

NOTICE CUM ADDENDUM TO THE SCHEME INFORMATION DOCUMENT (SID) AND KEY INFORMATION MEMORANDUM (KIM) OF UNION ULTRA SHORT TERM DEBT FUND

CHANGE IN FUNDAMENTAL ATTRIBUTES

NOTICE is hereby given to the Unit holders of **Union Ultra Short Term Debt Fund (“UUSDF”)**, an Open-ended Debt 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 UUSDF with effect from **September 27, 2017 (“Effective Date”)**. Further, it may be noted that SEBI has vide letter no. IMD/DF3/OW/P/2017/17811/1 dated July 31, 2017 granted its no-objection for the following changes.

Particulars	Existing features	Proposed features																														
Name of the Scheme	Union Ultra Short Term Debt Fund	Union Short Term Fund																														
Investment objective	The investment objective of the Scheme is to provide reasonable returns commensurate with low to moderate risk and high level of liquidity through a portfolio of money market and debt securities. However, there can be no assurance that the investment objective of the scheme will be achieved.	The investment objective of the Scheme is to provide reasonable returns commensurate with low to moderate risk and high level of liquidity through a portfolio of short to medium term debt and money market instruments. However, there can be no assurance that the investment objective of the scheme will be achieved.																														
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>Risk Profile</th> </tr> <tr> <th>Maximum</th> <th>Minimum</th> <th>High/Medium/Low</th> </tr> </thead> <tbody> <tr> <td>Money market and debt instruments with residual maturity up to 365 days (including Government securities, floating rate debt instruments, securitized debt, corporate debt)*</td> <td>100%</td> <td>80%</td> <td>Low to medium</td> </tr> <tr> <td>Debt instruments with residual maturity above 1 and upto 3 years (including government securities, securitised debt, floating rate instruments, corporate debt)*</td> <td>20%</td> <td>0%</td> <td>Medium</td> </tr> </tbody> </table> <p>*Investments in securitized debt including Pass Through Certificates (PTCs) not to exceed 25% of the net assets of the Scheme as at the time of purchase.</p>	Instruments	Indicative allocations (% of net assets)		Risk Profile	Maximum	Minimum	High/Medium/Low	Money market and debt instruments with residual maturity up to 365 days (including Government securities, floating rate debt instruments, securitized debt, corporate debt)*	100%	80%	Low to medium	Debt instruments with residual maturity above 1 and upto 3 years (including government securities, securitised debt, floating rate instruments, corporate debt)*	20%	0%	Medium	<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>Risk Profile</th> </tr> <tr> <th>Maximum</th> <th>Minimum</th> <th>High/Medium/Low</th> </tr> </thead> <tbody> <tr> <td>Money Market and Debt Instruments with residual maturity less than or equal to 3 years (including Government securities, floating rate debt instruments, securitized debt, corporate debt)*</td> <td>100%</td> <td>80%</td> <td>Low to Medium</td> </tr> <tr> <td>Debt Instruments with residual maturity more than 3 years but less than or equal to 5 years (including government securities, securitised debt, floating rate instruments, corporate debt)*</td> <td>20%</td> <td>0%</td> <td>Medium</td> </tr> </tbody> </table> <p>The average maturity of the Scheme will be between 1 to 3 years. *Investments in securitized debt including Pass Through Certificates (PTCs) not to exceed 25% of the net assets of the Scheme as at the time of purchase.</p>	Instruments	Indicative allocations (% of net assets)		Risk Profile	Maximum	Minimum	High/Medium/Low	Money Market and Debt Instruments with residual maturity less than or equal to 3 years (including Government securities, floating rate debt instruments, securitized debt, corporate debt)*	100%	80%	Low to Medium	Debt Instruments with residual maturity more than 3 years but less than or equal to 5 years (including government securities, securitised debt, floating rate instruments, corporate debt)*	20%	0%	Medium
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Investment Strategies ^	To achieve the investment objective of the Scheme, investments will be made in an appropriate mix of high quality money market, debt and Government securities. The fund will predominantly invest in securities with shorter maturities for lesser volatility and a limited exposure to slightly medium term securities with a view to enhance returns by increasing mark to market component.	To achieve the investment objective of the Scheme, investments will be made in an appropriate mix of high quality money market, debt and Government securities. The fund will predominantly invest in securities with short term maturities for lesser volatility and a limited exposure to medium term securities with a view to enhance returns by increasing mark to market component.																														
Portfolio Turnover ^	The Scheme being an open-ended debt Scheme having short maturities securities, it is expected that there would be a number of subscriptions and redemptions on a daily basis. Also the average maturity of the Scheme being low the portfolio turnover ratio may be high.	The Scheme being an open-ended debt Scheme, it is expected that there would be a number of subscriptions and redemptions on a daily basis. Also the average maturity of the Scheme being short to medium, the portfolio turnover ratio may be moderate.																														

^ All other terms and conditions under these sections in the existing SID of UUSDF 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 UUSDF are requested to take note of the aforesaid proposed changes, and are hereby given an option to exit the investments made by them in UUSDF at the prevailing NAV without exit load, as per the process stated herein below, if they do not wish to stay invested in UUSDF pursuant to the above proposed changes.

The exit option will be available to all the Unit holders of the UUSDF** as per the records of the Registrar as at the close of business hours on **August 18, 2017. The option to exit without exit load (“Exit Option”) can be exercised from August 28, 2017 to September 26, 2017 (up to 3 p.m.) (both days inclusive) (“Exit Option Period”)**. All redemption requests received after 3 p.m. on September 26, 2017, will be subject to load as per the provisions of the SID of UUSDF. The provisions in relation to prevailing NAV and cut-off timings for redemptions in the SID of UUSDF 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 UUSDF 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 September 26, 2017 (up to 3 p.m.) shall be deemed to have consented to the aforesaid changes and shall continue to hold units in UUSDF. In case the Unit holders disagree with the aforesaid changes, they may redeem the units in UUSDF 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.

The existing unit holders of UUSDF are requested to note the following terms with regards to the aforesaid proposed changes:

- Investors who want to continue holding units in UUSDF:** No action needs to be taken in this regard.
- Investors who wish to exit/redeem their investments from UUSDF:** 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 UUSDF 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 UUSDF on the same terms.
- Special products features / facilities:** Systematic Transfer Plan (STP) / Systematic Withdrawal Plan (SWP) etc. registered under UUSDF 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 UUSDF as on August 18, 2017. In case, the communication is not received, the Unit holders of UUSDF 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 UUSDF.

The SID and KIM of UUSDF 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 UUSDF. All other terms and conditions as mentioned in the SID and KIM of UUSDF shall remain unchanged.

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

Place: Mumbai
 Date: August 18, 2017

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.