

NOTICE [No. 4 of 2015-16]

Notice is hereby given to the unit holders of Pramerica Mutual Fund ("PMF") that with a view to expand the growth of Pramerica Asset Managers Private Limited ("PAMC") and Pramerica Trustees Private Limited ("PTC"), (wholly owned subsidiaries of PGLH of Delaware, Inc. ("PGLH"), the current sponsor of PMF (i.e., Prudential Financial, Inc. ("PFI")) proposes to enter into a strategic partnership with Dewan Housing Finance Corporation Limited ("DHFL"). Upon completion of the proposed sale, PAMC and PTC will become joint ventures between PFI and DHFL, with PGLH holding 50% of the paid-up share capital of PAMC and PTC and DHFL holding the remaining 50% of the paid-up share capital of PAMC and PTC (the "Proposed Transaction").

Pursuant to the Proposed Transaction: (a) DHFL will become a co-sponsor of PMF; and (b) there will be a change in the controlling interest of PAMC. Further, subject to receiving necessary approvals, the names of PAMC and PTC, and the name of PMF and of the schemes of PMF will change as mentioned subsequently in this notice ("Notice").

The Proposed Transaction has been approved by the Board of Directors of PAMC and PTC on October 28, 2014. The Board of Directors of PTC has approved the change in controlling interest of PAMC on October 28, 2014. Further, SEBI vide its letter Ref. No. OW/16233/2015 dated June 11, 2015 granted its no-objection to the aforesaid change in controlling interest of PAMC under the provisions of SEBI (Mutual Funds) Regulations, 1996 ("MF Regulations").

Details in relation to DHFL and the Proposed Transaction are set out below.

DHFL was founded in 1984 by Late Shri Rajesh Kumar Wadhawan with a vision to provide financial access to the lower and middle income ("LMI") segments of society. DHFL was the second dedicated housing finance company to be established in India. Today, led by Mr. Kapil Wadhawan, Chairman and Managing Director, DHFL is one of India's leading mortgage finance institutions. DHFL continues to stay true to its commitment of serving LMI segments of society by enabling access to home ownership.

DHFL has a strong marketing and distribution network with branch presence in over 300 locations across the country and 2 representative offices in Dubai and London and additional presence in around 150 centres, through tie-ups with private and public sector banks.

DHFL is registered as a housing finance company with National Housing Bank vide Registration no. 01.0014.01. DHFL's shares are listed on BSE Limited and National Stock Exchange of India Limited.

DHFL is renowned for its customer-driven approach to doing business. In doing so, it has continually endeavoured to innovate on its product and service proposition, while reaching out to its target customers through a nationwide branch and affiliate network. DHFL is well known for its efficient systems, transparent processes and consistent dedication to serve a large and growing socio-economic group of the country.

DHFL has always maintained high-quality loan and investment portfolios, by retaining its focus on its target customer base and establishing a comprehensive risk-assessment and diligent risk monitoring and remediation procedures.

DHFL enjoys a credit-rating of "CARE AAA" by Credit Analysis and Research Limited, as well as "BWR AAA by Brickworks", which allows it to access finance at competitive interest rates.

With the amalgamation of First Blue Home Finance Limited in the financial year 2012-13, the loan book of DHFL grew significantly. DHFL is now better equipped to cater to the upper middle and higher income groups, while retaining its focus on the LMI segment.

During the financial year 2013-14, DHFL and its promoters/affiliates entered into a joint-venture with PFI, by acquiring 74% equity stake in DLF Pramerica Life Insurance Company Limited, to provide life insurance solutions in India.

DHFL's vision is to help its customers build wealth, create assets and bring in financial inclusion and protection in Tier 2 and 3 cities and towns of the country. In fulfilling this vision, DHFL endeavours to invest in areas that will help achieve its vision.

Expected Benefits of the Proposed Transaction

The proposed transaction further strengthens the ability of PAMC to meet the investment needs of its clients across India. The combination will allow PAMC to bring new ideas and solutions to its clients and to expand its business successfully over time. It will also further increase the financial strength of PAMC. Each partner brings strong capabilities to the partnership: PFI, as a top ten global asset manager, has significant expertise in investment management, while DHFL brings strong capabilities in knowledge of the Indian market, deep relationships with leading corporate houses and select distributors, and its own expansive network of over 300 locations across the country. DHFL's network and reach is complementary to PAMC's existing network and will help the business expand in previously unexplored locations.

Proposed changes pursuant to the Proposed Transaction

The following key changes will occur pursuant to the Proposed Transaction:

- DHFL will hold 50% of the paid-up share capital of PAMC and PTC and PGLH (with its nominee) will hold the remaining 50%.
- DHFL will become a co-sponsor (i.e., along with PFI) of PMF.
- Persons nominated by DHFL will be appointed to the Board of Directors of PAMC and PTC in compliance with all applicable laws.
- Necessary amendments to the Trust Deed dated July 28, 2009 constituting PMF, as amended by the Amendment Deed dated April 20, 2010 (collectively the "Trust Deed") will be carried out, by way of an execution of an amendment deed ("Deed of Variation") between PFI (the settlor and the sponsor of PMF), PGLH, PTC and DHFL, to admit DHFL as a co-sponsor of PMF. Approval of the unit holders of the schemes of PMF will be obtained for amending the Trust Deed. The Deed of Variation is enclosed as **Exhibit 1** to the letter sent to the unit holders ("Exit Option Letter").
- PMF will be renamed as "DHFL Pramerica Mutual Fund". Each scheme of PMF will be renamed to replace the word "Pramerica" with the words "DHFL Pramerica" (for instance, Pramerica Midcap Opportunities Fund will be renamed as DHFL Pramerica Midcap Opportunities Fund).
- The names of PAMC and PTC will be changed to "DHFL Pramerica Asset Managers Private Limited" and "DHFL Pramerica Trustees Private Limited", respectively or such other name containing the words "DHFL" and "Pramerica" as may be approved by the Registrar of Companies, Mumbai, Maharashtra.
- Consequent to the above changes, the corporate logo, corporate materials and documents will undergo changes to reflect the new names of PMF, PAMC and PTC.
- Statement of Additional Information of PMF, Scheme Information Document, Key Information Memorandum of schemes of PMF and other relevant documents relating to the existing Schemes of PMF will be amended and updated to reflect the changes pursuant to the Proposed Transaction. Such addenda will be published in newspapers and also made available on the website of PAMC.

Approval for amendment of the Trust Deed

As provided in the MF Regulations, the Trust Deed and Statement of Additional Information of PMF, no amendment to the Trust Deed shall be carried out without the prior approval of the unit holders of PMF (such approval may be obtained through postal ballot). As such, approval of all the unit holders of the schemes of PMF, as per the records of Karvy Computershare Pvt. Ltd ("Registrar"), as at the close of business hours of June 19, 2015 is sought for amendment of the Trust Deed through postal ballot. Details of the postal ballot, particularly the terms of voting, mode of voting, timelines for sending duly filled-in and signed ballot papers, manner of determining the results of postal ballot, etc. are mentioned in the Exit Option Letter. **Unit holders are requested to note that if you do not send the signed and duly filled-in ballot paper so as to reach the Registrar on or before close of business hours on July 24, 2015, it will be treated as your consent for the proposed amendment of the Trust Deed.** Further, unit holders to note that if no valid vote is received by the Registrar on or before close of business hours July 24, 2015, then it will be deemed that none of the unit holders of the schemes of PMF have any objection to the proposed amendment of the Trust Deed and the said amendments would stand approved and be binding on the unit holders of all schemes of PMF.

Notice to Unit Holders in relation to Change in the Controlling Interest of PAMC pursuant to the Proposed Transaction

While the aforementioned changes will not affect the basic characteristic of the schemes of PMF nor constitute any change in fundamental attributes of the schemes including their investment objective, Regulation 22(e) of the MF Regulations requires that for a change in controlling interest of an asset management company, in this case PAMC, (i) a written communication about the proposed change be sent to each unit holder and an advertisement be placed in one English daily newspaper having wide circulation and in a newspaper published in the language of the region where the head office of the mutual fund is situated; (ii) the unit holders be given an exit option at prevailing net asset value ("NAV") without any exit load for a period of 30 (thirty) days. Accordingly, this Notice serves as a communication to the unit holders of the schemes of PMF about the change in controlling interest of PAMC pursuant to the Proposed Transaction and each unit holder is hereby given an option to exit their investments in the scheme(s) of PMF at the prevailing NAV without exit load, if any. The exit option will be available to all the unit holders of the schemes as per the records of the Registrar, as at the close of business hours on June 19, 2015. The option to exit without exit load can be exercised from June 25, 2015 to July 24, 2015 (both days inclusive) ("Exit Option Period") within the respective scheme cut-off timelines. **All transaction requests received after July 24, 2015, will be subject to load, as may be prevailing at that time in the respective schemes.**

The redemption warrant/cheque will be mailed or the amount of redemption will be credited to unit holder's bank account (as registered in the records of the Registrar) within 10 (ten) working days from the date of receipt of redemption request.

The offer to exit is merely an option and is not mandatory. If you have no objection to the proposed change in controlling interest of PAMC and proposed changes as aforesaid, no action needs to be taken by you.

Please note that unit holders who do not opt for redemption on or before July 24, 2015 shall be deemed to have consented to the changes specified in this Notice and shall continue to hold units in the schemes of PMF. In case the unit holders disagree with the aforesaid changes, they may redeem all or part of the units in the respective scheme(s) of PMF by exercising the exit option, without exit load within the Exit Option Period by submitting a redemption request at the nearest official points of acceptance/investor service centre of PAMC or of the Registrar at the addresses listed in **Exhibit 3** of the Exit Option Letter or to the depository participant (in case of units held in electronic (demat) mode). Unit holders can also submit the normal redemption form for this purpose.

The option to redeem without exit load during the Exit Option Period can be exercised in the following manner:

- Unit holders can submit redemption requests, duly signed as per the mode of holding at the nearest official points of acceptance/investor service centre of PMF or the Registrar at the addresses mentioned in **Exhibit 3** of the Exit Option Letter or to the depository participant (in case of units held in electronic (demat) mode).
- The redemption transaction shall be processed at applicable NAV as per the "Date and Time Stamp" (D.T.S) number affixed on the redemption request.
- Unit holders should ensure that any changes in address or pay-out bank details required by them, are updated in PMF's records at least 7 (seven) working days before exercising the exit option.

Unit holders who have pledged or 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 PMF / Registrar prior to submission of redemption requests.

The expenses related to the Proposed Transaction and other consequential changes as outlined above will not be charged to the unit holders of the schemes of PMF.

As regards the unit holders who redeem their investments during the Exit Option Period, the tax consequences as set forth in the Statement of Additional Information of PMF and Scheme Information Document of relevant schemes of PMF would apply. In view of the individual nature of tax consequences, you are advised to consult your professional tax advisor for detailed tax advice.

Details of the proposed acquisition of shares by DHFL and changes consequent to such acquisition are also being communicated by way of Exit Option Letter sent to the registered address of each unit holder. A statement of unclaimed redemption and dividend amount and procedure for claiming the same is mentioned in **Exhibit 6** of the Exit Option Letter.

Unit holders who do not receive the Exit Option Letter or who have any questions, may contact :

Pramerica Asset Managers Private Limited - 2nd Floor, Nirlon House, Dr. Annie Besant Road, Worli, Mumbai - 400 030. Telephone No. 1800 266 2667.

Or,

Registrar,

Karvy Computershare Private Limited - Unit: Pramerica Mutual Fund, Karvy Selenium Tower B, Plot No 31 & 32, Gachibowli, Financial District, Nanakramguda, Serilingampally, Hyderabad - 500 008.

For Pramerica Asset Managers Private Limited

Place : Mumbai
Date : June 18, 2015

Sd/-
Authorized Signatory

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