

**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,  
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**NOTICE CUM ADDENDUM TO THE SCHEME INFORMATION DOCUMENT (SID) AND KEY INFORMATION MEMORANDUM (KIM) OF ALL SCHEMES OF UNION MUTUAL FUND ^**

**Introduction of Tri-party Repo Trades Settlement by Clearing Corporation of India Limited:**

**NOTICE** is hereby given that in terms of the Repurchase Transactions (Repo) (Reserve Bank) Directions, 2018 issued by the Reserve Bank of India (RBI) vide notification reference no. RBI/2018-19/24-FMRD.DIRD.01/14.03.038/2018-19 dated July 24, 2018, the Clearing Corporation of India Limited (CCIL) has started acting as a Triparty Repo Agent and has introduced clearing and settlement services for Tri-party Repo trades in Government Securities under its Securities Segment with effect from **November 05, 2018**. "Tri-party Repo" means a repo contract where a third entity (apart from the borrower and lender), called a Tri-Party Agent, acts as an intermediary between the two parties to the repo to facilitate services like collateral selection, payment and settlement, custody and management during the life of the transaction. Upon introduction of Triparty Repo on November 05, 2018, CCIL has discontinued the segment for Collateralized Borrowing and Lending Obligations (CBLO).

In this context, the following changes are hereby carried out in the SID of all existing schemes of Union Mutual Fund ^ with immediate effect:

- i) The following clauses are hereby inserted under section 'I', 'Introduction', under sub-section 'A', 'Risk Factors', under point 'ii', 'Scheme Specific Risk Factors':

**"Risks associated with investing in Securities Segment and Tri-party Repo trade settlement:**

*The mutual fund is a member of securities segment and Tri-party Repo trade settlement of the Clearing Corporation of India (CCIL). All transactions of the mutual fund in government securities and in Tri-party Repo trades are settled centrally through the infrastructure and settlement systems provided by CCIL; thus reducing the settlement and counterparty risks considerably for transactions in the said segments. The members are required to contribute an amount as communicated by CCIL from time to time to the default fund maintained by CCIL as a part of the default waterfall (a loss mitigating measure of CCIL in case of default by any member in settling transactions routed through CCIL). CCIL shall maintain two separate Default Funds in respect of its Securities Segment, one with a view to meet losses arising out of any default by its members from outright and repo trades and the other for meeting losses arising out of any default by its members from Triparty Repo trades. The mutual fund is exposed to the extent of its contribution to the default fund of CCIL at any given point in time i.e. in the event that the default waterfall is triggered and the contribution of the mutual fund is called upon to absorb settlement/default losses of another member by CCIL, the scheme may lose an amount equivalent to its contribution to the default fund."*

- ii) The following clauses are hereby inserted under Section 'II', 'Information about the Scheme', under sub-section 'D', 'Where will the Scheme invest?', under the heading 'Investment in Debt and Money Market Instruments':

**"Tri-party Repo in Government Securities:**

*Tri-party Repo means a repo contract where a third entity (apart from the borrower and lender), called a Tri-Party Agent, acts as an intermediary between the two parties to the repo to facilitate services like collateral selection, payment and settlement, custody and management during the life of the transaction. The Scheme shall undertake Tri-party Repo transactions in Government Securities."*

The above changes, wherever applicable, are hereby also carried out in the KIM of the aforementioned Schemes of Union Mutual Fund. Further, it may be noted that necessary/incidental changes, if any, shall be made in the SID and KIM of aforementioned Schemes of Union Mutual Fund.

The SID and KIM of the aforementioned Schemes stands modified to the extent mentioned above.

This Addendum forms an integral part of the SID and KIM of the aforementioned Schemes.

All other terms and conditions of the SID and KIM of the aforementioned Schemes remain unchanged.

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

Place: Mumbai

Date: November 09, 2018

Sd/-

**Authorised Signatory**

^ including Union Value Discovery Fund.

**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; **Sponsors:** Union Bank of India and Dai-ichi Life Holdings, Inc.; **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 (formerly Union KBC 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.