

**NOTICE CUM ADDENDUM TO THE SCHEME INFORMATION DOCUMENT (SID) AND KEY INFORMATION MEMORANDUM (KIM) OF UNION ASSET ALLOCATION FUND – MODERATE PLAN**

**CHANGE IN FUNDAMENTAL ATTRIBUTES**

According to SEBI circular no. SEBI/HO/IMD/DF3/CIR/P/2017/114 dated October 06, 2017 on 'Categorization and Rationalization of Mutual Fund Schemes', **Union Asset Allocation Fund – Moderate Plan** ("the Scheme"), an Open-ended Hybrid Scheme, falls under the category of 'Multi Asset Allocation Fund' which invests in at least three asset classes. As per the aforesaid circular, such a scheme is required to have a minimum allocation of at least 10% each in all three asset classes. Accordingly, it is proposed that the asset allocation pattern of the Scheme in relation to Gold Exchange Traded Funds be changed to 10% to 20% of the net assets of the Scheme from the existing asset allocation of 0% to 20% of the net assets of the Scheme.

In this context, **NOTICE** is hereby given to the Unit holders of the Scheme, that the Board of Directors of Union Asset Management Company Private Limited ("the AMC") and the Board of Directors of Union Trustee Company Private Limited ("the Trustee Company"), have approved the following changes pursuant to the aforementioned circular issued by SEBI, which include changes to the fundamental attributes of the Scheme and other changes with effect from March 01, 2018 ("Effective Date"). Further, it may be noted that SEBI has vide letter no. IMD/DF3/OW/P/2017/32085/1 dated December 18, 2017 granted its no-objection for the following changes:

Particulars	Existing features	Proposed features																																				
<b>Name of the Scheme</b>	Union Asset Allocation Fund - Moderate Plan	Union Asset Allocation Fund																																				
<b>Type of the Scheme</b>	An Open - Ended Hybrid Scheme	An Open - Ended Scheme investing in Equity and Equity Related Instruments, Debt & Money Market Instruments and Gold Exchange Traded Funds.																																				
<b>Definitions &amp; Abbreviations ^</b>	<p><b>Scheme:</b>                      Union Asset Allocation Fund - Moderate Plan* (formerly Union KBC Asset Allocation Fund - Moderate Plan) collectively or individually as the context permits, referred to as "the Scheme"</p> <p><b>*Note:</b> There may be one more separate Plan under the Scheme viz. Union Asset Allocation Fund in future, namely: "Union Asset Allocation Fund - Aggressive Plan." In this regard, the definition of 'Scheme' refers to any or each or all of Union Asset Allocation Fund - Aggressive Plan (as and when launched), and Union Asset Allocation Fund - Moderate Plan (collectively also referred to as Union Asset Allocation Fund) and the singular shall be deemed to include the plural, as the context permits. Each such Plan, being a distinct entity, is of the nature of a Scheme under the SEBI (MF) Regulations. Each such Plan under the Scheme shall be managed as a separate portfolio.</p>	<p><b>Scheme:</b>                      Union Asset Allocation Fund (formerly Union Asset Allocation Fund - Moderate Plan) referred to as "the Scheme"</p>																																				
<b>Asset Allocation of the Scheme ^</b>	<p><b>Under normal circumstances, the asset allocation pattern will be as follows:</b></p> <table border="1"> <thead> <tr> <th rowspan="2">Instruments</th> <th colspan="2">Indicative allocations (% of net assets)</th> <th rowspan="2">Risk Profile</th> </tr> <tr> <th>Minimum</th> <th>Maximum</th> </tr> </thead> <tbody> <tr> <td>Equity and Equity related instruments</td> <td>20%</td> <td>40%</td> <td>High</td> </tr> <tr> <td>Debt &amp; Money Market Instruments</td> <td>40%</td> <td>60%</td> <td>Low to Medium</td> </tr> <tr> <td>Gold Exchange Traded Funds</td> <td>0%</td> <td>20%</td> <td>High</td> </tr> </tbody> </table>	Instruments	Indicative allocations (% of net assets)		Risk Profile	Minimum	Maximum	Equity and Equity related instruments	20%	40%	High	Debt & Money Market Instruments	40%	60%	Low to Medium	Gold Exchange Traded Funds	0%	20%	High	<p><b>Under normal circumstances, the asset allocation pattern will be as follows:</b></p> <table border="1"> <thead> <tr> <th rowspan="2">Instruments</th> <th colspan="2">Indicative allocations (% of net assets)</th> <th rowspan="2">Risk Profile</th> </tr> <tr> <th>Minimum</th> <th>Maximum</th> </tr> </thead> <tbody> <tr> <td>Equity and Equity related instruments</td> <td>20%</td> <td>40%</td> <td>High</td> </tr> <tr> <td>Debt &amp; Money Market Instruments</td> <td>40%</td> <td>60%</td> <td>Low to Medium</td> </tr> <tr> <td>Gold Exchange Traded Funds</td> <td>10%</td> <td>20%</td> <td>High</td> </tr> </tbody> </table>	Instruments	Indicative allocations (% of net assets)		Risk Profile	Minimum	Maximum	Equity and Equity related instruments	20%	40%	High	Debt & Money Market Instruments	40%	60%	Low to Medium	Gold Exchange Traded Funds	10%	20%	High
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<b>Investment Strategies ^</b>	<p>Union Asset Allocation Fund - Moderate Plan is a hybrid fund investing in Equity, Debt and Gold as an asset class. The fund may launch one more independent Plan with different percentage allocation to all the three asset classes. The intention of the separate Plans is to cater to investors with different risk appetite. The equity part of the fund will be invested in equity and equity related instruments. The debt part of the fund will consist of high quality debt and money market instruments. The Fund will take exposure to gold as an asset class by investing in Gold ETFs of the Fund (if and when launched) as well as other mutual funds.</p> <p>Investment in all the three asset classes will be managed actively, with an intention to enhance investor's return on investment.</p> <p>Based on the macro-economic outlook and the macro-research, the Fund Manager shall take a call on the asset allocation in terms of cash, Equities and Equity Related Instruments, Debt and Money Market Instruments and Gold ETFs within the permissible limits for the Fund/Scheme.</p> <p><b>Investment Strategy on the basis of asset allocation is as follows:</b></p> <p><b>Debt and Money Market Instruments:</b> The Fund will invest in high quality debt and money market instruments. The AMC will be guided by fundamental research and analysis, ratings assigned by domestic credit rating agencies, macroeconomic factors. In addition, the investment team of the AMC will carry out an internal in-depth credit evaluation of securities proposed to be invested in.</p> <p><b>Equity and Equity Related Instruments:</b> The equity allocation shall be actively managed. The fund will follow a bottom up stock selection approach. The investment team shall also scan the market for opportunities and shall evaluate the individual companies on their merits, leading to the bottom-up investment decision.</p> <p><b>Gold ETFs:</b> The Scheme will also invest in Gold ETFs as gold, historically, has shown a low correlation with other asset classes like equity and debt making it a good asset for diversifying the overall portfolio. The gold portion will be managed by investing in Gold ETFs of other mutual funds available for subscription in the Indian market. The Fund will invest in Gold ETFs which qualify the quantitative and qualitative parameters set in the investment process.</p>	<p>Union Asset Allocation Fund is a hybrid fund investing in Equity, Debt and Gold as an asset class. The equity part of the fund will be invested in equity and equity related instruments. The debt part of the fund will consist of high quality debt and money market instruments. The Fund will take exposure to gold as an asset class by investing in Gold ETFs of the Fund (if and when launched) as well as other mutual funds.</p> <p>Investment in all the three asset classes will be managed actively, with an intention to enhance investor's return on investment.</p> <p>Based on the macro-economic outlook and the macro-research, the Fund Manager shall take a call on the asset allocation in terms of cash, Equities and Equity Related Instruments, Debt and Money Market Instruments and Gold ETFs within the permissible limits for the Fund/Scheme.</p> <p><b>Investment Strategy on the basis of asset allocation is as follows:</b></p> <p><b>Debt and Money Market Instruments:</b> The Fund will invest in high quality debt and money market instruments. The AMC will be guided by fundamental research and analysis, ratings assigned by domestic credit rating agencies, macroeconomic factors. In addition, the investment team of the AMC will carry out an internal in-depth credit evaluation of securities proposed to be invested in.</p> <p><b>Equity and Equity Related Instruments:</b> The equity allocation shall be actively managed. The fund will follow a bottom up stock selection approach. The investment team shall also scan the market for opportunities and shall evaluate the individual companies on their merits, leading to the bottom-up investment decision.</p> <p><b>Gold ETFs:</b> The Scheme will also invest in Gold ETFs as gold, historically, has shown a low correlation with other asset classes like equity and debt making it a good asset for diversifying the overall portfolio. The gold portion will be managed by investing in Gold ETFs of mutual funds available for subscription in the Indian market. The Fund will invest in Gold ETFs which qualify the quantitative and qualitative parameters set in the investment process.</p>																																				
<b>Plans Offered ^</b>	<p>Offering for subscription, units of Union Asset Allocation Fund - Moderate Plan (including plans/options thereunder).</p> <p>There may be one more separate Plan under the Scheme in future, namely: "<b>Union Asset Allocation Fund - Aggressive Plan.</b>"</p> <p>Each of the above Plan under the Scheme shall be managed as a separate portfolio and each of the above Plan being a distinct entity, shall be of the nature of a Scheme under the SEBI (MF) Regulations.</p> <p>In case where the investor fails to opt for a particular Plan at the time of investment and if, at the time of investment, the AMC has launched more than one of the above mentioned Plans, the default Plan will be Moderate Plan.</p>	<p>Offering for subscription, units of Union Asset Allocation Fund (including plans/options thereunder).</p>																																				

^ All other terms and conditions under these sections in the existing SID of the Scheme which are not mentioned herein will remain unchanged.

The proposed changes include changes such as change in investment pattern of the Scheme, which is in the nature of change in the fundamental attribute of the Scheme as referred to in Regulation 18 (15A) of the SEBI (Mutual Funds) Regulations, 1996.

Regulation 18 (15A) of the SEBI (Mutual Funds) Regulations, 1996 states that the Trustees shall ensure that no change in the fundamental attributes of any scheme or the trust or fees and expenses payable or any other change which would modify the scheme and affect the interest of unitholders be carried out unless a written communication about the proposed change is sent to each unitholder and an advertisement is given in one English daily newspaper having nationwide circulation and in a newspaper published in the language of the region where the Head Office of the mutual fund is situated; and the unitholders are given an option to exit at the prevailing Net Asset Value (NAV) without any exit load.

Accordingly, Unit holders of the Scheme are requested to take note of the aforesaid proposed changes, and are hereby given an option to exit the investments made by them in the Scheme at the prevailing NAV without exit load, as per the process stated herein below, if they do not wish to stay invested in the Scheme pursuant to the above proposed changes.

The exit option will be available to all the Unit holders of the Scheme\*\* as per the records of the Registrar as at the close of business hours on January 23, 2018. **The option to exit without exit load ("Exit Option") can be exercised from January 30, 2018 to February 28, 2018 (up to 3 p.m.) (both days inclusive) ("Exit Option Period").** All redemption requests received after 3 p.m. on February 28, 2018, will be subject to load as per the provisions of the SID of the Scheme. The provisions in relation to prevailing NAV and cut-off timings for redemptions in the SID of the Scheme would be applicable to redemption requests received during the Exit Option Period. The redemption proceeds shall be dispatched to the Unit holders within 10 working days from the date of redemption.

**The offer to exit is merely an option and is not mandatory. If you have no objection to the proposed change in the fundamental attributes of the Scheme as stated above, no action needs to be taken by you.**

Please note that Unit holders who do not opt for redemption on or before February 28, 2018 (up to 3 p.m.) shall be deemed to have consented to the aforesaid changes and shall continue to hold units in the Scheme. In case the Unit holders disagree with the aforesaid changes, they may redeem the units in the Scheme by exercising the Exit Option within the Exit Option Period.

**\*\*It may be noted that the Exit Option is not available** to investors whose units have been **pledged**, and Union Mutual Fund has been instructed to mark a lien on such units unless the release of the pledge/lien is obtained and appropriately communicated to the AMC/Registrar/Union Mutual Fund prior to submission of redemption requests.

**Union Mutual Fund (formerly Union KBC Mutual Fund)  
Union Asset Management Company Private Limited  
(formerly Union KBC Asset Management Company Private Limited)  
Investment Manager for Union Mutual Fund**

**Corporate Identity Number (CIN):** U65923MH2009PTC198201

**Registered Office:** Unit 503, 5<sup>th</sup> Floor, Leela Business Park,  
Andheri Kurla Road, Andheri (East), Mumbai - 400059

• Toll Free No. 18002002268; • Non Toll Free. 022-67483333; • Fax No: 022-67483401;  
• Website: www.unionmf.com; • Email: investorcare@unionmf.com



**Contd...**

**The existing unit holders of the Scheme are requested to note the following terms with regards to the aforesaid proposed changes:**

- **Investors who want to continue holding units in the Scheme:** No action needs to be taken in this regard.
- **Investors who wish to exit/redeem their investments from the Scheme:** To redeem, Unit holders may submit the Transaction Form [along with other requisite details as may be specified in the SID/Statement of Additional Information (SAI)] on any business day during the Exit Option Period to any of the Official Points of Acceptance of Union Mutual Fund. The forms are available on our website www.unionmf.com and also at any of the Official Points of Acceptance of Union Mutual Fund. For the procedure for change / update of bank details and change of address please refer to SID and SAI. **Unitholders who hold units of the Scheme in dematerialised form and wish to exit can submit the redemption request with his / her /its Depository Participant during the Exit Option Period.**
- **Unitholders who have pledged or encumbered their units under a lien:** Unitholders will not have the option to exit unless they procure an effective release of their lien/pledge/encumbrances prior to the submission of redemption/switch-out requests. Further, those unitholders who do not opt to exit during the exit option period may note that the lien/pledge/encumbrance will continue on their units on the same terms.
- **Special products features / facilities:** Systematic Investment Plan (SIP) / Systematic Transfer Plan (STP) / Systematic Withdrawal Plan (SWP) etc. registered under the Scheme will remain applicable and continue as per the terms therein. However, if you intend to change /discontinue any of the above facilities kindly submit the request in the manner prescribed in the SID/SAI to the nearest Official Points of Acceptance of Union Mutual Fund prior to the Effective Date

Unit holders are requested to ensure that any change in address or bank mandate is updated in Union Mutual Fund's records before exercising the Exit Option (Unit holders holding units in dematerialized form may approach their Depository Participant for such changes).

**It may be further noted that all redemptions would be subject to the applicable tax laws. In view of the individual nature of tax consequences, Unit holders are advised to consult their professional tax advisors in the above regard.**

A separate communication in this regard would be sent to the registered address of the Unit holders of the Scheme as on January 23, 2018. In case, the communication is not received, the Unit holders of the Scheme can contact the Investor Service Centers of the AMC/Registrar/Union Mutual Fund as per details provided on the website www.unionmf.com.

In case you need any further clarifications, please contact our Customer Service Centers/ Investor Service Centers.

It may be noted that necessary/ incidental changes in this regard shall be made in the SID and KIM of the Scheme.

The SID and KIM of the Scheme will stand suitably modified to the extent mentioned above from the Effective Date. This addendum forms an integral part of the SID and KIM of the Scheme. All other terms and conditions as mentioned in the SID and KIM of the Scheme shall remain unchanged.

**For Union Asset Management Company Private Limited**  
(Investment Manager for Union Mutual Fund)

Place: Mumbai  
Date: January 23, 2018

Sd/-  
**Authorised Signatory**

**MUTUAL FUND INVESTMENTS ARE SUBJECT TO MARKET RISKS, READ ALL SCHEME RELATED DOCUMENTS CAREFULLY.**

**Statutory Details: Constitution:** Union Mutual Fund has been set up as a Trust under the Indian Trusts Act, 1882; **Sponsor:** Union Bank of India; **Trustee:** Union Trustee Company Private Limited (formerly Union KBC Trustee Company Private Limited) [Corporate Identity Number (CIN): U65923MH2009PTC198198], a company incorporated under the Companies Act, 1956 with a limited liability; **Investment Manager:** Union Asset Management Company Private Limited [Corporate Identity Number (CIN): U65923MH2009PTC198201], a company incorporated under the Companies Act, 1956 with a limited liability.

Copy of all Scheme Related Documents can be obtained from any of our AMC offices/ Customer Service Centres/ distributors as well as from our website www.unionmf.com.