



Pramerica

MUTUAL FUND

DHFL Pramerica Asset Managers Private Limited

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NOTICE CUM ADDENDUM [No. 5 of 2019-20]

NOTICE CUM ADDENDUM TO THE SCHEME INFORMATION DOCUMENTS ('SIDs') AND KEY INFORMATION MEMORANDUMS ('KIMs') OF THE SCHEMES ('THE SCHEMES') OF DHFL PRAMERICA MUTUAL FUND ('THE MUTUAL FUND')

Unitholders are requested to note that, in order to simplify and rationalize product offerings and in the interest of the investors, DHFL Pramerica Asset Managers Private Limited ("DHFL Pramerica AMC") and DHFL Pramerica Trustees Private Limited ("DHFL Pramerica TC"), the asset management company and trustee company of DHFL Pramerica Mutual Fund ("DHFL Pramerica MF") have decided to make changes to the schemes of DHFL Pramerica MF as under:

MERGER OF SCHEMES/PLANS/OPTIONS OF SCHEMES OF DHFL PRAMERICA MF

The Board of Directors of DHFL Pramerica AMC and DHFL Pramerica TC have approved the merger of the below referred a) Schemes and b) Discontinued plans/options of schemes of DHFL Pramerica Mutual Fund:

A. Merger of schemes of DHFL Pramerica MF:

Scheme Getting Merged ("Transferor Scheme")	Scheme with which Transferor Scheme is proposed to be merged ("Transferee Scheme")	Surviving Schemes and Type of Schemes
DHFL Pramerica Floating Rate Fund (An open ended debt scheme predominantly investing in floating rate instruments (including fixed rate instruments converted to floating rate exposures using swaps/derivatives))	DHFL Pramerica Ultra Short Term Fund (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)	DHFL Pramerica Ultra Short Term Fund (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)
DHFL Pramerica Medium Term Fund (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)	DHFL Pramerica Credit Risk Fund (An open ended debt scheme predominantly investing in AA and below rated corporate bonds (excluding AA+ rated corporate bonds))	DHFL Pramerica Credit Risk Fund (An open ended debt scheme predominantly investing in AA and below rated corporate bonds (excluding AA+ rated corporate bonds))

Please refer to **Exhibit 1** of the letter sent to the unitholders ("Letter") for details pertaining to the Transferor Schemes and the Transferee Schemes to be provided to you as per the SEBI (Mutual Fund) Regulations, 1996 ("MF Regulations").

B. Merger of certain plans/options under various schemes of DHFL Pramerica MF:

Scheme Name	Name of the Transferor Plans/Options	Name of Transferee Schemes/Plans/Options under which Transferor Plans/options will be merged
DHFL Pramerica Floating Rate Fund	Direct Plan - Quarterly Dividend	DHFL Pramerica Ultra Short Term Fund - Direct Plan - Monthly Dividend
DHFL Pramerica Floating Rate Fund	Regular Plan - Quarterly Dividend	DHFL Pramerica Ultra Short Term Fund - Regular Plan - Monthly Dividend
DHFL Pramerica Floating Rate Fund	Direct Plan - Annual Dividend	DHFL Pramerica Ultra Short Term Fund - Direct Plan - Monthly Dividend
DHFL Pramerica Floating Rate Fund	Regular Plan - Annual Bonus	DHFL Pramerica Ultra Short Term Fund - Growth
DHFL Pramerica Floating Rate Fund	Regular Plan - Bonus	DHFL Pramerica Ultra Short Term Fund - Growth
DHFL Pramerica Medium Term Fund	Direct Plan - Growth	DHFL Pramerica Credit Risk Fund - Direct Plan - Growth
DHFL Pramerica Medium Term Fund	Direct Plan - Dividend	DHFL Pramerica Credit Risk Fund - Direct Plan - Quarterly Dividend
DHFL Pramerica Medium Term Fund	Direct Plan - Monthly Dividend	DHFL Pramerica Credit Risk Fund - Direct Plan - Monthly Dividend
DHFL Pramerica Medium Term Fund	Direct Plan - Quarterly Dividend	DHFL Pramerica Credit Risk Fund - Direct Plan - Quarterly Dividend
DHFL Pramerica Medium Term Fund	Direct Plan - Annual Dividend	DHFL Pramerica Credit Risk Fund - Direct Plan - Annual Dividend
DHFL Pramerica Medium Term Fund	Regular Plan - Growth	DHFL Pramerica Credit Risk Fund - Growth
DHFL Pramerica Medium Term Fund	Regular Plan - Dividend	DHFL Pramerica Credit Risk Fund - Quarterly Dividend
DHFL Pramerica Medium Term Fund	Regular Plan - Monthly Dividend	DHFL Pramerica Credit Risk Fund - Monthly Dividend
DHFL Pramerica Medium Term Fund	Regular Plan - Quarterly Dividend	DHFL Pramerica Credit Risk Fund - Quarterly Dividend
DHFL Pramerica Medium Term Fund	Regular Plan - Annual Dividend	DHFL Pramerica Credit Risk Fund - Annual Dividend

It may be noted that wherever the Distributor Code is Direct, or not mentioned, such balances if any, will be merged into the Direct Plan. Investments made through distributors with wrong/invalid/incomplete ARN codes will be merged into the "Direct plan". Only investments with valid ARN codes will be merged into the "Regular Plan".

CONSEQUENCES OF MERGER

Please note that post the proposed merger of Transferor Schemes/Plans/Options with the Transferee Schemes/Plans/Options, on and from the Effective Date, the Transferee Schemes/Plans/Options will be the surviving schemes and the investment objective, investment pattern, annual recurring expense structure and all the other provisions of the Transferee Schemes/Plans/Options as contained in the Scheme Information Document and Key Information Memorandum on completion of merger will be effective for the unit holders of the Transferor Schemes/Plans/Options. It may be noted that there are no other changes in the schemes. Effective Date means the Date on which the units of "Transferee Scheme" will be allotted to investors of the "Transferor Scheme".

As a result of the above merger, no new scheme/plan/option will come into effect. On the date of completion of merger, the Transferor Schemes/Plans/Options will cease to exist and the unit holders of Transferor Schemes/Plans/Options as on the Effective Date will be allotted units under the corresponding/other available option of Transferee Schemes/Plans/Options at the last available applicable Net Asset Value ("NAV") or at the Face Value, in case there are no units in the corresponding/other available option of Transferee Scheme. In case of any pledge/lien/other encumbrance marked on any units in Transferor Schemes/Plans/Options, the same shall be marked on the corresponding number of units allotted in Transferee Schemes/Plans/Options.

The expenses related to the proposed merger as outlined above will not be charged to the unit holders of the merging schemes/plans/options.

CREATION OF SEGREGATED PORTFOLIO IN SCHEMES OF DHFL PRAMERICA MF

SEBI vide its Circular no. SEBI/HO/IMD/DF2/CIR/P/2018/160 dated December 28, 2018 has permitted creation of segregated portfolio of debt and money market instruments by schemes of mutual funds.

The Boards of Directors of DHFL Pramerica AMC and DHFL Pramerica TC have approved creation of segregated portfolio of debt and money market instruments in case of a credit event. In view of the same, following provisions shall be inserted in the Scheme Information Document (SID) of DHFL Pramerica Fixed Duration Fund - Series AH and DHFL Pramerica Fixed Duration Fund - Series AP:

The AMC may create a segregated portfolio of debt and money market instruments in a mutual fund scheme in case of a credit event and to deal with liquidity risk.

In this regard, the term 'segregated portfolio' shall mean a portfolio comprising of debt or money market instrument affected by a credit event, that has been segregated in a mutual fund scheme and the term 'main portfolio' shall mean the scheme portfolio excluding the segregated portfolio. The term 'total portfolio' shall mean the scheme portfolio including the securities affected by the credit event.

A segregated portfolio may be created in a mutual fund scheme in case of a credit event at issuer level i.e. downgrade in credit rating by a SEBI registered Credit Rating Agency (CRA), as under:

- Downgrade of a debt or money market instrument to 'below investment grade', or
- Subsequent downgrades of the said instruments from 'below investment grade', or
- Similar such downgrades of a loan rating.

Risks associated with segregated portfolio:

- Investor holding units of segregated portfolio may not able to liquidate their holding till the time recovery of money from the issuer.
- Security comprising of segregated portfolio may not realise any value.
- Listing of units of segregated portfolio in recognised stock exchange does not necessarily guarantee their liquidity. There may not be active trading of units in the stock market. Further trading price of units on the stock market may be significantly lower than the prevailing NAV.

In case of difference in rating by multiple CRAs, the most conservative rating shall be considered. Creation of segregated portfolio shall be based on issuer level credit events as detailed above and implemented at the ISIN level. Investors may please note that the detailed process to be followed for segregation of portfolios shall be stated in the Statement of Additional Information (SAI). A separate addendum to the SAI shall be published in this regard.

NOTICE AND EXIT OPTION TO UNIT HOLDERS

The Boards of Directors of DHFL Pramerica AMC and DHFL Pramerica TC at their meeting held on February 21, 2019, April 23, 2019 and vide resolution dated May 7, 2019, have approved the above proposals. Further, SEBI, vide its letter, no. IMD/DF3/OW/P/2019/12494/1 and IMD/DF3/OW/P/2019/12494/2 dated May 17, 2019, has provided it's no objection to the proposed changes as set out above.

As per MF Regulations and the relevant circulars, the merger of schemes/plans/options, and creation of segregated portfolio (hereinafter referred as 'Fundamental Attributes Changes') amount to change in the fundamental attributes of the schemes concerned. Such Fundamental Attributes Changes can be carried out only after the unit holders of the concerned schemes have been sent written communication to provide them with an option of exiting the scheme within a period of 30 days at the prevailing net asset value ("NAV") without being charged an exit load ("Exit Option").

Accordingly, this Notice serves as a communication to the unit holders of schemes concerned about the Fundamental Attributes Changes as described above and each unit holder of Schemes concerned is hereby given an option to exit his/her/its investment in the scheme(s) of DHFL Pramerica MF at the prevailing NAV without exit load if any.

The exit option will be available to all the unit holders of the concerned Schemes as per the records of Karvy Fintech Pvt. Ltd. (the "Registrar"), as at the close of business hours on May 22, 2019. The option to exit without exit load can be exercised from May 24, 2019 to June 22, 2019 (both days inclusive) ("Exit Option Period") within the respective scheme cut-off timelines. All transaction requests received after June 22, 2019, will be subject to load, as may be prevailing at that time in the respective Schemes.

Redemption/Switch requests may be lodged at any of the Official Points of Acceptance of DHFL Pramerica MF by filling out the redemption/switch request slip provided in **Exhibit 2** of Letter to unit holders or by filling the transaction slips and submitting the same duly signed as per the mode of holding or to depository participant (in case of units held in electronic (demat) mode). For list of Official Points of Acceptance, please visit our website www.dhflpramericamf.com. The redemption payment will be made within 10 business days of receipt of valid redemption request to those unit holders who choose to exercise their Exit Option. Unit holders who have pledged/encumbered their units will not have the option to exit unless they procure a release of their pledges/encumbrances and appropriately communicate the same to DPMF/Registrar prior to submitting their redemption/switch requests during the exit option period. In case a lien is marked on units held by a unit holder or units have been frozen/locked pursuant to an order of a governmental authority or a court, redemption/switch out can be executed only after the lien/order is vacated/revoked within the Exit Option Period specified above.

Investors who have registered for Systematic Investment Plan (SIP) in the Transferor Schemes/Plans/Options and who do not wish to continue their future investments in the Transferee Schemes/Plans/Options must apply for cancellation of their SIP registrations.

If you have no objection to the proposed Fundamental Attributes Changes, no action needs to be taken by you. This offer to exit is merely an option and is not compulsory.

Please note that unit holders who do not opt for redemption on or before June 22, 2019 shall be deemed to have consented to Fundamental Attributes Changes as specified in this Notice.

CONTACT INFORMATION

In case you require any further information/assistance please contact:

DHFL Pramerica Asset Managers Private Limited

2nd floor | Nirlon House | Dr. Annie Besant Road | Worli | Mumbai - 400 030

Telephone No.: 1800 266 2667 | E-mail: customercare@dhflpramericamf.in

Or,

Registrar

Karvy Fintech Private Limited

Unit - DHFL Pramerica Mutual Fund

Skanda | 59, Puttanna Road | Basavangudi | Bangalore - 560 004

This Notice-cum-Addendum forms an integral part of SIDs and KIMs of the relevant Schemes of DHFL Pramerica MF, as amended from time to time. All the other terms and conditions of SIDs and KIMs of the above-mentioned Schemes of the Mutual Fund will remain unchanged.

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

Sd/-

Ajit Menon

Chief Executive Officer

Place : Mumbai

Date : May 22, 2019

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