

AMENDMENT TO THE STATEMENT OF ADDITIONAL INFORMATION OF UNION KBC MUTUAL FUND

Union KBC Asset Management Company Pvt. Ltd., the Investment Manager to Union KBC Mutual Fund, hereby makes the following amendments to the Statement of Additional Information ("SAI") dated June 30, 2016:

- 1) The existing point viii. on '**Suspension of Purchase and / or Redemption of Units and Dividend Distribution**', under sub section B '**Legal Information**', under section V '**Tax & Legal & General Information**' hereby stands replaced with the following text:

"viii. Suspension of Purchase and / or Redemption of Units and Dividend Distribution

The Mutual Fund at its sole discretion reserves the right to suspend purchase and / or redemption of Units, owing to circumstances which are beyond the control of the AMC. The AMC, also reserves the right to suspend purchase of Units in the Scheme temporarily or indefinitely, if the AMC views that increasing the Scheme's size further may prove detrimental to the existing unit holders of the Scheme. However, the suspension of purchase / redemption, will be with the prior approval from the Board of Directors of AMC and the Trustee Company. The approval from the Board of Directors of AMC and the Trustee Company giving details of the circumstances and justification for the proposed action shall be informed to SEBI immediately. Further, the AMC & Trustee may also decide to temporarily suspend determination of NAV of the Scheme(s), and consequently purchase/ redemption of Units, declaration and distribution of dividend in any of the following events:

- 1. When the basis for valuation for a substantial portion of the assets of the Scheme are unavailable due to reasons beyond the control of the AMC and / or in the event of a breakdown in the means of communication used for the valuation of investments of the Scheme due to reasons beyond the control of the AMC.*
- 2. In case of natural calamities, strikes, riots and bandhs etc.*
- 3. In the event of any force majeure or disaster that affects the normal functioning of the AMC or the Registrar or any of the CSCs.*
- 4. If so directed by SEBI.*

In the above eventualities, the normal time taken, for processing of requests for purchase and / or redemption of Units and/or distribution of dividend will not be applicable. Further an order to purchase units is not binding on and may be rejected by the Trustee, the AMC or their respective agents until it has been confirmed in writing by the AMC or its agents and payment has been received.

Investors are requested to note that no redemption/ repurchase of units shall be allowed in a Close ended Scheme prior to the maturity of the Scheme. Unit holders who wish to exit may do so through the Stock Exchange mode."

- 2) The existing point ix. on '**Right to limit Redemption**', under sub section B '**Legal Information**', under section V '**Tax & Legal & General Information**' hereby stands replaced with the following text:

"ix. Right to limit Redemption:

The AMC may, on the basis of specific approval of the Board of Directors of the AMC and the Trustee Company and in accordance with applicable regulations, circulars and other prevalent guidelines, in the larger interest of the Unit holders of the Scheme and keeping in view the unforeseen circumstances /unusual market conditions, impose restriction on redemption of units when there are circumstances leading to a systemic crisis or event that severely constricts market liquidity or efficient functioning of markets such as:

- 1. Liquidity issues - when market at large becomes illiquid affecting almost all securities.*
- 2. Market failures, exchange closures - when markets are affected by unexpected events which impact the functioning of exchanges or the regular course of transactions. Such unexpected events could also be related to political, economic, military, monetary or other emergencies.*
- 3. Operational issues – when exceptional circumstances are caused by force majeure, reasonably unpredictable operational problems and technical failures (e.g. a black out) which occur in spite of appropriate diligence of third parties, adequate and effective disaster recovery procedures and systems.*
- 4. If so directed by SEBI.*

Unusual market conditions include, but are not limited to, extreme volatility in the capital markets, fixed income and money markets, natural calamities, communication breakdowns, internal system breakdowns, strikes, bandhs, riots or other situations, where the AMC considers that such restriction on redemptions is necessary. Any such restriction shall be for a specified period of time not exceeding 10 working days in any 90 days period. Any imposition of restriction would be with the specific approval of Board of the AMC and Trustee Company, and the same would be informed to SEBI immediately.

When restriction on redemption is imposed, the following procedure shall be followed:

- i. No redemption requests upto ₹ 2 lakh shall be subject to such restriction.*
- ii. Where redemption requests are above ₹ 2 lakh, the AMC shall redeem the first Rs. 2 lakh without such restriction and the remaining part over and above ₹ 2 lakh shall be subject to such restriction."*

This amendment shall form an integral part of the SAI. All other terms and conditions mentioned in the SAI remain unchanged.

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

Sd/-

Date: July 01, 2016

Authorised Signatory

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

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 Renta, a 100% subsidiary of KBC Asset Management NV; **Trustee:** 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 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 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.unionkbcmf.com.