

# Key Information Memorandum

## PRAMERICA ULTRA SHORT TERM BOND FUND

(An Open Ended Debt Scheme)



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

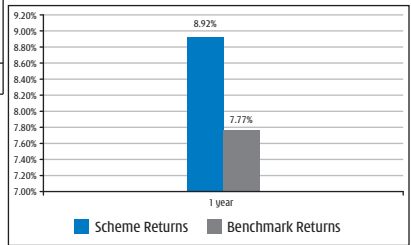
This Key Information Memorandum (KIM) sets forth the information, which a prospective investor ought to know before investing. For further details of the scheme/Mutual Fund, due diligence certificate by the AMC, Key Personnel, investors' rights & services, risk factors, penalties & pending litigations 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.

<b>Investment Objective</b>	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.															
<b>Asset Allocation Pattern of the scheme</b>	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>Money market and debt securities including government securities, corporate debt, and other debt instruments with residual maturity less than or equal to 400 days*</td> <td>80</td> <td>100</td> <td>Low</td> </tr> <tr> <td>Debt instruments including government securities, corporate debt, and other debt instruments with residual maturity between 400 days to 3 years.</td> <td>0</td> <td>20</td> <td>Low to Medium</td> </tr> </tbody> </table>	Types of Instruments	Normal Allocation (% of Net Assets)			Min	Max	Risk Profile	Money market and debt securities including government securities, corporate debt, and other debt instruments with residual maturity less than or equal to 400 days*	80	100	Low	Debt instruments including government securities, corporate debt, and other debt instruments with residual maturity between 400 days to 3 years.	0	20	Low to Medium
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* In case of instruments with put options within a period of 400 days, the residual maturity will not exceed 3 years.																
Presently, the scheme does not intend to invest in securitised debt and overseas / foreign securities. The Scheme may engage in short selling of securities in accordance with the framework relating to short selling and securities lending and borrowing as specified by SEBI. The Scheme shall not deploy more than 20% of its net assets in securities lending and not more than 5% of the net assets of the Scheme will be deployed in securities lending to any single counterparty.																
<b>Investment Strategy</b>	The investment strategies will focus on constructing fixed income portfolios in line with above objective. Investment decision will be primarily guided by fundamental research and analysis. Portfolio managers will manage portfolios based on the outlook on interest rates and liquidity etc. Credit portfolio management will be primarily guided by external credit ratings assigned by any of the recognized credit rating agency. Efficient portfolio construction will be used to manage interest rate risk across different asset class and duration buckets, and optimise risk-adjusted returns.  Please refer to Scheme Information Document (SID) of the Scheme for more details.															
<b>Risk Profile of the Scheme</b>	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 Ultra Short Term Bond Fund will involve certain Scheme specific Risk Factors which are summarized below:  The Scheme carries risk associated with investing in debt and money market instruments, derivatives, securitised debt, short selling and stock lending. 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 fluctuate, the value of your investment in the Scheme may go up or down.															
<b>Risk Mitigation Strategies</b>	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.									
<b>Plans and Options</b>	<p>The Scheme has <b>(a) Growth Option (b) Dividend Option.</b></p> <p>The Dividend Option has</p> <ol style="list-style-type: none"> <li>Dividend Reinvestment facility on a Daily, Weekly, Fortnightly &amp; Monthly frequency;</li> <li>Dividend Payout facility at Fortnightly and Monthly frequency</li> <li>Dividend Transfer Plan</li> </ol> <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>									
<b>Applicable NAV</b>	<p><b>a) Purchases including Switch-ins for below ₹1 crore :</b></p> <p>Where a valid purchase 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:</p> <ul style="list-style-type: none"> <li>Upto 3.00 pm - NAV of the same business day</li> <li>After 3.00 pm - NAV of the next business day.</li> </ul> <p><b>b) Purchases including Switch-ins for ₹1 crore and above:</b></p> <p>In respect of valid applications for ₹1 crore and above for Purchase/ Switch-in received at the designated official point of acceptance on a Business Day, the applicable NAV shall be as under:</p> <p>Time of receipt of application / fund utilisation Applicable NAV</p> <table border="1"> <thead> <tr> <th>Time of receipt of application / fund utilisation</th> <th>Applicable NAV</th> </tr> </thead> <tbody> <tr> <td>Applications received upto cut-off time of 3.00 p.m. and funds for the entire amount of subscription/purchase/switch-in are credited to bank account of the Scheme before the cut-off time of 3.00 p.m. and the funds are available for utilisation on the same day before the cut-off time of 3.00 p.m.</td> <td>The closing NAV of the day of receipt of application</td> </tr> <tr> <td>Applications received after cut-off time of 3.00 p.m. and funds for the entire amount of subscription/purchase/switch-in are credited to bank account of the Scheme after the cut-off time of 3.00 p.m. and funds for the entire amount of subscription/purchase/switch-in are available for utilisation after the cut-off time of 3.00 p.m.</td> <td>The closing NAV of the next Business Day</td> </tr> <tr> <td>Irrespective of the time of receipt of the application, where the funds for the entire amount of subscription/purchase/switch-in are not credited to bank account of the Scheme before the cut-off time of 3.00 p.m. and the funds are not available for utilisation before the cut-off time of 3.00 p.m.</td> <td>The closing NAV of the Business Day on which the funds are available for utilisation before the cut-off time (3 p.m.)</td> </tr> </tbody> </table> <p><b>Note:</b></p> <ul style="list-style-type: none"> <li>For purchase transactions, the time of credit into the Scheme's account will only be considered, irrespective of the time of debit to the investor's bank account.</li> <li>Where the application is received on a non-Business Day, it will be treated as if received on next the Business Day.</li> <li>In case the Mutual Fund receives multiple applications for less than ₹1 Crore from the same investor for same type of transaction (i.e. subscription or switch-in) before the cut-off time, the aggregate value of which is equal to or greater than ₹1 Crore, such multiple applications may be (at the discretion of the AMC) be treated as a single transaction and liable to be processed accordingly at NAV applicable for transaction amounting of ₹1 Crore and above</li> </ul> <p><b>Repurchase / Redemptions including Switch-outs:</b></p> <p>Where a valid redemption application is received on any Business Day at the Official Point of Acceptance</p> <ul style="list-style-type: none"> <li>Upto 3.00 pm - NAV of the same business day</li> <li>After 3.00 pm - NAV of the next business day</li> </ul>		Time of receipt of application / fund utilisation	Applicable NAV	Applications received upto cut-off time of 3.00 p.m. and funds for the entire amount of subscription/purchase/switch-in are credited to bank account of the Scheme before the cut-off time of 3.00 p.m. and the funds are available for utilisation on the same day before the cut-off time of 3.00 p.m.	The closing NAV of the day of receipt of application	Applications received after cut-off time of 3.00 p.m. and funds for the entire amount of subscription/purchase/switch-in are credited to bank account of the Scheme after the cut-off time of 3.00 p.m. and funds for the entire amount of subscription/purchase/switch-in are available for utilisation after the cut-off time of 3.00 p.m.	The closing NAV of the next Business Day	Irrespective of the time of receipt of the application, where the funds for the entire amount of subscription/purchase/switch-in are not credited to bank account of the Scheme before the cut-off time of 3.00 p.m. and the funds are not available for utilisation before the cut-off time of 3.00 p.m.	The closing NAV of the Business Day on which the funds are available for utilisation before the cut-off time (3 p.m.)
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<b>Minimum Application Amount/ Number of Units</b>	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.								
<b>Despatch of Repurchase (Redemption) Proceeds</b>	Within 10 Business Days of the receipt of the redemption request at the designated Investor Service Center of Pramerica Mutual Fund.									
<b>Benchmark Index</b>	CRISIL Liquid Fund Index									
<b>Dividend Policy</b>	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.									
<b>Name of the Fund Manager</b>	Mahendra Jajoo									
<b>Name of the Trustee Company</b>	Pramerica Trustees Private Limited									

Performance of the scheme	Date	Period	Scheme Returns (%) @	Benchmark Returns # (%)	Additional Benchmark Returns (%)	
<p>Above returns are compounded annualized (CAGR) of Growth Option. The date of inception of the Scheme (i.e., initial allotment) is 24 Sep. 2010 NAV Per Unit as on 28th Nov. 2011 = ₹1107.1529 (Growth Option) # CRISIL Liquid Fund Index @ Past performance may or may not be sustained in the future.</p>						
Expenses of the Scheme	<p>(i) <b>Load Structure</b></p> <p>Entry load : Not Applicable (As per SEBI circular dated June 30, 2009 there is no entry load for mutual fund schemes) Exit load : Nil</p> <p>(i) <b>Recurring expenses</b></p> <p>First ₹100 crores of the average weekly net assets : 2.25% Next ₹ 300 crores of the average weekly net assets : 2.00% Next ₹300 crores of the average weekly net assets : 1.75% Balance : 1.50%</p>					
Transaction Charges	<p>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> <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 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) &amp; (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 no entry load for mutual fund schemes. (Exit load shall be applicable as above).					
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 <a href="http://www.pramericaamf.com">www.pramericaamf.com</a> and <a href="http://www.amfiindia.com">www.amfiindia.com</a>					
For Investor Grievances please contact	<b>Name and Address of Registrar</b>		<b>Name, address, telephone number, fax number, e-mail i.d. of Pramerica Mutual Fund</b>			
	Karvy Computershare Private Limited Unit - Pramerica Mutual Fund Address: Karvy Plaza, Street No. 1, Banjara Hills, Hyderabad - 400 034. Email id : <a href="mailto:customercare@pramericamf.com">customercare@pramericamf.com</a>		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			
Unitholders' Information	<p><b>Account Statement</b></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><b>Consolidated Account Statement (CAS):</b> 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><b>Account Statement / CAS in respect of units held in dematerialized (demat) mode:</b> 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><b>Annual Report:</b> 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 (<a href="http://www.pramericaamf.com">www.pramericaamf.com</a>) and Association of Mutual Funds in India (<a href="http://www.amfiindia.com">www.amfiindia.com</a>).</p> <p><b>Half yearly portfolio to the investors:</b> 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>
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**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 income / debt 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 Liquid Fund (an open ended Liquid scheme)	The Scheme seeks to deliver reasonable market related returns with lower risk and higher liquidity through a portfolio of debt and money market instruments.	<b>Instruments</b>	<b>Indicative asset allocations</b>	<b>Risk Profile</b>	Pramerica Liquid Fund is an open ended liquid scheme which invests only in debt and money market instruments and floaters with a residual maturity of upto 91 days	1188.16	449
		Debt instruments (including Asset Backed Securities), money market instruments & floaters having a residual maturity of upto 91 days#	0-100%	Low			
		Investments in securitised debt will not exceed 20% of the net assets as at the time of purchase. Investment in debt derivatives instruments will be up to 50% of the net assets of the Scheme. Further, aggregate asset allocation including exposure to derivatives will not exceed 100% of the net assets; and that same security wise hedge positions would be excluded from the same. Presently, the scheme does not intend to invest in overseas / foreign securities.					
Pramerica Short Term Income Fund (an open ended Income scheme)	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.	<b>Instruments</b>	<b>Indicative asset allocations</b>	<b>Risk Profile</b>	Pramerica Short Term Income Fund is an Open Ended Income Scheme that aims 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	202.91	558
			<b>Min</b> <b>Max</b>				
		Debt and Money market instruments with residual maturity upto 3 years	65% 100%	Low to Medium			
		Debt and Money market instruments with residual maturity not exceeding 5 years and 3 months	0 35%	Low to Medium			
Note : The average maturity of the Scheme's portfolio will not exceed 3 years. Presently, the Scheme does not intend to invest in securitised debt and overseas / foreign securities.							
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.	<b>Instruments</b>	<b>Indicative asset allocations</b>	<b>Risk Profile</b>	Pramerica Dynamic Monthly Income Fund is an Open Ended Income schemes which invest 70% to 95% in Fixed Income Securities and 5% to 30% in Equity and Equity related instruments. (Monthly income is not assured).	130.05	2956
			<b>Min</b> <b>Max</b>				
		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.							

