

**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, 5th Floor, Leela Business Park,
Andheri Kurla Road, Andheri (East), Mumbai - 400059

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• Website: www.unionmf.com; • Email: investorcare@unionmf.com



NOTICE CUM ADDENDUM TO THE SCHEME INFORMATION DOCUMENT (SID) AND KEY INFORMATION MEMORANDUM (KIM) OF UNION SMALL AND MIDCAP FUND

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 Small and Midcap Fund ("the Scheme")**, an Open-ended Equity Scheme, is categorised as a Small cap Fund, since the Scheme has been predominantly investing in small cap companies and since there is no separate category as 'Small and Midcap Fund' in the aforesaid SEBI circular. Accordingly, it is proposed that the asset allocation pattern of the Scheme be changed such that the Scheme is allowed to invest 80% to 100% of its net assets in Equity & Equity related instruments predominantly of small cap companies and 0% to 20% in Debt & Money Market Instruments.

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 which include changes to the fundamental attributes of the Scheme 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																												
Name of the Scheme	Union Small and Midcap Fund	Union Small Cap Fund																												
Type of the Scheme	An Open - Ended Equity Scheme	Small Cap Fund - An Open Ended Equity Scheme predominantly investing in Small Cap stocks																												
Product Label	<ul style="list-style-type: none"> Long Term Capital Appreciation Investment predominantly in Equity and Equity related portfolio of small and mid sized companies. 	<ul style="list-style-type: none"> Long Term Capital Appreciation Investment predominantly in Equity and Equity related portfolio of small cap companies. 																												
Investment Objective	To achieve long term capital appreciation by investing in a portfolio consisting of equity and equity related securities, predominantly of small and mid sized companies.	To achieve long term capital appreciation by investing in a portfolio consisting of equity and equity related securities, predominantly of small cap companies.																												
Asset Allocation of the Scheme ^	<p>Under normal circumstances, the asset allocation pattern will be as follows:</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 & Equity related instruments predominantly** of small and mid-sized companies #</td> <td>80%</td> <td>100%</td> <td>High</td> </tr> <tr> <td>Debt & Money Market Instruments</td> <td>0%</td> <td>20%</td> <td>Low</td> </tr> </tbody> </table> <p>** Provided a minimum of 65% will be invested in small and midcap stocks. # Small and mid-sized companies are companies which have a market capitalization of less than that of the top 100th listed company on the Bombay Stock Exchange (BSE) in terms of market capitalisation.</p>	Instruments	Indicative allocations (% of net assets)		Risk Profile	Minimum	Maximum	Equity & Equity related instruments predominantly** of small and mid-sized companies #	80%	100%	High	Debt & Money Market Instruments	0%	20%	Low	<p>Under normal circumstances, the asset allocation pattern will be as follows:</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 & Equity related instruments predominantly** of small cap companies #</td> <td>80%</td> <td>100%</td> <td>High</td> </tr> <tr> <td>Debt & Money Market Instruments</td> <td>0%</td> <td>20%</td> <td>Low</td> </tr> </tbody> </table> <p>** Provided a minimum of 65% will be invested in small cap companies. # Small cap companies are companies which have a market capitalization of less than that of the top 250th listed company in terms of full market capitalisation as prescribed under SEBI circular no. SEBI/HO/IMD/DF3/CIR/P/2017/114 dated October 06, 2017 as amended from time to time.</p>	Instruments	Indicative allocations (% of net assets)		Risk Profile	Minimum	Maximum	Equity & Equity related instruments predominantly** of small cap companies #	80%	100%	High	Debt & Money Market Instruments	0%	20%	Low
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Risk Factors ^	<p>ii. Scheme Specific Risk Factors: Risks Associated with investments in Equities: Different types of securities in which the Scheme would invest as given in the Scheme Information Document carry different levels and types of risk. Accordingly, the Scheme's risk may increase or decrease depending upon its investment pattern. Stocks of Small & Mid size companies can be riskier, more volatile and less liquid than stocks of larger companies.</p>	<p>ii. Scheme Specific Risk Factors: Risks Associated with investments in Equities: Different types of securities in which the Scheme would invest as given in the Scheme Information Document carry different levels and types of risk. Accordingly, the Scheme's risk may increase or decrease depending upon its investment pattern. Stocks of Small cap companies can be riskier, more volatile and less liquid than stocks of larger companies.</p>																												
Investment Strategies ^	The investment team will follow an active strategy to manage the assets of the fund. Predominantly Union Small and Midcap Fund will invest in listed equity and equity related instruments of small and mid-sized companies. Small and mid-sized companies are companies which have a market capitalization of less than that of the top 100th listed company on the Bombay Stock Exchange (BSE) in terms of market capitalisation. The listed equity will include the constituents of Nifty Free Float Smallcap 100 Index* and all other stocks of small and mid sized companies. The Fund will predominantly follow a bottom up approach of stock selection, other aspects like asset allocation, sector allocation, shall also be considered.	The investment team will follow an active strategy to manage the assets of the fund. Predominantly Union Small Cap Fund will invest in listed equity and equity related instruments of small cap companies. Small cap companies are companies which have a market capitalization of less than that of the top 250th listed company in terms of full market capitalisation as prescribed under SEBI circular no. SEBI/HO/IMD/DF3/CIR/P/2017/114 dated October 06, 2017 as amended from time to time. The listed equity will include the constituents of Nifty Free Float Smallcap 100 Index* and all other stocks of small cap companies. The Fund will predominantly follow a bottom up approach of stock selection, other aspects like asset allocation, sector allocation, shall also be considered.																												
Where will the Scheme Invest? ^	The corpus of the Scheme will be invested in equity and equity related Instruments predominantly of Small and Mid sized Companies and in Debt and Money Market Instruments.	The corpus of the Scheme will be invested in equity and equity related Instruments predominantly of Small Cap Companies and in Debt and Money Market Instruments.																												

^ 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 objective and investment pattern of the Scheme, which are in the nature of change in the fundamental attributes 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.

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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 / updation 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.

***Benchmark Nifty Free Float Smallcap 100 Index disclaimer:** The "Product" offered by "the issuer" is not sponsored, endorsed, sold or promoted by India Index Services & Products Limited (IISL). IISL does not make any representation or warranty, express or implied (including warranties of merchantability or fitness for particular purpose or use) and disclaims all liability to the owners of "the Product" or any member of the public regarding the advisability of investing in securities generally or in the "the Product" linked to Nifty Free Float Smallcap 100 Index or particularly in the ability of the Nifty Free Float Smallcap 100 Index, to track general stock market performance in India. Please read the full Disclaimers in relation to the Nifty Free Float Smallcap 100 Index in the Scheme Information Document.