

UNION KBC MUTUAL FUND

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HALF YEARLY FINANCIAL RESULTS (UNAUDITED) FOR THE PERIOD ENDED SEPTEMBER 30, 2011 (PURSUANT TO REGULATION 59 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (MUTUAL FUNDS) REGULATIONS, 1996)

Sr. No.	Particulars	Union KBC Liquid Fund	Union KBC Equity Fund
1.1	Unit Capital at the beginning of the half - year period \$	(₹ in crores)	-
1.2	Unit Capital at the end of the period	(₹ in crores)	313.89
2.0	Reserves & Surplus	(₹ in crores)	(16.47)
3.1	Total Net Assets at the beginning of the half - year period \$	(₹ in crores)	-
3.2	Total Net Assets at the end of the period	(₹ in crores)	319.82
4.1	NAV at the beginning of the half year period \$	(₹)	-
	Daily Dividend Option	-	N.A.
	Fortnightly Dividend Option	-	N.A.
	Growth Option	-	-
	Monthly Dividend Option	-	N.A.
	Weekly Dividend Option	-	N.A.
	Dividend Option	N.A.	-
4.2	NAV at the end of the period	(₹)	-
	Daily Dividend Option	10.0018	N.A.
	Fortnightly Dividend Option	-	N.A.
	Growth Option	10.2483	9.06
	Monthly Dividend Option	10.0067	N.A.
	Weekly Dividend Option	10.0067	N.A.
	Dividend Option	N.A.	9.06
4.3	Dividend (net) paid per unit during the half - year Individual & HUF	(₹)	-
	Daily Dividend Option	0.191640	N.A.
	Fortnightly Dividend Option	0.011726	N.A.
	Growth Option	-	-
	Monthly Dividend Option	0.188395	N.A.
	Weekly Dividend Option	0.187931	N.A.
	Dividend Option	N.A.	-
	Others	-	-
	Daily Dividend Option	0.183815	N.A.
	Fortnightly Dividend Option	0.011247	N.A.
	Growth Option	-	-
	Monthly Dividend Option	0.180720	N.A.
	Weekly Dividend Option	0.180256	N.A.
	Dividend Option	N.A.	-
5.1	INCOME	(₹ in crores)	0.55
5.2	Dividend	(₹ in crores)	15.96
5.3	Interest	(₹ in crores)	(0.01)
5.4	Profit/(Loss) on sale/redemption of investments (other than inter scheme transfer/sale.)	(₹ in crores)	0.23
5.5	Other Income	(₹ in crores)	-
	a. Provision for Unrealised Loss (net) in the value of investments	(₹ in crores)	(15.95)
	b. Write back of provision for unrealised loss in the value of investments	(₹ in crores)	-
	c. Miscellaneous Income	(₹ in crores)	0.00 @
5.6	Total Income (5.1 to 5.5)	(₹ in crores)	15.95
6.1	EXPENSES	(₹ in crores)	0.19
6.2	Management Fees (excluding service tax)	(₹ in crores)	0.02
6.3	Trustee Fees (excluding service tax)	(₹ in crores)	0.38
6.4	Total Recurring Expenses (including 6.1 and 6.2)	(₹ in crores)	0.09
6.5	Percentage of Management Fees to daily/weekly average net assets (excluding service tax) #	(%)	0.21%
7.1	Returns during the half year * [(+) - (-)]	(%)	N.A.
7.2	Compounded Annualised yield in case of schemes in existence for more than 1 year *	(%)	N.A.
	(i) Last 1 year	(%)	N.A.
	(ii) Last 3 years	(%)	N.A.
	(iii) Last 5 years	(%)	N.A.
	(iv) Since the launch of the scheme /plan (Absolute Returns)	(%)	N.A.
	Growth Option	(%)	2.48%
	(v) Date of launch of the scheme / plan **	(%)	15-Jun-11
7.3	Compounded Annualised yield on Benchmark Index *	(%)	-9.40%
	(i) Last 6 months	(%)	N.A.
	(ii) Last 1 year	(%)	N.A.
	(iii) Last 3 years	(%)	N.A.
	(iv) Last 5 years	(%)	N.A.
	(v) Since the launch of the scheme /plan (Absolute Returns)	(%)	2.27%
	Benchmark Index	(%)	-10.18%
8	Provision for Doubtful Income/Debts	(₹ in crores)	-
9	Payments to associate/group companies (if applicable)	(₹ in crores)	0.02
10	Investments made in associate/group companies (if applicable)	(₹ in crores)	1.60

(N.A.) Not Applicable
(*) Returns are calculated for the Growth Option of the respective Scheme(s), considering the movement of NAV during the period. Past performance may or may not be sustained in the future. The since inception returns are calculated on ₹10/- invested at inception of all schemes.
Indicates annualised for the period.
@ Indicates allotment date.
@ Amount ₹ "0.00" indicates amount less than ₹ 50,000/-
@ Union KBC Liquid Fund half yearly financial results (unaudited) are for the period ended 29-September-2011, as 30-September-2011 was a non business day for Union KBC Liquid Fund.
@ The scheme was launched during the current half year period and hence there are no unit balances, net assets and NAV per unit at the beginning of the half year period.

NOTES TO ACCOUNTS

1. The half yearly financial results are prepared on the accrual basis of accounting, under the historical cost convention, as modified for investments, which are marked to market. The half yearly financial results have been prepared in accordance with regulation 59 of the Securities and Exchange Board of India (SEBI) (Mutual Funds) Regulations, 1996 (the Regulations) as amended from time to time.
There has been no change in the accounting policy during the half-year ended September 30, 2011.

PURSUANT TO REGULATION 59A OF SECURITIES & EXCHANGE BOARD OF INDIA (MUTUAL FUNDS) REGULATIONS, 1996

UNAUDITED HALF YEARLY PORTFOLIO STATEMENT OF UNION KBC EQUITY FUND AS ON SEPTEMBER 30, 2011 (An Open ended Equity Scheme)

Name of the Instrument	Rating/Industry	Quantity	Market value (₹ in lacs)	% to NAV	Notes:
EQUITY & EQUITY RELATED					
a) Listed/awaiting listing on Stock Exchanges					
ICICI Bank Ltd.	Banks	1,06,000	927.92	5.87%	1. Total Non Performing Assets (NPA) provided for and its percentage to NAV Nil
Infosys Ltd.	Software	35,200	891.63	5.64%	
Reliance Industries Ltd.	Petroleum Products	97,000	784.10	4.96%	2. NAV at the beginning of the period - 31-March-11 (₹ per unit) \$
TTC Ltd.	Consumer Non Durables	3,66,000	724.68	4.59%	
Tata Consultancy Services Ltd.	Software	62,500	648.31	4.10%	Dividend Option -
HDFC Bank Ltd.	Banks	1,25,000	584.56	3.70%	
Larsen & Toubro Ltd.	Construction Project	38,000	515.89	3.26%	Growth Option -
Housing Development Finance Corporation Ltd.	Finance	75,000	480.68	3.04%	
Telecom - Services	Telecom - Services	1,25,500	474.39	3.00%	3. NAV at the end of the period - 30-September-11 (₹ per unit)
Oil & Natural Gas Corporation Ltd.	Oil	1,50,000	399.15	2.53%	
State Bank of India	Banks	19,000	363.10	2.30%	Dividend Option - 9.06
Bharat Heavy Electricals Ltd.	Industrial Capital Goods	21,000	344.33	2.18%	
Dr. Reddy's Laboratories Ltd.	Pharmaceuticals	21,400	317.39	2.01%	Growth Option - 9.06
Axis Bank Ltd.	Banks	29,500	300.58	1.90%	
Titan Industries Ltd.	Consumer Non Durables	1,30,000	271.64	1.72%	4. Total gross exposure to derivative instruments (excluding reversed positions) at the end of the half-year ending 30-Sep-2011 Nil
Sun Pharmaceutical Industries Ltd.	Pharmaceuticals	57,500	265.94	1.68%	
Jindal Steel & Power Ltd.	Ferrous Metals	51,000	258.06	1.63%	(Gross exposure means sum of all long and short positions in derivatives excluding reversal of positions)
HCL Technologies Ltd.	Software	61,800	252.85	1.60%	
Asian Paints Ltd.	Consumer Non Durables	7,850	247.87	1.57%	5. Investment in foreign securities/ADRs/GDRs/Overseas ETF at the end of the half-year ending 30-Sep-2011 Nil
Hexaware Technologies Ltd.	Software	2,93,007	244.66	1.55%	
Nestle India Ltd.	Consumer Non Durables	5,624	239.14	1.51%	6. Portfolio Turnover Ratio (Excluding Derivative Transaction) 0.01
Piramal Healthcare Ltd.	Pharmaceuticals	65,000	232.44	1.47%	
IRB Infrastructure Developers Ltd.	Transportation	1,33,732	217.92	1.38%	7. Total value and %age of Illiquid Equity shares Nil
Indian Bank	Banks	1,01,500	216.91	1.37%	
Yes Bank Ltd.	Banks	75,000	205.78	1.30%	8. Total Dividend (Net) / Bonus declared during the half-year period (₹ per unit)
Picilite Industries Ltd.	Chemicals	1,23,498	202.60	1.28%	
TVS Motor Company Ltd.	Auto	3,30,608	201.51	1.28%	Dividends are declared on face value of ₹ 10/- per unit. After distribution of dividend, the NAV falls to the extent of dividend and statutory levy.
IndusInd Bank Ltd.	Banks	72,500	190.13	1.20%	
NTPC Ltd.	Power	1,07,500	180.22	1.14%	9. The derivatives positions appearing in portfolio pertain to hedging and other than hedging positions through futures and options Nil
Tata Motors Ltd.	Auto	1,15,000	179.46	1.14%	
The Phoenix Mills Ltd.	Construction	81,385	175.59	1.11%	10. Since there were no transactions in derivative instruments during the half year, the disclosure required under SEBI circular CIR/IMD/DF/11/2010 dated Aug 18,2010 is NIL
Sterite Industries (India) Ltd.	Non - Ferrous Metals	1,50,000	170.55	1.08%	
Dewan Housing Finance Corporation Ltd.	Finance	72,000	169.56	1.07%	Dividends are declared on face value of ₹ 10/- per unit. After distribution of dividend, the NAV falls to the extent of dividend and statutory levy.
Dist. TV India Ltd.	Media & Entertainment	2,12,000	163.77	1.04%	
Lupin Ltd.	Pharmaceuticals	33,500	158.91	1.01%	11. Since there were no transactions in derivative instruments during the half year, the disclosure required under SEBI circular CIR/IMD/DF/11/2010 dated Aug 18,2010 is NIL
eClerx Services Ltd.	Software	21,366	155.88	0.99%	
Exide Industries Ltd.	Auto Ancillaries	1,18,000	152.93	0.97%	12. Since there were no transactions in derivative instruments during the half year, the disclosure required under SEBI circular CIR/IMD/DF/11/2010 dated Aug 18,2010 is NIL
GAIL (India) Ltd.	Gas	37,000	151.90	0.96%	
Sadbhav Engineering Ltd.	Construction	1,14,277	150.85	0.95%	13. Since there were no transactions in derivative instruments during the half year, the disclosure required under SEBI circular CIR/IMD/DF/11/2010 dated Aug 18,2010 is NIL
Avantis India Ltd.	Consumer Durables	40,000	149.19	0.93%	
MRF Ltd.	Auto Ancillaries	2,200	145.59	0.92%	14. Since there were no transactions in derivative instruments during the half year, the disclosure required under SEBI circular CIR/IMD/DF/11/2010 dated Aug 18,2010 is NIL
Cadila Healthcare Ltd.	Pharmaceuticals	19,000	144.21	0.91%	
Power Finance Corporation Ltd.	Finance	90,000	135.00	0.85%	15. Since there were no transactions in derivative instruments during the half year, the disclosure required under SEBI circular CIR/IMD/DF/11/2010 dated Aug 18,2010 is NIL
Tata Power Co. Ltd.	Power	1,30,000	129.81	0.82%	
Hindalco Industries Ltd.	Non - Ferrous Metals	95,000	124.98	0.79%	16. Since there were no transactions in derivative instruments during the half year, the disclosure required under SEBI circular CIR/IMD/DF/11/2010 dated Aug 18,2010 is NIL
Tata Steel Ltd.	Ferrous Metals	30,000	124.61	0.79%	
Maruti Suzuki India Ltd.	Auto	10,500	113.72	0.72%	17. Since there were no transactions in derivative instruments during the half year, the disclosure required under SEBI circular CIR/IMD/DF/11/2010 dated Aug 18,2010 is NIL
Motherhood Sumi Systems Ltd.	Auto Ancillaries	64,250	113.53	0.72%	
Bank of Baroda	Banks	14,500	110.53	0.70%	18. Since there were no transactions in derivative instruments during the half year, the disclosure required under SEBI circular CIR/IMD/DF/11/2010 dated Aug 18,2010 is NIL
Hindustan Zinc Ltd.	Non - Ferrous Metals	90,207	107.17	0.68%	
United Phosphorous Ltd.	Pesticides	77,000	106.93	0.67%	19. Since there were no transactions in derivative instruments during the half year, the disclosure required under SEBI circular CIR/IMD/DF/11/2010 dated Aug 18,2010 is NIL
Crompton Greaves Ltd.	Industrial Capital Goods	57,500	87.69	0.55%	
DLF Ltd.	Construction	37,500	82.09	0.52%	20. Since there were no transactions in derivative instruments during the half year, the disclosure required under SEBI circular CIR/IMD/DF/11/2010 dated Aug 18,2010 is NIL
Tecpro Systems Ltd.	Industrial Capital Goods	35,000	78.42	0.50%	
BGR Energy Systems Ltd.	Industrial Capital Goods	24,300	78.14	0.49%	21. Since there were no transactions in derivative instruments during the half year, the disclosure required under SEBI circular CIR/IMD/DF/11/2010 dated Aug 18,2010 is NIL
Asian Offshore Ltd.	Oil	20,000	70.55	0.45%	
Bajaj Auto Ltd.	Auto	2,500	38.40	0.24%	22. Since there were no transactions in derivative instruments during the half year, the disclosure required under SEBI circular CIR/IMD/DF/11/2010 dated Aug 18,2010 is NIL
Total			14,750.26	93.35%	
b) Unlisted			NIL	NIL	23. Since there were no transactions in derivative instruments during the half year, the disclosure required under SEBI circular CIR/IMD/DF/11/2010 dated Aug 18,2010 is NIL
DEBT INSTRUMENTS					
a) Listed/awaiting listing on the stock exchanges					24. Since there were no transactions in derivative instruments during the half year, the disclosure required under SEBI circular CIR/IMD/DF/11/2010 dated Aug 18,2010 is NIL
b) Privately Placed/Unlisted					
c) Securitised Debt Instruments					25. Since there were no transactions in derivative instruments during the half year, the disclosure required under SEBI circular CIR/IMD/DF/11/2010 dated Aug 18,2010 is NIL
MONEY MARKET INSTRUMENTS					
CBLO / Reverse Repo Investments			1,076.74	6.81%	26. Since there were no transactions in derivative instruments during the half year, the disclosure required under SEBI circular CIR/IMD/DF/11/2010 dated Aug 18,2010 is NIL
Total			1,076.74	6.81%	
OTHERS					27. Since there were no transactions in derivative instruments during the half year, the disclosure required under SEBI circular CIR/IMD/DF/11/2010 dated Aug 18,2010 is NIL
Other Current Assets / (Liabilities)			(25.35)	(0.16%)	
Total			(25.35)	(0.16%)	28. Since there were no transactions in derivative instruments during the half year, the disclosure required under SEBI circular CIR/IMD/DF/11/2010 dated Aug 18,2010 is NIL
GRAND TOTAL			15,801.65	100.00%	

Scheme Name: Union KBC Liquid Fund. **Classification:** An Open-ended Liquid Scheme. **Investment Objective:** To provide reasonable returns commensurate with lower risk and high level of liquidity through a portfolio of money market and debt securities. However, there can be no assurance that the investment objective of the scheme will be achieved. **Scheme Name:** Union KBC Equity Fund. **Classification:** An Open-ended Equity Scheme. **Investment Objective:** To achieve long-term capital appreciation by investing substantially in a portfolio consisting of equity and equity related securities. However there can be no assurance that the investment objective of the scheme will be achieved. **Risk Factors:** All mutual funds and securities investments are subject to market risks and the Net Asset Value (NAV) of the schemes may go up or down depending upon the factors and forces affecting the securities market and there can be no assurance that the fund's objective will be achieved. Past performance of the Sponsors and their Affiliates / Investment Manager or AMC / Mutual Fund and its Scheme (s) is not necessarily indicative of future results, and may not necessarily provide a basis for comparison with other investments. **Union KBC Liquid Fund and Union KBC Equity Fund are only the names of the Schemes and do not in any manner indicate either the quality of the Schemes, their future prospects or returns.** Investment in mutual fund units involves investment risks such as market risk, trading volumes, settlement risk, liquidity risk, interest rate risk, default risk including the possible loss of principal, fluctuations in NAVs, uncertainty of dividend distributions etc. For detailed risk factors please refer the respective SID. The Sponsors are not responsible or liable for any loss or shortfall resulting from the operations of the Scheme(s) beyond the initial contribution of an amount of ₹ 1 lakh each, made by them towards setting up the Mutual Fund. Investors are not being offered any guaranteed/assured returns under any scheme of Union KBC Mutual Fund. **Statutory Details:** Constitution: Union KBC Mutual Fund has been set up as a Trust under the Indian Trusts Act, 1882. **Settlers / Sponsors:** Union Bank of India and KBC Participations Paria, a 100% subsidiary of KBC Asset Management NV (liability restricted to their initial contribution of ₹ 1 lakh each to the corpus). **Trustee:** Union KBC Trustee Company Private Limited, a company incorporated under the Companies Act, 1956 with a limited liability. **Investment Manager:** Union KBC Asset Management Company Private Limited, a company incorporated under the Companies Act, 1956 with a limited liability. **Mutual Fund investments are subject to market risks. Please read the Statement of Additional Information (SAI), Scheme Information Document (SID) and Key Information Memorandum (KIM) of the respective schemes carefully before investing.** Copy of the SAI, SID & KIM along with the application form can be obtained from any of our AMC offices/Customer Service Centres/distributors as well as from our website www.unionkbc.com.

2 Disclosure under Regulation 25(8) of the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996 : Payment to associates / group companies Business given to associates of Union KBC Asset Management Company Private Limited and Payments made to Sponsor and its associates for the purpose of any securities transactions and distribution of units of Union KBC Mutual Fund for the period ended September 30, 2011 is given below :

2.1 Brokerage paid to associates/related parties/group companies of Sponsor/AMC :
Current half year September 30, 2011:

Name of associates/related parties/group companies of Sponsor/AMC	Nature of Association/ Nature of relation	Period covered	Value of transaction (in ₹ Cr & % of total value of transaction of the Fund)	Brokerage (₹ Cr. & % of total brokerage paid by the Fund)
NIL	NIL	1-Apr-2011 to 30-Sep-2011	-	-

Previous half year March 31, 2011 :

Name of associates/related parties/group companies of Sponsor/AMC	Nature of Association/ Nature of relation	Period covered	Value of transaction (in ₹ Cr & % of total value of transaction of the Fund)	Brokerage (₹ Cr. & % of total commission paid by the Fund)
N.A.	N.A.	1-Oct-2010 to 31-Mar-2011	-	-

2.2 Payment of Commission for Distribution and Sale of Units to associates/related parties/group companies of Sponsor/AMC:
Current half year September 30, 2011:

Name of associates/related parties/group companies of Sponsor/AMC	Nature of Association/ Nature of relation	Period covered	Business given (₹ Cr & % of total business received by the Fund)	Commission paid (₹ Cr. & % of total commission paid by the Fund)
Union Bank of India	Sponsor	1-Apr-2011 to 30-Sep-2011	581.67 32.42%	0.16 67.77%

Previous half year March 31, 2011 :

Name of associates/related parties/group companies of Sponsor/AMC	Nature of Association/ Nature of relation	Period covered	Business given (₹ Cr & % of total business received by the Fund)	Commission paid (₹ Cr. & % of total commission paid by the Fund)
N.A.	N.A.	1-Oct-2010 to 31-Mar-2011	-	-

2.3 Underwriting obligations undertaken by the Schemes with respect to issue of Securities by Associate Companies during the period under review: NIL.
2.4 Development during the period under review: NIL.
2.5 Subscription by the schemes in the issues lead managed by associate companies: NIL.
2.6 Subscription to any issue of equity or debt on private placement basis where the sponsor or its associate companies have acted as arranger or manager: NIL.
2.7 Payment of Bank Charges :

Name of associates/related parties/group companies of Sponsor/AMC	Nature of Association/ Nature of relation	Period covered	Bank Charges Paid
Union Bank of India	Sponsor	1-Apr-2011 to 30-Sep-2011	0.01

3. Investment in Associates and Group Companies :

Issuer	Scheme	Purchase	Sale	As on 30-Sep-2011
Power Finance Corporation Limited	Union KBC Equity Fund	1.60	0.00	1.35
Total		1.60	0.00	1.35

Investments made by the Scheme in associate/group companies are in accordance with the investment objectives of the Scheme.
4 Open position of Exchange Traded Equity Derivatives as at September 30,2011: NIL.
5 Open position of Exchange Traded Equity Derivatives as at March 31,2011: Not Applicable.
6 Investments made in companies which have invested more than five percent of the net asset value of the Schemes of Union KBC Mutual Fund in terms of Regulation 25 (1) :

Company Name	Schemes invested in by the Company	Investment made by schemes of Union KBC Mutual Fund in the company/subsidiary	Aggregate cost of acquisition during the
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