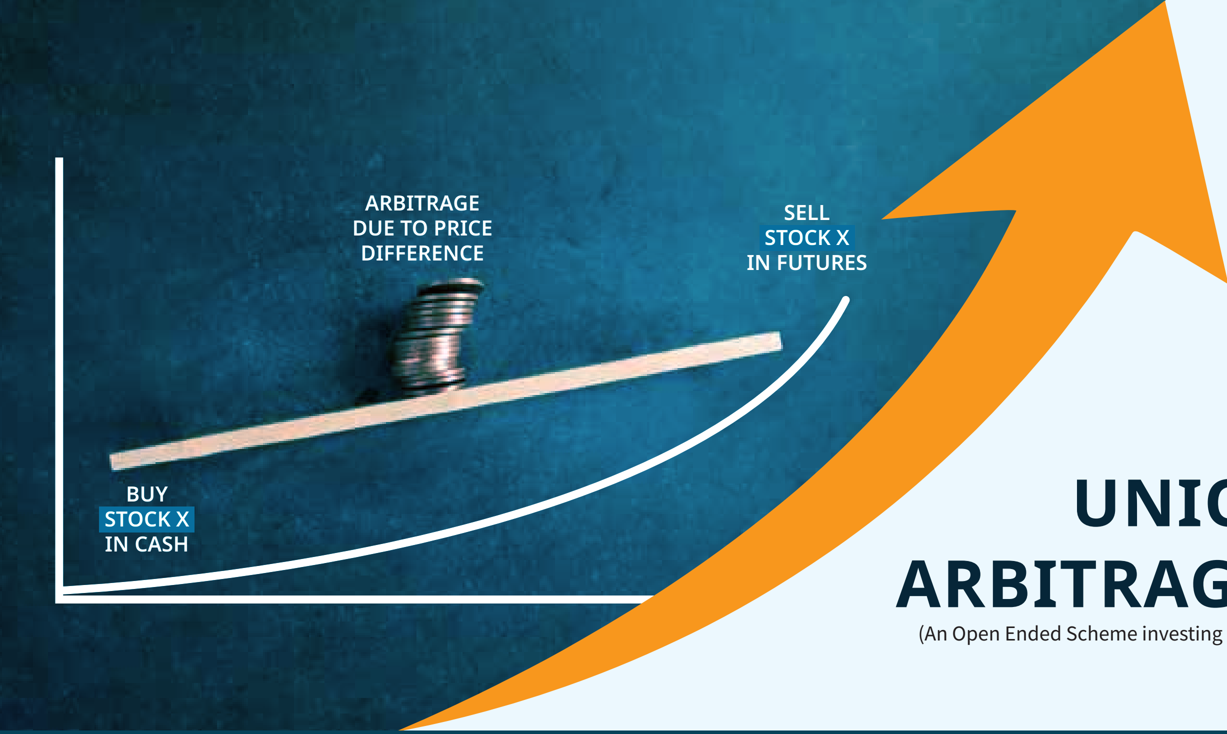


Union
Mutual Fund

UNION ARBITRAGE FUND

(An Open Ended Scheme investing in Arbitrage Opportunities)

Union Arbitrage Fund aims to generate income by capitalizing on arbitrage opportunities that arise from pricing disparities among securities in different markets or as a result of special situations.

The Scheme at all points in time maintains fully hedged positions, effectively mitigating market risk, and seeks to deliver absolute returns through arbitrage opportunities.

With a short term investment horizon, Union Arbitrage Fund aims to offer a balance of income and liquidity.

Market Update [Data as on December 31, 2024 (December End Expiry)]

In December series, the sectoral indices which gained the most were, Realty Index (up 5.1%), Pharma Index (up 4.5%), IT Index (up 1.6%),while the sectors which settled in red are Media Index (down 6.2%), Energy Index (down 4.9%), PSU Bank Index (down 3.2%), FMCG Index (down 2.5%), Metals Index (down 1.8%), Private Bank Index (down 1.7%), Auto Index (down 1.1%), Financial Services Index (down 0.7%)

Nifty futures rollovers stood at 78% vs 77% (last three series).Alongside, Nifty futures will start the January series at lower Open Interest (OI) Base of INR 287bn (~12.1mn shares) vs. Open Interest of INR 308bn (~12.9mn shares) seen at the start of December series .On Expiry Day, the roll cost for Nifty was at around 69 bps which was close to the previous day’s 67 bps.

Market-wide rollovers is at 89%, higher than the 3M avg. of 88%. Stock futures rollovers stands at 93%, higher than the average rollovers of last three series at 92%.

Source: : Nuvama Research, NSE, Union Mutual Fund Internal Research

Portfolio Update:

- The yield on the arbitrage book was 7.15% (annualized) for the December series (the average 3-month yield is ~7.17%)
- The gross rollover spread of the January 2025 expiry on the arbitrage book was approximately 0.72 bps (~7.72% annualized)
- The gross yield on Debt and Money Market Instruments was approximately 7.10% (annualized).
- On expiry day (26 DECEMBER 2024), the Scheme maintained a cash future arbitrage exposure at around 70.13% and the remaining 29.87% in Debt and Money Market Instruments including Net Current Assets.

Source: NSE, Union Mutual Fund Internal Research, Data as on December 31, 2024.
The yield referred here is the weighted average spread of the arbitrage portion and does not in any manner indicate the performance of the scheme and does not in any manner indicate any potential return of the scheme. This also does not include expenses incurred by the scheme.

Factors likely to impact spreads in the near term:

- Corporate earnings announcements and expectations.
- Evolving inflation/growth dynamics and the response of global Central Banks.

Spreads Scenarios

Arbitrage Spreads Scenario	Possible Reasons
Spreads Move Up	Markets remain strong
Spreads Move Down	Markets remain flat

Why Union Arbitrage Fund?

- The fund maintains a completely hedged position, avoiding any uncovered exposure to equities, and manages a market-neutral portfolio.
- The fund follows a cautious approach to stock selection, i.e. Large Caps v/s Mid & Small Cap stocks with criteria that include liquidity, spreads, and rollover volumes.
- Through active management, the fund aims to capitalize on the most promising arbitrage opportunities in the market.

Note: This is the current investment strategy which may change from time to time. Investors must refer to the Scheme Information Document of the Scheme for the asset allocation pattern and investment strategies in various scenarios.

Inception Date	20 February 2019
AUM	Rs. 223.17 (As on December 31, 2024)
Expense Ratio (As on Dec. 31, 2024)	Direct Plan: 0.41% Regular Plan: 0.98%
Fund Managers	Mr. Vishal Thakker (For Equity Portion): Over 14 years of experience in equity and derivative dealing functions. Managing this scheme since inception. Mr. Devesh Thacker (For Debt Portion): Over 24 years of experience in Fund Management & Banking Industry. Managing this scheme since inception.
Benchmark	Nifty 50 Arbitrage Index@@@
Load Structure	Entry Load: NA Exit Load: 0.25% if units are redeemed or switched out on or before completion of 1 month from the date of allotment of units. Nil if units are redeemed or switched out after completion of 1 month from the date of allotment of units.

Union Mutual Fund

Performance of Union Arbitrage Fund (As on December 31, 2024):

Fund Manager & Managing Since	Date of Inception	Period@	Union Arbitrage Fund		Nifty 50 Arbitrage Index@@@		CRISIL 1 Year T-Bill Index #	
			Returns	Value^	Returns	Value^	Returns	Value^
Co-Managed by Mr. Vishal Thakker and by Mr. Devesh Thacker since inception of the fund.	20-Feb-19	1 Year	7.57%	10,757	7.52%	10,752	7.45%	10,745
		3 Years	6.07%	11,933	6.54%	12,092	6.16%	11,965
		5 Years	5.27%	12,929	5.21%	12,892	5.57%	13,111
		Since Inception	5.38%	13,598	5.45%	13,649	5.80%	13,921

Note: ^Based on standard investment of Rs. 10,000 made in the beginning of the relevant period.

@In case, the start date or the end date of the concerned period is a non-business day, the NAV of the previous business day is considered for computation of returns.

#Standard benchmark prescribed as per the applicable circular by SEBI.

Returns shown above are for Regular Plan - Growth Option.

Past performance may or may not be sustained in future.

Returns for more than 1 year period are Compounded Annual Growth Rate (CAGR).

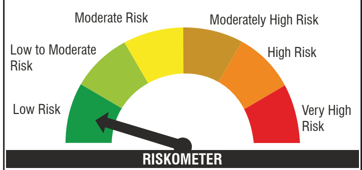
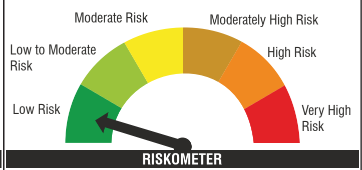
Performance of the IDCW Option for the investor would be net of Statutory Levy, if any, applicable.

The Direct Plan has a lower expense ratio as compared to the Regular Plan to the extent of distribution expenses, commission, etc and no commission or distribution expenses for distribution of Units or distribution expenses are paid / charged under the Direct Plan.

The performance of the Scheme has been benchmarked to the Total Return variant of the Index (TRI).

Performance of other schemes managed by the Fund Manager is available at:
https://unionmf.com/docs/default-source/fundmanagerreport/performance-pages.pdf

Union Arbitrage Fund
(An Open Ended Scheme investing in Arbitrage Opportunities)

This product is suitable for investors who are seeking*:	Riskometer	Benchmark Riskometer
• Income over short term from arbitrage opportunities in equity market. • Investment in arbitrage opportunities in the cash & derivatives segment of the equity market	 The risk of the scheme is low risk	 The Risk of the NIFTY 50 Arbitrage Index@@@ (Benchmark) is low risk

*Investors should consult their financial advisers if in doubt about whether the product is suitable for them.

Note: The Scheme and Benchmark riskometers are evaluated on a monthly basis and the Scheme and Benchmark Riskometers provided above are the latest available Riskometers.

@@@**Benchmark NIFTY 50 Arbitrage Index Disclaimer:** The "Product" offered by "the issuer" is not sponsored, endorsed, sold or promoted by NSE INDICES LIMITED (formerly known as India Index Services & Products Limited (IISL)). NSE INDICES LIMITED 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 50 Arbitrage Index or particularly in the ability of the Nifty 50 Arbitrage Index to track general stock market performance in India. Please read the full Disclaimers in relation to the Nifty 50 Arbitrage Index in the in the Offer Document/Prospectus/Information Statement.

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Please refer the Scheme Information Document for complete details about the Scheme. 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

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, [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. **Registered Office:** Unit 503, 5th Floor, Leela Business Park, Andheri Kurla Road, Andheri (East), Mumbai - 400059. **Toll Free No.**18005722268/18002022268 **Non Toll Free.** 022-67483333 **Fax No:** 022-67483402 • **Website:** www.unionmf.com • **Email:** investorcare@unionmf.com.

Mutual Fund investments are subject to market risks, read all scheme related documents carefully.

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