of management, sensitivity to economic factors, the financial strength of the company and the key earnings drivers. Since investing requires disciplined risk management, the AMC would incorporate adequate safeguards for controlling risks in the portfolio construction process. Stock specific risk will be minimized by investing only in those companies that have been analyzed by the Investment team at the AMC. Risk will also be reduced through adequate diversification of the portfolio. Diversification will be achieved by spreading the investments over a range of industries/sectors. The Scheme may however, invest in unlisted and/or privately placed securities subject to the limits indicated under "Investment Restrictions for the Scheme(s)" from issuers of repute and sound financial standing. If investment is made in unlisted securities, the approval of the Investment Committee (constituted by the Board of the AMC) shall be obtained, as per the Regulations and within the broad parameters approved by the Board of the AMC.

	If investment is made in unlisted securities, the approval of the Investment Committee (constituted by the Board of the AMC) shall be obtained, as per the Regulations and within the broad parameters approved by the Board of the AMC. As per the asset allocation pattern indicated above, for investment in debt securities and money market instruments, the Fund may invest a part of the portfolio in various debt securities issued by corporate and/ or State and Central Government. Such government securities may include securities which are supported by the ability to borrow from the treasury or supported only by the sovereign guarantee or of the state government or supported by Government of India/State Government in some other way. The Scheme may invest in other scheme(s) managed by the AMC or in the scheme(s) of any other mutual fund, provided it is in conformity with the investment objectives of the Scheme and in terms of the prevailing Regulations. As per the Regulations, no investment management fees will be charged for such investments.	As per the asset allocation pattern indicated above, for investment in debt securities and money market instruments, the Fund may invest a part of the portfolio in various debt securities issued by corporate and/ or State and Central Government. Such government securities may include securities which are supported by the ability to borrow from the treasury or supported only by the sovereign guarantee or of the state government or supported by Government of India/State Government in some other way. The Scheme may invest in other scheme(s) managed by the AMC or in the scheme(s) of any other mutual fund, provided it is in conformity with the investment objectives of the Scheme and in terms of the prevailing Regulations. As per the Regulations, no investment management fees will be charged for such investments.
Benchmark	Nifty 50 Index	Nifty 50 TR Index

In addition to above changes, the following shall be included in the Scheme Information Document of the Scheme:

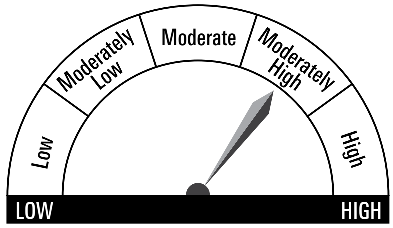
1. Definition of Large Cap, Mid Cap and Small Cap Companies:

- Large Cap Companies shall be 1st -100th company in terms of full market capitalization;
- Mid Cap Companies shall be 101st -250th company in terms of full market capitalization; and
- Small Cap Companies shall be 251st company onwards in terms of full market capitalization as per the list prepared by AMFI

The AMC shall within a period of one month of updated list provided by AMFI, rebalance the portfolio of the Scheme, if required, in line with updated list.

All other terms & conditions of the scheme will remain unchanged.

Product labeling for the scheme after the proposed changes shall be as follows:

This product is suitable for investors who are seeking*	
• Capital growth over the long term • Investment predominantly in equity and equity related securities of Large Cap companies. • Degree of risk – **MODERATELY HIGH**	 Investor understand that their principal will be at moderately high risk

*Investors should consult their financial advisers if in doubt about whether the product is suitable for them.

Changes in the scheme features of DHFL Pramerica Ultra Short Term Fund

<table>
<tr><th>Particulars</th><th colspan="4">Existing Scheme Features</th><th colspan="4">Proposed Scheme Features</th></tr>
<tr><td>Name of the fund</td><td colspan="4">DHFL Pramerica Ultra Short Term Fund</td><td colspan="4">DHFL Pramerica Ultra Short Term Fund</td></tr>
<tr><td>Type of scheme</td><td colspan="4">An Open Ended Income Scheme</td><td colspan="4">An open ended ultra-short term debt scheme investing in instruments such that the Macaulay duration of the portfolio is between 3 months to 6 months</td></tr>
<tr><td>Investment Objective</td><td colspan="4">To provide liquidity and generate stable returns by investing in a mix of short term debt and money market instruments.
However, there can be no assurance that the investment objective of the Scheme will be achieved. The Scheme does not guarantee/indicate any returns.</td><td colspan="4">To provide liquidity and seek to generate returns by investing in a mix of short term debt and money market instruments.
However, there can be no assurance that the investment objective of the Scheme will be achieved. The Scheme does not guarantee/indicate any returns.</td></tr>
<tr><td rowspan="6">Asset Allocation</td><td colspan="4">The asset allocation in the Scheme under normal circumstances will be as follows</td><td colspan="4">The asset allocation in the Scheme under normal circumstances will be as follows</td></tr>
<tr><td rowspan="2">Instruments</td><td colspan="2">Indicative Allocation (% of Assets)</td><td rowspan="2">Risk Profile**</td><td rowspan="2">Instruments</td><td colspan="2">Indicative Allocation (% of Assets)</td><td rowspan="2">Risk Profile</td></tr>
<tr><td>Min</td><td>Max</td><td>Min</td><td>Max</td></tr>
<tr><td>Debt securities and Money Market instruments with duration not greater than 1 year</td><td>70%</td><td>100%</td><td>Low</td><td>Debt and Money Market Instruments including Government securities</td><td>0%</td><td>100%</td><td>Low to Medium</td></tr>
<tr><td>Debt securities with duration greater than 1 year</td><td>0%</td><td>30%</td><td>Low to Medium</td><td colspan="4" rowspan="2">The Macaulay Duration of the portfolio will be maintained between 3 months to 6 months.
The Scheme may invest up to 50% of net assets in securitized debt.
If the Scheme decides to invest in foreign debt securities, such investments will not exceed 25% of the net assets of the Scheme.
The Scheme may also invest in derivatives instruments to the extent of 50% of the Net Assets as permitted vide SEBI Circular no. DNPD/Cir 29/2005 dated September 14, 2005 and SEBI Circular No. DNPD/Cir-30/2006 dated January 20, 2006, SEBI circular No. SEBI/DNPD/Cir-31/2006 dated September 22, 2006 and SEBI Circular No. Cir/ IMD/ DF/ 11/ 2010 dated August 18, 2010. The Scheme may use Fixed Income derivatives for such purposes as maybe permitted by the Regulations, including for the purpose of hedging and portfolio balancing, based on the opportunities available and subject to guidelines issued by SEBI and RBI from time to time.
The Scheme will not engage in scrip lending.
The Scheme may invest in repo of corporate debt securities in accordance with SEBI circular No. CIR/IMD/DF/19/2011 dated November 11, 2011 and SEBI Circular No. CIR/IMD/DF/23/2012 dated November 15, 2012. The Scheme may invest in Credit Default Swaps (CDS) in accordance with SEBI Circular No. CIR/IMD/DF/23/2012 dated November 15, 2012.
The Scheme may also invest in units of debt and liquid mutual fund schemes.
Pending deployment of funds of the Scheme in securities in terms of the investment objective of the Scheme the AMC may park the funds of the Scheme in short term deposits of scheduled commercial banks, subject to the guidelines issued by SEBI vide its circular dated April 16, 2007, as amended from time to time.</td></tr>
<tr><td colspan="4">The Scheme may invest up to 100% of assets in securitized instruments.
The fund shall have a weighted average portfolio maturity not exceeding 6 months.
The Scheme will invest in derivatives only for the purpose of hedging and portfolio balancing, as permitted under the regulations and guidelines.
** Risk profile refers to the price risk of the respective asset class. Please refer risk factors for more details.
The Scheme will not engage in scrip lending.</td></tr>
</table>

		The cumulative gross exposure through debt, money market instruments and derivative positions shall not exceed 100% of the net assets of the Scheme. Subject to the Regulations, the asset allocation pattern indicated above for the Scheme may change from time to time, keeping in view market conditions, market opportunities, applicable regulations and political and economic factors. It must be clearly understood that the percentages stated above may vary depending upon the perception of the Investment Manager, the intention being at all times to seek to protect the interests of the Unitholders, and meet the objective of the relevant Scheme. Such changes in the investment pattern will be for short term and defensive considerations. In case of deviation, the portfolio would be rebalanced within 30 calendar days from the date of deviation. Where the portfolio is not rebalanced within 30 calendar days, justification for the same shall be placed before the Investment Committee and reasons for the same shall be recorded in writing. The Investment Committee shall then decide on the course of action. However, at all times, the portfolio will adhere to the overall investment objective of the scheme.
Investment Strategy	The Fund Management team endeavours to meet the investment objective whilst maintaining a balance between safety, liquidity and the profitability aspect of various investments. The aim of the investment strategy is to generate stable returns both in the short term and long term with a low risk, particularly minimal interest rate risk strategy. The Scheme shall be actively managed and the Fund Management team shall formulate an active view of the interest rate movement by monitoring various parameters of the Indian economy, as well as developments in global markets. Investments in debt instruments carry various risks like interest rate risk, liquidity risk, default risk, reinvestment risk etc. Whilst these cannot be done away with, they may be minimized by diversification and effective use of hedging techniques. The Scheme may invest in short term deposits of scheduled commercial banks and in accordance with SEBI circulars issued from time to time. The Scheme may also enter into repurchase and reverse repurchase obligations in all securities held by it as per the guidelines and regulations applicable to such transactions. Investment views/decisions interalia may be taken on the basis of the following parameters: 1. Liquidity of the security 2. Quality of the security/instrument (including the financial health of the issuer) 3. Maturity profile of the instrument 4. Returns offered relative to alternative investment opportunities. 5. Prevailing interest rate scenario 6. Any other factors considered relevant in the opinion of the Fund Management team. The Scheme may also use derivatives to reduce the volatility of the portfolio and/or to enhance the portfolio returns. The Scheme may try to identify securities that yield relative value over others for similar risk and liquidity level. Various analytical tools like yield curve analysis, spreads between asset classes, horizon returns, forward implied interest rates, may be deployed to evaluate various investment options.	The Fund Management team endeavours to meet the investment objective whilst maintaining a balance between safety, liquidity and the profitability aspect of various investments. The aim of the investment strategy is to generate returns in the short term with a low risk, particularly minimal interest rate risk strategy. The Scheme shall be actively managed and the Fund Management team shall formulate an active view of the interest rate movement by monitoring various parameters of the Indian economy, as well as developments in global markets. The Macaulay Duration of the portfolio will be maintained between 3 months to 6 months. Investments in debt instruments carry various risks like interest rate risk, liquidity risk, default risk, reinvestment risk etc. Whilst these cannot be done away with, they may be minimized by diversification and effective use of hedging techniques. The Scheme may invest in short term deposits of scheduled commercial banks and in accordance with SEBI circulars issued from time to time. The Scheme may also enter into repurchase and reverse repurchase obligations in all securities held by it as per the guidelines and regulations applicable to such transactions. Investment views/decisions interalia may be taken on the basis of the following parameters: 1. Liquidity of the security 2. Quality of the security/instrument (including the financial health of the issuer) 3. Maturity profile of the instrument 4. Returns offered relative to alternative investment opportunities. 5. Prevailing interest rate scenario 6. Any other factors considered relevant in the opinion of the Fund Management team. The Scheme may also use derivatives to reduce the volatility of the portfolio and/or to enhance the portfolio returns. The Scheme may try to identify securities that yield relative value over others for similar risk and liquidity level. Various analytical tools like yield curve analysis, spreads between asset classes, horizon returns, forward implied interest rates, may be deployed to evaluate various investment options.

	Debt securities (in the form of floating rate bond/ notes, nonconvertible debentures, bonds, secured premium notes, zero interest bonds, deep discount bonds, securitized debt, pass through certificates, asset backed securities, mortgage backed securities and any other domestic fixed income/ debt securities including structured obligations etc.)	Debt securities (in the form of floating rate bond/ notes, nonconvertible debentures, bonds, secured premium notes, zero interest bonds, deep discount bonds, securitized debt, pass through certificates, asset backed securities, mortgage backed securities and any other domestic fixed income/ debt securities including structured obligations etc.)
Benchmark	CRISIL Liquid Fund Index	CRISIL Liquid Fund Index

In addition to above changes, the following shall be included in the Scheme Information Document of the Scheme:

Definition of Macaulay Duration:

The Macaulay duration is the weighted average term to maturity of the cash flows from a bond. The weight of each cash flow is determined by dividing the present value of the cash flow by the price.

Macaulay duration can be calculated:

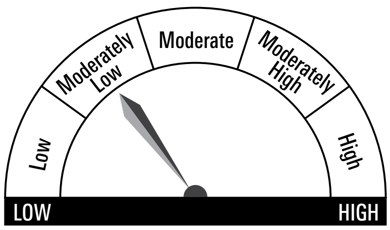
$$\text{Macaulay Duration} = \frac{\sum_{t=1}^{n} \frac{t * C}{(1+y)^t} + \frac{n * M}{(1+y)^n}}{\text{Current Bond Price}}$$

Where:

- t = respective time period
- C = periodic coupon payment
- y = periodic yield
- n = total number of periods
- M = maturity value
- Current Bond Price = Present value of cash flows

All other terms & conditions of the scheme will remain unchanged.

Product labeling for the scheme after the proposed changes shall be as follows:

This product is suitable for investors who are seeking*	
• Income over the short term • Investment in short term debt and money market instruments • Degree of risk – **MODERATELY LOW**	 Investor understand that their principal will be at moderately low risk

*Investors should consult their financial advisers if in doubt about whether the product is suitable for them.

Changes in the scheme features of DHFL Pramerica Short Maturity Fund

<table>
<tr><th>Particulars</th><th>Existing Scheme Features</th><th>Proposed Scheme Features</th></tr>
<tr><td>Name of the fund</td><td>DHFL Pramerica Short Maturity Fund</td><td>DHFL Pramerica Short Maturity Fund</td></tr>
<tr><td>Type of scheme</td><td>An Open Ended Income Scheme</td><td>An open ended short term debt scheme investing in instruments such that the Macaulay duration of the portfolio is between 1 year to 3 years</td></tr>
<tr><td>Investment Objective</td><td>The investment objective of the Scheme is to generate steady returns with low to medium market risk for investors by investing in a portfolio of short -medium term debt and money market securities.
However, there can be no assurance that the investment objective of the Scheme will be achieved. The Scheme does not guarantee/indicate any returns.</td><td>The investment objective of the Scheme is to seek to generate returns with low to medium market risk for investors by investing in a portfolio of short -medium term debt and money market securities.
However, there can be no assurance that the investment objective of the Scheme will be achieved. The Scheme does not guarantee/indicate any returns.</td></tr>
<tr><td>Asset Allocation</td><td>The asset allocation in the Scheme under normal circumstances will be as follows
<table>
<tr><th rowspan="2">Instruments</th><th colspan="2">Indicative Allocation (% of Assets)</th><th rowspan="2">Risk Profile**</th></tr>
<tr><th>Min</th><th>Max</th></tr>
<tr><td>Money market securities and/or debt securities* with residual maturity of less than or equal to 3 years</td><td>80%</td><td>100%</td><td>Low to Medium</td></tr>
<tr><td>Debt securities* with residual maturity greater than 3 years</td><td>0%</td><td>20%</td><td>Low to Medium</td></tr>
</table>
The fund will maintain the weighted average portfolio maturity between 1 year and 3 years.
* Debt securities may include securitised debt up to 50% of the net assets
** Risk profile refers to the price risk of the respective asset class. Please refer risk factors for more details.
If the Scheme decides to invest in securitised debt, it is the intention of the Investment Manager that such investments will not, normally exceed 50% of the corpus of the plan and if the Scheme decides to invest in foreign debt securities, it is the intention of the Investment Manager that such investments will not, normally exceed 25% of the assets of the Scheme.</td><td>The asset allocation in the Scheme under normal circumstances will be as follows
<table>
<tr><th rowspan="2">Instruments</th><th colspan="2">Indicative Allocation (% of Assets)</th><th rowspan="2">Risk Profile</th></tr>
<tr><th>Min</th><th>Max</th></tr>
<tr><td>Debt and Money Market Instruments including Government securities</td><td>0%</td><td>100%</td><td>Low to Medium</td></tr>
</table>
The Macaulay Duration of the portfolio will be maintained between 1 year to 3 years.
The Scheme may invest up to 50% of the net assets in securitized instruments.
If the Scheme decides to invest in foreign debt securities such investments will not exceed 25% of the net assets of the Scheme.
The Scheme may also invest in debt derivatives instruments to the extent of 50% of the Net Assets as permitted vide SEBI Circular no. DNPD/Cir 29/2005 dated September 14, 2005 and SEBI Circular No. DNPD/Cir-30/2006 dated January 20, 2006, SEBI circular No. SEBI/DNPD/Cir-31/2006 dated September 22, 2006 and SEBI Circular No. Cir/ IMD/ DF/ 11/ 2010 dated August 18, 2010. The Scheme may use Fixed Income derivatives for such purposes as maybe permitted by the Regulations, including for the purpose of hedging and portfolio balancing, based on the opportunities available and subject to guidelines issued by SEBI and RBI from time to time.
The Scheme may invest in repo of corporate debt securities in accordance with SEBI circular No. CIR/IMD/DF/19/2011 dated November 11, 2011 and SEBI Circular No. CIR/IMD/DF/23/2012 dated November 15, 2012. The Scheme may invest in Credit Default Swaps (CDS) in accordance with SEBI Circular No. CIR/IMD/DF/23/2012 dated November 15, 2012.
The Scheme may also invest in units of debt and liquid mutual fund schemes.
Pending deployment of funds of the Scheme in securities in terms of the investment objective of the Scheme the AMC may park the funds of the Scheme in short term deposits of scheduled commercial banks, subject to the guidelines issued by SEBI vide its circular dated April 16, 2007, as amended from time to time.</td></tr>
</table>

<table>
<tr><td></td><td></td><td>The cumulative gross exposure through debt, money market instruments and derivative positions shall not exceed 100% of the net assets of the Scheme.

Subject to the Regulations, the asset allocation pattern indicated above for the Scheme may change from time to time, keeping in view market conditions, market opportunities, applicable regulations and political and economic factors. It must be clearly understood that the percentages stated above may vary depending upon the perception of the Investment Manager, the intention being at all times to seek to protect the interests of the Unitholders, and meet the objective of the relevant Scheme. Such changes in the investment pattern will be for short term and defensive considerations. In case of deviation, the portfolio would be rebalanced within 30 calendar days from the date of deviation. Where the portfolio is not rebalanced within 30 calendar days, justification for the same shall be placed before the Investment Committee and reasons for the same shall be recorded in writing. The Investment Committee shall then decide on the course of action. However, at all times, the portfolio will adhere to the overall investment objective of the scheme.</td></tr>
<tr><td>Investment Strategy</td><td>The Fund Management team endeavours to meet the investment objective whilst maintaining a balance between safety, liquidity and return on investments. Since the investment horizon for the scheme is short, the Scheme may focus on short to medium-term securities. The Scheme shall be actively managed and the Fund Management team may endeavor to generate superior returns whilst moderating credit and interest rate risk. The Fund Manager shall formulate a view of the interest rate movement based on various parameters of the Indian economy, as well as developments in global markets. The Investment Manager may try to leverage its international resource base to understand the global economic and interest rate environment. Investment views/decisions inter alia may be taken on the basis of the following parameters:
1. Returns offered relative to alternative investment opportunities.
2. Liquidity of the security
3. Prevailing interest rate scenario
4. Quality of the security/instrument (including the financial health of the issuer)
5. Maturity profile of the instrument
6. Any other factors considered relevant in the opinion of the Fund Management team.

The Scheme may also use derivatives to reduce the volatility of the portfolio and/or to enhance the portfolio returns. The Scheme may try to identify securities that yield relative value over others for similar risk and liquidity level. Various analytical tools like yield curve analysis, spreads between asset classes, horizon returns, forward implied interest rates, may be deployed to evaluate various investment options. Investments in debt instruments carry various risks like interest rate risk, liquidity risk, default risk, reinvestment risk etc. Whilst these cannot be done away with, they may be minimized by diversification and effective use of hedging techniques.</td><td>The Fund Management team endeavours to meet the investment objective whilst maintaining a balance between safety, liquidity and return on investments. Since the investment horizon for the scheme is short, the Scheme may focus on short to medium-term securities. The Scheme shall be actively managed and the Fund Management team may endeavor to generate returns whilst moderating credit and interest rate risk. The Macaulay Duration of the portfolio will be maintained between 1 year to 3 years. The Fund Manager shall formulate a view of the interest rate movement based on various parameters of the Indian economy, as well as developments in global markets. The Investment Manager may try to leverage its international resource base to understand the global economic and interest rate environment. Investment views/decisions inter alia may be taken on the basis of the following parameters:
1. Returns offered relative to alternative investment opportunities.
2. Liquidity of the security
3. Prevailing interest rate scenario
4. Quality of the security/instrument (including the financial health of the issuer)
5. Maturity profile of the instrument
6. Any other factors considered relevant in the opinion of the Fund Management team.

The Scheme may also use derivatives to reduce the volatility of the portfolio and/or to enhance the portfolio returns. The Scheme may try to identify securities that yield relative value over others for similar risk and liquidity level. Various analytical tools like yield curve analysis, spreads between asset classes, horizon returns, forward implied interest rates, may be deployed to evaluate various investment options. Investments in debt instruments carry various risks like interest rate risk, liquidity risk, default risk, reinvestment risk etc. Whilst these cannot be done away with, they may be minimized by diversification and effective use of hedging techniques.</td></tr>
<tr><td>Benchmark</td><td>CRISIL Short Term Bond Fund Index</td><td>CRISIL Short Term Bond Fund Index</td></tr>
</table>

In addition to above changes, the following shall be included in the Scheme Information Document of the Scheme:

Definition of Macaulay Duration:

The Macaulay duration is the weighted average term to maturity of the cash flows from a bond. The weight of each cash flow is determined by dividing the present value of the cash flow by the price.

Macaulay duration can be calculated:

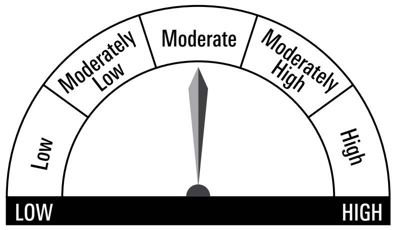
$$\text{Macaulay Duration} = \frac{\sum_{t=1}^{n} \frac{t * C}{(1+y)^t} + \frac{n * M}{(1+y)^n}}{\text{Current Bond Price}}$$

Where:

- t = respective time period
- C = periodic coupon payment
- y = periodic yield
- n = total number of periods
- M = maturity value
- Current Bond Price = Present value of cash flows

All other terms & conditions of the scheme will remain unchanged.

Product labeling for the scheme after the proposed changes shall be as follows:

This product is suitable for investors who are seeking*	
• Income over the short term • Investment in short term debt and money market instruments • Degree of risk – **MODERATE**	 Investor understand that their principal will be at moderate risk

*Investors should consult their financial advisers if in doubt about whether the product is suitable for them.

Changes in the scheme features of DHFL Pramerica Medium Term Income Fund

<table>
<tr><th>Particulars</th><th>Existing Scheme Features</th><th>Proposed Scheme Features</th></tr>
<tr><td>Name of the fund</td><td>DHFL Pramerica Medium Term Income Fund</td><td>DHFL Pramerica Medium Term Fund</td></tr>
<tr><td>Type of scheme</td><td>An Open Ended Income Scheme</td><td>An open ended medium term debt scheme investing in instruments such that the Macaulay duration of the portfolio is between 3 years to 4 years</td></tr>
<tr><td>Investment Objective</td><td>To generate income and capital appreciation by investing in a portfolio of high quality debt securities and money market instruments.
However, there can be no assurance that the investment objective of the Scheme will be achieved. The Scheme does not guarantee/indicate any returns.</td><td>To seek to generate income and capital appreciation by investing in a portfolio of debt and money market instruments.
However, there can be no assurance that the investment objective of the Scheme will be achieved. The Scheme does not guarantee/indicate any returns.</td></tr>
<tr><td>Asset Allocation</td><td>The asset allocation in the Scheme under normal circumstances will be as follows
<table>
<tr><th rowspan="2">Instruments</th><th colspan="2">Indicative Allocation (% of Assets)</th><th rowspan="2">Risk Profile**</th></tr>
<tr><th>Min</th><th>Max</th></tr>
<tr><td>Debt Securities including securitized debt*</td><td>70%</td><td>100%</td><td>Low to Medium</td></tr>
<tr><td>CBLO, Reverse Repo, T Bills, and Money Market Instruments</td><td>0%</td><td>30%</td><td>Low</td></tr>
</table>
The fund will maintain the weighted average portfolio maturity of the portfolio between 3 years and 7 years
* Investment in Securitized Debt would be up to 50% of the net assets of the scheme.
** Risk profile refers to the price risk of the respective asset class. Please refer to the risk factors for more details.
The Scheme retains the flexibility to invest across all the securities in the debt and money markets as permitted by SEBI / RBI from time to time.
The scheme may also invest in fixed income derivatives instruments to the extent of 50% of the Net Assets as permitted vide SEBI Circular no. DNPD/Cir 29/2005 dated September 14, 2005 and SEBI Circular No. DNPD/Cir-30/2006 dated January 20, 2006, SEBI circular No. SEBI/DNPD/Cir-31/2006 dated September 22, 2006 and SEBI Circular No. Cir/ IMD/ DF/ 11/ 2010 dated August 18, 2010. The Scheme may use fixed income derivative instruments, subject to the guidelines as maybe issued by SEBI and RBI and for such purposes as maybe permitted from time to time, including for the purpose of hedging and portfolio balancing, based on the opportunities available.
The cumulative gross exposure through debt, money market instruments and derivative positions shall not exceed 100% of the net assets of the Scheme. The Scheme will not have a leveraged position in derivatives. The Scheme will not invest in foreign securities and foreign securitized debt. The Scheme will not participate in Repo in corporate debt securities and Credit Default Swap. The Scheme will not invest in scrip lending. The Scheme will not invest in equity linked debentures.</td><td>The asset allocation in the Scheme under normal circumstances will be as follows
<table>
<tr><th rowspan="2">Instruments</th><th colspan="2">Indicative Allocation (% of Assets)</th><th rowspan="2">Risk Profile</th></tr>
<tr><th>Min</th><th>Max</th></tr>
<tr><td>Debt and Money Market Instruments including Government securities</td><td>0%</td><td>100%</td><td>Low to Medium</td></tr>
</table>
The Macaulay Duration of the portfolio will be maintained between 3 years to 4 years.
In case of adverse situations on account of interest rate movements, the Fund Manager, in the interest of investors, may reduce the portfolio duration of the Scheme upto 1 year. In such adverse situation, the Macaulay Duration of the portfolio will be maintained between 1 year to 4 years.
The Scheme may invest up to 50% of net assets in securitized debt.
If the Scheme decides to invest in foreign debt securities, such investments will not exceed 25% of the net assets of the Scheme
The scheme may also invest in fixed income derivatives instruments to the extent of 50% of the Net Assets as permitted vide SEBI Circular no. DNPD/Cir 29/2005 dated September 14, 2005 and SEBI Circular No. DNPD/Cir-30/2006 dated January 20, 2006, SEBI circular No. SEBI/DNPD/Cir-31/2006 dated September 22, 2006 and SEBI Circular No. Cir/ IMD/ DF/ 11/ 2010 dated August 18, 2010. The Scheme may use fixed income derivative instruments, subject to the guidelines as maybe issued by SEBI and RBI and for such purposes as maybe permitted from time to time, including for the purpose of hedging and portfolio balancing, based on the opportunities available. The Scheme will not have a leveraged position in derivatives.
The Scheme may invest in repo of corporate debt securities in accordance with SEBI circular No. CIR/IMD/DF/19/2011 dated November 11, 2011 and SEBI Circular No. CIR/IMD/DF/23/2012 dated November 15, 2012. The Scheme may invest in Credit Default Swaps (CDS) in accordance with SEBI Circular No. CIR/IMD/DF/23/2012 dated November 15, 2012.
The Scheme will not invest in scrip lending. The Scheme will not invest in equity linked debentures.</td></tr>
</table>

	In the event of the asset allocation falling outside the range as indicated above, rebalancing will be done within 30 calendar days. Any alteration in the Investment Pattern will be for a short term on defensive considerations; the intention being at all times to protect the interests of the Unit Holders. The scheme may also hold cash from time to time. It must be clearly understood that the percentages stated above are only indicative and not absolute and that they can vary substantially depending upon the perception of the Investment Manager, the intention being at all times to seek to protect the interests of the Unitholders. However, In case, the asset allocation falling outside the range as indicated above, rebalancing will be done within 30 calendar days.	The Scheme may also invest in units of debt and liquid mutual fund schemes. Pending deployment of funds of the Scheme in securities in terms of the investment objective of the Scheme the AMC may park the funds of the Scheme in short term deposits of scheduled commercial banks, subject to the guidelines issued by SEBI vide its circular dated April 16, 2007, as amended from time to time. The cumulative gross exposure through debt, money market instruments and derivative positions shall not exceed 100% of the net assets of the Scheme. Subject to the Regulations, the asset allocation pattern indicated above for the Scheme may change from time to time, keeping in view market conditions, market opportunities, applicable regulations and political and economic factors. It must be clearly understood that the percentages stated above may vary depending upon the perception of the Investment Manager, the intention being at all times to seek to protect the interests of the Unitholders, and meet the objective of the relevant Scheme. Such changes in the investment pattern will be for short term and defensive considerations. In case of deviation, the portfolio would be rebalanced within 30 calendar days from the date of deviation. Where the portfolio is not rebalanced within 30 calendar days, justification for the same shall be placed before the Investment Committee and reasons for the same shall be recorded in writing. The Investment Committee shall then decide on the course of action. However, at all times, the portfolio will adhere to the overall investment objective of the scheme.
Investment Strategy	The fund seeks to generate attractive returns through a combination of income and capital appreciation over the medium to long term. The Fund Manager will invest only in investment grade debt securities. The fund manager may also invest in unrated debt securities, which the Fund Manager believes to be of equivalent quality, as per regulatory guidelines. The Fund would seek to maintain the weighted average maturity of the portfolio between 3 years and 7 years. The Fund Management team will endeavor to meet the investment objective while maintaining a balance between safety, liquidity and the profitability aspect of various investments. The Fund will be actively managed and the Fund Management team will take an active view of the interest rate movement by keeping a close watch on various parameters of the Indian economy as well as developments in global markets. The Fund will try to leverage its international resource base to understand the global economic and interest rate environment. The Fund can also use derivatives to reduce the volatility of the portfolio and/or to enhance the portfolio returns. The Fund will try to identify securities that yield relative value over others for similar risk and liquidity level. Various analytical tools like yield curve analysis, spreads between asset classes, horizon returns, forward implied interest rates, will be deployed to evaluate various investment options. Investments in debt instruments carry various risks like interest rate risk, liquidity risk, default risk, reinvestment risk etc. While they cannot be done away with, they can be minimized by diversification and effective use of hedging techniques.	The fund seeks to generate returns through a combination of income and capital appreciation over the medium term. The Fund Manager will invest only in investment grade debt securities. The fund manager may also invest in unrated debt securities, which the Fund Manager believes to be of equivalent quality, as per regulatory guidelines. The Macaulay Duration of the portfolio will be maintained between 3 years to 4 years. In case of adverse situations on account of interest rate movements, the Fund Manager, in the interest of investors, may reduce the portfolio duration of the Scheme upto 1 year. In such adverse situation, the Macaulay Duration of the portfolio will be maintained between 1 year to 4 years. The Fund Management team will endeavor to meet the investment objective while maintaining a balance between safety, liquidity and the profitability aspect of various investments. The Fund will be actively managed and the Fund Management team will take an active view of the interest rate movement by keeping a close watch on various parameters of the Indian economy as well as developments in global markets. The Fund will try to leverage its international resource base to understand the global economic and interest rate environment. The Fund can also use derivatives to reduce the volatility of the portfolio and/or to enhance the portfolio returns. The Fund will try to identify securities that yield relative value over others for similar risk and liquidity level. Various analytical tools like yield curve analysis, spreads between asset classes, horizon returns, forward implied interest rates, will be deployed to evaluate various investment options. Investments in debt instruments carry various risks like interest rate risk, liquidity risk, default risk, reinvestment risk etc. While they cannot be done away with, they can be minimized by diversification and effective use of hedging techniques.
Benchmark	CRISIL Composite Bond Fund Index	CRISIL Composite Bond Fund Index

In addition to above changes, the following shall be included in the Scheme Information Document of the Scheme:

Definition of Macaulay Duration:

The Macaulay duration is the weighted average term to maturity of the cash flows from a bond. The weight of each cash flow is determined by dividing the present value of the cash flow by the price.

Macaulay duration can be calculated:

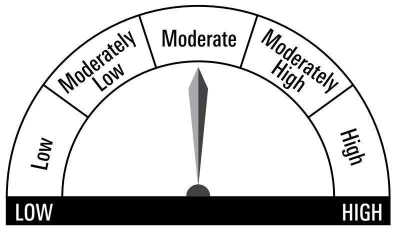
$$\text{Macaulay Duration} = \frac{\sum_{t=1}^{n} \frac{t * C}{(1+y)^t} + \frac{n * M}{(1+y)^n}}{\text{Current Bond Price}}$$

Where:

- t = respective time period
- C = periodic coupon payment
- y = periodic yield
- n = total number of periods
- M = maturity value
- Current Bond Price = Present value of cash flows

All other terms & conditions of the scheme will remain unchanged.

Product labeling for the scheme after the proposed changes shall be as follows:

<table>
<tr><th colspan="2">This product is suitable for investors who are seeking*</th></tr>
<tr><td>• Income and capital appreciation over the medium term
• Investment in Debt and Money Market Instruments of medium term
• Degree of risk – MODERATE</td><td>

Investor understand that their principal will be at moderate risk</td></tr>
</table>

*Investors should consult their financial advisers if in doubt about whether the product is suitable for them.

Changes in the scheme features of DHFL Pramerica Low Duration Fund

<table>
<tr><th>Particulars</th><th colspan="4">Existing Scheme Features</th><th colspan="4">Proposed Scheme Features</th></tr>
<tr><td>Name of the fund</td><td colspan="4">DHFL Pramerica Low Duration Fund</td><td colspan="4">DHFL Pramerica Low Duration Fund</td></tr>
<tr><td>Type of scheme</td><td colspan="4">An Open Ended Income Scheme</td><td colspan="4">An open ended low duration debt scheme investing in instruments such that the Macaulay duration of the portfolio is between 6 months to 12 months</td></tr>
<tr><td>Investment Objective</td><td colspan="4">The objective of the Scheme is to generate income through investment primarily in low duration debt & money market securities.
There is no assurance or guarantee that the investment objective of the scheme will be achieved.</td><td colspan="4">The objective of the Scheme is to seek to generate income through investment primarily in low duration debt & money market securities.
However, there can be no assurance that the investment objective of the Scheme will be achieved. The Scheme does not guarantee/ indicate any returns.</td></tr>
<tr><td rowspan="6">Asset Allocation</td><td colspan="4">The asset allocation in the Scheme under normal circumstances will be as follows:</td><td colspan="4">The asset allocation in the Scheme under normal circumstances will be as follows:</td></tr>
<tr><td rowspan="2">Instruments</td><td colspan="2">Indicative Allocation (% of Assets)</td><td rowspan="2">Risk Profile**</td><td rowspan="2">Instruments</td><td colspan="2">Indicative Allocation (% of Assets)</td><td rowspan="2">Risk Profile</td></tr>
<tr><td>Min</td><td>Max</td><td>Min</td><td>Max</td></tr>
<tr><td>Debt and money market instruments with maturity upto 1 year*</td><td>80%</td><td>100%</td><td>Low to Medium</td><td rowspan="2">Debt and Money Market Instruments including Government securities</td><td rowspan="2">0%</td><td rowspan="2">100%</td><td rowspan="2">Low to Medium</td></tr>
<tr><td>Debt instruments with maturity above 1 year *</td><td>0%</td><td>20%</td><td>Low to Medium</td></tr>
<tr><td colspan="4">Note: *Debt & money market instruments shall be deemed to include securitized debt and investment in securitized debts shall not exceed 50% of the net assets of the Scheme. The Fund shall have a weighted average portfolio maturity in the range of 6 months to 12 months.
Note: The asset allocation shown above is indicative and may vary according to circumstances at the sole discretion of the Fund Manager, on defensive consideration or according to the interest rate view of the Fund Manager. The composition may change due to purchases and redemption of units or during adjustment of the average maturity of investments. Should the asset allocation go outside the limits specified, rebalancing would be conducted within 30 days. Where the portfolio is not rebalanced within 30 Days, justification for the same shall be placed before the Investment Committee and reasons for the same shall be recorded in writing. The Investment committee shall then decide on the course of action. However, at all times the portfolio will adhere to the overall investment objective of the Scheme.
** Risk profile refers to the price risk of the respective asset class. Please refer risk factors for more details.</td><td colspan="4">The Macaulay Duration of the portfolio will be maintained between 6 months to 12 months.
The Scheme may invest up to 50% of net assets in securitized debt.
If the Scheme decides to invest in foreign debt securities, such investments will not exceed 25% of the net assets of the Scheme.
The Scheme may invest up to derivatives instruments to the extent of 50% of the Net Assets as permitted vide SEBI Circular no. DNPD/Cir 29/2005 dated September 14, 2005 and SEBI Circular No. DNPD/Cir-30/2006 dated January 20, 2006, SEBI circular No. SEBI/DNPD/Cir-31/2006 dated September 22, 2006 and SEBI Circular No. Cir/ IMD/ DF/ 11/ 2010 dated August 18, 2010. The Scheme may use Fixed Income derivatives for such purposes as maybe permitted by the Regulations, including for the purpose of hedging and portfolio balancing, based on the opportunities available and subject to guidelines issued by SEBI and RBI from time to time.
The Scheme may invest in repo of corporate debt securities in accordance with SEBI circular No. CIR/IMD/DF/19/2011 dated November 11, 2011 and SEBI Circular No. CIR/IMD/DF/23/2012 dated November 15, 2012.The Scheme may invest in Credit Default Swaps (CDS) in accordance with SEBI Circular No. CIR/IMD/DF/23/2012 dated November 15, 2012.
The Scheme may also invest in units of debt and liquid mutual fund schemes.
Pending deployment of funds of the Scheme in securities in terms of the investment objective of the Scheme the AMC may park the funds of the Scheme in short term deposits of scheduled commercial banks, subject to the guidelines issued by SEBI vide its circular dated April 16, 2007, as amended from time to time.</td></tr>
</table>

		The cumulative gross exposure through debt, money market instruments and derivative positions shall not exceed 100% of the net assets of the Scheme. Subject to the Regulations, the asset allocation pattern indicated above for the Scheme may change from time to time, keeping in view market conditions, market opportunities, applicable regulations and political and economic factors. It must be clearly understood that the percentages stated above may vary depending upon the perception of the Investment Manager, the intention being at all times to seek to protect the interests of the Unitholders, and meet the objective of the relevant Scheme. Such changes in the investment pattern will be for short term and defensive considerations. In case of deviation, the portfolio would be rebalanced within 30 calendar days from the date of deviation. Where the portfolio is not rebalanced within 30 calendar days, justification for the same shall be placed before the Investment Committee and reasons for the same shall be recorded in writing. The Investment Committee shall then decide on the course of action. However, at all times, the portfolio will adhere to the overall investment objective of the scheme.
Investment Strategy	The Fund Management team endeavours to meet the investment objective of the Scheme. The Scheme shall seek opportunities in the rapidly increasing use of debt markets by corporates across the credit spectrum. The Fund focuses on enhancing the portfolio by identifying optimum credit opportunities in the market. The key element of this approach is having the ability to analyse and price credit risk for short dated securities. The Scheme shall be actively managed and the Fund Management team shall formulate a view of the credit quality, interest rate movement etc. by monitoring various parameters of the Corporates/Indian economy, as well as developments in global markets. Identifying attractive investment opportunities on the credit maturity spectrum may be key to the performance of this fund. The Scheme may assume moderately higher credit risk as compared to a scheme investing predominantly in AAA bonds/sovereign securities. Investment views/decisions inter alia may be taken on the basis of the following parameters: 1. Prevailing interest rate scenario 2. Returns offered relative to alternative investment opportunities 3. Quality of the security/instrument (including the financial health of the issuer) 4. Maturity profile of the instrument 5. Liquidity of the security 6. Any other factors considered relevant in the opinion of the Fund Management team. The Scheme may also use derivatives for hedging and rebalancing of the portfolio. The Scheme may try to identify securities that yield relative value over others for similar risk and liquidity level. Various analytical tools like yield curve analysis, spreads between asset classes, horizon returns, forward implied interest rates, may be deployed to evaluate various investment options. Investments in debt instruments carry various risks like interest rate risk, liquidity risk, default risk, reinvestment risk etc. Whilst these cannot be done away with, they may be minimized by diversification and effective use of hedging techniques.	The Fund Management team endeavours to meet the investment objective of the Scheme. The Scheme shall seek opportunities in the rapidly increasing use of debt markets by corporates across the credit spectrum. The Macaulay Duration of the portfolio will be maintained between 6 months to 12 months. The Fund seeks to identifying investment opportunities in the short duration segment. The key element of this approach is having the ability to analyse and price credit risk for short dated securities. The Scheme shall be actively managed and the Fund Management team shall formulate a view of the credit quality, interest rate movement etc. by monitoring various parameters of the Corporates/Indian economy, as well as developments in global markets. Investment views/decisions inter alia may be taken on the basis of the following parameters: 1. Prevailing interest rate scenario 2. Returns offered relative to alternative investment opportunities 3. Quality of the security/instrument (including the financial health of the issuer) 4. Maturity profile of the instrument 5. Liquidity of the security 6. Any other factors considered relevant in the opinion of the Fund Management team. The Scheme may also use derivatives for hedging and rebalancing of the portfolio. The Scheme may try to identify securities that yield relative value over others for similar risk and liquidity level. Various analytical tools like yield curve analysis, spreads between asset classes, horizon returns, forward implied interest rates, may be deployed to evaluate various investment options. Investments in debt instruments carry various risks like interest rate risk, liquidity risk, default risk, reinvestment risk etc. Whilst these cannot be done away with, they may be minimized by diversification and effective use of hedging techniques.
Benchmark	CRISIL Liquid Fund Index	CRISIL Ultra Short Term Debt Index

In addition to above changes, the following shall be included in the Scheme Information Document of the Scheme:

Definition of Macaulay Duration:

The Macaulay duration is the weighted average term to maturity of the cash flows from a bond. The weight of each cash flow is determined by dividing the present value of the cash flow by the price.

Macaulay duration can be calculated:

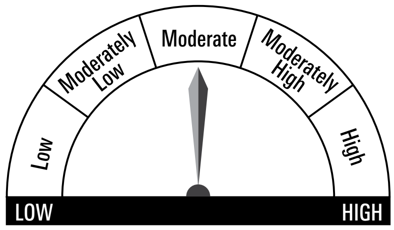
$$\text{Macaulay Duration} = \frac{\sum_{t=1}^{n} \frac{t * C}{(1+y)^{t}} + \frac{n * M}{(1+y)^{n}}}{\text{Current Bond Price}}$$

Where:

- t = respective time period
- C = periodic coupon payment
- y = periodic yield
- n = total number of periods
- M = maturity value
- Current Bond Price = Present value of cash flows

All other terms & conditions of the scheme will remain unchanged.

Product labeling for the scheme after the proposed changes shall be as follows:

This product is suitable for investors who are seeking*	
• Income over the short term • Investment in low duration Debt and Money Market Instruments • Degree of risk – **MODERATE**	 Investor understand that their principal will be at moderate risk

*Investors should consult their financial advisers if in doubt about whether the product is suitable for them.

Changes in the scheme features of DHFL Pramerica Inflation Indexed Bond Fund

<table>
<tr><th>Particulars</th><th>Existing Scheme Features</th><th>Proposed Scheme Features</th></tr>
<tr><td>Name of the fund</td><td>DHFL Pramerica Inflation Indexed Bond Fund</td><td>DHFL Pramerica Strategic Debt Fund</td></tr>
<tr><td>Type of scheme</td><td>An Open Ended Income Scheme</td><td>An open ended medium term debt scheme investing in instruments such that the Macaulay duration of the portfolio is between 4 years to 7 years</td></tr>
<tr><td>Investment Objective</td><td>To generate income and capital appreciation indexed to inflation by investing in a portfolio of inflation indexed bonds.
However, there can be no assurance that the investment objective of the Scheme will be achieved. The Scheme does not guarantee/indicate any returns.</td><td>To seek to generate income and capital appreciation by investing in a portfolio of debt securities and money market instruments.
However, there can be no assurance that the investment objective of the Scheme will be achieved. The Scheme does not guarantee/indicate any returns.</td></tr>
<tr><td>Asset Allocation</td><td>The asset allocation in the Scheme under normal circumstances will be as follows:
<table>
<tr><th rowspan="2">Instruments</th><th colspan="2">Indicative Allocation (% of Assets)</th><th rowspan="2">Risk Profile**</th></tr>
<tr><th>Min</th><th>Max</th></tr>
<tr><td>Inflation Indexed Securities issued by Central Government, State Government and / or Corporate Issuers</td><td>70%</td><td>100%</td><td>Low</td></tr>
<tr><td>Other Debt Securities* including money market instruments</td><td>0%</td><td>30%</td><td>Low to Medium</td></tr>
</table>
* Investment in Securitized Debt would be up to 20% of the net assets of the scheme.
** Risk profile refers to the price risk of the respective asset class. Please refer to the risk factors for more details.
The Scheme retains the flexibility to invest across all the securities in the debt and money markets as permitted by SEBI/RBI from time to time.
The scheme may also invest in derivatives instruments to the extent of 30% of the Net Assets as permitted vide SEBI Circular no. DNPD/Cir 29/2005 dated September 14, 2005 and SEBI Circular No. DNPD/Cir-30/2006 dated January 20, 2006, SEBI circular No. SEBI/DNPD/Cir-31/2006 dated September 22, 2006 and SEBI Circular No. Cir/ IMD/ DF/ 11/ 2010 dated August 18, 2010. The Scheme may use fixed income derivative instruments, subject to the guidelines as maybe issued by SEBI and RBI and for such purposes as maybe permitted from time to time, including for the purpose of hedging and portfolio balancing, based on the opportunities available.
The cumulative gross exposure through debt, money market instruments and derivative positions shall not exceed 100% of the net assets of the Scheme. The Scheme will not have a leveraged position in derivatives. The Scheme will not invest in foreign securities and foreign securitized debt. The Scheme will not participate in Repo in corporate debt security and Credit Default Swap. The Scheme will not invest in scrip lending. The Scheme will not invest in equity linked debentures.</td><td>The asset allocation in the Scheme under normal circumstances will be as follows
<table>
<tr><th rowspan="2">Instruments</th><th colspan="2">Indicative Allocation (% of Assets)</th><th rowspan="2">Risk Profile</th></tr>
<tr><th>Min</th><th>Max</th></tr>
<tr><td>Debt and Money Market Instruments including Government securities</td><td>0%</td><td>100%</td><td>Low to Medium</td></tr>
</table>
The Macaulay Duration of the portfolio will be maintained between 4 years to 7 years.
In case of adverse situations on account of interest rate movements, the Fund Manager, in the interest of investors, may reduce the portfolio duration of the Scheme upto 1 year. In such adverse situation, the Macaulay Duration of the portfolio will be maintained between 1 year to 7 years.
The Scheme may invest up to 50% of the net assets in securitized debt.
If the Scheme decides to invest in foreign debt securities, such investments will not exceed 25% of the net assets of the Scheme.
The scheme may also invest in fixed income derivatives instruments to the extent of 50% of the net assets as permitted vide SEBI Circular no. DNPD/Cir 29/2005 dated September 14, 2005 and SEBI Circular No. DNPD/Cir-30/2006 dated January 20, 2006, SEBI circular No. SEBI/DNPD/Cir-31/2006 dated September 22, 2006 and SEBI Circular No. Cir/ IMD/ DF/ 11/ 2010 dated August 18, 2010. The Scheme may use fixed income derivative instruments, subject to the guidelines as maybe issued by SEBI and RBI and for such purposes as maybe permitted from time to time, including for the purpose of hedging and portfolio balancing, based on the opportunities available. The Scheme will not have a leveraged position in derivatives.
The Scheme may invest in repo of corporate debt securities in accordance with SEBI circular No. CIR/IMD/DF/19/2011 dated November 11, 2011 and SEBI Circular No. CIR/IMD/DF/23/2012 dated November 15, 2012. The Scheme may invest in Credit Default Swaps (CDS) in accordance with SEBI Circular No. CIR/IMD/DF/23/2012 dated November 15, 2012.
The Scheme will not invest in scrip lending. The Scheme will not invest in equity linked debentures.
The Scheme may also invest in units of debt and liquid mutual fund schemes.</td></tr>
</table>

	In the event of the asset allocation falling outside the range as indicated above, a review and rebalancing will be called for by the Investment Manager within 30 calendar days. Any alteration in the Investment Pattern will be for a short term on defensive considerations; the intention being at all times to protect the interests of the Unit Holders. The scheme may also hold cash from time to time. It must be clearly understood that the percentages stated above are only indicative and not absolute and that they can vary substantially depending upon the perception of the Investment Manager, the intention being at all times to seek to protect the interests of the Unitholders.	Pending deployment of funds of the Scheme in securities in terms of the investment objective of the Scheme the AMC may park the funds of the Scheme in short term deposits of scheduled commercial banks, subject to the guidelines issued by SEBI vide its circular dated April 16, 2007, as amended from time to time. The cumulative gross exposure through debt, money market instruments and derivative positions shall not exceed 100% of the net assets of the Scheme. Subject to the Regulations, the asset allocation pattern indicated above for the Scheme may change from time to time, keeping in view market conditions, market opportunities, applicable regulations and political and economic factors. It must be clearly understood that the percentages stated above may vary depending upon the perception of the Investment Manager, the intention being at all times to seek to protect the interests of the Unitholders, and meet the objective of the relevant Scheme. Such changes in the investment pattern will be for short term and defensive considerations. In case of deviation, the portfolio would be rebalanced within 30 calendar days from the date of deviation. Where the portfolio is not rebalanced within 30 calendar days, justification for the same shall be placed before the Investment Committee and reasons for the same shall be recorded in writing. The Investment Committee shall then decide on the course of action. However, at all times, the portfolio will adhere to the overall investment objective of the scheme.
Investment Strategy	The fund seeks to actively manage a portfolio of predominantly inflation linked bonds (IIBs) to provide an inflation adjusted return whilst maintaining a balance between liquidity and profitability of the investments. The fund manager seeks to extract value from the interplay of real and nominal interest rates. The fund would use a combination of portfolio strategies like yield curve positioning, duration, relative value positioning and other tactical strategies. All bonds typically attempt to price "inflation expectation" in the price of the bond. The inflation indexed bonds remove the uncertainty of "inflation expectation" and use the actual inflation levels to price the bonds. Therefore, these types of bonds provide a potential hedge against inflation. Inflation indexed bonds provide insurance to investors from inflation and cost savings for the issuer on account of reduction in coupon payments with lowering inflation rate, elimination of uncertainty risk premium, and containing inflationary expectations. The Government of India would be issuing IIBs wherein the principal is indexed to inflation and the coupon is indexed to the principal. Thus, investors receive inflation adjusted interest payments periodically and also inflation adjusted principal repayments at the time of redemption or its original par value, whichever is higher. Though, the IIBs are designed to payback the principal on maturity, similar to other bonds; the fund being a portfolio of these bonds and subject to mark to market valuation on a daily basis, would witness volatility in its NAV similar to other bond / debt funds.	The fund seeks to generate returns through a combination of income and capital appreciation over the medium to long term. The Macaulay Duration of the portfolio will be maintained between 4 years to 7 years. In case of adverse situations on account of interest rate movements, the Fund Manager, in the interest of investors, may reduce the portfolio duration of the Scheme upto 1 year. In such adverse situation, the Macaulay Duration of the portfolio will be maintained between 1 year to 7 years. The Fund Management team will endeavor to meet the investment objective while maintaining a balance between safety, liquidity and the profitability aspect of various investments. The Fund will be actively managed and the Fund Management team will take an active view of the interest rate movement by keeping a close watch on various parameters of the Indian economy as well as developments in global markets. The Fund can also use derivatives to reduce the volatility of the portfolio and/or to enhance the portfolio returns. The Fund will try to identify securities that yield relative value over others for similar risk and liquidity level. Various analytical tools like yield curve analysis, spreads between asset classes, horizon returns, forward implied interest rates, will be deployed to evaluate various investment options. Investments in debt instruments carry various risks like interest rate risk, liquidity risk, default risk, reinvestment risk etc. While they cannot be done away with, they can be minimized by diversification and effective use of hedging techniques.
Benchmark	I -Sec Composite Index	CRISIL Composite Bond Fund Index

In addition to above changes, the following shall be included in the Scheme Information Document of the Scheme:

Definition of Macaulay Duration:

The Macaulay duration is the weighted average term to maturity of the cash flows from a bond. The weight of each cash flow is determined by dividing the present value of the cash flow by the price.

Macaulay duration can be calculated:

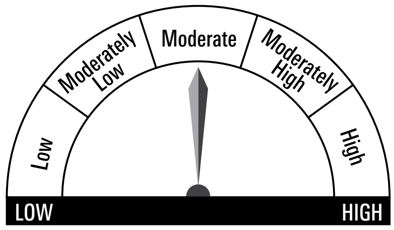
$$\text{Macaulay Duration} = \frac{\sum_{t=1}^{n} \frac{t * C}{(1+y)^t} + \frac{n * M}{(1+y)^n}}{\text{Current Bond Price}}$$

Where:

- t = respective time period
- C = periodic coupon payment
- y = periodic yield
- n = total number of periods
- M = maturity value
- Current Bond Price = Present value of cash flows

All other terms & conditions of the scheme will remain unchanged.

Product labeling for the scheme after the proposed changes shall be as follows:

This product is suitable for investors who are seeking*	
• Income and capital appreciation over the medium term to long term • Investment in Debt and Money Market Instruments • Degree of risk – **MODERATE**	 Investor understand that their principal will be at moderate risk

*Investors should consult their financial advisers if in doubt about whether the product is suitable for them.

Changes in the scheme features of DHFL Pramerica Dynamic Bond Fund

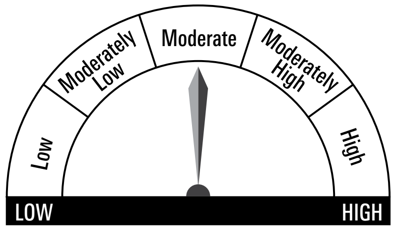
<table>
<tr><th>Particulars</th><th colspan="4">Existing Scheme Features</th><th colspan="4">Proposed Scheme Features</th></tr>
<tr><td>Name of the fund</td><td colspan="4">DHFL Pramerica Dynamic Bond Fund</td><td colspan="4">DHFL Pramerica Dynamic Bond Fund</td></tr>
<tr><td>Type of scheme</td><td colspan="4">An Open Ended Income Scheme</td><td colspan="4">An open ended dynamic debt scheme investing across duration</td></tr>
<tr><td>Investment Objective</td><td colspan="4">The objective of the Scheme is to generate optimal returns through active management of a portfolio of debt and money market instruments.
However, there is no assurance that the investment objective of the Scheme will be realized and the Scheme does not assure or guarantee any returns.</td><td colspan="4">The objective of the Scheme is to seek to generate returns through active management of a portfolio of debt and money market instruments.
However, there is no assurance that the investment objective of the Scheme will be realized and the Scheme does not assure or guarantee any returns.</td></tr>
<tr><td rowspan="5">Asset Allocation</td><td colspan="4">The asset allocation in the Scheme under normal circumstances will be as follows</td><td colspan="4">The asset allocation in the Scheme under normal circumstances will be as follows</td></tr>
<tr><td rowspan="2">Instruments</td><td colspan="2">Indicative Allocation (% of Assets)</td><td rowspan="2">Risk Profile</td><td rowspan="2">Instruments</td><td colspan="2">Indicative Allocation (% of Assets)</td><td rowspan="2">Risk Profile</td></tr>
<tr><td>Min</td><td>Max</td><td>Min</td><td>Max</td></tr>
<tr><td>Money market instruments & Debt Securities</td><td>0%</td><td>100%</td><td>Medium</td><td>Money market instruments & Debt Securities</td><td>0%</td><td>100%</td><td>Medium</td></tr>
<tr><td colspan="4">Presently, the scheme does not intend to invest in securitised debt and overseas / foreign securities.
The scheme retains the flexibility to invest across all the securities in the debt and money markets instruments. The portfolio may hold cash depending on the market outlook. The fund manager may use derivative instruments as may be permitted from time to time and as may be deemed appropriate.
Further, aggregate asset allocation including exposure to derivatives will not exceed 100% of the net assets; and that same security wise hedge positions would be excluded from the same. Investment and disclosure by the Scheme in derivatives will be in line with prevailing SEBI guidelines.
Fixed Income Markets are generally very volatile by nature. A complex range of variables like inflation, liquidity, credit demand and economic activity levels etc influence the level of interest rates. Further, slope of yield curve as well the spreads across different sections of fixed income markets (for example spread between government securities and corporate bonds) keep varying from time to time. In such an environment of frequent changes in relative levels of different segments of the market, expectation is that a dynamically managed portfolio should generate a return higher than a passively managed portfolio. As such, this scheme is named Dynamic Bond Fund.</td><td colspan="4">The Scheme may invest up to 50% of the net assets in securitized debt.
If the Scheme decides to invest in foreign debt securities, such investments will not exceed 25% of the net assets of the Scheme.
The scheme retains the flexibility to invest across all the securities in the debt and money markets instruments. The fund manager may use derivative instruments as may be permitted from time to time and as may be deemed appropriate.
The scheme may also invest in fixed income derivatives instruments to the extent of 100% of the net assets as permitted vide SEBI Circular no. DNPD/Cir 29/2005 dated September 14, 2005 and SEBI Circular No. DNPD/Cir-30/2006 dated January 20, 2006, SEBI circular No. SEBI/DNPD/Cir-31/2006 dated September 22, 2006 and SEBI Circular No. Cir/ IMD/ DF/ 11/ 2010 dated August 18, 2010. The Scheme may use fixed income derivative instruments, subject to the guidelines as maybe issued by SEBI and RBI and for such purposes as maybe permitted from time to time, including for the purpose of hedging and portfolio balancing, based on the opportunities available.
The Scheme may invest in repo of corporate debt securities in accordance with SEBI circular No. CIR/IMD/DF/19/2011 dated November 11, 2011 and SEBI Circular No. CIR/IMD/DF/23/2012 dated November 15, 2012. The Scheme may invest in Credit Default Swaps (CDS) in accordance with SEBI Circular No. CIR/IMD/DF/23/2012 dated November 15, 2012.
The Scheme may also invest in units of debt and liquid mutual fund schemes.</td></tr>
</table>

		Fixed Income Markets are generally very volatile by nature. A complex range of variables like inflation, liquidity, credit demand and economic activity levels etc influence the level of interest rates. Further, slope of yield curve as well the spreads across different sections of fixed income markets (for example spread between government securities and corporate bonds) keep varying from time to time. In such an environment of frequent changes in relative levels of different segments of the market, expectation is that a dynamically managed portfolio should generate a return higher than a passively managed portfolio. As such, this scheme is named Dynamic Bond Fund. Pending deployment of funds of the Scheme in securities in terms of the investment objective of the Scheme the AMC may park the funds of the Scheme in short term deposits of scheduled commercial banks, subject to the guidelines issued by SEBI vide its circular dated April 16, 2007, as amended from time to time. The cumulative gross exposure through debt, money market instruments and derivative positions shall not exceed 100% of the net assets of the Scheme. Subject to the Regulations, the asset allocation pattern indicated above for the Scheme may change from time to time, keeping in view market conditions, market opportunities, applicable regulations and political and economic factors. It must be clearly understood that the percentages stated above may vary depending upon the perception of the Investment Manager, the intention being at all times to seek to protect the interests of the Unitholders, and meet the objective of the relevant Scheme. Such changes in the investment pattern will be for short term and defensive considerations. In case of deviation, the portfolio would be rebalanced within 30 calendar days from the date of deviation. Where the portfolio is not rebalanced within 30 calendar days, justification for the same shall be placed before the Investment Committee and reasons for the same shall be recorded in writing. The Investment Committee shall then decide on the course of action. However, at all times, the portfolio will adhere to the overall investment objective of the scheme.
Investment Strategy	The objective of the Scheme is to generate optimal returns through active management of the portfolio of debt and money market instruments. The Scheme is a medium to long-term investment option that provides the flexibility to counter a dynamic environment by actively managing its portfolio in line with the evolving interest rate scenario. The Scheme will follow an active duration management strategy. The investment strategies will focus on constructing fixed income portfolios in line with above objective. Portfolio manager will manage the fund based on the outlook on interest rates and liquidity etc. Such outlook will be developed by in-house assessment of various macro factors like economic growth, inflation, credit pick-up, liquidity and other such factors as considered relevant. Credit portfolio management will be primarily guided by external credit ratings assigned by any of the recognized credit rating agency. Additionally, as may be deemed appropriate, inputs may be taken from financial statement analysis, management review, industry trends, capital structure and covenant analysis to identify securities for inclusion / exclusion from credit portfolios. Efficient portfolio construction will be used to manage interest rate risk across different asset class and duration buckets, and optimise risk-adjusted returns.	The objective of the Scheme is to seek to generate returns through active management of the portfolio of debt and money market instruments. The Scheme is a medium to long-term investment option that provides the flexibility to counter a dynamic environment by actively managing its portfolio in line with the evolving interest rate scenario. The Scheme will follow an active duration management strategy. The investment strategies will focus on constructing fixed income portfolios in line with above objective. Portfolio manager will manage the fund based on the outlook on interest rates and liquidity etc. Such outlook will be developed by in-house assessment of various macro factors like economic growth, inflation, credit pick-up, liquidity and other such factors as considered relevant. Credit portfolio management will be primarily guided by external credit ratings assigned by any of the recognized credit rating agency. Additionally, as may be deemed appropriate, inputs may be taken from financial statement analysis, management review, industry trends, capital structure and covenant analysis to identify securities for inclusion / exclusion from credit portfolios. Efficient portfolio construction will be used to manage interest rate risk across different asset class and duration buckets, and optimise risk-adjusted returns.

	The Scheme may use debt derivative instruments like interest rate swaps like Overnight Indexed Swaps ("OIS"), forward rate agreements, interest rate futures or such other derivative instruments as may be permitted under the applicable regulations. Derivatives may be used for the purpose of hedging, and portfolio balancing and such other purpose as may be permitted under the regulations and Guidelines from time to time. The Fund Manager will actively monitor and review markets and portfolios so that necessary rebalancing of the portfolios can be done.	The Scheme may use debt derivative instruments like interest rate swaps like Overnight Indexed Swaps ("OIS"), forward rate agreements, interest rate futures or such other derivative instruments as may be permitted under the applicable regulations. Derivatives may be used for the purpose of hedging, and portfolio balancing and such other purpose as may be permitted under the regulations and Guidelines from time to time. The Fund Manager will actively monitor and review markets and portfolios so that necessary rebalancing of the portfolios can be done.
Benchmark	CRISIL Composite Bond Fund Index	CRISIL Composite Bond Fund Index

All other terms & conditions of the scheme will remain unchanged.

Product labeling for the scheme after the proposed changes shall be as follows:

This product is suitable for investors who are seeking*	
• Regular income for short term • To generate returns through active management of a portfolio of debt and money market instruments • Degree of risk – **MODERATE**	 Investor understand that their principal will be at moderate risk

*Investors should consult their financial advisers if in doubt about whether the product is suitable for them.

Changes in the scheme features of DHFL Pramerica Credit Opportunities Fund

Particulars	Existing Scheme Features	Proposed Scheme Features
Name of the fund	DHFL Pramerica Credit Opportunities Fund	DHFL Pramerica Credit Risk Fund
Type of scheme	An Open Ended Income Scheme	An open ended debt scheme predominantly investing in AA and below rated corporate bonds (excluding AA+ rated corporate bonds).
Investment Objective	The investment objective of the Scheme is to generate income and capital appreciation by investing predominantly in corporate debt. There can be no assurance that the investment objective of the Scheme will be realized.	The investment objective of the Scheme is to seek to generate income and capital appreciation by investing predominantly in AA and below rated corporate debt (excluding AA+ rated corporate bonds). However, there can be no assurance that the investment objective of the Scheme will be achieved. The Scheme does not guarantee/ indicate any returns.

Asset Allocation

Existing Scheme Features

The asset allocation in the Scheme under normal circumstances will be as follows

Instruments	Indicative Allocation (% of Assets)		Risk Profile**
	Min	Max	
Corporate Debt Securities* including securitized debt$	80%	100%	Low to Medium
CBLO, Reverse Repo, T Bills, and Money Market Instruments#	0%	20%	Low

$ Investment in Securitized Debt if undertaken, shall not exceed 50% of the net assets of the Scheme.

** Risk profile refers to the price risk of the respective asset class. Please refer to the risk factors for more details.

* Corporate Debt Securities would include all debt securities issued by entities such as Banks, Public Sector Undertakings, Municipal Corporations, bodies corporate, companies etc (E.g Power Grid Corporation Ltd, National Thermal Power Corporation Ltd, Tata Motors Limited) and would exclude investments in Government Securities and State Development Loans.

The Scheme retains the flexibility to invest across all the securities in the debt and money markets as permitted by SEBI / RBI from time to time.

As per Regulation 2(o) of SEBI (MF) Regulations, 1996, "money market instruments" includes commercial papers, commercial bills, treasury bills, Government securities having an unexpired maturity up to one year, call or notice money, certificate of deposit, usance bills, and any other like instruments as specified by the Reserve Bank of India from time to time.

The scheme may also invest in fixed income derivatives instruments to the extent of 50% of the Net Assets as permitted vide SEBI Circular no. DNPD/Cir 29/2005 dated September 14, 2005 and SEBI Circular No. DNPD/Cir-30/2006 dated January 20, 2006, SEBI circular No. SEBI/DNPD/Cir-31/2006 dated September 22, 2006 and SEBI Circular No. Cir/ IMD/ DF/ 11/ 2010 dated August 18, 2010. The Scheme may use fixed income derivative instruments, subject to the guidelines as maybe issued by SEBI and RBI and for such purposes as maybe permitted from time to time, including for the purpose of hedging and portfolio balancing, based on the opportunities available.

Proposed Scheme Features

The asset allocation in the Scheme under normal circumstances will be as follows

Instruments	Indicative Allocation (% of Assets)		Risk Profile
	Min	Max	
Corporate Debt Securities (AA* and below rated) $	65%	100%	Medium
Other debt instruments including Government Securities and Money Market Instruments $	0%	35%	Low to Medium

* excludes AA+ rated corporate bonds

$ The Scheme may invest up to 50% of the net assets in securitized debt.

If the Scheme decides to invest in foreign debt securities, such investments will not exceed 25% of the net assets of the Scheme.

The scheme may also invest in fixed income derivatives instruments to the extent of 50% of the net assets as permitted vide SEBI Circular no. DNPD/Cir 29/2005 dated September 14, 2005 and SEBI Circular No. DNPD/Cir-30/2006 dated January 20, 2006, SEBI circular No. SEBI/DNPD/Cir-31/2006 dated September 22, 2006 and SEBI Circular No. Cir/ IMD/ DF/ 11/ 2010 dated August 18, 2010. The Scheme may use fixed income derivative instruments, subject to the guidelines as maybe issued by SEBI and RBI and for such purposes as maybe permitted from time to time, including for the purpose of hedging and portfolio balancing, based on the opportunities available. The Scheme will not have a leveraged position in derivatives.

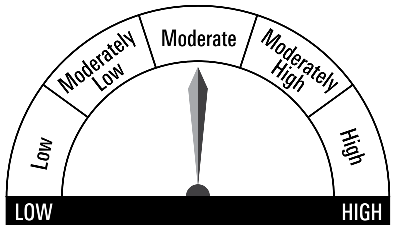
The Scheme may invest in repo of corporate debt securities in accordance with SEBI circular No. CIR/IMD/DF/19/2011 dated November 11, 2011 and SEBI Circular No. CIR/IMD/DF/23/2012 dated November 15, 2012. The Scheme may invest in Credit Default Swaps (CDS) in accordance with SEBI Circular No. CIR/IMD/DF/23/2012 dated November 15, 2012.

The Scheme will not invest in scrip lending. The Scheme will not invest in equity linked debentures. The Scheme will not participate in short selling of securities.

	The cumulative gross exposure through debt, money market instruments and derivative positions shall not exceed 100% of the net assets of the Scheme. The Scheme will not have a leveraged position in derivatives. The Scheme will not invest in foreign securities and foreign securitized debt. The Scheme will not participate in Repo in corporate debt securities and Credit Default Swap. The Scheme will not invest in scrip lending. The Scheme will not invest in equity linked debentures. The Scheme will not invest in Government securities and State Development Loans. The Scheme will not participate in short selling of securities. The Scheme will not invest in ADR/GDR. In the event of the asset allocation falling outside the range as indicated above, rebalancing will be done within 30 calendar days. Any alteration in the Investment Pattern will be for a short term on defensive considerations; the intention being at all times to protect the interests of the Unit Holders. The scheme may also hold cash from time to time. It must be clearly understood that the percentages stated above are only indicative and not absolute and that they can vary substantially depending upon the perception of the Investment Manager, the intention being at all times to seek to protect the interests of the Unitholders. However, In case, the asset allocation falling outside the range as indicated above, rebalancing will be done within 30 calendar days.	The Scheme may also invest in units of debt and liquid mutual fund schemes. Pending deployment of funds of the Scheme in securities in terms of the investment objective of the Scheme the AMC may park the funds of the Scheme in short term deposits of scheduled commercial banks, subject to the guidelines issued by SEBI vide its circular dated April 16, 2007, as amended from time to time. The cumulative gross exposure through debt, money market instruments and derivative positions shall not exceed 100% of the net assets of the Scheme. The Scheme retains the flexibility to invest across all securities in the debt and money market as permitted by SEBI / RBI from time to time, in line with the asset allocation pattern of the scheme Subject to the Regulations, the asset allocation pattern indicated above for the Scheme may change from time to time, keeping in view market conditions, market opportunities, applicable regulations and political and economic factors. It must be clearly understood that the percentages stated above may vary depending upon the perception of the Investment Manager, the intention being at all times to seek to protect the interests of the Unitholders, and meet the objective of the relevant Scheme. Such changes in the investment pattern will be for short term and defensive considerations. In case of deviation, the portfolio would be rebalanced within 30 calendar days from the date of deviation. Where the portfolio is not rebalanced within 30 calendar days, justification for the same shall be placed before the Investment Committee and reasons for the same shall be recorded in writing. The Investment Committee shall then decide on the course of action. However, at all times, the portfolio will adhere to the overall investment objective of the scheme.
Investment Strategy	The fund seeks to generate attractive returns through a combination of income and capital appreciation over the medium to long term. The Fund Manager will invest only in investment grade debt securities. The fund manager may also invest in unrated debt securities, which the Fund Manager believes to be of equivalent quality, as per regulatory guidelines. The Fund Management team will endeavor to meet the investment objective while maintaining a balance between safety, liquidity and the profitability aspect of various investments. The Fund will be actively managed and the Fund Management team will take an active view of the interest rate movement by keeping a close watch on various parameters of the Indian economy as well as developments in global markets. The Fund will try to leverage its international resource base to understand the global economic and interest rate environment. The Fund can also use derivatives to reduce the volatility of the portfolio and/ or to enhance the portfolio returns. The Fund will try to identify securities that yield relative value over others for similar risk and liquidity level. Various analytical tools like yield curve analysis, spreads between asset classes, horizon returns, forward implied interest rates, will be deployed to evaluate various investment options. Investments in debt instruments carry various risks like interest rate risk, liquidity risk, default risk, reinvestment risk etc. While they cannot be done away with, they can be minimized by diversification and effective use of hedging techniques.	The fund seeks to generate returns through a combination of income and capital appreciation over the medium to long term. The Fund Manager will invest only in investment grade debt securities; and predominantly in AA and below rated corporate debt (excluding AA+ rated corporate bonds). The fund manager may also invest in unrated debt securities, which the Fund Manager believes to be of equivalent quality, as per regulatory guidelines. The Fund Management team will endeavor to meet the investment objective while maintaining a balance between safety, liquidity and the profitability aspect of various investments. The Fund will be actively managed and the Fund Management team will take an active view of the interest rate movement by keeping a close watch on various parameters of the Indian economy as well as developments in global markets. The Fund will try to leverage its international resource base to understand the global economic and interest rate environment. The Fund can also use derivatives to reduce the volatility of the portfolio and/ or to enhance the portfolio returns. The Fund will try to identify securities that yield relative value over others for similar risk and liquidity level. Various analytical tools like yield curve analysis, spreads between asset classes, horizon returns, forward implied interest rates, will be deployed to evaluate various investment options. Investments in debt instruments carry various risks like interest rate risk, liquidity risk, default risk, reinvestment risk etc. While they cannot be done away with, they can be minimized by diversification and effective use of hedging techniques.
Benchmark	CRISIL Short Term Bond Fund Index	CRISIL AA Short Term Bond Index

All other terms & conditions of the scheme will remain unchanged.

Product labeling for the scheme after the proposed changes shall be as follows:

This product is suitable for investors who are seeking*	
• Income and capital appreciation over medium to long term • Investments predominantly in AA and below rated corporate debt securities (excluding AA+ rated corporate bonds) of various maturities • Degree of risk – **MODERATE**	 Investor understand that their principal will be at moderate risk

*Investors should consult their financial advisers if in doubt about whether the product is suitable for them.

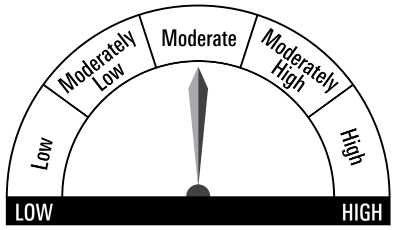
Changes in the scheme features of DHFL Pramerica Premier Bond Fund

<table>
<tr><th>Particulars</th><th>Existing Scheme Features</th><th>Proposed Scheme Features</th></tr>
<tr><td>Name of the fund</td><td>DHFL Pramerica Premier Bond Fund</td><td>DHFL Pramerica Premier Bond Fund</td></tr>
<tr><td>Type of scheme</td><td>An Open Ended Income Scheme</td><td>An open ended debt scheme predominantly investing in AA+ and above rated corporate bonds</td></tr>
<tr><td>Investment Objective</td><td>The investment objective of the Scheme is to provide regular income by investing in debt securities including bonds and money market instruments.
However, there can be no assurance that the investment objective of the Scheme will be achieved. The Scheme does not guarantee/indicate any returns.</td><td>The investment objective of the Scheme is to seek to generate income and capital appreciation by predominantly investing in AA+ and above rated corporate bonds.
However, there can be no assurance that the investment objective of the Scheme will be achieved. The Scheme does not guarantee/indicate any returns.</td></tr>
<tr><td>Asset Allocation</td><td>The asset allocation in the Scheme under normal circumstances will be as follows
<table>
<tr><th rowspan="2">Instruments</th><th colspan="2">Indicative Allocation (% of Assets)</th><th rowspan="2">Risk Profile**</th></tr>
<tr><th>Min</th><th>Max</th></tr>
<tr><td>Debt* Instruments including Government Securities and Corporate Debt</td><td>60%</td><td>100%</td><td>Medium</td></tr>
<tr><td>Money Market Instruments</td><td>0%</td><td>40%</td><td>Low</td></tr>
</table>
* Debt securities may include securitised debts up to 50% of the net assets.
The Scheme will invest in derivatives only for the purpose of hedging and portfolio balancing and the exposure to derivatives shall be restricted to 50% of the net assets of the scheme.
** Risk profile refers to the price risk of the respective asset class. Please refer risk factors for more details.
If the Scheme decides to invest in securitised debt, it is the intention of the Investment Manager that such investments will not, normally exceed 50% of the corpus of the plan and if the Scheme decides to invest in foreign debt securities, it is the intention of the Investment Manager that such investments will not, normally exceed 25% of the assets of the Scheme.</td><td>The asset allocation in the Scheme under normal circumstances will be as follows
<table>
<tr><th rowspan="2">Instruments</th><th colspan="2">Indicative Allocation (% of Assets)</th><th rowspan="2">Risk Profile</th></tr>
<tr><th>Min</th><th>Max</th></tr>
<tr><td>Corporate Debt instruments (AA+ and above rated)</td><td>80%</td><td>100%</td><td>Low to Medium</td></tr>
<tr><td>Other debt (including Government securities) and Money Market Instruments</td><td>0%</td><td>20%</td><td>Low to Medium</td></tr>
</table>
The Scheme may invest up to 50% of net assets in securitized debt.
If the Scheme decides to invest in foreign debt securities, such investments will not exceed 20% of the net assets of the Scheme.
The Scheme will invest in derivatives only for the purpose of hedging and portfolio balancing and the exposure to derivatives shall be restricted to 50% of the net assets of the scheme.
The Scheme may invest in repo of corporate debt securities in accordance with SEBI circular No. CIR/IMD/DF/19/2011 dated November 11, 2011 and SEBI Circular No. CIR/IMD/DF/23/2012 dated November 15, 2012. The Scheme may invest in Credit Default Swaps (CDS) in accordance with SEBI Circular No. CIR/IMD/DF/23/2012 dated November 15, 2012.
The Scheme may also invest in units of debt and liquid mutual fund schemes.
Pending deployment of funds of the Scheme in securities in terms of the investment objective of the Scheme the AMC may park the funds of the Scheme in short term deposits of scheduled commercial banks, subject to the guidelines issued by SEBI vide its circular dated April 16, 2007, as amended from time to time.
The cumulative gross exposure through debt, money market instruments and derivative positions shall not exceed 100% of the net assets of the Scheme.</td></tr>
</table>

		Subject to the Regulations, the asset allocation pattern indicated above for the Scheme may change from time to time, keeping in view market conditions, market opportunities, applicable regulations and political and economic factors. It must be clearly understood that the percentages stated above may vary depending upon the perception of the Investment Manager, the intention being at all times to seek to protect the interests of the Unitholders, and meet the objective of the relevant Scheme. Such changes in the investment pattern will be for short term and defensive considerations. In case of deviation, the portfolio would be rebalanced within 30 calendar days from the date of deviation. Where the portfolio is not rebalanced within 30 calendar days, justification for the same shall be placed before the Investment Committee and reasons for the same shall be recorded in writing. The Investment Committee shall then decide on the course of action. However, at all times, the portfolio will adhere to the overall investment objective of the scheme.
Investment Strategy	The Fund Management team endeavours to meet the investment objective whilst maintaining a balance between safety, liquidity and the profitability aspect of various investments. The Scheme shall be actively managed and the Fund Management team shall formulate active view of the interest rate movement by monitoring various parameters of the Indian economy, as well as developments in global markets. The Scheme may try to leverage its international resource base to understand the global economic and interest rate environment. Investment views/decisions interalia may be taken on the basis of the following parameters: 1. Prevailing interest rate scenario 2. Returns offered relative to alternative investment opportunities. 3. Quality of the security / instrument (including the financial health of the issuer) 4. Maturity profile of the instrument 5. Liquidity of the security 6. Any other factors considered relevant in the opinion of the Fund The Scheme may also use derivatives to reduce the volatility of the portfolio and/or to enhance the portfolio returns. The Scheme may try to identify securities that yield relative value over others for similar risk and liquidity level. Various analytical tools like yield curve analysis, spreads between asset classes, horizon returns, forward implied interest rates, may be deployed to evaluate various investment options. Investments in debt instruments carry various risks like interest rate risk, liquidity risk, default risk, reinvestment risk etc. Whilst these cannot be done away with, they may be minimized by diversification and effective use of hedging techniques.	The Fund Management team endeavours to meet the investment objective whilst maintaining a balance between safety, liquidity and the profitability aspect of various investments. The Fund Manager will invest predominantly in AA+ and above rated corporate debt instruments. The Scheme shall be actively managed and the Fund Management team shall formulate active view of the interest rate movement by monitoring various parameters of the Indian economy, as well as developments in global markets. The Scheme may try to leverage its international resource base to understand the global economic and interest rate environment. Investment views/decisions interalia may be taken on the basis of the following parameters: 1. Prevailing interest rate scenario 2. Returns offered relative to alternative investment opportunities. 3. Quality of the security / instrument (including the financial health of the issuer) 4. Maturity profile of the instrument 5. Liquidity of the security 6. Any other factors considered relevant in the opinion of the Fund The Scheme may also use derivatives to reduce the volatility of the portfolio and/or to enhance the portfolio returns. The Scheme may try to identify securities that yield relative value over others for similar risk and liquidity level. Various analytical tools like yield curve analysis, spreads between asset classes, horizon returns, forward implied interest rates, may be deployed to evaluate various investment options. Investments in debt instruments carry various risks like interest rate risk, liquidity risk, default risk, reinvestment risk etc. Whilst these cannot be done away with, they may be minimized by diversification and effective use of hedging techniques.
Benchmark	CRISIL Composite Bond Fund Index	CRISIL Composite Bond Fund Index

All other terms & conditions of the scheme will remain unchanged.

Product labeling for the scheme after the proposed changes shall be as follows:

This product is suitable for investors who are seeking*	
• Income over the medium term • Investments predominantly in AA+ and above rated corporate bonds including bonds • Degree of risk – **MODERATE**	 Investor understand that their principal will be at moderate risk

*Investors should consult their financial advisers if in doubt about whether the product is suitable for them.

Changes in the scheme features of DHFL Pramerica Banking and PSU Debt Fund

Particulars	Existing Scheme Features	Proposed Scheme Features
Name of the fund	DHFL Pramerica Banking and PSU Debt Fund	DHFL Pramerica Banking and PSU Debt Fund
Type of scheme	An Open Ended Income Scheme	An open ended debt scheme predominantly investing in Debt instruments of banks, Public Sector Undertakings, Public Financial Institutions and Municipal Bonds.
Investment Objective	The primary objective of the Scheme is to generate income and capital appreciation by investing in money market and debt instruments issued by banks and public sector Companies. However, there can be no assurance that the investment objective of the Scheme will be achieved. The Scheme does not guarantee/ indicate any returns.	The primary objective of the Scheme is to seek to generate income and capital appreciation by investing predominantly in debt instruments issued by banks, Public Sector Undertakings, Public Financial institutions and Municipal Bonds. However, there can be no assurance that the investment objective of the Scheme will be achieved. The Scheme does not guarantee/ indicate any returns.
Asset Allocation	The asset allocation in the Scheme under normal circumstances will be as follows	The asset allocation in the Scheme under normal circumstances will be as follows

Instruments (Existing)	Indicative Allocation (% of Assets)		Risk Profile**	Instruments (Proposed)	Indicative Allocation (% of Assets)		Risk Profile
	Min	Max			Min	Max	
Money market and debt securities# issued by Government, Banks, Public Sector Undertakings (PSU) and Public Financial institutions (PFI)	80%	100%	Low to Medium	Money market and debt securities# issued by Banks, Public Sector Undertakings (PSU), Public Financial institutions (PFI) and Municipal Bonds	80%	100%	Low to Medium
Other Debt* and Money Market Securities	0%	20%	Low to Medium	Other Debt and Money Market Securities	0%	20%	Low to Medium

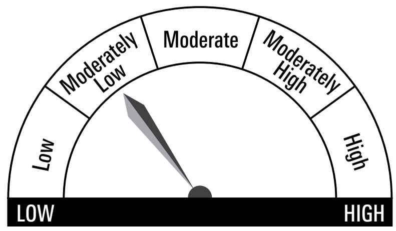
Existing Scheme Features	Proposed Scheme Features
* Investment in Securitized Debt would be up to 20% of the net assets of the scheme. The scheme will not invest in foreign securities and foreign securitized debt. # including derivatives instruments to the extent of 50% of the Net Assets as permitted vide SEBI Circular no. DNPD/Cir 29/2005 dated September 14, 2005 and SEBI Circular No. DNPD/Cir-30/2006 dated January 20, 2006, SEBI circular No. SEBI/DNPD/Cir-31/2006 dated September 22, 2006 and SEBI Circular No. Cir/ IMD/ DF/ 11/ 2010 dated August 18, 2010. The Scheme may use Fixed Income derivatives for such purposes as maybe permitted by the Regulations, including for the purpose of hedging and portfolio balancing, based on the opportunities available and subject to guidelines issued by SEBI from time to time. The Scheme may also use fixed income derivative instruments subject to the guidelines as maybe issued by SEBI and RBI and for such purposes as maybe permitted from time to time. The cumulative gross exposure through debt, money market instruments and derivative positions shall not exceed 100% of the net assets of the Scheme. The Scheme will not have a leveraged position in derivatives. The Scheme will not participate in Repo in corporate debt security and Credit Default Swaps. The Scheme will not invest in script lending. The Scheme will not invest in equity linked debentures. ** Risk profile refers to the price risk of the respective asset class. Please refer risk factors for more details.	The Scheme may invest up to 50% of the net assets in securitized debt. If the Scheme decides to invest in foreign debt securities, such investments will not exceed 20% of the net assets of the Scheme. #including derivatives instruments to the extent of 50% of the Net Assets as permitted vide SEBI Circular no. DNPD/Cir 29/2005 dated September 14, 2005 and SEBI Circular No. DNPD/Cir-30/2006 dated January 20, 2006, SEBI circular No. SEBI/DNPD/Cir-31/2006 dated September 22, 2006 and SEBI Circular No. Cir/ IMD/ DF/ 11/ 2010 dated August 18, 2010. The Scheme may use Fixed Income derivatives for such purposes as maybe permitted by the Regulations, including for the purpose of hedging and portfolio balancing, based on the opportunities available and subject to guidelines issued by SEBI and RBI from time to time. The Scheme will not have a leveraged position in derivatives. The Scheme may invest in repo of corporate debt securities in accordance with SEBI circular No. CIR/ IMD/DF/19/2011 dated November 11, 2011 and SEBI Circular No. CIR/IMD/DF/23/2012 dated November 15, 2012. The Scheme may invest in Credit Default Swaps (CDS) in accordance with SEBI Circular No. CIR/IMD/ DF/23/2012 dated November 15, 2012. The Scheme may also invest in units of debt and liquid mutual fund schemes. The Scheme will not invest in script lending. The Scheme will not invest in equity linked debentures.

	In the event of the asset allocation falling outside the range as indicated above, a review and rebalancing will be called for by the Investment Manager within 30 calendar days. Any alteration in the Investment Pattern will be for a short term on defensive considerations; the intention being at all times to protect the interests of the Unit Holders. The scheme may also hold cash from time to time. It must be clearly understood that the percentages stated above are only indicative and not absolute and that they can vary substantially depending upon the perception of the Investment Manager, the intention being at all times to seek to protect the interests of the Unitholders.	Pending deployment of funds of the Scheme in securities in terms of the investment objective of the Scheme the AMC may park the funds of the Scheme in short term deposits of scheduled commercial banks, subject to the guidelines issued by SEBI vide its circular dated April 16, 2007, as amended from time to time. The cumulative gross exposure through debt, money market instruments and derivative positions shall not exceed 100% of the net assets of the Scheme. Subject to the Regulations, the asset allocation pattern indicated above for the Scheme may change from time to time, keeping in view market conditions, market opportunities, applicable regulations and political and economic factors. It must be clearly understood that the percentages stated above may vary depending upon the perception of the Investment Manager, the intention being at all times to seek to protect the interests of the Unitholders, and meet the objective of the relevant Scheme. Such changes in the investment pattern will be for short term and defensive considerations. In case of deviation, the portfolio would be rebalanced within 30 calendar days from the date of deviation. Where the portfolio is not rebalanced within 30 calendar days, justification for the same shall be placed before the Investment Committee and reasons for the same shall be recorded in writing. The Investment Committee shall then decide on the course of action. However, at all times, the portfolio will adhere to the overall investment objective of the scheme.
Investment Strategy	The fund management team would endeavor to meet the investment objectives, while maintaining a balance between safety, liquidity and yield on investments. Investments in debt instruments carry various risks like interest rate risk, liquidity risk, default risk, reinvestment risk etc. While they cannot be done away with, they can be minimized by diversification and effective use of hedging techniques. The scheme intends to invest in securities with a credit rating of at least a “AA-” or equivalent. The scheme will be actively managed and the Fund Management team will actively track interest rates and market movement by keeping a close watch on various parameters of the Indian economy as well as developments in global markets. A Public Sector Undertaking is defined as Companies having 51% of their outstanding share capital held by the Central Government and/or State Government, directly or indirectly. (Source: www.nseindia.com) The Scheme will focus on investing in public sector bonds and various debt instruments issued by banks. The Scheme will try to leverage its international resource base to understand the global economic and interest rate environment. Investment views / decisions inter-alia will be taken on the basis of the following parameters: • Prevailing interest rate scenario • Maturity profile of the instrument • Returns offered relative to alternative investment opportunities. • Quality of the security / instrument (including the financial health of the issuer) • Liquidity of the security • Any other factors considered relevant in the opinion of the Fund Management team.	The fund management team would endeavor to meet the investment objectives, while maintaining a balance between safety, liquidity and yield on investments. Investments in debt instruments carry various risks like interest rate risk, liquidity risk, default risk, reinvestment risk etc. While they cannot be done away with, they can be minimized by diversification and effective use of hedging techniques. The scheme will be actively managed and the Fund Management team will actively track interest rates and market movement by keeping a close watch on various parameters of the Indian economy as well as developments in global markets. A Public Sector Undertaking is defined as Companies having 51% of their outstanding share capital held by the Central Government and/or State Government, directly or indirectly. (Source: www.nseindia.com). The Scheme will focus on investing in public sector bonds and various debt instruments issued by banks, Public Sector Undertakings, Public Financial Institutions and Municipal Bonds. The Scheme will try to leverage its international resource base to understand the global economic and interest rate environment. Investment views / decisions inter-alia will be taken on the basis of the following parameters: • Prevailing interest rate scenario • Maturity profile of the instrument • Returns offered relative to alternative investment opportunities. • Quality of the security / instrument (including the financial health of the issuer) • Liquidity of the security • Any other factors considered relevant in the opinion of the Fund Management team.

	The Scheme can also use derivatives to reduce the volatility of the portfolio and/or to enhance the portfolio returns. The Scheme will try to identify securities that yield relative value over others for similar risk and liquidity level. Various analytical tools like yield curve analysis, spreads between asset classes, horizon returns, forward implied interest rates, will be deployed to evaluate various investment options. Investments in debt instruments carry various risks like interest rate risk, liquidity risk, default risk, reinvestment risk etc. While they cannot be done away with, they can be minimized by diversification and effective use of hedging techniques. The Scheme may invest in other scheme(s) managed by the AMC or in the scheme(s) of any other mutual fund, provided it is in conformity with the investment objectives of the Scheme and in terms of the prevailing Regulations.	The Scheme can also use derivatives to reduce the volatility of the portfolio and/or to enhance the portfolio returns. The Scheme will try to identify securities that yield relative value over others for similar risk and liquidity level. Various analytical tools like yield curve analysis, spreads between asset classes, horizon returns, forward implied interest rates, will be deployed to evaluate various investment options. Investments in debt instruments carry various risks like interest rate risk, liquidity risk, default risk, reinvestment risk etc. While they cannot be done away with, they can be minimized by diversification and effective use of hedging techniques. The Scheme may invest in other scheme(s) managed by the AMC or in the scheme(s) of any other mutual fund, provided it is in conformity with the investment objectives of the Scheme and in terms of the prevailing Regulations.
Benchmark	CRISIL Short Term Bond Fund Index	CRISIL Short Term Bond Fund Index

All other terms & conditions of the scheme will remain unchanged.

Product labeling for the scheme after the proposed changes shall be as follows:

This product is suitable for investors who are seeking*	
• Income over the short term • Investment in debt instruments issued by Banks and Public Sector Undertakings, Public Financial institutions and Municipal Bonds. • Degree of risk – **MODERATELY LOW**	 Investor understand that their principal will be at moderately low risk

*Investors should consult their financial advisers if in doubt about whether the product is suitable for them.

Changes in the scheme features of DHFL Pramerica Gilt Fund

<table>
<tr><th>Particulars</th><th>Existing Scheme Features</th><th>Proposed Scheme Features</th></tr>
<tr><td>Name of the fund</td><td>DHFL Pramerica Gilt Fund</td><td>DHFL Pramerica Gilt Fund</td></tr>
<tr><td>Type of scheme</td><td>An Open Ended Gilt Scheme</td><td>An open ended debt scheme investing in government securities across maturities</td></tr>
<tr><td>Investment Objective</td><td>To generate reasonable returns by investing in Central/State Government securities of various maturities.
However, there can be no assurance that the investment objective of the Scheme will be achieved. The Scheme does not guarantee/indicate any returns.</td><td>To seek to generate reasonable returns by investing in Central/State Government securities of various maturities.
However, there can be no assurance that the investment objective of the Scheme will be achieved. The Scheme does not guarantee/indicate any returns.</td></tr>
<tr><td>Asset Allocation</td><td>The asset allocation in the Scheme under normal circumstances will be as follows:
<table>
<tr><th rowspan="2">Instruments</th><th colspan="2">Indicative Allocation (% of Assets)</th><th rowspan="2">Risk Profile**</th></tr>
<tr><th>Min</th><th>Max</th></tr>
<tr><td>Government Securities and Money Market Securities</td><td>100%</td><td>100%</td><td>Low</td></tr>
</table>
** Risk profile refers to the price risk of the respective asset class. Please refer risk factors for more details
The scheme will not engage in scrip lending. The Scheme will not invest in foreign securities and securitized debt.
The scheme will invest in derivatives only for the purpose of hedging and portfolio balancing, and the exposure to derivatives shall be restricted to 50% of the net assets of the scheme.</td><td>The asset allocation in the Scheme under normal circumstances will be as follows:
<table>
<tr><th rowspan="2">Instruments</th><th colspan="2">Indicative Allocation (% of Assets)</th><th rowspan="2">Risk Profile</th></tr>
<tr><th>Min</th><th>Max</th></tr>
<tr><td>Government Securities and T Bills</td><td>80%</td><td>100%</td><td>Low</td></tr>
<tr><td>Other Debt Securities$ and money market instruments</td><td>0%</td><td>20%</td><td>Low to Medium</td></tr>
</table>
$ The Scheme may invest up to 20% of the net assets in securitized debt.
If the Scheme decides to invest in foreign debt securities, such investments will not exceed 20% of the net assets of the Scheme.
The scheme will invest in derivatives only for the purpose of hedging and portfolio balancing, and the exposure to derivatives shall be restricted to 50% of the net assets of the scheme.
The Scheme may invest in repo of corporate debt securities in accordance with SEBI circular No. CIR/IMD/DF/19/2011 dated November 11, 2011 and SEBI Circular No. CIR/IMD/DF/23/2012 dated November 15, 2012. The Scheme may invest in Credit Default Swaps (CDS) in accordance with SEBI Circular No. CIR/IMD/DF/23/2012 dated November 15, 2012.
The scheme will not engage in scrip lending.
The Scheme may also invest in units of debt and liquid mutual fund schemes.
Pending deployment of funds of the Scheme in securities in terms of the investment objective of the Scheme the AMC may park the funds of the Scheme in short term deposits of scheduled commercial banks, subject to the guidelines issued by SEBI vide its circular dated April 16, 2007, as amended from time to time.
The cumulative gross exposure through debt, money market instruments and derivative positions shall not exceed 100% of the net assets of the Scheme.</td></tr>
</table>

		Subject to the Regulations, the asset allocation pattern indicated above for the Scheme may change from time to time, keeping in view market conditions, market opportunities, applicable regulations and political and economic factors. It must be clearly understood that the percentages stated above may vary depending upon the perception of the Investment Manager, the intention being at all times to seek to protect the interests of the Unitholders, and meet the objective of the relevant Scheme. Such changes in the investment pattern will be for short term and defensive considerations. In case of deviation, the portfolio would be rebalanced within 30 calendar days from the date of deviation. Where the portfolio is not rebalanced within 30 calendar days, justification for the same shall be placed before the Investment Committee and reasons for the same shall be recorded in writing. The Investment Committee shall then decide on the course of action. However, at all times, the portfolio will adhere to the overall investment objective of the scheme.
Investment Strategy	The Fund Management team endeavours to meet the investment objective whilst maintaining a balance between liquidity and profitability of the investments. The scheme shall invest in government securities which shall provide income and capital appreciation and be deemed to have no credit risk. The scheme would mainly invest in securities issued by the Government of India and the State Governments. The Scheme shall be actively managed and the Fund Management team shall formulate an active view of the interest rate movements by monitoring various parameters of the Indian economy, as well as developments in global markets. The Scheme may try to leverage its international resource base to understand the global economic and interest rate environment. Investment views/decisions interalia may be taken on the basis of the following parameters: 1. Prevailing interest rate scenario 2. Returns offered relative to alternative investment opportunities. 3. Maturity profile of the instrument 4. Liquidity of the security 5. Any other factors considered relevant in the opinion of the Fund Management team. The Scheme may also use derivatives to reduce the volatility of the portfolio and/or to enhance the portfolio returns. The Scheme may try to identify securities that yield relative value over others for similar risk and liquidity level. Various analytical tools like yield curve analysis, horizon returns, forward implied interest rates, may be deployed to evaluate various investment options. Investments in gilts carry various risks like interest rate risk, liquidity risk, reinvestment risk etc. Whilst these cannot be done away with, they may be minimized by diversification and effective use of hedging techniques. Liquidity Support from RBI Subject to the RBI Guidelines, DHFL Pramerica Gilt Fund (being a Scheme dedicated exclusively to investments in Government securities) may be eligible to avail on any day from RBI, liquidity support up to 20% of the outstanding value of its investments in Government securities (as at the close of business on the previous working day), under its Guidelines issued vide letter IDMC.No.2741/03.01.00/95-96 dated April 20, 1996. Liquidity support under these guidelines is available through reverse repurchase agreements in eligible Central Government dated securities and Treasury Bills of all maturities.	The Fund Management team endeavours to meet the investment objective whilst maintaining a balance between liquidity and profitability of the investments. The scheme shall predominantly invest in government securities which shall provide income and capital appreciation and be deemed to have no credit risk. The scheme would mainly invest in securities issued/ backed by the Government of India and the State Governments. The Scheme shall be actively managed and the Fund Management team shall formulate an active view of the interest rate movements by monitoring various parameters of the Indian economy, as well as developments in global markets. The Scheme may try to leverage its international resource base to understand the global economic and interest rate environment. Investment views/ decisions interalia may be taken on the basis of the following parameters: 1. Prevailing interest rate scenario 2. Returns offered relative to alternative investment opportunities. 3. Maturity profile of the instrument 4. Liquidity of the security 5. Any other factors considered relevant in the opinion of the Fund Management team. The Scheme may also use derivatives to reduce the volatility of the portfolio and/or to enhance the portfolio returns. The Scheme may try to identify securities that yield relative value over others for similar risk and liquidity level. Various analytical tools like yield curve analysis, horizon returns, forward implied interest rates, may be deployed to evaluate various investment options. Investments in gilts carry various risks like interest rate risk, liquidity risk, reinvestment risk etc. Whilst these cannot be done away with, they may be minimized by diversification and effective use of hedging techniques. Liquidity Support from RBI Subject to the RBI Guidelines, DHFL Pramerica Gilt Fund (being a Scheme dedicated exclusively to investments in Government securities) may be eligible to avail on any day from RBI, liquidity support up to 20% of the outstanding value of its investments in Government securities (as at the close of business on the previous working day), under its Guidelines issued vide letter IDMC.No.2741/03.01.00/95-96 dated April 20, 1996. Liquidity support under these guidelines is available through reverse repurchase agreements in eligible Central Government dated securities and Treasury Bills of all maturities.

Benchmark	I-Sec Mi-Bex	I-Sec Mi-Bex

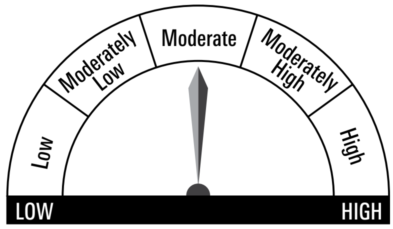
All other terms & conditions of the scheme will remain unchanged.

Product labeling for the scheme after the proposed changes shall be as follows:

<table>
<tr><th colspan="2">This product is suitable for investors who are seeking*</th></tr>
<tr><td>

- Income over the medium term
- Investments predominantly in Central/State Government securities of various Maturities
- Degree of risk – **MODERATE**

</td><td>



Investor understand that their principal will be at moderate risk

</td></tr>
</table>

*Investors should consult their financial advisers if in doubt about whether the product is suitable for them.

Changes in the scheme features of DHFL Pramerica Short Term Floating Rate Fund

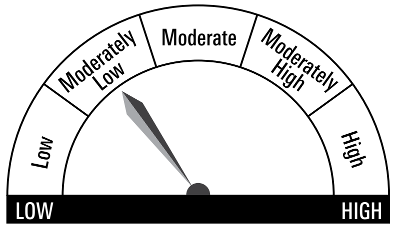
<table>
<tr><th>Particulars</th><th>Existing Scheme Features</th><th>Proposed Scheme Features</th></tr>
<tr><td>Name of the fund</td><td>DHFL Pramerica Short Term Floating Rate Fund</td><td>DHFL Pramerica Floating Rate Fund</td></tr>
<tr><td>Type of scheme</td><td>An Open Ended Income Scheme</td><td>An open ended debt scheme predominantly investing in floating rate instruments (including fixed rate instruments converted to floating rate exposures using swaps/ derivatives)</td></tr>
<tr><td>Investment Objective</td><td>The objective of the scheme is to generate regular income through investment in a portfolio comprising primarily in short maturity floating rate debt/money market instruments.
However, there is no assurance that the investment objective of the Scheme will be realized and the Scheme does not assure or guarantee any returns.</td><td>The objective of the scheme is to seek to generate income through predominantly investing in a portfolio comprising of floating rate debt instruments.
However, there is no assurance that the investment objective of the Scheme will be realized and the Scheme does not assure or guarantee any returns.</td></tr>
<tr><td>Asset Allocation</td><td>The asset allocation in the Scheme under normal circumstances will be as follows:
<table>
<tr><th rowspan="2">Instruments</th><th colspan="2">Indicative Allocation (% of Assets)</th><th rowspan="2">Risk Profile**</th></tr>
<tr><th>Min</th><th>Max</th></tr>
<tr><td>Floating rate debt securities with residual maturity of less than 400 days (including fixed rate debt instruments swapped for floating rate returns) and money market instruments*</td><td>65%</td><td>100%</td><td>Low to Medium</td></tr>
<tr><td>Floating rate and other debt securities with residual maturity between 400 days and upto 3 Years</td><td>0%</td><td>35%</td><td>Low to Medium</td></tr>
</table>
Floating rate instruments include money market instruments, i.e. fixed rate instruments with maturity upto 364 days as investments in such instruments gets re-priced within a year just like floating rate instruments where coupons are reset periodically.
* The fund manager would invest in money market instruments, as and when deemed appropriate & necessary, depending upon interest rate scenario and relative benefit of floating rate instruments.
Presently, the Scheme does not intend to invest in securitised debt and overseas / foreign securities.
The Scheme retains the flexibility to invest across all the securities in the debt and money markets instruments, within the abovementioned asset allocation. The portfolio may hold cash depending on the market condition. The fund manager may use derivative instruments to protect the downside risk; and that same security wise hedge positions would be excluded from the same. Investment and disclosure by the Scheme in derivatives will be in line with prevailing SEBI guidelines.
** Risk profile refers to the price risk of the respective asset class. Please refer risk factors for more details</td><td>The asset allocation in the Scheme under normal circumstances will be as follows:
<table>
<tr><th rowspan="2">Instruments</th><th colspan="2">Indicative Allocation (% of Assets)</th><th rowspan="2">Risk Profile</th></tr>
<tr><th>Min</th><th>Max</th></tr>
<tr><td>Floating rate debt securities (including fixed rate instruments converted to floating rate exposures using swaps/ derivatives)</td><td>65%</td><td>100%</td><td>Low to Medium</td></tr>
<tr><td>Other debt securities including money market instruments</td><td>0%</td><td>35%</td><td>Low to Medium</td></tr>
</table>
Floating rate instruments include fixed rate instruments with maturity upto 364 days as investments in such instruments gets re-priced within a year just like floating rate instruments where coupons are reset periodically.
The Scheme may invest up to 50% of the net assets in securitized debt.
If the Scheme decides to invest in foreign debt securities, such investments will not exceed 25% of the net assets of the Scheme.
The Scheme may also invest in derivatives instruments to the extent of 50% of the Net Assets as permitted vide SEBI Circular no. DNPD/Cir 29/2005 dated September 14, 2005 and SEBI Circular No. DNPD/Cir-30/2006 dated January 20, 2006, SEBI circular No. SEBI/DNPD/Cir-31/2006 dated September 22, 2006 and SEBI Circular No. Cir/ IMD/ DF/ 11/ 2010 dated August 18, 2010. The Scheme may use Fixed Income derivatives for such purposes as maybe permitted by the Regulations, including for the purpose of hedging and portfolio balancing, based on the opportunities available and subject to guidelines issued by SEBI and RBI from time to time.
The fund manager may use derivative instruments to protect the downside risk; and that same security wise hedge positions would be excluded from the same. Investment and disclosure by the Scheme in derivatives will be in line with prevailing SEBI guidelines.</td></tr>
</table>

		The Scheme may invest in repo of corporate debt securities in accordance with SEBI circular No. CIR/IMD/DF/19/2011 dated November 11, 2011 and SEBI Circular No. CIR/IMD/DF/23/2012 dated November 15, 2012. The Scheme may invest in Credit Default Swaps (CDS) in accordance with SEBI Circular No. CIR/IMD/DF/23/2012 dated November 15, 2012. The Scheme may also invest in units of debt and liquid mutual fund schemes. The Scheme retains the flexibility to invest across all the debt instruments, within the abovementioned asset allocation. Pending deployment of funds of the Scheme in securities in terms of the investment objective of the Scheme the AMC may park the funds of the Scheme in short term deposits of scheduled commercial banks, subject to the guidelines issued by SEBI vide its circular dated April 16, 2007, as amended from time to time. The cumulative gross exposure through debt, money market instruments and derivative positions shall not exceed 100% of the net assets of the Scheme. Subject to the Regulations, the asset allocation pattern indicated above for the Scheme may change from time to time, keeping in view market conditions, market opportunities, applicable regulations and political and economic factors. It must be clearly understood that the percentages stated above may vary depending upon the perception of the Investment Manager, the intention being at all times to seek to protect the interests of the Unitholders, and meet the objective of the relevant Scheme. Such changes in the investment pattern will be for short term and defensive considerations. In case of deviation, the portfolio would be rebalanced within 30 calendar days from the date of deviation. Where the portfolio is not rebalanced within 30 calendar days, justification for the same shall be placed before the Investment Committee and reasons for the same shall be recorded in writing. The Investment Committee shall then decide on the course of action. However, at all times, the portfolio will adhere to the overall investment objective of the scheme.
Investment Strategy	The objective of the Scheme is to generate regular income through investment in a portfolio comprising primarily in floating rate debt instruments (including fixed rate debt instruments swapped for floating rate returns) and money market instruments. The investment strategies will focus on constructing portfolios in line with above objective. Investment decision will be primarily guided by fundamental research and analysis. The Scheme would be a short investment option that provides the flexibility to counter a dynamic environment by keeping its portfolio primarily in floating rate debt instruments. The fund manager will manage the portfolio based on the outlook on interest rates and liquidity etc. Such outlook will be developed by in-house assessment of various macro factors like economic growth, inflation, credit pick-up, liquidity and other such factors as considered relevant. Credit portfolio management will be primarily guided by external credit ratings assigned by any of the recognized credit rating agency such as CRISIL, CARE and ICRA or any other rating agency as approved by the regulators. Additionally, as may be deemed appropriate, inputs may be available from financial statement analysis, management review, industry trends, capital structure and covenant analysis to identify securities for inclusion / exclusion from credit portfolios.	The objective of the Scheme is to seek to generate income through investment in a portfolio comprising primarily in floating rate debt instruments (including fixed rate instruments converted to floating rate exposures using swaps/ derivatives). The investment strategies will focus on constructing portfolios in line with above objective. Investment decision will be primarily guided by fundamental research and analysis. The Scheme would be a short investment option that provides the flexibility to counter a dynamic environment by keeping its portfolio primarily in floating rate debt instruments. The fund manager will manage the portfolio based on the outlook on interest rates and liquidity etc. Such outlook will be developed by in-house assessment of various macro factors like economic growth, inflation, credit pick-up, liquidity and other such factors as considered relevant. Credit portfolio management will be primarily guided by external credit ratings assigned by any of the recognized credit rating agency such as CRISIL, CARE and ICRA or any other rating agency as approved by the regulators. Additionally, as may be deemed appropriate, inputs may be available from financial statement analysis, management review, industry trends, capital structure and covenant analysis to identify securities for inclusion / exclusion from credit portfolios.

	Efficient portfolio construction will be used to manage interest rate risk across different asset class and duration buckets, and optimise risk-adjusted returns. Portfolio managers will actively monitor and review markets and portfolios so that necessary rebalancing of the portfolios can be done.	Efficient portfolio construction will be used to manage interest rate risk across different asset class and duration buckets, and optimise risk-adjusted returns. Portfolio managers will actively monitor and review markets and portfolios so that necessary rebalancing of the portfolios can be done.
Benchmark	CRISIL Short Term Bond Fund Index	CRISIL Ultra Short Term Debt Index

All other terms & conditions of the scheme will remain unchanged.

Product labeling for the scheme after the proposed changes shall be as follows:

This product is suitable for investors who are seeking*	
• Income over the short term • Investments primarily in floating rate debt instruments and short term debt • Degree of risk – **MODERATELY LOW**	 Investor understand that their principal will be at moderately low risk

*Investors should consult their financial advisers if in doubt about whether the product is suitable for them.

Changes in the scheme features of DHFL Pramerica Income Advantage Fund

<table>
<tr><th>Particulars</th><th>Existing Scheme Features</th><th>Proposed Scheme Features</th></tr>
<tr><td>Name of the fund</td><td>DHFL Pramerica Income Advantage Fund</td><td>DHFL Pramerica Hybrid Debt Fund</td></tr>
<tr><td>Type of scheme</td><td>An Open Ended Income Scheme</td><td>An open ended hybrid scheme investing predominantly in debt instruments</td></tr>
<tr><td>Investment Objective</td><td>The objective of Scheme is to generate regular returns through investment primarily in Debt and Money Market Instruments and to generate capital appreciation by investing in equity and equity related instruments. Monthly Income is not assured & is subject to availability of distributable surplus.
However, there is no assurance that the investment objective of the Scheme will be realized and the Scheme does not assure or guarantee any returns.</td><td>The objective of Scheme is to seek to generate returns through investment primarily in Debt and Money Market Instruments and to generate capital appreciation by investing in equity and equity related instruments.
However, there is no assurance that the investment objective of the Scheme will be realized and the Scheme does not assure or guarantee any returns.</td></tr>
<tr><td>Asset Allocation</td><td>The asset allocation in the Scheme under normal circumstances will be as follows:
<table>
<tr><th rowspan="2">Instruments</th><th colspan="2">Indicative Allocation (% of Assets)</th><th rowspan="2">Risk Profile**</th></tr>
<tr><th>Min</th><th>Max</th></tr>
<tr><td>Domestic Debt Instruments including Government Securities, Money Market Instruments and Securitised Debt*</td><td>70%</td><td>100%</td><td>Low to Medium</td></tr>
<tr><td>Equity & Equity related instruments</td><td>0%</td><td>30%</td><td>Medium to High</td></tr>
</table>
* Investment in Securitised Debt would be up to a maximum of 70% of the net assets of the Scheme.
** Risk profile refers to the price risk of the respective asset class. Please refer risk factors for more details.
The Scheme will not invest in foreign securities and foreign securitized debt. Also the Scheme will not engage in scrip lending.
The Scheme will invest in derivatives only for the purpose of hedging and portfolio balancing, as permitted under the Regulations and guidelines and the exposure to derivatives shall be restricted to 50% of the net assets of the Scheme.</td><td>The asset allocation in the Scheme under normal circumstances will be as follows:
<table>
<tr><th rowspan="2">Instruments</th><th colspan="2">Indicative Allocation (% of Assets)</th><th rowspan="2">Risk Profile</th></tr>
<tr><th>Min</th><th>Max</th></tr>
<tr><td>Debt Instruments including Government Securities, Money Market Instruments and Securitised Debt*</td><td>75%</td><td>90%</td><td>Low to Medium</td></tr>
<tr><td>Equity & Equity related instruments</td><td>10%</td><td>25%</td><td>Medium to High</td></tr>
<tr><td>Units issued by InVITs and REITs</td><td>0%</td><td>10%</td><td>Medium to High</td></tr>
</table>
* Investment in Securitised Debt would be up to a maximum of 50% of the net assets of the Scheme.
If the Scheme decides to invest in foreign securities, such investments will not exceed 25% of the net assets of the Scheme.
The Scheme will not engage in scrip lending.
The Scheme will invest in derivatives only for the purpose of hedging and portfolio balancing, as permitted under the Regulations and guidelines and the exposure to derivatives shall be restricted to 50% of the net assets of the Scheme.
The Scheme may invest in repo of corporate debt securities in accordance with SEBI circular No. CIR/IMD/DF/19/2011 dated November 11, 2011 and SEBI Circular No. CIR/IMD/DF/23/2012 dated November 15, 2012. The Scheme may invest in Credit Default Swaps (CDS) in accordance with SEBI Circular No. CIR/IMD/DF/23/2012 dated November 15, 2012.
The Scheme may also invest in units of debt and liquid mutual fund schemes.
Pending deployment of funds of the Scheme in securities in terms of the investment objective of the Scheme the AMC may park the funds of the Scheme in short term deposits of scheduled commercial banks, subject to the guidelines issued by SEBI vide its circular dated April 16, 2007, as amended from time to time.
The cumulative gross exposure through equity, debt and derivative positions shall not exceed 100% of the net assets of the scheme.</td></tr>
</table>

		Subject to the Regulations, the asset allocation pattern indicated above for the Scheme may change from time to time, keeping in view market conditions, market opportunities, applicable regulations and political and economic factors. It must be clearly understood that the percentages stated above may vary depending upon the perception of the Investment Manager, the intention being at all times to seek to protect the interests of the Unitholders, and meet the objective of the relevant Scheme. Such changes in the investment pattern will be for short term and defensive considerations. In case of deviation, the portfolio would be rebalanced within 30 calendar days from the date of deviation. Where the portfolio is not rebalanced within 30 calendar days, justification for the same shall be placed before the Investment Committee and reasons for the same shall be recorded in writing. The Investment Committee shall then decide on the course of action. However, at all times, the portfolio will adhere to the overall investment objective of the scheme.
Investment Strategy	The Scheme is a medium to long-term investment option that provides the flexibility to counter a dynamic environment by actively managing its portfolio in line with the evolving interest rate scenario. The investment strategies of the Scheme will focus on constructing a robust portfolio in line with the above objective. Under normal market conditions, majority of the portfolio of the Scheme will be invested in fixed income securities issued by corporates and/ or State and Central Government across a range of maturities, while some portion will be invested in equity and equity related securities. The debt portfolio will be managed actively based on the AMC's outlook on interest rates and liquidity. Such outlook will be developed by in-house assessment of various macro factors like economic growth, inflation, credit pick-up, liquidity and other such factors as considered relevant. Credit portfolio management will be primarily guided by external credit ratings assigned by any of the recognized credit rating agency. Additionally, as may be deemed appropriate, inputs may be available from financial statement analysis, management review, industry trends, capital structure and covenant analysis to identify securities for inclusion / exclusion from credit portfolios. Efficient portfolio construction will be used to manage interest rate risk across different asset class and duration buckets, and optimise risk-adjusted returns. The Scheme will follow an active duration management strategy. The Scheme may use debt derivative instruments like interest rate swaps like Overnight Indexed Swaps ("OIS"), forward rate agreements, interest rate futures or such other derivative instruments as may be permitted under the applicable regulations. Derivatives may be used for the purpose of hedging, and portfolio balancing and such other purpose as may be permitted under the regulations and Guidelines from time to time. The fund manager will select equities on a top-down and bottom-up, stock by- stock basis, with due consideration given to price-to-earnings, price-to book, and price-to-sales ratios, as well as growth, margins, asset returns, and cash flows, amongst others. The fund manager will use a disciplined quantitative analysis of financial operating statistics. In selecting individual investment opportunities for the portfolio, the fund manager will conduct in-house research in order to identify various investment opportunities.	The Scheme is a medium to long-term investment option that provides the flexibility to counter a dynamic environment by actively managing its portfolio in line with the evolving interest rate scenario. The investment strategies of the Scheme will focus on constructing a robust portfolio in line with the above objective. Under normal market conditions, majority of the portfolio of the Scheme will be invested in fixed income securities issued by corporates and/ or State and Central Government across a range of maturities, while some portion will be invested in equity and equity related securities. The debt portfolio will be managed actively based on the AMC's outlook on interest rates and liquidity. Such outlook will be developed by in-house assessment of various macro factors like economic growth, inflation, credit pick-up, liquidity and other such factors as considered relevant. Credit portfolio management will be primarily guided by external credit ratings assigned by any of the recognized credit rating agency. Additionally, as may be deemed appropriate, inputs may be available from financial statement analysis, management review, industry trends, capital structure and covenant analysis to identify securities for inclusion / exclusion from credit portfolios. Efficient portfolio construction will be used to manage interest rate risk across different asset class and duration buckets, and optimise risk-adjusted returns. The Scheme will follow an active duration management strategy. The Scheme may use debt derivative instruments like interest rate swaps like Overnight Indexed Swaps ("OIS"), forward rate agreements, interest rate futures or such other derivative instruments as may be permitted under the applicable regulations. Derivatives may be used for the purpose of hedging, and portfolio balancing and such other purpose as may be permitted under the regulations and Guidelines from time to time. The fund manager will select equities on a top-down and bottom-up, stock by- stock basis, with due consideration given to price-to-earnings, price-to book, and price-to-sales ratios, as well as growth, margins, asset returns, and cash flows, amongst others. The fund manager will use a disciplined quantitative analysis of financial operating statistics. In selecting individual investment opportunities for the portfolio, the fund manager will conduct in-house research in order to identify various investment opportunities.

	The company-wise analysis will focus, amongst others, on the historical and current financial condition of the company, potential value creation/unlocking of value and its impact on earnings growth, capital structure, business prospects, policy environment, strength of management, responsiveness to business conditions, product profile, brand equity, market share, competitive edge, research, technological know–how and transparency in corporate governance. The fund manager/s will actively monitor and review markets and portfolios so as to ensure rebalancing of the portfolios as and when necessary. The fund manager shall decide the allocation between equity & debt within the overall asset allocation pattern.	The company-wise analysis will focus, amongst others, on the historical and current financial condition of the company, potential value creation/unlocking of value and its impact on earnings growth, capital structure, business prospects, policy environment, strength of management, responsiveness to business conditions, product profile, brand equity, market share, competitive edge, research, technological know–how and transparency in corporate governance. The fund manager/s will actively monitor and review markets and portfolios so as to ensure rebalancing of the portfolios as and when necessary. The fund manager shall decide the allocation between equity & debt within the overall asset allocation pattern.
Benchmark	CRISIL MIP Blended Fund Index	CRISIL Hybrid 85+15 Conservative Index

In addition to above changes, the following shall be included in the Scheme Information Document of DHFL Pramerica Income Advantage Fund:

1. **Where will the scheme invest?**

   Investment in units of Real Estate Investment Trust ('REIT') & Infrastructure Investment Trust ('InvIT').

2. **Risk factors associated with investments in REITs and InvITS:**

   - **Market Risk:** REITs and InvITs are volatile and prone to price fluctuations on a daily basis owing to market movements. Investors may note that AMC/Fund Manager's investment decisions may not always be profitable, as actual market movements may be at variance with the anticipated trends. The NAV of the Scheme is vulnerable to movements in the prices of securities invested by the scheme, due to various market related factors like changes in the general market conditions, factors and forces affecting capital market, level of interest rates, trading volumes, settlement periods and transfer procedures.
   - **Price-Risk or Interest-Rate Risk:** REITs & InvITs run price-risk or interest-rate risk. Generally, when interest rates rise, prices of existing securities fall and when interest rates drop, such prices increase. The extent of fall or rise in the prices is a function of the existing coupon, days to maturity and the increase or decrease in the level of interest rates.
   - **Liquidity Risk:** This refers to the ease with which securities can be sold. There is no assurance that an active secondary market will develop or be maintained. Hence there would be time when trading in the units could be infrequent. The subsequent valuation of illiquid units may reflect a discount from the market price of comparable securities for which a liquid market exists.
   - **Reinvestment Risk:** Investments in REITs & InvITs may carry reinvestment risk as there could be repatriation of funds by the Trusts in form of buyback of units or dividend pay-outs, etc. Consequently, the proceeds may get invested in assets providing lower returns.

   The above are some of the common risks associated with investments in REITs & InvITs. There can be no assurance that a Scheme's investment objectives will be achieved, or that there will be no loss of capital. Investment results may vary substantially on a monthly, quarterly or annual basis.

3. **Investment restrictions w.r.t. REITs and InvITS:**

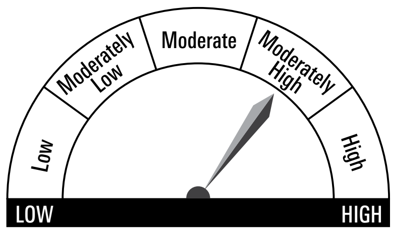
   a) The Mutual Fund under all its schemes shall not own more than 10% of units issued by a single issuer of REIT and InvIT.

   b) The Scheme shall not invest more than 10% of its NAV in the units of REITs and InvITs.

   c) The Scheme shall not invest more than 5% of its NAV in the units of REITs and InvITs issued by a single issuer.

All other terms & conditions of the scheme will remain unchanged.

Product labeling for the scheme after the proposed changes shall be as follows:

This product is suitable for investors who are seeking*	
• Regular income and capital appreciation over the medium term • Investment primarily in debt securities and a small allocation to equity and equity related securities • Degree of risk – **MODERATELY HIGH**	 Investor understand that their principal will be at moderately high risk

*Investors should consult their financial advisers if in doubt about whether the product is suitable for them.

Changes in the scheme features of DHFL Pramerica Balanced Advantage Fund

<table>
<tr><th>Particulars</th><th>Existing Scheme Features</th><th>Proposed Scheme Features</th></tr>
<tr><td>Name of the fund</td><td>DHFL Pramerica Balanced Advantage Fund</td><td>DHFL Pramerica Hybrid Equity Fund</td></tr>
<tr><td>Type of scheme</td><td>An Open Ended Balanced Scheme</td><td>An open ended hybrid scheme investing predominantly in equity and equity related instruments</td></tr>
<tr><td>Investment Objective</td><td>The investment objective of the scheme is to generate long term capital appreciation and income from a portfolio of equity and equity related securities as well as fixed income securities.</td><td>The investment objective of the scheme is to seek to generate long term capital appreciation and income from a portfolio of equity and equity related securities as well as fixed income securities.
However, there can be no assurance that the investment objective of the Scheme will be achieved. The Scheme does not guarantee/ indicate any returns.</td></tr>
<tr><td rowspan="3">Asset Allocation</td><td>The asset allocation in the Scheme under normal circumstances will be as follows:</td><td>The asset allocation in the Scheme under normal circumstances will be as follows:</td></tr>
<tr><td>
<table>
<tr><th rowspan="2">Instruments</th><th colspan="2">Indicative Allocation (% of Assets)</th><th rowspan="2">Risk Profile</th></tr>
<tr><th>Min</th><th>Max</th></tr>
<tr><td>Equity and equity related instruments$</td><td>30%</td><td>60%</td><td>Medium to High</td></tr>
<tr><td>Net Equity Arbitrage Exposure*$</td><td>5%</td><td>10%</td><td>Medium to High</td></tr>
<tr><td>Debt Securities and Money Market Instruments#$</td><td>30%</td><td>60%</td><td>Low to Medium</td></tr>
</table>
</td><td>
<table>
<tr><th rowspan="2">Instruments</th><th colspan="2">Indicative Allocation (% of Assets)</th><th rowspan="2">Risk Profile</th></tr>
<tr><th>Min</th><th>Max</th></tr>
<tr><td>Equity and equity related instruments$</td><td>65%</td><td>80%</td><td>Medium to High</td></tr>
<tr><td>Debt Securities and Money Market Instruments#$</td><td>20%</td><td>35%</td><td>Low to Medium</td></tr>
<tr><td>Units issued by InVITs and REITs</td><td>0%</td><td>10%</td><td>Medium to High</td></tr>
</table>
</td></tr>
<tr><td>* Equity exposure would be hedged with corresponding equity derivatives of 5% - 10%. The idea is not to increase equity exposure by using derivatives.
$ Includes investments in derivatives (gross exposure shall not exceed 50% of the asset allocation stipulated above for the relevant instrument category).
# The Scheme may invest in Treasury Bills, Repos & Collateralized Borrowing and Lending Obligations (“CBLO”). The Scheme may also invest in securitized debt up to 20% of net assets.
The Scheme shall not invest in foreign securities. The scheme shall not invest in short selling, repo in corporate debt and securities lending.
The Scheme retains the flexibility to invest across all securities in the Debt Securities and Money Market Instruments. The Scheme may also invest in units of debt and liquid mutual fund schemes. The portfolio may hold cash depending on the market conditions.
Whenever the equity and equity derivatives investment strategy (arbitrage strategy) is not likely to give returns comparable with the fixed income securities portfolio, the fund manager will invest in fixed income securities.
Subject to the Regulations, the asset allocation pattern indicated above for the Scheme may change from time to time, keeping in view market conditions, market opportunities, applicable regulations and political and economic factors. It must be clearly understood that the percentages stated above are only indicative and not absolute and that they can vary substantially depending upon the perception of the Investment Manager, the intention being at all times to seek to protect the interests of the Unitholders, and meet the objective of the relevant Scheme/Plan. Such changes in the investment pattern will be for short term and defensive considerations.</td><td>#The Scheme may also invest in securitized debt up to 35% of the net assets.
If the Scheme decides to invest in foreign securities, such investments will not exceed 25% of the net assets of the Scheme.
$ Includes investments in derivatives. The Maximum exposure to derivatives shall not exceed 50% of net assets of the scheme.
The Scheme may invest in repo of corporate debt securities in accordance with SEBI circular No. CIR/IMD/DF/19/2011 dated November 11, 2011 and SEBI Circular No. CIR/IMD/DF/23/2012 dated November 15, 2012. The Scheme may invest in Credit Default Swaps (CDS) in accordance with SEBI Circular No. CIR/IMD/DF/23/2012 dated November 15, 2012.
The scheme shall not invest in short selling and securities lending.
The Scheme may also invest in units of debt and liquid mutual fund schemes.
The Scheme retains the flexibility to invest across all securities in the Debt Securities and Money Market Instruments. The portfolio may hold cash depending on the market conditions.
Pending deployment of funds of the Scheme in securities in terms of the investment objective of the Scheme the AMC may park the funds of the Scheme in short term deposits of scheduled commercial banks, subject to the guidelines issued by SEBI vide its circular dated April 16, 2007, as amended from time to time.
The cumulative gross exposure through equity, debt and derivative positions shall not exceed 100% of the net assets of the scheme.</td></tr>
</table>

		Subject to the Regulations, the asset allocation pattern indicated above for the Scheme may change from time to time, keeping in view market conditions, market opportunities, applicable regulations and political and economic factors. It must be clearly understood that the percentages stated above may vary depending upon the perception of the Investment Manager, the intention being at all times to seek to protect the interests of the Unitholders, and meet the objective of the relevant Scheme/Plan. Such changes in the investment pattern will be for short term and defensive considerations. In case of deviation, the portfolio would be rebalanced within 30 calendar days from the date of deviation. Where the portfolio is not rebalanced within 30 calendar days, justification for the same shall be placed before the Investment Committee and reasons for the same shall be recorded in writing. The Investment Committee shall then decide on the course of action. However, at all times, the portfolio will adhere to the overall investment objective of the scheme.
Investment Strategy	The scheme will seek to achieve its investment objective primarily by investing in equity, debt and money market instruments; while also employing strategies exploit available arbitrage opportunities in equity markets. **Equity Strategy** The fund would have an actively managed portfolio. The fund manager will invest into companies across market capitalization. A combination of the top down and bottom up approach will be used to invest in equity and equity related instruments. Investments will be pursued in selected sectors based on the investment team's analysis of business cycles, regulatory reforms, competitive advantage etc. Selective stock picking will be done from these sectors. The fund manager in selecting stocks will focus on the fundamentals of the business, the industry structure, the quality of management, sensitivity to economic factors, the financial strength of the company and the key earnings drivers. **Derivatives Strategy** The scheme will also employ various strategies which seek to exploit available arbitrage opportunities in the markets. **Fixed Income Strategy** The fixed income portfolio will consist of a pool of investment grade rated fixed income securities. The Fund Management team endeavors to meet the investment objective whilst maintaining a balance between safety and return on investments. The Fund Management team may endeavor to generate returns whilst moderating credit and interest rate risk. The Fund Manager shall formulate a view of the interest rate movement based on various parameters of the Indian economy, as well as developments in globalmarkets. The actual allocation to Money Market securities and other fixed income Securities will be decided after considering the economic environment including interest rates and inflation, the performance of the corporate sector and general liquidity and other considerations in the economy and markets.	The scheme will seek to achieve its investment objective by investing predominantly in equity and equity related instruments, debt and money market instruments and thru investments in InVITs and REITs. **Equity Strategy** The fund would have an actively managed portfolio. The fund manager will invest into companies across market capitalization. A combination of the top down and bottom up approach will be used to invest in equity and equity related instruments. Investments will be pursued in selected sectors based on the investment team's analysis of business cycles, regulatory reforms, competitive advantage etc. Selective stock picking will be done from these sectors. The fund manager in selecting stocks will focus on the fundamentals of the business, the industry structure, the quality of management, sensitivity to economic factors, the financial strength of the company and the key earnings drivers. **Derivatives Strategy** The scheme will also employ various strategies which seek to exploit opportunities available in the derivatives markets. **Fixed Income Strategy** The fixed income portfolio will consist of a pool of investment grade rated fixed income securities. The Fund Management team endeavors to meet the investment objective whilst maintaining a balance between safety and return on investments. The Fund Management team may endeavor to generate returns whilst moderating credit and interest rate risk. The Fund Manager shall formulate a view of the interest rate movement based on various parameters of the Indian economy, as well as developments in global markets. The actual allocation to Money Market securities and other fixed income Securities will be decided after considering the economic environment including interest rates and inflation, the performance of the corporate sector and general liquidity and other considerations in the economy and markets.
Benchmark	CRISIL Balanced Fund - Aggressive Index	CRISIL Hybrid 35 + 65 Aggressive Index

In addition to above changes, the following shall be included in the Scheme Information Document of DHFL Pramerica Balanced Advantage Fund:

1. **Where will the scheme invest?**

   Investment in units of Real Estate Investment Trust (‘REIT’) & Infrastructure Investment Trust (‘InvIT’).

2. **Risk factors associated with investments in REITs and InvITS:**

   - **Market Risk:** REITs and InvITs are volatile and prone to price fluctuations on a daily basis owing to market movements. Investors may note that AMC/Fund Manager’s investment decisions may not always be profitable, as actual market movements may be at variance with the anticipated trends. The NAV of the Scheme is vulnerable to movements in the prices of securities invested by the scheme, due to various market related factors like changes in the general market conditions, factors and forces affecting capital market, level of interest rates, trading volumes, settlement periods and transfer procedures.

   - **Price-Risk or Interest-Rate Risk:** REITs & InvITs run price-risk or interest-rate risk. Generally, when interest rates rise, prices of existing securities fall and when interest rates drop, such prices increase. The extent of fall or rise in the prices is a function of the existing coupon, days to maturity and the increase or decrease in the level of interest rates.

   - **Liquidity Risk:** This refers to the ease with which securities can be sold. There is no assurance that an active secondary market will develop or be maintained. Hence there would be time when trading in the units could be infrequent. The subsequent valuation of illiquid units may reflect a discount from the market price of comparable securities for which a liquid market exists.

   - **Reinvestment Risk:** Investments in REITs & InvITs may carry reinvestment risk as there could be repatriation of funds by the Trusts in form of buyback of units or dividend pay-outs, etc. Consequently, the proceeds may get invested in assets providing lower returns.

   The above are some of the common risks associated with investments in REITs & InvITs. There can be no assurance that a Scheme’s investment objectives will be achieved, or that there will be no loss of capital. Investment results may vary substantially on a monthly, quarterly or annual basis.

3. **Investment restrictions w.r.t. REITs and InvITS:**

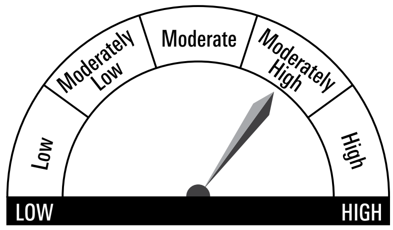
   a) The Mutual Fund under all its schemes shall not own more than 10% of units issued by a single issuer of REIT and InvIT.

   b) The Scheme shall not invest more than 10% of its NAV in the units of REITs and InvITs.

   c) The Scheme shall not invest more than 5% of its NAV in the units of REITs and InvITs issued by a single issuer.

All other terms & conditions of the scheme will remain unchanged.

Product labeling for the scheme after the proposed changes shall be as follows:

<table>
<tr><th colspan="2">This product is suitable for investors who are seeking*</th></tr>
<tr><td>• Capital growth over the long term
• Investing predominantly in equity and equity related securities.
• Degree of risk – MODERATELY HIGH</td><td>

Investor understand that their principal will be at moderately high risk</td></tr>
</table>

*Investors should consult their financial advisers if in doubt about whether the product is suitable for them.

Changes in the scheme features of DHFL Pramerica Equity Income Fund

<table>
<tr><th>Particulars</th><th colspan="4">Existing Scheme Features</th><th colspan="4">Proposed Scheme Features</th></tr>
<tr><td>Name of the fund</td><td colspan="4">DHFL Pramerica Equity Income Fund</td><td colspan="4">DHFL Pramerica Equity Savings Fund</td></tr>
<tr><td>Type of scheme</td><td colspan="4">An Open Ended Equity Scheme</td><td colspan="4">An open ended scheme investing in equity, arbitrage and debt</td></tr>
<tr><td>Investment Objective</td><td colspan="4">The investment objective of the scheme is to provide capital appreciation and income distribution to the investors by using equity and equity related instruments, arbitrage opportunities and investments in debt and money market instruments.
However, there can be no assurance that the investment objective of the Scheme will be realized or that income will be generated and the scheme does not assure or guarantee any returns.</td><td colspan="4">The investment objective of the scheme is to provide capital appreciation and income distribution to the investors by using equity and equity related instruments, arbitrage opportunities and investments in debt and money market instruments.
However, there can be no assurance that the investment objective of the Scheme will be realized or that income will be generated and the scheme does not assure or guarantee any returns.</td></tr>
<tr><td rowspan="9">Asset Allocation</td><td colspan="4">The asset allocation in the Scheme under normal circumstances will be as follows:</td><td colspan="4">The asset allocation in the Scheme under normal circumstances will be as follows:</td></tr>
<tr><th rowspan="2">Instruments</th><th colspan="2">Indicative Allocation (% of Assets)</th><th rowspan="2">Risk Profile***</th><th rowspan="2">Instruments</th><th colspan="2">Indicative Allocation (% of Assets)</th><th rowspan="2">Risk Profile</th></tr>
<tr><th>Min</th><th>Max</th><th>Min</th><th>Max</th></tr>
<tr><td>A. Equity and Equity related instruments</td><td>65%</td><td>90%</td><td>High</td><td>A. Equity and Equity related Instruments</td><td>65%</td><td>90%</td><td>High</td></tr>
<tr><td>A1. Of which Net Long Equity*</td><td>15%</td><td>40%</td><td>High</td><td>A1. Of which Net Long Equity*</td><td>5%</td><td>40%</td><td>High</td></tr>
<tr><td>A2. Of which Equity and Equity derivatives** (Only Arbitrage opportunities)</td><td>25%</td><td>75%</td><td>High</td><td>A2. Of which Equity and Equity derivatives** (Only Arbitrage opportunities)</td><td>25%</td><td>85%</td><td>High</td></tr>
<tr><td>B. Debt Securities and Money Market Instruments (including investments in securitized debt)</td><td>10%</td><td>35%</td><td>Low to Medium</td><td>B. Debt Securities and Money Market Instruments (including investments in securitized debt)</td><td>10%</td><td>35%</td><td>Low to Medium</td></tr>
<tr><td>C. Units issued by InVITs and REITs</td><td>0%</td><td>10%</td><td>Medium to High</td><td>C. Units issued by InVITs and REITs</td><td>0%</td><td>10%</td><td>Medium to High</td></tr>
<tr><td colspan="4">* In the scheme, un-hedged equity exposure shall be limited to 40% of the portfolio value. Un-hedged equity exposure means exposure to equity shares alone without a corresponding equity derivative exposure.
** Equity exposure would be completely hedged with corresponding equity derivatives; the exposure to derivatives shown in the above asset allocation tables is exposure taken against the underlying equity investments and should not be considered for calculating the total asset allocation and / or investment restrictions on the issuer. The margin money requirement for the purposes of derivative exposure may be held in the form of Term Deposits.
The Scheme may invest in Treasury Bills, Repos & Collateralized Borrowing and Lending Obligations (“CBLO”). The Scheme shall not invest in debt foreign securities. Investment in securitised debt may be made to the extent of 20% of net assets of the Scheme. The Scheme shall not invest in foreign securitised debt
*** Risk profile refers to the price risk of the respective asset class. Please refer risk factors for more details.</td><td colspan="4">* In the scheme, un-hedged equity exposure shall be limited to 40% of the portfolio value. Un-hedged equity exposure means exposure to equity shares alone without a corresponding equity derivative exposure.
** Equity exposure would be completely hedged with corresponding equity derivatives; the exposure to derivatives shown in the above asset allocation tables is exposure taken against the underlying equity investments and should not be considered for calculating the gross asset allocation and / or investment restrictions on the issuer. The margin money requirement for the purposes of derivative exposure may be held in the form of Term Deposits.
Investment in securitised debt may be made to the extent of 35% of the net assets of the Scheme.
If the Scheme decides to invest in foreign securities, such investments will not exceed 25% of the net assets of the Scheme</td></tr>
</table>

In the absence of suitable arbitrage opportunities, the investment manager may choose to have a lower equity exposure. In such defensive circumstances the asset allocation will be as per the below table:

Instruments	Indicative Allocation (% of Assets)		Risk Profile***
	Min	Max	
A. Equity and Equity related instruments	0%	65%	High
A1. Of which Net Long Equity*	0%	20%	High
A2. Of which Equity and Equity derivatives** (Only Arbitrage opportunities)$	0%	45%	High
Debt Securities and Money Market Instruments (including investments in securitized debt) with a residual maturity of less than 12 months.	35%	100%	Low to Medium

* In the scheme, unhedged equity exposure shall be limited to 20% of the portfolio value. Unhedged equity exposure means exposure to equity shares alone without a corresponding equity derivative exposure.

** Equity exposure would be completely hedged with corresponding equity derivatives.; the exposure to derivatives shown in the above asset allocation tables is exposure taken against the underlying equity Investments and should not be considered for calculating the total asset allocation and / or investment restrictions on the issuer. The margin money requirement for the purposes of derivative exposure may be held in the form of Term Deposits.

$ Includes investments in derivatives (gross exposure shall not exceed 50% of the asset allocation stipulated above for the relevant instrument category).

The Scheme may invest in Treasury Bills, Repos & Collateralized Borrowing and Lending Obligations ("CBLO"). Investment in securitised debt may be made to the extent of 20% of net assets of the Scheme.

The Scheme shall not invest in foreign securities including foreign securitized debt; ADR / GDR.

*** Risk profile refers to the price risk of the respective asset class. Please refer risk factors for more details.

The cumulative gross exposure through debt, money market instruments and derivative positions shall not exceed 100% of the net assets of the Scheme in accordance with SEBI Cir / IMD / DF / 11 / 2010 dated August 18, 2010.

The Scheme will not have a leveraged position in derivatives. The Scheme will not participate in Repo in corporate debt securities and Credit Default Swap. The Scheme will not invest in scrip lending. The Scheme will not invest in equity linked debentures. The scheme will not engage in short selling of securities.

The margin money deployed on derivative positions would be included in the debt and money market instruments category.

In the absence of suitable arbitrage opportunities, the investment manager may choose to have a lower equity exposure. In such defensive circumstances the asset allocation will be as per the below table:

Instruments	Indicative Allocation (% of Assets)		Risk Profile
	Min	Max	
A. Equity and Equity related instruments	5%	65%	High
A1. Of which Net Long Equity*	0%	20%	High
A2. Of which Equity and Equity derivatives** (Only Arbitrage opportunities)$	5%	45%	High
Debt Securities and Money Market Instruments (including investments in securitized debt) with a residual maturity of less than 12 months.	35%	100%	Low to Medium

* In the scheme, unhedged equity exposure shall be limited to 20% of the portfolio value. Unhedged equity exposure means exposure to equity shares alone without a corresponding equity derivative exposure.

** Equity exposure would be completely hedged with corresponding equity derivatives; the exposure to derivatives shown in the above asset allocation tables is exposure taken against the underlying equity Investments and should not be considered for calculating the gross asset allocation and / or investment restrictions on the issuer. The margin money requirement for the purposes of derivative exposure may be held in the form of Term Deposits.

$ Includes investments in derivatives (gross exposure shall not exceed 50% of the asset allocation stipulated above for the relevant instrument category).

Investment in securitised debt may be made to the extent of 50% of net assets of the Scheme.

Common disclosure under both circumstances:

The Scheme may invest in repo of corporate debt securities in accordance with SEBI circular No. CIR/IMD/DF/19/2011 dated November 11, 2011 and SEBI Circular No. CIR/IMD/DF/23/2012 dated November 15, 2012. The Scheme may invest in Credit Default Swaps (CDS) in accordance with SEBI Circular No. CIR/IMD/DF/23/2012 dated November 15, 2012.

The cumulative gross exposure through debt, money market instruments and derivative positions shall not exceed 100% of the net assets of the Scheme in accordance with SEBI Cir / IMD / DF / 11 / 2010 dated August 18, 2010.

All derivate positions shall be fully hedged.

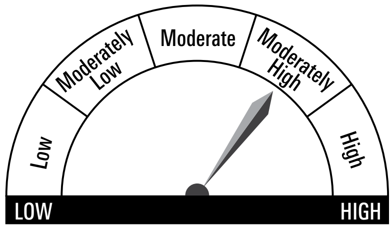
Pending deployment of funds of the Scheme in securities in terms of the investment objective of the Scheme the AMC may park the funds of the Scheme in short term deposits of scheduled commercial banks, subject to the guidelines issued by SEBI vide its circular dated April 16, 2007, as amended from time to time.

	In the event of the asset allocation falling outside the range as indicated above, rebalancing will be called for by the Investment Manager within 30 days. Any alteration in the Investment Pattern will be for a short term on defensive considerations; the intention being at all times to protect the interests of the Unit Holders. The scheme may also hold cash from time to time. Where the portfolio is not rebalanced within 30 Days, justification for the same shall be placed before the Investment Committee and reasons for the same shall be recorded in writing. The Investment Committee shall then decide on the course of action. However, at all times, the portfolio will adhere to the overall investment objective of the Scheme. It must be clearly understood that the percentages stated above are only indicative and not absolute and that they can vary substantially depending upon the perception of the Investment Manager, the intention being at all times to seek to protect the interests of the Unit holders.	The Scheme may also invest in units of debt and liquid mutual fund schemes. The Scheme will not invest in scrip lending. The Scheme will not invest in equity linked debentures. The scheme will not engage in short selling of securities. In the event of the asset allocation falling outside the range as indicated above, rebalancing will be called for by the Investment Manager within 30 calendar days. Any alteration in the Investment Pattern will be for a short term on defensive considerations; the intention being at all times to protect the interests of the Unit Holders. The scheme may also hold cash from time to time. Where the portfolio is not rebalanced within 30 calendar days, justification for the same shall be placed before the Investment Committee and reasons for the same shall be recorded in writing. The Investment Committee shall then decide on the course of action. However, at all times, the portfolio will adhere to the overall investment objective of the Scheme. It must be clearly understood that the percentages stated above may vary depending upon the perception of the Investment Manager, the intention being at all times to seek to protect the interests of the Unit holders.
Investment Strategy	The scheme will seek to achieve its investment objective primarily by employing various strategies which seek to exploit available arbitrage opportunities in equity markets combined with investments in unhedged equity positions as well as debt and money market instruments. **Arbitrage Strategies** The arbitrage strategies that the Fund may adopt could be as under. The list is not exhaustive and the Fund could use similar strategies and any other strategies as available in the markets. **1. Cash Futures Arbitrage Strategy** The fund would look for market opportunities between the spot and the futures market. The cash futures arbitrage strategy can be employed when the price of the futures exceeds the price of the underlying stock. The fund would simultaneously buy the stocks in cash market and sell in the futures market to lock the spread. Buying the stock in cash market and selling the futures results in a hedge where the fund portfolio has locked in a spread and is not affected by the price movements in the spot and futures markets. The arbitrage position can be continued till expiry of the futures contracts or the positions maybe rolled over to the next month. The futures contracts are settled based on the last half an hour's weighted average trade of the cash market. There is a convergence between the cash market and the futures market on expiry and this convergence results in the portfolio being able to generate the arbitrage return locked in earlier. However, the position may even be closed earlier in the event of the price differential being realized before expiry or better opportunities being available in other stocks / indexes. The strategy is attractive if this price differential (post all costs) is higher than the investor's cost-of capital. **2. Corporate Action / Event Driven Strategies** **A. Dividend Arbitrage** At the time of declaration of dividend, the stock futures / options market can provide a profitable opportunity. Generally, the stock prices decline by the dividend amount when the stock becomes ex-dividend.	The scheme will seek to achieve its investment objective primarily by employing various strategies which seek to exploit available arbitrage opportunities in equity markets combined with investments in unhedged equity positions as well as debt and money market instruments. **Arbitrage Strategies** The arbitrage strategies that the Fund may adopt could be as under. The list is not exhaustive and the Fund could use similar strategies and any other strategies as available in the markets. **1. Cash Futures Arbitrage Strategy** The fund would look for market opportunities between the spot and the futures market. The cash futures arbitrage strategy can be employed when the price of the futures exceeds the price of the underlying stock. The fund would simultaneously buy the stocks in cash market and sell in the futures market to lock the spread. Buying the stock in cash market and selling the futures results in a hedge where the fund portfolio has locked in a spread and is not affected by the price movements in the spot and futures markets. The arbitrage position can be continued till expiry of the futures contracts or the positions maybe rolled over to the next month. The futures contracts are settled based on the last half an hour's weighted average trade of the cash market. There is a convergence between the cash market and the futures market on expiry and this convergence results in the portfolio being able to generate the arbitrage return locked in earlier. However, the position may even be closed earlier in the event of the price differential being realized before expiry or better opportunities being available in other stocks / indexes. The strategy is attractive if this price differential (post all costs) is higher than the investor's cost-of capital. **2. Corporate Action / Event Driven Strategies** **A. Dividend Arbitrage** At the time of declaration of dividend, the stock futures / options market can provide a profitable opportunity. Generally, the stock prices decline by the dividend amount when the stock becomes ex-dividend.

	B. Buy-Back / Open Offer Arbitrage When the Company announces the buy-back or open offer of its own shares, there could be opportunities due to price differential in buyback price and traded price. **C. Merger** When the Company announces any merger, amalgamation, hive off, de- merger, etc, there could be opportunities due to price differential in the cash and the derivative market. **D. Initial Public Offer** There are potential opportunities available during the Initial Public Offers (IPO) of companies when they list for trading on the stock exchanges. **Equity strategy:** A top down and bottom up approach will be used to invest in equity and equity related instruments. Investments will be pursued in selected sectors based on the Investment team's analysis of business cycles, regulatory reforms, competitive advantage etc. Selective stock picking will be done from these sectors. The fund manager in selecting scrips will focus on the fundamentals of the business, the industry structure, the quality of management, sensitivity to economic factors, the financial strength of the company and the key earnings drivers. The Scheme may invest in unlisted and / or privately placed securities subject to the regulatory limits. **Fixed Income:** The Fund Management team endeavors to meet the investment objective whilst maintaining a balance between safety and return on investments. The Scheme shall be actively managed and the Fund Management team may endeavor to generate returns whilst moderating credit and interest rate risk. The Fund Manager shall formulate a view of the interest rate movement based on various parameters of the Indian economy, as well as developments in global markets. The Investment Manager may try to leverage its international resource base to understand the global economic and interest rate environment. Research inputs along with discussions with colleagues across the globe on the global economic environment provide the fund management team with a global perspective. Investment views / decisions inter alia may be taken on the basis of the following parameters: • Returns offered relative to alternative investment opportunities. • Prevailing interest rate scenario • Quality of the security / instrument (including the financial health of the issuer) • Maturity profile of the instrument • Any other factors considered relevant in the opinion of the Fund • Management team. The Scheme may also use derivatives to reduce the volatility of the portfolio and / or to enhance the portfolio returns. The Scheme may try to identify securities that yield relative value over others for similar risk and liquidity level. Various analytical tools like yield curve analysis, spreads between asset classes, horizon returns, forward implied interest rates, may be deployed to evaluate various investment options.	**B. Buy-Back / Open Offer Arbitrage** When the Company announces the buy-back or open offer of its own shares, there could be opportunities due to price differential in buyback price and traded price. **C. Merger** When the Company announces any merger, amalgamation, hive off, de- merger, etc, there could be opportunities due to price differential in the cash and the derivative market. **D. Initial Public Offer** There are potential opportunities available during the Initial Public Offers (IPO) of companies when they list for trading on the stock exchanges. **Equity strategy:** A top down and bottom up approach will be used to invest in equity and equity related instruments. Investments will be pursued in selected sectors based on the Investment team's analysis of business cycles, regulatory reforms, competitive advantage etc. Selective stock picking will be done from these sectors. The fund manager in selecting scrips will focus on the fundamentals of the business, the industry structure, the quality of management, sensitivity to economic factors, the financial strength of the company and the key earnings drivers. The Scheme may invest in unlisted and / or privately placed securities subject to the regulatory limits. **Fixed Income:** The Fund Management team endeavors to meet the investment objective whilst maintaining a balance between safety and return on investments. The Scheme shall be actively managed and the Fund Management team may endeavor to generate returns whilst moderating credit and interest rate risk. The Fund Manager shall formulate a view of the interest rate movement based on various parameters of the Indian economy, as well as developments in global markets. The Investment Manager may try to leverage its international resource base to understand the global economic and interest rate environment. Research inputs along with discussions with colleagues across the globe on the global economic environment provide the fund management team with a global perspective. Investment views / decisions inter alia may be taken on the basis of the following parameters: • Returns offered relative to alternative investment opportunities. • Prevailing interest rate scenario • Quality of the security / instrument (including the financial health of the issuer) • Maturity profile of the instrument • Any other factors considered relevant in the opinion of the Fund • Management team. The Scheme may also use derivatives to reduce the volatility of the portfolio and / or to enhance the portfolio returns. The Scheme may try to identify securities that yield relative value over others for similar risk and liquidity level. Various analytical tools like yield curve analysis, spreads between asset classes, horizon returns, forward implied interest rates, may be deployed to evaluate various investment options.
Benchmark	70% of the NIFTY 50 Arbitrage Index and 30% of the NIFTY 50 Index	70% of the NIFTY 50 Arbitrage Index and 30% of the NIFTY 50 TR Index

All other terms & conditions of the scheme will remain unchanged.

Product labeling for the scheme after the proposed changes shall be as follows:

This product is suitable for investors who are seeking*	
• Capital appreciation and Income distribution over the medium term. • Investment primarily in equity and equity related securities and a small allocation to debt securities • Degree of risk – **MODERATE HIGH**	 Investor understand that their principal will be at moderately high risk

*Investors should consult their financial advisers if in doubt about whether the product is suitable for them.

Changes in the scheme features of DHFL Pramerica Global Agribusiness Offshore Fund

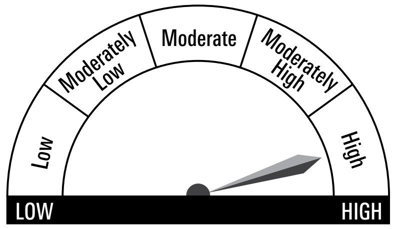
<table>
<tr><th>Particulars</th><th colspan="4">Existing Scheme Features</th><th colspan="4">Proposed Scheme Features</th></tr>
<tr><td>Name of the fund</td><td colspan="4">DHFL Pramerica Global Agribusiness Offshore Fund</td><td colspan="4">DHFL Pramerica Global Agribusiness Offshore Fund</td></tr>
<tr><td>Type of scheme</td><td colspan="4">An Open-Ended Overseas Fund of Funds Scheme</td><td colspan="4">An open ended fund of fund scheme investing in Deutsche Invest I Global Agribusiness</td></tr>
<tr><td>Investment Objective</td><td colspan="4">The primary investment objective of the scheme is to generate long-term capital growth by investing predominantly in units of overseas mutual funds, focusing on agriculture and/or would be direct and indirect beneficiaries of the anticipated growth in the agriculture and/or affiliated/allied sectors.
There can be no assurance that the investment objective of the Scheme will be realized.</td><td colspan="4">The primary investment objective of the scheme is to seek to generate long-term capital growth by investing predominantly in units of overseas mutual funds, focusing on agriculture and/or would be direct and indirect beneficiaries of the anticipated growth in the agriculture and/or affiliated/allied sectors.
However, there can be no assurance that the investment objective of the Scheme will be achieved. The Scheme does not guarantee/ indicate any returns.</td></tr>
<tr><td rowspan="6">Asset Allocation</td><td colspan="4">The asset allocation in the Scheme under normal circumstances will be as follows:</td><td colspan="4">The asset allocation in the Scheme under normal circumstances will be as follows:</td></tr>
<tr><td rowspan="2">Instruments</td><td colspan="2">Indicative Allocation (% of Assets)</td><td rowspan="2">Risk Profile**</td><td rowspan="2">Instruments</td><td colspan="2">Indicative Allocation (% of Assets)</td><td rowspan="2">Risk Profile</td></tr>
<tr><td>Min</td><td>Max</td><td>Min</td><td>Max</td></tr>
<tr><td>Units/Securities issued by overseas mutual funds or unit trusts @</td><td>80%</td><td>100%</td><td>Medium to High</td><td>Units/Securities issued by overseas mutual funds or unit trusts @</td><td>95%</td><td>100%</td><td>Medium to High</td></tr>
<tr><td>Debt Instruments* including Government Securities, Corporate Debt, Money Market Instruments, (including cash and units of domestic money market mutual funds).</td><td>0%</td><td>20%</td><td>Low to Medium</td><td>Debt Instruments* including Government Securities, Corporate Debt, Money Market Instruments, (including cash and units of mutual funds).</td><td>0%</td><td>5%</td><td>Low to Medium</td></tr>
<tr><td colspan="4">@ The scheme shall initially invest predominantly in the units of Deutsche Invest I Global Agribusiness, domiciled in Luxembourg or similar mutual funds at the discretion of the Investment Manager.
*Investment in Securitised Debt would be up to a maximum of 70% of the debt allocation of the Scheme. The Scheme will not invest in foreign securitised debt.
The scheme will not engage in scrip lending.
The scheme will invest in derivatives only for the purpose of hedging and portfolio balancing, upto 50% of the net assets of the Scheme.
** Risk profile refers to the price risk of the respective asset class. Please refer risk factors for more details.
Subject to the Regulations, the asset allocation pattern indicated above for the Scheme may change from time to time, keeping in view market conditions, market opportunities, applicable regulations and political and economic factors. It must be clearly understood that the percentages stated above are only indicative and not absolute and that they can vary substantially depending upon the perception of the Investment Manager, the intention being at all times to seek to protect the interests of the Unitholders, and meet the objective of the relevant Scheme/Plan. Such changes in the investment pattern will be for short term and defensive considerations.</td><td colspan="4">@ The scheme shall initially invest predominantly in the units of Deutsche Invest I Global Agribusiness, domiciled in Luxembourg or similar mutual funds at the discretion of the Investment Manager. Similar mutual funds shall mean a scheme, having an investment objective, strategy & risk profile similar to the stated underlying fund.
*Investment in Securitised Debt would be up to a maximum of 5% of the net assets of the Scheme.
The scheme will not engage in scrip lending.
Pending deployment of funds of the Scheme in securities in terms of the investment objective of the Scheme the AMC may park the funds of the Scheme in short term deposits of scheduled commercial banks, subject to the guidelines issued by SEBI vide its circular dated April 16, 2007, as amended from time to time.
Subject to the Regulations, the asset allocation pattern indicated above for the Scheme may change from time to time, keeping in view market conditions, market opportunities, applicable regulations and political and economic factors. It must be clearly understood that the percentages stated above may vary depending upon the perception of the Investment Manager, the intention being at all times to seek to protect the interests of the Unitholders, and meet the objective of the relevant Scheme. Such changes in the investment pattern will be for short term and defensive considerations.</td></tr>
</table>

		In case of deviation, the portfolio would be rebalanced within 30 calendar days from the date of deviation. Where the portfolio is not rebalanced within 30 calendar days, justification for the same shall be placed before the Investment Committee and reasons for the same shall be recorded in writing. The Investment Committee shall then decide on the course of action. However, at all times, the portfolio will adhere to the overall investment objective of the scheme.
Investment Strategy	The scheme will predominantly invest in the units of Deutsche Invest I Global Agribusiness (the Underlying Fund), and or similar mutual funds. The investment style of the underlying Fund is a combination of value & growth. The fund management will invest into all principal areas of global agribusiness and will take further opportunities by investing into promising companies along the entire food chain. Some of the potential investment themes & opportunities for the underlying fund are as follows: **Agricultural commodity producers** • Higher demand from exploding world population (from 6.3 billion in 2004 to 9.3 billion in 2050). • Expected rise in agricultural commodity prices, seen to follow increased price in hard commodity prices as historically they consistently moved together. • Development of commodity exchanges will aid efficient price discovery. **Livestock & aquaculture producers** • Expected increase in meat and fish consumption in booming developing countries: high correlation between higher income and increased protein consumption. • Aquaculture expected to contribute two-thirds of the projected 40% growth in global fish production. **Agrichemicals and seed producers** • Worldwide decreasing farmland per inhabitant during the next decades will require more effective agrichemicals and sophisticated seeds, more resistant to water scarcity, pest, etc. **Agro-tech companies** • Companies engaged in manufacturing of machineries catering to agriculture sectors, infrastructure development and water efficiency systems. **Land property companies** • Property companies will take advantage of booming land prices, expected to result from scarcity of arable lands. **Quality food producers** • Demand for quality and organic food in developing countries is likely to rise in conjunction with higher income of inhabitants. **Specialities: logistics, supermarkets, agro meteorology** • Profiting from booming need for logistics services, growth opportunities for supermarkets in developing countries and potential breakthrough technologies like Agro Meteorology to forecast weather trends that influence agricultural production. The investment process is based on the identification of various secular trends within the food chain; investment decisions are based on several factors, including valuation and growth prospects.	The scheme will predominantly invest in the units of Deutsche Invest I Global Agribusiness (the Underlying Fund), and or similar mutual funds, having an investment objective, strategy & risk profile similar to the stated underlying fund. The investment style of the underlying Fund is a combination of value & growth. The fund management will invest into all principal areas of global agribusiness and will take further opportunities by investing into promising companies along the entire food chain. Some of the potential investment themes & opportunities for the underlying fund are as follows: **Agricultural commodity producers** • Higher demand from exploding world population (from 6.3 billion in 2004 to 9.3 billion in 2050). • Expected rise in agricultural commodity prices, seen to follow increased price in hard commodity prices as historically they consistently moved together. • Development of commodity exchanges will aid efficient price discovery. **Livestock & aquaculture producers** • Expected increase in meat and fish consumption in booming developing countries: high correlation between higher income and increased protein consumption. • Aquaculture expected to contribute two-thirds of the projected 40% growth in global fish production. Agrichemicals and seed producers • Worldwide decreasing farmland per inhabitant during the next decades will require more effective agrichemicals and sophisticated seeds, more resistant to water scarcity, pest, etc. **Agro-tech companies** • Companies engaged in manufacturing of machineries catering to agriculture sectors, infrastructure development and water efficiency systems. **Land property companies** • Property companies will take advantage of booming land prices, expected to result from scarcity of arable lands. **Quality food producers** • Demand for quality and organic food in developing countries is likely to rise in conjunction with higher income of inhabitants. **Specialities: logistics, supermarkets, agro meteorology** • Profiting from booming need for logistics services, growth opportunities for supermarkets in developing countries and potential breakthrough technologies like Agro Meteorology to forecast weather trends that influence agricultural production. The investment process is based on the identification of various secular trends within the food chain; investment decisions are based on several factors, including valuation and growth prospects.

Benchmark	MSCI World Index	MSCI World Index

All other terms & conditions of the scheme will remain unchanged.

Product labeling for the scheme after the proposed changes shall be as follows:

This product is suitable for investors who are seeking*	
• Capital growth over the long term • Investment in units of overseas mutual funds that invest in equity securities of companies in Agriculture and related businesses • Degree of risk – **HIGH**	 Investor understand that their principal will be at high risk

*Investors should consult their financial advisers if in doubt about whether the product is suitable for them.

Changes in the scheme features of DHFL Pramerica Midcap Opportunities Fund

<table>
<tr><th>Particulars</th><th>Existing Scheme Features</th><th>Proposed Scheme Features</th></tr>
<tr><td>Name of the fund</td><td>DHFL Pramerica Midcap Opportunities Fund</td><td>DHFL Pramerica Midcap Opportunities Fund</td></tr>
<tr><td>Type of scheme</td><td>An Open Ended Equity Scheme</td><td>Mid Cap Fund- An open ended equity scheme predominantly investing in mid cap stocks</td></tr>
<tr><td>Investment Objective</td><td>The primary objective of the Scheme is to achieve long-term capital appreciation by predominantly investing in equity & equity related instruments of mid cap companies.
However, there is no assurance that the investment objective shall be realized.</td><td>The primary objective of the Scheme is to achieve long-term capital appreciation by predominantly investing in equity & equity related instruments of mid cap companies.
However, there can be no assurance that the investment objective of the Scheme will be achieved. The Scheme does not guarantee/ indicate any returns.</td></tr>
<tr><td>Asset Allocation</td><td>The asset allocation in the Scheme under normal circumstances will be as follows:
<table>
<tr><th rowspan="2">Instruments</th><th colspan="2">Indicative Allocation (% of Assets)</th><th rowspan="2">Risk Profile</th></tr>
<tr><th>Min</th><th>Max</th></tr>
<tr><td>Equity and Equity related instruments of Mid Cap Companies</td><td>65%</td><td>100%</td><td>High</td></tr>
<tr><td>Equity & Equity Related Instruments of Large Cap and Small Cap Companies</td><td>0%</td><td>35%</td><td>High</td></tr>
<tr><td>Cash, Money Market, Debt Securities, Liquid & Debt schemes of DHFL Pramerica Mutual Fund</td><td>0%</td><td>35%</td><td>Low to Medium</td></tr>
</table>
Mid Cap stocks: Midcap stocks are defined as stocks within the market cap range of the benchmark index (Nifty Free Float Midcap 100) of the Scheme and which may or may not be a constituent of the benchmark Index. The universe may also include Initial Public Offerings whose market capitalization would be as per the above-mentioned criteria.
Small Cap stocks: Small Cap stocks are defined as stocks with market cap lower than the lowest market cap of the stock in the benchmark index (Nifty Free Float Midcap 100) of the Scheme. The universe may also include Initial Public Offerings whose market capitalization would be as per the abovementioned criteria.
Large Cap stocks: Large Cap stocks are defined as stocks with market cap higher than the highest market cap of the stock in the benchmark index (Nifty Free Float Midcap 100) of the Scheme. The universe may also include Initial Public Offerings whose market capitalization would be as per the above-mentioned criteria.
This market capitalisation range for Small Cap, Mid Cap and Large Cap stocks will be so determined taking as at the end of every calendar quarter and will be applicable for all investment decisions made during the following calendar quarter.</td><td>The asset allocation in the Scheme under normal circumstances will be as follows:
<table>
<tr><th rowspan="2">Instruments</th><th colspan="2">Indicative Allocation (% of Assets)</th><th rowspan="2">Risk Profile</th></tr>
<tr><th>Min</th><th>Max</th></tr>
<tr><td>Equity and Equity related instruments of Mid Cap Companies</td><td>65%</td><td>100%</td><td>High</td></tr>
<tr><td>Equity & Equity Related Instruments of other companies</td><td>0%</td><td>35%</td><td>High</td></tr>
<tr><td>Cash, Money Market, Debt Securities#, Liquid & Debt schemes of Mutual Fund</td><td>0%</td><td>35%</td><td>Low to Medium</td></tr>
</table>
#The Scheme may also invest in securitized debt up to 35% of the net assets.
If the Scheme decides to invest in foreign securities, such investments will not exceed 25% of the net assets of the Scheme.
The Scheme does not intend to invest in repos/ reverse repos in corporate bonds.
The Maximum exposure to derivatives shall not exceed 50% of net assets of the scheme. The Maximum exposure to Liquid & Debt schemes of DHFL Pramerica Mutual Fund shall not exceed 10% of net assets of the scheme.
The Scheme may take derivatives position based on the opportunities available subject to the guidelines issued by SEBI from time to time and in line with the investment objective of the Scheme. These may be taken to hedge the portfolio, rebalance the same or to undertake any other strategy as permitted under SEBI (Mutual Funds) Regulations from time to time. In terms of SEBI Circular no Cir/ IMD/ DF/ 11/ 2010 dated August 18, 2010, the cumulative gross exposure through equity, debt and derivative positions shall not exceed 100% of the net assets of the scheme.
Pending deployment of funds of the Scheme in securities in terms of the investment objective of the Scheme the AMC may park the funds of the Scheme in short term deposits of scheduled commercial banks, subject to the guidelines issued by SEBI vide its circular dated April 16, 2007, as amended from time to time.</td></tr>
</table>

	The Scheme does not intend to invest in overseas/ foreign securities, securitized debt, usance bills and repos/ reverse repos in corporate bonds. The Maximum exposure to derivatives shall not exceed 50% of net assets of the scheme. The Maximum exposure to Liquid & Debt schemes of DHFL Pramerica Mutual Fund shall not exceed 10% of net assets of the scheme. The Scheme may take derivatives position based on the opportunities available subject to the guidelines issued by SEBI from time to time and in line with the investment objective of the Scheme. These may be taken to hedge the portfolio, rebalance the same or to undertake any other strategy as permitted under SEBI (Mutual Funds) Regulations from time to time. In terms of SEBI Circular no Cir/ IMD/ DF/ 11/ 2010 dated August 18, 2010, the cumulative gross exposure through equity, debt and derivative positions shall not exceed 100% of the net assets of the scheme. Pending deployment of funds of the Scheme in securities in terms of the investment objective of the Scheme the AMC may park the funds of the Scheme in short term deposits of scheduled commercial banks, subject to the guidelines issued by SEBI vide its circular dated April 16, 2007, as amended from time to time. The Scheme retains the flexibility to invest across all the securities in the debt and Money Market Instruments. Subject to the SEBI (MF) Regulations and in accordance with Securities Lending Scheme, 1997, SEBI Circular No.MFD/CIR/01/047/99 dated February 10, 1999, SEBI Circular No. SEBI/IMD/CIR No.14/187175/2009 dated December 15, 2009 and framework for short selling and borrowing and lending of securities notified by SEBI vide Circular No.MRD/DoP/SE/Dep/Cir-14/2007 dated December 20, 2007, as may be amended from time to time, the Scheme may engage in short selling of securities. The Scheme may also engage in Securities Lending; provided however that the Scheme shall not deploy more than 20% of its net assets in Securities Lending and not more than 5% of the net assets of the Scheme will deployed in Securities Lending to any single counterparty. Subject to the SEBI Regulations, the asset allocation pattern indicated above may change from time to time, keeping in view market conditions, market opportunities, applicable regulations and political and economic factors. It must be clearly understood that the percentages stated above are only indicative and not absolute. These proportions can vary substantially depending upon the perception of the fund manager; the intention being at all times to seek to protect the interests of the Unit holders. Such changes in the investment pattern will be for short term and for defensive considerations only. In case of deviation, the portfolio would be rebalanced within 30 business days from the date of deviation.	The Scheme retains the flexibility to invest across all the securities in the debt and Money Market Instruments. Subject to the SEBI (MF) Regulations and in accordance with Securities Lending Scheme, 1997, SEBI Circular No.MFD/CIR/01/047/99 dated February 10, 1999, SEBI Circular No. SEBI/IMD/CIR No.14/187175/2009 dated December 15, 2009 and framework for short selling and borrowing and lending of securities notified by SEBI vide Circular No.MRD/DoP/SE/Dep/Cir-14/2007 dated December 20, 2007, as may be amended from time to time, the Scheme may engage in short selling of securities. The Scheme may also engage in Securities Lending; provided however that the Scheme shall not deploy more than 20% of its net assets in Securities Lending and not more than 5% of the net assets of the Scheme will deployed in Securities Lending to any single counterparty. Subject to the SEBI Regulations, the asset allocation pattern indicated above may change from time to time, keeping in view market conditions, market opportunities, applicable regulations and political and economic factors. It must be clearly understood that the percentages stated above may vary depending upon the perception of the fund manager; the intention being at all times to seek to protect the interests of the Unit holders. Such changes in the investment pattern will be for short term and for defensive considerations only. In case of deviation, the portfolio would be rebalanced within 30 days from the date of deviation. Where the portfolio is not rebalanced within 30 days, justification for the same shall be placed before the Investment Committee and reasons for the same shall be recorded in writing. The Investment Committee shall then decide on the course of action. However, at all times, the portfolio will adhere to the overall investment objective of the scheme.
Investment Strategy	The investment strategy of the fund will be based on market cap of the stocks. The fund will predominantly invest in midcap stocks in accordance with the investment objective and asset allocation. This midcap range will be so determined taking into account the midcap range of the benchmark index at the end of every calendar quarter. Such midcap range once determined at quarter end will apply to all investment decisions made during the following quarter. The fund will also invest in small cap stocks to tap high growth opportunities offered by such stocks. The fund may also invest in large cap stocks.	The investment strategy of the fund will be based on market cap of the stocks. The fund will predominantly invest in midcap stocks in accordance with the investment objective and asset allocation. The fund may also invest in stocks other than mid cap stocks, depending upon investment opportunities offered by such stocks. The Investment Manager will select equity securities on a top-down and bottom–up, stock–by–stock basis, with consideration given to price–to–earnings, price–to–book, and price–to–sales ratios, as well as growth, margins, asset returns, and cash flows, amongst others.

	The Investment Manager will select equity securities on a top-down and bottom–up, stock–by–stock basis, with consideration given to price–to–earnings, price–to–book, and price–to–sales ratios, as well as growth, margins, asset returns, and cash flows, amongst others. The Investment Manager may use a disciplined quantitative analysis of financial operating statistics. In selecting individual investment opportunities for the portfolio, the Investment Manager will conduct in–house research in order to identify various investment opportunities. The company–wise analysis will focus, amongst others, on the historical and current financial condition of the company, potential value creation/unlocking of value and its impact on earnings growth, capital structure, business prospects, policy environment, strength of management, responsiveness to business conditions, product profile, brand equity, market share, competitive edge, research, technological know–how and transparency in corporate governance.	The Investment Manager may use a disciplined quantitative analysis of financial operating statistics. In selecting individual investment opportunities for the portfolio, the Investment Manager will conduct in–house research in order to identify various investment opportunities. The company–wise analysis will focus, amongst others, on the historical and current financial condition of the company, potential value creation/unlocking of value and its impact on earnings growth, capital structure, business prospects, policy environment, strength of management, responsiveness to business conditions, product profile, brand equity, market share, competitive edge, research, technological know–how and transparency in corporate governance.
Benchmark	Nifty Free Float Midcap 100 Index	Nifty Free Float Midcap 100 Index (The benchmark shall be renamed as Nifty Midcap 100 TR Index w.e.f April 02, 2018)
Riskometer	High	Moderately High

In addition to above changes, the following shall be included in the Scheme Information Document of the Scheme:

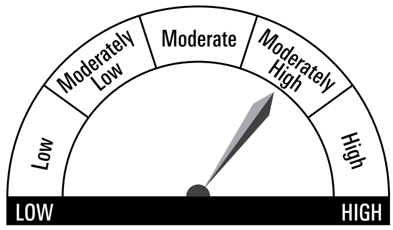
1. **Definition of Large Cap, Mid Cap and Small Cap Companies:**

- Large Cap Companies shall be 1st -100th company in terms of full market capitalization;
- Mid Cap Companies shall be 101st -250th company in terms of full market capitalization; and
- Small Cap Companies shall be 251st company onwards in terms of full market capitalization as per the list prepared by AMFI

The AMC shall within a period of one month of updated list provided by AMFI, rebalance the portfolio of the Scheme, if required, in line with updated list.

All other terms & conditions of the scheme will remain unchanged.

Product labeling for the scheme after the proposed changes shall be as follows:

This product is suitable for investors who are seeking*	
• Capital appreciation over long run. • To achieve long term capital appreciation by predominantly investing in equity and equity related instruments of mid cap companies. • Degree of risk – **MODERATELY HIGH**	 Investor understand that their principal will be at moderately high risk

*Investors should consult their financial advisers if in doubt about whether the product is suitable for them.

Risk factors associated with investing in Securitized debt, investing in Fixed Income Derivative Instruments, investing in Overseas Investment and risk envisaged and mitigation measures for repo transactions in corporate bonds:

A. Write-up and risk factors w.r.t investing in Securitized debt:

1. Securitisation - Concept

Asset securitisation is a process whereby commercial or consumer credits are packaged and sold in the form of financial instruments. A typical process of asset securitisation involves sale of specific Receivables to a Special Purpose Vehicle (SPV) set up in the form of a trust or a company. The SPV in turn issues financial instruments (e.g., promissory notes, pass through certificates or other debt instruments) to investors, such instruments evidencing the beneficial ownership of the investors in the Receivables. The financial instruments are rated by an independent credit rating agency. An Investor's Agent is normally appointed for providing trusteeship services for the transaction.

On the recommendation of the credit rating agency, additional credit support (Credit Enhancement) may be provided in order that the instrument may receive the desired level of rating. Typically the servicing of the Receivables is continued by the seller in the capacity of the Servicer. Cash flows, as and when they are received, are passed onto the investors.

Features of securitisation transactions include:

- Absolute true sale of assets to an SPV (with defined purposes and activities) in trust for the investors;
- Reliance by the investors on the performance of the assets for repayment - rather than the credit of the Originator (the seller) or the Issuer (the SPV);
- Consequent to the above, "Bankruptcy Remoteness" from the Originator;
- Support for timely payments, inter-alia, in the form of suitable credit enhancements, if required;
- Securitised debt paper usually achieves a high investment grade credit rating;
- There is a diversification of economic risks as credit risk is spread over a diversified group of obligors.

Generally available Asset Classes for securitisation in India

- Commercial Vehicles
- Auto and Two wheeler pools
- Mortgage pools (residential housing loans)
- Personal Loan, credit card and other retail loans
- Corporate loans / receivables

The Scheme may invest in various type of securitisation issuances as contained in the above table, including but not limited to Asset Backed Securitisation, Mortgage Backed Securitisation, Personal Loan Backed Securitisation, Collateralized Loan Obligation/Collateralized Bond Obligation and so on.

Disclosure requirements for securitized debt

1) How the risk profile of securitized debt fits into the risk appetite of the scheme

An evaluation procedure similar to that applied in analyzing plain vanilla debt (commercial paper, non convertible debentures and bonds) will be employed for analyzing securitized debt and assessing their eligibility for the various open ended and close ended fixed income portfolios. We will also analyze the risk profile in such instruments so that they are more or less in line with plain vanilla debt and in line with the investment objectives from a risk profile perspective for the various investing schemes.

2) Policy relating to originators based on nature of originator, track record, NPAs, losses in earlier securitized debt, etc is as follows:

(a) Track record - This is a key parameter that we consider at the time of analyzing the transaction. Originators with long track record of operation lend a greater degree of comfort, as they have a longer operating credit history which can be assessed. The track-record would vary depending on the obligor/originator. Further the track-record of having undertaken such transactions are also evaluated. Most of the entities which undertake such transactions in the Indian market have both a long track-record of operations and a history of having undertaken securitization transactions.

(b) Willingness to pay, through credit enhancement facilities etc. - In this case the stand alone credit assessment of the obligor is carried out to indicate the overall financial health. In the case of retail pool securitization transactions, credit enhancement levels offered at the start and the overall utilization levels during the tenor of the transaction is analyzed to reflect the credit comfort and cushion available.

(c) Ability to pay- this is the outcome of the stand-alone credit assessment of the issuer which is arrived after analyzing the income statement and balance sheet of the obligor. This aspect is key in the case of single loan sell down transactions, since the final repayment is to be made by the obligor and is directly dependent on its overall financial health. This aspect is also usually reflected in the stand-alone credit rating of the company which primarily captures the credit risk i.e the ability to honour financial obligations to lenders in a timely fashion.

(d) Business risk assessment, wherein following factors are considered:

- Outlook for the economy (domestic and global) - this forms part of the usual credit assessment and the macro analysis. This will have a impact on the business risk of the obligor.
- Outlook for the industry - external risks are analyzed here and their impact on the business risk is analyzed. Opportunities and threats as part of the swot analysis are analyzed.
- Company specific factors - the strengths and weaknesses of the company are critically analyzed here

In addition a detailed review and assessment of rating rationale should be done including interactions with the company as well as agency. The latest rating assessment report is studied to understand the key strengths and risks faced by the issuer/ obligor. It has been our practice to discuss the rating report with the rating agency in order to understand the finer credit aspects and the impact it could have on the financial health and rating. As part of the due diligence, we also hold discussions with the obligors/originators which help in getting a better insight into their background.

Critical Evaluation Parameters (for pool loan and single loan securitization transactions) regarding the originator / underlying issuer is as follows:

Default track record/frequent alteration of redemption conditions/ covenants - all transaction conditions and covenants are analyzed to examine any flexibility available to the obligor/originator to alter the terms and conditions which can impact the investor position. If any of these conditions are un-favourable, then these are negotiated/altered at the start of the transaction.

High leverage ratios of the ultimate borrower (for single-sell downs)- both on a standalone basis as well on a consolidated level/ group level - financial analysis of balance sheet and income sheet ratios forms critical part of credit analysis, since factors such as gearing will determine both the credit rating as well as debt servicing and final repayment. High gearing also may limit the ability of the obligor to seek additional funding from the market on a timely basis to meet any maturing obligations. Hence this aspect is very crucial in the analysis.

Higher proportion of reschedulement of underlying assets of the pool or loan, as the case may be - we analyze the pool at start to ensure that there are no major rescheduled assets within the pool, since any deterioration of such assets could weaken the pool’s overall asset quality and could lead to higher credit enhancement utilization.

Higher proportion of overdue assets of the pool or the underlying loan, as the case may be - quality of the retail pool at start is important as it could have a significant impact on the pool’s performance during its tenor.

Poor reputation in market - originators/obligors with poor reputation and/ or financial health are usually discarded during our credit evaluation, since asset quality could quickly deteriorate in some cases which could impair debt servicing and repayment. Further, such obligors would also find it difficult to tap the market to raise funds if needed to meet any maturing financial obligations.

Insufficient track record of servicing of the pool or the loan, as the case may be - since we critically assess track-record of operations of the obligor/originator, any shortfall in this parameter would be captured in our analysis. We usually prefer obligors/originators with reasonable operating history since it offers adequate credit history for purpose of credit analysis.

3) Risk mitigation strategies for investments with each kind of originator is as follows:

(a) Size and reach of the originator - different originators have varying levels of reach and access. Besides different originators operate in different geographies and consumer segments. Also the asset classes that they originate could be different depending on their target profitability, risk tolerance levels and support infrastructure for disbursing loans and making recoveries and collections. We usually look for originators possessing fair degree of diversification in their operation (metros/ semi urban and rural markets), asset classes (collateralized assets are preferred such as cars, commercial vehicles, construction equipment etc.) and with a fairly robust collection infrastructure. Most of the regular names that we invest comply with these requirements.

(b) Collection process, infrastructure and follow-up mechanism - we usually prefer originators who possess in-house capabilities and infrastructure as regards disbursements, collections and recoveries since it has been historically proven that such entities usually exhibit better asset quality in the long run. Most of the originators in our universe fall in this category.

(c) Quality of MIS - data quality and timely availability is critical in the asset financing business. We stress on this aspect and look for entities which have robust MIS and have networked branches so that MIS generation is faster, efficient and senior management is in a position to take timely decisions.

(d) Credit enhancement for different type of originator - this varies between originators and is usually determined and specified by the originator. The rating agency usually established the base case losses for the originator and for the specific asset category and then applies a stress facto depending on their own assessment of the originators financial health, and other strengths and weaknesses as also the prevailing macroeconomic factors which can impact overall asset quality.

4) The level of diversification with respect to the underlying assets, and risk mitigation measures for less diversified investments

Following framework will be applied while evaluating investment decision relating to a pool seritization transaction:

Characteristics/Type of Pool	Mortgage Loan#	CV & CE$	Cars	2 Wheelers	Micro Finance Pools @	Personal Loans	Single Sell Downs
Approximate Average maturity (in Months)*	36-72	12-30	12-30	12-18	3-15	12-24	12-24
Collateral margin (including cash, guarantees, excess interest spread, subordinate tranche)	Min :10	5-25	5-25	Min : 15	Min : 10	Min : 15	–
Average Loan to Value Ratio (%)	70-90	65-85	65-85	50-75	60-85	NA	–
Average seasoning of the Pool (mths)	6-12	3-6	3-6	3-6	1-3	3-6	–
Maximum single exposure range %	5-15	5-15	5-15	5-10	5-15	5-10	5-15
Average single exposure range %	10	10	10	7.5	10	7.5	10

1. Kindly note that these are indicative ranges and final figures could vary depending upon the overall characteristics of the transaction and market conditions.

2. Also since most of the transactions are composite in nature i.e they have more than one asset class the actual cash level would be finalized based on the final mix.

3. #Mortgage loans are usually not clubbed with other asset classes since the average tenors are different for these asset classes. Hence mortgage loan pools are usually issued separately. Hence we have indicated 100 % under this asset class.

4. @Micro finance pools are also issued separately and not clubbed with other asset classes. Hence we have indicated 100% under Micro Finance pools under maximum exposure.

5. The percentages indicated in the table above is with reference to investments in securitized debt instruments, subject to investment restrictions as per the regulations.

6. * The Scheme shall invest in securitized debt instruments maturing on or before the maturity of the Scheme.

$ CV: Commercial Vehicles, CE: Construction Equipment

Risk mitigating measures:

(a) Size of the loan - the overall fund raising plan of the obligor/originator is examined to assess the impact it would have on overall gearing and debt servicing

(b) Average original maturity of the pool - This is also important from a point of indicating how quickly the pool will liquidate as the underlying assets mature and pay-off. This parameter would impact interest rate sensitivity of the security.

(c) Loan to Value Ratio - the LTV varies from issuer to issuer and also within asset classes. Based on our past experience and empirical data, we examine the LTV levels, since these have a critical link to the final recoveries in the case of default.

(d) Average seasoning of the pool - this may also vary between originators. Higher seasoning at the start will offer better visibility on future delinquencies. Pools with higher average seasoning which depict low delinquencies usually tend to have satisfactory asset quality over the life of the transaction. We prefer to invest in pools which have average seasoning of at least 3-4 months at the start since any early delinquencies can be removed at the time of pool finalization.

(e) Default rate distribution - this is studied using empirical data for the originator. This is also a critical data used by the rating agency in determining the credit enhancement levels to be stipulated.

(f) Geographical Distribution - all pools usually have assets which are geographically diversified, since this reduces the default risk.

(g) Credit enhancement facility - very critical especially in the case of retail pools since delinquencies and final asset losses are absorbed using cash so that there is no shortfall in investor servicing.

(h) Liquid facility - in some cases in addition to the credit enhancement facility there is also a liquidity facility available which is useful to meet any shortfalls arising from delayed collections (delinquencies) in the pool. If an explicit liquidity facility is not provided in the transaction, then the credit enhancement facility is used for the said purpose. Note however that the liquidity facility is only available to be used for standard assets i.e assets wherein the days past due do not exceed 90.

(i) Structure of the pool - we will invest in both single loan securitization transactions and retail pool securitization transactions. Single loan securitization transactions will essentially be loans which are repackaged as pass through certificates (PTCs) and sold to potential investors. These may be collateralized i.e. backed by certain fixed assets of the issuers. In the case of retail pool securitization transactions, we will have underlying retail loans from various asset classes such as cars, CVs, construction equipment etc. The above framework including the above mentioned risk mitigating measures will be applied at the time of analyzing pool PTC transactions. In the case of composite PTC pools i.e. pools with more than one asset class, each of the asset categories will be assessed separately in order to arrive at the overall risk profile of the composite pool.

5) Minimum retention period of the debt by originator prior to securitization there is usually no stipulation on the minimum retention period of debt by the originator in the case of single loan PTCs. We follow our usual investment guidelines in evaluating the eligibility of the security for our portfolios. This is usually in compliance with extant regulations on securitization.

   In the case of ABS securities (pool PTCs), assets are usually sold down by the originators after a period of 1-2 months from their date of origination. This helps in identifying any delinquencies in these assets and creating a high quality pool.

6) Minimum retention percentage by originator of debts to be securitized -we usually do not stipulate a minimum retention percentage of the debt securitized by the originator. Our investment decision is based on our independent assessment of the credit risk / other risks specific to the transaction.

7) The mechanism to tackle conflict of interest when the mutual fund invests in securitized debt of an originator and the originator in turn makes investments in that particular scheme of the fund - all investment decisions are led by stand-alone assessments of the securities (PTC) from a credit, liquidity and market risks amongst others. Our internal process and reporting platforms are designed to ensure complete independence of the credit research & investment process from sales business.

8) The resources and mechanism of individual risk assessment with the AMC for monitoring investment in securitized debt - in addition to the usual practice followed in the case of plain vanilla debt ratings, we will follow a process of regular monitoring of rating movement. Monthly data on pool performance is received in the case of ABS transactions from the Trustee to the transaction. These reports are scanned to check for any change in asset quality and related impact on debt servicing and any impact that it can have on the credit ratings.

2. Risks associated with investment in Securitised Instruments:

Generally available Asset Classes for Securitisation in India are:

- Commercial Vehicles
- Auto and Two wheeler pools
- Mortgage pools (residential housing loans)
- Personal Loan, credit card and other retail loans
- Corporate loans/receivables

Underlying Risk: Each asset class has a different underlying risk, however, residential mortgages are supposed to be having lower default rates. On the other hand, repossession and subsequent recovery of commercial vehicles and other auto assets is fairly easier and better compared to mortgages. Some of the asset classes such as personal loans, credit card receivables etc., being unsecured credits in nature, may witness higher default rates. As regards corporate loans/receivables, depending upon the nature of the underlying security for the loan or the nature of the receivable the risks would correspondingly fluctuate. However, the credit enhancement stipulated by rating agencies for such asset class pools is typically much higher and hence their overall risks are comparable to other AAA rated asset classes.

The rating agencies have an elaborate system of stipulating margins, over collateralisation and guarantee to bring risk limits in line with the other AAA rated securities. Please note that the scheme(s) intends to invest predominantly in AAA rated securitised debt.

Investment exposure of the Scheme with reference to Securitised Debt:

The Scheme will predominantly invest only in those securitization issuances which have AAA rating indicating the highest level of safety from credit risk point of view at the time of making an investment.

The Scheme may invest in various type of securitisation issuances, including but not limited to Asset Backed Securitisation, Mortgage Backed Securitisation, Personal Loan Backed Securitisation, Collateralized Loan Obligation/ Collateralized Bond Obligation and so on.

The Scheme does not propose to limit its exposure to only one asset class or to have asset class based sub-limits as it will primarily look towards the AAA rating of the offering.

3. Risk Factors specific to investments in Securitised and Structured Instruments: Underlying Risk:

Each asset class has a different underlying risk, however, residential mortgages are supposed to be having lower default rates. On the other hand, repossession and subsequent recovery of commercial vehicles and other auto assets is fairly easier and better compared to mortgages. Some of the asset classes such as personal loans, credit card receivables etc., being unsecured credits in nature, may witness higher default rates. As regards corporate loans/receivables, depending upon the nature of the underlying security for the loan or the nature of the receivable the risks would correspondingly fluctuate. However, the credit enhancement stipulated by rating agencies for such asset class pools is typically much higher and hence their overall risks are comparable to other similarly rated asset classes.

Limited Liquidity & Price Risk:

Presently, secondary market for securitised papers is not very liquid. There is no assurance that a deep secondary market will develop for such securities. This could limit the ability of the investor to resell them. Even if a secondary market develops and sales were to take place, these secondary transactions may be at a discount to the initial issue price due to changes in the interest rate structure.

Limited Recourse, Delinquency and Credit Risk:

Securitised transactions are normally backed by pool of receivables and credit enhancement as stipulated by the rating agency, which differ from issue to issue. The Credit Enhancement stipulated represents a limited loss cover to the Investors. These Certificates represent an undivided beneficial interest in the underlying receivables and there is no obligation of either the Issuer or the Seller or the originator, or the parent or any affiliate of the Seller, Issuer and Originator. No financial recourse is available to the Certificate Holders against the Investors' Representative. Delinquencies and credit losses may cause depletion of the amount available under the Credit Enhancement and thereby the Investor Payouts may get affected if the amount available in the Credit Enhancement facility is not enough to cover the shortfall. On persistent default of a Obligor to repay his obligation, the Servicer may repossess and sell the underlying Asset.

However many factors may affect, delay or prevent the repossession of such Asset or the length of time required to realize the sale proceeds on such sales. In addition, the price at which such Asset may be sold may be lower than the amount due from that Obligor.

Risks due to possible prepayments:

Asset securitisation is a process whereby commercial or consumer credits are packaged and sold in the form of financial instruments. Full prepayment of underlying loan contract may arise under any of the following circumstances:

— Obligor pays the Receivable due from him at any time prior to the scheduled maturity date of that Receivable; or
— Receivable is required to be repurchased by the Seller consequent to its inability to rectify a material misrepresentation with respect to that Receivable; or
— The Servicer recognizing a contract as a defaulted contract and hence repossessing the underlying Asset and selling the same.

In the event of prepayments, investors may be exposed to "reinvestment risk".

Bankruptcy of the Originator or Seller

If originator becomes subject to bankruptcy proceedings and the court in the bankruptcy proceedings concludes that the sale from originator to Trust was not a sale then an Investor could experience losses or delays in the payments due. All possible care is generally taken in structuring the transaction so as to minimize the risk of the sale to Trust not being construed as a “True Sale”. Legal opinion is normally obtained to the effect that the assignment of Receivables to Trust in trust for and for the benefit of the Investors, as envisaged herein, would constitute a true sale.

Bankruptcy of the Investor’s Agent

If Investor’s agent, becomes subject to bankruptcy proceedings and the court in the bankruptcy proceedings concludes that the recourse of Investor’s Agent to the assets/receivables is not in its capacity as agent/ Trustee but in its personal capacity, then an Investor could experience losses or delays in the payments due under the swap agreement. All possible care is normally taken in structuring the transaction and drafting the underlying documents so as to provide that the assets/receivables if and when held by Investor’s Agent is held as agent and in Trust for the Investors and shall not form part of the personal assets of Investor’s Agent. Legal opinion is normally obtained to the effect that the Investors Agent’s recourse to assets/receivables is restricted in its capacity as agent and trustee and not in its personal capacity.

Credit Rating of the Transaction/Certificate

The credit rating is not a recommendation to purchase, hold or sell the Certificate in as much as the ratings do not comment on the market price of the Certificate or its suitability to a particular investor. There is no assurance by the rating agency either that the rating will remain at the same level for any given period of time or that the rating will not be lowered or withdrawn entirely by the rating agency.

Risk of Co-mingling

The Servicers normally deposit all payments received from the Obligors into the Collection Account. However, there could be a time gap between collection by a Servicer and depositing the same into the Collection account especially considering that some of the collections may be in the form of cash. In this interim period, collections from the Loan Agreements may not be segregated from other funds of the Servicer. If the Servicer fails to remit such funds due to Investors, the Investors may be exposed to a potential loss. Due care is normally taken to ensure that the Servicer enjoys highest credit rating on standalone basis to minimize Co-mingling risk.

B. Write-up and risk factors w.r.t. investing in Fixed Income Derivative Instruments:

- **Investment in Fixed Income Derivative Instruments:**

SEBI vide its circular no. MFD/CIR/011/061/2000 dated February 1, 2000 has permitted all the mutual funds to participate in the derivatives trading subject to observance of guidelines issued by SEBI in this behalf. Pursuant to this, the mutual funds may use various derivative and hedging products from time to time, as would be available and permitted by SEBI, in an attempt to protect the value of the portfolio and enhance Unit holders’ interest.

Pursuant to SEBI Circular no. MFD/CIR/21/25467/2002 dated December 31, 2002, MFD/CIR No. 03/158/03 dated June 10, 2003,/CIR No. 4/2627/2004 dated February 6, 2004, DNPD/Cir-30/2006 dated January 20, 2006, SEBI Circular/IMD/DF/11/2010 dated August 18,2010 and such other circular issued by SEBI from time to time in this regard, the Scheme may use derivative instruments like Interest Rate Swaps, Forward Rate Agreements, stock future or other derivative instruments for the purpose of hedging and portfolio balancing or for its efficient management.

Derivative instruments may take form of Interest rate swaps, Forward rate agreements and such other derivative instruments as may be available from time to time and appropriate for the portfolio.

The risks and returns ensuring from such investments are explained herein below:

<u>Interest rate Swaps</u>

An interest rate swap is an agreement whereby two parties agree to exchange periodic interest payments. The amount of interest payments exchanged is based on some predetermined principal, called notional principal amount. The amount each counter party pays to the other is the agreed upon periodic interest rate multiplied by the notional principal amount. The only amount that is exchanged between the parties are the interest payment, not the notional principal amount.

A Forward Rate Agreement, on the other hand, is an agreement between two counter parties to pay or to receive the difference between an agreed fixed rate (the FRA rate) and the interest rate prevailing on a stipulated future date based on a notional amount, for an agreed period.

In the most common type of swap one party agrees to pay the other party fixed interest payments at designated dates for the life of contract. The other party agrees to make interest rate payments that float with some index.

The interest rate benchmarks that are commonly used for floating rate in an interest rate swap are those on various money market instruments. In Indian markets the benchmark most commonly used is MIBOR.

Swaps can be unwound by either reversing the original swap entered into or doing by a reverse swap with cash flows matching the original swap.

Example: Interest Rate Swap (IRS)

- Suppose the Scheme has a portion of its portfolio in cash. The Fund Manager has a view that the interest rate scenario is soft and call rates are unlikely to spurt over the next three months. The fund manager would therefore prefer to receive a higher rate of return on his cash, which he is lending in the overnight call market. In other words he would like to move to a 91 Day fixed interest rate from overnight floating rate

- In the above example
  Say Notional Amount: Rs. 5 crores Benchmark: NSE MIBOR
  Tenor: 91 days
  Fixed Rate: 6.25% At the end of 91 days
  The Scheme Pays: compounded call rates for 91 days, which averages to say 5.90%
  The Scheme receives fixed rate at 6.25% for 91 days.
  At the end of 91 days the transaction will be settled as under:-

Fund receive Fixed rate @ 6.25% for 91 days	Rs. 7,79,110
Fund pays floating rate @ 5.90% for 91 days	
amounting to	Rs. 7,35,479
Net Receivable/Settlement Value	Rs. 43,631

The Scheme may use derivative instruments primarily to protect the value of portfolio against potential risks such as interest rate risk, credit risks, reinvestment risk and liquidity risks. This protection is also known as hedge. At the same time, however, a properly correlated hedge will result in a gain in the portfolio position being offset by a loss in the hedge position. As a result, the use of derivatives could limit any potential gain from an increase in value of the position hedged. In addition, an exposure to derivatives in excess of the hedging requirement can lead to losses. IRS and FRAs do also have inherent credit and settlement risks. However, these risks are substantially reduced as they are limited to the interest streams and not the notional principal amounts.

Derivative instruments offer unique advantages like security exposures without the attendant execution and settlement risk. Derivative instruments carry a high risk return ratio. It is like a insurance policy where one has to pay the premium up-front and the benefit is contingent upon an event. Derivative instrument if used on a leveraged basis could distort the risk return ratio considerably even with a small price movement (the scheme will not take a leveraged exposure). It requires a high level of knowledge, understanding and surveillance to control risk.

The Scheme, however, will use the derivative instruments very judiciously and keep in mind the overall objective the scheme.

The Trustees shall offer their comments on the above aspects in the report filed with SEBI under sub regulation (23) (a) of regulation 18 of Securities and Exchange Board of India (Mutual Funds) Regulations, 1996.

- **Risk factors associated with investment in Fixed Income Derivative Instruments:**

Derivatives are high risk, high return instruments as they may be highly leveraged. A small price movement in the underlying security could have a large impact on their value and may also result in a loss.

Derivative products are leveraged instruments and can provide disproportionate gains as well as disproportionate losses to the investor. Execution of such strategies depends upon the ability of the fund manager to identify such opportunities. Identification and execution of the strategies to be pursued by the fund manager involve uncertainty and decision of fund manager may not always be profitable. No assurance can be given that the fund manager will be able to identify or execute such strategies.

The risks associated with the use of derivatives are different from or possibly greater than, the risks associated with investing directly in securities and other traditional investments.

The Scheme may use derivative instruments like Interest Rate Swaps, Forward Rate Agreements or other derivative.

Credit Risk: The credit risk is the risk that the counter party will default on its obligations and is generally low, as there is no exchange of principal amounts in a derivative transaction.

Illiquidity risk: The risk that a derivative cannot be sold or purchased quickly enough at a fair price, due to lack of liquidity in the market.

Market risk: Derivatives carry the risk of adverse changes in the market price.

Floating Leg Risk : The Scheme pays the daily compounded rate. In practice however there can be a difference in the actual rate at which money is lent in the call market and the benchmark, which appears and is used.

In case of a received position in a call rate linked interest rate swaps (OIS), the Scheme pays the daily compounded rate. In practice however there can be a difference in the actual rate at which money is lent in the call market and the benchmark call rate, which is used in the swap calculations. The risk is to the extent that returns may be impacted to the investors in case of extreme movement in call rates.

It may be mentioned here that the guidelines issued by Reserve Bank of India from time to time for forward rate agreements and interest rate swaps and other derivative products would be adhered to.

C. Risk Factors associated with Overseas Investment:

- Subject to necessary approvals and within the investment objectives of the Scheme, the Scheme may invest in overseas markets which carry a risk on account of fluctuations in the foreign exchange rates, nature of securities market of the country, repatriation of capital due to exchange controls and political circumstances.

- It is the AMC's belief that investment in Permitted Foreign Securities offers new investment and portfolio diversification opportunities into multi-market and multi-currency products. However, such investments also entail additional risks. Such investment opportunities may be pursued by the AMC provided they are considered appropriate in terms of the overall investment objectives of the Scheme. Since the Scheme would invest in Permitted Foreign Securities including but not limited to units/ securities issued by overseas mutual fund or unit trusts which are registered with the overseas regulator, there may not be readily available and widely accepted benchmarks to measure performance of the Scheme. To manage risks associated with foreign currency and interest rate exposure, the Scheme may use derivatives in accordance with conditions as may be stipulated by SEBI/RBI from time to time.

- Offshore investments will be made subject to any/all approvals, conditions thereof as may be stipulated by SEBI/RBI and provided such investments do not result in expenses to the Scheme in excess of the ceiling on expenses prescribed by and consistent with costs and expenses attendant to international investing.

- To the extent that the assets of the Scheme will be invested in securities denominated in foreign currencies, the Indian Rupee equivalent of the net assets, distributions and income may be adversely affected by changes in the value of certain foreign currencies relative to the Indian Rupee. The repatriation of capital to India may also be hampered by changes in regulations concerning exchange controls or political circumstances as well as the application to it of other restrictions on investment. Due to time zone differences, NAV of investee scheme in such cases may not be available for the same day.

D. Risk envisaged and mitigation measures for repo transactions in corporate bonds:

Credit risks could arise if the counterparty does not return the security as contracted or interest received by the counter party on due date. This risk is largely mitigated, as the choice of counterparties is largely restricted and their credit rating is taken into account before entering into such transactions. Also operational risks are lower as such trades are settled on a DVP basis. In the event of the scheme being unable to pay back the money to the counterparty as contracted, the counter party may dispose of the assets (as they have sufficient margin) and the net proceeds may be refunded to us. Thus the scheme may in remote cases suffer.

Investment Restrictions w.r.t. repo transactions in corporate bonds:

The Scheme may participate in repo in AA and above rated corporate debt securities subject to following:

- The gross exposure to repo transactions in corporate debt securities shall not exceed 10 % of the net assets of the scheme.
- The cumulative gross exposure through repo transactions in corporate debt securities along with debt and derivatives shall not exceed 100% of the net assets of the scheme.
- The scheme will ensure compliance with the Seventh Schedule of the Mutual Funds Regulations.

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