MUTUALFUNDS *Sahi Hai*

DHFL Pramerica

MUTUAL FUND

DHFL Pramerica Low Duration Fund

(An open ended low duration debt scheme investing in instruments such that the Macaulay duration of the portfolio is between 6 months to 12 months)

Why invest in DHFL Pramerica Low Duration Fund?

DHFL Pramerica Low Duration Fund is a fund that seeks to generate regular income by investing primarily in investment grade and low duration debt and money market instruments.

Investment Strategy

- The Macaulay Duration of the portfolio will be maintained between 6 months to 12 months.
- The Fund seeks to identifying investment opportunities in the short duration segment.
- The key element of this approach is having the ability to analyse and price credit risk for short dated securities.
- The Scheme shall be actively managed and the Fund Management team shall formulate a view of the credit quality, interest rate movement etc. by monitoring various parameters of the Corporates/ Indian economy, as well as developments in global markets.

Portfolio Characteristics*

- The fund focuses on adding value through credit identification, while strict portfolio discipline and actively managed mark to market holdings help in moderating the return volatility.
- The fund also actively seeks to identify mispriced securities in the shorter tenor space, primarily in CPs and Corporate Bonds.
- Portfolio invested in debt and money market securities across the credit spectrum.

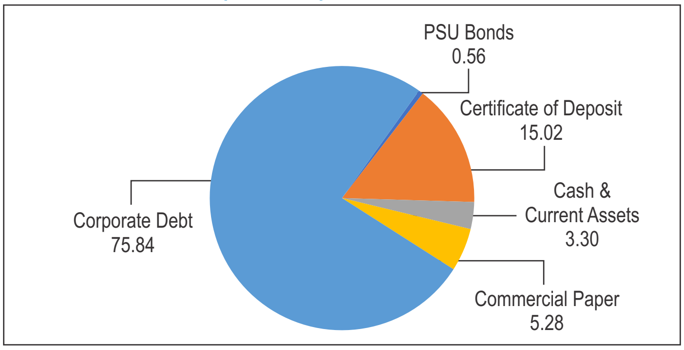
Portfolio Positioning*

- Combination of a higher rated CD & CP mix and attractive credit spreads in the non AAA/A1+ rated securities helps the fund capture a relatively higher yield vis-à-vis the flagship ultra short term fund.
- The fund would maintain a weighted average portfolio maturity in the range of 6 to 12 months.

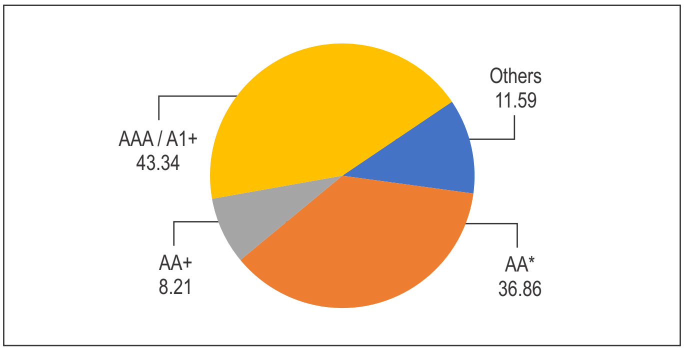
Who should invest?

DHFL Pramerica Low Duration Fund is ideal for investors seeking to invest in a portfolio of debt and money market instruments for an investment horizon of 6 to 12 months.

Asset Allocation (% AUM) as on April 30, 2018



Credit Quality Profile (% AUM) as on April 30, 2018



* AA include securities rated as AA and AA-

AUM as on April 30, 2018 (₹ in Crore): 1,069.39

Portfolio Yield (%)	**8.91%**
Modified Duration (years)	**0.76**
Avg. Portfolio Maturity (years)	**0.88**

*These are based on the fund manager's current outlook and are subject to change.

Portfolio (Top Ten Holdings) as on April 30, 2018

Issuer	% to Net Assets	Rating
Adani Properties Private Limited[1]	8.81	BRICK AA- (SO)
Emami Agrotech Ltd	7.02	BRICK AA- (SO)
Indiabulls Housing Finance Ltd.	6.99	CRISIL AAA
Edelweiss Commodities Services Ltd	6.23	ICRA AA
HDFC Bank Ltd.	4.83	CRISIL A1+
Housing Development Finance Corp. Ltd.	4.65	CRISIL AAA
Magma Fincorp Limited	4.64	ICRA AA
Vodafone India Ltd	4.64	IND AAA
Reliance Big Entertainment Pvt Ltd[2]	4.63	BRICK AA+ (SO)
Indusind Bank Ltd.	4.47	CRISIL A1+

[1] Loan against share of Adani Group (mainly Adani Ports)

[2] Loan against shares with collateral of equity share of Reliance Capital Ltd.

Macro Review

— The trade deficit for the month of March widened to USD 13.70 bn as compared to a deficit of USD 12 bn in February. The trade deficit number was worse than market expectation of USD 12.3 bn. The higher trade deficit was due to a faster pick-up in imports relative to exports.

— On year on year basis, exports declined by 0.7% in March, which is partly due to base effects and imports registered a growth of 7.1% during the month of March 2018.

— For FY18, exports grew by 9.8% and imports grew by 19.6%, resulting in a trade deficit of USD 156.8 bn vs. USD 108.5 bn in FY17.

— The current account deficit is expected to widen to 2.50% in FY19 from 2.00% in FY18. Portfolio flows are also expected to moderate this year and coupled with the widening trade deficit, the overall BOP surplus is expected to shrink.

— Crude prices rose by 8.50% during the month as US Inventories fell and market started to price in the risk to the US – Iran accord.

Liquidity and Rates

— Liquidity was comfortable at the start of the month but tightened towards end of the month as currency in circulation rose. Overall liquidity is expected to become tight going ahead as portfolio outflows continue and current account deficit widens.

— INR depreciated during the month with RBI refraining from any big intervention during the course of the month, INR depreciating by 2.3% last month. We continue to expect a depreciation bias against INR on a widening current account deficit and also some incremental worsening in macroeconomic variables.

— The Bond markets witnessed a turbulent month with the month starting on a positive note as RBI lowered the Inflation target for H2 of FY 19 leading to a rally in the bond markets with the 10yr benchmark touching a low of 7.13% on the policy day. The optimism was subsequently tampered with the SDL supply being higher than expected leaving the total SLR supply for Q1 of FY 19 higher by almost 10%. The 10yr bond yield retraced to 7.77% as RBI Policy minutes were much more hawkish with majority of the members expressing concern on potential upsides to Inflation. Crude also rallied and with the continued muted participation of PSU Banks the market had no cover. The hawkish minutes led to flattening of the curve as the markets started to price in rate hikes by RBI. The flatness in the curve is likely to persist as there are worries about liquidity tightness and further rise in crude prices ahead.

— The bond market, at the current yields, is factoring in 50 bps rate hike by the end of the year and we believe that at this juncture the behaviour of crude prices and GST collections will determine the trajectory of the yield curve.

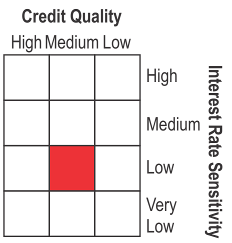
— We continue to expect RBI to retain their Neutral Stance even if they were to hike rates on higher than expected Inflation.

Asset Allocation

Instruments	Indicative allocations (% of total Assets)		Risk Profile
	Min	Max	
Debt and Money Market Instruments including Government securities	0%	100%	Low to Medium

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

Investment Style Box



Key Features

Benchmark index:
CRISIL Low Duration Debt Index (w.e.f. May 01, 2018)

Exit load:
Nil

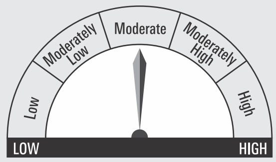
Fund Manager:
Mr. Kumaresh Ramakrishnan

Riskometer

This product is suitable for investors who are seeking*:

- Income over the short term
- Investment in low duration debt and money market instruments
- 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