

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

1) Introduction of Potential Risk Class ("PRC") Matrix (applicable to all existing Debt Schemes of Union Mutual Fund):

NOTICE is hereby given to the Unitholders of the Debt Schemes of Union Mutual Fund that, SEBI, vide its Circular No. SEBI/HO/IMD/IMD-II DOF3/P/CIR/2021/573 dated June 07, 2021 on 'Potential Risk Class Matrix for debt schemes based on Interest Rate Risk and Credit Risk', stated that, while the Risk-o-Meter stipulated by SEBI reflected the current risk of the scheme at a given point in time, there was also a need for disclosure of the maximum risk the fund manager can take in the scheme, and accordingly prescribed that all debt schemes shall also be classified in terms of a Potential Risk Class ("PRC") matrix consisting of parameters based on maximum interest rate risk (measured by Macaulay Duration (MD) of the scheme) and maximum credit risk (measured by Credit Risk Value (CRV) of the scheme). For the purpose of alignment of the existing schemes with the provisions of the aforementioned circular, each scheme is required to be placed in one of the 9 cells of the PRC Matrix as prescribed in the said circular, while retaining their existing scheme category as specified in SEBI circulars on 'Categorization and Rationalization of Mutual Fund Schemes'. This would not be considered as a change in fundamental attribute.

Based on the methodology provided in the aforesaid circular, Union Asset Management Company Private Limited ("the AMC") hereby classifies the existing Debt Schemes of Union Mutual Fund viz. **Union Overnight Fund, Union Liquid Fund, Union Money Market Fund, Union Corporate Bond Fund, Union Medium Duration Fund and Union Dynamic Bond Fund** in terms of the PRC Matrix as follows. The below PRC classification is effective from **November 30, 2021**.

Max Credit Risk (CR) of scheme →	Relatively Low Class A (CRV >=12)	Moderate Class B (CRV >=10)	Relatively High Class C (CRV <10)
Max Interest Rate Risk (IRR) of the scheme ↓			
Relatively Low Class I: (MD <= 1 year)	A-I (Relatively low IRR and Relatively low CR) • Union Overnight Fund	B-I (Relatively low IRR and Moderate CR) • Union Liquid Fund • Union Money Market Fund	C-I (Relatively low IRR and Relatively high CR)
Moderate Class II: (MD <= 3 year)	A-II (Moderate IRR and Relatively low CR)	B-II (Moderate IRR and Moderate CR)	C-II (Moderate IRR and Relatively high CR)
Relatively High Class III: Any MD	A-III (Relatively High IRR and Relatively low CR)	B-III (Relatively High IRR and Moderate CR) • Union Corporate Bond Fund • Union Medium Duration Fund • Union Dynamic Bond Fund	C-III (Relatively High IRR and Relatively high CR)

Accordingly, the following changes shall be carried out in the SID and KIM of the existing Debt Schemes of Union Mutual Fund to reflect the above classification:

a) The PRC Matrix (as given below) shall be incorporated on the front page of the SID, KIM, common application form and scheme advertisements of the Schemes as stated below:

Scheme Name	Potential Risk Class Matrix ("PRC Matrix") of the Scheme			
Union Overnight Fund	Credit Risk of Scheme →	Relatively Low (Class A)	Moderate (Class B)	Relatively High (Class C)
	Interest Rate Risk of the Scheme ↓			
	Relatively Low (Class I)	A-I		
	Moderate (Class II)			
	Relatively High (Class III)			
Union Liquid Fund Union Money Market Fund	Credit Risk of Scheme →	Relatively Low (Class A)	Moderate (Class B)	Relatively High (Class C)
	Interest Rate Risk of the Scheme ↓			
	Relatively Low (Class I)		B-I	
	Moderate (Class II)			
	Relatively High (Class III)			
Union Dynamic Bond Fund Union Corporate Bond Fund Union Medium Duration Fund	Credit Risk of Scheme →	Relatively Low (Class A)	Moderate (Class B)	Relatively High (Class C)
	Interest Rate Risk of the Scheme ↓			
	Relatively Low (Class I)			
	Moderate (Class II)			
	Relatively High (Class III)		B-III	

b) The type of the Schemes shall be modified as given below:

Scheme Name	Existing Type of the Scheme	Revised Type of the Scheme
Union Overnight Fund	An open ended debt scheme investing in overnight securities.	An open ended debt scheme investing in overnight securities. A relatively low interest rate risk and relatively low credit risk.
Union Liquid Fund	An Open Ended Liquid Scheme.	An Open Ended Liquid Scheme. A relatively low interest rate risk and moderate credit risk.
Union Money Market Fund	An open ended debt scheme investing in money market instruments.	An open ended debt scheme investing in money market instruments. A relatively low interest rate risk and moderate credit risk.
Union Dynamic Bond Fund	An open-ended dynamic debt Scheme investing across duration.	An open-ended dynamic debt Scheme investing across duration. A relatively high interest rate risk and moderate credit risk.
Union Corporate Bond Fund	An open ended debt scheme predominantly investing in AA+ and above rated corporate bonds.	An open ended debt scheme predominantly investing in AA+ and above rated corporate bonds. A relatively high interest rate risk and moderate credit risk.
Union Medium Duration Fund	An open ended medium term debt scheme investing in instruments such that the Macaulay duration of the portfolio is between 3 to 4 years. Please refer to the page no. 39 of the SID on which the concept of Macaulay Duration has been explained.	An open ended medium term debt scheme investing in instruments such that the Macaulay duration of the portfolio is between 3 to 4 years. Please refer to the page no. 39 of the SID on which the concept of Macaulay Duration has been explained. A relatively high interest rate risk and moderate credit risk.

c) The below mentioned paragraph on 'Disclosure of Potential Risk Class Matrix' shall be inserted under the heading 'Transparency/NAV disclosure', under the section 'Highlights/Summary of the Scheme' and under the heading 'Periodic Disclosures':

'Pursuant to the provisions of SEBI Circular No. SEBI/HO/IMD/IMD-II DOF3/P/CIR/2021/573 dated June 07, 2021, all debt schemes are required to be classified in terms of a Potential Risk Class matrix consisting of parameters based on maximum interest rate risk (measured by Macaulay Duration (MD) of the scheme) and maximum credit risk (measured by Credit Risk Value (CRV) of the scheme). Mutual Funds are required to disclose the PRC matrix (i.e. maximum risk that a fund manager can take in a Scheme) along with the mark for the cell in which the Scheme resides on the front page of initial offering application form, SID, KIM, common application form and scheme advertisements in the manner as prescribed in the said circular. The scheme would have the flexibility to take interest rate risk and credit risk below the maximum risk as stated in the PRC matrix.

Subsequently, once a PRC cell selection is done by the Scheme, any change in the positioning of the Scheme into a cell resulting in a risk (in terms of credit risk or duration risk) which is higher than the maximum risk specified for the chosen PRC cell, shall be considered as a fundamental attribute change of the Scheme in terms of Regulation 18(15A) of SEBI (Mutual Fund) Regulations, 1996.

The Mutual Funds shall be required to inform the unitholders about the PRC classification and subsequent changes, if any, through SMS and by providing a link on their website referring to the said change.

The Mutual Fund/ AMC shall also publish the PRC Matrix in the scheme wise Annual Reports and Abridged summary.'

Pursuant to the aforementioned SEBI circular, the changes given above are not considered as changes in fundamental attributes of the Schemes. Investors are requested to kindly note that, apart from the changes mentioned above, there is no other change in the scheme features including nature, investment objective, asset allocation pattern, terms and conditions of the above mentioned Schemes.

2) Changes relating to deployment of unclaimed redemption and dividend amounts:

NOTICE is hereby given to the Unit holders of the Schemes of Union Mutual Fund that pursuant to the requirements of the SEBI Circular No. SEBI/HO/IMD/IMD-II DOF3/P/CIR/2021/608 dated July 30, 2021, the following changes are being carried out in the SID and KIM of Designated Schemes of Union Mutual Fund:

a) Discontinuation of the Unclaimed Amounts Plan under Union Liquid Fund (applicable to Union Liquid Fund):

According to the provisions of the SEBI circular dated July 30, 2021, the schemes where the unclaimed redemption and dividend amounts are deployed shall only be those Overnight Scheme/Liquid Scheme/ Money Market Mutual Fund Schemes which are placed in A-1 cell (Relatively Low Interest Rate Risk and Relatively Low Credit Risk) of Potential Risk Class Matrix as per SEBI Circular No. SEBI/HO/IMD/IMD-II/DOF3/P/CIR/2021/573 dated June 07, 2021. This provision is required to be complied from December 1, 2021.

In view of the above and consequent to Union Liquid Fund being placed in the B-1 cell (Relatively Low Interest Rate Risk and Moderate Credit Risk) of Potential Risk Class Matrix as per SEBI Circular No. SEBI/HO/IMD/IMD-II/DOF3/P/CIR/2021/573 dated June 07, 2021, all units under the Unclaimed Amounts Plan under Union Liquid Fund will be redeemed on or before the effective date of the aforementioned SEBI Circular dated July 30, 2021, and once such redemption is carried out, the "Unclaimed Amounts Plan" under Union Liquid Fund will be discontinued.

Accordingly, appropriate changes will be carried out in the SID and KIM of Union Liquid Fund in this regard.

b) Change under the section on 'Unclaimed redemptions and dividends' (applicable to all the existing Schemes of Union Mutual Fund):

The existing text appearing under the sub-heading 'Unclaimed redemptions and dividends', under the heading 'Redemption', under sub-section B 'Ongoing Offer Details', under section III 'Units and Offer' in the SID of all the existing Schemes of Union Mutual Fund stands revised as stated below with effect from December 1, 2021:

Particulars	Existing text	Revised text
Unclaimed redemptions and dividends	As per circular no. MFD / CIR / 9 / 120 / 2000, dated November 24, 2000 and SEBI circular no. SEBI/HO/IMD/DF2/CIR/P/2016/37 dated February 25, 2016 issued by SEBI, the unclaimed redemption and dividend amounts shall be deployed by the Fund in call money market or money market instruments or in a separate plan of Liquid scheme / Money Market Mutual Fund scheme floated by Mutual Funds specifically for deployment of the unclaimed amounts. The investment management fee charged by the AMC for managing such unclaimed amounts shall not exceed 50 basis points.	As per SEBI circular no. MFD / CIR / 9 / 120 / 2000 dated November 24, 2000, SEBI circular no. SEBI/HO/IMD/DF2/CIR/P/2016/37 dated February 25, 2016 and SEBI Circular no. SEBI/HO/IMD/IMD-II DOF3/P/CIR / 2021/ 608 dated July 30, 2021, the unclaimed redemption and dividend amounts shall be deployed by the Fund in call money market or money market instruments or in a separate plan of only Overnight Scheme /Liquid scheme / Money Market Mutual Fund scheme floated by Mutual Funds specifically for deployment of the unclaimed amounts. Provided that such schemes where the unclaimed redemption and dividend amounts are deployed shall be only those Overnight Scheme/ Liquid Scheme / Money Market Mutual Fund Schemes which are placed in A-1 cell (Relatively Low Interest Rate Risk and Relatively Low Credit Risk) of Potential Risk Class matrix as per SEBI Circular No. SEBI/HO/IMD/IMD-II/DOF3/P/CIR/ 2021/ 573 dated June 07, 2021. There shall be no exit load in this plan, and TER (Total Expense Ratio) of such plan shall be capped as per the TER of direct plan of such scheme or at 50bps whichever is lower.

It may be noted that necessary/incidental changes, if any, shall be made in the SID and KIM of the aforementioned Schemes.

The SID and KIM of the aforementioned Schemes will stand 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 will remain unchanged.

For Union Asset Management Company Private Limited

(Investment Manager for Union Mutual Fund)

Place: Mumbai

Date: November 30, 2021

Sd/-

Authorised Signatory

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

Statutory Details: 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 [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 Centers/distributors as well as from our website www.unionmf.com.