MUTUALFUNDS Sahi Hai

DHFL Pramerica MUTUAL FUND

DHFL Pramerica Equity Income Fund

(An Open Ended Equity Scheme)

Why invest in DHFL Pramerica Equity Income Fund?

DHFL Pramerica Equity Income Fund seeks to provide capital appreciation and income distribution to the investors by using equity, equity derivatives, arbitrage opportunities and investments in debt.

Investment Strategy

- The scheme seeks to achieve its investment objective primarily by employing various strategies which seek to exploit available arbitrage opportunities in equity markets combined with investments in unhedged equity positions as well as debt and money market instruments.
- A top down and bottom up approach will be used to invest in equity and equity related instruments. Investments will be pursued in selected sectors based on the Investment team's analysis of business cycles, regulatory reforms, competitive advantage etc. Selective stock picking will be done from these sectors.
- The debt allocation is actively managed and the Fund Management team may endeavor to generate returns whilst moderating credit and interest rate risk.

Portfolio Highlights

- The portfolio provides investors potential upside from both, Debt and Equity markets
- The Portfolio allocation enables the investor
  - To benefit from the a likely fall in interest rates
  - To benefit from the anticipated growth in equity markets
- Taxation of an equity scheme

Portfolio Positioning*

- 15% to 40% of the portfolio is invested in unhedged equity to benefit from the upside in the equity markets
- Both equity and bond markets experience volatility
  - About 25% to 35% of the portfolio would be invested in equity arbitrage positions to cushion the volatility in returns

Who should invest?

DHFL Pramerica Equity Income Fund is ideal for investors seeking to generate income from a tax efficient portfolio of equity and debt securities.

Portfolio (Top Ten Holdings) as on November 30, 2017

Issuer	% to Net Assets	% of Nav to Derivatives
Century Textiles & Industries Ltd.	8.70	-8.70
JSW Steel Ltd.	8.49	-8.49
Sun Pharmaceutical Ind Ltd.	6.44	-5.92
HDFC Bank Ltd.	5.59	
Sun TV Network Ltd.	2.76	-2.76
ICICI Bank Ltd.	2.57	
State Bank Of India	2.54	
Larsen & Toubro Ltd.	1.95	
Max Financial Services Ltd.	1.78	
Aarti Industries Ltd.	1.65	
Equity Holdings	**65.65**	**-25.87**
Corporate Debt	**14.93**	
Fixed Deposits	**4.73**	
Cash & Current Assets	**14.69**	
Total	**100.00**	

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

The market that was

Indian equity markets saw a volatile month with intermittent periods of bullishness and bearishness witnessed during the month. On the macro front, concerns regarding higher inflation, potential for fiscal slippage and a widening trade deficit emerged while there was a welcome move by one of the large ratings agencies which upgraded India's sovereign rating for the first time in 14 years. The Q2 GDP print came in at 6.3% reversing the decelerating trend of last 5 quarters, but it was slightly lower than expectations. October CPI inflation rose to a 7-month high of 3.6% vs 3.3% in September led by higher food and housing inflation. October trade deficit widened sharply to 3-year low of $14 billion vs $9 billion in the previous month led by weaker exports. The govt put out detailed data on GST collections for the July-October period which showed that October collections were running lower than average.

With this backdrop NIFTY closed the month with a marginal 1.1% drop while the Midcaps were marginally positive. Among the sectors – Real Estate, IT and Banks were the key gainers while Cement, Pharma and Metals were the key laggards. Capital market activity swelled in November with some sizeable IPOs like HDFC Life. FIIs also upped the ante during the month with $2.8 billion of buying taking the YTD net buying to $8.6 billion. DIIs remained buyers to the tune of $1.4 billion in November which took the YTD tally to a staggering $12.8 billion. Mutual Funds once again drove the inflows with $1.6 billion being poured in while Insurers were small net sellers of $220 million.

Fund Manager's View

Few events that would provide direction to the markets in the coming months would be i) RBI stance on interest rates and accompanying commentary, ii) Outcome of Gujarat State elections and iii) rumblings for the upcoming budget, especially given the higher fiscal and trade deficits. While inflation is inching higher and crude oil also on its way up (up 2.8% in Nov), street expects that interest rates may have bottomed out. GST related normalization is a much awaited event in terms of growth. So far in Q2, margins have expanded but sales have not expanded as much, implying that the formalization of the economy on account of GST is yet to happen in a meaningful way. With the last twelve months witnessing a slew of disruptive sort of policy changes in the economy, the slate appears to be cleaner for the next twelve, till the general election related mumblings gather momentum. With the economy in a transitory phase, the ride is expected to be volatile. We continue to be positive from a longer term point of view.

Asset Allocation (w.e.f. September 13, 2017):

Instruments	Indicative allocations (% of total Assets)		Risk Profile High/Medium/Low
	Min	Max	
A. Equity and Equity related instruments	65%	90%	High
A1. Of which Net Long Equity	15%	40%	High
A2. Of which Equity and Equity derivatives (Only Arbitrage opportunities)	25%	75%	High
B. Debt Securities and Money Market Instruments (including investments in securitized debt)	10%	35%	Low to Medium
C. Units issued by InVITs and REITs	0%	10%	Medium to High

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

Key Features

Benchmark index:
70% of the NIFTY 50 Arbitrage Index and
30% of the NIFTY 50 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.

Exit load:
1% if the investor redeems / switch outs within 1 year from the date of allotment of units.

Fund Manager:
Mr. Alok Agarwal (Equity Portion) and
Mr. Kumaresh Ramakrishnan (Debt Portion)

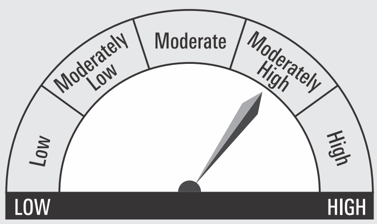
Riskometer

This product is suitable for investors who are seeking*:

- Capital appreciation and Income distribution over the medium term
- Investment primarily in equity and equity related securities and a small allocation to debt securities
- Degree of risk – **MODERATELY HIGH**

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

Riskometer



Investors understand that their principal will be at moderately high risk

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