

**Pramerica**

MUTUAL FUND

**DHFL Pramerica Asset Managers Private Limited**

(erstwhile Pramerica Asset Managers Private Limited)

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**NOTICE CUM ADDENDUM [No. 08 of 2017-18]****Change in the Fundamental Attributes of DHFL Pramerica Equity Income Fund**

**NOTICE IS HEREBY GIVEN THAT,** DHFL Pramerica Trustees Private Limited (Trustees to DHFL Pramerica Mutual Fund), has approved the following changes in the asset allocation pattern, benchmark, etc in DHFL Pramerica Equity Income Fund ("the Scheme") with effect from September 13, 2017 ("Effective Date"), which tantamounts to change in the Fundamental Attributes of the scheme as per Regulation 18(15A) of the SEBI (Mutual Funds) Regulations, 1996.

Particulars	Existing Scheme Features				Proposed Scheme Features			
<b>Name of the Fund</b>	DHFL Pramerica Equity Income Fund							
Asset Allocation	Instruments	Indicative Allocation (% of Assets)		Risk Profile	Instruments	Indicative Allocation (% of Assets)		Risk Profile
		Min	Max			Min	Max	
A. Equity and Equity related instruments		65%	90%	High	A. Equity and Equity related instruments	65%	90%	High
A1. Of which Net Long Equity*		15%	30%	High	A1. Of which Net Long Equity*	15%	40%	High
A2. Of which Equity and Equity derivatives** (Only Arbitrage opportunities)\$		35%	75%	High	A2. Of which Equity and Equity derivatives** (Only Arbitrage opportunities)	25%	75%	High
B. Debt Securities and Money Market Instruments (including investments in securitized debt)		10%	35%	Low to Medium	B. Debt Securities and Money Market Instruments (including investments in securitized debt)	10%	35%	Low to Medium
					C. Units issued by InVITs and REITs	0%	10%	Medium to High
<p>* In the scheme, unhedged equity exposure shall be limited to 30% of the portfolio value. Unhedged equity exposure means exposure to equity shares alone without a corresponding equity derivative exposure.</p> <p>** 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.</p> <p>\$ Includes investments in derivatives (gross exposure shall not exceed 50% of the asset allocation stipulated above for the relevant instrument category).</p> <p>The Scheme may invest in Treasury Bills, Repos &amp; Collateralized Borrowing and Lending Obligations ("CBLO"). The Scheme shall not invest in debt foreign securities. Investment in securitized debt may be made to the extent of 20% of net assets of the Scheme. The Scheme shall not invest in foreign securitized debt.</p>					<p>* In the scheme, un-hedged equity exposure shall be limited to 40% of the portfolio value. Unhedged equity exposure means exposure to equity shares alone without a corresponding equity derivative exposure.</p> <p>** 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.</p> <p>The Scheme may invest in Treasury Bills, Repos &amp; Collateralized Borrowing and Lending Obligations ("CBLO"). The Scheme shall not invest in debt foreign securities. Investment in securitized debt may be made to the extent of 20% of net assets of the Scheme. The Scheme shall not invest in foreign securitized debt.</p>			
<b>Benchmark</b>	75% of CRISIL Liquid Fund Index and 25% in Nifty 50 Index				70% of the NIFTY 50 Arbitrage Index and 30% of the NIFTY 50 Index			

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

**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:**

- The Mutual Fund under all its schemes shall not own more than 10% of units issued by a single issuer of REIT and InvIT.
- The Scheme shall not invest more than 10% of its NAV in the units of REITs and InvITs.
- 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 and conditions of the Scheme will remain unchanged.

A detailed letter mentioning the rationale for the change in the asset allocation, benchmark, etc is being sent to the existing unitholders of the scheme. Existing Unit holders (i.e. whose names appear in the register of Unitholders as on August 11, 2017) who are not in agreement with the aforesaid changes may exit the scheme by redeeming their units or switching to other available / eligible Schemes of DHFL Pramerica Mutual Fund at the prevailing Net Asset Value without payment of exit load between August 14, 2017 and September 12, 2017 (both days inclusive). Unit holders who do not exercise the exit option by September 12, 2017 shall be deemed to have consented to the proposed change. In case any existing unit holder do not receive the communication, they are advised to contact any of the Investor Service Centers of DHFL Pramerica Asset Managers Private Limited (AMC). Redemption / Switch requests, if any, may be lodged at any of the Official Points of Acceptance of DHFL Pramerica Mutual Fund. Unit holders who have pledged / encumbered their units will not have the option to exit unless they submit a release of their pledges / encumbrances prior to submitting their redemption / switch requests.

Unit holders should ensure that any changes in address or pay-out bank details required by them, are updated in the Fund's records before exercising the exit option. Redemption / switch-out by the Unit holders due to change in the fundamental attributes of the Scheme or due to any other reasons may entail tax consequences. In view of the individual nature of the implications, each Unit holder is advised to consult his or her own tax advisor.

Unit holders may note that no action is required in case they are in agreement with the aforesaid changes, which shall be deemed as acceptance of these changes. This offer to exit is merely an option and not compulsory. DHFL Pramerica Asset Managers Private Limited / DHFL Pramerica Mutual Fund would like the Unit holders to remain invested in the Scheme.

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

Place : Mumbai

Date : August 11, 2017

Sd/-

Authorized Signatory

**MUTUAL FUND INVESTMENTS ARE SUBJECT TO MARKET RISKS,  
READ ALL SCHEME RELATED DOCUMENTS CAREFULLY.**