

**DISCLOSURE PERTAINING TO VALUATION OF FIXED INCOME SECURITIES WITH
RESIDUAL MATURITY EQUAL TO OR LESS THAN 60 DAYS**

[Disclosure as per Clause IX of Valuation Manual of Pramerica Mutual Fund]

Investors of Pramerica Mutual Fund ('the Fund') are requested to note that RBI on July 15, 2013 (evening) has announced hike in the Marginal Standing Facility (MSF) to 10.25% and the cap on Liquidity Adjustment Facility (LAF) borrowing at 1% of Net Demand and Time Liabilities (NDTL), which led to a sharp spike in short term yields. As per the valuation manual of the Fund, for fixed income securities having residual maturity less than or equal to 60 days (hereinafter referred as 'such Securities'), the valuation is done by way of amortisation as long as the valuation remains within +/-0.10% band of the matrix price as provided by CRISIL/ ICRA. Given the abrupt rise in the short term yields and to protect the interest of investors, the Valuation Committee of the AMC (in accordance with the provisions of the Valuation Manual) based on the advice received from Association of Mutual Funds in India ('AMFI'), has decided to dispense with the current practice of amortization for such Securities for July 16, 2013 and use the CRISIL /ICRA matrix yields for buckets below 60 days to value such Securities appropriately i.e. at the yields as per the matrix or higher depending upon the individual assessment of the illiquidity premium.