

**Addendum No. 12 dated March 7, 2011 to the Scheme Information Document (SID) and Key Information Memorandum (KIM) of Pramerica Liquid Fund, Pramerica Ultra Short Term Bond Fund, Pramerica Short Term Income Fund, Pramerica Equity Fund, Pramerica Dynamic Fund and Pramerica Dynamic Monthly Income Fund regarding introduction of Dividend Transfer Plan.**

It has been decided to introduce Dividend Transfer Plan (DTP) under the 'Dividend Option' of Pramerica Liquid Fund, Pramerica Ultra Short Term Bond Fund, Pramerica Short Term Income Fund, Pramerica Equity Fund, Pramerica Dynamic Fund and Pramerica Dynamic Monthly Income Fund. Consequently to introduction of Dividend Transfer Plan, the following paragraph has been added in the SID under the above mentioned schemes under:

**"Highlights / Summary of the Scheme"**

<b>Plans and Options offered:</b>	<p><b>iii. Dividend Transfer Plan</b></p> <p>Under the Dividend Transfer Plan (DTP), the investors may opt to automatically transfer (invest) the net dividend amount (i.e., net of statutory levy / taxes, if any) payable under the Scheme (hereinafter referred to as "Source Scheme") into any other scheme (hereinafter referred to as "Target Scheme") of Pramerica Mutual Fund (PMF) on the ex-dividend date (i.e., the immediate next business day after the Record Date) into the Target Scheme specified by the investor, at the applicable NAV of the Target Scheme and accordingly applicable number of units will be allotted in the Target Scheme.</p> <p>There is no minimum amount prescribed for dividend amount to be transferred to the Target Scheme via DTP. Accordingly, the provision for 'Minimum Application Amount' specified in the respective Target Scheme's SID will not be applicable for investment made via DTP.</p>
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The following paragraph has been added in Section III - Units and Offer - **Special Products available:**

**Dividend Transfer Plan (DTP)**

- Under the Dividend Transfer Plan (DTP), the investors may opt to automatically transfer (invest) the net dividend amount (i.e., net of statutory levy / taxes, if any) payable under the Scheme (hereinafter referred to as "Source Scheme") into any other scheme (hereinafter referred to as "Target Scheme") of Pramerica Mutual Fund (PMF) on the ex-dividend date (i.e., the immediate next business day after the Record Date) into the Target Scheme specified by the investor, at the applicable NAV of the Target Scheme and accordingly applicable number of units will be allotted in the Target Scheme, subject to the terms and conditions of the respective Target Scheme.
- The minimum amount of investment is not applicable for investment made through DTP in the Target Schemes.
- The Units allotted in the Target scheme against investment via DTP will be subject to the applicable Exit Load of the Target scheme.
- Unitholder(s) are advised to read the SID/KIM of Target Scheme(s) carefully before opting for DTP.
- Unit holders who wish to enroll for the DTP facility are required to fill in and submit a prescribed DTP Enrollment Form complete in all respects at any of the Investor Service Centres (ISCs) of PMF, separately for each Scheme/Plan/Option. The enrollment for DTP facility shall be for all units under the Dividend Option of the respective Source Scheme. Request for partial Dividend Transfer and partial Dividend Payout / Reinvestment is not permitted.
- The DTP Enrollment Form is available with the ISCs and distributors of PMF as well as on the website of PMF, namely, www.pramericaamf.com.
- Enrollment under the DTP facility will automatically override any previous instructions of the Unitholder for 'Dividend Payout' or 'Dividend Reinvestment' facility, as the case may be, in the Source Scheme and will also apply to additional units allotted in the Source Scheme subsequently on account of additional subscription / switch-in / SIP / STP etc.
- The request for enrollment for DTP must be submitted at least seven (7) working days prior to the Record Date for the dividend in the Source Scheme. Hence investors should submit the DTP enrollment request sufficiently in advance. In case of this condition not being met, the DTP enrollment would be effective from the immediately succeeding Record Date of the dividend in the Source Scheme. Consequently, any dividend declared between the date of acceptance of the DTP Enrollment Form and date of registration thereof by the Registrar, will be paid out or reinvested in the Source Scheme, as applicable.
- Unit holders will have the right to opt out of DTP facility at any time by submitting a written request. At the time of discontinuation of DTP facility, the unit holders should specify their choice of option i.e. dividend reinvestment or dividend payout, in the Source Scheme, failing which, the default subscription, i.e., Dividend Reinvestment will be applicable.
- Request for cancellation of DTP must be submitted at least seven (7) working days prior to the Record Date for the dividend in the Source Scheme. Any dividend declared in the Source Scheme during the interim period will be transferred to the Target Scheme.
- The Account Statement for DTP transactions will be sent by post or by email (if email id. is provided) within 30 days of dividend transfer.
- It is expressly clarified that the dividends so transferred and invested in Target Scheme shall be constructive payment of dividends to the Unit holder/s and constructive receipt of the same amount from each Unit holder for investment in units of Target Scheme. It is further clarified that the dividend amount transferred would be treated as switch-in / subscription transaction in the Target Scheme and will be liable to PAN and KYC provisions, as may be applicable.
- PMF is not guaranteeing or assuring any dividend under any of the schemes. All dividend distribution is subject to investment performance of the respective schemes, availability of distributable surplus and at the discretion of the Trustee.
- The AMC reserves the right to change/ modify the terms and conditions of the DTP without prior notice or without assigning any reason thereof. If DTP facility is withdrawn from any Source Scheme or Target Scheme, all investors who have opted for DTP will be shifted under dividend Reinvestment Option in the Source Scheme and the unitholders will be sent suitable intimation.

The above is effective from March 8, 2011 under all existing schemes of PMF and from the date of re-opening for ongoing offer in respect of Pramerica Dynamic Monthly Income Fund.

This Addendum forms an integral part of the SID/KIM of Pramerica Liquid Fund, Pramerica Ultra Short Term Bond Fund, Pramerica Short Term Income Fund, Pramerica Equity Fund, Pramerica Dynamic Fund and Pramerica Dynamic Monthly Income Fund. All other terms and conditions appearing in the respective SID/KIM remain unchanged.

**For Pramerica Asset Managers Private Limited  
(Investment Manager for Pramerica Mutual Fund)**

Place : Mumbai  
Date : March 7, 2011

Sd/-  
**Executive Director - Legal & Compliance**

**Name of the Scheme:** Pramerica Liquid Fund (An Open Ended Liquid Scheme) **Investment Objective:** To deliver reasonable market related returns with lower risk and higher liquidity through a portfolio of debt and money market instruments. **Name of the Scheme:** Pramerica Ultra Short Term Bond Fund (An Open Ended Debt Scheme) **Investment Objective:** To provide reasonable returns, commensurate with a low to moderate level of risk and high degree of liquidity, through a portfolio constituted of money market and debt instruments. **Name of the Scheme:** Pramerica Equity Fund (An Open Ended Equity Scheme). **Investment Objective:** To achieve long term capital appreciation by investing in an actively managed diversified portfolio consisting of equity and equity related securities including derivatives, debt and money market Instruments. **Name of the Scheme:** Pramerica Dynamic Fund (An Open Ended Dynamic Asset Scheme). **Investment Objective:** To achieve long term capital appreciation by investing in an actively managed diversified portfolio consisting of equity and equity related securities including derivatives, debt and money market Instruments. **Name of the Scheme:** Pramerica Short Term Income Fund (An Open Ended Income Scheme) **Investment Objective:** The objective of the Scheme is to generate regular returns with moderate level of risk by investing primarily into a portfolio of Debt Securities and Money Market Instruments of short term maturity. **Name of the Scheme:** Pramerica Dynamic Monthly Income Fund (An Open Ended Income Scheme) **Investment Objective:** To generate regular returns through investment 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. Copy of SID/SAI and Key Information Memorandum (KIM) can be obtained from all Investor Services Centers of Pramerica Mutual Fund or can be downloaded from: www.pramericaamf.com.

All mutual funds and securities investments are subject to market risks and there can be no assurance that the objectives of the Scheme will be achieved and the NAV of the funds may go up or down depending upon the factors and forces affecting the securities markets. Pramerica Liquid Fund, Pramerica Ultra Short Term Bond Fund, Pramerica Short Term Income Fund, Pramerica Equity Fund, Pramerica Dynamic Fund and Pramerica Dynamic Monthly Income Fund are only the names of the schemes and do not in any manner indicate either the quality of the schemes, its future prospects and returns. Performance of the Sponsor has no bearing on the expected performance of the mutual fund or any of its schemes. Past performance of the Sponsor and their Affiliates/AMC/Mutual Fund & its Scheme(s) does not indicate the future performance of the Scheme and may not necessarily provide a basis of comparison with other investments. Investment in Mutual Fund Units involves investment risks such as trading volumes, settlement risk, liquidity risk, default risk including the possible loss of principal. As the price / value / interest rates of the securities in which the scheme invests fluctuate, the value of your investment in the Scheme may go up or down. Investors are not being offered any guaranteed / assured returns under any scheme of Pramerica Mutual Fund.

**Statutory Details:** Pramerica Mutual Fund is set up as a Trust under the Indian Trusts Act, 1882 and registered with SEBI. **Sponsor:** Prudential Financial, Inc. (PFI) of the United States of America [liability restricted to initial contribution of ₹ 1 Lac towards the corpus of the Mutual Fund]. [Pramerica is the brand name used by Prudential Financial, Inc. (PFI) of the United States and its affiliates in select countries outside of the United States. Pramerica, the Pramerica Logo, and the Rock symbol are service marks of PFI and its related entities, registered in many jurisdictions worldwide. Prudential Financial, Inc. of the United States is not affiliated in any manner with Prudential plc, a company incorporated in the United Kingdom.] **Trustee:** Pramerica Trustees Private Limited **Investment Manager:** Pramerica Asset Managers Private Limited.

**MUTUAL FUND INVESTMENTS ARE SUBJECT TO MARKET RISKS. PLEASE READ THE SCHEME INFORMATION DOCUMENTS AND THE STATEMENT OF ADDITIONAL INFORMATION CAREFULLY BEFORE INVESTING.**