

**NOTICE CUM ADDENDUM**

NOTICE is hereby given that :-

I. In accordance with Securities and Exchange Board of India (SEBI) Circular no. CIR/MD/DF/21/2012 dated September 13, 2012 and SEBI (Mutual Funds) (Second Amendment) Regulations, 2012 notified vide notification No. LAD-NRO/GN/2012-13/17/21502 dated September 26, 2012, the following changes shall be carried out in the Scheme Information Document(s) (SID) / Key Information Memorandum(s) (KIM) of Scheme(s), as applicable, of Pramerica Mutual Fund with effect from **October 1, 2012 ("Effective Date")** :

A. **Fees and Expenses** :- As per the amended Regulation 52 of SEBI (Mutual Funds) Regulations, the following changes are being carried out under the Section "Fees & Expenses" of the SID of Scheme(s):

(1) **Investment Management & Advisory Fee**

The Investment Management and Advisory fees charged by the AMC to the respective scheme(s) of Pramerica Mutual Fund will be within the Total Expense Limit as prescribed by SEBI Regulations, as amended from time to time, with no sub-limit on the said Investment Management and Advisory fees, as currently mentioned under respective SIDs of Pramerica Mutual Fund.

(2) **Brokerage and transaction costs**: Brokerage and transaction costs incurred for execution of trades and included in the cost of investment shall be charged to the Scheme(s) in addition to the limits on total expenses prescribed under Regulation 52(6) of the SEBI (Mutual Funds) Regulations. However, these shall not exceed 0.12% of the value of trades in case of cash market transactions and 0.05% of the value of trades in case of derivatives transactions.

(3) **Service tax on Fees and Expenses** :-

i. **Investment management and advisory fees** :- Service tax on investment management and advisory fees shall be charged to the Scheme(s) in addition to the limits on total expenses prescribed under Regulation 52 of SEBI (Mutual Funds) Regulations.

ii. **Other than investment management and advisory fees** :- Service tax on expenses other than investment and advisory fees, if any, (including on brokerage and transaction costs on execution of trades) shall be borne by the Scheme(s) within the limits of total expenses prescribed under Regulation 52 of SEBI (Mutual Funds) Regulations.

(4) **Investor Education and Awareness** :- The AMC shall annually set apart at least 2 basis points (i.e. 0.02%) on daily net assets of the Scheme(s) within the limits of total expenses prescribed under Regulation 52 of SEBI (Mutual Funds) Regulations for investor education and awareness initiatives undertaken by the Fund.

(5) **Additional expenses for geographical penetration** :- To improve the geographical reach of the Scheme(s) in smaller cities/towns as may be specified by SEBI from time to time, expenses not exceeding of 0.30% of daily net assets may be charged to the Scheme(s), in addition to the limits on total expenses prescribed under Regulation 52(6) of the SEBI (Mutual Funds) Regulations, if the new inflows from such cities are at least, (a) 30% of gross new inflows in the Scheme(s) or (b) 15% of the average assets under management (year to date) of the Scheme(s), whichever is higher. In case inflows from such cities is less than the higher of (a) or (b) above, such expenses on daily net assets of the scheme shall be charged on proportionate basis. Such expenses charged shall be utilised for distribution expenses incurred for bringing inflows from such cities. However, the 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.

(6) Additional expenses, not exceeding 0.20% of daily net assets may be charged to the Schemes(s), incurred towards Investment Management and Advisory Fees and the various sub-heads of recurring expenses as mentioned under Regulation 52 (2) and (4) respectively of the SEBI (Mutual Funds) Regulations, in addition to the limits on total expenses prescribed of Regulation 52(6) of the SEBI (Mutual Funds) Regulations.

(7) **Exit Load**:- From the Effective Date, the entire exit load (net of service tax), charged, if any, shall be credited to the Scheme(s).

B. **Harmonizing Applicability of NAV across Schemes** :- Under all Schemes (other than liquid schemes), in respect of purchase/ switch-in applications received before the cut off timing for units of an amount equal to or more than Rs.2 lakh, the closing Net Asset Value (NAV) of the business day on which the funds are available for utilization before the cut-off time shall be applicable. Thus, where application is received after the cut-off time on a business day but the funds are cleared on the same day i.e. available for utilization before the cut-off time of the next Business Day, the closing NAV of the next Business Day shall be applicable.

C. **Prudential limits and disclosures on portfolio concentration risk in debt-oriented schemes** :- The total exposure of debt schemes in a particular sector (excluding investments in Bank CDs, CBLO, Government Securities, T-Bills and AAA rated securities issued by Public Financial Institutions and Public Sector Banks) shall not exceed 30% of the net assets of that Scheme. Existing debt schemes of Pramerica Mutual Fund shall comply with this requirement on or before September 12, 2013.

D. **Periodic Disclosures**

(1) **Monthly Portfolio Disclosures** :- The AMC shall disclose the portfolio (along with ISIN) as on the last day of the month of all the Schemes of Pramerica Mutual Fund on its website viz. www.pramericaamf.com on or before the tenth day of the succeeding month.

(2) **Half Yearly Financial Results** :- The AMC shall within one month from the close of each half year i.e. on 31st March and on 30th September host a soft copy of the unaudited financial results of the schemes of Pramerica Mutual Fund in the prescribed format on its website viz. www.pramericaamf.com. The AMC shall publish an advertisement disclosing the hosting of such financial results in at least one English daily newspaper having nationwide circulation and in a newspaper having wide circulation published in the language of the region where the Head Office of the mutual fund is situated.

II. **Introduction of 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 "One Time Registration Cum Mandate Form for Anywhere Transact" to the AMC/ISC. This form is available on the website of the mutual fund, www.pramericaamf.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 the investors 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 ₹ 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.

III. **Changes to Pramerica Power SIP**

The relevant existing terms and condition of Pramerica Power SIP shall stand modified as follows :-

a) In addition to the existing requirement of subscribing through 'lump-sum and monthly SIP' in Pramerica Power SIP, the investors will also be allowed to invest through the lump-sum mode only. If the investors are investing through the lump-sum mode only, then the minimum initial investment shall be six times the monthly switch amount;

b) Investors will now be allowed to choose any of the liquid or debt schemes of Pramerica Mutual Fund as the Source Scheme and any one of Pramerica Equity Fund or Pramerica Dynamic Fund as the target scheme for investing through Pramerica Power SIP.

All other terms & conditions of the Scheme(s) will remain unchanged. This addendum shall form an integral part of the Scheme Information Document /Key Information Memorandum of the Scheme(s) as amended from time to time.

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

Place: Mumbai  
Date : September 28, 2012

Sd/-  
Authorized Signatory