

DHFL Pramerica Asset Managers Private Limited

Scheme	Rating Action
DHFL Pramerica Banking and PSU Debt Fund	[ICRA]AAAmfs Assigned
DHFL Pramerica Medium Term Income Fund	[ICRA]AAAmfs Assigned
DHFL Pramerica Premier Bond Fund	[ICRA]AAAmfs Assigned
DHFL Pramerica Short Maturity Fund	[ICRA]AAAmfs Assigned
DHFL Pramerica Short Term Floating Rate Fund	[ICRA]AAAmfs Assigned
DHFL Pramerica Ultra Short Term Fund	[ICRA]AAAmfs Assigned

ICRA has assigned the rating of [ICRA]AAAmfs (pronounced ICRA triple A m f s) to DHFL Pramerica Banking and PSU Debt Fund, DHFL Pramerica Medium Term Income Fund, DHFL Pramerica Premier Bond Fund, DHFL Pramerica Short Maturity Fund, DHFL Pramerica Short Term Floating Rate Fund and DHFL Pramerica Ultra Short Term Fund of DHFL Pramerica Asset Managers Private Limited (DPAPL). Schemes with this rating are considered to have the highest degree of safety regarding timely receipt of payments from the investments that they have made.

Asset Management Company and Fund Details

Pramerica Asset Managers Private Limited was incorporated on September 24, 2008 as a private limited company. The AMC was wholly owned by Prudential Financial, Inc (USA) (PFI), through one of PFI's wholly owned step-down subsidiaries, namely PGLH of Delaware, Inc. In FY16, Dewan Housing Finance Corporation Limited (DHFL) acquired a 50% stake in Pramerica Asset Manager Private Limited and Pramerica Trustees Private Limited and then the companies were renamed as DHFL Pramerica Asset Managers Private Limited (DPAPL) and DHFL Pramerica Trustee Private Limited, respectively. In H1FY16, DPAPL also acquired the schemes of Deutsche Mutual Fund (DMF). The average assets managed by the AMC stood at Rs 2,163 crores for the quarter ended December 31, 2015.

The scheme DHFL Pramerica Banking and PSU Debt Fund was launched in February 2013. It is an open ended scheme with no entry or exit load. The investment objective of the scheme is to generate income and capital appreciation by investing in money market and debt instruments issued by Banks and Public Sector Companies. The fund's AUM stood at Rs. 1,479 crores as on March 8, 2016 and had an average residual maturity of around 3.02 years as on March 22, 2016.

The scheme DHFL Pramerica Medium Term Income Fund was launched in February 2014. It is an open ended scheme with no entry load and a 1% exit load if the investor redeems/switches out within 3 months from the allotment of units. The investment objective of the scheme is to generate returns by investing in a portfolio of high quality debt securities and money market instruments. The fund's AUM stood at Rs. 694 crore as on March 9, 2016 and had an average residual maturity of around 6.51 years as on March 22, 2016.

The scheme DHFL Pramerica Premier Bond Fund was launched in January 2003. It is an open ended scheme with no entry load and a 1% exit load if the investor redeems/switches out within 6 months from the allotment of units. The investment objective of the scheme is to provide regular income by investing in debt securities including bonds and money market instruments. The fund's AUM stood at Rs. 881 crores as on March 8, 2016 and had an average residual maturity of around 1.83 years as on March 22, 2016.

The scheme DHFL Pramerica Short Maturity Fund was launched in January 2003. It is an open ended scheme with no entry load and a 0.75% exit load if the investor redeems/switches out within 6 months from the allotment of units. The investment objective of the scheme is to generate steady returns with low to medium market risk by investing in short to medium term debt instruments and money market instruments. The fund's AUM stood at Rs. 1,893 crores as on March 8, 2016 and had an average residual maturity of around 3.61 years as on March 22, 2016.

The scheme DHFL Pramerica Short Term Floating Rate Fund was launched in September 2009. It is an open ended scheme with no entry or exit load. The investment objective of the scheme is to generate regular income by investing in a mix of short maturity floating rate debt and money market instruments. The fund's AUM stood at Rs. 825 crores as on March 8, 2016 and had an average residual maturity of around 1.42 years as on March 22, 2016.

The scheme, DHFL Pramerica Ultra Short Term Fund was launched in September 2006. It is an open ended scheme with no entry or exit load. The scheme aims to offer reasonable market returns with moderately lower risk and high liquidity through investment in debt and money market instruments.

ICRA Credit Quality Rating Methodology for debt mutual fund schemes

ICRA's mutual fund rating methodology is based on evaluating the inherent credit quality of the funds' portfolio. As a measure of the credit quality of a debt fund's assets, ICRA uses the concept of credit scores". These scores are based on ICRA's estimates of credit risk associated with each exposure of the portfolio taking into account its maturity. To quantify the credit risk scores, ICRA uses its database of historical default rates for various rating categories for various maturity buckets. The credit risk ratings incorporate ICRA's assessment of a debt fund's published investment objectives and policies, its management characteristics, and the creditworthiness of its investment portfolio. ICRA reviews relevant fund information on an ongoing basis to support its published rating opinions. If the portfolio credit score meets the benchmark of the assigned rating during the review, the rating is retained. In an event that the benchmark credit score is breached, ICRA gives a month's time to the debt fund manager to bring the portfolio credit score within the benchmark credit score. If the debt fund manager is able to reduce the portfolio credit score within the benchmark credit score, the rating is retained. If the portfolio still continues to breach the benchmark credit score, the rating is revised to reflect the change in credit quality.

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