

## Bid Goodbye to High Dividend Distribution Tax!

Introducing

DHFL Pramerica

# Long Term Withdrawal Facility

The most tax efficient option to get monthly, stable cash flows!



### What is Long Term Withdrawal Facility?

Long Term Withdrawal Facility allows you to redeem a fixed sum of money periodically in the most tax efficient manner. By opting for the growth option and not paying high dividend distribution tax Long Term Withdrawal Facility enables a steady flow of income that will help you augment your finances.

### Why Opt for Long Term Withdrawal Facility?

- **Consistent and Regular Cash Flow:** Choose the amount that you need every month and specify the date you want the money, and relax! Every month, the amount will be automatically credited to your bank account.
- **Predictable Cash Flow:** Unlike a Dividend option in a mutual fund scheme, Long Term Withdrawal Facility ensures a fixed monthly withdrawal and reduces the uncertainty from unpredictable dividend payments.
- **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.

### Features of Long Term Withdrawal Facility:

- Long Term Withdrawal Facility has been introduced under the following schemes:
  - DHFL Pramerica Credit Opportunities Fund
  - DHFL Pramerica Short Maturity Fund
  - DHFL Pramerica Income Advantage Fund
- Long Term Withdrawal Facility instalment amount per month can be fixed at 0.75%, 0.60% (w.e.f. November 01, 2016) 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
- Start getting cash flows from the immediately following month, provided a minimum time gap of 30 days from the date of request.

### Exit Load Structure

#### DHFL Pramerica Credit Opportunities Fund:

- 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.

#### DHFL Pramerica Short Maturity Fund:

- 10% of the units allotted may be redeemed without any exit load within 6 months from the date of allotment;
- Any redemptions / switch outs in excess of the above mentioned limit would be subject to an exit load of 0.75%, if the units are redeemed / switched out within 6 months from the date of allotment of units;
- Nil - If the units are redeemed / switched out after 6 months from the date of allotment of units.

#### DHFL Pramerica Income Advantage Fund:

- 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 1.5%, 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.

## How tax efficient is Long Term Withdrawal Facility?

Let us look at an example where an investor (Resident Individual/HUF) invests Rs. 10 lakh in one of the schemes with Long Term Withdrawal Facility, opting for a 0.75% withdrawal every month, on the invested amount. For the sake of ease, we shall assume that the NAV grows at a constant rate of 9% per annum.

### Illustration of Effective Tax Rates under Long Term Withdrawal Facility

Total Taxable Income in INR	Effective Tax Rate (%)			
	Long Term Withdrawal Facility (3 Years Holding Period)	Long Term Withdrawal Facility (5 Years Holding Period)	Effective Income Distribution Tax Rate for Dividend	Bank FD
From 2.5 lakh to 5 lakh	6.13%	3.75%	28.307%	10.30%
From 5 lakh to 10 lakh	7.38%	4.61%	28.307%	20.60%
From 10 lakh to 1 crore	8.64%	5.46%	28.307%	30.90%

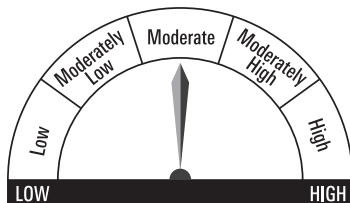
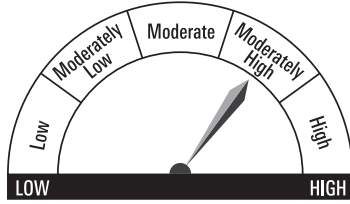
Figures as calculated on June 1, 2016. Past performance is not a guarantee of future returns. Please consult your tax advisor for exact tax implications.

Disclaimer: - The above table is for illustration purpose only and should not be construed as an investment advice. The effective tax rates applicable for redemption using Long Term Withdrawal Facility stated above are calculated assuming that 0.75% of the invested amount was redeemed on a monthly basis from the next month of investment and the balance amount was redeemed at the end of 3 years/ 5 years as stated above. For redemptions before 3 years, applicable short term capital gain tax has been applied and redemption after 3 years, long term capital gain taxes with indexation benefits was applied. The tax rates and provisions assumed here are as per the prevailing Income Tax Act and Rules and subject to amendments from time to time. Investors are requested to seek advice from their financial/ tax advisors before making any investments. DHFL Pramerica Mutual Fund/ DHFL Pramerica Asset Managers Private Limited shall not be responsible/ liable for any decision taken on the basis of the above illustration.

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.

**Long Term Withdrawal Facility gives you the lowest tax incidence and a stable cash flow! Why invest anywhere else?**

**Talk to your advisor and fill up the form right away!**

Scheme Name	This product is suitable for investors who are seeking*	
DHFL Pramerica Credit Opportunities Fund (An Open Ended Income Scheme)	<ul style="list-style-type: none"> <li>Income and capital appreciation over medium to long term</li> <li>Investment predominantly in corporate bonds of various maturities and across ratings</li> <li>Degree of risk – MODERATE</li> </ul>	 <p>Investors understand that their principal will be at moderate risk</p>
DHFL Pramerica Short Maturity Fund (An Open Ended Income Scheme)	<ul style="list-style-type: none"> <li>Income over the medium term</li> <li>Investment in short term debt and money market instruments</li> <li>Degree of risk – MODERATE</li> </ul>	
DHFL Pramerica Income Advantage Fund (An Open Ended Income Scheme)	<ul style="list-style-type: none"> <li>Regular income and capital appreciation over the medium term</li> <li>Investment primarily in debt securities and a small allocation to equity and equity related securities</li> <li>Degree of risk – MODERATELY HIGH</li> </ul>	 <p>Investors understand that their principal will be at moderately high risk</p>

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The Asset Management Company is not guaranteeing / offering / communicating any indicative yields or guaranteed returns on investments made in the scheme(s).

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

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