

Key Information Memorandum

Pramerica Equity Fund

(An Open Ended Equity Scheme)



Pramerica

MUTUAL FUND

MUTUAL FUND: Pramerica Mutual Fund Registered Office: 2nd Floor, Nirlon House, Dr. Annie Besant Road, Worli, Mumbai - 400 030. www.pramericaamf.com	SPONSOR: Prudential Financial, Inc (U. S. A.)* Registered Office: 751, Broad Street Newark, New Jersey 07102 *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. Registered Office: 2nd Floor, Nirlon House, Dr. Annie Besant Road, Worli, Mumbai - 400 030.	INVESTMENT MANAGER: Pramerica Asset Managers Private Limited. Registered Office: 2nd Floor, Nirlon House, Dr. Annie Besant Road, Worli, Mumbai - 400 030.
REGISTRAR: Karvy Computershare Private Limited Unit - Pramerica Mutual Fund Address: Karvy Plaza, Street No. 1, Banjara Hills, Hyderabad - 400 034.	CUSTODIAN: Citibank N. A. Address: Trent House, 3rd Floor, G-60, Bandra Kurla Complex, Bandra (East), Mumbai - 400 051.

This Key Information Memorandum (KIM) sets forth the information, which a prospective investor ought to know before investing. For further details of the scheme/Mutual Fund, due diligence certificate by the AMC, Key Personnel, investors' rights & services, risk factors, penalties & pending litigations etc. investors should, before investment, refer to the Scheme Information Document and Statement of Additional Information available free of cost at any of the Investor Service Centres or distributors or from the website www.pramericaamf.com

The Scheme particulars have been prepared in accordance with Securities and Exchange Board of India (Mutual Funds) Regulations 1996, as amended till date, and filed with Securities and Exchange Board of India (SEBI). The units being offered for public subscription have not been approved or disapproved by SEBI, nor has SEBI certified the accuracy or adequacy of this KIM.

This KIM is dated : November 29, 2011.

Investment Objective	To achieve long term capital appreciation by investing in an actively managed diversified portfolio consisting of equity and equity related securities including derivatives, debt and money market Instruments. 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.															
Asset Allocation Pattern of the scheme	The Asset Allocation pattern of the scheme under normal circumstances would be as under:															
	<table border="1"> <thead> <tr> <th rowspan="2">Types of Instruments</th> <th colspan="3">Normal Allocation (% of Net Assets)</th> </tr> <tr> <th>Min</th> <th>Max</th> <th>Risk Profile</th> </tr> </thead> <tbody> <tr> <td>Equity and equity related instruments* (including equity derivatives)</td> <td>65</td> <td>100</td> <td>Low</td> </tr> <tr> <td>Debt and money market securities (including fixed income derivatives)</td> <td>0</td> <td>35</td> <td>Low to Medium</td> </tr> </tbody> </table>	Types of Instruments	Normal Allocation (% of Net Assets)			Min	Max	Risk Profile	Equity and equity related instruments* (including equity derivatives)	65	100	Low	Debt and money market securities (including fixed income derivatives)	0	35	Low to Medium
	Types of Instruments		Normal Allocation (% of Net Assets)													
		Min	Max	Risk Profile												
Equity and equity related instruments* (including equity derivatives)	65	100	Low													
Debt and money market securities (including fixed income derivatives)	0	35	Low to Medium													
*At least 60% of the equity portfolio would be invested into Large-Cap Companies at all points in time. Large Cap companies for this purpose means the listed companies which comprise the top 75% of the total market capitalization of the National Stock Exchange (NSE). Presently, the Scheme does not intend to invest in securitised debt. Subject to applicable regulatory guidelines, the Scheme may also invest in foreign securities. Under normal circumstances the Scheme shall not have an exposure of more than 25% of its net assets in foreign securities.																
Investment Strategy	<p>The Scheme will actively manage a diversified portfolio of strong growth companies with sustainable business models.</p> <p>The Fund Manager will select equity securities on a top-down and bottom-up, stock-by-stock basis, with consideration given to price-to-earnings, price-to-book, and price-to-sales ratios, as well as growth, margins, asset returns, and cash flows, amongst others. The Fund Manager will use a disciplined quantitative analysis of financial operating statistics. In selecting individual investment opportunities for the portfolio, the Fund Manager will conduct in-house research in order to identify various investment opportunities. The company-wise analysis will focus, amongst others, on the historical and current financial condition of the company, potential value creation/unlocking of value and its impact on earnings growth, capital structure, business prospects, policy environment, strength of management, responsiveness to business conditions, product profile, brand equity, market share, competitive edge, research, technological know-how and transparency in corporate governance. Please refer to Scheme Information Document (SID) of the Scheme for details.</p>															
Risk Profile of the Scheme	<p>Mutual Fund Units involve investment risks including the possible loss of principal. Please read the SID carefully for details on risk factors before investment. Investment in Pramerica Equity Fund involves certain Scheme specific risk factors, which are summarized below:</p> <p>The Scheme carries risk associated with investing in equities, fixed income securities, foreign securities derivatives, securitised debt, short selling and stock lending. Investment in Mutual Fund Units involves investment risks such as trading volumes, settlement risk, liquidity risk, default risk including the possible loss of principal. The AMC may choose to invest in unlisted securities which may increase the risk of the portfolio.</p>															

	Investment in debt and money market instruments are subject to Interest Rate Risk, Credit Risk, Spread Risk, Liquidity Risk, Counterparty Risk and Re-investment Risk. 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.		
Risk Mitigation Strategies	<p>Since investing requires disciplined risk management, the AMC would incorporate safeguards seeking to control risks in the portfolio construction process. Risk is also expected to be reduced through diversification of the portfolio, which the AMC aims to achieve by spreading the investments over a range of industries, sectors and market capitalizations.</p> <p>Interest rate risk is managed by determination of modified duration (which is the expression for change in portfolio value for a basis point change in interest rate) of the portfolio. Analysis of macro economic conditions is done to form a view on future direction of interest rates and to the portfolio accordingly. Credit risk is managed by an analysis of issuer (financial / operating performance) with the help of internal and external research. Liquidity risk is addressed by maintaining exposure to cash / cash equivalents and highly liquid instruments as considered appropriate. Investments in debt / money market securities would normally be undertaken in instruments that have been assigned high investment grade ratings by any of the recognised rating agencies. Unrated investments, if any, would require specific approval from the Board of Directors of AMC/Trustee Company.</p>		
Plans and Options	<p>The Scheme has (a) Growth Option (b) Dividend Option.</p> <p>The Dividend Option has (i) Dividend Reinvestment facility (ii) Dividend Payout facility (iii) Dividend Transfer Plan</p> <p>(If Dividend payable under the Dividend payout facility is ₹500/- or less, then the Dividend would be compulsorily reinvested in the Dividend Option of the Scheme.)</p>		
Applicable NAV		Cut off time	Applicable NAV
	Where a valid application is received on any Business Day at the Official Points of Acceptance along with a local cheque or a demand draft payable at par at the same place of submission of the application	Upto 3.00 p.m.	closing NAV of the same business day
		After 3.00 p.m.	the closing NAV of the next business day
	Valid Redemption applications received	Upto 3.00 p.m.	the closing NAV of the same business day
		After 3.00 p.m.	the closing NAV of the next business day
Minimum Application Amount/ Number of Units	Initial investment under a folio	Minimum of ₹5, 000/- and in multiples of ₹ 1/- thereafter.	
	For subsequent investments (i.e., Addl. purchase)	Minimum of ₹500/- and in multiples of ₹1/-thereafter.	
	Repurchase	₹500 /- or 50 Units in respect of each Option or account balance whichever is lower.	
Despatch of Repurchase (Redemption) Proceeds	Within 10 Business Days of the receipt of the redemption request at the designated Investor Service Center of Pramerica Mutual Fund.		
Benchmark Index	S&PCNX Nifty		
Dividend Policy	The Trustee will endeavor to declare dividend as per the specified frequencies, subject to availability of distributable surplus calculated in accordance with the Regulations. It must be clearly understood that there is neither any assurance that the Dividend will be paid regularly, nor any assurance as to the rate of Dividend.		
Name of the Fund Manager	Mr. Ravi Gopalakrishnan (Equity Portfolio) and Mahendra Jajoo (Debt Portfolio)		
Name of the Trustee Company	Pramerica Trustees Private Limited		
Performance of the scheme	<p>The Scheme has been in existence for less than one year as on date, the date of inception of the Scheme (i.e., initial allotment) being 6 Dec. 2010.</p> <p>As per SEBI circular Cir/ IMD/ DF/13/ 2011 dated 22Aug., 2011, where the scheme has been in existence for less than one year, past performance shall not be provided.</p>		
Expenses of the Scheme	<p>(i) Load Structure</p> <p>Entry load : Not Applicable (As per SEBI circular dated June 30, 2009 there is no entry load for mutual fund schemes)</p> <p>Exit load:</p> <ul style="list-style-type: none"> • @ 2% 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 but before 730 days of allotment • NIL, if the unites are Redeemed / Switched-out after 730 days of allotment <p>(ii) Recurring expenses</p> <p>First ₹100 crores of the average weekly net assets : 2.50%</p> <p>Next ₹300 crores of the average weekly net assets : 2.25%</p> <p>Next ₹300 crores of the average weekly net assets : 2.00%</p> <p>Balance : 1.75%</p>		
Transaction Charges	Transaction Charges on purchase/subscription received from First Time Mutual Fund Investors and investors other than First Time Mutual Fund investors through a distributor/agent (who has opted to receive the transaction charges) as under:		

	<p>(i) First Time Mutual Fund Investor (across all mutual funds): Transaction charge of ₹150/- for subscription of ₹10,000 and above will be deducted from the subscription amount and paid to the distributor/agent (provided the distributor has opted in for this charge cum facility) of the First Time Mutual Fund Investor and the balance amount (net of transaction charges) shall be invested.</p> <p>(ii) Investor other than First Time Mutual Fund Investor: Transaction charge of ₹100/- per subscription of ₹10,000 and above will be deducted from the subscription amount and paid to the distributor/agent (provided the distributor has Opted-In for this charge cum facility) of the investor and the balance amount (net of transaction charges) shall be invested.</p> <p>However, transaction charges in case of investments through SIP under (i) & (ii) above shall be deducted only if the total commitment (i.e. amount per SIP installment X no. of installments) amounts to ₹10,000/- or more. The Transaction Charges shall be deducted in four installments, commencing from the 2nd installment to 5th installment.</p> <p>(iii) Transaction charges shall not be deducted/applicable for:</p> <p>(a) purchases/subscriptions for an amount less than ₹10,000/-;</p> <p>(b) transaction other than purchases/subscriptions relating to new inflows such as Switch/STP/DTP and redemption (including SWP) transactions.</p> <p>(c) purchases/subscriptions made directly with the Mutual Fund without any ARN code (i.e. not routed through any distributor/agent);</p> <p>(d) transactions carried out through the stock exchange platform.</p>	
Waiver of Load for Direct Applications	As per SEBI circular no. SEBI / IMD / CIR No. 4 / 168230 / 09 dated June 30, 2009 there is be no entry load for mutual fund schemes.	
Tax treatment for the Investors (Unitholders)	Please refer to the details in the Statement of Additional Information and also independently consult your tax advisor.	
Daily Net Asset Value (NAV) Publication	NAV of the Scheme will be disclosed at the close of every Business Day and will be published in 2 newspapers. NAV can also be viewed at www.pramericamf.com and www.amfiindia.com	
For Investor Grievances please contact	<p>Name and Address of Registrar</p> <p>Karvy Computershare Private Limited Unit - Pramerica Mutual Fund Address: Karvy Plaza, Street No. 1, Banjara Hills, Hyderabad - 400 034. Email id : customercare@pramericamf.com</p>	<p>Name, address, telephone number, fax number, e-mail i.d. of Pramerica Mutual Fund</p> <p>Mr. V. Robinson Francis Pramerica Asset Managers Pvt. Ltd. 2nd floor, Nirlon House, Dr. Annie Besant Road, Worli, Mumbai - 400030 Tel: 91 22 6159 3000 Fax: 91 22 6159 3100</p>
Unitholders' Information	<p>Account Statement</p> <p>An account statement shall be issued within five working days from the date of receipt of initial purchase application. Where the applicants have provided the e-mail address in the application form, a soft copy of the account statements will be sent through e-mail. Where the applicants have not provided their e-mail address, physical account statements will be issued and sent by ordinary post / courier. If a Unitholder so requests, a non-transferable Unit certificate will be issued within 5 working days of the receipt of such request.</p> <p>Consolidated Account Statement (CAS): Unitholders will be issued a CAS 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 all the investors in whose folios any transaction has taken place during that month on the basis of their PAN and common holding pattern. Further, a CAS shall be issued every half year (September/ March) on or before tenth day of succeeding month, detailing holding at the end of the six months, across all schemes, to all such investors in whose folios no transaction has taken place during that period on the basis of their PAN and common holding pattern.</p> <p>Account Statement / CAS in respect of units held in dematerialized (demat) mode: Unitholders who have opted for units in demat mode will receive the holding statement directly from their respective Depository Participant at such a frequency as may be defined in the Depository Act or regulations or on specific request.</p> <p>Annual Report: The Scheme's annual report or an abridged summary thereof shall be mailed to all Unit holders not later than four months 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 Mutual Fund (www.pramericamf.com) and Association of Mutual Funds in India (www.amfiindia.com).</p> <p>Half yearly portfolio to the investors: The Mutual Fund/ AMC shall publish a complete statement of the Scheme portfolio and the unaudited financial results, within one month from the close of each half year (i.e. 31st March and 30th September), by way of an advertisement in at least one national English daily and one regional newspaper in the language of the region where the head office of the mutual fund is located. The Mutual Fund may choose to send the Scheme portfolio to all Unit holders in lieu of the advertisement (if applicable) or as may be stipulated under the Regulations.</p>	

Comparison with the existing schemes, number of folios and Assets under Management (AUM)

The following table shows the product differentiation of the scheme with other existing open-ended (equity based) schemes of Pramerica Mutual Fund.

Name of the Scheme	Investment Objective	Asset Allocation Pattern			Product Differentiation	AUM as on (in ₹Cr.)	No. of Folios
						As on 21 Nov. 2011	
Pramerica Dynamic Fund (an open ended Dynamic asset scheme)	To achieve long term capital appreciation by investing in an actively managed diversified portfolio consisting of equity and equity related securities including derivatives, debt and money market Instruments.	Instruments	Indicative asset allocations		Risk Profile	107.54	12100
			Min	Max			
		Equity and equity related instruments (including equity derivatives)	30	100	High		
		Debt and money market securities (including fixed income derivatives)	0	70	Low to Medium		
The allocation between equities and debt shall be based on a Valuation Matrix viz., Pramerica Dynamic Asset Rebalancing Tool (Pramerica DART) developed and maintained by the AMC. (pl. see details of "Pramerica DART" in the SID under the section "Investment Strategy"). Subject to applicable regulatory guidelines, the Scheme may also invest in foreign securities. Under normal circumstances the Scheme shall not have an exposure of more than 25% of its net assets in foreign securities. Presently, the scheme does not intend to invest in securitised debt							
Pramerica Dynamic Monthly Income Fund (an open ended Income scheme)	To generate regular returns through investment in Debt and Money Market Instruments and to generate capital appreciation by investing in equity and equity related instruments.	Instruments	Indicative asset allocations		Risk Profile	130.05	2956
			Min	Max			
		Fixed Income Securities	70%	95%	Low to Medium		
		Equity and Equity related instruments	5%	30%	High		
The allocation between equities and debt shall be based on a Valuation Matrix viz., Pramerica Dynamic Asset Rebalancing Tool (Pramerica DART) developed and maintained by the AMC.							