SCHEME INFORMATION DOCUMENT
Pramerica Build in India Fund – Series 1 to 2
(Closed Ended Equity Fund)

Offer for Units of Rs. 10/- Per Unit for cash during the New fund Offer Period

New Fund Offer Opens on: [●]
New Fund Offer Closes on: [●]

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** **Tel. +91-22-61593000 Fax +91-22-61593100**
Website	**:**	**www.pramericamf.com**

The particulars of the Scheme(s) 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.

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.

The investors are advised to refer to the Statement of Additional Information (SAI) for details of Pramerica Mutual Fund, Tax and Legal issues and general information on www.pramericamf.com.

SAI is incorporated by reference and is legally a part of the SID. 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 SAI and not in isolation.

This product is suitable for investors who are seeking*
• capital appreciation over the long term • to achieve long term capital appreciation by investing in an actively managed diversified portfolio consisting of equity & equity related securities that are likely to benefit from the make in India initiative of Government of India • High risk (BROWN)

*Investors should consult their financial advisers if in doubt about whether the product is suitable for them.

Note: Risk may be represented as:

	(BLUE) *investors understand that their principal will be at low risk*		***(YELLOW)*** *investors understand that their principal will be at medium risk*		***(BROWN)*** *investors understand that their principal will be at high risk*

The Mutual Fund or AMC and its empanelled brokers have not given and shall not give any indicative portfolio and indicative yield in any communication, in any manner whatsoever. Investors are advised not rely on any communication regarding indicative yield/portfolio with regard to the Scheme.

NSE Disclaimer: As required, a copy of this Scheme Information Document (SID) has been submitted to National Stock Exchange of India Limited (hereinafter referred to as NSE). NSE has given vide its letter NSE/LIST/ 10903 dated January 15, 2015 permission to the Mutual Fund to use the Exchange's name in this Scheme Information Document as one of the stock exchanges on which the Mutual Fund's units are proposed to be listed subject to, the Mutual Fund fulfilling the various criteria for listing. The Exchange has scrutinized this Scheme Information Document for its limited internal purpose of deciding on the matter of granting the aforesaid permission to the Mutual Fund. It is to be distinctly understood that the aforesaid permission given by the NSE should not in any way be deemed or construed that the Scheme Information Document has been cleared or approved by NSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Scheme Information Document; nor does it warrant that the Mutual Fund's units will be listed or will continue to be listed on the Exchange; nor does it take any responsibility for the financial or other soundness of the Mutual Fund, its sponsors, its management or any Scheme of the Mutual Fund.

Every person who desires to apply for or otherwise acquire any units of the Mutual Fund may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Exchange whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription/acquisition whether by reason, of anything stated or omitted to be stated herein or any other reason whatsoever.

This Scheme Information Document is dated January 16, 2015.

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HIGHLIGHTS / SUMMARY OF THE SCHEME

Investment objective	The Scheme aims to achieve long term capital appreciation by investing in an actively managed diversified portfolio consisting of equity & equity related securities that are likely to benefit from the make in India initiative of Government of India However, there is no assurance that the investment objective shall be realized.
Tenure of the Scheme	3 years from the date of allotment of the respective series of the Scheme (including the date of allotment). If the maturity date falls on a non business day, the maturity date shall be the next business day. Each series under the Scheme will be fully wound up at the end of the tenure of the respective series. Units of respective series will be redeemed only on the Maturity Date of the respective series (or immediately succeeding Business Day if that day is not a Business Day.)
Liquidity	No redemption/ repurchase of units shall be allowed prior to the maturity of each series of the Scheme. However, Unit holders who wish to exit from the Scheme before maturity may do so through the Stock Exchange route, since each Series under the Scheme will be listed on a Stock Exchange. The Scheme is proposed to be listed on the National Stock Exchange of India Limited (NSE). Unit holders, who wish to trade in Units of the Scheme before maturity, may do so through the stock exchange route at the listed price, which will be available on the NSE. Only the Units held in dematerialized form can be traded on the NSE.
Benchmark	CNX 500 Index
Transparency / NAV Disclosure	The AMC will calculate and disclose the first NAV not later than 5 business days from the date of allotment. Subsequently, the NAV will be calculated and disclosed at the close of every Business Day which shall be released for publication in at least two daily newspapers having nationwide circulation and also uploaded on the AMFI site www.amfiindia.com and Pramerica Mutual Fund site i.e. www.pramericamf.com. 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 and explaining when the Fund would be able to publish the NAVs. The AMC shall disclose details of the portfolio of the Scheme on a monthly basis on its website on or before the tenth day of the succeeding month in the prescribed format. Further, as prescribed under the SEBI (Mutual Funds) Regulations, a complete statement of the Scheme portfolio would be

	published by the Mutual Fund as an advertisement in one English daily Newspaper circulating in the whole of India and in a newspaper published in the language of the region where the Head Office of the Mutual Fund is situated within one month from the close of each half year (i.e. March 31 & September 30) or mailed to the Unit holders.
Loads	**Entry Load:** Not Applicable (Note:- 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:-** Nil Being a closed ended scheme, Units under the respective series cannot be redeemed directly with the Fund until the Maturity Date. The Units of Scheme will be listed on the Stock Exchange(s). Investors shall note that the brokerage on sales of the units of the Scheme on the stock exchanges shall be borne by the investors.
Plans & Options	The Scheme shall offer two plans viz. Regular Plan and Direct Plan. Direct Plan is only for investors who purchase /subscribe Units in the Scheme directly with the Fund and is not available for investors who route their investments through a Distributor and is offered in accordance with Para D of SEBI Circular no. CIR/IMD/DF/21/2012 dated September 13, 2012. Each Plan has two Options, viz., Growth Option and Dividend Option. Dividend Option has the following two facilities: i. Dividend Payout facility; ii. Dividend Transfer facility. If distributor code is mentioned in application form but 'Direct plan' is mentioned in the scheme name, the distributor code will be ignored and the application will be processed under direct plan" & in case neither distributor code nor "Direct" is indicated in the application form, the same will be treated as direct plan. **Default Option/Sub-option:** The investor must clearly specify his/her choice of Option/Sub-option in the application form, in the absence of which, the Default Option/Sub-option would be applicable and the application will be processed accordingly: **Default Option:** Growth Option (if the investor has not indicated choice between 'Growth' or 'Dividend' Options).

	Default Sub-option Under Dividend Option: Dividend Payout Plan. It must be distinctly understood that the actual declaration of dividend and frequency thereof is at the sole discretion of Board of Directors of the Trustee Company. There is no assurance or guarantee to the Unit holders as to the rate of dividend distribution nor that the dividend will be paid regularly. All plans/options under each series under the Scheme shall have common portfolio.
Minimum Amount of Investment	**Initial Purchase** – Minimum of Rs. 5,000/- and in multiples of Re.1/- thereafter.
Transaction charges	In accordance with SEBI Circular No. IMD/ DF/13/ 2011 dated August 22, 2011, with effect from November 1, 2011, the AMC/ Fund shall deduct a Transaction Charge on per purchase / subscription of Rs.10,000/- and above, as may be received from new investors (an investor who invests for the first time in any mutual fund schemes) and existing investors. Such deduction shall be as under (provided the distributor has opted in to receive the transaction charges). Please note that the distributor shall have the option to opt in or opt out based on the type of the product):- • For the new investor a transaction charge of Rs. 150/- shall be levied for per purchase / subscription of Rs 10,000/- and above; and • For the existing investor a transaction charge of Rs. 100/- shall be levied for per purchase / subscription of Rs 10,000/- and above. The transaction charge shall be deducted from the subscription amount and paid to the distributor and the balance amount (net of transaction charges) shall be invested. The transaction charges and the net investment amount and the number of units allotted will be clearly mentioned the Account Statement issued by the Mutual Fund. Distributors may choose to opt out of charging the transaction charge. However, the Transaction charges shall not be deducted if: a) The amount per purchases /subscriptions is less than Rs. 10,000/-; b) The transaction pertains to other than purchases/ subscriptions relating to new inflows such as Switch. c) Purchases/Subscriptions made directly with the Fund through any mode (i.e. not through any distributor/agent). d) Subscription made through Exchange Platform irrespective of investment amount.

	Upfront commission to distributors shall continue to be paid by the investor directly to the distributor by a separate cheque based on his assessment of various factors including the service rendered by the distributor.

I. INTRODUCTION

A. 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;
- The name of the Scheme does not in any manner indicate either the quality of the scheme or its future prospects and returns;
- Save as otherwise provided in the Regulations, the Sponsor is not responsible or liable for any loss resulting from the operation of the Scheme beyond the initial contribution of Rs.1,00,000/- made by it towards setting up the Fund;
- The present Scheme is not guaranteed or assured return schemes.

ii. SCHEME SPECIFIC RISK FACTORS

Some of the Scheme specific risk factors include, but not limited, to the following:-

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.

- **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 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.

2. Risk associated with investing 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.

- **Risk associated with Exposure to Repos: -** Although repos are collateralized transactions, they are still exposed to Counterparty Risk and the Credit Risk (explained above) associated with the collateral. As far as the counterparty risk is concerned, the investor should be able to liquidate the securities received as collateral, thus largely offsetting any loss. Against this the seller /lender of bonds will hold cash or other securities as protection against non return of the lent securities. In both the cases it is to be ensured that the realisable value equals or exceeds the exposure. There is also the concentration risk resulting from illiquid issues which are used as collateral in the transaction.

- **Risks associated with unrated instruments:** - Investments in unrated instruments are subject to the risk associated with investments in any other fixed income securities, as referred above. However, investments in unrated instruments are considered to be subject to greater risk of loss of principal and interest than rated instruments.

3. Risk associated with investments in Derivatives

- Derivative products are leveraged instruments and can provide disproportionate gains as well as disproportionate losses to the investors. Execution of such strategies depends upon the ability of the fund manager to identify such opportunities as well as to manage risks arising thereby. Identification and execution of the strategies to be pursued by the Scheme involve uncertainty and investment decisions may not always be profitable. No

assurance can be given that the fund manager will be able to identify or execute such strategies. Derivative investments carry certain risks and issues arising out of such dealings. The risks associated with the use of derivatives - either for hedging or for portfolio balancing – are different from, and possibly greater than, the risks associated with investing directly in securities and other traditional investments. Certain other risks, one or more, that may arise consequent to use of derivatives are: risk of mis-pricing or improper valuation of derivatives, credit risk arising out of counterparty failing to honour its commitment, liquidity risk where the derivatives cannot be sold at prices that reflect the underlying assets, rates and indices, and price risk where the market price may move in adverse fashion. Derivatives require the maintenance of adequate controls to monitor the transactions entered into, the ability to assess the risk that a derivative adds to the portfolio and the ability to manage the risks as a result of the possible failure of the counterparty to comply with the terms of the derivative contract.

- 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.

- **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.

4. Risks associated with the Listing:-

- Listing of the units of the Scheme does not necessarily guarantee their liquidity and there can be no assurance that an active secondary market for the units will develop or be maintained. Consequently, the Scheme may quote below its face value/NAV.

- Trading in Units of the respective series under the Scheme on the Exchange may be halted because of market conditions or for reasons that in view of Exchange Authorities or SEBI, trading in Units of the respective series is not advisable. In addition, trading in Units of the Scheme is subject to trading halts caused by extraordinary market volatility and pursuant to Exchange and SEBI 'circuit filter' rules. There can be no assurance that the requirements of Exchange necessary to maintain the listing of Units of the respective series will continue to be met or will remain unchanged. Any changes in trading regulations by the Stock Exchange(s) or SEBI may inter-alia result in wider

premium/ discount to NAV. The Units of the respective series may trade above or below their NAV. The NAV of the respective series will fluctuate with changes in the market value of series' holdings. The trading prices of Units of the respective series will fluctuate in accordance with changes in their NAV as well as market supply and demand for the Units of the respective series. The Units will be issued in Demat form through depositories. The records of the depository are final with respect to the number of Units available to the credit of Unit holder. Settlement of trades, repurchase of Units by the Mutual Fund on the maturity date will depend upon the confirmations to be received from depository(ies) on which the Mutual Fund has no control.

- The market price of the Units of the respective series, like any other listed security, is largely dependent on two factors, viz., (1) the intrinsic value of the Unit (or NAV), and (2) demand and supply of Units in the market. Sizeable demand or supply of the Units in the Exchange may lead to market price of the Units to quote at premium or discount to NAV. As the Units allotted under respective series of the Scheme will be listed on the Exchange, the Mutual Fund shall not provide for redemption / repurchase of Units prior to maturity date of the respective series.

B. REQUIREMENT OF MINIMUM INVESTORS IN THE SCHEME:

Each series under the Scheme shall have a minimum of 20 investors and no single investor shall account for more than 25% of the corpus of the each series under the Scheme. These conditions will be complied with immediately after the close of the NFO itself i.e. at the time of allotment. In case of non-fulfillment with the condition of minimum 20 investors, that series of the Scheme shall be wound up in accordance with Regulation 39(2)(c) of SEBI (Mutual Funds) Regulations automatically without any reference from SEBI. In case of non-fulfillment with the condition of 25% holding by a single investor on the date of allotment, the application to the extent of exposure in excess of the stipulated 25% limit would be liable to be rejected and the allotment would be effective only to the extent of 25% of the corpus collected. Consequently, such exposure over 25% limits will lead to refund within 5 business days from the date of closure of the New Fund Offer.

C. SPECIAL CONSIDERATIONS

- Prospective investors should study this Scheme Information Document ('SID) and Statement of Additional Information ('SAI') carefully in its entirety and should not construe the contents hereof as advise 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 SID or SAI nor the Mutual Fund has been registered in any jurisdiction outside India. The distribution of this SID in certain jurisdictions may be restricted or totally prohibited and accordingly, persons who come into possession of this SID 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 (the "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, may have 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 may also be obligated to withhold US tax under US tax laws, if the AMC makes any payment / distributions to US clients who do not have or who have not provided their US taxpayer ID, and also report all such payments to US clients in 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 may 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 may 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 SID or the SAI 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 SID or SAI 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.

- Investment decisions made by the Investment Manager may not always be profitable.

- 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 or violating any provisions of the OFAC laws and regulations, 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 Prudential Financial Inc or its affiliates for reporting under OFAC laws and regulations and/or to freeze the Units under folios of the investor(s), reject any application(s) / allotment of Units.

- 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.

- 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 advice 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 SEBI to act as the Asset Management Company for the scheme(s) of Pramerica Mutual Fund.
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.
ASBA	Application Supported by Blocked Amount
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.
Book Closure	The period during which the Asset Management Company would temporarily suspend sale, redemption and switching of Units.
Business Day	A day other than:- i) Saturday and Sunday; or ii) A day on which the National Stock Exchange of India Limited and / or the Stock Exchange, Mumbai are closed; or iii) 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; or iv) A day on which subscription / redemption / switching of Units is suspended by the AMC; or v) 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. 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.
Business Hours	9.30 a.m. to 5.30 p.m. on all Business Days 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.
Derivative	Means:- (i) a security derived from a debt instrument, share, loan whether secured or unsecured, risk instrument or contract for differences or any other

	form of security; or (ii) a contract which derives its value from the prices, or index of prices, or underlying securities.
Dividend	Income distributed by the Mutual Fund on the Units.
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.
First Time Mutual Fund Investor	An investor who invests for the first time ever in any mutual fund either by way of Subscription or via Systematic Investment Plan.
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.
IMA	The Investment Management Agreement dated July 30, 2009 entered into between Pramerica Trustees Private Limited and Pramerica Asset Managers Private Limited, as amended from time to time.
ISC	The offices of the AMC and/or the RTA or such other centres/offices, which are designated as Investor Service Centre by the AMC from time to time.
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, amount to be paid by the investor on the Sale / Switch in of a Unit (Entry Load) in addition to the Applicable NAV.
Money Market Instruments	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 transactions (i.e., Subscription/ Redemption / Switch) and non-financial transactions will be accepted on ongoing basis.

Person of Indian Origin or 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	Record date is the date which is considered for the purpose of determining the eligibility of the investors whose names appear in the Scheme's Unitholders' register for receiving Dividend / Bonus in accordance with SEBI (MF) Regulations, 1996.
Redemption / Repurchase	Redemption of Units of the Scheme in accordance with the Regulations.
Registrar, Registrar & Transfer Agent, RTA,	Karvy Computershare Pvt. Ltd (Karvy), Hyderabad, currently acting as registrar to the Scheme(s) of Pramerica Mutual Fund, or any other Registrar appointed by the AMC from time to time.
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 an investor under the Scheme.
Scheme	Pramerica Build in India Fund – Series 1 to 2
Scheme Information Document or SID	This document issued by Pramerica Mutual Fund, offering for Subscription of Units of Pramerica Build in India Fund – Series 1 to 2 read with any addendum which may be issued by the Mutual Fund 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. (PFI) of U.S.A. PFI is not affiliated in any manner with Prudential plc, a company incorporated in the United Kingdom.
Switch	Purchase/allotment of Unit(s) in any scheme of the Mutual Fund against

	Redemption of Unit(s) in another scheme 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 the Fund.

INTERPRETATION

For all purposes of this SID, 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 and 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.

Place: Mumbai
Date: January 16, 2015

Signature : sd/-
Name : Sumesh Kumar
Designation : Director & Head – Compliance & Legal

II. INFORMATION ABOUT THE SCHEME

A. TYPE OF THE SCHEME

Pramerica Build in India Fund – Series 1 to 2 is a Closed Ended Equity Fund.

Tenure of the Scheme: - 3 years from the date of allotment of the respective series of the Scheme (including the date of allotment). If the maturity date falls on a non business day, the maturity date shall be the next business day.

Each series under the Scheme will be fully wound up at the end of the tenure of the respective series.

Units of respective series will be redeemed only on the Maturity Date of the respective series (or immediately succeeding Business Day if that day is not a Business Day.)

B. INVESTMENT OBJECTIVE OF THE SCHEME

The Scheme aims to achieve long term capital appreciation by investing in an actively managed diversified portfolio consisting of equity & equity related securities that are likely to benefit from the make in India initiative of Government of India.

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?

The asset allocation in the Scheme under normal circumstances will be as follows:

Instruments	Indicative allocations (% of total assets)		Risk Profile
	Min	Max	
Equity & Equity Related Instruments	65	100	High
Debt & Money Market Instruments	0	35	Low to Medium

The Scheme does not intend to invest in overseas/foreign securities and Securitized Debt. Also, the scheme does not intend to engage in stock lending/short selling or repo transactions in corporate debt securities.

The Maximum exposure to derivatives shall not exceed 50% of net assets of the scheme. The Scheme may take derivatives position based on the opportunities available subject to the guidelines issued by SEBI from time to time and in line with the investment objective of the Scheme. These may be taken to hedge the portfolio, rebalance the same or to undertake any other strategy as permitted under SEBI (Mutual Funds) Regulations from time to time. In terms of SEBI Circular no Cir/ IMD/ DF/ 11/ 2010 dated August 18, 2010, the cumulative gross exposure through equity, debt and derivative positions shall not exceed 100% of the net assets of the scheme.

Pending deployment of funds of the Scheme in securities in terms of the investment objective of the Scheme the AMC may park the funds of the Scheme in short term deposits of scheduled commercial banks, subject to the guidelines issued by SEBI vide its circular dated April 16, 2007, as amended from time to time.

Subject to the SEBI Regulations, the asset allocation pattern indicated above 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. These proportions 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 Unit holders. Such changes in the investment pattern will be for short term and for defensive considerations only. In case of deviation, the portfolio would be rebalanced within 30 business days from the date of deviation.

D. WHERE WILL THE SCHEME INVEST?

The corpus of the Scheme will be invested in Equity & Equity Related Instruments (Including Equity Derivatives), Debt Instruments (Including Debt Derivatives), Money Market Instruments and other permitted securities which will include but not limited to:

i. Equity and Equity Related Instruments:

- Equity Share: - Equity Share is a security that represents ownership interest in a company;

- Equity Related Instruments: - 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, etc.

- Equity Derivatives: - Equity Derivatives are financial instruments, 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. The equity derivatives may take the following forms:-

  Futures: Futures are exchange-traded contracts to sell or buy financial instruments for future delivery at an agreed price. There is an agreement to buy or sell a specified quantity of financial instrument on a designated future date at a price agreed upon by the buyer and seller at the time of entering into a contract. To make trading possible, the exchange specifies certain standardized features of the contract. A futures contract involves an obligation on both the parties to fulfill the terms of the contract.

  Options: Option is a contract which provides the buyer of the option (also called holder) the right, without the obligation, to buy or sell a specified asset at the agreed price on or upto a particular date. For acquiring this privilege, the buyer pays premium (fee) to the seller. The seller on the other hand has the obligation to buy or sell specified asset at the agreed price and for this obligation he receives premium. The premium is determined considering number of factors such as the market price of the underlying asset/security, number of days to expiry, risk free rate of return, strike price of the option and the volatility of the underlying asset. Option contracts are of two types viz:

  - Call Option - The option that gives the buyer the right but not the obligation to buy specified quantity of the underlying asset at the strike price is a call option. The buyer of the call option (known as the holder of call option) can call upon the seller of the option (writer of the option) and buy from him the underlying asset at the agreed price at any time on or before the expiry of the option. The seller

(writer of the option) on the other hand has the obligation to sell the underlying asset if the buyer of the call option decides to exercise his option to buy.

- Put Option – The option that gives the buyer the right but not the obligation to sell is called put option. A Put option gives the holder (buyer) the right to sell specified quantity of the underlying asset at the strike price. The seller of the put option (one who is short Put) however, has the obligation to buy the underlying asset at the strike price if the buyer decides to exercise his option to sell.

ii. Debt & Money Market Instruments:-

- **Money Market Instruments:-** Money Market Instruments include commercial papers, commercial bills, treasury bills, Government securities having an unexpired maturity up to one year, CBLOs (Collateralized Borrowing and Lending Obligation), certificate of deposit and any other like instruments as specified by the Reserve Bank of India from time to time.

  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;

  Certificate of Deposit (CD) - 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.

  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.

  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.

  Repo - Repo is a money market instrument, which enables collateralised short term borrowing and lending through sale/purchase operations in debt instruments. Repo 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 difference between the sale and repurchase price of the securities is the implicit interest rate for the borrowing/lending.

- **Government Securities**:- Securities created and issued by the Central and State Governments as may be permitted by RBI, securities guaranteed by the Central and State Governments (including but not limited to coupon bearing bonds, zero coupon bonds and treasury bills). State Government securities (popularly known as State Development Loans or SDLs) are issued by the respective State Government in co-ordination with the RBI.

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

- **'When, as and if issued' security**: - '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, allowed Mutual Funds to undertake 'When Issued (WI)' transactions in Central Government securities, at par with other market participants.

- **Debt derivative instruments:**

  Interest Rate Swap - An Interest Rate Swap (IRS) is a financial contract between two parties exchanging or swapping a stream of interest payments for a "notional principal" amount on multiple occasions during a specified period. Such contracts generally involve exchange of a "fixed to floating" or "floating to fixed rate" of interest. Accordingly, on each payment date that occurs during the swap period, cash payments based on fixed/ floating and floating rates are made by the parties to one another.

  Forward Rate Agreement - A Forward Rate Agreement (FRA) is a financial contract between two parties to exchange interest payments for a 'notional principal' amount on settlement date, for a specified period from start date to maturity date. Accordingly, on the settlement date, cash payments based on contract (fixed) and the settlement rate, are made by the parties to one another. The settlement rate is the agreed bench-mark/ reference rate prevailing on the settlement date.

  Interest Rate Futures: A futures contract is a standardized, legally binding agreement to buy or sell a commodity or a financial instrument in a designated future month at a market determined price (the futures price) by the buyer and seller. The contracts are traded on a futures exchange. An Interest Rate Future is a futures contract with an interest bearing instrument as the underlying asset.

Investments in Units of Mutual Fund Schemes

The Scheme may invest in other debt & liquid schemes managed by the AMC or in the debt & liquid schemes of any other mutual fund, provided it is in conformity with the investment objective of the Scheme and in terms of prevailing Regulations. As per the Regulations, the AMC will not charge investment management fees for such investments.

Investment in Short-Term Deposits

Pending deployment of the funds as per the investment objective of the Scheme, the Funds may be parked in short term deposits of the Schedule Commercial Bank, subject to guidelines and limits specified by SEBI.

Investment in unrated debt instruments shall be subject to complying with the provisions of Regulations and within the limit as specified in Schedule VII to the Regulations. Pursuant to SEBI Circular No. MFD/CIR/9/120/2000 dated November 24, 2000 the AMC may constitute committee(s) to approve proposals for investments in unrated debt instruments. The AMC Board and the Trustee shall approve the detailed parameters for such investments. However, in case any unrated debt security does not fall under the parameters, the prior approval of Board of AMC and Trustee shall be sought.

The securities/ instruments mentioned above could be listed, unlisted, privately placed, secured, unsecured, rated or unrated in line with the investment objective and asset allocation of the Scheme. The securities may be acquired through initial public offering (IPOs), secondary market, private placement, rights offers, negotiated deals. The Fund Manager reserves the right to invest in such securities as maybe permitted from time to time and which are in line with the investment objectives of the Scheme.

For applicable regulatory investment limits please refer to the section "Investment Restrictions".

E. WHAT ARE THE INVESTMENT STRATEGIES?

The Scheme will have an actively managed diversified portfolio consisting of equity & equity related securities that are likely to benefit from the make in India initiative of Government of India.

Government of India's Make in India campaign at the time when economic recovery is underway will create significant opportunities across the board to invest in companies which will benefit by these twin themes. Economy is recovering and global commodity prices are softening. Companies that are less leveraged will immediately benefit from lower costs and thus, increased margins. The lower input cost – higher margin scenario will mean that returns from new capital expenditure and investments will be quicker and higher. This will lead to an economy uptick. A growing economy means higher disposable incomes and increasing consumption. Manufacturers would seize the opportunity to fill in the demand-supply gap and invest in capacity expansion. Capacity expansion could be either through setting up newer manufacturing units or acquiring the market laggards. As the capacity expansion fructifies, the manufacturers will be able to achieve economies of scale by meeting the increasing domestic demand and become competitive even compared to global firms. Once domestic demand is met, low cost production with increased capacity will lead to globally competitive exports. All this will lead to increased corporate profitability and P/E expansion. In this whole chain, apart from the manufacturers who will be the direct beneficiaries, a bunch of ancillary industries, from the SME sector which support the manufacturers, will also benefit from the capacity expansion and increased consumption.

Given the Government of India's focus on "Make in India", all this should happen at a rapid pace. Opening up of FDI in defense, talk of increasing private participation in railways and power, on banking front Prime Minister's Jan Dhan Yojna and Gyan Sangam and many such initiatives will go a long way in making Make in India Campaign a success. In this process many companies in manufacturing and those who enable manufacturing either ancillary services, financing activities, technology or others, will present investment opportunities for the Scheme. The scheme will look for opportunities across market capitalization and sectors.

DERIVATIVE STRATEGY

The Scheme may invest in various derivative instruments which are permissible under the applicable regulations. Such investments shall be subject to the investment objective and strategy of the Scheme and the internal limits if any, as laid down from time to time. These include but are not limited to futures (both stock and index) and options (stock and index). Derivatives are financial contracts of pre-determined fixed duration, whose values are derived from the value of an underlying primary financial instrument such as interest rates, exchange rates, commodities and equities. 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 risks associated with derivatives are similar to those associated with underlying investments. The additional risks of using derivative strategies could be on account of:

- Illiquidity;
- Potential mispricing of the Futures/Options;
- Lack of opportunity;
- Inability of derivatives to correlate perfectly with the underlying (Indices, Assets, Exchange Rates);
- Cost of hedge can be higher than adverse impact of market movements;
- An exposure to derivatives in excess of the hedging requirements can lead to losses;
- An exposure to derivatives can also limit the profits from a genuine investment transaction.
- The prices which are seen on the screen need not be the same at which execution will take place.

For detailed risks associated with use of derivatives, please refer paragraph "Scheme Specific Risk Factors"

The following section describes the concepts and examples of derivatives that may be used by the fund manager:-

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.

Basic Structure of an Index Future:- The Index futures are instruments designed to give exposure to the equity markets indices. The BSE Limited ('BSE') and the National Stock Exchange of India Limited ('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

Spot Index	:	4200.00
Future Price on day 1	:	4210.00
Say, Margin	:	10%

On the date of Settlement:
Future Price = Closing Spot Price = 4225

Profits for the Fund = (4225-4210) × 1000 × 100 = Rs. 1,500,000

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 mispricing 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 Rs. 500 per share. The Mutual Fund sells one month futures on the shares of XYZ Ltd. at the rate of Rs. 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 Rs. 450 and this fall in the price of the stock results in a fall in the price of futures to Rs. 470. There will be a loss of Rs. 50 per share (Rs. 500– Rs. 450) on the holding of the stock, which will be offset by the profits of Rs. 70 (Rs. 540 – Rs. 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 mispricing 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/she/it pays a fee (premium) and the seller accepts an obligation for which he/she/it 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:

a. 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.

b. 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:

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

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

Index/Stock Options: - Index options/Stock options are termed to be an efficient way of buying/selling an index/stock compared to buying / selling a portfolio of physical shares representing an index for ease of execution and settlement. The participation can be done by buying / selling either Index futures or by buying a call/put option. The risk are also different when index /stock futures are bought/sold visa- a- vis index/stocks options as in case of an index future there is a mark to market variation and the risk is much higher as compared to buying an option, where the risk is limited to the extent of premium paid.

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.

The illustration below explains how one can gain using Index call / put option. These same principles of profit/loss in an Index option apply for stock option as well.

Call Option:-

Suppose an investor buys a Call option on 1 lot of Nifty (Lot Size: 50 units)

- Nifty index (European option).
- Nifty 1 Lot Size: 50 units
- Spot Price (S): 3500
- Strike Price (x): 3550 (Out-of-Money Call Option)
- Premium: 100

Total Amount paid by the investor as premium [50*100] =5000

There are two possibilities i.e. either the index moves up over the strike price or remains below the strike price.

Case 1- The index goes up

- An investor sells the Nifty Option described above before expiry: Suppose the Nifty index moves up to 3600 in the spot market and the premium has moved to Rs 200 and there are 15 days more left for the expiry. The investor decides to reverse his position in the market by selling his 1 Nifty call option as the option now is In the Money.

  His gains are as follows:

  - Nifty Spot: 3600
  - Current Premium: Rs.200
  - Premium paid: Rs.100

- Net Gain: Rs.200- Rs.100 = Rs.100 per unit
- Total gain on 1 lot of Nifty (50 units) = Rs.5000 (50*100)

In this case the premium of Rs.200 has an intrinsic value of Rs.50 per unit and the remaining Rs.150 is the time value of the option.

- An investor exercises the Nifty Option at expiry

Suppose the Nifty index moves up to 3700 in the spot market on the expiry day and the investor decides to reverse his position in the market by exercising the Nifty call option as the option now is in the Money.

His gains are as follows:
- Nifty Spot: 3700
- Premium paid: Rs.100
- Exercise Price: 3550
- Receivable on exercise: 3700-3550 = 150
- Total Gain: Rs.2500 {(150-100)*50}

In this case the realised gain is only the intrinsic value, which is Rs.50, and there is no time value.

Case 2 - The Nifty index moves to any level below 3550

Then the investor does not gain anything but on the other hand his loss is limited to the premium paid:

Net Loss is Rs.5000 (Loss is capped to the extent of Premium Paid)
(Rs 100 Premium paid*Lot Size: 50 units).

Put Option:-

Suppose an investor buys a Put option on 1 lot of Nifty.

- Nifty 1 Lot Size: 50 units
- Spot Price (S): 3500
- Strike Price (x): 3450 (Out-of-Money Put Option)
- Premium: 30
- Total Amount paid by the investor as premium [50*30] =1500

There are two possibilities i.e. either the index moves over the strike price or moves below the strike price.

Let us analyze these scenarios.

Case 1 - The index goes down

- An investor sells the Nifty Option before expiry:

Suppose the Nifty index moves down to 3400 in the spot market and the premium has moved to Rs. 80 and there are 15 days more left for the expiry. The investor decides to reverse his position in the market by selling his 1 Nifty Put Option as the option now is In The Money. His gains are as follows:

- Nifty Spot: 3400

- Premium paid: Rs.30
- Net Gain: Rs.80 - Rs.30 = Rs.50 per unit
- Total gain on 1 lot of Nifty (50 units) = Rs.2500 (50*50)

In this case the premium of Rs.80 has an intrinsic value of Rs.50 per unit and the remaining Rs.30 is the time value of the option.

- An investor exercises the Nifty Option at expiry (It is an European Option)

Suppose the Nifty index moves down to 3400 in the spot market on the expiry day and the investor decides to reverse his position in the market by exercising the Nifty Put Option as the option now is In The Money. His gains are as follows:

- Nifty Spot: 3400
- Premium paid: Rs.30
- Exercise Price: 3450
- Gain on exercise: 3450-3400 = 50
- Total Gain: Rs.1000 {(50-30)*50}

In this case the realised amount is only the intrinsic value, which is Rs.50, and there is no time value in this case.

Case 2 - If the Nifty index stays over the strike price which is 3450, in the spot market then the investor does not gain anything but on the other hand his loss is limited to the premium paid.

- Nifty Spot: >3450
- Net Loss Rs.1500 (Loss is caped to the extent of Premium Paid)
  (Rs 30 Premium paid*Lot Size: 50 units).

Besides, the purchase and sale of Index and Single stock equity derivatives, the Fund Manager may also use some of the below-mentioned strategies for the purpose of efficient portfolio management (the below list is not exhaustive):

(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.

(d) Alpha Strategy:

The Scheme will seek to generate alpha by superior stock selection and removing market risks by selling appropriate index. For example, one can seek to generate positive alpha by buying a bank stock and selling Bank Nifty future.

Execution of these strategies depends upon the ability of the fund manager to identify and execute based on such opportunities. These involve significant uncertainties and decision of fund manager may not always be profitable. No assurance can be given that the fund manager will be able to identify or execute such strategies.

Investment in Fixed Income Derivative Instruments:

The Scheme may use Derivative instruments like interest rate swaps like overnight indexed swaps (OIS), forward rate agreements, interest rate futures(as and when permitted) or such other Derivative instruments as may be permitted under the applicable regulations.

Derivatives will be used for the purpose of hedging, and portfolio balancing or such other purpose as may be permitted under the regulations and Guidelines from time to time.

As per the guidelines issued by RBI permitting participation by Mutual Funds in interest rate swaps and forward rate agreements, the Fund will use Derivative instruments for the purpose of hedging and portfolio balancing. The Fund may also use derivatives for such purposes as maybe permitted from time to time. Further, the guidelines issued by RBI from time to time for forward rate agreements and interest rate swaps and other derivative products would be adhered to by the Mutual Fund. IRS and FRAs do also have inherent credit and settlement risks. However, these risks are substantially reduced as they are limited to the interest streams and not the notional principal amounts.

Investments in Derivatives will be in accordance with the extant SEBI regulations / guidelines. The circumstances under which such transactions would be entered into would be when, for example using the IRS route it is possible to generate better returns / meet the objective of the Scheme at a lower cost. e.g. if buying a 2 Yr Mibor based instrument and receiving the 2 Yr swap rate yields better return than the 2 Yr AAA corporate, the Scheme would endeavor to do that. Alternatively, the Scheme would also look to hedge existing fixed rate positions if the view on interest rates is that it would likely rise in the future.

The following information provides a basic idea as to the nature of the Derivative instruments proposed to be used by the Fund and the benefits and risks attached therewith. Please note that the examples have been given for illustration purposes only.

Using Overnight Indexed Swaps

In a rising interest rate scenario, the Scheme may enhance returns by hedging the risk on its fixed interest paying assets by entering into an OIS contract where the Scheme agrees to pay a fixed interest rate on a specified notional amount, for a pre determined tenor and receives floating interest rate payments on the same notional amount. The fixed returns from the

Scheme assets and the fixed interest payments to be made by the Scheme on account of the OIS transaction offset each other and the Scheme benefits on the floating interest payments that it receives. The Scheme may enter into an opposite position in case of a falling interest rate scenario, i.e. to hedge the floating rate assets in its portfolio the Scheme enters into an OIS transaction wherein it receives a fixed interest rate on a specified notional amount for a specified time period and pays a floating interest rate on the same notional amount. The floating interest payments that the Scheme receives on its floating rate securities and the floating interest payments that the Scheme has to pay on account of the OIS transaction offset each other and the Scheme benefits on the fixed interest payments that it receives in such a scenario.

Swap

Assume that the Scheme has a Rs. 20 Crore floating rate investment linked to MIBOR (Mumbai Inter Bank Offered Rate). Hence, the Scheme is currently running an interest rate risk and stands to lose if the interest rate moves down. To hedge this interest rate risk, the Scheme can enter into a 6 month MIBOR swap. Through this swap, the Scheme will receive a fixed predetermined rate (assume 12%) and pays the "benchmark rate" (MIBOR), which is fixed by the NSE or any other agency. This swap would effectively lock-in the rate of 12% for the next 6 months, eliminating the daily interest rate risk. This transaction is usually routed through an intermediary who runs a book and matches deals between various counterparties. The steps will be as follows:

Assuming the swap is for Rs. 20 Crores for June 1, 2012 to December 1, 2012. The Scheme is a fixed rate receiver at 12% and the counterparty is a floating rate receiver at the overnight rate on a compounded basis (say NSE MIBOR).

On June 1, 2012 the Scheme and the counterparty will exchange only a contract of having entered this swap. This documentation would be as per International Swap Dealers Association (ISDA) norms.

On a daily basis, the benchmark rate fixed by NSE will be tracked by them. On December 1, 2012 they will calculate the following:

- The Scheme is entitled to receive interest on Rs. 20 Crores at 12% for 184 days i.e. Rs. 1.21 Crores, (this amount is known at the time the swap was concluded) and will pay the compounded benchmark rate;
- The counterparty is entitled to receive daily compounded call rate for 184 days & pay 12% fixed.
- On December 1, 2012, if the total interest on the daily overnight compounded benchmark rate is higher than Rs. 1.21 Crores, the Scheme will pay the difference to the counterparty. If the daily compounded benchmark rate is lower, then the counterparty will pay the Scheme the difference.
- Effectively the Scheme earns interest at the rate of 12% p.a. for six months without lending money for 6 months fixed, while the counterparty pays interest @ 12% p.a. for 6 months on Rs. 20 Crores, without borrowing for 6 months fixed.

The above example illustrates the use of Derivatives for hedging and optimizing the investment portfolio. Swaps have their own drawbacks like credit risk, settlement risk. However, these risks are substantially reduced as the amount involved is interest streams and not principal.

Forward Rate Agreement

Assume that on June 30, 2012, the 30 day commercial paper (CP) rate is 8% and the Scheme has an investment in a CP of face value Rs. 50 Crores, which is going to mature on July 31, 2012. If the interest rates are likely to remain stable or decline after July 31, 2012, and if the fund manager, who wants to re-deploy the maturity proceeds for 1 more month does not want to take the risk of interest rates going down, he can then enter into a following Forward Rate Agreement (FRA) say as on June 30, 2012:

He can receive 1 × 2 FRA on June 30, 2009 at 8.00% (FRA rate for 1 months lending in 1 months time) on the notional amount of Rs. 50 Crores, with a reference rate of 30 day CP benchmark. If the CP benchmark on the settlement date i.e. July 30, 2012 falls to 7.75%, then the Scheme receives the difference 8.00 – 7.75 i.e. 25 basis points on the notional amount Rs. 50 Crores.

Interest Rate Futures

Assume that the Scheme holds an Indian ten year benchmark and the fund manager has a view that the yields will go up in the near future leading to decrease in value of the investment and subsequent decrease in NAV of the Scheme. The fund manager decides to use Interest Rate Futures to mitigate the risk of decline of NAV of the Scheme.

20th October 2012

- The benchmark 10 year paper 6.88% 2012 is trading at INR 98.00 at a yield of 7.19%.
- December 2012 futures contract on the 10 year notional 7% coupon bearing Government paper is trading at a yield of 7.29% at a price of INR 98.50.
- The mutual fund decides to hedge the exposure by taking a short position in December 2012 interest rate futures contract.

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- As expected by the fund manager the yield of the benchmark ten year paper has increased to 8% and the price has decreased to 92.70.
- The December 2012 futures contract is trading at a price of INR 93.17 indicating a yield of 8.05%
- The mutual fund unwinds the short position by buying the December 2012 futures contract. The transaction results in profit from the futures position, against the corresponding loss from the Government of India security position.

For details of risk factors relating to use of Derivatives, the investors are advised to refer to Scheme Specific Risk Factors.

Portfolio Turnover

The scheme is a close-ended scheme and intends to buy securities that mature within the maturity date of the respective series. Portfolio turnover may arise out of reinvestment of maturity / coupon proceeds as well as through selling and buying securities as part of active management of the scheme. It is anticipated that the turnover would be lower than an open-ended scheme. However, the scheme does not have a target for portfolio turnover. The fund manager will endeavor to optimize portfolio turnover to maximize gains and minimize risks keeping in mind the cost associated with it. However, it is difficult to estimate with reasonable measure accuracy, the likely turnover in the portfolio of the Scheme.

Investments by the AMC in the Scheme

The AMC may invest in the Scheme, 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 investment management and advisory fee on the investment made by it in the Scheme.

F. FUNDAMENTAL ATTRIBUTES

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

i. Type of scheme - **A Close Ended Equity Fund**
ii. Investment Objective and Asset Allocation – **Refer Section II, Point B & C**
iii. Terms of Issue:-
- Liquidity provisions such as listing, repurchase, redemption. **Refer Section III, Point no. 1 – NEW FUND OFFER (NFO)**
- Aggregate maximum fees and expenses charged to the Scheme. – **Refer Section IV, Point no. 2 – Annual Scheme recurring Expenses**
- Any safety net or guarantee provided (The Scheme is does not provide any guaranteed or assured return).

In accordance with Regulation 18(15A) of the SEBI (Mutual Funds) Regulations, the Trustee will ensure that no change in the Fundamental Attributes of the Scheme or the Trust or fees and expenses payable or any other change which would modify the Scheme and Options thereunder and affect the interest of the Unit holders 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.

G. HOW WILL THE SCHEME BENCHMARK ITS PERFORMANCE?

The Benchmark for the Scheme is CNX 500 Index.

CNX 500 Index is designed to capture the movement of the diversified segment of the equity market. Hence, it is an appropriate benchmark for the Scheme.

The Trustee/AMC reserves the right to change the benchmark for evaluating the performance of the Scheme from time to time, in conformity with the investment objective of the Scheme and the appropriateness of the benchmark, subject to SEBI guidelines and other prevalent guidelines.

H. WHO MANAGES THE SCHEME?

Name, Designation, Age & Educational Qualifications	**Experience**	**Name of schemes under his management**
Mr. Brahmaprakash Singh Executive Director	Over 19 years of experience in broad based investment management, including portfolio management of equity schemes with a bottom-up investment style.	• Pramerica Large Cap Equity Fund (Equity portion); • Pramerica Dynamic Asset Allocation Fund (Equity

& CIO - Equity 45 years **Qualification:** MMS	• Executive Director & CIO – Equity - Pramerica Asset Managers Private Limited (Aug 22, 2012 till date) • Chief Investment Advisor - BCP Advisors Private Limited (Jan 2008 till Aug 14, 2012) • Managing Director & Portfolio Advisor – Atlantis Investment Advisors (India) Limited - (Sept, 2005 till Dec, 2007) • Head of Equities - Deutsche Asset Management (India) Pvt. Limited (May, 2002 till Mar, 2005)	portion); • Pramerica Dynamic Monthly Income Fund (Equity portion); • Pramerica Midcap Opportunities Fund (Equity portion);
Mr. Ritesh Jain Executive Director & Head – Fixed Income 40 yrs (PGDBA, B.Com)	Mr. Jain has over 13 years of experience in Fixed Income fund Management and overlooking processes, system and risk management with respect to fixed Income investments. • Executive Director & Head - Fixed Income - Pramerica Asset Managers Private Limited (From July 1, 2014 till date); • Head - Fixed Income - Morgan Stanley Investment Management Private Limited (March 2009 till June 2014); • Head - Fixed Income (last held position) - Principal PNB Asset Management Company Pvt. Ltd. (From April 2001 to February 2009).	• Pramerica Liquid Fund; • Pramerica Ultra Short Term Bond Fund; • Pramerica Short Term Income Fund; • Pramerica Treasury Advantage Fund; • Pramerica Credit Opportunities Fund; • Pramerica Dynamic Bond Fund; • Pramerica Short Term Floating Rate Fund • Pramerica Dynamic Monthly Income Fund (Debt portion); • Pramerica Income Fund; • Pramerica Large Cap Equity Fund (Debt portion); • Pramerica Dynamic Asset Allocation Fund (Debt portion); • Pramerica Dynamic Monthly Income Fund (Debt portion); • Pramerica Midcap Opportunities Fund (Debt portion);

Mr. Ritesh Jain will be involved in management of the Debt Component of the Scheme.

I. WHAT ARE THE INVESTMENT RESTRICTIONS?

Pursuant to Regulations, specifically the Seventh Schedule and amendments thereto, the following investment restrictions are currently applicable to the Scheme:

- The Scheme shall not invest more than 10% of its NAV in the equity shares or equity related instruments of any company;

- The Scheme shall not invest more than 10% of its net assets in unlisted equity shares or equity related instruments;

- The Mutual Fund under all its Schemes shall not own more than 10% of any company's paid up capital carrying voting rights;

- 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. Such limit shall not be applicable for investments in government securities. Provided further that investment within such limit can be made in mortgaged backed securitised debts which are rated not below investment grade by a credit rating agency registered with SEBI.

- 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.

- 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

- The Scheme may invest in another scheme of the Mutual Fund or any other mutual fund. The aggregate inter-scheme investment 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.

- The Scheme shall not make any investment in:

  a. Any unlisted Security of an associate or group company of the Sponsor; or
  b. Any Security issued by way of private placement by an associate or group company of the Sponsor; or
  c. 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.

- Transfer of investments from one scheme to another scheme in the Mutual Fund is permitted provided –

  a) such transfers are done at the prevailing market price for quoted instruments on Spot Basis (Spot Basis shall have the same meaning as specified by a stock exchange for spot transactions); and

b) the Securities so transferred shall be in conformity with the investment objective of the Scheme to which such transfer has been made.

- The Mutual Fund shall get the Securities purchased or transferred in the name of the Fund on account of the Scheme, wherever investments are intended to be of a long-term nature.

- 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 sale of government securities already contracted for purchase shall be permitted in accordance with the guidelines issued by the RBI in this regard.

- The Scheme shall not invest in a fund of funds scheme.

- The Scheme will comply with the following restrictions for trading in exchange traded derivatives, as specified by SEBI vide its circular DNPD/Cir-29/2005 dated September 14, 2005, Circular DNPD/Cir-30/2006 dated January 20, 2006 and Circular DNPD/Cir-31/2006 dated September 22, 2006:

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

     a. The Mutual Fund position limit in all equity index options contracts on a particular underlying index shall be Rs. 500 Crores or 15% of the total open interest of the market in equity index option contracts, 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 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 Rs. 500 Crores 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 Rs. 500 Crores or more, the combined futures and options position limit shall be 20% of applicable MWPL or v 300 Crores, whichever is lower and within which stock futures position cannot exceed 10% of applicable MWPL or Rs. 150 Crores, whichever is lower.

b. For stocks having applicable MWPL less than Rs. 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 Rs. 50 Crores 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).

b. This position limit shall be applicable on the combined position in all derivative contracts on an underlying stock at a Stock Exchange

c. For index based contracts, the Mutual Fund shall disclose the total open interest held by the 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.

Further, SEBI, vide its circular no. Cir/IMD/DF/11/2010 dated August 18, 2010 has prescribed the following investment restrictions with respect to investment in derivatives:

a) The cumulative gross exposure through equity, debt and derivative positions should not exceed 100% of the net assets of the scheme. Cash or cash equivalents with residual maturity of less than 91 days may be treated as not creating any exposure.

b) Mutual Fund shall not write options or purchase instruments with embedded written options.

c) The total exposure related to option premium paid must not exceed 20% of the net assets of the scheme.

d) Exposure due to hedging positions may not be included in the above mentioned limits subject to the following:-

(i) Hedging positions are the derivative positions that reduce possible losses on an existing position in securities and till the existing position remains;

(ii) Hedging positions cannot be taken for existing derivative positions. Exposure due to such positions shall have to be added and treated under limits mentioned in Point (a) above.

(iii) Any derivative instrument used to hedge has the same underlying security as the existing position being hedged.

(iv) 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.

e) Mutual Fund 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.

f) 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 (a) above.

- Pending deployment of funds of a 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. The Scheme will comply with the following guidelines/restrictions for parking of funds in short term deposits, as per SEBI Circular No. SEBI/IMD/CIR No.1/91171/07 dated April 16, 2007 and SEBI/IMD/CIR No.7/129592/08 dated June 23, 2008:-

  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.

  However, the above provisions will not apply to term deposits placed as margins for trading in cash and derivatives market.

- Save as otherwise expressly provided under SEBI (Mutual Funds) Regulations, 1996, the Scheme shall not advance any loans.

- The Fund shall not borrow except to meet temporary liquidity needs of the Fund for the purpose of repurchase/redemption of Units or payment of interest and/or dividend to the Unit holders. Provided that the Fund shall not borrow more than 20% of the net assets of

the individual Scheme and the duration of the borrowing shall not exceed a period of 6 month.

All investment restrictions shall be applicable at the time of making investment. The AMC/Trustee may alter these above stated restrictions from time to time to the extent the Regulations change, so as to permit the Scheme to make its investments in the full spectrum of permitted investments for mutual funds to achieve its respective investment objective.

J. HOW HAS THE SCHEME PERFORMED?

This Scheme is a new scheme and hence the same is not applicable.

III. UNITS AND OFFER

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

1. NEW FUND OFFER (NFO)

New Fund Offer Period This is the period during which a new scheme sells its units to the investors.	NFO opens on: [●] NFO closes on: [●] The New Fund Offer for all the balance series will commence within 6 Months from [●] i.e. the date of no observation letter for the Scheme Information Document received from SEBI. The AMC/Trustee reserves the right to close the NFO of the Scheme before the above mentioned date. The AMC/Trustee 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. Any such changes shall be announced by way of a newspaper advertisement in one vernacular daily of Mumbai and one English national daily.
New Fund Offer Price This is the price per unit that the investors have to pay to invest during the NFO.	The New Fund Offer price will be Rs. 10/- per unit.
Minimum Amount for Application in the NFO (For both Plans)	Rs. 5,000/- and in multiples of Re. 1/- thereafter
Minimum Target amount 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 from the closure of NFO, interest as specified by SEBI (currently 15% p.a.) will be paid to the investors from the expiry of 5 business days from the closure of NFO	In accordance with SEBI circular Cir/ IMD/ DF/ 15 /2014 dated June 20, 2014, the minimum target amount of the Scheme shall be Rs.10 Crores.
Maximum amount to be raised (if any) This is the maximum amount which can be collected during	There will not be any maximum limit on the amount to be raised and the Fund will make full and firm allotment against all valid applications.

the NFO period, as decided by the AMC.	
Plans / Options offered	The Scheme shall offer two plans viz. Regular Plan and Direct Plan. Each Plan has two Options, viz., Growth Option and Dividend Option. Dividend Option has the following two facilities: i. Dividend Payout facility; ii. Dividend Transfer facility. **Growth Option:** - Dividends will not be declared under this Option. The income attributable to Units under this Option will continue to remain invested and will be reflected in the Net Asset Value of Units under this Option. Hence, the unit holders who opt for this Option will not receive any dividend. **Dividend Option: -** Under the Dividend Option, dividend will be declared, subject to availability of distributable profits, as computed in accordance with SEBI (MF) Regulations. Under Dividend option, the following facilities are available:- • **Dividend Payout Facility –** Under this facility, dividends, if declared, will be paid (subject to deduction of tax at source, if any) to those Unit holders / Beneficial Owners whose names appear in the Register of Unit holders maintained by the Mutual Fund/ statement of beneficial ownership maintained by the Depositories, as applicable, on the notified record date. • **Dividend Transfer Facility: -** Under this facility, dividends, if declared, will be invested (subject to deduction of tax at source, if any) in any other schemes of Pramerica Mutual Fund, as opted by the unit holder. If distributor code is mentioned in application form but ' Direct plan' is mentioned in the scheme name, the distributor code will be ignored and the application will be processed under direct plan" & in case neither distributor code nor "Direct" is indicated in the application form, the same will be treated as direct plan. **Default Option/Sub-option:** The investor must clearly specify his/her choice of Option/Sub-option in the application form, in the absence of which, the Default Option/Sub-option would be applicable and the application will be processed accordingly: **Default Option:** Growth Option (if the investor has not indicated choice between 'Growth' or 'Dividend' Options). **Default Sub-option Under Dividend Option**: Dividend Payout Plan. It must be distinctly understood that the actual declaration of dividend

	and frequency thereof is at the sole discretion of Board of Directors of the Trustee Company. There is no assurance or guarantee to the Unit holders as to the rate of dividend distribution nor that the dividend will be paid regularly. All plans/options under each series under the Scheme shall have common portfolio. Direct Plan is only for investors who purchase /subscribe Units in the Scheme directly with the Fund and is not available for investors who route their investments through a Distributor and is offered in accordance with Para D of SEBI Circular no. CIR/IMD/DF/21/2012 dated September 13, 2012. **Investors may please note that the Direct Plan under the Scheme is meant for investors who understand the capital market, mutual funds and the risks associated therewith. The risks associated with the investments in the schemes of mutual funds may vary depending upon the investment objective, asset allocation and investment strategy of the Schemes and the investments may not be suited for all categories of investors. The AMC believes that investors investing under the Direct Plan of the Scheme are aware of the investment objective, asset allocation, investment strategy, risks associated therewith and other features of the Scheme and has taken an informed investment decision. Please note that SID, SAI, Key Information Memorandum or any other advertisements and its contents are for information only and do not constitute any investment advice or solicitation or offer for sale of units of the Scheme from the AMC.**
Dividend Policy	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. The actual declaration of dividend and frequency will inter-alia, depend on availability of distributable surplus calculated in accordance with the Regulations and the decisions of the Trustee shall be final in this regard. There is no assurance or guarantee to the Unit holders as to the rate of dividend nor that the dividend will be paid regularly. **<u>Dividend Distribution Procedure</u>** 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: 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. 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. 4. The NAV will be adjusted to the extent of dividend distribution and statutory levy, if any, at the close of business hours on record date.
Allotment	Full allotment will be made to all valid applications received, whose subscription proceeds have been realized, during the New Fund Offer Period. Allotment of units shall be completed not later than 5 business days after the close of the New Fund Offer Period. On acceptance of the application for subscription, an allotment confirmation specifying the number of units allotted by way of e-mail and/or SMS within 5 business days from the date of closure of new fund offer period will be sent to the Unit Holders registered e-mail address and/or mobile number. In case of Unit holder who have provided their e-mail address the Fund will provide the Account Statement only through e-mail message, subject to Regulations and unless otherwise required. In cases where the email does not reach the Unit holder, the Fund / its Registrar & Transfer Agents will not be responsible, but the Unit holder can request for fresh statement. The Unit holder shall from time to time intimate the Fund / its Registrar & Transfer Agent about any changes in his e-mail address. Normally no Unit certificates will be issued. However, if the applicant so desires, the AMC shall issue a non-transferable Unit certificate to the applicant within 5 Business Days of the receipt of request for the certificate. Unit certificate, if issued, must be surrendered at the time of maturity of the Scheme. All Units will rank pari passu, among Units within the same Option in the Scheme concerned as to assets, earnings and the receipt of dividend distributions, if any, as may be declared by the Trustee. Applicants under each of the respective series offered under the Scheme will have an option to hold the Units either in physical form (i.e. account statement) or in dematerialized form. The AMC shall issue units in dematerialized form to the unitholder within two working days of the receipt of request from the unitholder. In case the Unit Holder desires to hold Units in dematerialized/rematerialized form at a later date, the request for conversion of Units held in non-dematerialized form into dematerialized form or vice-versa should be submitted along with a dematerialized/rematerialized request form to their Depository Participants. Please refer disclosure under "Accounts Statements" under Section B. Ongoing Offer.
Refund	Fund will refund the application money to 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 from time to time. Refund orders will be marked "A/c Payee only" and drawn in the name of the applicant (in the case of a sole applicant) and in the name of the first applicant in all other cases. All refund orders will be sent by registered post or as permitted by Regulations.
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.*	The following persons are eligible to invest in 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 by-laws /constitutions, charter documents, corporate / other authorisations and relevant statutory provisions etc):- 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. Resident Indian Minors or Non-Resident Indian Minors through their 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; 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; **The following persons cannot invest in the Scheme:** 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; 4. Non Resident Indians residing in Cuba, Iran, Myanmar, North Korea, Sudan and Syria. The 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, if any. 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 and are authorized to invest in mutual fund units as per their respective constitutions, charter documents, corporate / other authorizations and relevant statutory provisions. **Subject to the Regulations and applicable law, an application for Units from an applicant may be accepted or rejected at the sole and absolute discretion of the AMC/Trustee.**
Where can you submit the filled up applications.	Please refer the back cover page of the Scheme Information Document. For existing investors' convenience, the Mutual Fund will endeavor to offer Online Transaction facility on its Website viz. www.pramericamf.com for transacting in the Units of Pramerica Mutual Fund. Further, existing investors of Pramerica Mutual Fund can also avail Anywhere Transact Facility (AWF) i.e. transaction over telephone /mobile (Call or SMS) to invest in the fund.
How to Apply	Please refer to the SAI and Application form for the instructions.
Listing	The Units of the Scheme will be listed on a Stock Exchange within such time as the Regulations permit. Investors holding the units by way of an account statement (physical form) will not be able to trade their units till they are dematerialized. The Units of the Scheme are available for trading and transfer only in demat mode via the stock exchanges. An investor can buy/sell Units on the Exchange during

	the trading hours like any other publicly traded stock. The trading facility on the Exchange would be available from the date of listing till the date of issue of notice by the AMC for fixing the record date for determining the eligibility of Unitholders (being the list of Beneficial owners as per the Depositories Records (NSDL/CDSL)) for the purpose of maturity pay out. The trading of Units on the Exchange will automatically get suspended from the date of issue of the above notice and also no off-market trades shall be permitted by the Depositories. The AMC may at its sole discretion list the Units on any other recognized Exchange(s) at a later date during the tenure of the Scheme. The AMC may also decide to delist the Units from a particular Exchange, provided that the Units are listed on at least one Exchange. The price of the Units in the market on Exchange will depend on demand and supply and market factors and forces. There is no minimum investment amount for investment through Exchange, although Units dealt in minimum in lots of 1.
Special Products available	**Switch option:-** During the NFO period (Switch request will be accepted upto 3.00 p.m. on the last day of the NFO), the Unit holders will be able to invest in the NFO of the respective series under the Scheme by switching part or all of their Unit holdings held in the existing scheme(s) of the Pramerica Mutual Fund. This Switch option is useful to investors who wish to alter the allocation of their investment among the schemes of the Mutual Fund in order to meet their changed investment needs. Switch transaction will be effected by way of a Redemption of Units from the Source Scheme (Switch-Out) at applicable NAV, subject to Exit Load, if any, and investment of the Redemption proceeds into the Target (Switch-In) Scheme (only during NFO) opted by the investor at the allotment NAV and accordingly, Switch transaction must comply with the Redemption rules of 'Switch Out scheme' and the Subscription rules of the 'Switch In scheme'. **Anywhere Transact Facility - Transaction over telephone /mobile (Call or SMS):-** All individual investors having an existing folio in the Scheme with the mode of holding as "Sole" or "Anyone or Survivor") shall be eligible to avail of the telephonic facilities (through Call or SMS) for permitted transactions subject to the following terms and conditions: a) "Terms and Conditions" means the terms and conditions set out herewith subject to which this Facility shall be used/availed by the Investor(s) and shall include all modifications and supplements made by AMC thereto from time to time. The Investor(s) shall at all times be bound by any modifications and/or variations made to these Terms and Conditions by the

	AMC at their sole discretion and without notice to them. b) This Facility shall be available only to individual investors having an existing folio in the scheme with the mode of holding as "Sole" or "Anyone or Survivor". This facility is not available for folios with the mode of holding as "Joint". c) The transaction over telephone/mobile (Call or SMS) will be allowed only for financial transactions such as Lump sum Purchase/ Redemption / Switch of Units. Requests for non-financial transactions like change in bank mandate, change of nomination, change in mode of holding, change of address or such other requests as the AMC may decide from time to time shall not be permitted through this Facility. d) The existing investors shall register to avail this facility by submitting the "Anywhere Transact Registration Cum Mandate Form" for Anywhere Transact" to the AMC/ISC. This form is available on the website of the mutual fund, www.pramericamf.com. This facility shall be available to investors having bank accounts with designated banks with which the AMC may have an arrangement. Registration under this facility for redemption or switch transactions shall take upto 5 working days from the date of receipt of the registration form and for purchase transactions shall take upto 30 working days, since the debit mandate form shall be sent to your bank for registration. The maximum amount of investment using this facility may be restricted by the AMC from time to time in line with prudent risk management requirements and to protect the overall interest of the Investors. The maximum amount for purchases using this facility would be Rs. 5 Lakh. There is no restriction on amount for redemption and switch transactions using this facility. e) Investor will not be permitted to avail this Facility for Redemptions transactions if there is a change in the bank mandate / mobile number / email ID of the investor within last 10 calendar days. AMC reserves the right to modify the procedure of transaction processing without any prior intimation to the Investor. f) The AMC/Registrar may seek additional information (Key Information) apart from the available data of the Investor(s) before allowing him access to avail the Facility. If for any reason, the AMC is not satisfied with the replies of the Investor(s), the AMC has, at its sole discretion, the right of refusing access without assigning any reasons to the Investor(s). It is clarified that the Facility is only with a view to accommodate /facilitate the Investor/s and offered at the sole discretion of the AMC. The AMC is not bound and/or obliged in any way to give access of this Facility to Investor(s). The Facility using SMS can be availed only through the registered mobile number of the investor. g) The AMC shall provide the investor(s) on a periodical basis with

	account statements, only to the registered email id, which will reflect all the transactions done by the investors during the corresponding period. The Investor(s) shall check his/her account statement carefully and promptly. If the Investor(s) believes that there has been a mistake in any transaction using the Facility, or that unauthorized transaction has been effected, the Investor/s shall notify the AMC immediately. If the Investor(s) defaults in intimating the discrepancies in the statement within a period of 15 days of receipt of the statements, he waives all his rights to raise the same in favour of the AMC, unless the discrepancy /error is apparent on the face of it. By opting for the facility the Investor(s) hereby irrevocably authorizes and instructs the AMC to act as his /her agent and to do all such acts as AMC may find necessary to provide the Facility. h) The Investor(s) agrees and confirms that the AMC has the right to ask the Investor(s) for an oral or written confirmation of any transaction request using the Facility and/or any additional information regarding the Account of the Investor(s). i) The Investor(s) agrees and confirms that the AMC may at its sole discretion suspend the Facility in whole or in part at any time without prior notice. The Investor(s) shall not assign any right or interest or delegate any obligation arising herein. j) The Investor(s) shall take responsibility for all the transactions conducted by using the Facility and will abide by the record of transactions generated by the AMC. Further, the Investor(s) confirms that such records generated by the AMC shall be conclusive proof and binding for all purposes and may be used as evidence in any proceedings and unconditionally waives all objections in this behalf. k) The investor(s) agrees that it shall be his/her sole responsibility to ensure protection and confidentiality of the Key Information and any disclosures thereof shall be entirely at the investor(s)'s risk. l) The office of Registrar of the Fund having its office at Hyderabad will be the official point of acceptance for the transactions received using this Facility. The Investor(s) agree that all calls/SMS received during a business day shall be eligible for same day NAV, subject to completion of the necessary formalities by the AMC/Registrar on or before the uniform cut off time set for this purpose. The Cut off timeline for this facility would be half an hour prior to the regulatory cut off timeline i.e. 2.30 pm in case of funds where the SEBI cutoff timeline is 3.00 pm and 1.30 pm in case of funds where the SEBI cutoff timeline is 2.00 pm. Further, NAV would be allotted based on the realization/utilisation of funds, wherever applicable, as per the prevailing SEBI regulations/circulars issued and amended from time to time. m) The Investor(s) confirm that the AMC/Registrar or their

	delegates shall under no circumstances be liable for any damages or losses, whatsoever, whether such damages or losses are direct, indirect, incidental, consequential and whether such damages are sustained by investor(s) or any other person due to:- i. any transaction using this Facility carried out in good faith by the AMC on instructions of the Investor(s) or any unauthorized usage/unauthorized transactions conducted by using the Facility; ii. any error, defect, failure or interruption in the provision of the Facility arising from or caused by any reason whatsoever; iii. any negligence / mistake or misconduct by the Investor(s); iv. any breach or non-compliance by the Investor(s) of the rules/terms and conditions stated herein or in the Scheme Information Document or Statement of Additional Information or Key Information Memorandum; v. acceptance of instructions given by any one of the Investor in case of joint holding having mode of operations as "anyone or survivor"; vi. not verifying the identity of the person giving the telephone instructions in the Investor(s) name; vii. not carrying out any such instructions where the AMC has reason to believe (which decision of the AMC, the Investor(s) shall not question or dispute) that the instructions given are not genuine or are otherwise improper, unclear, vague or raise a doubt; viii. carrying out a transaction after such reasonable verification as the AMC may deem fit regarding the identity of the Investor(s) or any case of error in NAV communication; ix. accepting instructions given by any one of the Investor(s) or his / her authorized person. n) The Investor/s agrees that use of the Facility will be deemed acceptance of the Terms and Conditions and the Investor(s) will unequivocally be bound by these Terms and Conditions.
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.	Units once redeemed will be extinguished and will not be reissued.
Restrictions, if any, on the right to freely retain or dispose of units being offered.	**Pledge of Units:-** The Units 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 (NBFC's), or any other body. The AMC/RTA will note and record such Pledged Units. A standard form for this purpose is available on request at all ISCs and the Mutual Fund website (www.pramericamf.com). The AMC shall mark a lien on the specified units only upon receiving the duly completed form and documents as it may require. Disbursement of such loans will be

	at the entire discretion of the bank / financial institution / NBFC or any other body concerned and the Mutual Fund assumes no responsibility thereof. The Pledgor will not be able to redeem Units that are pledged until the entity to which the Units are pledged provides a written authorisation to the Mutual Fund that the pledge / lien/ charge may be removed. As long as Units are pledged, the Pledgee will have complete authority to redeem such Units but not before the maturity of the Scheme. Dividends declared on Units under lien will be paid to the Unit Holder and not the lien holder unless specified otherwise in the lien letter. For units of the Scheme held in electronic (Demat) form, the rules of Depository applicable for pledge will be applicable for Pledge/Assignment of units of the Scheme. Pledgor and Pledgee must have a beneficial account with the Depository. These accounts can be with the same DP or with different DPs. **Transferability of Units:-** The Units of the respective series of the Scheme are not transferable except for Units held in dematerialized form. In view of the same, additions / deletions of names will not be allowed under any folio of the respective series. However, the said provisions will not be applicable in case a person (i.e. a transferee) becomes a holder of the Units by operation of law or upon enforcement of pledge, then the AMC shall, subject to production of such satisfactory evidence and submission of such documents, proceed to effect the transfer, if the intended transferee is otherwise eligible to hold the Units of the respective series. The said provisions in respect of deletion of names will not be applicable in case of death of a Unit holder (in respect of joint holdings) as this is treated as transmission of Units and not transfer. As the Units of the Scheme will also be issued in dematerialized form, the Units will be transferable through the Stock Exchange(s) on which the said Units are listed. The delivery instructions for transfer of Units will have to be lodged with the DP in the requisite form as may be required from time to time and transfer will be effected in accordance with such rules/regulations as may be in force governing transfer of securities in dematerialized form. **Suspension of Sale / Redemption of the Units:-** The Sale / Redemption of the Units may be temporarily suspended, on the stock exchange(s) on which the Units of the respective series are listed, under the following conditions: • During the period of Book Closure. • During the period from the date of issue of the notice for fixing the record date for determining the Unit holders whose name(s) appear on the list of beneficial owners as per the Depositories (NSDL/CDSL) records for the purpose of redemption of Units on Maturity / Final Redemption date.

	• In the event of any unforeseen situation that affects the normal functioning of the stock exchange(s). • If so directed by SEBI. The above list is not exhaustive and may also include other factors.

2. ONGOING OFFER DETAILS

Ongoing Offer Period *This is the date from which the scheme will reopen for subscriptions/ redemptions after the closure of the NFO period.*	Being a close ended Scheme, Investors can subscribe to the Units of the respective series during the New Fund Offer Period only and such series will not re-open for subscriptions after the closure of NFO. The redemption facility would be provided only on Maturity. However, subsequent to closure of NFO and upon listing of Units on Exchange, buying or selling of Units by Unit holders / Investors can be made on the Exchange. Units can be bought or sold like any other listed stock on the Exchange at prevailing market prices.
Ongoing price for subscription (purchase)/ switch-in (from other Schemes of the Mutual Fund) by investors. This is the price you need to pay for purchase /switch-in.	Units cannot be subscribed after the closure of NFO. After the NFO, the persons can invest in the Scheme only through Demat mode by purchasing the units on NSE or any other Stock Exchange where the scheme will list its units. The minimum number of Units that can be bought or sold on the Exchange is one Unit. The Units' market prices may be at a premium/discount to its NAV. Dealings by the Unit holders / Investors on the Exchange will be also subject to Exchange Rules and Regulations.
Ongoing price for redemption (sale) /switch outs (to other schemes of the Mutual Fund) by investors. This is the price you will receive for redemptions/switch outs.	No redemption/repurchase/switch-out of units shall be allowed prior to the maturity of the scheme. Investors wishing to exit may do so by selling their units through stock exchanges. The scheme shall be fully redeemed on the date of maturity and redemption proceeds shall be paid out within 10 business days, subject to availability of all relevant documents and details.
Cut off timing for subscriptions/ redemptions/ switches This is the time before which your application (complete in all respects) should reach the official points of acceptance.	After close of NFO Period, the Fund will not provide facility for subscription/redemption/switches, and hence cut-off timing provisions do not apply. Dealings by the Unit holders/Investors on Exchange will be also subject to Exchange Rules and Regulations.
Where can the applications for purchase/redemption switches be submitted?	The Units of a plan will not be available for subscriptions / switch-in after the closure of NFO Period of such series.
Minimum Amount for Purchase/Redemption/ Switches	Not Applicable
Minimum balance to be maintained and	Not Applicable

consequences of non maintenance.	
Minimum balance to be maintained and consequences of non maintenance.	Not Applicable
Special Products available	**Switch option:-** Investors will be allowed to submit switch out request during the NFO period. The switch out transaction will be processed based on the applicable NAV as on the date of maturity. This advance switch facility will help investors for switching into any of the New Fund Offer or any open-ended scheme of Pramerica Mutual Fund (subject to minimum application amount under the scheme). Such advance switch out requests once submitted shall not be cancelled at later date.
Accounts Statements	• The unit holders whose valid application for subscription has been accepted by the Fund, a communication specifying the number of units allotted, in the form of an email and/or SMS at the registered email address and/or mobile number, shall be sent within five business days from the date of closure of the initial subscription list. • Thereafter, the investors shall be issued a Common Account Statement ('CAS') by physical form or email (wherever the investors have provided the email address) across all schemes of all mutual funds for each calendar month, on or before tenth day of succeeding month, detailing all the transactions and holding at the end of the month including transaction charges paid, if any, to the distributor, to such investors in whose folios any transaction has taken place during that month on the basis of their PAN and common holding pattern. In the event a folio consists of more than one unit holder, the first named unit holder shall receive the CAS/account statement. As the CAS will be issued on the basis of PAN, the Unit holders who have not provided their PAN will not receive CAS. • Further, the CAS detailing holding across all schemes of all mutual funds at the end of every six months ended September 30 or March 31, shall be sent in physical form/email on or before tenth day of succeeding month to all such unit holders in whose folios transactions have not taken place during that period. The half-yearly CAS will be sent by email to the Unitholders whose email is available, unless a specific request is made to receive in physical. • In case of a specific request received from the Unitholders, the AMC will provide the account statement to the Unitholder within 5 Business Days from the receipt of such request. • If a Unitholder so requests, a non-transferable Unit certificate will be issued within 5 working days of the receipt of such request.

	• In case of investors holding units in dematerialised form, the account statement (holding statement) will be sent directly by the respective Depository Participant at such a frequency as may be defined in the Depository Act or regulations or on specific request.
Dividend	The Dividend warrants/cheque/demand draft shall be dispatched to the Unit holders within 30 days of the date of declaration of the Dividend. The Dividend proceeds will be paid by way of ECS / EFT / NEFT / RTGS / Direct credits/ any other electronic manner if sufficient banking account details are available with Mutual Fund for Investor. In case of specific request for Dividend by warrants/cheques/demand drafts or unavailability of sufficient details with the Mutual Fund, the Dividend will be paid by warrant/cheques/demand drafts and payments will be made in favour of the Unit holder (registered holder of the Units or, if there are more than one registered holder, only to the first registered holder) with bank account number furnished to the Mutual Fund. The dividend warrants/cheques/demand drafts will be sent by courier or (if the addressee city is not serviced by the courier) by registered post / UCP to the registered address of the sole / first holder as per the records of the Registrars. For the purpose of delivery of the dividend instrument, the dispatch through the courier / Postal Department, as the case may be, shall be treated as delivery to the investor. 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.
Redemption	As the Scheme is closed ended scheme, investors will not be able to redeem their units during the tenor of the respective series. Units under the respective series will be compulsorily and without any further act by the Unit holder(s) redeemed on the Maturity Date of the series. The redemption proceeds shall be dispatched to the unit holders within 10 working days from the Maturity Date of the series. In case of investors holding units in dematerialised form, the maturity proceeds would be payable to investors as per the bank details provided in beneficiary position details received from depositories. **Procedure for payment of maturity proceeds:** **1.** <u>Resident Investors:-</u> Maturity proceeds will be paid to the investor through RTGS, NEFT, Direct Credit, Cheque or Demand Draft, as follows:- **a)** If investor has provided IFSC code in the application form, by default maturity proceeds shall be credited to Investor's bank account through RTGS / NEFT. **b)** If the 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. **c)** If the Investor's bank account does not fall under a) and b) above the maturity 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). 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 the bank mandate of the investor. The maturity proceeds will be sent by courier or (if the addressee city is not serviced by the courier) by registered post / UCP to the registered address of the sole / first holder as per the records of the Registrars. For the purpose of delivery of the maturity proceeds instrument, the dispatch through the courier / Postal Department, as the case may be, shall be treated as delivery to the investor. 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. The AMC reserves the right to change the sequence of payment from (a) to (c) without any prior notice. **2.** <u>Non-Resident Investors:-</u> For NRIs, Redemption proceeds will be remitted depending upon the source of investment as follows: **(i)** Repatriation basis: 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. **(ii)** Non-Repatriation basis: 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. 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. 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.
Delay in payment of redemption / repurchase proceeds	As the Scheme is closed ended scheme, investors will not be able to redeem their units during the tenor of the respective series. Units under the respective series will be compulsorily and without any further act by the Unit holder(s) redeemed on the Maturity Date of the series, subject to availability of all relevant documents and details. The maturity proceeds shall be dispatched to the unitholders within 10 Business days from the date of maturity. 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 maturity proceeds are not dispatched within 10 Business days from the date of maturity. However, the AMC shall not be liable to pay any interest or compensation in case of any delay in processing the maturity beyond 10 Business Days if the AMC/RTA is required to obtain from the Investor/Unit holders any additional details for verification of identity or bank details or such additional information under applicable regulations or as may be requested by a Regulatory Agency or any government authority, which may result in delay in processing the maturity.

3. PERIODIC DISCLOSURES

Net Asset Value 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.	The AMC will calculate and disclose the NAV of the Scheme on all the Business Days. The NAV of the Scheme shall be released for publication at least in two daily newspapers on daily basis in accordance with the Regulations. The AMC shall update the NAVs on the website of the AMC (www.pramericamf.com) and of the Association of Mutual Funds in India – AMFI (www.amfiindia.com) before 9.00 p.m. on every Business Day. If the NAVs are not available before the commencement of Business Hours on the following day due to any reason, the Mutual Fund shall issue a press release giving reasons and explaining when the Mutual Fund would be able to publish the NAV.
Half –yearly / Monthly Disclosures: Portfolio / Financial Results 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.	The Scheme shall publish, by way of an advertisement, in one English daily circulating in the whole of India and in a newspaper published in the language of the region where the head office of the Mutual Fund is situated the complete scheme portfolio before the expiry of one month of the close of each half year i.e., 31st March and 30th September. This shall also be displayed on the website of the Mutual Fund and that of AMFI. The AMC shall also disclose details of the portfolio of the Scheme on a monthly basis on its website on or before the tenth day of the succeeding month in the prescribed format.
Half Yearly Results	The Mutual Fund shall within one month of the close of each half year i.e., 31st March and 30th September, upload the soft copy of its unaudited financial results containing the details specified in

<table>
<tr><td></td><td>Regulation 59 on its website and shall publish an advertisement disclosing uploading of such financial results on its website, in one English newspaper having nationwide circulation and in one regional newspaper circulating in the region where the head office of the Mutual Fund is situated. This shall also be displayed on the website of AMFI.</td></tr>
<tr><td>Annual Report</td><td>The Scheme wise annual report or an abridged summary thereof shall be mailed 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).

In case of unitholders whose email addresses are available with the Mutual Fund, the scheme annual reports or abridged summary would be sent only by email. Unitholders whose email addresses are not available with the Mutual Fund shall be sent physical copies of scheme annual reports or abridged summary by post / courier. The AMC shall provide a physical copy of scheme annual report or abridged summary upon receipt of a specific request from the unitholders, irrespective of registration of their email addresses. The full annual report shall be available for inspection at the Head Office of the 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.pramericamf.com) and Association of Mutual Funds in India (www.amfiindia.com).</td></tr>
<tr><td>Associate Transactions</td><td>Please refer to Statement of Additional Information.</td></tr>
<tr><td>Taxation

The rates mentioned herein are as per the Finance (No.2) Act, 2014.

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.</td><td>
<table>
<tr><th></th><th>Resident Investors</th><th>Mutual Fund</th></tr>
<tr><td>Tax on Dividend distributed by Mutual Fund (Note 1)</td><td>Nil</td><td>Nil</td></tr>
<tr><td>Capital Gains:
Long-term

Short-term</td><td>
Nil – in case of equity oriented fund

15% - in case of equity oriented fund (Note 2 & 3)</td><td>
Nil[2]

Nil[2]</td></tr>
</table>
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.

(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
</td></tr>
</table>

	with reference to the annual average of the monthly averages of the opening and closing figures.) 2. The tax rate mentioned in table above would be increased by a surcharge of: (a) 5% - in case of domestic corporate Unit Holders, where the total income exceeds Rs 10,000,000/- (One Crore Rupees) but does not exceed Rs. 100,000,000/- (Ten Crore Rupees). 10% – in case of domestic corporate Unit Holders, where the total income exceeds Rs. 100,000,000/- (Ten Crore Rupees). (b) 10 per cent – in case of individuals, HUF, firms, local authority and co-operative societies, where total income exceeds Rs. 10,000,000/- (One Crore Rupees). 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. 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. 4. Redemption of units of an equity oriented fund will attract securities transaction tax (STT) at the rate of 0.001%. 5. Individuals and HUFs would be entitled to claim deduction under section 80C of the IT Act in respect of subscription to the units of an equity linked savings scheme. The aggregate amount deductible under section 80C of the IT Act in respect of subscription o the units of an equity linked savings scheme and other prescribed investments is restricted to INR150,000/-. 6. 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. 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')'. **FOR FURTHER DETAILS ON TAXATION PLEASE REFER TO THE CLAUSE ON TAXATION IN THE SAI.**
Investor services	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. 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. For any queries / complaints / feedbacks investors may contact: **Mr. Sukesh Shetty**, Investor Relations Officer 2nd floor, Nirlon House, Dr. Annie Besant Road, Worli, Mumbai - 400030 Tel: 91 22 6159 3000 Fax: 91 22 6159 3100

4. COMPUTATION OF NAV

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

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

Or

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

The NAV shall be calculated up to two decimal places. However the AMC reserves the right to declare the NAVs up to additional decimal places as it deems appropriate. Separate NAV will be calculated and disclosed for each Plan/Option. The AMC will calculate and disclose the NAV of the Scheme on all the Business Days.

5. MANDATORY INFORMATION

As per the directives issued by SEBI, it is mandatory for applicants to mention their bank account details in their applications for purchase/redemption of units, without which, the application will be treated as incomplete and is liable to be rejected by the Registrar/AMC. In case the Investment cheque attached with the application form is different from the Bank Mandate mentioned therein then the Investor needs to provide a cancelled cheque of the Bank account mentioned in the application form. For the convenience of the investors, the AMC offers multiple bank accounts registration facility. The investors may register multiple Bank Mandates in a single folio using a prescribed form, namely, "Multiple Bank Accounts Registration form", available on the Mutual Fund's website and also at the ISCs. An investor may register upto 5 bank accounts in case the investor is an individual/ HUF and upto 10 bank accounts in case the investor is a non-individual. For more details on multiple bank accounts registration, please refer SAI.

It is mandatory for all investors (including joint holders, NRIs, POA holders and guardians in the case of minors) to comply with the Know Your Customers (KYC) requirements under the AML Laws. Applications from investors who have not complied with such KYC requirement will be rejected. For more details on KYC requirements, please refer SAI.

It is mandatory for all investors (including guardians, joint holders, NRIs and power of attorney holders) to provide their Income Tax Permanent Account Number (PAN) and also submit a

photo copy of the PAN card issued to them by the Income Tax Department at the time of purchase of Units in the Scheme. For more details on the PAN requirements and exceptions available from such requirements, please refer SAI.

All investments in Pramerica Mutual Fund need to comply with the PAN and KYC requirements as stated above, failing which the applications are liable to be rejected. It is clarified that all categories of investors seeking exemption from PAN still need to complete the KYC requirements stipulated from time to time, irrespective the amount of investment.

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 NFO expenses of the Scheme 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 below:

a) The maximum annual recurring expenses that can be charged to the Scheme, excluding issue or redemption expenses, whether initially borne by the mutual fund or by the AMC, but including the investment management and advisory fee shall be as follows:

- On the first Rs. 100 Crores of the daily net assets – 2.50%
- On the next Rs. 300 Crores of the daily net assets – 2.25%
- On the next Rs. 300 Crores of the daily net assets – 2.00%
- On the balance of the assets – 1.75%

b) In addition to the annual recurring expenses stated in (a) above, the following costs or expenses may be charged to the Scheme:-

i. Brokerage and transaction costs which are incurred for the purpose of execution of trade and is included in the cost of investment, not exceeding 0.12 per cent in case of cash market transactions and 0.05 per cent in case of derivatives transactions. The brokerage and transaction cost incurred for the purpose of execution of trade may be capitalized to the extent of 0.12 per cent and 0.05 per cent for cash market transactions and derivatives transactions respectively. Any payment towards brokerage and transaction cost, over and above the said 0.12 per cent and 0.05 per cent for cash market transactions and derivatives transactions respectively may be charged to the scheme within the maximum limit of annual recurring expenses as prescribed under (a) above. Any expenditure in excess of the said prescribed limit (including brokerage and transaction cost, if any) shall be borne by the AMC or by the trustee.

ii. Expenses not exceeding of 0.30 per cent of daily net assets, if the new inflows from such cities as specified by the Board from time to time are at least (i) 30 per cent of gross new inflows in the scheme, or (ii) 15 per cent of the average assets under management (year to date) of the scheme, whichever is higher.

Provided that if inflows from such cities is less than the higher of sub-clause (i) or sub- clause (ii), such expenses on daily net assets of the scheme shall be charged on proportionate basis.

The expenses charged under this clause shall be utilised for distribution expenses incurred for bringing inflows from such cities. Provided further that amount incurred as expense on account of inflows from such cities shall be credited back to the

scheme in case the said inflows are redeemed within a period of one year from the date of investment.

iii. Additional expenses not exceeding 0.20 per cent of daily net assets of the scheme, towards the investment and advisory fees or various other permissible expenses;

iv. Service tax on investment and advisory fees.

Within such total recurring expenses charged to the Scheme as above, the investment management and advisory fee (charged as a percentage of daily net assets) would be as decided by the AMC from time to time, provided that the investment management and advisory fee shall not exceed the aggregate of expenses charged under clause (a) and (b) (iii) above.

Service tax on other than investment and advisory fees, if any, and the service tax on brokerage and transaction cost paid for execution of trade shall be borne by the scheme within the maximum limit of annual recurring expenses stated in (a) above. Further, the service tax on exit load, if any, shall be paid out of the exit load proceeds and the exit load net of service tax, if any, shall be credited back to the scheme.

In terms of SEBI circular no. CIR/IMD/DF/21/2012 dated September 13, 2012, the AMC shall annually set apart at least 0.02% on daily net assets within the maximum limit of recurring expenses as per Regulation 52 for investor education and awareness initiatives.

The maximum annual recurring expenses of the Scheme including the investment management and advisory fee (together with additional management fee wherever applicable) shall not exceed the limit stated in Regulation 52 read with aforesaid SEBI circular dated September 13, 2012, as explained above. Any excess over these specified ceilings would be borne by the AMC.

The Direct Plan under the Scheme shall have a lower expense ratio as compared to the Regular Plan. Commission/ Distribution expenses will not be charged in case of Direct Plan. The total expense ratio of Direct Plan will be lower by at least 5% than that of the Regular Plan. The Direct Plan shall also have separate NAV.

The AMC has estimated the following maximum expenses for the first Rs. 100 Crores of the daily net assets of the Scheme. For the actual current expenses being charged, the investor should refer to the website of the Mutual Fund.

Expense Head	**% of daily Net Assets (Regular Plan)**
Investment Management and Advisory Fees	Upto 2.50%
Trustee fee	
Audit fees	
Custodian fees	
RTA Fees	
Marketing & Selling expense incl. agent commission	
Cost related to investor communications	
Cost of fund transfer from location to location	
Cost of providing account statements and dividend redemption cheques and warrants	

Costs of statutory Advertisements	
Listing expenses/fees and other expenses/fees payable to exchanges and depositories	
Cost towards investor education & awareness (at least 2 bps)	
Brokerage & transaction cost over and above 12 bps for cash market trades	
Service tax on expenses other than investment and advisory fees	
Service tax on brokerage and transaction cost	
Other Expenses*	
Maximum total expense ratio (TER) permissible under Regulation 52 (6) (c) (i)	**Upto 2.50%**
Additional expenses under regulation 52 (6A) (c)	Upto 0.20%
Additional expenses for gross new inflows from specified cities	Upto 0.30%

*Any other expenses 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 (Mutual Funds) Regulations.

The above expenses (including Investment Management and Advisory Fees) are subject to inter-se change and may increase/decrease as per actual and/or any change in the Regulations.

The entire exit load (net of service tax), charged, if any, shall be credited to the Scheme.

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. Load amounts are variable and are subject to change from time to time.

The load structure of the Scheme is as follows:

Entry Load – Nil (Note:- 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 – Nil.

Being a closed ended scheme, Units under the respective series cannot be redeemed directly with the Fund until the Maturity Date. Investors shall note that the brokerage on sales of the units of the Schemes on the stock exchanges shall be borne by the investors.

D. TRANSACTION CHARGES:-

In accordance with SEBI Circular No. IMD/ DF/13/ 2011 dated August 22, 2011, with effect from November 1, 2011, the AMC/ Fund shall deduct a Transaction Charge on per purchase / subscription of Rs. 10,000/- and above, as may be received from new investors (an investor who invests for the first time in any mutual fund schemes) and existing investors. Such deduction shall be as under (provided the distributor has opted in to receive the transaction charges).

Please note that the distributor shall have the option to opt in or opt out based on the type of the product):-

- For the new investor a transaction charge of Rs. 150/- shall be levied for per purchase / subscription of Rs. 10,000/- and above; and

- For the existing investor a transaction charge of Rs. 100/- shall be levied for per purchase / subscription of Rs. 10,000/- and above.

The transaction charge shall be deducted from the subscription amount and paid to the distributor and the balance amount (net of transaction charges) shall be invested. The transaction charges and the net investment amount and the number of units allotted will be clearly mentioned the Account Statement issued by the Mutual Fund. Distributors may choose to opt out of charging the transaction charge.

However, the Transaction charges shall not be deducted if:

(a) The amount per purchases /subscriptions is less than Rs. 10,000/-;
(b) The transaction pertains to other than purchases/ subscriptions relating to new inflows such as Switch/STP/ DTP, etc.
(c) Purchases/Subscriptions made directly with the Fund through any mode (i.e. not through any distributor/agent).
(d) Subscription made through Exchange Platform irrespective of investment amount.

Upfront commission to distributors shall continue to be paid by the investor directly to the distributor by a separate cheque based on his assessment of various factors including the service rendered by the distributor.

E. WAIVER OF LOAD FOR DIRECT APPLICATIONS

Not Applicable

V. RIGHTS OF UNITHOLDERS

Please refer to the Statement of Additional Information for details.

VI. PENALTIES, PENDING LITIGATION OR PROCEEDINGS BY ANY REGULATORY AUTHORITY

Details of 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 are as follows:

1. 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 are carried out or where the headquarters of the Sponsor is situated: - *None*

2. Monetary penalties imposed and/ or action taken against Indian Sponsor(s) (if any) during the last three years or pending with any financial regulatory body or governmental authority, against Sponsor(s) 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*

3. 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 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*

4. Any pending material civil or criminal litigation incidental to the business of the Mutual Fund to which the Sponsor 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:-

   There are no outstanding or pending material litigations or suits or proceedings against the AMC/Fund/Trustee Company, pertaining to matters incidental to the business of the mutual fund whose outcome could have a material impact on the business of the mutual fund. The AMC together with the Mutual Fund and the Trustee Company has initiated legal proceedings against Deccan Chronicle Holdings Limited and its directors in a matter relating to the default of payment of maturity proceeds of Commercial Papers issued by that company and recovery of such proceeds from Deccan Chronicle Holdings Limited. This litigation initiated by the AMC together with the Mutual Fund and the Trustee Company will not impact the mutual fund or its investors and the AMC is of the opinion that the ultimate resolution of this litigation will also not affect the business or financial position of the AMC.

5. Any deficiency in the systems and operations of the Sponsor and/ or the AMC and/ or the Board of Trustees/Trustee Company requiring disclosure here by SEBI has specifically advised to be disclosed in the SID, or which has been notified by any other regulatory agency:- *None*

The above information has been disclosed in good faith as per the information available to the AMC.

The Scheme under this Scheme Information Document was approved by the Board of Directors of Pramerica Trustees Private Limited (Trustees to Pramerica Mutual Fund) on December 18, 2014.

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.

For Pramerica Asset Managers Private Limited
(Asset Management Company to Pramerica Mutual Fund)

Ravi Kumar
Executive Director & Chief Executive Officer

Date: January 16, 2015
Place Mumbai