

FUND FACT SHEET

June 2011



Pramerica

MUTUAL FUND



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High Interest Rates – Are you ready for a hangover after the party?



Vijai Mantri
Managing Director & CEO

The current high interest rate scenario is fuelled by rising inflation menace which has led RBI to hike key rates by 250bps since March 2010. These high interest rates translate to high returns in fixed income investments. Apart from bank FDs and corporate FDs, FMPs of mutual fund have become the flavor of the season. Is locking in the current high rates a good idea? Yes, but is it a smart idea? A smart idea is to go beyond and see how can one make the most of the current opportunity, which could mean going beyond the obvious. Today the question is not about which FMP or FD to invest in, but what one would do, once the tenure of such product is over. This is where we would like to highlight on something known as Re-Investment Risk. It's like a hangover after a party.

If the interest rates fall at the time of maturity of an FD or FMP the maturity proceeds at that point in time would have to be re-invested at a lower rate. This risk where one is compelled to re-invest at a lower rate than before is known as re-investment risk. And in times like at present, when we have a high interest rate scenario, one of the biggest risks is re-investment risk. A fixed duration product magnifies this risk.

For instance, let's assume you have currently invested your funds in a one year fixed duration investment option that gives 10% returns. One year down the line, when the investment matures, if the interest rates have fallen to 8% and if you do not really need the money and wish to invest it again, you have no choice but to reinvest it at a lower yield.

However, if you had invested in a fixed income mutual fund product that has a continuous maturity, whose current yield is say, 10% and after one year if the interest rates are down by 2%, you not only get the 10% yield, but may also have some capital gains that the fund is able to generate at that point in time! Also, if you continue to stay invested, you will keep earning 10%!

While FMPs may have a 90/180/365 day maturity period, the effective investment period for an investor is a little longer. Since FMPs are open for subscription only on certain dates, you may have to park your funds for 4-7 days in a liquid fund while you wait for the right FMP to invest in. Then, when the FMP finally matures after say 90 days, you realize that you don't really need the money. So you again park it in a liquid fund for sometime till you find the right investment option for it. Thus effectively, you are investing for a 100-110 days period, of which 10-20 days your money was earning lesser interest than it could potentially have. On the other hand, if you had chosen a Short Term Income Fund, you might have earned higher returns for the entire 100-110 day period. Also, if the interest rates go down, when invested in a Short Term Income Fund, your portfolio yield goes up! So you are in a win-win situation.

Re-investment risk creates an opportunity which only a duration product can take the benefit of. All that an FMP does is – protect your yield. But in a year from now, would it be the best choice? Let us have a look.

If interest rates continue to stay where they currently are, a Short Term Income Fund (which typically has a maturity of 120-180 days), the effective yield of 90 days will be higher than a FMP. If interest rates were to drop, as explained earlier, a Short Term Income Fund is expected to perform better than a FMP. In case the interest rates were to shoot up at the time of maturity of the FMP, for that short period, the FMP would certainly score over a Short Term Income Fund. However, from that very day onwards, the running yield on Short Term Income Fund will have gone up and if you stay invested for a few more days, you will effectively get the same yield as the FMP! Similar is the case with a Treasury Advantage Fund with a maturity of 15-18 months.

Pramerica Treasury Advantage Fund and Pramerica Short Term Income fund are positioned to take maximum benefit for the current interest rate scenario and may not only help you avoid the hangover but may help in continuing the party a little longer. And as the saying goes, 'prevention is always better than cure'. Likewise, the right time to invest in above mentioned funds is today, because you need to prepare for the hangover before the party and not after that!

Market Round - Up : Fixed Income

RBI hiked the repo rate by 25 bps to 7.50% during the month of June 2011. Caught between a stubbornly high inflation and first indications of a slowdown in growth momentum, markets fluctuated wildly in reaction to various data releases. Highpoint of the month was a steep correction in short-term bank CD rates on demand from mutual funds leading to bull steepening in money market curve for CD/CP. Further, swap curve got inverted with a sharp decline in 5Y swap rates, while other segments of fixed income markets remained under pressure.

Government bond markets were very volatile during the month with benchmark 10Y GSec trading in a wide range of 8.46-8.20%. In the first fortnight of June 2011, yields eased to an intra-month low of 8.20% on optimism derived from a lower than expected GDP and IIP number and expectation of fiscal deficit being contained in line with budget estimates. However, this momentum was reversed with May'11 inflation reporting at 9.06%, much higher than market expectation and with upward rebound in weekly food and primary article prices. A mid-month steep correction in global crude oil prices as a result of release of strategic reserves by IEA also did not help much as around the same time domestic diesel/kerosene and LPG prices were revised steeply upwards. With reductions in custom/excise duty on petro products raising concerns on fiscal deficit and forecast of below normal monsoon, bond yields hardened again to 8.33% by the month-end. Though the sentiments were bearish towards the month-end, overall, 10Y Gsec yield ended lower by 13 bps for the month.

3-month banks CD rates moved sharply down by 125 bps to 8.50% due to huge demand from mutual funds, who were left with excess liquidity as the redemptions turned out to be lower than usual pattern towards quarter-end. However, 1 year part of the curve was largely stable with marginal improvement of 15 bps at 9.85%.

Liquidity remained negative during the month with outstanding LAF balance peaking at ₹ (-) 1.05 tn towards the month end. Quarterly advance tax outflows and cash management bill issue added to negative system liquidity. With RBI's stated stance of maintaining moderate negative liquidity, balance is likely to remain in negative in the next month as well.

Crude oil prices declined further during the month with IEA deciding to release additional supplies from the strategic reserves. Coming on the back of a soft patch last month following upward revision in margins on futures contract by the exchanges, Nymex future prices traded at low of near USD 90/bl at one point. Subsequently, prices recovered towards the month end to close around USD 95/bl. There was no relief though for domestic investors as diesel/kerosene and LPG prices were increased significantly. Oil companies have ruled out any reduction in domestic prices in the near term as the past under-recoveries are very high.

Inflation has remained stubbornly high in recent times, much against an expectation of some moderation in Q1-FY12 due to high base effect and lower rate of food price inflation. However, non-food manufactured goods prices have increased by 7.30% for May'11 showing demand led inflationary trend. Recent data suggests that corporate profit margins remain strong even though the interest costs have gone up. This is further evidence of continued strong pricing power of manufacturing sector and indicates sustained high inflation in near term.

RBI has also suggested in last monetary policy review on 16- June-11 that "notwithstanding both signs of moderation in commodity prices and some deceleration in growth, domestic inflation risks remain high." Given that gap between inflation, even without considering impact of recent increase in domestic fuel prices and current repo rate is almost 200bps, one would expect RBI to continue to hike rates a few more times.

As indicated in our earlier articles, in FY12 so far, short term rates have remained below the March'11 highs. 3-month bank CD which traded at a high of 10.25% in March'11 fell sharply to around 8.25% in early April 2011, bounced back in early June'11 to around 9.90%, and then eased back to 8.45% levels currently.

With RBI's strong anti-inflationary policy stance and guidance for maintaining balanced liquidity, expectation is that RBI will continue to hike key policy rates further. However, market participants have already been discounting and pricing in further hikes resulting in widening of spreads between policy rates and market rates in March to near historical highs. We expect the spreads now to consolidate over the next few months.

In our view therefore, short term rates may remain range bound between the March'11 highs and April'11 lows, moving in the 8.25-10.50% band in the near term. 10 year G-sec yields witnessed a sharp spike to around 8.45% in the lead up to policy. With achievement of fiscal deficit target uncertain owing to possibility of higher subsidies and lower revenues, long term bond yields may come under some pressure. But with RBI taking strong measures to attack inflation and signals of slowdown in growth, bond markets remain optimistic. Expectation is for these yields to be range-bound in 8.25-8.50% band.

With short term rates remaining high and long term rates remaining range bound, opportunities for fixed income products remain aplenty. Short term funds have been the flavor of the previous quarter and are likely to continue to remain the favorite well into the next quarter.



Mahendra Jajoo,
Executive Director & CIO - Fixed Income

Market Round - Up : Equity

Economy

India's economic activity seems to have moderated over the past few months on the back of rising interest rates. Inflation continues to remain high and this has resulted in the Reserve Bank of India maintaining anti-inflationary policy through another rate hike in June'11 by 25 bps.

On the positive side, food inflation seems to be coming under control (7.8% YoY in June 11 vs 9.1% YoY in May 11). The early indications of monsoons have been encouraging, which can help moderate food prices going ahead. The increase in domestic price of diesel, kerosene and LPG will keep overall inflation elevated in the medium term, but falling crude and commodity prices globally should help moderate the impact.

Policy Reforms

Policy reforms which had taken a back seat for the past 9-12 months now seem to be getting some attention from the government. In the past few weeks several new road construction contracts have been awarded. Fuel prices have been increased and many coal mining projects that were stuck due to environmental issues have received clearances. The parliament session (expected to be held in August'11) is likely to see further push towards reforms in the form of clearing of some of the key bills including the Mining bill, amendment to the Land Acquisition Act etc.

Stock Markets

The markets began the month on a steady note but fell sharply over 5% on rumours that the Indo-Mauritius tax treaty is likely to get renegotiated thereby exposing the Foreign Institutional Investors to capital gains tax which is currently exempted. The Nifty index however managed to recover towards the end of the month to close positively registering a gain of 1.57% for the month.

Foreign Institutional investors were net buyers in June'11 of US\$ 1.1 bn. The Rupee appreciated by 0.8% vs the US\$ to ₹ 44.7 during the month.

Sectors that outperformed the Nifty during the month include Consumer Staples (+8.9%) and Telecom (+6.2%). Sectors that under performed include Materials (-3.5%), and Energy (-3.3%).

Outlook

The market in the near term, is likely to remain in a range given the macro headwinds of rising inflation and interest rates.

On the other hand, the economic recovery in the US and other developed markets continues to remain weak due to which emerging markets such as India could see increasing inflows from FIIs in the near term. The US markets are up 7% YTD compared to India which is down 8% YTD.

Further, with global oil and commodity prices heading lower, margin pressure on Indian companies is likely to ease over the medium term.

Given this backdrop, further incremental news flows surrounding new policy initiatives with respect to reforms and investments would be taken positively by the market.



Ravi Gopalakrishnan,
Executive Director & CIO - Equity

Investment Objective

The Scheme seeks to deliver reasonable market related returns with lower risk and higher liquidity through a portfolio of debt and money market instruments. 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.

Date of initial allotment

27-Aug-10

Fund Manager & his experience

Mahendra Jajoo

Over 20 years of experience in financial services and capital markets

Option

Growth & Dividend

Facilities (Under Dividend Option)

Dividend Reinvestment (daily, weekly, fortnightly, monthly)

Dividend Payout (fortnightly, monthly)

Dividend Transfer Plan

Default Option

Default Option: Growth

Default Dividend Facility: Dividend Reinvestment

Default Dividend Frequency: Daily

Benchmark Index

CRISIL Liquid Fund Index

NAV as on 30 June 2011

Option	NAV (in ₹)
Growth	1067.5821
Daily Dividend	1000.0950
Weekly Dividend	1000.4819
Fortnightly Dividend	1000.7097
Monthly Dividend	1000.7102

Maturity Profile

Below or equal to 91 days 100%

Maturity & Yield

Yield To Maturity	8.25%
Average Maturity	32 days

Modified Duration

30 days

Actual Expense Ratio

0.24%

Minimum Investment Amount

₹ 10,000 and multiples of ₹ 1/- thereafter

Minimum Additional Purchase Amount

₹ 1,000 and multiples of ₹ 1/- thereafter

Load Structure

Entry Load : Not Applicable

Exit Load : Nil

CRISIL Rating³

AAAF

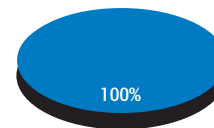
Quarterly Average AUM as on 30th June, 2011

₹ 714.44 Crores

Portfolio	Ratings	% of Net Assets
CERTIFICATE OF DEPOSITS		
		89.38
ICICI Bank Ltd.	A1+	16.54
Vijaya Bank	PR1+	14.47
Punjab National Bank	PR1+	14.42
ING Vyasa Bank	P1+	10.38
Allahabad Bank	P1+	10.26
Corporation Bank	P1+	4.36
IDBI Bank Ltd.	A1+	4.15
Axis Bank Ltd.	A1+	4.12
Punjab and Sind Bank	A1+	4.12
Karur Vysya Bank	A1+	4.07
Andhra Bank	PR1+	1.66
Union Bank of India	P1+	0.83
COMMERCIAL PAPER		
		9.76
Religare Finvest	A1+	5.70
JM Financial Services Ltd.	P1+	4.06
Cash & Cash Equivalents		
		0.86
Total		100.00

Ratings Profile

P1+/PR1+/A1+/F+(ind)/P1+¹ 100 %



¹Cash & cash equivalents are considered to be of AAA ratings quality.

Dividend Distribution History

Record Date	Rate (₹/Unit)	Cum-Dividend NAV	Ex-Dividend NAV ²
Fortnightly Dividend Payout Option			
11-Apr-11	2.896884	1000.5231	1000.0582
26-Apr-11	2.702475	1003.4332	1000.0000
11-May-11	2.649840	1003.3663	1000.0000
26-May-11	2.680677	1003.4145	1000.0090
12-Jun-11	3.039384	1003.8960	1000.0349
27-Jun-11	2.754954	1003.5092	1000.0093
Monthly Dividend Payout Option			
26-Apr-11	5.609630	1007.1263	1000.0000
26-May-11	5.340809	1006.7939	1000.0091
27-Jun-11	5.806828	1007.3862	1000.0094

Please note that after the payment of dividend, the NAV falls to the extent of dividend paid, distribution tax and cess wherever applicable. Past performance may or may not be sustained in future.

²NAV on the 1st transaction day after Record Date.

Performance as on 30 June 2011

Period	Pramerica Liquid Fund - Growth Option	CRISIL Liquid Fund Index
7 days	8.6500%	7.9469%
15 days	8.4489%	7.9214%
30 days	8.4500%	8.0800%
3 Months	8.4900%	7.7200%
6 Months	8.4900%	7.9000%
1 Year	-	-
3 Years	-	-
Since Inception (i.e., 27 Aug. 2010)	8.0400%	7.4500%

The performance shown above is in respect of the Growth Option. Past performance may or may not be sustained in future and should not be used as a basis for comparison with other investments. Performance of the dividend option for the investor would be net of the dividend distribution tax and statutory levy, as applicable.

The returns shown above in the table are simple annualized return.

³CRISIL Disclaimer: The assigned rating AAFAF is valid only for "Pramerica Liquid Fund". The rating of CRISIL is not an opinion of the Asset Management Company's willingness or ability to make timely payments to the investor. The rating is also not an opinion on the stability of the NAV of the Fund, which could vary with market developments.

Investment Objective

The objective of the scheme is to provide reasonable returns, commensurate with a low to moderate level of risk and high degree of liquidity, through a portfolio constituted of money market and debt instruments. 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

Date of initial allotment

September 24, 2010

Fund Manager & his experience

Mahendra Jajoo
Over 20 years of experience in financial services and capital markets

Option

Growth & Dividend

Facilities (Under Dividend Option)

Dividend Reinvestment (daily, weekly, fortnightly, monthly)
Dividend Payout (fortnightly, monthly)
Dividend Transfer Plan

Default Option

Default Option: Growth
Default Dividend Facility: Dividend Reinvestment
Default Dividend Frequency: Daily

Benchmark Index

CRISIL Liquid Fund Index

NAV as on 30 June 2011

Option	NAV (in ₹)
Growth	1065.8682
Daily Dividend	1000.3500
Weekly Dividend	1000.8450
Fortnightly Dividend	1000.8815
Monthly Dividend	1000.8470

Maturity Profile

Below or equal to 91 days	89.95%
Above 91 days	10.05%

Maturity & Yield

Yield To Maturity	8.81%
Average Maturity	52 days

Modified Duration

48 days

Actual Expense Ratio

0.17%

Minimum Investment Amount

₹ 5,000 and multiples of ₹ 1/- thereafter

Minimum Additional Amount

₹ 500 and multiples of ₹ 1/- thereafter

Load Structure

Entry Load: Not Applicable
Exit Load: Nil

CRISIL Rating³

AAAF

Quarterly Average AUM as on 30th June, 2011

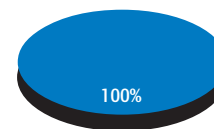
₹ 575.43 Crores

Portfolio	Ratings	% of Net Assets
CERTIFICATE OF DEPOSITS		
		64.33
Allahabad Bank	P1+	8.98
Punjab and Sind Bank	A1+	7.96
Vijaya Bank	PR1+	7.96
Punjab National Bank	PR1+	5.77
Bank of Maharashtra	P1+	5.72
State Bank of Patiala	P1+	5.55
Union Bank of India	P1+	4.58
Andhra Bank	PR1+	4.00
IDBI Bank Ltd.	A1+	3.43
Karur Vysya Bank	A1+	3.36
Axis Bank Ltd.	A1+	2.36
Federal Bank Ltd.	P1+	2.27
ICICI Bank Ltd.	A1+	1.25
Corporation Bank	P1+	1.14
COMMERCIAL PAPER		
		35.08
Religare Finvest	A1+	12.40
Future Capital Holdings Limited.	PR1+	6.95
Alembic Pharmaceuticals Ltd.	P1+	5.61
JM Financial Services Ltd.	P1+	3.35
Housing Development Finance Corporation Ltd.	A1+	2.28
Hindalco Industries Ltd.	P1+	2.25
Apollo Tyres Ltd.	P1+	2.24
Cash and Cash Equivalents		
		0.59
Total		100.00

Ratings Profile

P1+/PR1+/A1+/F1+(ind)¹ 100 %

¹Cash & cash equivalents are considered to be of AAA ratings quality.



Dividend Distribution History

Record Date	Rate (₹/Unit)	Cum-Dividend NAV	Ex-Dividend NAV ²
Fortnightly Dividend Payout Option			
13-Apr-11	3.971935	1004.6809	1000.1720
26-Apr-11	2.875392	1003.3349	1000.0708
11-May-11	2.983560	1003.6164	1000.2295
26-May-11	3.078400	1003.7930	1000.2984
13-Jun-11	3.805197	1004.6483	1000.3286
28-Jun-11	3.356657	1004.1616	1000.3512
Monthly Dividend Payout Option			
26-Apr-11	6.868964	1007.8567	1000.0591
26-May-11	6.093407	1007.1801	1000.2629
28-Jun-11	7.175241	1008.4621	1000.3168

Please note that after the payment of dividend, the NAV falls to the extent of dividend, distribution tax and cess wherever applicable. Past performance may or may not be sustained in future.

²NAV on the 1st transaction day after Record Date.

Performance as on 30 June, 2011

Period	Pramerica Ultra Short Term Bond Fund – Growth Option	CRISIL Liquid Fund Index
1 Year	--	--
3 Year	--	--
Since Inception (i.e., 24 Sept. 2010)	6.5868%	5.7991%

The performance shown above is in respect of the Growth Option. Past performance may or may not be sustained in future and should not be used as a basis for comparison with other investments. Performance of the dividend plan for the investor would be net of the dividend distribution tax and statutory levy, as applicable.

The returns shown above in the table are absolute return, since the Scheme has been in existence for less than 1 year since initial allotment on closure of NFO.

³ CRISIL Disclaimer: The assigned rating AAAF is valid only for "Pramerica Ultra Short Term Bond Fund". The rating of CRISIL is not an opinion of the Asset Management Company's willingness or ability to make timely payments to the investor. The rating is also not an opinion on the stability of the NAV of the Fund, which could vary with market developments.

Investment Objective

The objective of the scheme is to generate regular returns with moderate level of risk by investing primarily into a portfolio of Debt Securities and Money Market Instruments of short term maturity. 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.

Date of initial allotment

February 04, 2011

Fund Manager & his experience

Mahendra Jajoo

Over 20 years of experience in financial services and capital markets

Option

Growth & Dividend

Facilities (Under Dividend Option)

Dividend Reinvestment (weekly, fortnightly, monthly, quarterly)

Dividend Payout (monthly, quarterly)

Dividend Transfer Plan

Default Option

Default Option: Growth

Default Dividend Facility: Dividend Reinvestment

Default Dividend Frequency: Monthly

Benchmark Index

CRISIL Short Term Bond Fund Index

NAV as on 30 June 2011

Option	NAV (in ₹)
Growth	1044.3884
Weekly Dividend	1002.4294
Fortnightly Dividend	1001.7818
Monthly Dividend	1001.8848

Maturity Profile

Below or equal to 91 days	68.86%
Above 91 days	31.14%

Maturity & Yield

Yield To Maturity	9.25%
Average Maturity	127 days

Modified Duration

116 days

Actual Expense Ratio

0.79%

Minimum Investment Amount

₹ 5,000 and multiples of ₹ 1/- thereafter

Minimum Additional Amount

₹ 1,000/- and in multiples of ₹ 1/- thereafter

Load Structure

Entry Load:

Not Applicable

Exit Load :

@0.25% for redemptions/switch-outs before 3 months from the date of allotment

NIL for redemptions/switch-outs on or after 3 months from the date of allotment

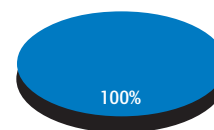
Quarterly Average AUM as on 30th June, 2011

₹ 70.53 Crores

Portfolio	Ratings	% of Net Assets
CERTIFICATE OF DEPOSITS		62.73
Allahabad Bank	P1+	9.22
UCO Bank	P1+	9.22
IDBI Bank Ltd.	A1+	7.72
Tamilnad Mercantile Bank Limited	P1+	4.85
Canara Bank	P1+	4.70
Indian Overseas Bank	P1+	4.70
Axis Bank Ltd.	A1+	4.67
Federal Bank Ltd.	P1+	4.67
Vijaya Bank	PR1+	4.67
ICICI Bank Ltd.	A1+	4.21
Union Bank of India	P1+	2.82
Dhanlaxmi Bank Ltd.	PR1+	1.28
COMMERCIAL PAPER		34.92
Motilal Oswal Financial Services Ltd	P1+	9.28
Religare Finvest	A1+	8.75
Future Capital Holdings Limited.	PR1+	8.35
TGS Investments and Trade Pvt Ltd	A1+	4.28
Muthoot Fincorp Limited	P1+	4.26
Cash and Cash Equivalents		2.35
Total		100.00

Ratings Profile

P1+/PR1+/A1+/F1+(ind)¹ 100 %



¹Cash & cash equivalents are considered to be of AAA ratings quality.

Dividend Distribution History

Record Date	Rate (₹/Unit)	Cum-Dividend NAV	Ex-Dividend NAV ²
Fortnightly Dividend Payout Option			
11-May-11	4.145423	1005.5150	1000.8091
26-May-11	3.471200	1004.3709	1000.4304
13-Jun-11	3.895266	1005.2123	1000.7904
28-Jun-11	2.901352	1004.9955	1001.1528
Monthly Dividend Payout Option			
26-May-11	7.782178	1009.1110	1000.2768
28-Jun-11	7.06922	1009.2806	1001.2557

Please note that after the payment of dividend, the NAV falls to the extent of dividend, distribution tax and cess wherever applicable. Past performance may or may not be sustained in future.

² NAV on the 1st transaction day after Record Date.

Performance as on 30 June, 2011

Period	Pramerica Short Term Income Fund – Growth Option	CRISIL Short Term Bond Fund Index
1 Year	--	--
3 Year	--	--
Since Inception (i.e., 4 Feb. 2011)	4.4388%	3.1993%

The performance shown above is in respect of the Growth Option. Past performance may or may not be sustained in future and should not be used as a basis for comparison with other investments. Performance of the dividend plan for the investor would be net of the dividend distribution tax and statutory levy, as applicable.

The returns shown above in the table are absolute return, since the Scheme has been in existence for less than 1 year since initial allotment on closure of NFO.

(An open-ended income scheme)

Investment Objective

The objective of the Scheme is to generate regular returns through investment primarily in Debt and Money Market Instruments and to generate capital appreciation by investing in equity and equity related instruments. Monthly Income is not assured & is subject to availability of distributable surplus. 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.

Date of initial allotment

April 5, 2011

Fund Manager & his experience

Ravi Gopalakrishnan (For Equity portfolio)
Over 20 years of experience in financial services and capital markets

Mahendra Jajoo (For Debt portfolio)

Over 20 years of experience in financial services and capital markets

Option

Growth & Dividend

Facilities (Under Dividend Option)

Dividend Reinvestment Facility at monthly frequency

Dividend Payout Facility at monthly frequency

Dividend Transfer Plan

Default Option

Default Option: Growth

Default Dividend Facility: Dividend Reinvestment

Default Dividend Frequency: Monthly

Benchmark Index

Crisil MIP Blended Index

NAV as on 30 June 2011

Option	NAV (in ₹)
Growth	10.1775
Monthly Dividend	10.1735

Maturity Profile

Below or equal to 91 days	69.67%
Above 91 days	11.63%

Maturity & Yield

Yield To Maturity	8.75%
Average Maturity	71 days

Modified Duration

64 days

Actual Expense Ratio

2.09%

Minimum Investment Amount

₹ 5,000 and multiples of ₹ 1/- thereafter

Minimum Additional Amount

₹ 1,000/- and in multiples of ₹ 1/- thereafter

Load Structure

Entry Load: Not Applicable

Exit Load:

If Units are Redeemed / Switched-out within 365 days of allotment @ 1%

If Units are Redeemed / Switched-out after 365 days of allotment- NIL

Quarterly Average AUM as on 30th June, 2011

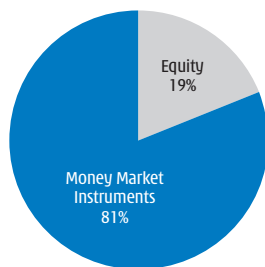
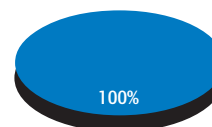
₹ 123.53 Crores

Portfolio	Ratings / Industry	% of Net Assets
Money Market Instruments		79.86
CERTIFICATE OF DEPOSITS		52.99
Vijaya Bank	PR1+	14.63
State Bank of Mysore	A1+	11.04
UCO Bank	P1+	10.83
Corporation Bank	P1+	6.99
Punjab National Bank	PR1+	4.40
Federal Bank Ltd.	P1+	3.65
ICICI Bank Ltd.	A1+	1.45
COMMERCIAL PAPER		26.87
Religare Finvest	A1+	9.02
Future Capital Holdings Limited.	PR1+	7.26
Motilal Oswal Financial Services Ltd.	P1+	7.26
Muthoot Fincorp Limited	P1+	3.33
Shares		19.17
Reliance Industries Ltd.	Petroleum Products	1.41
Infosys Technologies Ltd.	Software	1.28
HDFC Bank Ltd.	Banks	1.00
Housing Development Finance Corporation Ltd.	Finance	0.99
I T C Ltd.	Consumer Non Durables	0.98
ICICI Bank Ltd.	Banks	0.96
Larsen & Toubro Ltd.	Construction Project	0.94
State Bank of India	Banks	0.79
Axis Bank Ltd.	Banks	0.77
Bharat Heavy Electricals Ltd.	Industrial Capital Goods	0.77
Bharti Airtel Ltd.	Telecom - Services	0.75
Tata Consultancy Services Ltd.	Software	0.75
Sun Pharmaceutical Industries Ltd.	Pharmaceuticals	0.61
NTPC Ltd.	Power	0.57
Grasim Industries Ltd.	Textile Products	0.56
Punjab National Bank	Banks	0.55
Tata Steel Ltd.	Ferrous Metals	0.54
ACC Ltd.	Cement	0.51
Mahindra & Mahindra Ltd.	Auto	0.50
Oil & Natural Gas Corporation Ltd.	Oil	0.43
Tata Motors Ltd.	Auto	0.40
Bajaj Auto Ltd.	Auto	0.39
Cipla Ltd.	Pharmaceuticals	0.37
Dr. Reddys Laboratories Ltd.	Pharmaceuticals	0.36
GAIL (India) Ltd.	Gas	0.36
Petronet LNG Ltd.	Gas	0.36
Bharat Forge Ltd.	Industrial Products	0.35
Hindalco Industries Ltd.	Non - Ferrous Metals	0.35
Dish TV Limited	Media & Entertainment	0.21
Cadila Healthcare Ltd.	Pharmaceuticals	0.18
Zee Entertainment Enterprises Ltd.	Media & Entertainment	0.18
Cash and Cash Equivalents		0.97
Total		100.00

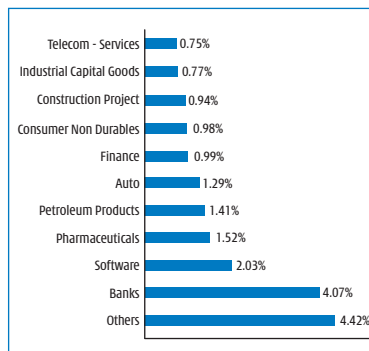
Ratings Profile of the Money Market Instruments

P1+/PR1+/A1+/F+(ind)¹ 100 %

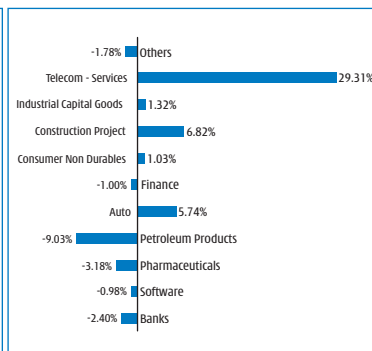
¹cash & cash equivalents are considered to be of AAA ratings quality.



Asset Allocation



Sector Allocation in Equity



Month on Month Change

Performance as on 30 June, 2011

Period	Pramerica Dynamic Monthly Income Fund - Growth option	Crisil MIP Blended Index
1 Year	--	--
3 Year	--	--
Since Inception (i.e. 5 April, 2011)	1.7750%	0.8722%

The performance shown above is in respect of the Growth Option. Past performance may or may not be sustained in future and should not be used as a basis for comparison with other investments. Performance of the dividend option for the investor would be net of the dividend distribution tax, and statutory levy, as applicable. The returns shown above in the table are absolute returns, since the Scheme has been in existence for less than 1 year since initial allotment on closure of NFO.

Investment Objective

The objective of the scheme is to achieve long term capital appreciation by investing in an actively managed diversified portfolio consisting of equity and equity related securities including derivatives, debt & money market instruments. 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

Date of initial allotment

December 6, 2010

Fund Manager & his experience

Ravi Gopalakrishnan (For Equity portfolio)

Over 20 years of experience in financial services and capital markets

Mahendra Jajoo (For Fixed Income Portfolio)

Over 20 years of experience in financial services and capital markets

Option

Growth & Dividend

Facilities (Under Dividend Option)

Dividend Reinvestment

Dividend Payout

Dividend Transfer Plan

Default Option

Default Option: Growth

Default Dividend Facility: Dividend Reinvestment

Benchmark Index

S&P CNX Nifty

NAV as on 30 June 2011

Option	NAV (in ₹)
Growth	9.3200
Dividend	9.3200

Ratios

Since the scheme has been launched on December 2010 and the performance history is available only for a very short period, Standard Deviation, R-Squared, Beta, Sharpe Ratio, and Portfolio Turnover have not been computed for this month.

Actual Expense Ratio

2.50%

Minimum Investment Amount

₹ 5,000/- and in multiples of ₹ 1/- thereafter

Minimum Additional Amount

₹ 500/- and in multiples of ₹ 1/- thereafter

Load Structure

Entry Load: Not Applicable

Exit Load:

If the Units are Redeemed / Switched-out within 365 days of allotment,

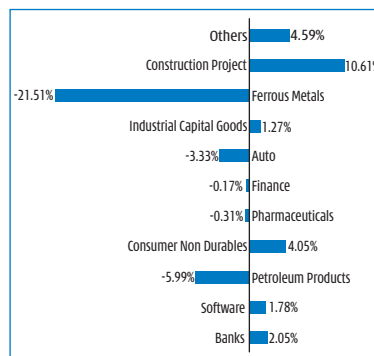
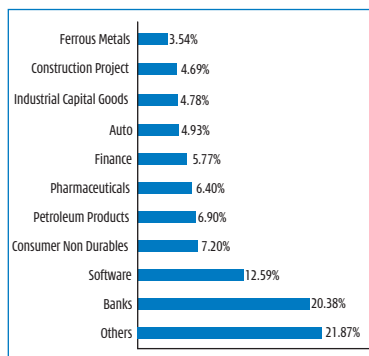
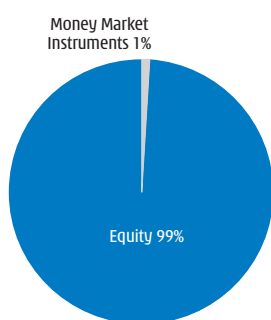
(i.e., on or before 365 days)-- @ 1%

If the Units are Redeemed / Switched-out after 365 days -- NIL

Quarterly Average AUM as on 30th June, 2011

₹39.03 Crores

Portfolio	Ratings / Industry	% of Net Assets
Shares		99.05
ICICI Bank Ltd.	Banks	8.23
Infosys Technologies Ltd.	Software	7.29
Reliance Industries Ltd.	Petroleum Products	6.90
HDFC Bank Ltd.	Banks	5.57
Larsen & Toubro Ltd.	Construction Project	4.69
Tata Consultancy Services Ltd.	Software	4.51
Housing Development Finance Corporation Ltd.	Finance	4.34
I T C Ltd.	Consumer Non Durables	3.94
State Bank of India	Banks	3.61
Bharti Airtel Ltd.	Telecom - Services	3.13
Tata Steel Ltd.	Ferrous Metals	2.84
Bharat Heavy Electricals Ltd.	Industrial Capital Goods	2.41
Tata Motors Ltd.	Auto	2.38
Crompton Greaves Ltd.	Industrial Capital Goods	2.37
GAIL (India) Ltd.	Gas	2.24
Oil & Natural Gas Corporation Ltd.	Oil	2.13
Axis Bank Ltd.	Banks	2.05
Mahindra & Mahindra Ltd.	Auto	2.03
Sun Pharmaceutical Industries Ltd.	Pharmaceuticals	1.81
Rallis India Ltd.	Pesticides	1.75
Hindalco Industries Ltd.	Non - Ferrous Metals	1.66
NTPC Ltd.	Power	1.38
Grasim Industries Ltd.	Textile Products	1.24
ACC Ltd.	Cement	1.20
Lupin Ltd.	Pharmaceuticals	1.11
CESC Ltd.	Power	1.05
Cadila Healthcare Ltd.	Pharmaceuticals	1.03
Cipla Ltd.	Pharmaceuticals	1.03
Glaxosmithkline Pharmaceuticals Ltd.	Consumer Non Durables	0.99
Petronet LNG Ltd.	Gas	0.98
Bharat Forge Ltd.	Industrial Products	0.97
Dr. Reddys Laboratories Ltd.	Pharmaceuticals	0.96
Punjab National Bank	Banks	0.92
Zee Entertainment Enterprises Ltd.	Media & Entertainment	0.90
Coromandel International Ltd	Fertilisers	0.89
Jubilant Foodworks Limited	Consumer Non Durables	0.89
Radico Khaitan Limited	Consumer Non Durables	0.85
Educomp Solutions Ltd.	Software	0.79
Infrastructure Development Finance Co. Ltd.	Finance	0.79
IL&FS Transportation Networks Ltd	Transportation	0.74
Bhushan Steel Ltd.	Ferrous Metals	0.70
Dish TV Limited	Media & Entertainment	0.69
Rural Electrification Corporation Ltd.	Finance	0.64
Others		2.43
Money Market Instruments		0.95
Cash and Cash equivalents		0.95
Total		100.00



Asset Allocation

Sector Allocation in Equity

Month on Month Change

Performance as on 30 June, 2011

Period	Pramerica Equity Fund - Growth Option	S&P CNX Nifty
6 Months	--	--
1 Year	--	--
3 Year	--	--
Since Inception (i.e., 6 Dec. 2010)	-6.8000%	-5.7549%

The performance shown above is in respect of the Growth Option. Past performance may or may not be sustained in future and should not be used as a basis for comparison with other investments. Performance of the dividend option for the investor would be net of the dividend distribution tax and statutory levy as applicable.

The returns shown above in the table are absolute return, as the Scheme has been in existence for less than 1 year since initial allotment on closure of NFO.

Investment Objective

The objective of the scheme is to achieve long term capital appreciation by investing in an actively managed diversified portfolio consisting of equity and equity related securities including derivatives, debt & money market instruments. 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

Date of initial allotment

December 6, 2010

Fund Manager & his experience

Ravi Gopalakrishnan (For Equity portfolio)
Over 20 years of experience in financial services and capital markets

Mahendra Jajoo

(For Debt portfolio)
Over 20 years of experience in financial services and capital markets

Option

Growth & Dividend

Facilities (Under Dividend Option)

Dividend Reinvestment
Dividend Payout
Dividend Transfer Plan

Default Option

Default Option: Growth
Default Dividend Facility: Dividend Reinvestment

Benchmark Index^{2,3}

A Hybrid Benchmark with 50% weight to S&P CNX Nifty and 50% weight to CRISIL MIP Index

NAV as on 30 June 2011

Option	NAV (in ₹)
Growth	9.6300
Dividend	9.6300

Ratios

Since the scheme has been launched on December 2010 and the performance history is available only for a very short period, Standard Deviation, R-Squared, Beta, Sharpe Ratio, and Portfolio Turnover have not been computed for this month.

Maturity Profile

Below or equal to 91 days	31.17%
Above 91 days	0.00%

Maturity & Yield

Yield To Maturity	7.78%
Average Maturity	24 days

Modified Duration

22 days

Actual Expense Ratio

2.46%

Minimum Investment Amount

₹ 5,000/- and in multiples of ₹ 1/- thereafter

Minimum Additional Purchase Amount

₹ 500/- and in multiples of ₹ 1/- thereafter

Load Structure

Entry Load: Not Applicable

Exit Load:

If the Units are Redeemed / Switched-out on or before 365 days of allotment - @ 1%
If the Units are Redeemed / Switched-out after 365 days -- NIL

Quarterly Average AUM as on 30th June, 2011

₹ 119.05 Crores

Portfolio Shares

ICICI Bank Ltd.
Infosys Technologies Ltd.
Reliance Industries Ltd.
HDFC Bank Ltd.
Larsen & Toubro Ltd.
Tata Consultancy Services Ltd.
Housing Development Finance Corporation Ltd.
ITC Ltd.
State Bank of India
Bharti Airtel Ltd.
Tata Steel Ltd.
Bharat Heavy Electricals Ltd.
Crompton Greaves Ltd.
Tata Motors Ltd.
GAIL (India) Ltd.
Oil & Natural Gas Corporation Ltd.
Mahindra & Mahindra Ltd.
Axis Bank Ltd.
Rallis India Ltd.
Sun Pharmaceutical Industries Ltd.
Hindalco Industries Ltd.
NTPC Ltd.
Grasim Industries Ltd.
ACC Ltd.
Lupin Ltd.
CESC Ltd.
Cadila Healthcare Ltd.
Cipla Ltd.
Glaxosmithkline Pharmaceuticals Ltd.
Petronet LNG Ltd.
Bharat Forge Ltd.
Zee Entertainment Enterprises Ltd.
Dr. Reddys Laboratories Ltd.
Coromandel International Ltd
Jubilant Foodworks Limited
Punjab National Bank
Educomp Solutions Ltd.
Infrastructure Development Finance Co. Ltd.
Radico Khaitan Limited
Bhushan Steel Ltd.
Dish TV Limited
IL&FS Transportation Networks Ltd
Rural Electrification Corporation Ltd.
Others

Money Market Instruments

CERTIFICATE OF DEPOSITS

State Bank of Travancore
Punjab National Bank
Vijaya Bank
Andhra Bank

Commercial Paper

Religare Finvest

Cash and Cash Equivalents

Total

Ratings / Industry

Ratings / Industry	% of Net Assets
	68.78
Banks	5.77
Software	5.10
Petroleum Products	4.84
Banks	3.92
Construction Project	3.24
Software	3.14
Finance	3.05
Consumer Non Durables	2.76
Banks	2.48
Telecom - Services	2.17
Ferrous Metals	2.03
Industrial Capital Goods	1.68
Industrial Capital Goods	1.66
Auto	1.65
Gas	1.57
Oil	1.47
Auto	1.43
Banks	1.40
Pesticides	1.27
Pharmaceuticals	1.26
Non - Ferrous Metals	1.22
Power	0.91
Textile Products	0.84
Cement	0.81
Pharmaceuticals	0.75
Power	0.71
Pharmaceuticals	0.69
Pharmaceuticals	0.69
Consumer Non Durables	0.67
Gas	0.67
Industrial Products	0.66
Media & Entertainment	0.66
Pharmaceuticals	0.65
Fertilisers	0.61
Consumer Non Durables	0.61
Banks	0.61
Software	0.54
Finance	0.54
Consumer Non Durables	0.54
Ferrous Metals	0.47
Media & Entertainment	0.47
Transportation	0.47
Finance	0.44
	1.66

22.22

P1+

PR1+

PR1+

PR1+

A1+

6.47

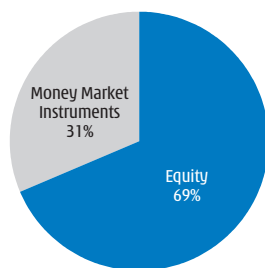
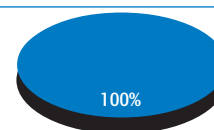
2.53

100.00

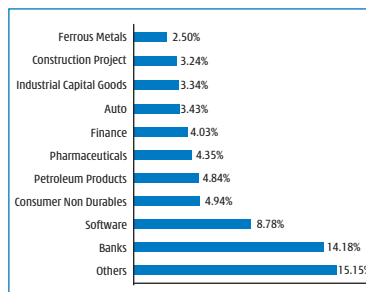
Ratings Profile of the Money Market Instruments

P1+/PR1+/A1+/F+(ind)¹ 100 %

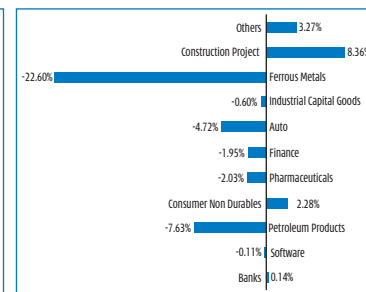
¹Cash & cash equivalents are considered to be of AAA ratings quality.



Asset Allocation



Sector Allocation in Equity



Month on Month Change

Performance as on 30 June, 2011

Period	Pramerica Dynamic Fund - Growth Option	CRISIL Hybrid Index ^{2,3}
1 Year	--	--
3 Year	--	--
Since Inception (6 Dec. 2010)	-3.7000%	-1.8302%

The performance shown above is in respect of the Growth Option. Past performance may or may not be sustained in future and should not be used as a basis for comparison with other investments. Performance of the dividend option for the investor would be net of the dividend distribution tax, and statutory levy, as applicable.

The returns shown above in the table are absolute returns. Since the Scheme has been in existence for less than 1 year since initial allotment on closure of NFO.

²Benchmark is a Hybrid Index with 50% weight to CNX S&P Nifty and 50% weight to CRISIL MIP Index.

³CRISIL Hybrid ("Indices") are computed, compiled and prepared by CRISIL using equity indices, which is one of its components licensed by India Index Services & Products Limited ("IISL") and Standard and Poor's Financial Services LLC ("S&P") to CRISIL. CRISIL Indices are the sole property of CRISIL. CRISIL Indices shall not be copied, transmitted or redistributed in any manner for any commercial use. CRISIL has taken due care and caution in computation of the indices, based on the data obtained from sources, which it considers reliable. However, CRISIL does not guarantee the accuracy, adequacy or completeness of the indices and is not responsible for any errors or for the results obtained from the use of the indices. CRISIL especially states that CRISIL / IISL / S&P has no financial liability whatsoever to the users of CRISIL Indices.

Investment Objective

The objective of the scheme is to provide reasonable returns, commensurate with a low to moderate level of risk and high degree of liquidity, through a portfolio constituted of money market and debt instruments. 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.

Date of initial allotment

June 03, 2011

Fund Manager & his experience

Mahendra Jajoo

Over 20 years of experience in financial services and capital markets

Option

Growth & Dividend

Facilities (Under Dividend Option)

Dividend Reinvestment (Daily, Weekly, Fortnightly & Monthly)

Dividend Payout (Fortnightly & Monthly)

Dividend Transfer Plan

Default Option

Default Option: Growth

Default Dividend Facility: Dividend Reinvestment

Default Dividend Frequency: Daily

Benchmark Index

CRISIL Short Term Bond Fund Index

NAV as on 30 June 2011

Option	NAV (in ₹)
Growth	1008.1106
Daily Dividend	1001.3000
Weekly Dividend	1001.7490
Fortnightly Dividend	N.A.
Monthly Dividend	1001.7552

Maturity Profile

Below or equal to 91 days	0.47%
Above 91 days	99.53%

Maturity & Yield

Yield To Maturity	10.04%
Average Maturity	343 days

Modified Duration

312 days

Actual Expense Ratio

0.65%

Minimum Investment Amount

₹ 5,000 and multiples of ₹ 1/- thereafter

Minimum Additional Amount

₹ 1,000/- and in multiples of ₹ 1/- thereafter

Load Structure

Entry Load:

Not Applicable

Exit Load :

If the Units are Redeemed / Switched-out on or before 365 days of allotment- 1%

If the Units are Redeemed / Switched-out after 365 days of allotment -- NIL

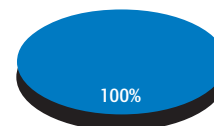
Quarterly Average AUM as on 30th June, 2011

₹ 12.03 Crores

Portfolio	Ratings	% of Net Assets
CERTIFICATE OF DEPOSITS		77.36
Dhanlaxmi Bank Ltd.	PR1+	18.92
IDBI Bank Ltd.	A1+	13.50
ICICI Bank Ltd.	PR1+	11.25
Canara Bank	P1+	11.23
Punjab and Sind Bank	A1+	11.23
State Bank of Hyderabad	A1+	11.23
COMMERCIAL PAPER		22.28
TGS Investments and Trade Pvt Ltd	A1+	11.15
Fullerton India Credit Company Limited	A1+	11.13
Cash and Cash Equivalents		0.36
Total		100.00

Ratings Profile

P1+/PR1+/A1+/F1+(ind)¹ 100 %



¹Cash & cash equivalents are considered to be of AAA ratings quality.

Dividend Distribution History

Record Date	Rate (₹/Unit)	Cum-Dividend NAV	Ex-Dividend NAV ²
Monthly Dividend Payout Option			
28-Jun-11	5.595038	1007.4743	1001.1229

Please note that after the payment of dividend, the NAV falls to the extent of dividend, distribution tax and cess wherever applicable. Past performance may or may not be sustained in future.

² NAV on the 1st transaction day after Record Date.

Performance as on 30 June, 2011

Period	Pramerica Treasury Advantage Fund - Growth Option	CRISIL Short Term Bond Fund Index
1 Year	--	--
3 Year	--	--
Since Inception (03 June, 2011)	0.8111%	0.8615%

The performance shown above is in respect of the Growth Option. Past performance may or may not be sustained in future and should not be used as a basis for comparison with other investments. Performance of the dividend plan for the investor would be net of the dividend distribution tax and statutory levy, as applicable.

The returns shown above in the table are absolute return, since the Scheme has been in existence for less than 1 year since initial allotment on closure of NFO.



Pramerica

MUTUAL FUND

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Statutory Details: Pramerica Mutual Fund is set up as a Trust under the Indian Trusts Act, 1882 and registered with SEBI. Sponsor: Prudential Financial, Inc. (PFI) of the United States of America [liability restricted to initial contribution of ₹ 1 Lac towards the corpus of the Mutual Fund]. [Pramerica is the brand name used by Prudential Financial, Inc. (PFI) of the United States and its affiliates in select countries outside of the United States. Pramerica, the Pramerica logo, and the Rock symbol are service marks of PFI and its related entities, registered in many jurisdictions worldwide Prudential Financial, Inc. of the United States is not affiliated in any manner with Prudential plc, a company incorporated in the United Kingdom.] Trustee: Pramerica Trustees Private Limited Investment Manager: Pramerica Asset Managers Private Limited.

Mutual Fund Investments are subject to market risks. Please read the Scheme Information Documents and the Statement of Additional Information carefully before investing.