

Front Cover Page

SCHEME INFORMATION DOCUMENT

**PRAMERICA BANKING AND FINANCIAL SERVICES FUND
(An Open Ended Sectoral Equity Fund)**

Offer of Units of ₹10/- each for cash during the New Fund Offer and
at NAV based prices upon re-opening for Continuous Offer

New Fund Offer Opens on: _____, 2011

New Fund Offer Closes on: _____, 2011

Scheme re-opens for continuous Sale and Repurchase on: _____, 2011

Name of Mutual Fund : PRAMERICA MUTUAL FUND
Name of Asset Management Company : Pramerica Asset Managers Private Limited
Name of Trustee Company : Pramerica Trustees Private Limited
Address of the entities : Nirlon House, 2nd floor, Dr. Annie Besant Road,
Worli, Mumbai – 400030
Website : www.pramericamf.com

The particulars of the Scheme have been prepared in accordance with the Securities and Exchange Board of India (Mutual Funds) Regulations 1996, herein after referred to as SEBI (MF) Regulations as amended till date, and filed with SEBI, along with a Due Diligence Certificate from the AMC. The units being offered for public subscription have not been approved or recommended by SEBI nor has SEBI certified the accuracy or adequacy of the Scheme Information Document (SID).

The Scheme Information Document sets forth concisely the information about the Scheme that a prospective investor ought to know before investing. Before investing, investors should also ascertain about any further changes to this Scheme Information Document after the date of this Document from the Mutual Fund / Investor Service Centres / Website / Distributors or Brokers.

For details of Pramerica Mutual Fund, tax and legal issues and general information, investors are advised to refer to the Statement of Additional Information (SAI) at www.pramericamf.com

SAI is incorporated by reference (is legally a part of the Scheme Information Document).
For a free copy of the current SAI, please contact your nearest Investor Service Centre or log on to our website, www.pramericamf.com

The Scheme Information Document should be read in conjunction with the Statement of Additional Information and not in isolation.

This Scheme Information Document is dated _____, 2011.

INDEX

SR. NO.	PARTICULARS	PAGE NO.
	HIGHLIGHTS - SUMMARY OF THE SCHEME	3
I.	INTRODUCTION	4 – 10
	A. RISK FACTORS	6
	B. REQUIREMENT OF MINIMUM INVESTORS IN THE SCHEME	6
	C. SPECIAL CONSIDERATIONS	6
	D. DEFINITIONS	8
	E. DUE DILIGENCE BY THE ASSET MANAGEMENT COMPANY	10
II.	INFORMATION ABOUT THE SCHEME	11– 21
	A. TYPE OF SCHEME	11
	B. INVESTMENT OBJECTIVE	11
	C. ASSET ALLOCATION AND INVESTMENT PATTERN	11
	D. WHERE WILL THE SCHEME INVEST?	12
	E. INVESTMENT STRATEGY & APPROACH	16
	F. FUNDAMENTAL ATTRIBUTES	17
	G. BENCHMARK	18
	H. FUND MANAGER FOR THE SCHEME	18
	I. INVESTMENT RESTRICTIONS	19
	J. SCHEME PERFORMANCE	21
III.	UNITS & OFFER	22 – 36
	A. NEW FUND OFFER (NFO)	22
	B. ONGOING OFFER DETAILS	28
	C. PERIODIC DISCLOSURES & OTHER INFORMATION	35
	D. COMPUTATION OF NET ASSET VALUE	36
IV.	FEES AND EXPENSES	37 – 38
	A. NEW FUND OFFER (NFO) EXPENSES	37
	B. ANNUAL SCHEME RECURRING EXPENSES	37
	C. LOAD STRUCTURE	38
	D. WAIVER OF ENTRY LOAD FOR DIRECT APPLICATIONS	39
V.	RIGHTS OF UNITHOLDERS	38
VI.	PENALTIES, PENDING LITIGATION OR PROCEEDINGS, FINDINGS OF INSPECTIONS OR INVESTIGATIONS FOR WHICH ACTION MAY HAVE BEEN TAKEN OR IS IN THE PROCESS OF BEING TAKEN BY ANY REGULATORY AUTHORITY.	39

HIGHLIGHTS / SUMMARY OF THE SCHEME

Investment objective	To generate long-term capital appreciation to unitholders from a portfolio that is invested predominantly in equity and equity related securities of companies engaged in banking and financial services. 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.	
Liquidity	The Scheme offers Units for Subscription and Redemption at NAV based prices on all Business Days on an ongoing basis, commencing not later than 5 business days from the closure of NFO. Under normal circumstances the AMC shall dispatch the redemption proceeds within 10 business days from date of receipt of redemption request from the Unit holder.	
Benchmark Index	BSE Bankex Index	
Transparency/NAV Disclosure	NAV of the Scheme will be calculated and disclosed at the close of every Business Day to the Press, News Agencies and Association of Mutual Funds in India (AMFI). The AMC shall publish the NAVs on its Website (www.pramerica.com) and the website of AMFI (www.amfiindia.com) and at least in two daily newspapers for every Business Day.	
Options	<p>The Scheme has two options:</p> <ol style="list-style-type: none"> 1. Growth Option; and 2. Dividend Option <p>Dividend Option consists of following facilities:</p> <ol style="list-style-type: none"> a) Dividend Payout b) Dividend Re-investment c) Dividend Transfer <p>Note: If the dividend amount payable under the Dividend Payout Facility is ₹ 250 or less, then the dividend amount would be compulsorily reinvested in the Dividend Option of the Scheme.</p>	
Loads	Entry Load :	Not Applicable, SEBI vide its circular no. SEBI / IMD / CIR No. 4 / 168230 / 09 dated June 30, 2009 has decided that there shall be no Entry Load for all mutual fund schemes. The upfront commission on investment made by the investor, if any, shall be paid to the distributor (AMFI registered distributor / ARN Holder) directly by the investor, based on the investor's assessment of various factors including service rendered by the distributor.
	Exit Load :	<ul style="list-style-type: none"> • If the Units are Redeemed / Switched-out on or before 365 days of allotment - 1% • If the Units are Redeemed / Switched-out after 365 days of allotment - NIL
Minimum Application Amount	a. Initial investment under a folio	Minimum of ₹5,000/- and in multiples of ₹1/- thereafter.
	b. For subsequent investments (i.e., Addl. purchase under an existing folio)	Minimum of ₹500/- and in multiples of ₹1/-thereafter.
	The minimum amount of investment specified above is not applicable for dividend reinvested under Dividend Option and for investment made under Dividend Transfer Plan.	
Minimum Redemption Amount	₹500 /- or 50 Units in respect of each Option or account balance whichever is lower.	

**S.O.
17a**

I. INTRODUCTION**RISK FACTORS****(i) STANDARD RISK FACTORS:**

- 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 fluctuates, the value of your investment in the Scheme may go up or down.
- Past performance of the Sponsor/AMC/Mutual Fund does not guarantee future performance of the Scheme.
- Pramerica Banking and Financial Services Fund is the name of the Scheme & it does not in any manner indicate either the quality of the Scheme or its future prospects and returns.
- The Sponsor is not responsible or liable for any loss resulting from the operation of the Scheme beyond the initial contribution of ₹1,00,000/- made by it towards setting up the Fund.
- Pramerica Banking and Financial Services Fund is not a guaranteed or assured return scheme.

(ii) SCHEME SPECIFIC RISK FACTORS**1. RISKS ASSOCIATED WITH INVESTMENTS IN EQUITIES**

Equity and equity related securities may be volatile and hence are prone to price fluctuations on a daily basis. The liquidity of investments made in the Scheme may be restricted by trading volumes and settlement periods. Settlement periods may be extended significantly by unforeseen circumstances. The inability of the Scheme to make intended securities purchases, due to settlement problems, could cause the Scheme to miss certain investment opportunities. Similarly, the inability to sell securities held in the Scheme portfolio would result at times, in potential losses to the Scheme, should there be a subsequent decline in the value of securities held in the Scheme portfolio. Also, the value of the Scheme investments may be affected by interest rates, currency exchange rates, changes in law / policies of the government, taxation laws and political, economic or other developments which may have an adverse bearing on individual securities, a specific sector or all sectors.

Investments in equity and equity related securities involve a degree of risk and investors should not invest in the equity Schemes unless they can afford to take the risk of losing their investment.

Investing in a sectoral fund is based on the premise that the Fund will seek to invest in companies belonging to a specific sector. This will limit the capability of the Fund to invest in other sectors. Also, as with all equity investing, there is the risk that companies in that specific sector will not achieve its expected earnings results, or that an unexpected change in the market or within the company will occur, both of which may adversely affect investment results. Thus investing in a sector specific fund could involve potentially greater volatility and risk.

Liquidity Risk on account of unlisted securities:

Securities which are not quoted on the stock exchanges are inherently illiquid in nature and carry a larger liquidity risk in comparison with securities that are listed on the exchanges or offer other exit options to investors, including put options. The AMC may choose to invest in unlisted securities that offer attractive yields within the regulatory limit. The liquidity and valuation of the Scheme investments due to their holdings of unlisted securities may be affected negatively if they have to be sold prior to their target date of divestment. The value of unlisted security may go down before the divestment date and selling these securities before the divestment date may lead to losses in the portfolio.

Please refer to the sections on 'Right to Limit Redemptions' and 'Suspension of Purchase / Redemption / Switch of Units' in Statement of Additional Information.

2. RISKS ASSOCIATED WITH INVESTMENTS IN FIXED INCOME SECURITIES**Interest Rate Risk:**

Market value of fixed income securities is generally inversely related to interest rate movement. Accordingly, value of portfolio of the scheme may fall if the market interest rate rise and may appreciate when the market interest rate comes down.

Credit Risk

This is risk associated with default on interest and /or principal amounts by issuers of fixed income securities. In case of a default, scheme may not fully receive the due amounts and NAV of the scheme may fall to the extent of default.

Spread Risk

Credit spreads on corporate bonds may change with varying market conditions. Market value of debt securities in portfolio may depreciate if the credit spreads widen and vice versa. Similarly, in case of floating rate securities, if the spreads over the benchmark security / index widen, then the value of such securities may depreciate.

Liquidity Risk

Liquidity condition in market varies from time to time. In an environment of tight liquidity, necessity to sell securities may have higher than usual impact cost. Further, liquidity of any particular security in portfolio may lessen depending on market condition, requiring higher discount at the time of selling.

Counterparty Risk

This is the risk of failure of counterparty to a transaction to deliver securities against consideration received or to pay consideration against securities delivered, in full or in part or as per the agreed specification. There could be losses to the Scheme in case of a counterparty default.

Re-investment Risk

Investment in fixed income securities carries re-investment risk. Interest rates prevailing on the coupon payment or maturity date may differ from the purchase yield of the security. This may result in final realized yield to be lower than that expected at the time of purchase.

3. RISKS ASSOCIATED WITH INVESTING IN FOREIGN SECURITIES / OVERSEAS INVESTMENTS

S.O.
3

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

Since the Scheme would invest only partially in foreign securities, there may not be readily available and widely accepted benchmarks to measure performance of such scheme. To manage risks associated with foreign currency and interest rate exposure, the Fund may use derivatives for efficient portfolio management and hedging and portfolio rebalancing and in accordance with conditions as may be stipulated under the Regulations and by RBI from time to time.

Investment in Foreign Securities involves a currency risk. 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.

In addition, investment in Foreign Securities involves country risks, which include events such as introduction of extraordinary exchange controls, bi-lateral conflicts, etc., leading to immobilization of the overseas financial assets and the prevalent tax laws of the respective jurisdiction for execution of trades or otherwise.

4. RISKS ASSOCIATED WITH INVESTMENTS IN DERIVATIVES:

S.O.
5

The Scheme may invest in Derivative products like stock index futures, interest rate swaps, forward rate agreements or other Derivatives in accordance with and to the extent permitted under the Regulations.

- 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 AMC to identify such opportunities. Identification and execution of the strategies to be pursued by the AMC involve uncertainty and the decision of the AMC may not always be profitable. No assurance can be given that the AMC will be able to identify or execute such strategies.
- The risks associated with the use of Derivatives are different from and possibly greater than, the risks associated with investing directly in Securities and other traditional investments. Therefore, Derivatives require investment techniques and risk analysis different from those associated with traditional Securities such as stocks and bonds. The use of Derivatives requires an understanding not only of the underlying instrument but also of the Derivative itself. If the AMC is incorrect in the forecasts of market values and currency exchange rates, the investment performance of the Scheme may be less favourable than it would have been if this investment technique were not used.
- An investment in Derivatives may involve additional risks for investors. These additional risks may arise as a result of any or all of the following: (i) the creditworthiness of the counterparties to such Derivative transactions; and/or (ii) the potential illiquidity of the markets for Derivatives. To the extent that Derivatives are utilised to seek to achieve the investment objectives of the Scheme, and for purposes other than hedging, the overall risk of loss to the Scheme may be increased. To the extent that Derivatives are utilised for hedging purposes, the risk of loss to the Scheme may be increased where the value of the Derivative instrument and the value of the Security or position which it is hedging are insufficiently correlated.
- There is the possibility that a loss may be sustained by the Scheme as a result of the failure of the counterparties to comply with the terms of the Derivatives contract. Therefore a default on the contract would deprive the Scheme of unrealised profits and / or the hedging benefits of the contract or force the Scheme to cover its purchase or sale commitments, if any, at the current market price. Other risks in using Derivatives include the risk of mispricing or improper valuation of Derivatives and the inability of Derivatives to correlate perfectly with underlying assets, rates and indices.
- Derivatives require the maintenance of adequate controls to monitor the transactions entered into. The Scheme bears a risk that it may not be able to correctly forecast future market trends or the value of assets, indexes or other financial or economic factors in establishing derivative positions for the Scheme. Trading in Derivatives carries a high degree of risk although they are traded at a relatively small amount of margin which provides the possibility of significant profit or loss in comparison with the principal investment amount. Even a small price movement in the underlying asset could have a large impact on their value. The Scheme may find it difficult or impossible to execute Derivative transactions in certain circumstances. For example, when there are insufficient bids or suspension of trading due to price limits or circuit breakers, the Scheme may face liquidity issues. Besides the price of the underlying asset, the volatility, tenor and interest rates affect the pricing of Derivatives.

- **Futures and Call Options**

The Scheme may invest in Derivatives such as futures and call options. The option buyer's risk is limited to the premium paid, while the risk of an option writer is unlimited. However the gains of an option writer are limited to the premiums earned. The writer of a call option bears a risk of loss if the value of the underlying asset increases above the exercise price. The loss can be unlimited as the underlying asset can increase to any level. The writer of a put option bears the risk of loss if the value of the underlying asset declines below the exercise price and the loss is limited to the strike price. The relevant stock exchange, if any, may impose restrictions on the exercise of options and may also restrict the exercise of options at certain times in specified circumstances.

Investments in index futures face the same risk as investments in a portfolio of shares representing an index. The extent of loss is the same as in the underlying Securities.

The risk of loss in trading futures contracts can be substantial, because of the low margin deposits required, the extremely high degree of leverage involved in futures pricing and the potential high volatility of the futures markets.

- 5. **RISK ASSOCIATED WITH SHORT SELLING**

Short-selling is the sale of shares or securities that the seller does not own at the time of trading. Instead, he borrows it from someone who already owns it. Later, the short seller buys back the stock/ security he shorted and returns the stock / security to the lender to close out the loan. The inherent risks are Counterparty risk and liquidity risk of the stock / security being borrowed. The security being short sold might be illiquid or become illiquid and covering of the security might occur at a much higher price level than anticipated, leading to losses.

B. REQUIREMENT OF MINIMUM INVESTORS IN THE SCHEME

The Scheme shall have a minimum of 20 investors and no single investor shall account for more than 25% of the corpus of the Scheme. However, if such limit is breached during the NFO of the Scheme, the Fund will endeavour to ensure that within a period of three months or the end of the succeeding calendar quarter from the close of the NFO of the Scheme, whichever is earlier, the Scheme complies with these two conditions. In case the Scheme does not have a minimum of 20 investors in the stipulated period, the provisions of Regulation 39(2)(c) of the SEBI (MF) Regulations would become applicable automatically without any reference from SEBI and accordingly the Scheme shall be wound up and the units would be redeemed at applicable NAV. The two conditions mentioned above shall also be complied within each subsequent calendar quarter thereafter, on an average basis, as specified by SEBI. If there is a breach of the 25% limit by any investor over the quarter, a rebalancing period of one month would be allowed and thereafter the investor who is in breach of the rule shall be given 15 days notice to redeem his exposure over the 25 % limit. Failure on the part of the said investor to redeem his exposure over the 25 % limit within the aforesaid 15 days would lead to automatic redemption by the Mutual Fund on the applicable Net Asset Value on the 15th day of the notice period. The Fund shall adhere to the requirements prescribed by SEBI from time to time in this regard.

C. SPECIAL CONSIDERATIONS

- Prospective investors should study this Scheme Information Document and Statement of Additional Information carefully in its entirety and should not construe the contents hereof as advice relating to legal, taxation, financial, investment or any other matters and are advised to consult their legal, tax, financial and other professional advisors to determine possible legal, tax, financial or other considerations of subscribing to or redeeming units, before making a decision to invest / redeem / hold Units.
- Neither this Scheme Information Document, the Statement of Additional Information nor the Mutual Fund have been registered in any jurisdiction outside India. The distribution of this Scheme Information Document (SID) in certain jurisdictions may be restricted or totally prohibited and accordingly, persons who come into possession of this Scheme Information Document are required to inform themselves about, and to observe, any such restrictions and or legal compliance requirements. No persons receiving a copy of this SID or Key Information Memorandum and any accompanying application form in such jurisdiction may treat this SID or such application form as constituting an invitation to them to subscribe for Units, nor should they in any event use any such application form, unless such an invitation could lawfully be made to them in the relevant jurisdiction and such application form could lawfully be used without compliance of any registration or other legal requirements.
- This is not an offer for sale, or a solicitation of an offer to buy, in the United States or to any "US Person" of any Units of the Scheme" *"US Person" includes a natural person, residing in the United States or any entity organized or incorporated under the laws of the United States.* US Citizens living abroad may also be deemed "US Persons" under certain rules. The Scheme offered hereunder has not been and will not be registered under the United States Securities Act of 1933 as amended ("Securities Act"), for offer or sale as part of its distribution and the Fund or the AMC have not been and will not be registered under the United States Investment Company Act of 1940. This does not constitute, and should not be construed as, "general solicitation or general advertising" as defined under Regulation D of the Securities Act, or "directed selling efforts" under Regulation S of the Securities Act.

The AMC, being a wholly owned subsidiary of a US based parent company, has certain reporting obligations under U.S. tax laws in respect of investments by and payments to US based clients of the India operation. The AMC is also obligated to withhold US tax under US tax laws, if the AMC has made any payment / distributions to US clients who do not have or who have not provided their US taxpayer ID, and also report all payments to US clients on a (US) Form 1099. Thus, notwithstanding what is stated in the foregoing paragraph, if any US based NRI or PIO invests in any schemes of the Mutual Fund, such investor shall be required to fill in and sign the prescribed Form W-9 (including US taxpayer ID/Social Security Number), if he/she is a US citizen or US resident to avoid U.S. tax withholding, if required, at the time of any payments; and if such an investor is a not a US citizen or resident, he/she shall be required fill in and sign the prescribed Form W-8. The respective forms are available at <http://www.irs.gov/pub/irs-pdf/fw9.pdf> and <http://www.irs.gov/pub/irs-pdf/iw8ben.pdf>

- The AMC, Trustee or the Mutual Fund have not authorized any person to issue any advertisement or to give any information or to make any representations, either oral or written, other than that contained in this Scheme Information Document or the Statement of Additional Information or as is provided by the AMC in connection with this offering. Prospective investors are advised not to rely upon any information or representation not incorporated in the Scheme Information Document or Statement of Additional Information or provided by the AMC as having been authorized by the Mutual Fund, the AMC or the Trustee. Any subscription, purchase or sale made by any person on the basis of statements or representations which are not contained in this SID or which are inconsistent with the information contained herein shall be solely at the risk of the investor.
- Pursuant to the provisions of Prevention of Money Laundering Act, 2002 and U.S. Office of Foreign Assets Control (OFAC) laws and regulations, if after due diligence, the AMC believes that any transaction is suspicious in nature as regards money laundering, on failure to provide required documentation, information, etc. by the investor, the AMC shall have absolute discretion to report such suspicious transactions to Financial Intelligence Unit – India (FIU-IND) and / or to freeze the Units under folios of the investor(s), reject any application(s) / allotment of Units.
- 'Hold' on units: On an ongoing basis, when existing and new investors make Subscriptions, pending clearance of the payment instrument, a temporary lien will be created on the Units allotted and such Units shall not be available for redemption/ switch out until the payment proceeds are realised by the Scheme. In case a Unit holder redeems units immediately after making Subscription for purchase of units, the redemption proceeds will be remitted only after the investor's cheque or draft for purchase of the said Units has been realised. In case the cheque / draft is dishonoured during clearing process, the transaction will be reversed and the Units allotted thereagainst shall be cancelled under intimation to the applicant. In respect of NRIs, the AMC/ RTA shall mark a lien on the Units, in case the requisite documents (such as FIRC / Account debit letter) have not been submitted along with the application form and before the submission of the redemption request. The AMC reserves the right to change the operational guidelines for temporary lien on Units from time to time.
- Right to Limit Redemptions: As the liquidity of the Scheme's investments may sometimes be restricted by trading volumes and settlement periods, the time taken by the Fund for Redemption of Units may be significant in the event of an inordinately large number of Redemption requests or of a restructuring of the Scheme's portfolio. The Trustee may, in the general interest of the Unit holders of the Scheme and when considered appropriate to do so based on unforeseen circumstances / unusual market conditions, limit the total number of Units which may be redeemed on any Business Day to 5% of the total number of Units then in issue under the Scheme thereof or such other percentage as the Trustee may determine. Any Unit which consequently are not redeemed on a particular Business Day will be carried forward for Redemption to the next Business Day, in order of receipt. Redemptions so carried forward will be priced on the basis of the Applicable NAV (subject to the prevailing Load, if any) of the Business Day on which Redemption is made. Under such circumstances, to the extent multiple Redemption requests are received at the same time on a single Business Day, redemptions will be made on a pro-rata basis based on the size of each Redemption request, the balance amount being carried forward for Redemption to the next Business Day. In addition, the Trustee reserves the right, in its sole discretion, to limit redemptions with respect to any single account to an amount of ₹1,00,000 in a single day.
- The Mutual Fund may disclose details of the investor's account and transactions there under to those intermediaries whose stamp appears on the application form. In addition, the Mutual Fund may disclose such details to the bankers, as may be necessary for the purpose of effecting payments to the investor. The Fund may also disclose such details to regulatory and statutory authorities/bodies as may be required or necessary.
- Special facilities: The AMC reserves the right to amend or terminate or introduce special facilities for the Scheme. Such facilities for the time being include Switch facility, Systematic Investment Plan, Systematic Withdrawal Plan, Systematic Transfer Plan and Dividend Transfer Facility.
- The tax benefits described in this Scheme Information Document and Statement of Additional Information are as available under the present taxation laws and are available subject to relevant conditions. The information given is included only for general purpose and is based on advise received by the AMC regarding the law and practice currently in force in India as on the date of this Scheme Information Document and the Unit holders should be aware that the relevant fiscal rules or their interpretation may change. As is the case with any investment, there can be no guarantee that the tax position or the proposed tax position prevailing at the time of an investment in the Scheme will endure indefinitely. In view of the individual nature of tax consequences, each Unit holder is advised to consult his / her own professional tax advisor.

Investors are urged to study the terms of the offer carefully before investing in the Scheme, and to retain this SID and the SAI for future reference.

D. DEFINITIONS

AMC or Asset Management Company or Investment Manager	Pramerica Asset Managers Private Limited, incorporated under the provisions of the Companies Act, 1956 and approved by Securities and Exchange Board of India to act as the Asset Management Company for the scheme(s) of Pramerica Mutual Fund.
ADRs	American Depository Receipts [ADRs are negotiable certificates issued to a specified number of shares (or one share) in a foreign stock that is traded on a U.S. exchange. ADRs are denominated in US\$].
ASBA	Applications Supported by Blocked Amount
Applicable NAV	NAV applicable for Purchase or Redemption or Switching of Units based on the time of the Business Day on which the application is time stamped.
Book Closure Period	The period during which the Asset Management Company would temporarily suspend sale, redemption and switching of Units.
Bonus Unit	Means and includes, where the context so requires, a unit issued as fully paid-up bonus unit under the Scheme as prescribed by SEBI (Mutual Funds) Regulations, 1996.
Business Day	<p>A day other than:</p> <ul style="list-style-type: none"> (i) Saturday and Sunday (ii) A day on which the banks in Mumbai and / or RBI are closed for business / clearing (iii) A day on which the National Stock Exchange of India Limited and / or the Stock Exchange, Mumbai are closed (iv) A day which is a public and / or bank holiday at an Investor Service Centre (ISC) / Official Point of Acceptance (OPA) where the application is received (v) A day on which subscription / redemption / switching of Units is suspended by the AMC (vi) A day on which normal business cannot be transacted due to storms, floods, bandhs, terrorist attack, strikes or such other events as the AMC may specify from time to time. <p>The AMC reserves the right to declare any day as a Business Day or otherwise at any or all Investor Service Centres / Official Points of Acceptance.</p>
Business Hours	Presently 9.30 a.m. to 5.30 p.m. on all Business Day(s) or such other time as may be applicable from time to time.
Cut-off timing	In respect of subscriptions, redemptions and switches received by the Scheme, it means the outer limit of timings within a Business Day which are relevant for determination of the NAV / related prices to be applied for a transaction.
Custodian	A person who has been granted a certificate of registration to carry on the business of custodian of securities under the Securities and Exchange Board of India (Custodian of Securities) Regulations 1996, which for the time being in respect of Pramerica Mutual Fund is Citibank N.A.
Depository	Depository as defined in the Depositories Act, 1996 (22 of 1996).
Dividend	Income distributed by the Mutual Fund on the Units.
Dividend Transfer Plan or DTP	An investment plan enabling Unitholders to automatically transfer (invest) the net dividend amount under the Scheme to any other scheme (hereinafter referred to as "Target Scheme") of Pramerica Mutual Fund (PMF) on the ex-dividend date by providing a single / standing instruction.
Equity Related Instruments	Means and include(s) convertible bonds and debentures, convertible preference shares, warrants carrying the right to obtain equity shares, equity derivatives and any other like instrument.
FII	Foreign Institutional Investor, registered with SEBI under the Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995, as amended from time to time.
Foreign Securities	ADRs / GDRs / Equity / Debt Securities of overseas companies listed on the recognized stock exchanges overseas or other securities as may be specified and permitted by SEBI and / or RBI from time to time.
GDR	Global Depository Receipts. GDRs are negotiable certificates held in the bank of one country representing a specific number of shares of a stock traded on the exchange of another country.
Gilts or Government Securities	Securities created and issued by the Central Government and / or a State Government (including Treasury Bills) or Government Securities as defined in the Public Debt Act, 1944, as amended or re-enacted from time to time.
GOI	Government of India.
Holiday	The day(s) on which the banks (including the Reserve Bank of India) are closed for business or clearing in Mumbai or their functioning is affected due to a strike / "Bandh" call made at any part of the country or due to any other reason.

Investment Management Agreement or IMA	The agreement dated July 30, 2009 entered into between Pramerica Trustees Private Limited and Pramerica Asset Managers Private Limited, as amended from time to time.
Investor Service Centres or ISCs	The offices of the AMC and/or the RTA and such other centres / offices as may be designated by the AMC from time to time.
IDR	IDR is an instrument in the form of a Depository Receipt created by the Indian depository in India against the underlying equity shares of the issuing company.
Load	In the case of Redemption / Switch out of a Unit, the amount deducted from the Applicable NAV on the Redemption / Switch out (Exit Load) and in the case of Sale / Switch in of a Unit, a amount to be paid by the prospective investor on the Sale / Switch in of a Unit (Entry Load) in addition to the Applicable NAV. (As per current SEBI regulatory provisions, entry load cannot be charged by mutual fund schemes.)
Money Instruments Market	Includes Commercial Papers, Commercial Bills, Treasury Bills, Government Securities having an unexpired maturity upto 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.
Mutual Fund or the Fund	Pramerica Mutual Fund, a trust set up under the provisions of the Indian Trusts Act, 1882 and registered with SEBI under Securities and Exchange Board of India (Mutual Funds) Regulations, 1996.
Net Asset Value or NAV	Net Asset Value per Unit of the Scheme, calculated in the manner described in this Scheme Information Document or as may be prescribed by the SEBI (Mutual Funds) Regulations, 1996 from time to time.
NRI	Non - Resident Indian or a Person of Indian Origin residing outside India as per the meaning assigned to the term under Foreign Exchange Management (Deposit) Regulations, 2000 framed by Reserve Bank of India under Foreign Exchange Management Act, 1999 (42 of 1999).
OPA	Official Points of Acceptance, as specified by the AMC from time to time where application for all financial and non-financial transactions will be accepted on ongoing basis.
Person of Indian Origin PIO	A citizen of any country other than Bangladesh or Pakistan, if (a) he at any time held an Indian passport; or (b) he or either of his parents or any of his grandparents was a citizen of India by virtue of Constitution of India or the Citizenship Act, 1955 (57 of 1955); or (c) the person is a spouse of an Indian citizen or person referred to in sub-clause (a) or (b).
Rating	An opinion regarding securities, expressed in the form of standard symbols or in any other standardized manner, assigned by a credit rating agency and used by the issuer of such securities, to comply with any requirement of the SEBI (Credit Rating Agencies) Regulations, 1999.
RBI	Reserve Bank of India, established under the Reserve Bank of India Act, 1934.
Record Date	The date that will be considered for the purpose of determining the eligibility of the investors whose names appear in the Scheme's Unitholders' register for receiving Dividend in accordance with SEBI Mutual Funds Regulations, 1996.
Registrar and Transfer Agent, RTA, Registrar	Karvy Computershare Pvt. Ltd, Hyderabad (Karvy) currently acting as registrar to the Scheme(s) of Pramerica Mutual Fund, or any other Registrar appointed by the AMC from time to time.
Redemption / Repurchase	Redemption of Units of the Scheme in accordance with the Regulations.
Regulatory Agency	GOI, SEBI, RBI, Income Tax Department or any other statutory authority or agency entitled to issue or give any directions, instructions or guidelines to the Mutual Fund.
Statement of Additional Information or SAI	The document containing details of Pramerica Mutual Fund, its constitution, and certain tax, legal and general information. SAI is legally a part of the Scheme Information Document.
Sale / Subscription	Sale of Units to consequent upon subscription by the investor / applicant under the Scheme.
Scheme	Pramerica Banking and Financial Services Fund
Scheme Information Document or SID	This document, issued by Pramerica Mutual Fund, offering for Subscription of Units of Pramerica Banking and Financial Services Fund including any addendum which may be issued from time to time.
SEBI	Securities and Exchange Board of India, established under the Securities and Exchange Board of India Act, 1992.
SEBI (MF) Regulations or Regulations	Securities and Exchange Board of India (Mutual Funds) Regulations, 1996, as amended from time to time.
Short Selling	Selling a stock which the seller does not own at the time of the trade.

Sponsor	Prudential Financial, Inc. (Pramerica) of U.S.A. (acting through one of its wholly owned step down subsidiaries, namely, PGLH of Delaware, Inc.). [Neither are affiliated in any manner with Prudential plc, a company incorporated in the United Kingdom.]
Switch	Purchase/allotment of Unit(s) in any scheme (including the options therein) of the Mutual Fund against Redemption of Unit(s) in another scheme (including the options therein) of the Mutual Fund.
Stock Lending	Lending of securities to another person or entity for a fixed period of time, at a negotiated compensation in order to enhance returns of the portfolio.
Systematic Investment Plan or SIP	An investment plan enabling investors to save and invest in the Scheme on a recurrent basis for a specified period at predetermined intervals.
Systematic Transfer Plan or STP	An investment plan enabling Unitholders to transfer specified amounts from one scheme of Pramerica Mutual Fund to another on a recurrent basis for a specified period at predetermined intervals by providing a single / standing instruction.
Systematic Withdrawal Plan or SWP	A plan enabling Unitholders to withdraw / redeem fixed amounts from the Scheme on a recurrent basis for a specified period at predetermined intervals by providing a single / standing instruction.
Trust Deed	The Trust Deed dated July 28, 2009 establishing an irrevocable trust, named "Pramerica Mutual Fund" and the Deed of Amendment dated April 20, 2010 thereto, executed by and between the Sponsor /settlor and the Trustee.
Trustee or Trustee Company	Pramerica Trustees Private Limited incorporated under the provisions of the Companies Act, 1956 and appointed by the Settlor / Sponsor to act as the trustee to the Schemes of "Pramerica Mutual Fund".
Unit	The interest of the Unit holder which consists of each Unit representing one undivided share in the assets of the Scheme.
Unit holder	A person holding Units in Pramerica Banking and Financial Services Fund.

INTERPRETATION

For all purposes of this Scheme Information Document, except as otherwise expressly provided or unless the context otherwise requires

- a. All references to the masculine shall include the feminine and all references to the singular shall include the plural and vice versa.
- b. All references to "Dollars" or "\$" or USD refer to Dollars of United States of America and "₹" or INR refer to Indian Rupees. A "crore" means "ten million" and a "lakh" means a "hundred thousand".
- c. All references to timings relate to Indian Standard Time (IST).
- d. References to a day are to a calendar day, including a non Business Day.

E. DUE DILIGENCE BY THE ASSET MANAGEMENT COMPANY

It is confirmed that:

- (i) The draft Scheme Information Document forwarded to SEBI is in accordance with the SEBI (Mutual Funds) Regulations, 1996 and the guidelines and directives issued by SEBI from time to time.
- (ii) All legal requirements connected with the launching of the scheme as also the guidelines, instructions, etc., issued by the Government and any other competent authority in this behalf, have been duly complied with.
- (iii) The disclosures made in the Scheme Information Document are true, fair and adequate to enable the investors to make a well informed decision regarding investment in the proposed scheme.
- (iv) The intermediaries named in the Scheme Information Document and Statement of Additional Information are registered with SEBI and their registration is valid, as on date.

Signed : Sd/-

Place : Mumbai
Date : _____

Name : Balkrishna Kini
Designation : Executive Director - Compliance & Legal

Note : The aforesaid Due Diligence Certificate dated _____, was submitted to the Securities and Exchange Board of India on _____.

II. INFORMATION ABOUT THE SCHEME

A. TYPE OF THE SCHEME – An Open Ended Sectoral Equity Scheme

B. WHAT IS THE INVESTMENT OBJECTIVE OF THE SCHEME?

To generate long-term capital appreciation to unitholders from a portfolio that is invested predominantly in equity and equity related securities of companies engaged in banking and financial services. 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.

C. HOW WILL THE SCHEME ALLOCATE ITS ASSETS?

Under normal circumstances, the asset allocation in the Scheme will be as follows:

Instruments	Indicative allocations (% of total assets)		Risk Profile (High/ Medium/ Low)
	Minimum	Maximum	
Equity and equity related securities (including equity derivatives & IDRs) of companies engaged in Banking and Financial Services Sector [#]	65	100	High
Equity and equity related securities (including equity derivatives) of companies wherein, a part of their operations would be leveraged to the Banking and Financial Services Sector	0	35	High
Debt and money market securities	0	35	Low to Medium

S.O.
14

[#] The Fund will take matching positions of a minimum of 50% to BSE Bankex index in respect of the Equity portion. (The term "Matching Position" is explained in the subsequent section under "Investment Strategy"). However, the fund would opportunistically invest in other companies which are outside the BSE Bankex index, but which form part of Banking and Financial Services Industry.

The Scheme shall not invest in securitized debt, nor engage in Short Selling of securities and Securities Lending. Subject to applicable regulatory guidelines, the Scheme may also invest in foreign securities. Under normal circumstances the Scheme shall not have an exposure of more than 25% of its net assets in foreign securities.

S.O.
4,6

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.

Change in Asset Allocation

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 Fund Manager, the intention being at all times to seek to protect the interests of the Unitholders, and meet the objective of the Scheme.

Such changes in the asset allocation will be for short term and defensive considerations. In case of deviation, the AMC would endeavor rebalance the portfolio in tune with the aforesaid asset allocation pattern within one month from the date of such deviation. Provided further that if the portfolio could not be rebalanced to its normal asset allocation pattern for any reason, it will be placed before the Investment Committee of the AMC, with adequate justification, and reported to the Board of Trustees and the reasons will be recorded. But, at all points of time, the portfolio will be in line with the investment objective of the Scheme. Provided further and subject to the above, any change in the asset allocation affecting the investment profile of the Scheme shall be effected only in accordance with the provisions of sub regulation (15A) of Regulation 18 of the Regulations, as detailed in Section II (F) 'Fundamental Attributes' of this SID.

Differentiation of Pramerica Banking and Financial Services Fund with other existing Scheme of Pramerica Mutual Fund –

The Scheme, Pramerica Banking and Financial Services Fund, is an Open Ended Sectoral Equity Fund that invests 65% to 100% in securities of companies engaged in Banking and Financial Services Sector.

PTO

The following table shows the differentiation of the Scheme with the existing schemes of Pramerica Mutual Fund which have equity exposure, namely, Pramerica Equity Fund, Pramerica Dynamic Fund and Pramerica Dynamic Monthly Income Fund:

Name of the existing schemes	Primary Investment Objective	Asset Allocation Pattern			Product Differentiation	AUM as on 2011 (₹ Crores)	No. of Folios as on , 2011	
		Instruments	Asset allocations					Risk Profile
			Min	Max				
Pramerica Equity Fund	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.	Instruments	Asset allocations		Risk Profile	Pramerica Equity Fund is Open Ended Income Equity Scheme which invests 65% to 100% in Equity and Equity related instruments.		
		Equity and equity related instruments* (including equity derivatives)	65	100	High			
		Debt and money market securities (including fixed income derivatives)	0	35	Low to Medium			
*At least 60% of the equity portfolio would be invested into Large-Cap Companies at all points in time.								
Pramerica Dynamic Fund	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.	Instruments	Indicative allocations (% of total assets)		Risk Profile	Pramerica Dynamic Fund is Open Ended Dynamic Asset Scheme which invests 30% to 100% in Equity and Equity related instruments.		
		Equity and equity related instruments* (including equity derivatives)	30	100	High			
		Debt and money market securities (including fixed income derivatives)	0	70	Low to Medium			
The allocation between equities and debt shall be based on a Valuation Matrix viz., Pramerica Dynamic Asset Rebalancing Tool (Pramerica DART) developed and maintained by the AMC. (Under normal circumstances the Scheme shall not have an exposure of more than 25% of its net assets in foreign securities. Presently, the scheme does not intend to invest in securitised debt								
Pramerica Dynamic Monthly Income Fund	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.	Instruments	% of total assets)		Risk Profile	Pramerica Dynamic Monthly Income Fund is an Open Ended Income scheme which invest 70% to 95% in Fixed Income Securities and 5% to 30% in Equity and Equity related instruments.		
		Fixed Income Securities	70	95	Low to Medium			
		Equity and Equity related instruments	5	30	High			
The allocation between equities and debt shall be based on a Valuation Matrix viz., Pramerica Dynamic Asset Rebalancing Tool (Pramerica DART) developed and maintained by the AMC.								

D. WHERE WILL THE SCHEME INVEST?

The corpus of the Scheme will be invested in equity and equity related instruments, debt and money market instruments as follows:

- Equity and equity related securities of companies engaged in Banking and Financial Services Sector and Financial Services including equity derivatives, IDRs convertible bonds and debentures and warrants carrying the right to obtain equity shares;
- Securities created and issued by the Central and State Governments and/or repos/reverse repos in such Government Securities as may be permitted by RBI (including but not limited to coupon bearing bonds, zero coupon bonds and treasury bills);
- Securities guaranteed by the Central and State Governments (including but not limited to coupon bearing bonds, zero coupon bonds and treasury bills);
- Debt obligations of domestic Government agencies and statutory bodies, which may or may not carry a Central/State Government guarantee

S.O.
12 &
15

5. Corporate debt (of both public and private sector undertakings);
6. Obligations of banks (both public and private sector) including term deposits with the banks as permitted by SEBI / RBI from time to time and development financial institutions;
7. Money market instruments permitted by SEBI/RBI from time to time. Currently permitted 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;
8. The non-convertible part of convertible securities;
9. Any other fixed income securities;
10. ADRs/GDRs issued by Indian Companies, subject to the guidelines issued by Reserve Bank of India and Securities and Exchange Board of India;
11. Derivative instruments like Stock Index Futures and such other derivative instruments permitted by SEBI/RBI.

The securities mentioned above could be listed, unlisted, privately placed, secured, unsecured, rated or unrated (subject to the rating or equivalency requirements discussed above) and of any maturity. Further, the securities may be acquired through Initial Public Offerings (IPOs), secondary market operations, private placements, rights offers or through negotiated deals.

A brief description of the types of instruments in which the scheme will invest is given below:

Equity and Equity Related Instruments:

- a) **Equity share** is a security that represents ownership interest in a company. It is issued to those who have contributed capital in setting up an enterprise.
- b) **Equity Related Instruments** are securities which give the holder of the security right to receive Equity Shares on pre agreed terms. It includes convertible bonds, convertible debentures, equity warrants, convertible preference shares, equity derivatives etc.
- c) **Equity derivatives** are financial instrument, generally traded on an exchange, the price of which is directly dependent upon (i.e., 'derived from') the value of equity shares or equity indices. Derivatives involve the trading of rights or obligations based on the underlying, but do not directly transfer property.

Fixed Income Instruments

Money market instruments include treasury bills, commercial paper of public sector undertakings and private sector corporate entities, reverse repurchase agreements, CBLOs (Collateralised Borrowing and Lending Obligation), Certificates Of Deposit of scheduled commercial banks and development financial institutions, Bills of Exchange/Promissory Notes of public sector and private sector corporate entities (co-accepted by banks), Government securities and other money market securities as may be permitted by SEBI/RBI regulations from time to time.

Treasury Bill (T-Bill)

T-Bills are issued by the Government of India to meet their short term borrowing requirements. T - Bills are issued for maturities of 14 days, 91 days, 182 days and 364 days.

Commercial Paper (CP)

CP is an unsecured negotiable money market instrument issued in the form of a promissory note, generally issued by the corporates, primary dealers and all -India Financial Institutions as an alternative source of short term borrowings. CP is traded in secondary market and can be freely bought and sold before maturity.

Collateralized Borrowing and Lending Obligations (CBLO)

CBLO is a money market instrument that enables entities to borrow and lend against sovereign collateral security. The maturity ranges from 1 day to 90 days and can also be made available upto 1 year. Central Government securities including T-bills are eligible securities that can be used as collateral for borrowing through CBLO.

Certificate of Deposit (CD)

CD of scheduled commercial banks and development financial institutions Certificate of Deposit (CD) is a negotiable money market instrument issued by scheduled commercial banks and select all – India Financial Institutions that have been permitted by the RBI to raise short term resources. The maturity period of CDs issued by the Banks is between 7 days to one year, whereas, in case of FIs, maturity is one year to 3 years from the date of issue.

Repo (Repurchase Agreement) or Reverse Repo is a transaction in which two parties agree to sell and purchase the same security with an agreement to purchase back or sell back the same security at a mutually decided future date and price. The transaction results in collateralized borrowing or lending of funds. Presently in India, G-Secs, State Government securities and T - Bills are eligible for Repo/ Reverse Repo.

Non convertible debentures and bonds

Non convertible debentures and bonds are securities issued by companies/ institutions promoted/ owned by the Central or State Governments and statutory bodies which may or may not carry a Central/ State Government guarantee, Public and private sector banks, all India Financial Institutions and private sector companies. These instruments may be secured or unsecured against the assets of the company and generally issued to meet the short term and long term fund requirements. The Scheme may also invest in the non convertible part of convertible debt securities.

Floating rate debt instruments are instruments where the coupon rate is reset periodically with reference to a pre-defines benchmark rate.

'When, as and if issued' security (commonly known as "when-issued" (WI)) security refers to a security that has been authorized for issuance but not yet actually issued. WI trading takes place between the time a new issue is announced and the time it is actually issued. All "when issued" transactions are on an "if" basis, to be settled if and when the actual security is issued. SEBI has on April 16, 2008, in principle allowed Mutual Funds to undertake 'When Issued (WI)' transactions in Central Government securities, at par with other market participants.

Transaction in a security on 'When Issued' basis shall be undertaken in the following manner.

- 'WI' transactions can be undertaken in the case of securities that are being reissued as well as newly issued, on a selective basis.
- 'WI' transactions would commence on the issue notification date and it would cease on the working day immediately preceding the date of issue.
- All 'WI' transactions for all trade dates will be contracted for settlement on the date of issue.
- At the time of settlement on the date of issue, trades in the 'WI' security will be netted off with trades in the existing security, in the case of reissued securities.
- 'WI' originating transaction may be undertaken only on NDS-OM. However, undertaking the cover leg of the 'WI' transactions is permitted even outside the NDS-OM platform, i.e., through telephone.
- The transaction should be guaranteed by an approved Central counterparty namely Clearing Corporation of India Limited (CCIL).

Derivative Instrument like Options and Futures, Interest Rate Swaps, Forward Rate Agreement and such other derivative instruments as may be permitted under the Regulations.

Trading in Derivatives

The Scheme will transact in exchange traded equity derivatives only and these instruments may take the form of Index Futures, Index Options, Futures and Options on individual equities/securities and such other derivative instruments as may be appropriate and permitted under the SEBI Regulations and guidelines from time to time.

Advantages of Trading in Derivatives

There are several advantages in using derivatives in the portfolio. The use of derivatives provides flexibility to the Scheme to hedge whole or part of the portfolio. The following section describes some of the more common derivatives transactions along with their benefits:

Derivatives are financial contracts of pre-determined fixed duration, whose values are derived from the value of an underlying primary financial instrument, commodity or index, such as interest rates, exchange rates, commodities, and equities.

Futures

A futures contract is a standardized contract between two parties where one of the parties commits to sell, and the other to buy, a stipulated quantity of a security at an agreed price on or before a given date in the future.

Currently, futures contracts have a maximum expiration cycle of 3-months. Three contracts are available for trading, with 1 month, 2 months and 3 months expiry respectively. A new contract is introduced on the next trading day following the expiry of the relevant monthly contract. Futures contracts typically expire on the last Thursday of the month. For example a contract with the April 2010, expiration expires on the last Thursday of April, 2010 i.e., April 29, 2010.

Basic Structure of an Index Future

The Stock Index futures are instruments designed to give exposure to the equity markets indices. The Stock Exchange, Mumbai (BSE) and The NSE have trading in index futures of 1, 2 and 3 month maturities. The pricing of an index future is the function of the underlying index and short term interest rates. Index futures are cash settled; there is no delivery of the underlying stocks.

Example using hypothetical figures:

1 month S & P CNX NIFTY Future

Say, the Mutual Fund buys 1,000 futures contracts; each contract value is 100 times futures index price

Purchase Date : April 9, 2010

Spot Index : 4200.00

Future Price : 4210.00

Say, Date of Expiry : April 29, 2010

Say, Margin : 10%

Assuming the exchange imposes total margin of 10%, the Investment Manager will be required to provide total margin of approx. ₹42,100,000 (i.e. $10\% * 4210 * 1000 * 100$) through eligible securities and cash. Assuming on the date of expiry, i.e. April 29, 2010, S&P CNX Nifty closes at 4225, the net impact will be a profit of ₹ 1,500,000 for the Mutual Fund i.e. $(4225 - 4210) * 1000 * 100$ Conversely if on the date of expiry, i.e. April 29, 2010, S&P CNX Nifty closes at 4195, the net impact will be a loss of ₹ 1,500,000 for the Mutual Fund i.e. $(4195 - 4210) * 1000 * 100$.

Please note that the above example is given for illustration purposes only. Some assumptions have been made for the sake of simplicity. The net impact for the Scheme will be in terms of the difference of the closing price of the index and cost price. Thus, it is clear from the example that the profit or loss for the Scheme will be the difference of the closing price (which can be higher or lower than the purchase price) and the purchase price. The risks associated with index futures are similar to those associated with equity investments. Additional risks could be on account of illiquidity and potential mis-pricing of the futures.

Basic Structure of a Stock Future

A futures contract on a stock gives its owner the right and obligation to buy or sell the stocks. The single stock futures traded on NSE are cash settled; there is no delivery of the underlying stocks on the expiration date. A purchase or sale of futures on a security gives the trader essentially the same price exposure as a purchase or sale of the security itself. In this regard, trading in stock futures is no different from trading the security itself.

Example using hypothetical figures: The Mutual Fund holds shares of XYZ Ltd., the current price of which is ₹ 500 per share. The Mutual Fund sells one month futures on the shares of XYZ Ltd. at the rate of ₹ 540. If the price of the stock falls, the Mutual Fund will suffer losses on the stock position held. However, in such a scenario, there will be a profit on the short futures position.

At the end of the period, the price of the stock falls to ₹ 450 and this fall in the price of the stock results in a fall in the price of futures to ₹ 470. There will be a loss of ₹ 50 per share (₹ 500-₹450) on the holding of the stock, which will be offset by the profits of ₹ 70 (₹ 540 – ₹ 470) made on the short futures position.

Please note that the above example is given for illustration purposes only. Some assumptions have been made for the sake of simplicity. Certain factors like margins and other related costs have been ignored. The risks associated with stock futures are similar to those associated with equity investments. Additional risks could be on account of illiquidity and potential mis-pricing of the futures.

Options

An option gives a person the right but not an obligation to buy or sell something. An option is a contract between two parties wherein the buyer receives a privilege for which he pays a fee (premium) and the seller accepts an obligation for which he receives a fee. The premium is the price negotiated and set when the option is bought or sold. A person who buys an option is said to be long in the option. A person who sells (or writes) an option is said to be short in the option.

An option contract may be of two kinds:

i) Call option

An option that provides the buyer the right to buy is a call option. The buyer of the call option can call upon the seller of the option and buy from him the underlying asset at the agreed price. The seller of the option has to fulfill the obligation upon exercise of the option.

ii) Put option

The right to sell is called a put option. Here, the buyer of the option can exercise his right to sell the underlying asset to the seller of the option at the agreed price.

Option contracts are classified into two styles:

(a) European Style : In a European option, the holder of the option can only exercise his right on the date of expiration only.

(b) American Style: In an American option, the holder can exercise his right anytime between the purchase date and the expiration date.

Basic Structure of an Equity Option

In India, option contracts on indices are European style and cash settled whereas, option contracts on individual securities are American style and cash settled.

Example using hypothetical figures:

Instrument Type	: Put Option Underlying : ABC Ltd.
Purchase date	: April 09, 2010
Expiry date	: April 29, 2010
Option Type	: Put Option (Purchased)
Strike Price	: ₹ 5,750.00
Spot Price	: ₹ 5,800.00
Premium	: ₹ 200.00
Lot Size	: 100
No. of Contracts	: 50

Suppose, the Mutual Fund purchases on April 9, 2010 1 month Put Options on ABC Ltd. on the NSE i.e. put options on 5000 shares (50 contracts of 100 shares each) of ABC Ltd. As these are American style options, they can be exercised on or before the exercise date i.e., April 29, 2010. If the share price of ABC Ltd. falls to ₹5,500 on April 20, 2010 and the Investment Manager decides to exercise the option, the net impact will be as follows:

Premium expense = ₹ 200 * 50 * 100 = ₹ 10,00,000

Option Exercised at = ₹5,500

Profits for the Mutual Fund = (5,750.00-5,500.00) * 50*100 = ₹ 12,50,000

Net Profit = ₹ 12,50,000 – ₹ 10,00,000 = ₹ 2,50,000

In the above example, the Investment Manager hedged the market risk on 5000 shares of ABC Ltd. by purchasing Put Options. Please note that the above example is given for illustration purposes only. Some assumptions have been made for the sake of simplicity. Certain factors like margins and other related costs have been ignored. The purchase of Put Options does not increase the market risk in the Scheme as the risk is already in the Scheme's portfolio on account of the underlying asset position (in this example ABC Ltd. shares). The premium paid for the option is capitalized. Additional risks could be on account of illiquidity and potential mis-pricing of the options.

Exposure to Derivatives

i. Position limit for the Mutual Fund in equity index options contracts

- The Mutual Fund position limit in all equity index options contracts on a particular underlying index shall be ₹ 500 crore or 15% of the total open interest of the market in equity index option contracts, whichever is higher, per Stock Exchange.
- This limit would be applicable on open positions in all options contracts on a particular underlying index.

ii. Position limit for the Mutual Fund in equity index futures contracts:

- a. The Mutual Fund position limit in all equity index futures contracts on a particular underlying index shall be ₹ 500 crore or 15% of the total open interest in the market in equity index futures contracts, whichever is higher, per Stock Exchange.
- b. This limit would be applicable on open positions in all futures contracts on a particular underlying index.

iii. Additional position limit for hedging:

In addition to the position limits at point (i) and (ii) above, Mutual Fund may take exposure in equity index derivatives subject to the following limits:

- a. Short positions in index derivatives (short futures, short calls and long puts) shall not exceed (in notional value) the Mutual Fund's holding of stocks.
- b. Long positions in index derivatives (long futures, long calls and short puts) shall not exceed (in notional value) the Mutual Fund's holding of cash, government securities, T-Bills and similar instruments.

iv. Position limit for the Mutual Fund for stock based derivative contracts

The Mutual Fund position limit in a derivative contract on a particular underlying stock, i.e. stock option contracts and stock futures contracts :

- a. For stocks having applicable market-wise position limit (MWPL) of ₹ 500 crores or more, the combined futures and options position limit shall be 20% of applicable MWPL or ₹ 300 crores, whichever is lower and within which stock futures position cannot exceed 10% of applicable MWPL or ₹ 150 crores, whichever is lower.
- b. For stocks having applicable MWPL less than ₹ 500 crores, the combined futures and options position limit would be 20% of applicable MWPL and futures position cannot exceed 20% of applicable MWPL or ₹ 50 crore whichever is lower.

v. Position limit for the Scheme

The position limits for the Scheme and disclosure requirements are as follows–

- a. For stock option and stock futures contracts, the gross open position across all derivative contracts on a particular underlying stock of a scheme of the Mutual Fund shall not exceed the higher of:
1% of the free float market capitalisation (in terms of number of shares)
Or
5% of the open interest in the derivative contracts on a particular underlying stock (in terms of number of contracts).
- a. This position limit shall be applicable on the combined position in all derivative contracts on an underlying stock at a Stock Exchange.
- b. For index based contracts, the Mutual Fund shall disclose the total open interest held by the Scheme
- c. For all schemes put together in a particular underlying index, if such open interest equals to or exceeds 15% of the open interest of all derivative contracts on that underlying index.

As and when SEBI notifies amended limits in position limits for exchange traded derivative contracts in future, the aforesaid position limits, to the extent relevant, shall be read as if they were substituted with the SEBI amended limits.

Besides, the purchase and sale of Index and Single stock equity derivatives, the Investment Manager may also use some of the below-mentioned strategies for the purpose of efficient portfolio management:

(a) Reverse Arbitrage:

This strategy will be adopted if the cash price of a stock (say "ABC") is reasonably greater than single stock futures of ABC, then the Investment Manager may sell cash position in ABC and buy single stock futures of ABC. In this case the Investment Manager will still be having a long-term view on the stock ABC but is able to minimize the cost of holding of ABC.

(b) Arbitrage:

This strategy will be adopted if the single stock future of ABC is reasonably greater than the cash price of ABC, then the Investment Manager will buy the shares of ABC in the cash market and sell equivalent numbers of single stock futures of ABC. In this case the Investment Manager may not have an investment view of the stock ABC but would like to enhance the portfolio value.

(c) Portfolio Hedging:

Portfolio Hedging will be adopted --

- (i) If in an already invested portfolio of a Scheme, the Investment Manager is expecting a market correction, the Investment Manager may sell Index Futures to insulate the portfolio from the market related risks.
- (ii) If there are significant inflows to the Scheme and the market expectations are bullish, the Investment Manager may buy Index Futures to continue participation in the equity markets.

This strategy is used to reduce the time to achieve the desired invested levels.

E. WHAT ARE THE INVESTMENT STRATEGIES?

The objective is to seek to generate long-term capital appreciation from a portfolio that is invested predominantly in equity and equity related securities (including derivatives) of companies engaged in banking and financial services. The fund aims to achieve its objective by taking 'matching positions' of a minimum of 50% to BSE Bankex index of the Equity portion. From the remaining portion of the equity portfolio the fund would seek to opportunistically invest in companies which are not part of BSE Bankex Index, but which form a part of the Banking and Financial Services Industry. Further, not more than 35% of the portfolio of the Scheme will be invested in (a) equity and equity related securities (including equity derivatives) of companies wherein, a part of their operations would be leveraged to the Banking and Financial Services Sector and (b) debt and money market securities.

The term 'Matching Position' is explained below with the help of an illustration:

Let us assume that the Fund has invested 100% in equity and equity related instruments and the weight of constituent of BSE Bankex in the AUM of the Scheme is as mentioned below. In such a case, the 'Matching Position' will be lower of the stock weight in the index and stock's weight in the AUM as explained below. In the below illustration, the fund has taken a matching position of a minimum of 50% to BSE Bankex index of the Equity portfolio.

Constituents of BSE Bankex	Weight in index %	Weight in AUM%	Matching Position%
ICICI Bank Ltd	32.95	10.00	10.00
HDFC Bank Ltd	20.50	10.50	10.50
State Bank of India	17.48	10.00	10.00
Axis Bank	6.74	5.00	5.00
Kotak Bank	4.49	4.00	4.00
Punjab National Bank	2.99	1.00	1.00
Bank of India	2.47	1.51	1.51
Bank of Baroda	2.32	0.00	0.00
Federal Bank	1.64	2.00	1.64
Union Bank	1.40	1.00	1.00
IDBI Bank	1.35	2.00	1.35
Canara Bank	1.15	1.00	1.00
Oriental Bank	0.89	1.00	0.89
Indian Overseas Bank	0.86	1.00	0.89
Yes Bank	0.79	0.00	0.00
Karnataka Bank	0.76	0.00	0.00
Indus Ind. Bank	0.65	1.00	0.65
Allahabad Bank	0.57	1.00	0.57
Total	100	76.59	50

Since investing requires disciplined risk management, the AMC would incorporate safeguards seeking to control risks in the portfolio construction process.

The debt component of the portfolio will provide the necessary liquidity to meet redemption needs and other liquidity requirements of the Scheme. 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 GOI or any other State Government in some other way. The Scheme will invest only in those debt and money market securities that are rated investment grade by a domestic credit rating agency such as CRISIL, ICRA, CARE, FITCH etc. or in unrated money market securities which the Fund Manager believes to be of equivalent quality. In the case of unrated money market securities, the approval of the Board of Directors of the AMC and Trustee shall be obtained prior to investment.

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, and price-to-book, as well as growth, margins, return on equity, asset returns, and cash flows, amongst others. The Investment Manager will 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.

Investments by the AMC in the Scheme

The AMC may invest in the Scheme at any time during the NFO Period / Ongoing Offer Period, subject to the Regulations and to the extent permitted by its Board from time to time. As per the existing Regulations, the AMC will not charge an investment management and advisory fee on the investment made by it in the Scheme.

S. O.
1

Portfolio Turnover

Portfolio turnover is defined as the aggregate value of investment and disinvestment in equity / equity related securities (other than those caused by the Purchases and Redemptions by Unitholders) as a percentage of the average corpus of the Scheme during a specified period of time. This would exclude investments / disinvestments in money market instruments.

The Scheme is an open ended sectoral equity fund with an actively managed portfolio that invests predominantly in stocks of companies engaged in banking and financial services, with subscriptions and redemptions expected on a daily basis, resulting in net inflow / outflow of funds. In view of the above and various factors that affect portfolio turnover, it is difficult to give a turnover estimate, with any reasonable amount of accuracy. However, during volatile market conditions, the fund manager may churn the portfolio more actively to optimize returns, keeping in mind the cost associated. In such a scenario, there may be an increase in transaction costs such as the brokerage. However, the cost is expected to be negligible compared to the total expenses of the Scheme.

F: FUNDAMENTAL ATTRIBUTES

Following are the Fundamental Attributes of the Scheme, in terms of Regulation 18 (15A) of the SEBI (MF) Regulations:

S.O.
8

(i) **Type of Scheme:** An Open Ended Sectoral Equity Fund

(ii) **Investment Objective**

- Main Objective Please refer Section II (B) of this SID
- Investment pattern Please refer Section II (C) of this SID

(iii) **Terms of Issue:** Please refer Section III on 'Units and Offer' and Section IV on 'Fees and Expenses'

In accordance with Regulation 18(15A) of the SEBI (MF) Regulations, the Trustees shall ensure that no change in the fundamental attributes of the Scheme and the Options thereunder or the trust or fee and expenses payable or any other change which would modify the Scheme and the Options thereunder and affect the interests of Unitholders is carried out unless:

- a. a written communication about the proposed change is sent to each Unit holder and an advertisement is given in one English daily newspaper having nationwide circulation as well as in a newspaper published in the language of the region where the head office of the Mutual Fund is situated; and
- b. the Unit holders are given an option for a period of 30 days to exit at the prevailing NAV without any exit load.

Further, the Scheme does not provide any guaranteed or assured return

G. HOW WILL THE SCHEME BENCHMARK ITS PERFORMANCE?

S.O.
9

The performance of the Scheme will be benchmarked against the BSE Bankex Index .

The above index has been chosen as the benchmark for the Scheme as the composition of the aforesaid index is such that it is most suited for comparing performance of the Scheme. However, the Schemes' performance is likely to differ from the performance of the benchmark because the fund manager would endeavour to manage the Scheme actively and therefore likely to construct the portfolios differently to the benchmark.

The Trustee may change the benchmark for the Scheme in future, if benchmark(s) better suited to the investment objective of the Scheme is available at such time. However, change of benchmark would be done in compliance with the relevant guidelines of SEBI in this regard.

H. WHO MANAGES THE SCHEME?

S.O.
10

Name Designation	Age & Educational Qualifications	Experience	Names of other schemes managed by him
Ravi Gopalakrishnan Executive Director & Chief Investment Officer - Equity	43 yrs M.S. in Finance, Drexel University, PA, U.S.A. M.B.A., Bradley University, IL, U.S.A. B.Com. N.M. College, Bombay University	Over 20 years of experience in managing/advising portfolios for institutional and individual investors and, handling research function. Sep 2009 till date with Pramerica Asset Managers Private Limited as the Head of Equity. Mar 2006 to Sept 2008 with Hudson Fairfax Group, USA as Portfolio Advisor advising HFG on their investments in India and on risk management strategies, marketing of the funds world-wide to institutional investors Mar 2005 to Mar 2006 with Principal PNB Asset Management Limited as the Head of PMS, managing/advising portfolios for institutional and individual investors Sep 2004 to Nov 2004 with Tata Asset Management as Head of PMS, Apr 2000 to May 2004 with Sun F&C Asset Management Ltd., as Fund Manager – Equities handling the portfolio management responsibility Dec 1994 to Apr 2000 with UBS – Warburg Dillon Read Securities (I) Pvt. Ltd. as Strategist – India with responsibility of Setting up of UBS' research operation and develop the India Strategy, also developed the Institutional Sales Desk	Pramerica Equity Fund, Pramerica Dynamic Fund & Pramerica Dynamic Monthly Income Fund
Mahendra Jajoo Executive Director & Chief Investment Officer – Fixed Income	42 yrs B.Com, ACA, ACS, CFA (from CFA Institute, USA.)	Over 20 years of experience in financial services and capital markets. Jan. 2010 till date with Pramerica Asset Managers Private Limited as the Head of Fixed Income June 2008 to Dec.2009 with Tata Asset Management Ltd as Head – Fixed Income and Structured Products managing Fixed Income investment /portfolio January 2005 to June 2008 with ABN AMRO AMC as CIO – Fixed Income and Structured Products, managing Fixed Income investment/portfolio March 1999 to Dec. 2004 with ABN AMRO Securities India Pvt. Ltd. as Head – Primary Dealership, handling trading and investments in government securities and corporate bonds.	Pramerica Liquid Fund, Pramerica Ultra Short Term Bond Fund, Pramerica Short Term Income Fund, Pramerica Dynamic Monthly Income Fund, Pramerica Fixed Duration Fund – Series 1 and Pramerica Treasury Advantage Fund and Fixed Income Portfolio of Pramerica Equity Fund and Pramerica Dynamic Fund

Presently, the Trustee/ AMC have not designated a dedicated fund manager for investment in Foreign Securities. However, it shall be ensured that there is a dedicated fund manager for investment in foreign securities as and when the fund makes investment in foreign securities, as required under the SEBI Mutual Funds Regulations.

I. WHAT ARE THE INVESTMENT RESTRICTIONS?

Following investment restrictions contained in the Seventh Schedule to SEBI (Mutual Funds) Regulations, 1996 as amended from time to time are presently applicable to the Scheme:

S.O.
11

- a) The Scheme being a sector/industry specific scheme, the upper ceiling on investments shall be in accordance with the weightage of the scrips in the representative sectoral index specified herein above or 10% of the NAV of the scheme whichever is higher.
- b) The Scheme shall not invest more than 5% of its net assets in unlisted equity shares or equity related instruments.
- c) The Scheme shall not make any investment in:
 - i. Any unlisted Security of an associate or group company of the Sponsor; or
 - ii. Any Security issued by way of private placement by an associate or group company of the Sponsor; or
 - iii. the listed Securities of group companies of the Sponsor which is in excess of 25% of the net assets of the Scheme of the Mutual Fund.
- d) The Scheme shall not invest in a Fund of Funds scheme.
- e) The Scheme shall not invest more than 15% of its net assets in debt instruments issued by a single issuer, which are rated not below investment grade by a credit rating agency authorized to carry out such activity under the SEBI Act. Such investment limit may be extended to 20% of the net assets of the Scheme with the prior approval of the Trustees and the Board of the AMC. Provided that, such limit shall not be applicable for investments in government securities and money market instruments. Provided further that investment within such limit can be made in mortgage backed securitised debt which is rated not below investment grade by a credit rating agency registered with SEBI. As per SEBI Circular no. SEBI/IMD/CIR No.6/63715/06, with respect to investment in securitized debt (mortgage backed securities / asset backed securities) restrictions at the originator level will not be applicable.
- f) The Scheme shall not invest more than 30% of its net assets in money market instruments of an issuer. Provided that such limit shall not be applicable for investments in Government securities, treasury bills and collateralized borrowing and lending obligations.
- g) The Scheme shall not invest more than 10% of its net assets in unrated debt instruments issued by a single issuer and the total investment in such instruments shall not exceed 25% of the net assets of the Scheme. All such investments shall be made with the prior approval of the Trustees and the Board of the AMC or a committee constituted in this behalf.
- h) The Mutual Fund under all its Scheme(s) shall not own more than 10% of any company's paid up capital carrying voting rights. For the purpose of determining the above limit, a combination of positions of the underlying Securities and stock Derivatives, will be considered.
- i) Inter-Scheme transfer of investments shall be in accordance with the provisions contained in the SAI under the section 'Inter-scheme transfer of investments'. Transfer of investments from one scheme to another scheme in the Mutual Fund is permitted provided (i) such transfers are done at the prevailing market price for quoted instruments on Spot Basis (Explanation: Spot Basis shall have the same meaning as specified by a stock exchange for spot transactions); and (ii) the Securities so transferred shall be in conformity with the investment objective of the Scheme to which such transfer has been made.
- j) The Scheme may invest in another scheme managed by the AMC or by the asset management company of any other mutual fund. The aggregate inter-scheme investment in line with the investment objectives, made by all the schemes under the same management or in schemes under management of any other asset management company shall not exceed 5% of the net asset value of the Fund. No investment management fees shall be charged by the Scheme for investing in other schemes of the Mutual Fund or in the schemes of any other mutual fund.
- k) The Mutual Fund shall get the Securities purchased or transferred in the name of the Mutual Fund on account of the Scheme, wherever investments are intended to be of a long-term nature.
- l) The Mutual Fund shall buy and sell Securities on the basis of deliveries and shall in all cases of purchases take delivery of the relevant Securities and in all cases of sale, deliver the Securities. The Mutual Fund may however engage in short selling of Securities in accordance with the framework relating to short selling and Securities lending and borrowing specified by SEBI. Provided further that the Mutual Fund shall enter into Derivatives transactions in a recognised stock exchange, subject to the framework specified by SEBI and that sale of government securities already contracted for purchase shall be permitted in accordance with the guidelines issued by the RBI in this regard.

Investment Restrictions in Short Term Deposits of Scheduled Commercial Banks:

Pending deployment of funds of the Scheme in terms of the investment objectives of the Scheme, the AMC may invest the funds of the Scheme in short term deposits of scheduled commercial banks in accordance with the guidelines set out by SEBI under the Regulations.

- a. "Short Term" for parking of funds shall be treated as a period not exceeding 91 days.
- b. Such short-term deposits shall be held in the name of the Scheme.

- c. The Scheme shall not park more than 15% of the net assets in short term deposit(s) of all the scheduled commercial banks put together. However, such limit may be raised to 20% with the approval of the Trustee.
- d. Parking of funds in short term deposits of associate and sponsor scheduled commercial banks together shall not exceed 20% of total deployment by the Mutual Fund in short term deposits.
- e. The Scheme shall not park more than 10% of the net assets in short term deposit(s), with any one scheduled commercial bank including its subsidiaries.
- f. The Scheme shall not park funds in short-term deposit of a bank which has invested in the said Scheme.
- g. The AMC will not charge any investment management and advisory fees for funds under the respective Schemes parked in short term deposits of scheduled commercial banks.
- h. The above norms do not apply to term deposits placed as margins for trading in cash and derivatives market. However, all term deposits placed as margins shall be disclosed in the half yearly portfolio statements under a separate heading. Details such as name of bank, amount of term deposits, duration of term deposits, percentage of NAV should be disclosed.

Investment Restrictions Pertaining to Derivatives:

In accordance with SEBI circulars dated September 14, 2005, January 20, 2006 and September 22, 2006, the following conditions shall apply to the Schemes' participation in the derivatives market. Please note that the investment restrictions applicable to the Schemes' participation in the derivatives market will be as prescribed or varied by SEBI or by the Trustees (subject to SEBI requirements) from time to time.

(i) Position limit for the Mutual Fund in index options contracts. The position limit for the Fund in index options contracts shall be as follows:

- (a) The Fund's position limit in all index options contracts on a particular underlying index shall be ₹ 500 crores or 15% of the total open interest of the market in index options, whichever is higher, per Stock Exchange.
- (b) This limit would be applicable on open positions in all options contracts on a particular underlying index.

(ii) Position limit for the Fund in index futures contracts. The position limit for the Mutual Fund in index futures contracts shall be as follows:

- (a) The Fund's position limit in all index futures contracts
- (b) For index based contracts, the Mutual Fund shall disclose the total open interest held by its scheme or all schemes put together in a particular underlying index, if such open interest equals to or exceeds 15% of the open interest of all derivative contracts on that underlying index. This position limits shall be applicable on the combined position in all derivative contracts on an underlying stock at a stock exchange.

In terms of SEBI circular Cir/IMD/DF/11/2010 dated August 18, 2010, the following additional restrictions shall be applicable to the Scheme w.r.t investment in derivatives:

- i. The cumulative gross exposure through equity, debt and derivative positions should not exceed 100% of the net assets of the scheme.
- ii. The Scheme shall not write options or purchase instruments with embedded written options.
- iii. The total exposure related to option premium paid must not exceed 20% of the net assets of the Scheme.
- iv. Cash or cash equivalents with residual maturity of less than 91 days may be treated as not creating any exposure.
- v. Exposure due to hedging positions may not be included in the above mentioned limits subject to the following:
 - a) Hedging positions are the derivative positions that reduce possible losses on an existing position in securities and till the existing position remains.
 - b) Hedging positions cannot be taken for existing derivative positions. Exposure due to such positions
 - c) shall have to be added and treated under limits mentioned in Point (i).
 - d) Any derivative instrument used to hedge has the same underlying security as the existing position being hedged.
 - e) The quantity of underlying associated with the derivative position taken for hedging purposes does not exceed the quantity of the existing position against which hedge has been taken.
- vi. The Scheme may enter into plain vanilla interest rate swaps for hedging purposes. The counter party in such transactions has to be an entity recognized as a market maker by RBI. Further, the value of the notional principal in such cases must not exceed the value of respective existing assets being hedged by the Scheme. Exposure to a single counterparty in such transactions should not exceed 10% of the net assets of the Scheme.
- vii. Exposure due to derivative positions taken for hedging purposes in excess of the underlying position against which the hedging position has been taken, shall be treated under the limits mentioned in point (i).
- viii. Definition of Exposure in case of Derivative Positions:

Each position taken in derivatives shall have an associated exposure as defined under. Exposure is the maximum possible loss that may occur on a position. However, certain derivative positions may theoretically have unlimited possible loss.

Exposure shall be computed as follows:

Position	Exposure
Long Future	Futures Price * Lot Size * Number of Contracts
Short Future	Futures Price * Lot Size * Number of Contracts
Option bought	Option Premium Paid * Lot Size * Number of Contracts.

Borrowing & Lending by the Fund and Other Restrictions:

- The Mutual Fund shall not borrow except to meet temporary liquidity needs of the Mutual Fund for the purpose of Repurchase / Redemption of Units or payment of interest and Dividend to the Unitholders. Provided further that the funds so borrowed to meet temporary liquidity needs shall not exceed 20% of the net assets of the Scheme and the duration of the borrowing shall not exceed a period of 6 months.

- The Scheme's entire investments will be in Securities, derivatives, money markets instruments, privately placed debentures, which are either asset backed or mortgage backed securities.
- No loans for any purpose shall be advanced by the Scheme.
- The Scheme may lend Securities in accordance with the Regulations.

Apart from the investment restrictions prescribed under the Regulations, internal risk parameters for limiting exposure to a particular scrip or sector may be prescribed from time to time to respond to the dynamic market conditions and market opportunities

S.O.
13

The Scheme will comply with any other limit or restriction as may be applicable to the investments of mutual funds under the Regulations from time to time.

Aggregate value of 'illiquid securities' of the Scheme, which are defined as non-traded, thinly traded and unlisted equity shares, shall not exceed 15% of the total assets of the Scheme.

If the Mutual Fund holds an aggregate of securities which are worth ₹10 crores or more, as on the latest balance sheet date, it shall, subject to such instructions as may be issued from time to time by the Board of the AMC, settle its transactions only through dematerialized Securities. Further all transactions in government securities shall be in dematerialised form.

J. HOW HAS THE SCHEME PERFORMED?

This Scheme is a new scheme and hence does not have any performance track record.

III. UNITS AND OFFER

This section provides details you need to know for investing in the scheme.

A. NEW FUND OFFER (NFO)

<p>New Fund Offer Period</p> <p>This is the period during which a new scheme sells its units to the investors.</p>	<p>NFO opens on: _____ NFO closes on: _____</p> <p>The AMC / Trustee reserves the right to close the NFO of the Scheme before the above mentioned date. The AMC / Trustee also reserves the right to extend the closing date of the New Fund Offer Period, subject to the condition that the New Fund Offer shall not be kept open for more than 15 days.</p>
<p>New Fund Offer Price:</p> <p>This is the price per unit that the investors have to pay to invest during the NFO.</p>	<p>₹ 10/- per Unit</p>
<p>Minimum Amount for Application in the NFO</p>	<p>The minimum lumpsum application amount under the Scheme is ₹ 5,000/- and multiples of Re. 1/- thereafter.</p>
<p>Minimum Target amount (which the AMC seeks to collect in the Scheme during the NFO)</p> <p>This is the minimum amount required to operate the scheme and if this is not collected during the NFO period, then all the investors would be refunded the amount invested without any return. However, if AMC fails to refund the amount within 5 business days, interest as specified by SEBI (currently 15% p.a.) will be paid to the investors from the expiry of 5 business days from the date of closure of the subscription period.</p>	<p>₹1,00,00,000 (Rupees One crore)</p>
<p>Maximum Amount to be raised, if any <i>This is the maximum amount which can be collected during the NFO period, as decided by the AMC.</i></p>	<p>Not Applicable</p>
<p>Plans / Options offered</p>	<p>The Scheme has following two Options:</p> <ol style="list-style-type: none"> 1. Growth Option; 2. Dividend Option, which has the following three facilities: <ol style="list-style-type: none"> a. Dividend Reinvestment; b. Dividend Payout c. Dividend Transfer <p>1) Growth Option Under this Option no dividend will be declared. The income attributable to Units under this option will continue to remain invested in the Scheme and will be reflected in the Net Asset Value of Units under this Option.</p> <p>2) Dividend Option Under Dividend Option, dividends will be declared at the discretion of the Trustee, subject to availability of distributable surplus calculated in accordance with SEBI (MF) Regulations. On payment of dividend, the NAV of the units under Dividend option will fall to the extent of the dividend payout and Dividend Distribution Tax u/s. 115R of the Income Tax Act, 1961 and applicable statutory levies, if any. Unit holders, whose names appear in the of Unit holders register under Dividend Option on the Record Date are eligible for the dividend declared, if any.</p> <p>There is no assurance or guarantee as to the rate of dividend distribution nor that the dividend will be paid regularly.</p> <p>a) Dividend Reinvestment: Under this facility, the dividend amount will be compulsorily re-invested in the Scheme under Dividend Option at the applicable ex-dividend NAV. The amount of dividend re-invested will be net of dividend distribution tax and statutory levy, if any. The additional Units created by way of reinvestment of dividend would be added to the units already held by the Unitholder. The dividends so re-invested shall constitute a constructive payment of dividends to the Unitholders and a constructive receipt of the same from each Unitholder for reinvestment in Units of the same Option. There shall be no load on the dividends so re-invested.</p> <p>b) Dividend Payout: Under this facility, dividend declared, if any, will be paid, subject to deduction of dividend distribution tax and statutory levy, if any.</p>

If the Dividend amount payable to a Unitholder under the Dividend Payout facility is ₹250/- or less, the dividend amount shall be compulsorily reinvested in the respective Option, even if the Unitholder may have opted for Dividend Payout facility.

c) Dividend Transfer :

1. Under this facility (hereinafter referred to as the Dividend Transfer Plan or 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 ("Source Scheme") into any other scheme ("Target Scheme") of the Fund on the ex-dividend date i.e., the immediate next business day after the Record Date, into the Target Scheme, 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.
2. The minimum amount of investment is not applicable for investment made through DTP.
3. 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.
4. The Units allotted in the Target scheme against investment via DTP will be subject to the applicable Exit Load of the Target scheme.
5. Unit holders who wish to enroll for the DTP are required to submit a prescribed DTP Enrolment Form complete in all respects at any ISCs.
6. The enrolment for DTP facility shall be for all units under the Dividend Option. (i.e., partial Dividend Transfer and partial Dividend Payout / Reinvestment is not permitted).
7. Enrolment 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.
8. The request for enrolment for DTP must be submitted at least seven (7) days prior to the Record Date for the dividend in the Source Scheme. Hence investors should submit the DTP enrolment request sufficiently in advance. In case of this condition not being met, the DTP enrolment 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 Enrolment Form and date of registration thereof by the Registrar, will be paid out or reinvested in the Source Scheme, as applicable.
9. Investors may opt out of DTP facility at any time by submitting a written request at least seven (7) 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. At the time of discontinuation of DTP facility, the investors should specify their choice of option i.e. dividend reinvestment or dividend payout, in the Source Scheme, failing which, the default sub-option, i.e., Dividend Reinvestment will be applicable.

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, the units of such investors who have opted for DTP will be continued under dividend Reinvestment option in the Source Scheme and the unitholders will be sent suitable intimation in this regard.

Default Option/ Facility:

The investor must clearly specify his choice of Option/Facility. In the absence of such clear instruction, it will be assumed that the investor has opted for the 'Default Option / Facility' and the application will be processed accordingly.

The Default Option is "Growth" (if the investor has not indicated his choice between 'Growth' or 'Dividend' Options).

Under the Dividend Option, the Default Facility is "Dividend Reinvestment" (if the investor has not indicated his choice between Dividend Reinvestment, Dividend Payout and DTP).

Any change in dividend facility due to additional investment or Unitholder's request will be applicable to all the Units held by the unitholder in the Dividend Option.

The Trustee reserves the right to declare bonus units under the Scheme.

<p>Dividend Policy</p>	<p>Under the Dividend Option, the Trustee will have the discretion to declare the dividend, subject to availability of distributable surplus calculated in accordance with the Regulations. It must be clearly understood that there is neither any assurance to the Unitholders that the Dividend will be paid regularly nor any assurance as to the rate of Dividend.</p> <p>In accordance with SEBI Circular No. SEBI / IMD / Cir No.1 / 64057 / 06 dated April 4, 2006, the procedure for Dividend distribution would be as under :</p> <ol style="list-style-type: none"> 1. Quantum of dividend and the record date will be fixed by the Trustee. Dividend so decided shall be paid, subject to availability of distributable surplus. 2. Within one calendar day of decision by the Trustee, the AMC shall issue notice to the public communicating the decision about the dividend including the record date, in one English daily newspaper having nationwide circulation as well as in a newspaper published in the language of the region where the head office of the Mutual Fund is situated. 3. The Record Date shall be the date, which will be considered for the purpose of determining the eligibility of investors whose names appear on the register of Unit holders for receiving dividends. The Record Date will be 5 calendar days from the date of issue of notice. <p>Note: If the Record Date falls on a Non-Business Day, the Record Date shall be the immediately following Business Day.</p> <p>Procedure for distribution of Dividend: The Dividend proceeds may be paid by way of cheque, Dividend warrant / direct credit / National Electronic Fund Transfer (NEFT) / Real Time Gross Settlement (RTGS) or any other manner to the Unitholder's bank account as recorded in the Registrar's records. The AMC, at its discretion at a later date, may choose to alter or add other modes of payment.</p> <p>Effect of Dividend: Upon payment of Dividend (including reinvestment of Dividend), the NAV attributable to Units in the respective Dividend Option will stand reduced by the dividend amount, and the dividend distribution tax and statutory levy, if any. The NAV of the Growth Option will remain unaffected by the payment of Dividend.</p> <p>Although the Scheme will have a common portfolio for both Growth and Dividend Options, the NAVs of the two Options will be distinctly different after declaration of the first Dividend to the extent of income distributed, distribution tax and statutory levy thereon, etc.</p> <p>Please refer to Section VII. B. 9 of the SAI for details on Unclaimed Redemptions and Dividends.</p>
<p>Allotment</p>	<p>Subject to (i) the achievement of the minimum target amount; (ii) receipt of Application Forms that are in good order/ complete in all respects; (iii) realization of the specified minimum Subscription amount from the investor, full allotment of Units applied for will be made within 5 business days from the date of closure of the NFO Period for all valid applications received during the NFO Period.</p> <p>Account Statement: An account statement will be sent by ordinary post / courier / e-mail to each Unitholder, stating the number of Units allotted, not later than 5 business days from the close of the NFO Period.</p> <p>In respect of Unitholders who have provided their e-mail address in the Application Form, the AMC will provide the Account Statement only through e-mail, unless otherwise specified. In case the email does not reach the Unit holder, the Fund / its Registrar & Transfer Agent will not be held responsible. However the Unit holder may request for fresh account statement. The Unit holder shall from time to time intimate the Fund / its Registrar & Transfer Agent about any changes in his e-mail address.</p> <p>Allotment Advice (for Demat account holders) In case of applications for subscription of Units of the Scheme in demat mode, the Units allotted will be credited to the DP account of the Unit holder as per the details provided in the application form. It may be noted that trading and settlement in the Units of the Scheme through off-market deals will be permitted only in demat mode .</p> <p>In case the investor has provided incorrect or incomplete information/ details pertaining to his/her Beneficiary Account or where the details provided in the application form does not match with details with Depository records, the AMC will allot the Units in physical account statement mode and accordingly will send an account statement to Unit holder.</p>

S.O.
18

<p>Refund</p>	<p>The AMC will refund the application money to the applicants whose applications are found to be incomplete, invalid or have been rejected for any other reason whatsoever. Refund instruments will be dispatched within 5 business days of the closure of NFO period. In the event of delay beyond 5 business days, the AMC shall be liable to pay interest at 15% per annum or such other rate of interest as maybe prescribed by SEBI from time to time. Refund orders will be marked "A/c Payee only" and drawn in the name of the sole / first named applicant. All refund orders will be sent by registered post or courier service or as prescribed under the Regulations.</p>
<p>Who can invest This is an indicative list and prospective investors are advised to consult their financial advisors to ascertain whether the scheme is suitable to their respective risk profile. Prospective investors are advised to satisfy themselves that they are not prohibited by any law governing them and any Indian law from investing in the Scheme and are authorised to purchase units of mutual funds as per their respective constitutions, charter documents, corporate/other authorisations and relevant statutory provisions.</p>	<p>The following persons are eligible and may apply for Subscription to the Units of the Scheme (subject, wherever relevant, to the Purchase of Units of the Scheme of the Mutual Fund being permitted and duly authorized under their respective constitutions, charter documents, corporate / other authorisations and relevant statutory provisions etc).</p> <ol style="list-style-type: none"> 1. Resident Indian adult individuals either singly or jointly (not exceeding three) or on an Anyone or Survivor basis; 2. Hindu Undivided Family (HUF) through Karta; 3. Minor through parent/ legal guardian; 4. Partnership Firms; 5. Proprietorship in the name of the sole proprietor; 6. Companies, Bodies Corporate, Public Sector Undertakings (PSUs), Association of Persons (AOP) or Bodies of Individuals (BOI) and societies registered under the Societies Registration Act, 1860(provided the purchase of Units is permitted under their respective constitutions; 7. Banks (as permitted by RBI) and Financial Institutions; 8. Religious and Charitable Trusts, Wakfs or endowments of private trusts (subject to receipt of necessary approvals as "Public Securities" as required) and Private trusts authorised to invest in mutual fund schemes under their trust deeds; 9. Non-Resident Indians (NRIs) / Persons of Indian origin (PIOs) residing abroad on repatriation basis or on non - repatriation basis; 10. Foreign Institutional Investors (FIIs) and their sub-accounts registered with SEBI on repatriation basis; 11. Army, Air Force, Navy and other para-military units and bodies created by such institutions; 12. Scientific and Industrial Research Organisations; 13. Multilateral Funding Agencies/ Bodies Corporate incorporated outside India with the permission of Government of India/ RBI 14. Provident/ Pension/ Gratuity Fund to the extent they are permitted; 15. Other schemes of Pramerica Mutual Fund or any other mutual fund subject to the conditions and limits prescribed by SEBI Regulations; 16. Trustee, AMC or Sponsor or their associates may subscribe to Units under the Scheme(s); <p>The following persons cannot invest in the Scheme:</p> <ol style="list-style-type: none"> 1. Any individual who is a foreign national or any entity that is not an Indian Resident under the Foreign Exchange Management Act, 1999, except where registered with SEBI as a FII or FII sub account. 2. Non-Resident Indians residing in the Financial Action Task Force (FATF) Non Compliant Countries and Territories (NCCTs). 3. Overseas Corporate Bodies (as per RBI A.P. (DIR Series) Circular No. 14 dated September 16, 2003) <p>Note: The Fund / Trustees / AMC reserve the right to include / exclude new / existing categories of investors to invest in the Scheme from time to time, subject to applicable Laws.</p> <p>Prospective investors are advised to satisfy themselves that they are not prohibited by any law governing such entity and any Indian law from investing in the Scheme(s) and are authorized to purchase units of mutual funds as per their respective constitutions, charter documents, corporate / other authorizations and relevant statutory provisions.</p> <p>Subject to the Regulations and applicable law, any application for Units may be accepted or rejected at the sole and absolute discretion of the Trustee.</p>
<p>Rejection of application:</p>	<p>Subject to the Regulations and applicable laws, any application for Units may be rejected at the sole and absolute discretion of the Trustee, if the same is in contravention of any applicable laws/ rules/ regulations/guidelines.</p> <p>It is mandatory for the every applicant to provide the PAN and bank account details as per SEBI guidelines and also complete KYC process through CVL. Without these details, the application will be treated as incomplete and is liable to be rejected.</p>

	<p>Also, the Trustees/AMC may reject any application for Purchase of Units if the application is received from a any investor to whom the Units cannot be lawfully or validly offered or by whom the Units cannot be lawfully or validly subscribed or if the application is invalid or incomplete, or if the Trustees/ AMC for any other reason does not believe that it would be in the best interest of the Scheme or its Unitholders to accept such an application.</p>
<p>Where can you submit the filled up applications.</p>	<p>Duly completed Application Form(s) for the Purchase of Units of the Scheme during the NFO Period along with the instrument for payment may be submitted to any of the Official Points of Acceptance for the NFO or as notified by the AMC.</p> <p>AMC reserves the right to appoint collecting bankers during the NFO Period and change the bankers and/or appoint any other bankers subsequently.</p> <p>The AMC may also provide the facility to subscribe to the Units of the Scheme through MFSS facility of NSE and BSE StAR MF facility of BSE during NFO period.</p> <p>Please refer to the back cover page of this Scheme Information Document for details of Official Points of Acceptance.</p>
<p>How to Apply</p>	<p>Please refer to the SAI and Application form for the instructions.</p>
<p>Listing</p>	<p>Being an open ended Scheme under which the Subscription and Redemption of Units will be made on a continuous basis by the Mutual Fund, the Units of the Scheme are not proposed to be listed on any stock exchange. However, the AMC in consultation with the Trustee may, at its sole discretion, list the Units on one or more Stock Exchanges at a later date; in such an event, the AMC will make suitable public announcement to that effect.</p>
<p>Dematerialization</p>	<p>The investors may be provided an option to hold the Units in dematerialized ('demat') mode.</p> <p>To hold the Units in dematerialized mode, the investor will be required to have a beneficiary account with a Depository Participant (DP) of the NSDL/CDSL and will be required to mention in the application form, DP's Name, DP ID and Beneficiary Account No. with the DP at the time of subscribing to the Units. However, if a Unit holder so desires to hold the Units in a dematerialized form at a later date, he will be required to make an application to AMC/ RTA/DP in Conversion Request Form (available on the website of the Mutual Fund or with the DPs) along with Statement of Account, a copy of Client Master Report (CMR) or Transaction Statement (only the page of Transaction Statement reflecting the name and pattern of holding) issued by its Depository Participant. Application for issue of Units in demat mode may be submitted to any of the OPAs / ISCs or DPs. The AMC will endeavor to credit the Units to the Beneficiary Account of Unit holder within two working days from the date of receipt of such request.</p> <p>In case the unit holders do not provide their Demat Account details, or the demat details provided in the application form are incomplete / incorrect or do not match with the details with the Depository records, the Units will be allotted in physical account statement mode provided the application is otherwise complete in all respect and accordingly, an Account Statement shall be sent to them.</p>
<p>Rematerialisation</p>	<p>Units of the Scheme held in demat may be converted into physical account statement mode via rematerialisation process. Rematerialization of Units ('remat') will be in accordance with the provisions of SEBI (Depositories & Participants) Regulations, 1996 as may be amended from time to time.</p> <p>The investor will need to submit a remat request to his/her DP for rematerialisation of holdings in his/her account. If there is sufficient balance in the investor's account, the DP will generate a Rematerialisation Request Number (RRN) and the same is entered in the space provided for the purpose in the rematerialisation request form.</p> <p>The DP will then despatch the request form to the AMC/ RTA. The AMC/ RTA accepts the request for rematerialisation prints and despatch the account statement to the investor and send electronic confirmation to the DP.</p> <p>DP shall inform the investor about the changes in the investor account following the acceptance of the remat request.</p>
<p>Transfer</p>	<p>Units of the Scheme held in physical mode are non-transferable.</p> <p>Although the Units of the Scheme are presently not proposed to be listed on any stock exchange, Units held in demat form are transferable in accordance with the provisions of SEBI (Depositories and Participants) Regulations, as amended from time to time, through off market deals [or in accordance with the stock exchange rules, upon the Scheme being listed].</p> <p>Transfers should be only in favour of transferees who are eligible for holding Units under the Scheme.</p>

	<p>If a person becomes a holder of the Units consequent to operation of law, or upon enforcement of a pledge, the Mutual Fund will, subject to production of satisfactory evidence, effect the transfer, if the transferee is otherwise eligible to hold the Units. Similarly, in cases of transmission of Units consequent on the death of a unitholder, the transferee's name will be recorded by the AMC / Registrar subject to production of satisfactory evidence and completing the requisite procedure / documentation (as explained in SAI).</p>
<p>Special Products / facilities available during the NFO</p>	<p>SWITCH-IN from other schemes: The unitholders in the existing schemes of the Mutual Fund will be able to invest in the NFO of the Scheme by switching their units held in the respective scheme(s) either partially or fully (subject to completion of lock-in period, if any, of the units of the scheme(s) from which the units are being switched).</p> <p>Application for switch of units from existing schemes will be accepted upto 3.00 p.m. on the last day of the NFO.</p> <p>The switch will be effected by way of a redemption of units from the scheme and reinvestment of the redemption proceeds in the Scheme and accordingly, to be effective, such switch in transactions must comply with the redemption rules of the source scheme and the subscription rules of the Scheme (e.g. as to the minimum number of units that may be redeemed or issued, exit load etc.). The price at which the units will be switched-out will be based on the redemption price of the concerned source scheme and the proceeds will be invested in the Scheme at ₹10/- per unit.</p> <p>ASBA Facility: The Mutual Fund will offer ASBA facility during the NFO of the Scheme.</p> <p>ASBA is an application containing an authorization given by the investor to block the application money in his specified bank account towards the subscription of Units offered during NFO of Scheme. If an investor is applying through ASBA facility, the application money towards the subscription of Units shall be debited from his specified bank account only if his/ her application is selected for allotment of Units. Please refer to the SAI for more details regarding ASBA.</p> <p>MFSS Facility: The AMC may make available facility to investors to subscribe to the Units of the Scheme through MFSS facility of NSE and BSE StAR MF facility of BSE during NFO of the Scheme</p>
<p>The policy regarding reissue of repurchased units, including the maximum extent, the manner of reissue, the entity (the scheme or the AMC) involved in the same.</p>	<p>The Scheme does not propose to reissue Redeemed Units.</p>
<p>Restrictions, if any, on the right to freely retain or dispose of units being offered.</p>	<p>Units of the Scheme held in physical mode are non-transferable. Units of the Scheme are presently not proposed to be listed on any stock exchange. However, the Units of the held in dematerialized form are transferable in accordance with the provisions of SEBI (Depositories and Participants) Regulations, as may be amended from time to time, as mentioned above under section "Transfer".</p> <p>Pledge of Units</p> <p>a. Units held in demat mode: The Units held in demat mode can be pledged as per the provisions of Depositories Act and Rules and Regulations framed by Depositories.</p> <p>b. Units held in physical mode: The Units held in physical mode under the Scheme may be offered as security by way of a pledge / charge in favour of scheduled banks, financial institutions, non-banking finance companies (NBFCs), or any other body as decided by the AMC. The AMC / Registrar will note and record such Pledge of Units. The AMC shall mark a lien only upon receiving the duly completed form and documents as may be prescribed. Disbursement of such loans will be entirely at the discretion of the bank / financial institution / NBFC concerned (hereinafter referred to as the "Pledgee") and the Mutual Fund/AMC assumes no responsibility thereof. The Pledgor will not be able to redeem Units that are pledged at the time of maturity, until the Pledgee to whom the Units are pledged provides written authorisation to the Mutual Fund that the pledge / lien charge may be revoked. Further, the Pledgee will have complete authority to redeem such Units so long as the Units remain under pledge.</p>

B. ONGOING OFFER DETAILS

<p>Ongoing Offer Period This is the date from which the scheme will reopen for subscriptions/redemptions after the closure of the NFO period.</p>	<p>The Scheme will reopen for ongoing subscription/ redemption within five business days of allotment.</p>																	
<p>Ongoing price for subscription (purchase) /switch-in (from other schemes/plans of the mutual fund) by investors. This is the price you need to pay for purchase/switch-in.</p>	<p>At the applicable NAV.</p>																	
<p>Ongoing price for redemption (sale) /switch outs (to other schemes/plans of the Mutual Fund) by investors. This is the price you will receive for redemptions/switch outs.</p>	<p>At the applicable NAV subject to prevailing exit load, which will be calculated as follows: Redemption Price = Applicable NAV*(1- Exit Load, if any) <i>Example:</i> If the Applicable NAV is ₹ 10, Exit Load is 1% then redemption price will be = ₹10* (1-0.01) = ₹ 9.90 For more details please refer to the Section IV (C) on Load Structure.</p>																	
<p>Cut off timing for subscriptions/ redemptions/ switches (as per Indian Standard Time) This is the time before which your application (complete in all respects) should reach the official points of acceptance.</p>	<p>(i) Purchase, including Switch-in:</p> <table border="1" data-bbox="576 757 1453 1037"> <thead> <tr> <th></th> <th>Cut-off Time</th> <th>Applicable NAV</th> </tr> </thead> <tbody> <tr> <td rowspan="2">Where a valid application is received on any Business Day at the official points of acceptance of transaction along with a local cheque or a demand draft payable at par at the place of submission of the application:</td> <td>Upto 3.00 p.m.</td> <td>NAV of the same Business Day</td> </tr> <tr> <td>After 3.00 p.m.</td> <td>NAV of the next Business Day</td> </tr> </tbody> </table> <p>(ii) Redemption/Switch-out:</p> <table border="1" data-bbox="576 1086 1453 1294"> <thead> <tr> <th></th> <th>Cut-off</th> <th>Applicable NAV</th> </tr> </thead> <tbody> <tr> <td rowspan="2">Where a valid application is received on any Business Day at the Official Point of Acceptance:</td> <td>Upto 3.00 p.m.</td> <td>NAV of the same Business Day</td> </tr> <tr> <td>After 3.00 p.m.</td> <td>NAV of the next Business Day</td> </tr> </tbody> </table> <p>The applications will be time stamped in accordance with the SEBI guidelines. Note: Switch application will be considered for processing on the earliest day which is a Business Day for both the 'Switch out' scheme and the 'Switch in' scheme. Application for 'Switch in' shall be treated as purchase application and the Applicable NAV based on the cut off time for purchase shall be applied. Application for Switch out shall be treated as redemption application and the Applicable NAV based on the cut off time for redemption shall be applied.</p>			Cut-off Time	Applicable NAV	Where a valid application is received on any Business Day at the official points of acceptance of transaction along with a local cheque or a demand draft payable at par at the place of submission of the application:	Upto 3.00 p.m.	NAV of the same Business Day	After 3.00 p.m.	NAV of the next Business Day		Cut-off	Applicable NAV	Where a valid application is received on any Business Day at the Official Point of Acceptance:	Upto 3.00 p.m.	NAV of the same Business Day	After 3.00 p.m.	NAV of the next Business Day
	Cut-off Time	Applicable NAV																
Where a valid application is received on any Business Day at the official points of acceptance of transaction along with a local cheque or a demand draft payable at par at the place of submission of the application:	Upto 3.00 p.m.	NAV of the same Business Day																
	After 3.00 p.m.	NAV of the next Business Day																
	Cut-off	Applicable NAV																
Where a valid application is received on any Business Day at the Official Point of Acceptance:	Upto 3.00 p.m.	NAV of the same Business Day																
	After 3.00 p.m.	NAV of the next Business Day																
<p>Where can the applications for purchase/redemption switches be submitted?</p>	<p>All transaction requests may be submitted at any ISC/OPA of the Mutual Fund, the addresses of which are given at the end of this SID. (Please refer to the back cover page of this SID for details) The AMC has the right to designate additional centres of the Registrar as the Official Points of Acceptance during the Ongoing Offer Period and change such centres, if necessary. For Investors convenience, the Mutual Fund has also introduced the Online Transaction facility on its website, viz., www.pramericamf.com</p>																	
<p>Minimum amount for purchase/redemption/switches</p>	<table border="1" data-bbox="576 1794 1453 1951"> <tbody> <tr> <td>Minimum amount for Purchase / Switch In:</td> <td>₹ 5,000 /- and in multiples of ₹ 1/- thereafter.</td> </tr> <tr> <td>Minimum Additional Purchase Amount</td> <td>₹ 500/- and in multiples of ₹ 1/- thereafter.</td> </tr> <tr> <td>Minimum Redemption Amount / Switch Out</td> <td>₹ 500/- or 50 units in respect of each Option or account balance whichever is lower.</td> </tr> </tbody> </table> <p>Note:</p> <ul style="list-style-type: none"> The minimum amount of investment specified above is not applicable for re-investment of dividend amount via Dividend Reinvestment or DTP under Dividend Option. For minimum investment amount under Systematic Investment Plan and Systematic Transfer Plan, please refer to the section "Special Products Available" herein below. 		Minimum amount for Purchase / Switch In:	₹ 5,000 /- and in multiples of ₹ 1/- thereafter.	Minimum Additional Purchase Amount	₹ 500/- and in multiples of ₹ 1/- thereafter.	Minimum Redemption Amount / Switch Out	₹ 500/- or 50 units in respect of each Option or account balance whichever is lower.										
Minimum amount for Purchase / Switch In:	₹ 5,000 /- and in multiples of ₹ 1/- thereafter.																	
Minimum Additional Purchase Amount	₹ 500/- and in multiples of ₹ 1/- thereafter.																	
Minimum Redemption Amount / Switch Out	₹ 500/- or 50 units in respect of each Option or account balance whichever is lower.																	

	<ul style="list-style-type: none"> • In case the Unitholder specifies the number of Units and amount in the redemption request, the number of Units shall be considered for Redemption. In case the Unit holder does not specify the number of units or amount in the redemption request, the request will be rejected. • If the balance Units in the Unitholder's account is not adequate to cover the amount specified in the Redemption request, then the Mutual Fund shall repurchase the entire balance of Units in the account of the Unitholder. • In case a Unitholder has purchased Units on multiple days in a single folio, the Units will be redeemed / switched out on a 'First in First Out' (FIFO) basis, i.e., the Units acquired chronologically first / earlier will be redeemed / switched out first, and the Exit Load, if any, applicable to each of the Units would correspond to the period of time the Units were held by the Unitholder. 																						
Minimum balance to be maintained and consequences of non maintenance.	<p>Currently, there is no minimum balance requirement.</p>																						
Special Products available	<p><u>Systematic Investment Plan (SIP)</u></p> <p>SIP is a facility provided to unitholders to invest specified amounts in the Scheme at regular / specified frequency and a specified period by providing a single mandate / standing instruction as per details mentioned below.</p> <table border="1" data-bbox="576 734 1453 1317"> <thead> <tr> <th>Particulars</th> <th>Frequency</th> <th></th> </tr> </thead> <tbody> <tr> <td rowspan="3">Frequency & Transaction Dates</td> <td>Daily</td> <td>Every Business Day</td> </tr> <tr> <td>Monthly</td> <td rowspan="2">The first SIP installment could be paid on any Business day. The subsequent SIP installments can be paid on the 1st, 7th, 10th, 15th or 25th of a month or all five dates. If any SIP installment due date falls on a non-Business day or Book Closure period, then the respective transactions will be processed on the next Business day.</td> </tr> <tr> <td>Quarterly</td> </tr> <tr> <td rowspan="3">Minimum no. of installments and Minimum amount per installment</td> <td>Daily</td> <td rowspan="2">10 installments of Rs. 500/- each and in multiples of Rs.100/- thereafter</td> </tr> <tr> <td>Monthly</td> </tr> <tr> <td>Quarterly</td> <td>5 installments of Rs.1000/- each and in multiples of Rs.100/- thereafter</td> </tr> <tr> <td rowspan="3">Mode of Payment</td> <td>Daily</td> <td>Direct Debit mandate through select banks with whom AMC has an arrangement</td> </tr> <tr> <td>Monthly</td> <td rowspan="2">a) Electronic Clearing Service (ECS) b) Direct Debit mandate through select banks with whom AMC has an arrangement</td> </tr> <tr> <td>Quarterly</td> <td>c) Post-Dated Cheques (PDCs).</td> </tr> </tbody> </table> <p>Investors may enroll for the SIP facility by submitting duly completed SIP Enrolment Form at any OPA / ISC of the Fund.</p> <p>Subscription in SIP through post-dated cheques:</p> <p>The date of the first cheque shall be the same as the date of the initial investment application, while the remaining cheques shall be post dated uniformly for the SIP transaction date opted. An Investor is eligible to issue only one cheque for each month in each SIP enrolment form. All the cheques under a SIP mandate should be of the same amount. Cheques should be drawn in favour of the Scheme and crossed "A/c Payee only". A letter will be forwarded to the Investor on successful registration of SIP. The Post Dated cheques will be banked on the due dates.</p> <p>SIP Subscription through Electronic Clearing Service (ECS) /Direct Debit :</p> <p>Investors may opt for SIP Subscription through Electronic Clearing Service (Debit clearing) or for SIP Direct Debit Facility available with specified Banks / Branches with whom the AMC has an arrangement.</p> <p>To enroll for SIP ECS (Debit clearing) facility or Direct Debit Facility, an Investor must fill-up the SIP Enrolment Form for SIP ECS / Direct Debit facility and provide his first Investment cheque for the initial purchase along with a cancelled cheque leaf of the bank account for which the ECS / direct debit mandate is provided.</p> <p>There should be a gap of at least 30 days between initial SIP Subscription and the subsequent SIP installment in case of SIP transactions commenced during Ongoing Offer.</p> <p>Investors may choose to discontinue subscription under the SIP at any time by submitting a written request at any of the OPA/ISC at least 21 days prior to the due date of the next SIP installment.</p>	Particulars	Frequency		Frequency & Transaction Dates	Daily	Every Business Day	Monthly	The first SIP installment could be paid on any Business day. The subsequent SIP installments can be paid on the 1st, 7th, 10th, 15th or 25th of a month or all five dates. If any SIP installment due date falls on a non-Business day or Book Closure period, then the respective transactions will be processed on the next Business day.	Quarterly	Minimum no. of installments and Minimum amount per installment	Daily	10 installments of Rs. 500/- each and in multiples of Rs.100/- thereafter	Monthly	Quarterly	5 installments of Rs.1000/- each and in multiples of Rs.100/- thereafter	Mode of Payment	Daily	Direct Debit mandate through select banks with whom AMC has an arrangement	Monthly	a) Electronic Clearing Service (ECS) b) Direct Debit mandate through select banks with whom AMC has an arrangement	Quarterly	c) Post-Dated Cheques (PDCs).
Particulars	Frequency																						
Frequency & Transaction Dates	Daily	Every Business Day																					
	Monthly	The first SIP installment could be paid on any Business day. The subsequent SIP installments can be paid on the 1st, 7th, 10th, 15th or 25th of a month or all five dates. If any SIP installment due date falls on a non-Business day or Book Closure period, then the respective transactions will be processed on the next Business day.																					
	Quarterly																						
Minimum no. of installments and Minimum amount per installment	Daily	10 installments of Rs. 500/- each and in multiples of Rs.100/- thereafter																					
	Monthly																						
	Quarterly	5 installments of Rs.1000/- each and in multiples of Rs.100/- thereafter																					
Mode of Payment	Daily	Direct Debit mandate through select banks with whom AMC has an arrangement																					
	Monthly	a) Electronic Clearing Service (ECS) b) Direct Debit mandate through select banks with whom AMC has an arrangement																					
	Quarterly		c) Post-Dated Cheques (PDCs).																				

The SIP enrollment will be automatically discontinued if:
 (a) 3 consecutive SIP installments in case of Monthly & Quarterly frequency and 4 consecutive SIP installments in case of Daily frequency are not honored by the investor's bankers; or

(b) the Bank Account for Standing Instruction is closed and request for change in bank account for Standing Instruction is not submitted at least 21 days before the next SIP Auto Debit installment due date.

Units under SIP will be allotted at the Applicable NAV of the respective SIP transaction dates as per SIP mandate. An extension of an existing **SIP** mandate will be treated as a fresh mandate on the date of receipt such application, and all the above conditions need to be met with.

The Load structure prevailing at the time of submission of the SIP application (whether fresh or extension) will apply for all the SIP installments indicated in SIP enrolment form.

The installments payable after the NFO period should be dated after the date of declaration of first NAV. Any installments mandated for the interim period will not be processed and will be treated as void.

The AMC may offer the SIP facility by way of a salary savings scheme for a group of employees through an arrangement with their employers at a future date.

Please refer to the SIP Enrolment form for terms and conditions before enrolment.

Systematic Transfer Plan (STP)

STP is an investment plan enabling Unitholders to transfer specified amounts from one scheme of the Mutual Fund ('Source scheme') to another ('Target scheme') on a recurrent basis for a specified period at specified frequency as specified in the table below, by providing a single mandate / standing instruction. On the specified STP transaction dates, Units under the Source scheme will be redeemed at the applicable redemption price, and admissible units will be allotted under the Target scheme as per the investor's STP mandate.

Particulars	Frequency	
Frequency & Transaction Dates	Daily	On every Business Day
	Weekly	On any Business Day in a week
	Fortnightly	On any Business Day of alternate weeks
	Monthly	On the 1st, 7th, 10th, 15th or 25th of a month or all five dates.
	Quarterly	On the 1st, 7th, 10th, 15th or 25th of a month or all five dates.
If any STP transaction due date falls on a non-Business day, then the respective transactions will be processed on the immediately succeeding Business Day for both the schemes.		
Minimum no. of installments and Minimum amount per installment	Daily	10 (ten) installments of Rs.500 each and in multiples of Rs.100/- thereafter
	Weekly	
	Fortnightly	
	Monthly	2 (two) installments of Rs.2500/- each and in multiples of Rs.100/- thereafter
Quarterly		

Investors may register for STP using a prescribed STP Enrolment form. If the STP period or no. of installments is not specified in the STP Enrolment Form, the STP transactions will be processed until the balance of units in the unitholder's folio in the Source scheme becomes zero. The STP mandate may be discontinued by a Unit holder by giving a written notice of 7 days.

STP mandate will terminate automatically if all Units held by the unitholder in the Source scheme are redeemed or upon the Mutual Fund receiving a written intimation of death of the sole / 1st Unit holder.

Please refer to the STP Enrolment form for terms and conditions before enrolment.

Systematic Withdrawal Plan (SWP)

SWP is a facility that enables Unitholders to withdraw / redeem specified amounts or no. of units from the Scheme on a recurrent basis for a specified period at specified frequency by providing a single mandate/ standing instruction.

Particulars	Frequency	
Frequency & Transaction Dates	Monthly	On the 10th and/or 25th of each month
	Quarterly	
Minimum no. of installments and Minimum amount per installment	Monthly	2 (two) installments of ₹ 500/- or 50 units
	Quarterly	
Mode of Payment	Monthly	as chosen by the unitholder
	Quarterly	

Investors may register for SWP using the prescribed SWP Enrolment form. Where the investor specifies the SWP amount in the SWP enrollment form instead of units, the Mutual Fund shall repurchase proportionate number of units against the SWP installment amount specified at the applicable redemption price on the SWP transaction date. If the SWP period or no. of installments is not specified in the SWP Enrolment Form, the SWP transactions will be processed until the balance of units in the unitholder's folio in the Source scheme becomes zero. The SWP mandate may be discontinued by a Unit holder by giving a written notice of 7 days. SWP mandate will terminate automatically if all Units from the respective transferor scheme are redeemed or upon the Mutual Fund receiving a written intimation of death of the sole / 1st Unit holder. Please refer to the SWP Enrolment form for terms and conditions before enrolment.

The AMC reserves the right to modify the provisions of the SIP / STP / SWP as deemed appropriate from time to time.

Switching Options

(a) Inter - Scheme Switching option

Unit holders under the Scheme will have the option to Switch part or all of their Unit holdings in the Scheme to any other scheme(s) offered by the Mutual Fund from time to time. The Mutual Fund also provides the Investors the flexibility to Switch their investments from any other scheme(s) / plan (s) offered by the Mutual Fund to this Scheme. This option will be useful to Unit holders who wish to alter the allocation of their investment among the scheme(s) of the Mutual Fund in order to meet their changed investment needs.

The Switch will be effected by way of a Redemption of Units from the Scheme at applicable NAV, subject to Exit Load, if any and investment of the Redemption proceeds into another scheme offered by the Mutual Fund at applicable NAV and accordingly the Switch transaction must comply with the Redemption rules of 'switch out scheme' and the Subscription rules of the 'switch in scheme'.

(b) Intra- Scheme Switching option

Unit holders under the Scheme have the option to Switch their Unit holdings from Growth Option to Dividend Option and vice versa. The Switches would be done at the Applicable NAV based prices and the difference between the NAVs of the two Options will be reflected in the number of Units allotted.

Aforesaid Switching options under (a) and (b) above shall be subject to the applicable "Cut off time, Applicable NAV" and minimum purchase / redemption criteria of respective scheme stated elsewhere in the Scheme Information Document.

Multiple Bank Mandate Registration.

The Investor may register multiple Bank Mandates in a single folio using a prescribed form which is available on the Mutual Fund's website and also at the ISCs/OPAs. For details, please refer to SAI.

Application / Request through Fax / Online Transactions:

Transaction by Fax

In order to facilitate quick processing of transaction and/ or instruction of investment of investor, the AMC/ Trustee may at its sole discretion and without being obliged in any manner to do so and without being responsible and/ or liable in any manner whatsoever, accept and process any application, supporting documents and/ or instructions submitted by an investor/ Unit holder by facsimile (Fax transmission). The AMC/ Trustee/ Mutual Fund shall have no obligation to check or verify the authenticity or accuracy of Fax Submission purporting to have been sent by the investor and may act thereon as if same has been duly given by the investor and the investor/ Unit holder voluntarily and with full knowledge takes and assumes any and all risk associated therewith. In all such cases the investor will have to immediately submit the original documents/ instruction to AMC/ Mutual Fund/official points of acceptance by clearly mentioning the words "For Records Only".

Online Transactions through the Mutual Fund’s website

The Mutual Fund offers the facility of transacting through the online mode on the Mutual Fund’s website, subject to the Investor/Unitholder’s fulfilling certain terms and conditions.

The acceptance of the fax / web /electronic transactions will be solely at the risk of the transmitter of the fax / web / electronic transactions and the Mutual Fund/AMC (the “Recipient”) shall not in any way be liable or responsible for any loss, damage caused to the transmitter directly or indirectly, as a result of the transmitter sending or purporting to send such transactions including where a fax / web /electronic transactions sent / purported to be sent is not processed on account of the fact that it was not received by the Recipient.

The transmitter acknowledges that fax/web/electronic transactions is not a secure means of giving instructions / transactions requests and that the transmitter is aware of the risks involved including those arising out of such transmission being inaccurate, imperfect, ineffective, illegible, having a lack of quality or clarity, garbled, altered, distorted, not timely etc. The transmitter's request to the Recipient to act on any fax / web / electronic transmission is for the transmitter's convenience and the Recipient is not obliged or bound to act on the same. The transmitter authorizes the Recipient to accept and act on any fax / web / electronic transmission which the Recipient believes in good faith to be given by the transmitter and the Recipient shall be entitled to treat any such fax / web / electronic transaction as if the same was given to the Recipient under the transmitter's original handwritten signature.

The transmitter agrees that security procedures adopted by the Recipient may include signature verification, telephone call backs or a combination of the same, which may be recorded by tape recording device and the transmitter consents to such recording and agrees to co-operate with the Recipient to enable confirmation of such fax/web/ electronic transaction requests. The transmitter accepts that the fax / web / electronic transactions shall not be considered until time stamped as a valid transaction request in the Scheme(s) in line with SEBI (MF) regulations.

In consideration of the Recipient from time to time accepting and at its sole discretion (including but not limited to the AMC extending / discontinuing such facilities from time to time) acting on any fax / web / electronic transaction request received / purporting to be received from the transmitter, the transmitter agrees to indemnify and keep indemnified the AMC, Directors, employees, agents, representatives of the AMC, Mutual Fund and Trustees from and against all actions, claims, demands, liabilities, obligations, losses, damages, costs and expenses of whatever nature (whether actual or contingent) directly or indirectly suffered or incurred, sustained by or threatened against the indemnified parties whatsoever arising from or in connection with or any way relating to the indemnified parties in good faith accepting and acting on fax / web / electronic transaction requests including relying upon such fax / electronic transaction requests purporting to come from the Transmitter even though it may not come from the Transmitter. The AMC reserves the right to modify the terms and conditions or to discontinue the abovementioned facility at any point of time.

Applications via electronic mode through Channel Partners

Subject to the Investor fulfilling certain terms and conditions stipulated by the AMC, Pramerica Mutual Fund may accept transactions through the AMC’s distributors / channel partners electronically.

SMS /E-mail Alerts:

As a risk mitigating measure, Pramerica Mutual Fund will endeavor to provide alerts via Short Messaging Service (SMS) / E-mail (Free of Cost) in respect of critical Financial and Non-Financial transactions to all investors, whose mobile telephone numbers / E-mail id. are available with the AMC / RTA. The parameters for the facility would be at the sole discretion of the AMC.

The AMC reserves the right to discontinue any of the aforesaid facilities at any point of time.

Accounts Statements

For normal transactions (other than SIP / STP/SWP) during ongoing sales and repurchase:

- The AMC shall issue to the investor whose application (other than SIP / STP/SWP) has been accepted, an account statement specifying the number of units allotted within 10 Business days of the transaction.
- For those unitholders who have provided an e-mail address, the AMC will send the account statement by email.
- The unitholder may request for a physical account statement by writing to/calling the AMC/ISC/RTA.

**S.O.
18**

	<p>For SIP / STP/SWP transactions;</p> <ul style="list-style-type: none"> • Account Statement for SIP / STP/ SWP will be despatched once every quarter ending March, June, September and December within 10 Business days of the end of the respective quarter. • A soft copy of the Account Statement shall be mailed to the investors under SIP / STP/SWP to their e-mail address on a monthly basis, where the investor has provided his/her email id. • However, the first Account Statement under SIP / STP/SWP shall be issued within 10 Business days of the initial investment/transfer/withdrawal. • In case of specific request received from investors, Mutual Fund shall provide the account statement (SIP / STP/ SWP) to the investors within 5 business days from the receipt of such request without any charges. <p>Annual Account Statement:</p> <ul style="list-style-type: none"> • The Mutual Fund shall provide the Account Statement to the Unitholders who have not transacted during the last six months prior to the date of generation of account statements. The Account Statement shall reflect the latest closing balance and value of the Units prior to the date of generation of the account statement, • The account statements in such cases may be generated and issued along with the Portfolio Statement or Annual Report of the Scheme. • Alternately, soft copy of the account statements shall be mailed to the investors' e-mail address, instead of physical statement, where the investor has provided his/her email id.
<p>Dividend</p>	<p>The dividend warrants cheque / demand draft shall be dispatched to the unitholders within 30 days of the date of declaration of the dividend.</p> <p>The Dividend proceeds will be remitted electronically by way of ECS / NEFT / RTGS / Direct credits / any other electronic manner if sufficient bank account details of the unitholder are available with the Mutual Fund.</p> <p>In case of specific request for dividend payment through the physical mode or unavailability of sufficient bank details with the Mutual Fund, the Dividend will be paid by dividend warrant / cheque / demand draft and payment will be made in favour of the sole / 1st Unit holder with bank account details furnished to the Mutual Fund.</p>
<p>Redemption</p>	<p>The redemption proceeds shall be dispatched to the unitholders within 10 business days from the date of receipt of redemption application, complete / in good order in all respects.</p> <p>A Transaction Slip may be used by the Unit Holder to request for Redemption. The requisite details should be entered in the Transaction Slip and submitted at an ISC / OPA. Transaction Slips may be obtained from any of the ISCs / OPAs/ the Mutual Fund's website.</p> <p>For Investors convenience, the Mutual Fund also provides Online Transaction Module on its Website for transacting in units of the Mutual Fund's schemes.</p> <p>Procedure for payment of redemption proceeds</p> <p>1. Resident Investors Redemption proceeds will be paid to the investor through RTGS, NEFT, Direct Credit, Cheque or Demand Draft.</p> <p>a) If investor has provided IFSC code in the application form, by default Redemption proceeds shall be credited to Investor's bank account through RTGS / NEFT.</p> <p>b) If Investor has not provided IFSC code but has a bank account with a bank with whom the Fund has an arrangement for Direct Credit, the proceeds will be paid through direct credit.</p> <p>c) if the Investor's bank account does not fall under a) and b) above the Redemption proceeds will be paid by cheque or demand draft, marked "Account Payee only" and drawn in the name of the sole holder / first-named holder (as determined by the records of the Registrar).</p> <p>The bank name and bank account number of the sole / first holder as specified in the Registrar's records, will be mentioned in the cheque / demand draft. The cheque / demand draft will be payable at the city, as per bank mandate of the investor. (please refer to SAI for details).</p> <p>The redemption proceeds will be sent by courier or (if the addressee city is not serviced by the courier) by registered post / Under Certificate of Posting to the</p>

	<p>registered address of the sole / first holder as per the records of the Registrars. For the purpose of delivery of the redemption instrument, the dispatch through the courier / Postal Department, as the case may be, shall be treated as delivery to the investor.</p> <p>The AMC / Registrar are not responsible for any delayed delivery or non-delivery or any consequences thereof, if the dispatch has been made correctly as stated above.</p> <p>The AMC reserves the right to change the sequence of payment from (a) to (c) without any prior notice.</p> <p>2. Non-Resident Investors For NRIs, Redemption proceeds will be remitted depending upon the source of investment as follows:</p> <p><i>(i) Repatriation basis</i> : Where Units have been purchased through direct remittance from abroad or by cheque/ draft issued from proceeds of the Unit Holder's FCNR deposit or from funds held in the Unit Holder's Non Resident (External) account maintained in India the proceeds will be remitted to the Unitholder's bankers in India for crediting his/her NRE/FCNR bank account.</p> <p><i>(ii) Non-Repatriation basis</i>: When Units have been purchased from funds held in the Unit Holder's non-resident (Ordinary) account, the proceeds will be sent to the Unit Holder's Indian address/ bankers for crediting to the Unit Holder's non-resident (Ordinary) account.</p> <p>For FIIs, the designated branch of the authorized dealer may allow remittance of net sale / maturity proceeds (after payment of taxes) or credit the amount to the Foreign Currency account or Non-resident Rupee account of the FII maintained in accordance with the approval granted to it by the RBI.</p> <p>The Fund will not be liable for any delays or for any loss on account of any exchange fluctuations, while converting the rupee amount in foreign exchange in the case of transactions with NRIs/ FIIs. The Fund may make other arrangements for effecting payment of Redemption proceeds in future.</p> <p>Effect of Redemptions The number of Units held by the Unit Holder in his/ her/ its folio will stand reduced by the number of Units Redeemed. Units once redeemed will be extinguished and will not be re- issued.</p> <p>The normal processing time may not be applicable in situations where such details are not provided by investors/ Unit holders. The AMC will not be responsible for any loss arising out of fraudulent encashment of cheques and/or any delay/ loss in transit.</p>
<p>Delay in payment of redemption / repurchase proceeds</p>	<p>The redemption (repurchase) proceeds shall be dispatched to the unitholders within 10 Business days from the date of redemption / repurchase. The AMC shall be liable to pay interest to the Unit holders @ 15% p.a. [or such other rate as may be prescribed by SEBI from time to time], in case the Redemption / Repurchase payment is not made within 10 Business Days from the date of receipt of the valid Redemption / Repurchase application, complete in all respect.</p> <p>Note: The AMC will not be liable to pay any interest or compensation in case of any delay in processing the redemption application beyond 10 Business Days in case of any deficiency in the redemption application or if the AMC / RTA is required to obtain from the Investor / Unit holders any additional details for verification of identity or bank details etc. under applicable regulations.</p>
<p>Bank Mandate</p>	<p>It is mandatory for the every applicant to provide the name of the bank, branch, address, account number and account type as per requirements SEBI guidelines and any other requirements stated in the Application Form.</p> <p>Further, in case the cheque for purchase of units is issued from a bank account which is different from the Bank Mandate mentioned in the application form or if the payment is made through a bank draft, the investor needs to provide a cancelled cheque leaf for the purpose of verification along with the application form.</p> <p>Multiple Bank Mandate Registration for non-demat holders. Investors may register multiple Bank Mandates in a single folio using a prescribed form which is available on the Mutual Fund's website, ISCs/OPAs. The said form needs to be accompanied with the cancelled cheque leaf for all the bank mandates which the investor seeks to register under a folio.</p> <p>For details, please refer to SAI.</p> <p>Note: For Units held in demat mode, the bank mandate shall be as per the bank details registered with the DP.</p>

S.O.
19

C. PERIODIC DISCLOSURES

**S.O.
17 a**

<p>Net Asset Value</p> <p>This is the value per unit of the scheme on a particular day. You can ascertain the value of your investments by multiplying the NAV with your unit balance.</p>	<p>NAV of the Scheme will be calculated and disclosed at the close of every Business Day to the Press, News Agencies and Association of Mutual Funds in India (AMFI). The AMC shall publish the NAVs on its Website (www.pramerica.com) and the website of AMFI (www.amfiindia.com) and at least in two daily newspapers for every Business Day as per SEBI guidelines.</p> <p>In case of any delay, the reasons for such delay would be explained to AMFI by the next Business Day. If the NAVs are not available before commencement of business hours on the following Business Day due to any reason, the Fund shall issue a press release providing reasons for the same and explaining when the Fund would be able to publish the NAV.</p>																
<p>Half yearly Disclosures: Portfolio / Financial Results</p> <p>This is a list of securities where the corpus of the scheme is currently invested. The market value of these investments is also stated in portfolio disclosures.</p>	<p>The Mutual Fund/ AMC shall publish a complete statement of the Scheme portfolio and the unaudited financial results, within one month from the close of each half year (i.e. 31st March and 30th September), by way of an advertisement, at least in one national English daily and one regional newspaper in the language of the region where the head office of the Mutual Fund is located.</p> <p>The Mutual Fund may choose to send the Scheme portfolio to all Unit holders in lieu of the advertisement (if applicable) or as may be stipulated under the Regulations. The portfolio statement will also be displayed on the website of the AMC and AMFI.</p>																
<p>Half Yearly Results</p>	<p>The Mutual Fund / AMC shall before the expiry of one month from the close of each half year, that is on 31st March and on 30th September, publish its unaudited financial results in one national English daily newspaper and in a regional newspaper published in the language of the region where the Head Office of the Mutual Fund is situated and update the same on the AMC's website at www.pramerica.com and on AMFI's website at www.amfiindia.com in the formats as prescribed by SEBI.</p>																
<p>Annual Report</p>	<p>The Scheme wise annual report or an abridged summary thereof shall be mailed (e-mailed, where e-mail id is provided unless otherwise required) to all Unit holders not later than four months (or such other period as may be specified by SEBI from time to time) from the date of closure of the relevant accounting year (i.e., 31st March each year) and full annual report shall be available for inspection at the Head Office of Pramerica Mutual Fund and a copy shall be made available to the Unit holders on request on payment of nominal fees, if any. Scheme wise annual report shall also be displayed on the website of the AMC (www.pramerica.com) and Association of Mutual Funds in India (www.amfiindia.com).</p>																
<p>Associate Transactions</p>	<p>Please refer to Statement of Additional Information.</p>																
<p>Taxation</p> <p>The information is provided for general information only. However, in view of the individual nature of the implications, each investor is advised to consult his or her own tax advisors/authorised dealers with respect to the specific amount of tax and other implications arising out of his or her participation in the schemes.</p>	<table border="1"> <thead> <tr> <th>Equity schemes</th> <th>Resident Investors</th> <th>Mutual Fund</th> </tr> </thead> <tbody> <tr> <td>Tax on Dividend distributed by Mutual Fund (Note 1)</td> <td>Nil</td> <td>Nil</td> </tr> <tr> <td>Capital Gains:</td> <td></td> <td></td> </tr> <tr> <td>Long-term</td> <td>Nil - in case of equity oriented fund</td> <td>Nil²</td> </tr> <tr> <td>Short-term</td> <td>15% - in case of equity oriented fund (Note 2 & 3)</td> <td>Nil²</td> </tr> </tbody> </table>	Equity schemes	Resident Investors	Mutual Fund	Tax on Dividend distributed by Mutual Fund (Note 1)	Nil	Nil	Capital Gains:			Long-term	Nil - in case of equity oriented fund	Nil ²	Short-term	15% - in case of equity oriented fund (Note 2 & 3)	Nil ²	<p>1. As per section 115R of the Income-tax Act, 1961 ('the IT Act'), no dividend distribution tax is payable by Mutual Fund on dividend distributed by equity oriented funds.</p> <p>(Note: An equity oriented fund has been defined under the IT Act as a scheme of a Mutual Fund where the investible funds are invested in equity shares of domestic companies to the extent of more than 65 per cent of the total proceeds of such fund. The percentage of equity shareholding of the fund shall be computed with reference to the annual average of the monthly averages of the opening and closing figures.)</p> <p>2. The tax rate mentioned in table above would be increased by a surcharge of:</p> <p>(a) 5% - in case of domestic corporate Unit Holders, where the total income exceeds ₹ 1 crore</p> <p>(b) Nil - in case of individuals, firms, local authorities and co-operative societies.</p> <p>Further, an additional surcharge of 3% by way of education cess would be charged on amount of tax inclusive of surcharge for all Unit Holders.</p> <p>3. In case of resident individuals and HUFs, where the total income as reduced by the short-term capital gains, is below the basic exemption limit, the short-term capital gains will be reduced to the extent of the shortfall and only the balance short-term capital gains will be subjected to tax at the above rate.</p>
Equity schemes	Resident Investors	Mutual Fund															
Tax on Dividend distributed by Mutual Fund (Note 1)	Nil	Nil															
Capital Gains:																	
Long-term	Nil - in case of equity oriented fund	Nil ²															
Short-term	15% - in case of equity oriented fund (Note 2 & 3)	Nil ²															

	<p>4. Redemption of units of an equity oriented fund will attract securities transaction tax (STT) at the rate of 0.25%.</p> <p>Purchase and sale of unit of equity oriented fund on recognized stock exchange by actual delivery would be subject to STT at the rate of 0.125%. Further, sale of unit of equity oriented fund on recognized stock exchange otherwise than by way of actual delivery would be subject to STT at the rate of 0.025%.</p> <p>5. Pramerica Mutual Fund is a fund registered with SEBI and as such is eligible for benefits under Section 10(23D) of the IT Act, 1961. Accordingly, its entire income is exempt from tax.</p> <p>The Trustee, AMC, Mutual Fund, their directors or their employees shall not be liable for any of the tax consequences that may arise, in the event that the Scheme is wound up for the reasons and in the manner provided in 'Statement of Additional Information ('SAI')'.</p> <p>FOR FURTHER DETAILS ON TAXATION PLEASE REFER TO THE CLAUSE ON TAXATION IN THE SAI.</p>
<p>Investor services</p>	<p>Investors may make any service request or complaints or enquiries by calling the AMC's Investor Helpline "1800 266 2667" (toll-free) or send an e-mail to customercare@pramericamf.com.</p> <p>The customer service representatives may require personal information of the customer for verification of the customer's identity in order to protect confidentiality of information. The AMC will at all times endeavour to handle transactions efficiently and to resolve any grievances promptly.</p> <p>For any queries / complaints / feedbacks you may contact :</p> <p>Mr. V. Robinson Francis Investor Relations Officer Pramerica Mutual Fund 2nd floor, Nirlon House, Dr. Annie Besant Road, Worli, Mumbai 400030 Tel 91 22 6159 3000 Email Id.: customercare@pramericamf.com</p>

D. COMPUTATION OF NAV

NAV of Units under the Scheme may be calculated by either of the following methods shown below:

$$\text{NAV (₹)} = \frac{\text{Market or Fair Value of Scheme's investments} + \text{Current Assets} - \text{Current Liabilities and Provisions}}{\text{No. of Units outstanding under the Scheme}}$$

Or

$$\text{NAV (₹)} = \frac{\text{Unit Capital} + \text{Reserves and Surplus}}{\text{No. of Units outstanding under the Scheme}}$$

The valuation of the Scheme's assets and calculation of the Scheme's NAV shall be subject to audit on an annual basis and such regulations as may be prescribed by SEBI from time to time. The NAV will be rounded off to two decimal places.

There will be more than one NAV, for each Option, after the declaration of the first dividend.

IV. FEES AND EXPENSES

This section outlines the expenses that will be charged to the schemes.

A. NEW FUND OFFER (NFO) EXPENSES

These expenses are incurred for the purpose of various activities related to the NFO like sales and distribution fees marketing and advertising, Registrar expenses, printing and stationary, bank charges etc.

In accordance with the provisions of SEBI Circular No. SEBI / IMD / CIR No.1 / 64057/ 06 dated April 04, 2006 and SEBI / IMD / CIR No. 4 /168230 / 09 dated June 30, 2009, the Scheme, being an open-ended scheme, the NFO expenses shall be borne by the AMC / Sponsor.

B. ANNUAL SCHEME RECURRING EXPENSES

These are the fees and expenses for operating the Scheme. These expenses include the Investment Management and Advisory Fee charged by the AMC, Registrar and Transfer Agents' Fee, marketing and selling costs, etc. as given in the table below:

The AMC has estimated that upto 2.50 % of the weekly average net assets of the Scheme will be charged to the Scheme as expenses. For the actual current expenses being charged, the investor should refer to the website of the Mutual Fund.

Particulars	% of Net Assets
Investment Management & Advisory Fee	1.25
Custodial Fees	0.02
Registrar & Transfer Agent Fees including cost related to providing accounts statement, dividend/redemption cheques/warrants etc.	0.10
Marketing, Brokerage & selling expenses including agents commission and statutory advertisement	0.80
Audit Fees / Fees and expenses of trustees	0.02
Costs related to investor communications	0.15
Costs of fund transfer from location to location	0.04
Other Expenses*	0.12
Total Recurring Expenses	2.50

*Any other expenses which are directly attributable to the Scheme, except those expenses which are specifically prohibited, may be charged with the approval of the Trustee within the overall limits specified in the SEBI (MF) Regulations. All types of expenses charged shall be as per the SEBI (MF) Regulations.

The purpose of the above table is to assist the investor in understanding the various costs & expenses that an investor in the Scheme will bear directly or indirectly. The above estimates have been made in good faith as per the information available to the AMC, and are subject to change inter-se, or in total, on account of any change in SEBI Regulations or otherwise. The actual expenses incurred may be higher or lower than the estimated rates mentioned above. The AMC will strive to reduce the level of these expenses so as to keep them well within the maximum limit allowed by SEBI, and expenses in excess of the above limit shall be borne by AMC.

An equity oriented fund has been defined under the Income Tax Act as a scheme of a mutual fund where the investible funds are invested in equity shares of domestic companies to the extent of more than 65 per cent of the total assets of such fund. The percentage of equity shareholding of the fund shall be computed with reference to the annual average of the monthly averages of the opening and closing figures.

The recurring expenses of the Scheme (including the Investment Management and Advisory Fees) shall be as per the limits prescribed under the SEBI (MF) Regulations. These are as follows:

- On the first ₹ 100 crore of the weekly average net assets - 2.50%
- On the next ₹ 300 crore of the weekly average net assets - 2.25%
- On the next ₹ 300 crore of the weekly average net assets - 2.00%
- On the balance of the assets - 1.75%

As per the Regulations, the AMC is entitled to an Investment Management and Advisory Fee at the rate of -

- 1.25% per annum of the daily / weekly average net assets outstanding in each accounting year for the Scheme concerned, as long as the net assets do not exceed ₹100 crore (rupees one hundred crores only); and
- 1.00% of the excess amount over ₹100 crore (rupees one hundred crores only), where net assets so calculated exceed ₹100 crore (rupees one hundred crores only).

The total expenses of the Scheme(s) including the investment management and advisory fee shall not exceed the limit stated in Regulation 52(6) of the SEBI (MF) Regulations. Any expenditure in excess of the SEBI regulatory limits shall be borne by the AMC.

The AMC shall update the current expense ratios on the website www.pramericamf.com within two working days mentioning the effective date of the change.

C. LOAD STRUCTURE

Load is an amount which is paid by the investor to subscribe to the units or to redeem the units from the scheme. This amount is used by the AMC to pay commissions to the distributor and to take care of other marketing and selling expenses. Load amounts are variable and are subject to change from time to time.

SEBI, vide its circular no. SEBI / IMD / CIR No. 4 / 168230 / 09 dated June 30, 2009 has decided that there shall be no entry Load for all Mutual Fund Schemes. Accordingly, the upfront commission payable to the distributor on investment made by the investor, if any, shall be paid directly by the investor to the distributor, based on the investor's assessment of various factors including service rendered by the distributor.

For the current applicable structure, please refer to the website of the AMC (www.pramericamf.com) or you may call at 1800 266 2667 (toll free no.) or your distributor.

Type of Load	Load chargeable (as %age of NAV)
Entry Load	Nil
Exit Load (including redemption of units under SWP, STP and Inter-Scheme Switch-outs and Redemptions from SIP)	<ul style="list-style-type: none"> • 1%, if the Units are Redeemed / Switched-out on or before 365 days of allotment ; • Nil, if the Units are Redeemed / Switched-out after 365 days of allotment

Load exemptions:

No Exit Load will be charged on Intra-Scheme switches i.e., switches between Growth and Dividend Options .

The investors are requested to check the prevailing load structure of the Scheme before investing.

Of the Exit Load charged to the Investor, a maximum of 1% of the Redemption proceeds can be maintained in a separate account which can be used by the AMC to pay commissions to the distributor and to take care of other marketing and selling expenses. Any balance is to be credited to the Scheme immediately.

The AMC / Trustee reserves the right to change / modify the Load structure of the Scheme, if deemed fit in the interest of smooth and efficient functioning of the Mutual Fund. The AMC / Trustee reserves the right to modify the Load depending upon the circumstances prevailing at that time subject to maximum limits as prescribed under the Regulations.

However, the Repurchase Price will not be lower than 93% of the NAV or as permitted / prescribed under the SEBI Regulations from time to time. Similarly, the sale price will not be higher than 107% of the NAV and the difference between the repurchase price and sale price shall not exceed 7% on the sale price or as permitted / prescribed under the SEBI Regulations from time to time.

**S.O.
17b**

Any imposition or enhancement in the load shall be applicable on prospective investments only. However, AMC shall not charge any load on issue of bonus units and units allotted on reinvestment of dividend for existing as well as prospective investors.

For any change in Load structure AMC will issue an addendum and display it on the website (www.pramericamf.com) and Investor Service Centres. The addendum will also be circulated to all the distributors / brokers, so that the same can be attached to all SIDs and Key Information Memoranda in stock till the same is updated and reprinted. The AMC would make arrangements to display the addendum in the Scheme Information Document in the form of a notice at all the Investor Service Centres and distributors/brokers office. The introduction of the Exit Load/CDSC along with the details may be stamped in the acknowledgement slip issued to the investors on submission of the Application Form and may also be disclosed in the Statement of Accounts issued after the introduction of such Load/CDSC. A public notice shall be given in respect of the change in one English daily newspaper having nationwide circulation as well as in a newspaper published in the language of region where the head office of the Mutual Fund is situated. Any other measures which the Mutual Fund may feel necessary would be undertaken.

D. WAIVER OF LOAD FOR DIRECT APPLICATIONS

In terms of SEBI circular no. SEBI / IMD / CIR No. 4 / 168230 / 09 dated June 30, 2009 there shall be no Entry Load for all mutual fund schemes.

Exit load shall be as specified under section IV C titled Load Structure.

V. RIGHTS OF UNITHOLDERS

Please refer to the Statement of Additional Information for details.

VI. PENALTIES, PENDING LITIGATION OR PROCEEDINGS, FINDINGS OF INSPECTIONS OR INVESTIGATIONS FOR WHICH ACTION MAY HAVE BEEN TAKEN OR IS IN THE PROCESS OF BEING TAKEN BY ANY REGULATORY AUTHORITY

S.O.
20

Particulars	Penalty
Penalties and action(s) taken against foreign Sponsor during the last three years in the jurisdiction of the country where the principal activities (in terms of income / revenue) of the Sponsor(s) are carried out or where the headquarters of the Sponsor is situated.	None
Monetary penalties imposed and/ or action taken against Indian Sponsor(s) during the last three years or pending with any financial regulatory body or governmental authority, against Sponsor(s)(if any) and/ or the AMC and/ or the Board of Trustees /Trustee Company; for irregularities or for violations in the financial services sector, or for defaults with respect to share holders or debenture holders and depositors, or for economic offences, or for violation of securities law including details of settlement, if any, arrived at with the aforesaid authorities during the last three years.	Not Applicable
Details of violations and enforcement actions taken by SEBI in the last three years and/ or pending with SEBI for the violation of SEBI Act, 1992 and Rules and Regulations framed there under including debarment and/ or suspension and/ or cancellation and/ or imposition of monetary penalty/adjudication/enquiry proceedings, if any, to which the Sponsor(s) and/ or the AMC and/ or the Board of Trustees /Trustee Company and/ or any of the directors and/ or key personnel (especially the fund managers) of the AMC and Trustee Company were/ are a party.	None
Any pending material civil or criminal litigation incidental to the business of the Mutual Fund to which the Sponsor(s) and/ or the AMC and/ or the Board of Trustees /Trustee Company and/ or any of the directors and/ or key personnel are a party.	None
Any deficiency in the systems and operations of the Sponsor(s) and/ or the AMC and/ or the Board of Trustees/Trustee Company requiring disclosure here by SEBI or which have been notified by any other regulatory agency.	None

The Scheme under this Scheme Information Document was approved by the Trustee Company on June 28, 2011. The Trustee has ensured that the Scheme is a new product offered by Pramerica Mutual Fund and is not a minor modification of its existing schemes.

Notwithstanding anything contained in this Scheme Information Document, the provisions of the SEBI (Mutual Funds) Regulations, 1996 and the guidelines there under shall be applicable.

S.O.
22

For and on behalf of Pramerica Asset Managers Private Limited

Sd/-

Vijai Mantri
Managing Director & Chief Executive Officer

Date : 2011

Place : Mumbai