

DHFL Pramerica Credit Risk Fund

An open ended debt scheme predominantly investing in AA and below rated corporate bonds (excluding AA+ rated corporate bonds)

April 2019

Why invest in DHFL Pramerica Credit Risk Fund?

The DHFL Pramerica Credit Risk Fund is an accrual fund that invests in a portfolio of securities with a relatively high accrual. The fund predominantly invests in AA/A and equivalents 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.
- ❖ **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 can lead to price appreciation.

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
- ❖ The fund is positioned to capture opportunities in the accrual and credit space.

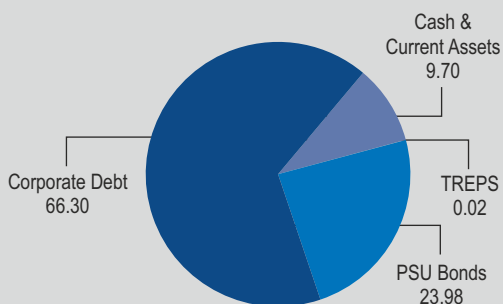
Portfolio Positioning*

- ❖ Portfolio is invested predominantly in a mix of AA/A rated issuers

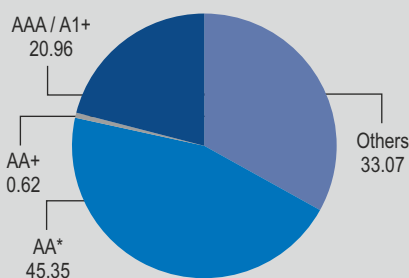
Who should invest?

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

Asset Allocation (% AUM)



Credit Quality Profile (% AUM)



*AA includes securities rated as AA and AA-

Fund Details

AUM as on April 30, 2019 (₹ in Crore):	796.29
For the Debt Portfolio	
Portfolio Yield (%)	10.84%
Modified Duration (years)	1.42
Average Portfolio Maturity (years)	1.94

Portfolio (Top Ten Holdings)

Issuer	% to Net Assets	Rating
Hansdeep Industries & Trading Co. Ltd ¹	7.38	CARE AA-(SO)
Punjab And Sind Bank	6.27	ICRA A+
Green Infra Wind Energy Ltd ²	6.27	CRISIL AA (SO)
Business Broadcast News Holdings Ltd ³	5.81	CARE A(SO)
UP Power Corporation Limited	5.56	AA(IND)(SO)
Nuvuco Vistas Ltd ⁴	4.97	CRISIL AA
Yes Bank Ltd.	4.78	ICRA AA-
Tata Housing Development Co. Ltd	4.42	ICRA AA
Oriental Hotels Limited ⁵	4.26	CARE A+
Reliance Commercial Finance Pvt. Ltd.	4.01	CARE A(SO)

¹ Wholly owned by J.K. Lakshmi Cement

² Part of Sembcorp / Temasek Singapore

³ Guaranteed by Reliance Capital Ltd.

⁴ Owned by Nirma Group

⁵ Majority owned by Indian Hotels - Taj

Performance						
	Fund	CRISIL Composite AA Short Term Bond Index [^]		CRISIL 1 Year T-Bill Index [#]		
Period	Returns (%)	Value (INR)*	Returns (%)	Value (INR)*	Returns (%)	Value (INR)*
Regular Plan - Growth option						
Last 1 Year	5.27	10,526.87	8.23	10,823.46	7.33	10,733.04
Last 3 Years	6.84	12,196.33	8.40	12,736.96	6.70	12,148.35
Since Inception	8.32	14,425.70	8.84	14,749.39	7.23	13,774.51
Direct Plan - Growth Option						
Last 1 Year	6.35	10,634.64	8.23	10,823.46	7.33	10,733.04
Last 3 Years	7.99	12,593.10	8.40	12,736.96	6.70	12,148.35
Since Inception	9.19	14,966.55	8.84	14,749.39	7.23	13,774.51

Date of Inception: Regular Plan: September 29, 2014; **Direct Plan:** September 29, 2014. All the above returns are CAGR. CAGR – Compounded Annual Growth Rate

The above returns are as on April 30, 2019. [^] Scheme Benchmark (earlier known as CRISIL AA Short Term Bond Index). [#] Standard Benchmark.

*Based on standard investment of ₹10,000 made at the beginning of the relevant period. Past performance may or may not be sustained in future and should not be used as a basis for comparison with other investments. Last 5 years returns are not provided since the scheme has not completed 5 years. Returns for the benchmark have been calculated using TRI values. Different plans have a different expense structure.

Kumaresh Ramakrishnan managing this fund since March 2016. Past performance may or may not be sustained in future.

For other schemes managed by Kumaresh Ramakrishnan, please refer below table.

Performance of other funds managed by Fund Manager Kumaresh Ramakrishnan as on April 30, 2019

	Last 1 Year	Last 3 Years	Last 5 Years	Last 10 Years	Managing Since
Top 3 Schemes Performance (%)					
DHFL Pramerica Fixed Duration Fund - Series AP (G)	7.63	—	—	—	March 2018
CRISIL Composite Bond Fund Index [^]	8.06	—	—	—	
DHFL Pramerica Insta Cash Fund (G)\$	7.57	7.18	7.73	7.81	January 2011
CRISIL Liquid Fund Index [^]	7.63	7.18	7.68	7.42	
DHFL Pramerica Fixed Duration Fund - Series AQ (G)	7.40	—	—	—	March 2018
CRISIL Composite Bond Fund Index [^]	8.06	—	—	—	
Bottom 3 Schemes Performance (%)					
DHFL Pramerica Fixed Duration Fund - Series AR (G)	0.22	—	—	—	March 2018
CRISIL Composite Bond Fund Index [^]	8.06	—	—	—	
DHFL Pramerica Fixed Duration Fund - Series AU (G)	-0.56	—	—	—	March 2018
CRISIL Composite Bond Fund Index [^]	8.06	—	—	—	
DHFL Pramerica Fixed Duration Fund - Series AT (G)	-1.89	—	—	—	March 2018
CRISIL Composite Bond Fund Index [^]	8.06	—	—	—	

\$ Jointly with Kunal Jain (w.e.f. January 05, 2018)

[^] Benchmark. Past performance may or may not be sustained in future and should not be used as a basis for comparison with other investments.

The above returns are of Regular Plan - Growth Option of respective schemes.

All the above returns are CAGR. CAGR - Compounded Annual Growth Rate.

Different plans have a different expense structure. Returns for the benchmark have been calculated using TRI values.

Mr. kumaresh Ramakrishnan is managing 20 schemes of DHFL Pramerica Mutual Fund. Top three and bottom three schemes managed by the fund manager have been derived on the basis of last one year performance ending on April 30, 2019.

On account of difference in scheme features, the performance of these schemes are not strictly comparable. Please refer www.dhflpramericamf.com for details on performance of all schemes (including Direct Plan).

Key Features



Benchmark index:
CRISIL Composite AA Short Term Bond 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:

- 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 in excess of the above mentioned limit would be subject to an exit load of 1%, if the units are redeemed within 1 year from the date of allotment of units; Nil - If the units are redeemed after 1 year from the date of allotment of units.



Fund Manager:
Mr. Kumaresh Ramakrishnan

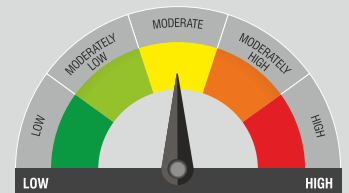
Investment Style Box	Credit Quality			Interest Rate Sensitivity
	High	Medium	Low	
				High
				Medium
				Low
				Very Low

Riskometer

This product is suitable for investors who are seeking*:

- Income and capital appreciation over medium to long term
- Investments predominantly in AA and below rated corporate debt securities (excluding AA+ rated corporate bonds) of various maturities
- 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

The views of the Fund Manager should not be construed as an advice and investors must make their own investment decisions regarding suitability of the funds based on their specific investment objectives and financial positions and using such independent advisors as they believe necessary. Mutual Fund investments are subject to market risks, read all scheme related documents carefully.

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