



DHFL Pramerica Credit Opportunities Fund

(An Open Ended Income Scheme)

Why invest in DHFL Pramerica Credit Opportunities Fund?

DHFL Pramerica Credit Opportunities Fund is a medium to long term investment option that provides the flexibility to counter a dynamic environment by actively managing its portfolio in line with the evolving interest rate scenario.

The DHFL Pramerica Credit Opportunities Fund invests in a portfolio of securities with a relatively high accrual. The fund predominantly invests in AA/A and equivalent rated papers.

Sources of Value Addition

- **Carry/Coupon accrual:** Overall return on the fund would be driven primarily by higher absolute accruals / 'carry'
- **Roll-down Effect:** The fund also benefits from a curve roll-down effect. Given the steepness of the AA rated credit curve in the 1-3 year segment, the fund is likely to benefit from this roll-down, even in the absence of any rate cuts.
- **Yield Decline/Rate cuts:** Capital appreciation can also arise from potential softening in yields on the back of improving macro economic factors.
- **Play on credit upcycle:** As the economic recovery picks up, entities in the A and AA rated space could enjoy positive rating migration; which could also positively contribute to the fund returns.

Opportunities available to the fund

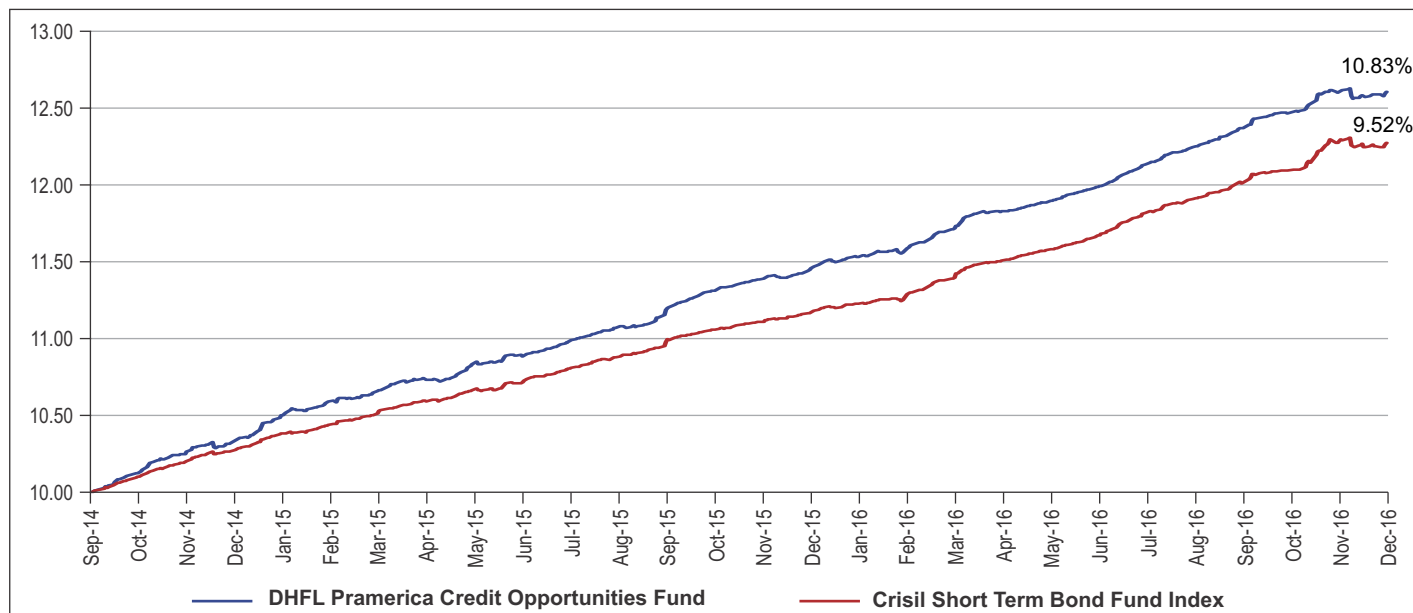
As the economic recovery gathers steam in the coming months, multiple financing options are likely to materialize. We enumerate a recovery few likely examples which could be opportunities for the fund -

- Regulations do not permit banks to fund certain transactions. This presents good opportunities to mutual funds. Typical transactions include, Acquisition financing opportunities; and capital market exposures including Promoter funding
- Structured finance opportunities including, Asset Backed Securities (ABS), Commercial Mortgage Backed Securities (CMBS), Lease Rental Discounting transactions.
- Lowly geared entities are simultaneously likely to exploit growth in their core businesses. This is likely to expand opportunities for balance sheet financing in the medium tenor space.

Historic out-performance of the benchmark

The DHFL Pramerica Credit Opportunities Fund has outperformed its benchmark – the CRISIL Short Term Bond Fund Index – since its inception in September 29, 2014. The fund has given returns of 10.83% CAGR since inception v/s 9.52% CAGR of the benchmark as on December 30, 2016.

Returns Since Inception of DHFL Pramerica Credit Opportunities Fund v/s Benchmark (CAGR)



Date of Inception: Regular Plan: September 29, 2014. CAGR - Compounded Annual Growth Rate

Investment Strategy

- The fund's investment strategies will focus on constructing fixed income portfolios across the credit spectrum in line with above objective, maintaining an optimum balance of credit quality, liquidity and yield.
- The fund has an actively managed portfolio of short and medium term corporate bonds
- The Portfolio follows an accrual strategy; exposure to AA / A rated securities which endeavor to provide relatively higher yield on the portfolio
- The fund is positioned to capture opportunities in the accrual and credit space.

Portfolio Positioning*

- Portfolio is invested predominantly in a mix of AA/A rated issuers
- No exposure to Government securities / State Government Securities (SDLs)

Who should invest?

Investors looking to invest in a low volatility product with a 3 year time frame, can consider DHFL Pramerica Credit Opportunities Fund as an ideal investment avenue.

Opportunities in Credit Oriented Funds

1. Attractive Accruals

Accruals from credit opportunities funds are generally higher than the accruals from other fixed income funds with a similar maturity profile.

2. Default Risks on AA/A papers are relatively low

The Long Term ratings of most issuers in the AAA/AA/A category show a very high degree of stability. According to studies by Credit Rating agencies, more than 90% of ratings in this category have remained stable or been upgraded. This shows a clear upside from a portfolio of a mix of securities across the credit spectrum vis-à-vis a complete AAA rated portfolio.

One-Year Stability of Long-Term Ratings in Investment Grade

	Average Over Last 10 Years
[ICRA]AAA	97.1%
[ICRA]AA	95.2% (1.7%)
[ICRA]A	89.2% (4.3%)
[ICRA]BBB	88.8% (3.5%)

Source: ICRA Rating Transition and Default Study - FY2016

	Between 1988 and 2015
CRISIL AAA	97.31%
CRISIL AA	93.32% (1.46%)
CRISIL A	88.67% (3.13%)
CRISIL BBB	88.59% (2.66%)

Source: CRISIL Default Study 2015

Figures in parentheses indicate percentage transition to a higher category, or upgrade

Portfolio Details (as on December 30, 2016)

Portfolio Top Ten Holdings

Issuer	% to Net Assets	Rating
AU Financiers (India) Limited	3.63	IND A+
Business Broadcast News Holdings Ltd@	3.46	CARE AAA
Dewan Housing Finance Corporation Ltd	6.52	CARE AAA
Indiabulls Housing Finance Ltd.	4.58	CARE AAA
CG Power Solutions Limited	9.26	Privately Rated#
Steel Authority Of India Ltd.	7.19	CARE AA+
Janalakshmi Financial Services Pvt Ltd	6.77	ICRA A+
Reliance Infrastructure Ltd.	6.74	IND AA-(SO)
RKN Retail Pvt Limited^	4.04	A-(SO)
Oriental Hotels Limited\$\$	3.59	CARE A+

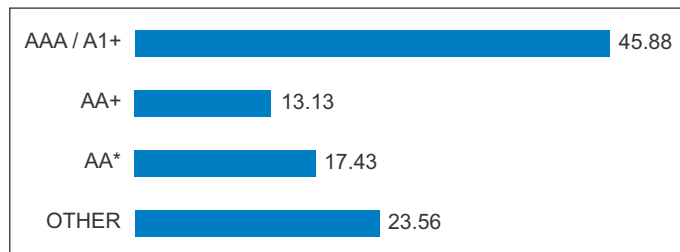
^ Part of A. V. Birla Group - Promoter family

@ ADAG Guaranteed

\$\$ Majority owned by Indian Hotels - Taj

Rated by SEBI Registered Agency

Credit Quality Profile (% AUM)



* AA include securities rated as AA and AA-

AUM as on December 30, 2016 (₹ in Crore): 755.57

Portfolio Yield (%)	8.98%
Modified Duration (years)	2.18
Avg. Portfolio Maturity (years)	2.92

Asset Allocation

Instruments	Indicative allocations (% of total Assets)		Risk Profile High/Medium/Low
	Min	Max	
Corporate Debt Securities including securitized debt	80%	100%	Low to Medium
CBLO, Reverse Repo, T Bills, and Money Market Instruments	0%	20%	Low

Please refer to the Scheme Information Document for more details on asset allocation.

Key Features



Benchmark index: CRISIL Short Term Bond Fund Index



Minimum application amount: Minimum of Rs. 5000/- and in multiples of Re. 1/- thereafter. **Minimum additional investment amount:** Minimum of Rs. 1000/- and in multiples of Re. 1/- thereafter or 100 units. **Minimum repurchase / redemption amount:** Minimum of Rs. 100/- and in multiples of Re. 1/- thereafter or 0.1 units or account balance, whichever is lower.



Long Term Withdrawal Facility has been introduced in DHFL Pramerica Credit Opportunities Fund:

- Long Term Withdrawal Facility instalment amount per month can be fixed at 0.75%, 0.60% or 0.50% of the investment amount and will be rounded-off to the nearest highest multiple of Re.1. Minimum amount required for availing the said facility is Rs.1 lakh
- Monthly, stable cash flow
- Tax Efficient: Long Term Withdrawal Facility is a tax efficient and convenient way to manage monthly cash flows. Only realized gains each month would be subject to capital gains tax.
- No TDS: There is no Tax Deduction at Source (TDS) for resident investors on redemptions from a mutual fund scheme, so you get to enjoy the full benefits of your investment.
- Start getting cashflows from the immediately following month, provided a minimum time gap of 30 days from the date of request.

Long Term Withdrawal Facility is only a feature for regular withdrawal from the scheme and shall not be construed as an assurance or guarantee of return.

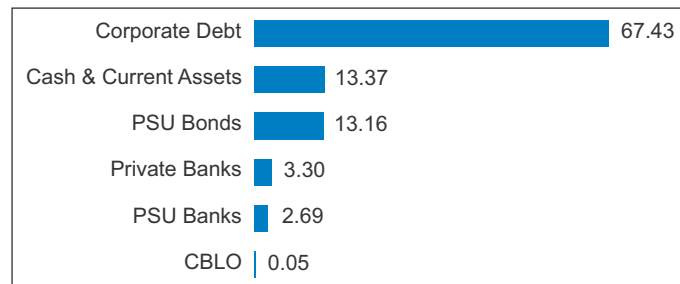


Exit load: 10% of the units allotted may be redeemed without any exit load within 1 year from the date of allotment; Any redemptions / switch outs in excess of the above mentioned limit would be subject to an exit load of 1%, if the units are redeemed / switched out within 1 year from the date of allotment of units; Nil - If the units are redeemed / switched out after 1 year from the date of allotment of units.



Fund Manager: Mr. Kumaresh Ramakrishnan (Nitish Gupta ceased to be the fund manager w.e.f. January 05, 2017)

Asset Allocation (% AUM)



Investment Style Box



Riskometer

This product is suitable for investors who are seeking*:

- Income and capital appreciation over medium to long term
- Investment predominantly in corporate bonds of various maturities and across ratings
- Degree of risk – **MODERATE**

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



Investors understand that their principal will be at moderate risk

Performance of the fund managed by Fund Manager Kumaresh Ramakrishnan

DHFL Pramerica Credit Opportunities Fund						
Period	Fund		CRISIL Short Term Bond Fund Index [^]		CRISIL 10 Year Gilt Index [#]	
	Returns (%)	Value (INR)*	Returns (%)	Value (INR)*	Returns (%)	Value (INR)*
Regular Plan - Growth Option						
30 Dec 2015 To 30 Dec 2016	10.04	11004.41	9.87	10986.81	14.90	11490.00
30 Dec 2014 To 30 Dec 2015	10.79	11079.15	8.67	10867.37	7.58	10758.00
Since Inception (CAGR)	10.83	12609.40	9.52	12274.88	12.81	13123.00

Date of Inception: Regular Plan: September 29, 2014. CAGR – Compounded Annual Growth Rate
Fund Manager: Kumaresh Ramakrishnan (Nitish Gupta ceased to be the fund manager w.e.f. January 05, 2017)

DHFL Pramerica Ultra Short Term Fund						
Period	Fund		CRISIL Liquid Fund Index [^]		CRISIL 1 Year T-Bill Index [#]	
	Returns (%)	Value (INR)*	Returns (%)	Value (INR)*	Returns (%)	Value (INR)*
Regular Plan - Growth Option						
30 Dec 2015 To 30 Dec 2016	8.44	10843.74	7.52	10751.72	7.25	10725.00
30 Dec 2014 To 30 Dec 2015	8.95	10894.50	8.23	10822.62	8.31	10831.00
30 Dec 2013 To 30 Dec 2014	9.51	10950.90	9.17	10916.98	8.55	10855.00
Since Inception (CAGR)	8.09	19364.10	7.68	18754.83	6.42	16966.28

Date of Inception: Regular Plan: November 18, 2008. CAGR – Compounded Annual Growth Rate
Fund Manager: Kumaresh Ramakrishnan

DHFL Pramerica Low Duration Fund						
Period	Fund		CRISIL Liquid Fund Index [^]		CRISIL 1 Year T-Bill Index [#]	
	Returns (%)	Value (INR)*	Returns (%)	Value (INR)*	Returns (%)	Value (INR)*
Regular Plan - Growth Option						
30 Dec 2015 To 30 Dec 2016	9.11	10911.30	7.52	10751.72	7.25	10725.00
30 Dec 2014 To 30 Dec 2015	9.31	10931.26	8.23	10822.62	8.31	10831.00
30 Dec 2013 To 30 Dec 2014	9.37	10936.86	9.17	10916.98	8.55	10855.00
Since Inception (CAGR)	8.51	21777.10	7.58	20069.53	6.45	18144.25

Date of Inception: Regular Plan: June 22, 2007. CAGR – Compounded Annual Growth Rate
Fund Manager: Kumaresh Ramakrishnan

DHFL Pramerica Insta Cash Plus Fund						
Period	Fund		CRISIL Liquid Fund Index [^]		CRISIL 1 Year T-Bill Index [#]	
	Returns (%)	Value (INR)*	Returns (%)	Value (INR)*	Returns (%)	Value (INR)*
Regular Plan - Growth Option						
7 Days (23 Dec 2016 To 30 Dec 2016)	0.12	10012.00	0.13	10013.00	0.07	10007.00
15 Days (15 Dec 2016 To 30 Dec 2016)	0.25	10025.00	0.25	10025.00	0.17	10017.00
30 Days (30 Nov 2016 To 30 Dec 2016)	0.51	10051.00	0.48	10048.00	0.19	10019.00
30 Dec 2015 To 30 Dec 2016	7.70	10770.25	7.52	10751.72	7.25	10725.00
30 Dec 2014 To 30 Dec 2015	8.39	10838.77	8.23	10822.62	8.31	10831.00
30 Dec 2013 To 30 Dec 2014	9.05	10904.98	9.17	10916.98	8.55	10855.00
Since Inception (CAGR)	8.13	20725.91	7.63	19862.39	6.47	17947.20

Date of Inception: Regular Plan: September 05, 2007. CAGR – Compounded Annual Growth Rate
Fund Manager: Kumaresh Ramakrishnan and Rahul Dedhia

DHFL Pramerica Equity Income Fund						
Period	Fund		75% of CRISIL Liquid Fund Index and 25% in Nifty 50 [^]		CRISIL 10 Year Gilt Index [#]	
	Returns (%)	Value (INR)*	Returns (%)	Value (INR)*	Returns (%)	Value (INR)*
Regular Plan - Growth Option						
30 Dec 2015 To 30 Dec 2016	5.72	10571.86	6.55	10655.00	14.90	11490.00
30 Dec 2014 To 30 Dec 2015	12.93	11293.14	5.10	10510.00	7.58	10758.00
30 Dec 2013 To 30 Dec 2014	13.79	11378.81	14.65	11465.00	14.29	11429.00
Since Inception (CAGR)	7.93	26767.00	9.31	31556.10	5.88	20909.21

Date of Inception: Regular Plan: January 29, 2004. CAGR – Compounded Annual Growth Rate
Fund Manager: Alok Agarwal (Equity portion) and Kumaresh Ramakrishnan (Debt portion)

[^] Scheme Benchmark. [#] Standard Benchmark. *Based on standard investment of ₹ 10,000 made at the beginning of the relevant period. Since Inception returns have been calculated from the date of inception till December 30, 2016. Past performance may or may not be sustained in future and should not be used as a basis for comparison with other investments.



www.dhflpramericamf.com

18002662667

Mutual Fund Investments are subject to market risks, read all scheme related documents carefully.

Pramerica and Pramerica Financial are trade names used by Prudential Financial, Inc., a company incorporated and with its principal place of business in the United States, and by its affiliated companies in select countries outside the United States. None of these companies are affiliated in any manner with Prudential plc, a company incorporated in the United Kingdom