

NOTICE [NO. 11 of 2019-20]

Notice is hereby given to the unit holders of DHFL Pramerica Mutual Fund ("DPMF") that Prudential Financial, Inc. ("PFI"), the current co-sponsor of DHFL Pramerica Mutual Fund proposes to become the sole sponsor of DPMF. Dewan Housing Finance Corporation Limited ("DHFL"), the current co-sponsor of DPMF and its wholly owned subsidiary, DHFL Advisory & Investments Private Limited ("DAIPL"), propose to sell their aggregate shareholding of 50% of the paid-up share capital of DHFL Pramerica Asset Managers Private Limited ("DPAM") to PGLH of Delaware, Inc. ("PGLH"), the wholly owned subsidiary of PFI ("Proposed Transaction"). The Proposed Transaction will result in the acquisition of up to 50% of paid-up share capital of DPAM by PGLH in the manner mentioned below:

- (i) acquisition of 17.12% of the total paid up share capital of DPAM from DHFL; and
- (ii) acquisition of 32.88% of the total paid up share capital of DPAM from DAIPL.

Upon consummation of the proposed sale by DHFL and DAIPL to PGLH on the completion date ("Completion Date"), PGLH (along with its nominee) will hold 100% of the total paid-up share capital of DPAM which would result in a change in the controlling interest of DPAM. Further, DHFL also proposes to sell its shareholding of 50% of the paid up share capital of DHFL Pramerica Trustees Private Limited ("DPTL") to PGLH.

The Proposed Transaction will be completed subject to receipt of relevant regulatory approvals.

After completion of the Proposed Transaction: (a) PFI will become the sole sponsor of DPMF; (b) DHFL will cease to be the co-sponsor of DPMF; (c) there will be a change in the controlling interest of DPAM, and PGLH (along with its nominee) will hold 100% of the total paid-up share capital of DPAM; (d) DPMF will be renamed as "PGIM India Mutual Fund" and each scheme of DPMF will be renamed to replace the words "DHFL Pramerica" with the words "PGIM India"; and (e) the trust deed of DPMF dated July 28, 2009 constituting Pramerica Mutual Fund, as amended by the deed of amendment dated April 20, 2010 and second deed of amendment dated September 18, 2015 (collectively referred to as "Trust Deed") would be amended to record PFI as the sole sponsor of DPMF and for cessation of DHFL as the co-sponsor of DPMF. Further, subject to receiving necessary approvals, the names of DPAM and DPTL will change as mentioned subsequently in this notice ("Notice").

Details in relation to PFI and the Proposed Transaction are set out below:

PFI is a financial services leader with approximately US \$ 1.456 trillion of assets under management and approximately 50,000 employees & sales associates worldwide as of March 31, 2019. PFI is headquartered in Newark, NJ (USA) and has more than 140 years of financial services experience with operations in the U.S., Asia, Europe, and Latin America. PFI is focused on helping individual and institutional customers grow and protect their wealth and offers a variety of products and services, including life insurance, annuities, retirement-related services, mutual funds and investment management.

PFI conducts its global asset management activities under the brand name PGIM. Under this brand, PFI is a top 10 global investment manager with more than 1,200 investment professionals in 15 countries on four continents worldwide. In the U.S., PFI's PGIM Investments open-end mutual fund family includes 86 schemes and US \$134,938,883,265 assets under management, and in Europe, PFI's PGIM Funds (UCITS domiciled in Ireland) include 28 schemes and US \$3,482,664,653 assets under management, as of March 31, 2019. The PGIM Funds are registered in 17 countries in Europe, Asia and Latin America. More information about PFI's global asset management activities may be found here: <https://www.prudential.com/institutions/investment-management>.

Expected Benefits of the Proposed Transaction

PFI is a global financial services leader, and asset management is a core business of PFI. PFI is one of the ten largest asset managers in the world. PFI has deep expertise in investment management across many asset classes, including fixed income, equities and alternatives, as well as expertise and resources in related areas such as risk management, compliance and other control functions; marketing and distribution; and technology. All of this, coupled with the change of the names of DPAM and DPMF to leverage the strength of PFI's PGIM global asset management brand, will support the growth of DPAM's assets under management and the value it can provide to investors in India.

In particular, as a wholly owned subsidiary of PFI, DPAM will be better able to serve clients by:

- (a) Providing a stable and highly credible investment platform backed by the strength, brand and reputation of one of the world's largest asset managers;
- (b) Increasing resources and talent by having greater flexibility and ability to invest in the business and attract and retain talent;
- (c) Enhancing its investment management techniques through the incorporation of ideas and research from PFI's resources in areas such as portfolio construction, credit analysis, and alpha generation;
- (d) Leveraging PFI's capabilities to offer a broad range of international strategies to clients, sharing of thought leadership in investments and increasing focus on investor education;
- (e) Implementing best practices from PFI in areas such as sales and product management, customer service, risk management, employee training, etc.; and
- (f) Benefitting from PFI's larger scale, deep experience, and firm-wide vendor relationships to improve risk controls (information security, disaster recovery, etc.).

Proposed changes pursuant to the Proposed Transaction

The following key changes will occur pursuant to the Proposed Transaction:

- (a) DHFL and DAIPL will transfer their entire shareholding in the paid up share capital of DPAM of 17.12% and 32.88%, respectively, to PGLH. DHFL will also transfer its entire shareholding in the paid up share capital of DPTL of 50% to PGLH. Consequently, PGLH (along with its nominee) will increase its shareholding in DPAM and DPTL from 50% to 100%;
- (b) DHFL will cease to be the co-sponsor of DPMF and PFI will become the sole sponsor of DPMF;
- (c) The nominee directors of DHFL will resign from the Boards of DPAM and DPTL;
- (d) Persons nominated by PGLH will be appointed to the Boards of Directors of DPAM and DPTL in compliance with all applicable laws.
- (e) The necessary amendments to Trust Deed between DHFL, DPTL, PFI and PGLH, will be carried out to record PFI as the sole sponsor of DPMF and for cessation of DHFL as the co-sponsor of DPMF ("Deed of Amendment"). A draft of the Deed of Amendment is set out as **Exhibit I** to the written communication dated June 25, 2019 which is being sent to all unitholders of DPMF ("Exit Option Letter"). Approval of the unit holders of the schemes of DPMF will be obtained for amending the Trust Deed by way of this exit option process, details of which are provided below.
- (f) DPMF will be renamed as "PGIM India Mutual Fund". Each scheme of DPMF will be renamed to replace the words "DHFL Pramerica" with the words "PGIM India" (for instance, 'DHFL Pramerica Large Cap Fund' will be renamed as 'PGIM India Large Cap Fund').
- (g) Subject to receipt of necessary approvals, the names of DPAM and DPTL will be changed to 'PGIM India Asset Management Private Limited' and 'PGIM India Trustees Private Limited', respectively, or such other name as may be approved by the Registrar of Companies, Maharashtra, Mumbai. Consequent to the above changes, the corporate logo, corporate materials and documents will undergo changes to reflect the new names of DPMF, DPAM and DPTL.
- (h) Statement of Additional Information of DPMF, Scheme Information Documents, Key Information Memorandums of schemes of DPMF and other relevant documents (if any) relating to the existing schemes of DPMF will be amended and updated to reflect the changes pursuant to the Proposed Transaction. Please note that the schemes will continue to be governed by the Statement of Additional Information of DPMF and their respective Scheme Information Documents and there would be no change in any of the fundamental attributes or other terms and conditions governing the schemes as a result of the Proposed Transaction.

The Board of Directors of DPTL has approved the change in controlling interest of DPAM on December 18, 2018. Further, SEBI vide its letter Ref. No. SEBI/HO/IMD/DFS/OW/P/2019/0000016032/1 dated June 25, 2019 and SEBI/HO/IMD/DFS/OW/P/2019/0000016033/1 dated June 25, 2019 granted its no-objection to the aforesaid change in controlling interest of DPAM and amendments to the Trust Deed under the provisions of SEBI (Mutual Funds) Regulations, 1996 ("MF Regulations").

Approval for amendment of the Trust Deed

As provided in the MF Regulations, the Trust Deed and Scheme Information Document of schemes of DPMF / Statement of Additional Information of DPMF, no amendment to the Trust Deed shall be carried out without the prior approval of the unit holders of DPMF (such approval may be obtained in such other manner as determined by DPTL and permitted by SEBI). As such, approval of unit holders is being sought through an exit option process under this Notice and Exit Option Letter.

A copy of the Trust Deed is available at the registered office of DPAM at DHFL Pramerica Asset Managers Private Limited, 2nd floor, Nirlon House, Dr. Annie Besant Road, Worli, Mumbai - 400030 should the unitholders wish to review the same.

Notice to Unit Holders in relation to (i) Change in the Controlling Interest of DPAM pursuant to the Proposed Transaction and (ii) amendment to Trust Deed

While the Proposed Transaction will not affect the basic characteristic of the schemes of DPMF, Regulation 22(e) of the MF Regulations requires that for a change in the controlling interest of an asset management company, in this case DPAM, (i) a written communication about the proposed change is to be sent to each unit holder and an advertisement to be given in one English daily newspaper having nationwide circulation and in a newspaper published in the language of the region where the head office of the mutual fund is situated; and (ii) the unit holders to be given an option to exit at the prevailing net asset value ("NAV") without any exit load for a period of 30 (thirty) days. Further, in terms of Clause 17 of the Third Schedule of the MF Regulations and Clause 25 of the Trust Deed, prior approval of SEBI and the unit holders of DPMF is required for amending the Trust Deed. Accordingly, in accordance with MF Regulations, and pursuant to the above mentioned approval of SEBI, this Notice serves as a communication to the unit holders of the schemes of DPMF about (i) the change in controlling interest of DPAM and all other consequential changes; and (ii) amendment to the Trust Deed of DPMF, pursuant to the Proposed Transaction and each unit holder is hereby given an option to exit his/her/its investment in the scheme(s) of DPMF at the prevailing NAV without exit load (if any) if he/she/it disapproves the aforesaid Proposed Transaction/amendments to the Trust Deed. **The exit option will be available to all the unit holders of the schemes as per the records of Karvy Fintech Pvt. Ltd. ("Registrar"), as at the close of business hours on June 25, 2019. The option to exit without exit load can be exercised from June 29, 2019 to July 28, 2019 (both days inclusive) ("Exit Option Period"). All transaction requests received after July 28, 2019, will be subject to load, as may be prevailing at that time in the respective schemes.**

The redemption warrant/cheque will be mailed or the amount of redemption will be credited to unit holder's bank account (as registered in the records of Registrar) within 10 (ten) working days from the date of receipt of redemption request.

The offer to exit is merely an option and is not mandatory. If you have no objection to the proposed change in controlling interest of DPAM and proposed changes as aforesaid, no action needs to be taken by you.

Please note that unit holders who do not opt for redemption on or before July 28, 2019 shall be deemed to have consented to the changes specified in this Notice and shall continue to hold units in the schemes of DPMF.

The option to redeem without exit load during the Exit Option Period can be exercised in the following manner:

- a) Unit holders can submit redemption request on any business day between June 29, 2019 to July 28, 2019 by filling out the redemption slip provided in **Exhibit IV** of the Exit Option Letter or by filling the transaction slips and submitting the same at the nearest investors service centre of DPAM or of the Registrar at the addresses mentioned in **Exhibit V** of the Exit Option Letter or through depository participant (in case of units held in electronic (demat) mode) or through the website of DPMF on www.dhflpramericamf.com.
- b) The redemption requests received will be processed at the prevailing NAV as per the provisions contained in the Scheme Information Documents without any exit load.

With a view to enable you to make a well-informed decision, the condensed financial information of the schemes of DPMF during last three financial years are provided in **Exhibit III** of the Exit Option Letter. Please note that the exit option is available to all the unit holders of DHFL Pramerica Tax Plan and DHFL Pramerica Long Term Equity Fund, open ended equity linked savings schemes with a statutory lock-in of 3 years and tax benefit, other than the unit holders whose units are under the statutory lock-in period i.e. under Section 80C of the Income-tax Act, 1961. The statutory lock-in period, being 3 years from the date of allotment, arises out of the scheme being classified as Equity Linked Savings Scheme (ELSS) enjoying tax benefits. Unit holders who have pledged or encumbered their units will not have the option to exit unless they procure a release of their pledges/encumbrances and appropriately communicate the same to DPMF/Registrar prior to submission of redemption requests.

The expenses related to the Proposed Transaction and other consequential changes as outlined above will not be charged to the unit holders of the schemes of DPMF.

As regards the unit holders who redeem their investments during the Exit Option Period, the tax consequences as set forth in the Statement of Additional Information of DPMF and Scheme Information Document of relevant schemes of DPMF would apply. In view of individual nature of tax consequences, you are advised to consult your professional tax advisor for detailed tax advice.

Details of the proposed acquisition of shares by PGLH and changes consequent to such acquisition are also being communicated by way of Exit Option Letter sent to registered address of unit holder(s). A statement of unclaimed redemption and dividend amount as on May 31, 2019 and procedure for claiming the same is mentioned in **Exhibit II** of the Exit Option Letter.

Unit holders who do not receive the Exit Option Letter or in case of any queries, may contact:

DHFL Pramerica Asset Managers Private Limited

2nd floor, Nirlon House, Dr. Annie Besant Road,
Worli, Mumbai - 400 030

Telephone No.: 1800 266 2667

E-mail: customercare@dhflpramericamf.in

Or,

Registrar

Karvy Fintech Pvt. Ltd.

Unit - DHFL Pramerica Mutual Fund

Skanda | 59, Puttanna Road | Basvangudi | Bangalore - 560 004 | India

For DHFL Pramerica Asset Managers Private Limited
(Investment Manager for DHFL Pramerica Mutual Fund)

Sd/-

Ajit Menon

Chief Executive Officer

Place : Mumbai

Date : June 26, 2019

**MUTUAL FUND INVESTMENTS ARE SUBJECT TO MARKET RISKS,
READ ALL SCHEME RELATED DOCUMENTS CAREFULLY.**