Union KBC MUTUAL FUND

Your Bridge to Responsible Investing

ANNUAL REPORT 2011-12

Union KBC Fixed Maturity Plan - 92 Days - Series 1
Union KBC Fixed Maturity Plan - 92 Days - Series 2

Name of Mutual Fund:	Name of Asset Management Company:
Union KBC Mutual Fund **Registered Office:** 7th Floor, Piramal Tower, Peninsula Corporate Park, Ganpatrao Kadam Marg, Lower Parel (W), Mumbai - 400 013 www.unionkbc.com	**Union KBC Asset Management Company Private Limited** **Registered Office:** 7th Floor, Piramal Tower, Peninsula Corporate Park, Ganpatrao Kadam Marg, Lower Parel (W), Mumbai - 400 013 www.unionkbc.com

Name of Trustee Company:	Name of Sponsors:
Union KBC Trustee Company Private Limited **Registered Office:** 7th Floor, Piramal Tower, Peninsula Corporate Park, Ganpatrao Kadam Marg, Lower Parel (W), Mumbai - 400 013	**1) Union Bank of India** Union Bank Bhavan, 239, Vidhan Bhavan Marg, Nariman Point, Mumbai - 400 021 **2) KBC Participations Renta** **(a 100% subsidiary of KBC Asset Management NV)** 5, place de la Gare, L - 1616 Luxembourg

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Trustee Report

The Board of Directors of Union KBC Trustee Company Private Limited has great pleasure in presenting the First Annual Report and the Audited Accounts of the Schemes of Union KBC Mutual Fund for the Financial Year ended March 31, 2012.

Brief Background of Sponsors, Trust, Trustee Company and Asset Management Company (AMC)

Union KBC Mutual Fund

Union KBC Mutual Fund ("the Mutual Fund" or "the Fund") was set up as a trust on December 1, 2010 with Union KBC Trustee Company Private Limited (the Trustee) as a Trustee in accordance with the provisions of the Indian Trusts Act, 1882 (2 of 1882) and is duly registered under the Indian Registration Act, 1908 with Union Bank of India (51% stake) and KBC Participations Renta (49% stake) as the Sponsors. The Trustee has entered into an Investment Management Agreement (IMA) dated December 2, 2010 with Union KBC Asset Management Company Private Limited (the AMC) to function as the Investment Manager for all the schemes of the Mutual Fund. The Mutual Fund was registered with SEBI on March 23, 2011 under Registration Code MF/066/11/01.

The Sponsors of Union KBC Mutual Fund

Union KBC Mutual Fund is sponsored by Union Bank of India and KBC Participations Renta. The Sponsors are the Settlors of the Mutual Fund Trust. The Sponsors have entrusted a sum of ₹ 1,00,000 each to the Trustee as the initial contribution towards the corpus of the Mutual Fund.

Union Bank of India is one of the leading public sector banks in India, registered on November 11, 1919 as a limited company and is headquartered in Mumbai. The Bank has a network of over 3000 branches across the length and breadth of the country and around 30 million customers. Moreover, all of these branches are integrated under the Core Banking Solution. Union Bank of India was one of the first large public sector banks in the country to have implemented 100% networking of branches.

KBC Participations Renta is a 100% subsidiary of KBC Asset Management NV which is a leading Belgian Asset Manager mainly active in Belgium and Central Europe. KBC Asset Management's results are indicative of its expertise and know how in the asset management business, innovative products and close cooperation with its distributors and extended focus on trainings, coaching and offering of investment advice, which will be made available to Union KBC Asset Management Pvt. Ltd.

Union KBC Trustee Company Private Limited (the Trustee)

Union KBC Trustee Company Private Limited is a company incorporated under the Indian Companies Act, 1956 and was incorporated on December 30, 2009 having its Registered Office at 7th Floor, Piramal Tower, Peninsula Corporate Park, Ganpatrao Kadam Marg, Lower Parel (West) Mumbai - 400 013.

The Trustee is the exclusive owner of the Trust Fund and holds the same in trust for the benefit of the unit holders. Union KBC Trustee Company Private Limited, through its Board of Directors, has been discharging its duties and carrying out the responsibilities as provided in the SEBI (Mutual Funds) Regulations, 1996 (the Regulations) and the Trust Deed. The Trustee seeks to ensure that the Fund and the Schemes floated there under are managed by the AMC in accordance with the Trust Deed, the Regulations, directions and guidelines issued by SEBI, the Stock Exchanges, the Association of Mutual Funds in India (AMFI) and other regulatory agencies.

Union KBC Trustee Company Private Limited (the "Trustee"), through its Board of Directors, shall discharge its obligations as trustee of the Union KBC Mutual Fund. The Trustee ensures that the transactions entered into by the AMC are in accordance with the SEBI Regulations and will also review the activities carried on by the AMC and is the Trustee to Union KBC Mutual Fund.

Directors of Trustee Company:

Name	Brief Experience
Dr. K. Cherian Varghese	Dr. Varghese is the Chairman of the Board of Directors of the Trustee Company. He was formerly the Chairman of the Board of Industrial and Financial Reconstruction (BIFR) from year 2009 to 2010 with responsibilities of overall governance. He was also the former Chairman and Managing Director of Union Bank of India and Corporation Bank from year 2004 to 2006 and year 2000 to 2004 respectively.
Mr. N S. Mehta*	Mr. Mehta is the General Manager & CFO of Union Bank of India in charge of Finance Planning and Investor Relations.
Mr. Peter Buelens*	Mr. Buelens is the Managing Director of KBC Asset Management, Belgium (Brussels) in charge of Structured Product and Product Development and is also a Director on the Board of various companies within the KBC Group.
Mr. Pradeep Bhandari	Mr. Bhandari is the Managing Director of Gomukhi Indus Capital Advisory Limited and is also a Director on the Board of various companies. He was formerly the Group President & Wholetime Director of Raymond Limited from year 2005 to 2008.
Mr. Durga Prasad Duvvuri	Mr. Duvvuri has been a consultant since 1993. He has been undertaking training and workshop sessions on change management for several important academic institutions.
Mr. Upkar Singh Kohli	Mr. Kohli was formerly the Executive Director of Dena Bank and is also a Director on the Board of various companies.

*Associate Director

Union KBC Asset Management Company Private Limited (the AMC)

Union KBC Asset Management Company Private Limited, is a company incorporated under the Companies Act, 1956 on December 30, 2009, having its Registered Office at 7th Floor, Piramal Tower, Peninsula Corporate Park, Ganpatrao Kadam Marg, Lower Parel (West), Mumbai - 400013.

Union KBC Asset Management Company Private Limited has been appointed as the Asset Management Company of Union KBC Mutual Fund by the Trustee vide Investment Management Agreement (IMA) dated December 2, 2010, and executed between Union KBC Trustee Company Private Limited and Union KBC Asset Management Company Private Limited.

Directors of the AMC:

Name	Brief Experience
Mr. M.V.Nair* (resigned w.e.f 21.4.2012)	Mr. Nair was formerly the Chairman & Managing Director of Union Bank of India.
Mr. Suresh Kumar Jain*	Mr. Jain is the Executive Director of Union Bank of India.
Mr. Jurgen Verschaeve*	Mr. Verschaeve is the Chief Risk Officer and Executive Director of KBC Asset Management N.V. with responsibilities of leading the Risk and Legal Department.
Mr. Sameer Chinchanikar*	Mr. Chinchanikar is the Chief Representative - India & South Asia for KBC Bank N.V. and is in charge of the Mumbai representative office.
Mr. S C. Gupta	Mr. Gupta, a practising Chartered Accountant, is a Senior Partner of M/s Suresh Chandra & Associates New Delhi, a Chartered Accountant's firm set up by him in February 1975 and is also a Director on the Board of various companies.
Mr. Nani Javeri	Mr. Javeri has an extensive experience of over 42 years in the Financial Services Industry i.e in the Banking & Insurance sector. He was the Chief Executive Officer (CEO) of Bank of Sohar (Muscat) from the year 2007 till 2010. Prior to which, he was the CEO of Birla Sunlife Insurance Company Limited from the year 2002 till 2007.
Mr. Prakash Karnik	Mr. Karnik is a founder director of ORION Equity Advisors Pvt. Ltd. He was formerly the Managing Director at IDFC Private Equity.
Mr. Sandeep Parekh	Mr. Parekh is the founder of Finsec Law Advisors, a boutique financial law firm based in Mumbai. Prior to this, he worked as an Executive Director at the Securities & Exchange Board of India, where he headed the Legal Affairs and Enforcement Departments.

*Associate Director

As of 31st March 2012, Union KBC Mutual Fund has 3 Open-Ended schemes available, namely Union KBC Equity Fund, Union KBC Liquid Fund and Union KBC Dynamic Bond Fund. In addition Union KBC Mutual Fund has 1 Open-Ended Equity Linked Savings Scheme with a lock in period of 3 years , namely the Union KBC Tax Saver Scheme.

Union KBC Mutual Fund has launched the following Fixed Maturity Plans (FMPs) , being Closed-Ended Schemes, during the Financial Year 2011-2012.

Scheme	Date of Launch	Maturity Date
Union KBC Fixed Maturity Plan - 92 Days - Series 1	18-10-2011	19-01-2012
Union KBC Fixed Maturity Plan - 92 Days - Series 2	05-12-2011	20-03-2012

Market Review

Equity Market

The performance of the Indian equity market was poor during the Financial Year 2011-2012 with the Benchmark equity indices recording negative returns of 9.23% (S&P CNX NIFTY, BSE-100) and 10.50% (BSE SENSEX). Mid-cap equities performed relatively well as compared to the Large-cap companies, although in absolute terms, the BSE Midcap Index also fell by 7.67%. The Benchmark indices were falling for the most part of the year, with the bottom forming around December 2011, which was followed by a strong rally during the months of January and February 2012, which dissipated towards the end of March 2012.

Both external and internal reasons can be cited for the poor performance of the equity markets during Financial Year 2011-2012. The Euro-zone Crisis on account of the poor fiscal health of the peripheral countries of Portugal, Spain, Ireland, Italy and Greece (PIIGS) resulted in grief for the markets in terms of a 'Risk-off' approach by the global investors. It also lead to relief for the markets as central banks the world over resorted to high liquidity and low interest rates which resulted in a partial flow of funds to the equity markets as risk appetite returned towards the end of the fiscal year. Somewhere around July 2011 concerns related to the increase of debt ceiling in the US surfaced as investors worried about politics prevailing over fiscal necessity.

Locally, as inflation continued to soar and the Reserve Bank of India (RBI) continued with its relentless action of increasing interest rates, economic growth started to get impacted. Investments across the economy from both the corporate sector and individuals slowed down. The rising price of Oil triggered by turmoil in the Middle East and the depreciation of the Rupee inflicted pain on the Indian economy. While the government made efforts to implement reforms like increasing the FDI limits in multi-brand retail, the markets did not see these reforms as going far enough and in any case many of the reforms did not get through parliament. Foreign Institutional Investors (FIIs) already in 'Risk –off' mode started pulling out funds from the Indian equity markets. By end December 2011 a total of ₹ 26.8 billion had been pulled out by FIIs.

However, post December 2011, the global sentiment changed completely as investors started investing in equity markets, hopeful of a successful resolution to the Greek sovereign debt crisis and on the back of positive indications from the US economy (good GDP growth and low unemployment rate). The Indian equity markets received positive FII inflows up to mid March 2012, however post the Union Budget on the 16th March and due to the confusion relating to the General Anti Avoidance Rules on taxation (GAAR) the markets gave back some of these gains towards the end of March 2012.

Bond Markets

Inflation was the key macro-economic concern during Financial Year 2011-12. Headline WPI averaged 8.8% during the year. To contain the inflationary concerns, RBI continued to raise the benchmark Repo rate, which peaked at 8.5% in November 2011 and remained at that level till end of March 2012. Meanwhile, system liquidity also remained in deficit as desired by RBI which put additional upward pressure on the short-term money market rates. And as would be expected, rising rates slowed down the broader economy with GDP growth falling to 5.3% during Quarter 4 FY12.

This coupled with higher fiscal and current account deficits put adverse pressure on Rupee which depreciated from ₹ 44.4/USD at the start of the year to ₹ 50.9/USD by end-March 2012. Government borrowing to fund fiscal deficit also came in higher than market expectations. These macro-economic concerns saw the yield on 10-year benchmark government paper climb up to 8.96% in November 2011 and ended the year at 8.54%. Short term money market rates remained high throughout the year with 3-month and 1-year Certificate of Deposits averaging 9.4% and 9.8% respectively. Overall this was a year with significant macro-economic concerns and comparatively higher interest rates.

Investment Objectives and Performance of the Schemes

1) Union KBC Equity Fund:

An Open Ended Equity Scheme, the investment objective is to achieve long-term capital appreciation by investing substantially in a portfolio consisting of equity and equity related securities. However, there can be no assurance that the investment objective of the scheme will be achieved.

As on March 31, 2012, the scheme has not completed one year. The Scheme outperformed the Benchmark since inception till March 31, 2012. The Fund was overweight in defensives like Healthcare, IT and consumer sector which helped the outperformance to the benchmark.

2) Union KBC Liquid Fund:

An Open-Ended Liquid Scheme, the investment objective is to provide reasonable returns commensurate with lower 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.

As on March 31, 2012, the scheme has not completed one year. The Scheme has outperformed the CRISIL Liquid Fund Index since inception till March 31, 2012.

3) Union KBC Tax Saver Scheme

An Open-ended Equity Linked Savings Scheme with a lock in period of 3 Years, the investment objective is to generate income and long-term capital appreciation by investing substantially in a portfolio consisting of equity and equity related securities. However there can be no assurance that the investment objective of the scheme will be achieved.

As on March 31, 2012, the scheme has not completed one year. The Scheme was launched in the month of December 2011 and completed only 3 months during the financial year ended March 31, 2012, during which period the fund portfolio was being built due to which the fund had high level of cash, which caused the fund to underperform the benchmark.

4) Union KBC Dynamic Bond Fund

An Open-Ended Debt Scheme, the investment objective is to actively manage a portfolio of good quality debt as well as money market instruments so as to provide reasonable returns and liquidity to the investors. However, there can be no assurance that the investment objective of the scheme will be achieved.

As on March 31, 2012, the scheme has not completed one year. Since inception till March 31, 2012, the scheme has underperformed the CRISIL Composite Bond Index.

5) Union KBC Fixed Maturity Plan - 92 Days - Series 1

A Close-ended Income Scheme, the investment objective is to seek to generate income/ capital appreciation by investing in a portfolio of debt and money market instruments maturing on or before the maturity of the Scheme. However, there is no assurance that the investment objective of the Scheme will be realized and the Scheme does not assure or guarantee any returns.

The scheme matured on January 19, 2012.

6) Union KBC Fixed Maturity Plan - 92 Days - Series 2

A Close-ended Income Scheme, the investment objective is to seek to generate income / capital appreciation by investing in a portfolio of debt and money market instruments maturing on or before the maturity of the Scheme. However, there is no assurance that the investment objective of the Scheme will be realized and the Scheme does not assure or guarantee any returns.

The scheme matured on March 20, 2012.

Significant Accounting Policies: Accounting Policies are in accordance with Securities and Exchange Board of India (Mutual Fund) Regulations, 1996.

Future Outlook:

Equity Market

The Equity markets are today facing multiple headwinds both on the domestic front as well as on the international front. Globally, it is the Euro-zone crisis which is keeping market participants worried, as the fall-out could have severe implications for investors and the risk appetite for emerging markets like India could decline in the event of any abrupt disruption of capital markets. Even an orderly resolution of the crisis, could see an impact on Euro-zone growth in the medium term on account of the structural problems facing many of the countries in that area. However slower growth in Europe could improve the situation vis-à-vis the demand for oil and other commodities, and the prices of same in India's favour.

India still needs significant foreign capital inflows to fund its growth and Current Account deficit. In order to secure this capital India has to demonstrate its ability to grow relatively faster than other economies in the world. For this to happen, many factors will have to converge. Firstly, inflation would have to settle at a level within the comfort zone of the RBI for it to start cutting rates aggressively to spur growth. Secondly the INR needs to stabilize at a reasonable level to ease the pressure on the Rupee denominated price of Oil and other commodities. Finally the Government of India needs to manage the Fiscal situation better in order to provide the comfort to foreign capital to find its way into India. While the prospects of all of this happening in the current financial year are good, markets could be volatile in the short to medium term, reacting to news as it emanates from India and Overseas.

Bond Market

Indian economic growth has softened substantially during the recent quarters. Considering that the core inflation has reduced from 7.9% (November 2011) to 4.8% (May 2012) and with crude prices also trending down, RBI does seem to have room for further monetary easing. Lower fuel subsidy on back of recent increase in retail fuel prices of petrol would also likely ease the pressure on the rising fiscal deficit. However, the consolidated fiscal deficit continues to remain high relative to historic levels. Thus, at a time when there is limited room for fiscal stimulus to try reviving the economy, expectations are high from monetary policy. We expect interest rates to further soften during Financial Year 2012-2013. A major caveat to this outlook is that the Rupee has depreciated by more than 10% in the first two months of fiscal year 2012 - 2013 on account of high current account deficit and this may limit aggressive rate cuts from RBI.

Investors Services

Union KBC Mutual Fund (The "Fund") is presently servicing more than 43,000 investor accounts and has its investor service presence at 16 locations across India. Additionally, the Fund uses the services of Investor Service Centres (ISC) of its Registrar & Transfer Agent - M/s Computer Age Management Services Pvt. Ltd. (CAMS) at 212 locations, spread across the country for servicing the investors of the schemes. The Fund has introduced the following facilities during the year:

1. Debit mandate facility on the application. The unit holder having accounts in Union Bank of India need not write out cheques while investing with us.
2. Transaction facilities through Union Bank ATM - This facility gives the existing investors the advantage of transacting at their convenience without doing any paper work and without having to visit any investor service centre.
3. Online transaction facility through our website (www.unionkbc.com).
4. The investor service team has given special focus on increasing the electronic mode of payment. More than 99% of payments are being made through electronic mode. The money reaches the investors and distributors quicker and also safely. Even the physical cheques issued by the AMC, have several security features which prevent fraudulent encashment.
5. Account Statements are sent by E-mail to the investors who have given their e-mail ids. Even the scheme financial statements will be sent by e-mail wherever e-mail ids are available.
6. Regular Communications are being sent through e-mail wherever the e-mail ids are available.
7. Periodic campaigns are launched for obtaining e-mail ids from more investors.
8. Transaction Confirmations are sent through SMS.
9. Continuous efforts to obtain mobile numbers of investors for quicker communication.
10. The delivery of physical cheques and encashment thereof is closely monitored. There are no Returned Un-Delivered cheques and/or any unclaimed amounts.

In the coming years, the AMC may continue to focus on meeting investors needs through innovative products and services that are comparable with the best in the industry. The AMC also intends to grow our presence by increasing our geographical coverage and by enhancing our customer service by offering state of the art technology for transactional facilities to investors.

Redressal of Complaints Received against Union KBC Mutual Fund during Financial Year 2011 - 2012

Redressal of Complaints received against Union KBC Mutual Fund during 2011-12

Name of Mutual Fund: Union KBC Mutual Fund

Total number of folios as on March 31, 2012 : 40,854

Complaint code	Type of complaint#	(a) No. of complaints pending at the beginning of the year	(b) No of complaints received during the year	Action on (a) and (b)								
				Resolved				Non Action-able*	Pending			
				Within 30 days	30-60 days	60-180 days	Beyond 180 days		0-3 months	3-6 months	6-9 months	9-12 months
	Non receipt of Dividend on Units	0	0	0	0	0	0	0	0	0	0	0
I B	Interest on delayed payment of Dividend	0	0	0	0	0	0	0	0	0	0	0
I C	Non receipt of Redemption Proceeds	0	0	0	0	0	0	0	0	0	0	0
I D	Interest on delayed payment of Redemption	0	0	0	0	0	0	0	0	0	0	0
II A	NonreceiptofStatementof Account/UnitCertificate	0	0	0	0	0	0	0	0	0	0	0
II B	Discrepancy in Statement of Account	0	0	0	0	0	0	0	0	0	0	0
II C	Non receipt of Annual Report/ Abridged Summary	0	0	0	0	0	0	0	0	0	0	0
III A	Wrong switch between Schemes	0	0	0	0	0	0	0	0	0	0	0
III B	Unauthorized switch between Schemes	0	0	0	0	0	0	0	0	0	0	0
III C	Deviation from Scheme attributes	0	0	0	0	0	0	0	0	0	0	0
III D	Wrong or excess charges/load	0	0	0	0	0	0	0	0	0	0	0
III E	Non updation of changes viz. address,PAN,bankdetails, nomination, etc	0	0	0	0	0	0	0	0	0	0	0
IV	Others ^	0	71	70	1	0	0	0	0	0	0	0
	TOTAL	**0**	**71**	**70**	**1**	**0**	**0**	**0**	**0**	**0**	**0**	**0**

including against its authorized persons/ distributors/ employees. etc.

*Non actionable means the complaint that are incomplete / outside the scope of the mutual fund

^ Out of the total complaints, 70 complaints pertain to data entry errors and 1 complaint pertains to allotment of units.

This statement was approved by the Board of Directors of Union KBC Trustee Company Private Limited on May 24, 2012.

Unclaimed Dividends & Redemptions:

Union KBC Mutual Fund has declared dividends in some of the scheme(s) during the Financial Year 2011-2012. Details of the dividend declared is available on our website: www.unionkbc.com

For the Financial Year 2011 - 2012, there are no unclaimed dividends or redemptions as on March 31, 2012.

VOTING RIGHTS POLICY OF UNION KBC ASSET MANAGEMENT COMPANY PRIVATE LIMITED

Background:

Union KBC Asset Management Company Private Ltd. (The AMC) is the Asset Management Company for Union KBC Mutual Fund. In terms of the SEBI circular dated 15th March 2010 issued by the Securities and Exchange Board of India (SEBI), the AMC has set out this Voting Policy. The Policy contains the principles that form the basis for exercise of all voting rights attached to the securities issued by the Investee Companies. The AMC believes that these principles are essential to ensure the long-term performance of assets managed by the AMC. The AMC will manage voting rights with the same level of care and skill as it manages the funds. In general, the AMC does not have the intention to participate directly or indirectly in the management of the companies but it will use its influence as the representative of the shareholders amongst others by exercising its voting rights in accordance with the best interests of its fund's unit holders.

Philosophy:

Voting right means, the right of a shareholder to vote on matters of corporate policy and other resolutions. The exercise of voting rights requires the regular monitoring of financial performances, corporate governance matters, industry performances and subsequent consideration of the potential impact of a vote on the value of the securities of the issuer held by the schemes of Union KBC Mutual Fund. In order to discharge its obligations under this policy, the AMC accesses and utilizes research on management performance and corporate governance issues, drawn from its in-house research team, independent research firms amongst others.

The Schemes are entitled to exercise the voting rights attached to the shares held by the respective schemes. The shareholders do not necessarily need to be physically present at the site of the company's annual meeting / extra-ordinary general meeting in order to exercise their right to vote. It is common for shareholders to voice their vote by proxy and accordingly the AMC may do so.

In connection herewith, the AMC will exercise adequate safeguards to address any conflicts of interest with regard to any individual investments. This may imply that the AMC through its representatives may decide to refrain from exercising its voting rights if considered appropriate.

Keeping in mind the administrative exigencies, the AMC may, to start with, choose to exercise its voting rights guided by the following criteria:

- The cumulative holding by all the schemes of Union KBC Mutual Fund in the Company exceeds 0.5% of the total paid up capital of the Company; and/or
- The said Company is among the Top 10 scripts held in total by all the schemes of Union KBC Mutual Fund as on the date of notice of the annual meeting / extra-ordinary general meeting of the Company.

Mutual fund assets will only be voted in the exclusive interest of the unit holders, without taking into consideration the interest of the businesses of Union KBC Group Companies. The strict separation of the AMC's asset management activities from other activities within Union KBC Group prevents access of the Asset Management Company to insider and price sensitive information for which use and/or disclosure of such information could generate conflicts of interest. As a result, Union KBC Group companies inter se may cast different votes on a voting issue.

Voting Guidelines:

The list of corporate matters for which voting rights may be required to be exercised is very wide. However some of the matters are critical for the investors and may impact the value of the investment in the long run. Broadly,

1. The AMC supports resolutions that change the state of incorporation, merger and other corporate restructuring etc. which are in the interest of the shareholder (respective schemes of Union KBC Mutual Fund).
2. The Changes to the capital structure proposed by the company management, which the AMC believes to be in the long term interest of the company and the shareholders shall be supported and the AMC shall oppose such requests as are appearing to be unreasonably dilutive.
3. The AMC shall support proposals for employee equity compensation plans and other employee ownership plans including management compensation and employee benefits provided the same are perceived by the AMC to be in the long term interest of the company and shall enhance shareholder value. The AMC shall oppose generous stock options which could dilute existing shareholders value and also employee compensation perceived to be excessive.
4. The AMC shall evaluate issues relating to social and corporate responsibilities and may support matters which are believed to have significant socio-economic benefits but are not at a cost to the shareholder value.
5. The AMC shall support the Board's nominees in the election of Directors and generally supports proposals that strengthen the independence of the Board of Directors. The AMC believes that the foundation for good corporate governance is the selection of responsible, qualified, independent corporate Directors who are likely to diligently represent the interest of the Shareholders and oversee the management of the company in a manner that will seek to maximise shareholder value over time.
6. Other proposals submitted to shareholders related to selection of the auditors, amendments to the company's charter or by-laws and Issues, including those business issues specific to the issuer or those raised by shareholders of the issuer, would be addressed on a case-by-case basis with a focus on the potential impact of the vote on shareholder value. The AMC reserves the right to vote against any resolution that goes against the interest of its unit holders.

Decision Making Process:

The decision regarding the voting on the resolutions of the Investee companies, i.e whether the AMC will vote for or against the resolution or refrain from voting shall be jointly taken by the Fund Manager and the Chief Investment Officer (CIO). In case the CIO is the Fund Manager or in case the CIO is absent, the decision will be taken jointly by the Fund Manager and the Chief Executive Officer (CEO).

The AMC may consult other Institutional Shareholders and may consider the inputs from external agencies to arrive at the decision, if so required.

Conflict of Interest:

The AMC by virtue of being promoted by two large Financial Institutions with many affiliates may be in a situation of conflict of interest. Conflict of interest may arise on account of the following situations

1. The Investee Company is a Group Company of the AMC
2. The Investee Company is a client of the AMC, by virtue of its investments in the schemes of Union KBC Mutual Fund
3. The affiliates of the AMC are lenders to the Investee Company
4. The Investee Company has a business association with the AMC.

In such cases, the AMC will continue to ensure that the voting is in the best interest of the unit holders. However, if, in the opinion of the AMC, there is a conflict of interest in any particular resolution, the AMC may refrain from voting in such a case.

Voting Rights exercised by the AMC in the case of Group Companies and the Companies which have subscribed to the units of any of the Schemes of Union KBC Mutual Fund at the time of exercising the voting rights by the AMC, will be reported periodically to the Boards of the AMC and Trustee Company.

Review and Control Process:

The Risk Committee of the AMC shall review the voting rights exercised by the AMC periodically. The Risk Department of the AMC shall independently monitor the adherence to this Policy.

Delegation of Authority:

Any of the following personnel/ representatives of the AMC or an externally authorised agency would be delegated the responsibility for exercising the voting rights by the Managing Director or the CEO (by whatever designation called) or the CIO:

- CIO
- Fund Manager (s)
- Head - Compliance
- Company Secretary
- Head - Research/ Research Analyst(s)
- Any other representative thought fit, depending on the matter on which vote is to be exercised.
- Representative of an externally authorized agency such as the Custodian

Exceptional circumstances:

There may be circumstances where the AMC believes it is in the best interests of the Fund to vote differently than in the manner contemplated by the Guidelines. The ultimate decision as to the manner in which the AMC's representatives / proxies will vote rests with the AMC.

Disclosures:

This Policy shall be disclosed on the Website of the AMC and shall also be published in the Annual Report distributed to the Unit Holders. The actual exercise of the proxy votes in the AGMs/EGMs of the investee companies in any of the following matters shall be disclosed in the Annual Report to the Unit Holders and on the Website of the AMC:

1. Corporate governance matters, including changes in the state of incorporation, merger and other corporate restructuring, and anti takeover provisions.
2. Changes to capital structure, including increases and decreases of capital and preferred stock issuances.
3. Stock option plans and other management compensation issues;
4. Social and corporate responsibility issues
5. Appointment and Removal of Directors.
6. Any other issue that may affect the interest of the shareholders in general and interest of the unit-holders in particular.

Review of the Voting Policy:

The Policy shall be subject to annual Review and the reviewed policy with the changes, if any, will be placed for the approval of the Board of the AMC.

Details of Actual Exercise of Proxy votes during FY 2011 - 2012:

For details on Actual Exercise of Proxy votes during FY 2011 - 2012 please refer to Annexure A.

Statutory Details

The Sponsors are not responsible or liable for any loss resulting from the operation of the Schemes of the Fund beyond their initial contribution (to the extent contributed) of ₹ 1,00,000 each for setting up the Fund, and such other accretions / additions to the same.

The price and redemption value of the units, and income from them, can go up as well as down with fluctuations in the market value of its underlying investments.

Full Annual Report shall be disclosed on the website (www.unionkbc.com) and shall be available for inspection at the Head Office of the mutual fund. Present and prospective unit holder can obtain copy of the trust deed, the full Annual Report of the Fund / AMC at a price.

Acknowledgements

Union KBC Mutual Fund is grateful to its investors / unit holders for reposing faith and confidence in it. The Fund expresses its deep gratitude to the Securities and Exchange Board of India (SEBI), Association of Mutual Funds in India (AMFI), Reserve Bank of India (RBI) and other regulatory authorities, Auditors, Registrars, Custodians and Bankers for their continued support, advice and co-operation.

For Union KBC Trustee Company Private Limited

Chairman

Place: Mumbai

Date: June 22, 2012

Annexure A:

Disclosure of exercise of proxy votes in Equity Holdings across all schemes of Union KBC Mutual Fund (Financial Year 2011-12)

Management Proposals

Date	Name of company whose AGM/EGM attended	Type of Meeting (AGM / EGM)	Proposal	Management Recommendation	Vote (For / Against / Abstain)
28-Sep-2011	Aban Offshore	AGM	Adoption of accounts as at 31-Mar-2011	FOR	Abstain
28-Sep-2011	Aban Offshore	AGM	Re-appointment of Mr C P Gopalkrishnan as Deputy MD for 5 years effective 1-Aug-2011	FOR	Abstain
28-Sep-2011	Aban Offshore	AGM	Issue of securities not exceeding US$ 400 million	FOR	Abstain
28-Sep-2011	Aban Offshore	AGM	Qualified Institutional Placement up to ₹ 2,500 crore	FOR	Abstain
28-Sep-2011	Aban Offshore	AGM	Declaration of 8% Dividend on Preference Shares	FOR	Abstain
28-Sep-2011	Aban Offshore	AGM	Declaration of 9% Dividend on Preference Shares	FOR	Abstain
28-Sep-2011	Aban Offshore	AGM	Declaration of 9.25% Dividend on Preference Shares	FOR	Abstain
28-Sep-2011	Aban Offshore	AGM	Declaration of Dividend on Equity Shares	FOR	Abstain
28-Sep-2011	Aban Offshore	AGM	Re-appointment of Mr P Venkateswaran as Director	FOR	Abstain
28-Sep-2011	Aban Offshore	AGM	Re-appointment of Mr C P Gopalkrishnan as Director	FOR	Abstain
28-Sep-2011	Aban Offshore	AGM	Re-appointment of M/s Ford, Rhodes, Parks & Co, Chartered Accountants as Auditors	FOR	Abstain
28-Sep-2011	Aban Offshore	AGM	Re-appointment of Mr P Venkateswaran as Deputy MD for 5 years effective 1-Aug-2011	FOR	Abstain
04-Jul-2011	Bank of Baroda	AGM	Adoption of accounts as at 31-Mar-2011	FOR	Abstain
04-Jul-2011	Bank of Baroda	AGM	Declaration of Dividend	FOR	Abstain
27-Mar-2012	Bank of Baroda	EGM	To issue equity shares for 5% of the paid up capital by way of preferential allotment to LIC Of India and / Mutual Funds	FOR	Abstain
23-Dec-2011	Bank of Baroda	EGM	To elect three directors from amongst shareholders of the Bank other than the Central Government	FOR	Abstain
23-Dec-2011	Bank of Baroda	EGM	To create, offer, issue and allot securities on preferential basis to Government of India not exceeding ₹ 775 crores	FOR	Abstain
22-Sep-2011	BGR Energy Systems	AGM	Adoption of accounts as at 31-Mar-2011	FOR	Abstain
22-Sep-2011	BGR Energy Systems	AGM	Declaration of dividend	FOR	Abstain
22-Sep-2011	BGR Energy Systems	AGM	Re-appointment of Mr M Gopalakrishna as director	FOR	Abstain
22-Sep-2011	BGR Energy Systems	AGM	Re-apppointment of Mr S A Bohra as director	FOR	Abstain
22-Sep-2011	BGR Energy Systems	AGM	Appointment of auditors and fixing their remuneration	FOR	Abstain
22-Sep-2011	BGR Energy Systems	AGM	Appointment of Mr Gnana Rajasekaran as director	FOR	Abstain
22-Sep-2011	BGR Energy Systems	AGM	Appointment of Mr S Rathinam as director-finance for 1 one with effect from 07-Feb-2011	FOR	Abstain
22-Sep-2011	BGR Energy Systems	AGM	Appointment of Mr Arjun Govind Raghupathy as Engineer Trainee	FOR	Abstain
19-Jul-2011	Crompton Greaves	AGM	Adoption of accounts as at 31-Mar-2011	FOR	Abstain
19-Jul-2011	Crompton Greaves	AGM	Appointment of Mr S Goswami in Company's Belgium based subsidiary	FOR	Abstain
19-Jul-2011	Crompton Greaves	AGM	Declaration of Dividend	FOR	Abstain
19-Jul-2011	Crompton Greaves	AGM	Re-appointment of Mr S M Trehan as Director	FOR	Abstain
19-Jul-2011	Crompton Greaves	AGM	Re-appointment of Mr G Thapar as Director	FOR	Abstain
19-Jul-2011	Crompton Greaves	AGM	Re-appointment of Mr S Bayman as Director	FOR	Abstain
19-Jul-2011	Crompton Greaves	AGM	Appointment of Sharp & Tannan, Chartered Accountants as Auditors	FOR	Abstain
19-Jul-2011	Crompton Greaves	AGM	Extension of tenure of Mr S M Trehan as MD	FOR	Abstain
19-Jul-2011	Crompton Greaves	AGM	Appointment of Mr L Demortier as Director	FOR	Abstain
19-Jul-2011	Crompton Greaves	AGM	Appointment of Mr L Demortier as CEO & MD	FOR	Abstain
04-Aug-2011	DLF	AGM	Adoption of accounts as at 31-Mar-2011	FOR	Abstain
04-Aug-2011	DLF	AGM	Declaration of Dividend	FOR	Abstain
04-Aug-2011	DLF	AGM	Re-appointment of Ms Pia Singh as director	FOR	Abstain
04-Aug-2011	DLF	AGM	Re-appointment of Ms G S Talwar as director	FOR	Abstain

Date	Name of company whose AGM/EGM attended	Type of Meeting (AGM / EGM)	Proposal	Management Recommendation	Vote (For / Against / Abstain)
04-Aug-2011	DLF	AGM	Re-appointment of Ms K N Memani as director	FOR	Abstain
04-Aug-2011	DLF	AGM	Appointment of Mr Ravinder Narain as director	FOR	Abstain
04-Aug-2011	DLF	AGM	Appointment of auditors and fixing their remuneration	FOR	Abstain
04-Aug-2011	DLF	AGM	Appointment of Mr Rahul Talwar as Senior Management Trainee, DLF India Ltd	FOR	Abstain
04-Aug-2011	DLF	AGM	Appointment of Ms Kavita Singh as advisor to DLF Universal Ltd	FOR	Abstain
24-Aug-2011	eClerx Services	AGM	Adoption of accounts as at 31-Mar-2011	FOR	Abstain
24-Aug-2011	eClerx Services	AGM	Declaration of Dividend	FOR	Abstain
24-Aug-2011	eClerx Services	AGM	Appointment of Mr Biren Gabhawala as an Additional Director effective 18-May-2011	FOR	Abstain
24-Aug-2011	eClerx Services	AGM	Appointment of Mr Gabhawala as a Non Executive Independent Director	FOR	Abstain
24-Aug-2011	eClerx Services	AGM	Appointment of Mr Rohitash Gupta as Chief Financial Officer effective 18-May-2011	FOR	Abstain
24-Aug-2011	eClerx Services	AGM	Raising Long Term Financial Resources for an amount not exceeding ₹ 3,000 million	FOR	Abstain
24-Aug-2011	eClerx Services	AGM	For enhancing the time-lines for utilizing the balance IPO proceeds of ₹ 220 million, upto FY 2015	FOR	Abstain
24-Aug-2011	eClerx Services	AGM	For instituting a new Employee Stock Option Scheme	FOR	Abstain
24-Aug-2011	eClerx Services	AGM	Re-appointment of Mr Anjan Malik as director	FOR	Abstain
24-Aug-2011	eClerx Services	AGM	Re-appointment of Mr Anish Ghosal as director	FOR	Abstain
24-Aug-2011	eClerx Services	AGM	To appoint Walker Chandok and Co as auditors and fix remuneration	FOR	Abstain
21-Oct-2011	eClerx Services	PB	Increase in the limit of investments by FII upto 100% of the total paid up equity share capital	FOR	Abstain
07-Sep-2011	Gail (India)	AGM	Adoption of accounts as at 31-Mar-2011	FOR	Abstain
07-Sep-2011	Gail (India)	AGM	Declaration of Dividend	FOR	Abstain
07-Sep-2011	Gail (India)	AGM	Re-appointment of Mr R D Goyal as director	FOR	Abstain
07-Sep-2011	Gail (India)	AGM	Re-appointment of Mr Apurva Chandra as director	FOR	Abstain
07-Sep-2011	Gail (India)	AGM	Re-appointment of Mr Mahesh Shah as director	FOR	Abstain
07-Sep-2011	Gail (India)	AGM	Appointment of auditors and fixing their remuneration	FOR	Abstain
07-Sep-2011	Gail (India)	AGM	Appointment of Mr S Venkatramanan as director	FOR	Abstain
07-Sep-2011	Gail (India)	AGM	Appointment of Mr Arun Agarwal as director	FOR	Abstain
07-Sep-2011	Gail (India)	AGM	Appointment of Mr P K Jain as director	FOR	Abstain
23-Aug-2011	Gail (India)	PB	To transfer ongoing expansion of local distribution assets in Agra and Firozabad to its wholly owned subsidiary, GAIL GAS LTD	FOR	Abstain
23-Aug-2011	Gail (India)	PB	Alteration of MOA	FOR	Abstain
08-Jul-2011	H D F C	AGM	Adoption of accounts as at 31-Mar-2011	FOR	FOR
08-Jul-2011	H D F C	AGM	Declaration of Dividend	FOR	FOR
08-Jul-2011	H D F C	AGM	Re-appointment of Mr D N Ghosh as Director	FOR	FOR
08-Jul-2011	H D F C	AGM	Re-appointment of Dr Ram S Tameja as Director	FOR	FOR
08-Jul-2011	H D F C	AGM	Re-appointment of Dr Bimal Jalan as Director	FOR	FOR
08-Jul-2011	H D F C	AGM	Re-appointment of M/s Deloitte Haskins & Sells, Chartered Accountants as Auditors	FOR	FOR
08-Jul-2011	H D F C	AGM	Re-appointment of M/s PKF, Chartered Accountants as Auditors for Branch Office at Dubai	FOR	FOR
08-Jul-2011	H D F C	AGM	To borrow up to ₹ 2,00,000 crores	FOR	FOR
08-Jul-2011	H D F C	AGM	Re-appointment of Mr Keki M Mistry as MD (designated as Vice Chairman & CEO) for 5 years effective 14-Nov-2010	FOR	FOR
23-Sep-2011	Hindalco Industries	AGM	Adoption of accounts as at 31-Mar-2011	FOR	Abstain
23-Sep-2011	Hindalco Industries	AGM	To borrow up to ₹ 20,000 crore	FOR	Abstain
23-Sep-2011	Hindalco Industries	AGM	Revision of remuneration of Mr D Bhattacharya for remainder of the tenure	FOR	Abstain
23-Sep-2011	Hindalco Industries	AGM	Amendment in the Resolution for ESOS 2006	FOR	Abstain

Date	Name of company whose AGM/EGM attended	Type of Meeting (AGM / EGM)	Proposal	Management Recommendation	Vote (For / Against / Abstain)
23-Sep-2011	Hindalco Industries	AGM	Declaration of Dividend	FOR	Abstain
23-Sep-2011	Hindalco Industries	AGM	Re-appointment of Mr Madhukar Manilal Bhagat as Director	FOR	Abstain
23-Sep-2011	Hindalco Industries	AGM	Re-appointment of Mr Chaitan Manbhai Maniar as Director	FOR	Abstain
23-Sep-2011	Hindalco Industries	AGM	Re-appointment of Mr Sangram Singh Kothari as Director	FOR	Abstain
23-Sep-2011	Hindalco Industries	AGM	Re-appointment of M/s Singhi & Co, Chartered Accountants as Auditors	FOR	Abstain
23-Sep-2011	Hindalco Industries	AGM	Appointment of Mr Ram Charan as Director	FOR	Abstain
23-Sep-2011	Hindalco Industries	AGM	Payment of commission to Non-Executive Directors	FOR	Abstain
23-Sep-2011	Hindalco Industries	AGM	Alteration of AOA	FOR	Abstain
07-Mar-2012	Hindalco Industries	EGM	To issue convertible warrants to promoter and promoter groups on a preferential basis for an amount not exceeding ₹ 15 crore	FOR	Abstain
25-Aug-2011	IRB Infra Develop	AGM	Adoption of accounts as at 31-Mar-2011	FOR	Abstain
25-Aug-2011	IRB Infra Develop	AGM	Declaration of dividend	FOR	Abstain
25-Aug-2011	IRB Infra Develop	AGM	Re-appointment of Mr Dattatraya P Mhaiskar as director	FOR	Abstain
25-Aug-2011	IRB Infra Develop	AGM	Re-appointment of Mr Sivaramakrishnan S Iyer as director	FOR	Abstain
25-Aug-2011	IRB Infra Develop	AGM	Appointment of M/s S R Batliboi & Co, Chartered Accountants as auditors	FOR	Abstain
25-Aug-2011	IRB Infra Develop	AGM	Appointment of Mr Sunil H Talati as director	FOR	Abstain
25-Aug-2011	IRB Infra Develop	AGM	To issue securities not exceeding ₹ 1,200 crores	FOR	Abstain
09-Dec-2011	IRB Infra Developers	PB	To create charge, mortgage and / or hypothecation on all the properties of the company not exceeding ₹ 5,000 crores	FOR	Abstain
29-Sep-2011	Jindal Steel & Power	AGM	Adoption of accounts as at 31-Mar-2011	FOR	FOR
29-Sep-2011	Jindal Steel & Power	AGM	Re-appointment of Mr Vikrant Gujral as Whole-time Director, Group Vice Chairman and Head Global Ventures effective 17-Apr-2011	FOR	FOR
29-Sep-2011	Jindal Steel & Power	AGM	Revision in remuneration of Mr Anand Goel, Joint MD	FOR	FOR
29-Sep-2011	Jindal Steel & Power	AGM	Revision in remuneration of Mr Naushan Akhter Ansari, Whole-time Director	FOR	FOR
29-Sep-2011	Jindal Steel & Power	AGM	Declaration of dividend	FOR	FOR
29-Sep-2011	Jindal Steel & Power	AGM	Re-appointment of Mrs Savitri Jindal as Director	FOR	FOR
29-Sep-2011	Jindal Steel & Power	AGM	Re-appointment of Mr Ratan Jindal as Director	FOR	FOR
29-Sep-2011	Jindal Steel & Power	AGM	Re-appointment of Mr Arun Kumar Purwar as Director	FOR	FOR
29-Sep-2011	Jindal Steel & Power	AGM	Re-appointment of Mr Anand Goel as Director	FOR	FOR
29-Sep-2011	Jindal Steel & Power	AGM	Appointment of M/s S S Kothari Mehta & Co, Chartered Accountants as Auditors	FOR	FOR
29-Sep-2011	Jindal Steel & Power	AGM	Appointment of Mr Naushan Akhter Ansari as Director	FOR	FOR
29-Sep-2011	Jindal Steel & Power	AGM	Appointment of Mr Naushan Akhter Ansari as Whole-time Director for 5 years effective 1-Dec-2010	FOR	FOR
26-Aug-2011	Larsen & Toubro	AGM	Adoption of accounts	FOR	FOR
26-Aug-2011	Larsen & Toubro	AGM	Payments to Chairman & MD, CEO & MD, if any, Deputy MD, if any and Whole-Time Directors of the company with effect from 01-Oct-2011	FOR	FOR
26-Aug-2011	Larsen & Toubro	AGM	Appointment of M/s Sharp & Tannan, Chartered Accountants as auditors	FOR	FOR
26-Aug-2011	Larsen & Toubro	AGM	Declaration of Dividend	FOR	FOR
26-Aug-2011	Larsen & Toubro	AGM	Re-appointment of Mr K Venkataramanan as director	FOR	FOR
26-Aug-2011	Larsen & Toubro	AGM	Re-appointment of Mr S Rajgopal as director	FOR	FOR
26-Aug-2011	Larsen & Toubro	AGM	Re-appointment of Mr A K Jain as director	FOR	FOR
26-Aug-2011	Larsen & Toubro	AGM	Re-appointment of Mr S N Talwar as director	FOR	FOR
26-Aug-2011	Larsen & Toubro	AGM	Re-appointment of Mr S N Subrahmanyan as director	FOR	FOR
26-Aug-2011	Larsen & Toubro	AGM	Appointment of Mr Ravi Uppal as Whole-Time director with effect from 01-Nov-2010	FOR	FOR
26-Aug-2011	Larsen & Toubro	AGM	Appointment of Mr S N Subrahmanyan as Whole-Time director with effect from 01-Nov-2011	FOR	FOR
27-Jul-2011	Lupin	AGM	Adoption of accounts as at 31-Mar-2011	FOR	Abstain
27-Jul-2011	Lupin	AGM	Declaration of Dividend	FOR	Abstain

Date	Name of company whose AGM/EGM attended	Type of Meeting (AGM / EGM)	Proposal	Management Recommendation	Vote (For / Against / Abstain)
27-Jul-2011	Lupin	AGM	Re-appointment of Mr Nilesh Gupta as director	FOR	Abstain
27-Jul-2011	Lupin	AGM	Re-appointment of Dr K U Mada as director	FOR	Abstain
27-Jul-2011	Lupin	AGM	Appointment of auditors and fixing their remuneration	FOR	Abstain
01-Mar-2012	Mahindra & Mah Fin S	PB	To issue Redeembanle Non Convertible Preference Shares of ₹ 100 each not exceeding an amount of ₹ 50 crores	FOR	Abstain
07-Feb-2012	Mahindra & Mahindra	CRT	To approve the Scheme of Arrangement between Mahindra Automobile Distributors Private Ltd and Mahindra and Mahindra Ltd	FOR	FOR
08-Aug-2011	Mahindra & Mahindra	AGM	Adoption of accounts as at 31-Mar-2011	FOR	Abstain
08-Aug-2011	Mahindra & Mahindra	AGM	Declaration of Dividend	FOR	Abstain
08-Aug-2011	Mahindra & Mahindra	AGM	Re-appointment of Mr Anand Mahindra as director	FOR	Abstain
08-Aug-2011	Mahindra & Mahindra	AGM	Re-appointment of Mr Bharat Doshi as director	FOR	Abstain
08-Aug-2011	Mahindra & Mahindra	AGM	Re-appointment of Mr Nadir Godrej as director	FOR	Abstain
08-Aug-2011	Mahindra & Mahindra	AGM	Re-appointment of Mr M M Murugappan as director	FOR	Abstain
08-Aug-2011	Mahindra & Mahindra	AGM	Appointment of M/s Deloitte Haskins & Sells, Chartered Accountants as auditors	FOR	Abstain
08-Aug-2011	Mahindra & Mahindra	AGM	Revision of remuneration of Mr Anand Mahindra, Managing Director and Mr Bharat Doshi, executive Director	FOR	Abstain
08-Sep-2011	Maruti Suzuki India	AGM	Adoption of accounts as at 31-Mar-2011	FOR	Abstain
08-Sep-2011	Maruti Suzuki India	AGM	Appointment of Mr Shuji Oishi as whole time director and revision of remuneration	FOR	Abstain
08-Sep-2011	Maruti Suzuki India	AGM	Provision of domiciliary treatment and medical insurance for Indian Whole time directors	FOR	Abstain
08-Sep-2011	Maruti Suzuki India	AGM	Declaration of Dividend	FOR	Abstain
08-Sep-2011	Maruti Suzuki India	AGM	Re-appointment of Mr Tsuneo Ohashi as director	FOR	Abstain
08-Sep-2011	Maruti Suzuki India	AGM	Re-appointment of Mr Keiichi Asai as director	FOR	Abstain
08-Sep-2011	Maruti Suzuki India	AGM	Re-appointment of Mr Amal Ganguli as director	FOR	Abstain
08-Sep-2011	Maruti Suzuki India	AGM	Appointment of M/s Price Waterhouse, Chartered Accountants as auditors	FOR	Abstain
08-Sep-2011	Maruti Suzuki India	AGM	Appointment of Mr Shinzo Nakanishi as Managing director & CEO for 3 years	FOR	Abstain
08-Sep-2011	Maruti Suzuki India	AGM	Appointment of Mr Tsuneo Ohashi as whole time director and revision of remuneration	FOR	Abstain
08-Sep-2011	Maruti Suzuki India	AGM	Appointment of Mr Keiichi Asai as whole time director and revision of remuneration	FOR	Abstain
15-Oct-2011	Motherson Sumi Sys	CRT	Merger of MANUFACTURING LTD (INDIA NAILS) and MOTHERSON SUMI SYSTEMS LTD with MSSL SUMI SYSTEMS LTD	FOR	Abstain
25-Nov-2011	Motherson Sumi Sys	PB	To make loans / investment to acquire 80% shareholding of PEGUFORM GROUP from CROSS INDUSTRIES AG and to provide guarantee in favour of ICICI BANK, Singapore Branch, Standard Chartered Bank and other bank for providing loans to SAMVARDHANA MOTHERSON B V FORGU GMBH and SAMVARDHANA MOTHERSON GLOBAL HOLDING LTD	FOR	Abstain
05-Dec-2011	Motherson Sumi Sys	EGM	To create, offer, issue and allot securities to qualified institutions placement to the extent of 29,065,785 equity shares of the company.	FOR	Abstain
05-Dec-2011	Motherson Sumi Sys	EGM	To issue and allot on a preferential basis, up to 9,689,802 equity shares of Re.1 of the company to Sumitomo Wiring Systems Ltd., Japan.	FOR	Abstain
05-Dec-2011	Motherson Sumi Sys	EGM	To offer, issue and allot securities shall not exceeding 9,689,802 equity shares to Sumitomo Wiring Systems Ltd., Japan of the company.	FOR	Abstain
05-Dec-2011	Motherson Sumi Sys	EGM	Increase in the borrowings not exceeding ₹ 10,000 million	FOR	Abstain
30-Mar-2012	Nestle	AGM	Adoption of accounts as at 31-Dec-2011	FOR	Abstain
30-Mar-2012	Nestle	AGM	Declaration of dividend	FOR	Abstain
30-Mar-2012	Nestle	AGM	Re-appointment of Mr Michael W O Garrett as director	FOR	Abstain
30-Mar-2012	Nestle	AGM	Re-appointment of Mr Ravindra Narain as director	FOR	Abstain
30-Mar-2012	Nestle	AGM	Appointment of M/s A F Ferguson, Chartered Accountants as auditors	FOR	Abstain
30-Mar-2012	Nestle	AGM	Appointment of Mr Ashok Kumar Mahindra as director	FOR	Abstain

Date	Name of company whose AGM/EGM attended	Type of Meeting (AGM / EGM)	Proposal	Management Recommendation	Vote (For / Against / Abstain)
30-Aug-2011	Oil & Natural Gas	AGM	Adoption of accounts as at 31-Mar-2011	FOR	FOR
30-Aug-2011	Oil & Natural Gas	AGM	Appointment of Mr Usha Thorat as director	FOR	FOR
30-Aug-2011	Oil & Natural Gas	AGM	Appointment of Mr Deepak Nayyar as director	FOR	FOR
30-Aug-2011	Oil & Natural Gas	AGM	Appointment of Mr Arun Ramanathan as director	FOR	FOR
30-Aug-2011	Oil & Natural Gas	AGM	Declaration of Dividend	FOR	FOR
30-Aug-2011	Oil & Natural Gas	AGM	Re-appointment of Mr S S Rajsekar as director	FOR	FOR
30-Aug-2011	Oil & Natural Gas	AGM	Re-appointment of Mr S Balachandran as director	FOR	FOR
30-Aug-2011	Oil & Natural Gas	AGM	Re-appointment of Mr S Nautiyal as director	FOR	FOR
30-Aug-2011	Oil & Natural Gas	AGM	Appointment of auditors and fixing their remuneration	FOR	FOR
30-Aug-2011	Oil & Natural Gas	AGM	Appointment of Mr S V Rao as director	FOR	FOR
30-Aug-2011	Oil & Natural Gas	AGM	Appointment of Dr D Chandrasekharam as director	FOR	FOR
30-Aug-2011	Oil & Natural Gas	AGM	Appointment of Mr K S Jamestin as director	FOR	FOR
20-Sep-2011	Phoenix Mills	AGM	Adoption of accounts as at 31-Mar-2011	FOR	Abstain
20-Sep-2011	Phoenix Mills	AGM	Declaration of dividend	FOR	Abstain
20-Sep-2011	Phoenix Mills	AGM	Re-appointment of Mr Shribhanu Patki as director	FOR	Abstain
20-Sep-2011	Phoenix Mills	AGM	Re-appointment of Mr Sivaramakrishan Iyer as director	FOR	Abstain
20-Sep-2011	Phoenix Mills	AGM	Appointment of M/s A M Ghelani & Co, Chartered Accountants as auditors	FOR	Abstain
20-Sep-2011	Phoenix Mills	AGM	Appointment of Mr Pradumna Kanodia as director	FOR	Abstain
20-Sep-2011	Phoenix Mills	AGM	Appointment of Mr Kiran Gandhi as Whole time director	FOR	Abstain
20-Sep-2011	Phoenix Mills	AGM	Appointment of Mr Pradumna Kanodia as director - finance	FOR	Abstain
20-Sep-2011	Phoenix Mills	AGM	Appointment of Mr Shishir Shrivastava as Group CEO and Joint Managing Director	FOR	Abstain
09-Aug-2011	Piramal Healthcare	CRT	Scheme of Arrangement between PIRAMAL LIFE SCIENCES LTD and PIRAMAL HEALTHCARE LTD	FOR	Abstain
09-Aug-2011	Piramal Healthcare	EGM	To create, issue, offer and allot such number of Equity Shares of face value of ₹ 2/- each credited as fully paid up to the Members of Piramal Life Science Limited in the ration of 1 equity share of ₹ 2 of the Company for every 4 equity shares of ₹ 10 each held by the them in Piramal Life Science Limited, pursuant to and subject to the provisions and the terms and conditions of the arrangement embodied in the Scheme of Arrangement between Piramal Life Science Limited and the Company and their respective shareholders.	FOR	Abstain
03-Dec-2011	Piramal Healthcare	PB	Alteration of MOA	FOR	Abstain
03-Dec-2011	Piramal Healthcare	PB	Commencement of new business	FOR	Abstain
28-Sep-2011	Power Finance Corpor	AGM	Adoption of accounts as at 31-Mar-2011	FOR	Abstain
28-Sep-2011	Power Finance Corpor	AGM	Declaration of dividend	FOR	Abstain
28-Sep-2011	Power Finance Corpor	AGM	Re-appointment of Mr M K Goel as Director	FOR	Abstain
28-Sep-2011	Power Finance Corpor	AGM	Re-appointment of Mr P Murali Mohana Rao as Director	FOR	Abstain
28-Sep-2011	Power Finance Corpor	AGM	Re-appointment of Mr Ravindra H Dholakia as Director	FOR	Abstain
28-Sep-2011	Power Finance Corpor	AGM	Remuneration of the Auditors	FOR	Abstain
28-Sep-2011	Power Finance Corpor	AGM	To borrow up to ₹ 2,00,000 crore	FOR	Abstain
28-Sep-2011	Power Finance Corpor	AGM	To mortgage &/or charge properties of the Company	FOR	Abstain
27-Sep-2011	Sadbhav Engineering	AGM	Adoption of accounts as at 31-Mar-2011	FOR	Abstain
27-Sep-2011	Sadbhav Engineering	AGM	Declaration of Dividend	FOR	Abstain
27-Sep-2011	Sadbhav Engineering	AGM	Re-appointment of Mr Atul N Ruparel as director	FOR	Abstain
27-Sep-2011	Sadbhav Engineering	AGM	Re-appointment of Mr Sandip V Patel as director	FOR	Abstain
27-Sep-2011	Sadbhav Engineering	AGM	Appointment of auditors and fixing their remuneration	FOR	Abstain
05-Mar-2012	Sadbhav Engineering	PB	Alteration of MOA	FOR	Abstain
24-Jun-2011	State Bank of India	EGM	To elect four directors to the central board of the Bank	FOR	Abstain
19-Mar-2012	State Bank of India	EGM	To issue and preferential allot equity shares to GOI for an amount not exceeding ₹ 7,900 crore	FOR	Abstain

Date	Name of company whose AGM/EGM attended	Type of Meeting (AGM / EGM)	Proposal	Management Recommendation	Vote (For / Against / Abstain)
12-Aug-2011	Tata Motors	AGM	Adoption of accounts as at 31-Mar-2011	FOR	Abstain
12-Aug-2011	Tata Motors	AGM	Declaration of Dividend	FOR	Abstain
12-Aug-2011	Tata Motors	AGM	Re-appointment of Mr Ravi Kant as director	FOR	Abstain
12-Aug-2011	Tata Motors	AGM	Re-appointment of Mr N N Wadia as director	FOR	Abstain
12-Aug-2011	Tata Motors	AGM	Re-appointment of Mr S M Palia as director	FOR	Abstain
12-Aug-2011	Tata Motors	AGM	Appointment of auditors and fixing their remuneration	FOR	Abstain
12-Aug-2011	Tata Motors	AGM	Appointment of Dr Ralf Seth as director	FOR	Abstain
12-Aug-2011	Tata Motors	AGM	Sub division of equity shares from F V ₹ 10 to F V ₹ 2	FOR	Abstain
28-Jul-2011	Titan Industries	AGM	Adoption of accounts	FOR	Abstain
28-Jul-2011	Titan Industries	AGM	Declaration of Dividend	FOR	Abstain
28-Jul-2011	Titan Industries	AGM	Re-appointment of Mr Ishaat Hussain as director	FOR	Abstain
28-Jul-2011	Titan Industries	AGM	Re-appointment of Ms Vinita Bali as director	FOR	Abstain
28-Jul-2011	Titan Industries	AGM	Re-appointment of Mr V Parthasarathy as director	FOR	Abstain
28-Jul-2011	Titan Industries	AGM	Appointment of M/s Deloitte Haskins & Sells, Chartered Accountants as Auditors	FOR	Abstain
28-Jul-2011	Titan Industries	AGM	Appointment of Prof Dar Naryandas as director	FOR	Abstain
28-Jul-2011	Titan Industries	AGM	Appointment of Mrs Susan Mathew, IAS, as director	FOR	Abstain
28-Jul-2011	Titan Industries	AGM	Appointment of Dr N Sundaradevan as director	FOR	Abstain
12-Mar-2012	United Phosphorus	PB	Alteration of MOA	FOR	Abstain
12-Mar-2012	United Phosphorus	PB	Commencement of new business	FOR	Abstain
26-Jul-2011	United Phosphorus	AGM	Adoption of accounts	FOR	Abstain
26-Jul-2011	United Phosphorus	AGM	Declaration of Dividend	FOR	Abstain
26-Jul-2011	United Phosphorus	AGM	Re-appointment of Mr J R Shroff as director	FOR	Abstain
26-Jul-2011	United Phosphorus	AGM	Re-appointment of Mr P V Krishna as director	FOR	Abstain
26-Jul-2011	United Phosphorus	AGM	Re-appointment of Mr Pradeep Goyal as director	FOR	Abstain
26-Jul-2011	United Phosphorus	AGM	Re-appointment of Mrs S R Shroff as director	FOR	Abstain
26-Jul-2011	United Phosphorus	AGM	Appointment of Auditors and fixing their remuneration	FOR	Abstain
26-Jul-2011	United Phosphorus	AGM	Appointment of Mr Vikram Shroff as Executive Director for 5 years from 01-May-2011	FOR	Abstain
26-Jul-2011	United Phosphorus	AGM	Alteration of AOA	FOR	Abstain
21-Jul-2011	Dr Reddy's Lab	AGM	Adoption of accounts as at 31-Mar-2011	FOR	FOR
21-Jul-2011	Dr Reddy's Lab	AGM	Declaration of Dividend	FOR	FOR
21-Jul-2011	Dr Reddy's Lab	AGM	Re-appointment of Mr Anupam Puri as director	FOR	AGAINST
21-Jul-2011	Dr Reddy's Lab	AGM	Re-appointment of Dr Bruce L A Carter as director	FOR	FOR
21-Jul-2011	Dr Reddy's Lab	AGM	Appointment of M/s BSR & Co, Chartered Accountants as auditors	FOR	FOR
21-Jul-2011	Dr Reddy's Lab	AGM	Appointment of Dr K Anji Reddy as Whole-Time director designated as Chairman	FOR	FOR
21-Jul-2011	Dr Reddy's Lab	AGM	Appointment of Mr G V Prasad as Whole-Time Director designated as Vice-Chairman and CEO	FOR	FOR
21-Jul-2011	Dr Reddy's Lab	AGM	To pay commission to the directors not exceeding 0.5% of the net profit of the Company	FOR	FOR
01-Sep-2011	Bharti Airtel	AGM	Adoption of accounts as at 31-Mar-2011	FOR	FOR
01-Sep-2011	Bharti Airtel	AGM	Appointment of Mr Tsun-yan Hsieh as director	FOR	FOR
01-Sep-2011	Bharti Airtel	AGM	Appointment of H E Dr Salim Ahmed Salim as director	FOR	FOR
01-Sep-2011	Bharti Airtel	AGM	Appointment of Mr Sunil Bharti Mittal as Managing director for 5 years with effect from 01-Oct-2011	FOR	FOR
01-Sep-2011	Bharti Airtel	AGM	Declaration of Dividend	FOR	FOR
01-Sep-2011	Bharti Airtel	AGM	Appointment of Mr Ajay Lal as director	FOR	FOR
01-Sep-2011	Bharti Airtel	AGM	Appointment of Mr Akhil Kumar Gupta as director	FOR	FOR
01-Sep-2011	Bharti Airtel	AGM	Appointment of Mr Narayanan Kumar as director	FOR	AGAINST

Date	Name of company whose AGM/EGM attended	Type of Meeting (AGM / EGM)	Proposal	Management Recommendation	Vote (For / Against / Abstain)
01-Sep-2011	Bharti Airtel	AGM	Appointment of M/s S R Batliboi & Associates, Chartered Accountants as auditors	FOR	FOR
01-Sep-2011	Bharti Airtel	AGM	Appointment of Lord Evan Mervyn Davies as director	FOR	FOR
01-Sep-2011	Bharti Airtel	AGM	Appointment of Mr Hui Weng Cheong as director	FOR	FOR
01-Sep-2011	Bharti Airtel	AGM	Appointment of Ms Tan Yong Choo as director	FOR	FOR
20-Sep-2011	Bharat Heavy Elect	AGM	Adoption of accounts as at 31-Mar-2011	FOR	FOR
20-Sep-2011	Bharat Heavy Elect	AGM	Appointment of Mr M K Dube as director	FOR	FOR
20-Sep-2011	Bharat Heavy Elect	AGM	Appointment of Mr P K Bajpai as director	FOR	FOR
20-Sep-2011	Bharat Heavy Elect	AGM	Sub division of equity shares from F V ₹ 10 to F V ₹ 2	FOR	FOR
20-Sep-2011	Bharat Heavy Elect	AGM	Alteration of MOA	FOR	FOR
20-Sep-2011	Bharat Heavy Elect	AGM	Alteration of AOA	FOR	FOR
20-Sep-2011	Bharat Heavy Elect	AGM	Declaration of Dividend	FOR	FOR
20-Sep-2011	Bharat Heavy Elect	AGM	Re-appointment of Mrs Reva Nayyar as director	FOR	FOR
20-Sep-2011	Bharat Heavy Elect	AGM	Re-appointment of Mr Anil Sachdev as director	FOR	FOR
20-Sep-2011	Bharat Heavy Elect	AGM	Re-appointment of Mr Atul Saraya as director	FOR	FOR
20-Sep-2011	Bharat Heavy Elect	AGM	Appointment of auditors and fixing their remuneration	FOR	FOR
20-Sep-2011	Bharat Heavy Elect	AGM	Appointment of Mr Trimbakdas S Zanwar as director	FOR	FOR
20-Sep-2011	Bharat Heavy Elect	AGM	Appointment of Mr S Ravi as director	FOR	FOR
20-Sep-2011	Bharat Heavy Elect	AGM	Appointment of Mr Ambuj Sharma as director	FOR	FOR
23-Jul-2011	Sterlite Industries Limited	AGM	Adoption of balance sheet as at March 31, 2011	FOR	FOR
23-Jul-2011	Sterlite Industries Limited	AGM	Declaration of dividend	FOR	FOR
23-Jul-2011	Sterlite Industries Limited	AGM	Re-appointment of Mr. Sandeep Junnarkar as director	FOR	AGAINST
23-Jul-2011	Sterlite Industries Limited	AGM	To appoint Auditors, and to fix their remuneration	FOR	FOR
23-Jul-2011	Sterlite Industries Limited	AGM	Re-appointment of D.D. Jain as director	FOR	FOR
23-Jul-2011	Sterlite Industries Limited	AGM	Revision of utilization of the proceeds of the rights issue of equity shares for general corporate purposes including, but not limited in the funding of acquisition / investment in any other companies, repayment of borrowing other than mentioned in the letter of offer by itself or through any of its wholly owned company	FOR	FOR
19-Mar-2012	State Bank of India	EGM	To issue and preferential allot equity shares to GOI for an amount not exceeding ₹ 7,900 crore	FOR	FOR

Note: AGM - Annual General Meeting, **EGM** - Extra Ordinary General Meeting, **CRT** - Court Convened, **PB** - Postal Ballot

Shareholder Proposals

Date	Name of company whose AGM/EGM attended	Type of Meeting (AGM / EGM)	Proposal	Management Recommendation	Vote (For / Against / Abstain)
			Nil		

Consolidated Auditors' Report

To the Trustee of

UNION KBC MUTUAL FUND:

1. We have audited the attached balance sheets of the schemes mentioned below (collectively 'the Schemes') as at the dates mentioned below and also the revenue accounts and the cash flow statements, for the period mentioned below, annexed thereto. These financial statements are the responsibility of the management of Union KBC Asset Management Company Private Limited, the Schemes' asset manager. Our responsibility is to express an opinion on these financial statements based on our audit.

Name of the Scheme	Period covered by revenue account and cash flow statement	Balance sheet date
Union KBC Fixed Maturity Plan - 92 days - Series 1	20 October 2011 to 19 January 2012	19 January 2012
Union KBC Fixed Maturity Plan - 92 days - Series 2	20 December 2011 to 20 March 2012	20 March 2012

2. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

3. We report that:

   i. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit.

   ii. The balance sheets, revenue accounts and cash flow statements, dealt with by this report are in agreement with the books of account.

   iii. In our opinion, the balance sheets and revenue accounts dealt with by this report have been prepared in conformity with the accounting policies and standards specified in the Ninth Schedule to the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996 ('the SEBI Regulations').

   iv. In our opinion, and to the best of our information and according to the explanations given to us, the said financial statements give the information required by the SEBI Regulations as applicable, and give a true and fair view in conformity with the accounting principles generally accepted in India:

      a) in the case of the balance sheets, of the state of affairs of the Schemes as at the dates mentioned above;

      b) in the case of the revenue accounts, of the scheme wise surplus for the period as mentioned above; and

      c) in the case of the cash flow statement, of the cash flows for the period as mentioned above.

For S. R. Batliboi & Co.

Firm Registration No. 301003E

Chartered Accountants

Sd/-

per Surekha Gracias

Partner

Membership No: 105488

Mumbai, June 22, 2012

BALANCE SHEET AS AT REPORTING DATE

	Schedule	Union KBC Fixed Maturity Plan - 92 Days -Series 1 As at January 19, 2012	Union KBC Fixed Maturity Plan - 92 Days -Series 2 As at March 20, 2012
		₹	₹
LIABILITIES			
Unit Capital	1	306,450,000	257,051,740
Reserves and Surplus	2	3,146,324	2,733,983
Current Liabilities and Provisions	3	3,948,245	3,347,287
		313,544,569	**263,133,010**
ASSETS			
Other Current Assets	4	313,544,569	263,133,010
		313,544,569	**263,133,010**
Significant Accounting Policies and Notes to Accounts	5		

The schedules referred to above and Significant Accounting Policies and Notes to Accounts form an integral part of the accounts.

As per our attached report of even date

For S.R. Batliboi & Co.
Firm Registration number: 301003E
Chartered Accountants

Sd/-

Surekha Gracias
Partner
Membership No. : 105488

Place: Mumbai
Date: June 22, 2012

For Union KBC Trustee Company Private Limited

Sd/-
Director

Sd/-
Director

Place: Mumbai
Date: June 22, 2012

For Union KBC Asset Management Company Private Limited

Sd/-
Director

Sd/-
Director

Sd/-
G. Pradeepkumar
Chief Executive Officer

Sd/-
Ashish Ranawade
Chief Investment Officer

Sd/-
Devesh Thacker
Fund Manager - Fixed Income

Sd/-
Parijat Agrawal
Head-Fixed Income

Place: Mumbai
Date: June 19, 2012

REVENUE ACCOUNT FOR THE PERIOD ENDED AT REPORTING DATE

	Schedule	Union KBC Fixed Maturity Plan - 92 Days -Series 1 For the period October 20, 2011 to January 19, 2012	Union KBC Fixed Maturity Plan - 92 Days -Series 2 For the period December 20, 2011 to March 20, 2012
		₹	₹
INCOME AND GAINS			
Interest		7,143,633	6,201,941
		7,143,633	**6,201,941**
EXPENSES AND LOSSES			
Management fees		65,170	111,232
Service tax on management fees		6,715	11,459
Trusteeship fees		8,621	7,221
Registrar and transfer agents fees and expenses		2,492	2,229
Commission to agents		20,900	19,154
Audit fees		5,618	5,618
Custodian fees		3,079	1,657
Other operating expenses		5,557	20,893
Less: Expenses reimbursed by Asset Management Company		(10,611)	(243)
		107,541	**179,220**
Net Surplus for the period		**7,036,092**	**6,022,721**
Available Surplus for appropriation		**7,036,092**	**6,022,721**
Appropriation			
Income Distributed during the period		3,014,684	2,537,191
Tax on income distributed during the period		875,084	751,547
Retained Surplus carried forward to Balance sheet		**3,146,324**	**2,733,983**

Significant Accounting Policies and Notes to Accounts 5

The schedule referred to above and Significant Accounting Policies and Notes to Accounts form an integral part of the accounts.

As per our attached report of even date

For S.R. Batliboi & Co.
Firm Registration number: 301003E
Chartered Accountants

Sd/-
Surekha Gracias
Partner
Membership No. : 105488

Place: Mumbai
Date: June 22, 2012

For Union KBC Trustee Company Private Limited

Sd/-
Director

Sd/-
Director

Place: Mumbai
Date: June 22, 2012

For Union KBC Asset Management Company Private Limited

Sd/-
Director

Sd/-
Director

Sd/-
G. Pradeepkumar
Chief Executive Officer

Sd/-
Ashish Ranawade
Chief Investment Officer

Sd/-
Devesh Thacker
Fund Manager - Fixed Income

Sd/-
Parijat Agrawal
Head-Fixed Income

Place: Mumbai
Date: June 19, 2012

SCHEDULES FORMING PART OF BALANCE SHEET FOR THE PERIOD ENDED AT REPORTING DATE

		Union KBC Fixed Maturity Plan - 92 Days - Series 1		Union KBC Fixed Maturity Plan - 92 Days - Series 2	
		As at January 19, 2012		As at March 20, 2012	
		Units	₹	Units	₹
1	**UNIT CAPITAL**				
	Initial Capital				
	Units of ₹ 10 each fully paid up	30,645,000.000	306,450,000	25,705,173.979	257,051,740
	Outstanding Unit Capital				
	Dividend Payout Option				
	Issued during the period @ ₹ 10 each - during New Fund Offer	16,941,500.000	169,415,000	14,036,413.979	140,364,140
	Unit Capital at the end of the period	16,941,500.000	169,415,000	14,036,413.979	140,364,140
	Growth Option				
	Issued during the period @ ₹ 10 each - during New Fund Offer	13,703,500.000	137,035,000	11,668,760.000	116,687,600
	Unit Capital at the end of the period	13,703,500.000	137,035,000	11,668,760.000	116,687,600
	Total under all options				
	Issued during the period @ ₹ 10 each - during New Fund Offer	30,645,000.000	306,450,000	25,705,173.979	257,051,740
	Unit Capital at the end of the period @ ₹ 10 each fully paid up	**30,645,000.000**	**306,450,000**	**25,705,173.979**	**257,051,740**
2	**RESERVES AND SURPLUS**				
	Retained Surplus				
	Opening balance		-		-
	Surplus transferred from Revenue Account		3,146,324		2,733,983
	Closing balance		**3,146,324**		**2,733,983**
3	**CURRENT LIABILITIES & PROVISIONS**				
	Management fees payable		28,923		26,710
	Income distributed on Unit Capital		3,014,684		2,537,191
	Other liabilities and provisions		904,638		783,386
			3,948,245		**3,347,287**
4	**OTHER CURRENT ASSETS**				
	Balances with banks in current account		440,543		286,930
	Collateralised Borrowing and Lending Obligation (CBLO)		313,021,307		262,779,069
	Outstanding and accrued income		72,105		61,805
	Receivable from Asset Manangement Company		10,614		5,206
			313,544,569		**263,133,010**

SCHEDULES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED AT MATURITY DATE

Schedule 5: SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS:

1 Background

Union KBC Mutual Fund is sponsored by Union Bank of India and KBC Participations Renta, a 100% subsidiary of KBC Asset Management NV.

In conformity with the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996, Union KBC Asset Management Company Private Limited ("the AMC") has been set up to act as the Asset Management Company to Union KBC Mutual Fund. In terms of the Investment Management Agreement (IMA) dated December 2, 2010 entered into between Union KBC Trustee Company Private Limited and the AMC, the AMC has been appointed as the Investment Manager to the Schemes of Union KBC Mutual Fund.

The key features of the Schemes of Union KBC Mutual Fund are as follows:

Union KBC Fixed Maturity Plan - 92 Days - Series 1

Union KBC Fixed Maturity Plan - 92 Days - Series 1 was launched on October 20, 2011 as a close ended income scheme.

The scheme offers the following options:

- Growth Option
- Dividend Payout Option

The Investment objective of the Scheme is to seek to generate income / capital appreciation by investing in a portfolio of debt and money market instruments maturing on or before the maturity of the Scheme.

Union KBC Fixed Maturity Plan - 92 Days - Series 2

Union KBC Fixed Maturity Plan - 92 Days - Series 2 was launched on December 20, 2011 as a close ended income scheme.

The scheme offers the following options:

- Growth Option
- Dividend Payout Option

The Investment objective of the Scheme is to seek to generate income / capital appreciation by investing in a portfolio of debt and money market instruments maturing on or before the maturity of the Scheme.

Presentation of these separate Balance sheets and Revenue accounts in a columnar form is not intended to indicate that they bear any relation to each other, or are interdependent or comparable in any way.

2 Significant Accounting Policies

A. Basis of Accounting

The financial statements are prepared and presented on the accrual basis of accounting, under the historical cost convention, as modified for investments which are 'marked-to-market'. The significant accounting policies, which are in accordance with the SEBI Regulations and have been approved by the Boards of Directors of the AMC and the Trustee, are stated below.

B. Computation of net asset value

a) The net asset value of the units of the scheme is determined separately for the units issued under the Options.

b) For reporting the net asset values within the portfolio, the scheme's daily income earned, including realized profit or loss and unrealized gain or loss in the value of investments, and expenses incurred, are allocated to the related options in proportion to their respective daily net assets (net assets of previous day plus subscription and redemption for the day) of the Option.

C. Revenue recognition

a. Dividend income is accrued on ex-dividend date.

b. Interest on coupon bearing investments is recognised on a day to day basis as it is earned.

c. Appreciation/depreciation in value of securities is computed category wise, wherein the carrying cost is compared with the market/ fair value and the resultant appreciation is credited to unrealized appreciation reserve and any depreciation is charged to the revenue account.

d. Profit or loss on sale/redemption of investments is determined on the basis of the weighted average cost method.

D. Expenses

a. All expenses are accounted on an accrual basis.

b. Expenses (other than management fees) are disclosed inclusive of service tax.

E. Deferred Revenue Expenditure

No initial issue expenses are borne by the schemes.

F. Investments

a. Transactions for purchase and sale of investments are recorded on trade date.

b. The cost of investments includes all costs incurred in acquiring the investments and incidental to acquisition of investments e.g. Brokerage, stamp charges, any charge customarily included in the broker's note, CCIL Charges etc.

c. Bonus entitlements are recognised on ex-bonus dates.

d. Rights entitlements are recognised on ex-right dates.

e. On purchase of coupon bearing investments, interest paid for the period from the last interest due date up to the date of purchase is not treated as cost of purchase but is treated as interest recoverable. Similarly, interest received at the time of sale for the period from the last interest due date up to the date of sale is not treated as part of sale value but is treated as interest recovered.

G. Valuation of Investments

Traded securities

Traded equity securities (other than thinly traded) are valued at the closing price on the National Stock Exchange of India Limited (principal stock exchange) (NSE). When on a particular valuation day a security has not been traded on the principal stock exchange the value at which it is traded on The Bombay Stock Exchange Limited is used.

Traded debt securities excluding Government securities (other than thinly traded) are valued at the weighted average price on National Stock Exchange (NSE)/ Bombay Stock Exchange (BSE) as on the date of valuation on which the security is traded.

Government securities are valued at the prices provided by the agency nominated by AMFI (currently CRISIL & ICRA).

Non traded/thinly traded money market and debt securities with residual maturity up to 91 days

These securities are valued on weighted average amortization basis.

Non traded/thinly traded money market and debt securities with residual maturity over 91 days

These securities are valued at benchmark yield/ matrix of spread over risk free benchmark yield obtained from agencies, namely CRISIL and ICRA entrusted for the said purpose by AMFI.

In case of Treasury Bills, the price used is the average of the prices provided by CRISIL and ICRA., agencies entrusted for the said purpose by AMFI.

All investments are stated at their market/fair value at the reporting date.

H. Unit Capital

Unit capital represents the net outstanding units at the balance sheet date thereby reflecting all transactions relating to the period ended on that date.

Upon issue/redemption of units, the net premium or discount to the face value of units is adjusted against the unit premium reserve of each Option, after an appropriate portion of the issue proceeds and redemption payouts is credited / debited to the equalization account, a mandatory requirement for open ended mutual fund schemes.

I. Entry and Exit Load

No entry load is charged by the scheme(s) from investors. No exit load is charged by the scheme(s) from investors.

J. Cash and cash equivalents

Cash and cash equivalents include balances with banks in current accounts; deposits placed with scheduled banks (with an original maturity of up to three months) and collateralized lending (including reverse repurchase transactions).

3. Net Asset Value as at Reporting Date

Scheme	Option	NAV asset value per unit (NAV) ₹	Reporting Date
Union KBC Fixed Maturity Plan - 92 Days - Series 1	Growth Option	10.2296	January 19, 2012
	Dividend Payout Option	10.0000	January 19, 2012
Union KBC Fixed Maturity Plan - 92 Days - Series 2	Growth Option	10.2343	March 20, 2012
	Dividend Payout Option	10.0000	March 20, 2012

4. Cost and Market/Fair value of investments are as under:

Union KBC Fixed Maturity Plan - 92 Days - Series 1- As on reporting date January 19, 2012 - **NIL**

Union KBC Fixed Maturity Plan - 92 Days - Series 2 - As on reporting date March 20, 2012 - **NIL**

5. Purchase/Sale of Investments:

The aggregate value of investments acquired and sold/redeemed/expired (excluding CBLO and Fixed Deposit transactions) during the period and these amounts as a percentage of average daily net assets is as follows:

Scheme Name	Purchases ₹	% to Average daily net asset value	Sale ₹	% to Average daily net asset value
Union KBC Fixed Maturity Plan - 92 Days - Series 1	306,105,478	98.74%	313,000,000	100.97%
Union KBC Fixed Maturity Plan - 92 Days - Series 2	256,513,723	98.62%	262,500,000	100.92%

6. MANAGEMENT AND TRUSTEESHIP FEES:

The Scheme pays fees for investment management services under an agreement with the AMC, this fee is computed as a percentage of Scheme's average daily net assets, after excluding the net asset value of the investments by the AMC in the scheme, the net asset value of the investments made in other schemes and fixed deposits as applicable.

Following are the rate at which the Investment Management fees were charged to schemes on an annualized basis during the Period ended at Maturity Date on daily average net assets: excluding service tax.

Scheme	Rate (% p.a.)
Union KBC Fixed Maturity Plan - 92 Days - Series 1	0.08%
Union KBC Fixed Maturity Plan - 92 Days - Series 2	0.17%

The scheme has paid for trusteeship services at the rate of 0.01 per cent (excluding service tax) of the scheme's average daily net assets, subject to a maximum of ₹ 10 lakhs per annum for all the schemes.

7. Income and Expenditure

The total income and expenditure and these amounts as a percentage of the scheme's average daily net assets on an annualized basis are provided below:

	Union KBC Fixed Maturity Plan - 92 Days - Series 1	**Union KBC Fixed Maturity Plan - 92 Days - Series 2**
	For the period ended January 19, 2012	**For the period ended March 20, 2012**
Income (including provision for net unrealized loss and realized loss on sale of investments)		
- amount (Rupees)	7,143,633	6,201,941
- as a percentage of average daily net assets	9.17%	9.49%
Expenditure (excluding provision for net unrealized loss and realized loss on sale of investments)		
- amount (Rupees)	107,541	179,220
- as a percentage of average daily net assets	0.14%	0.27%

8. Disclosure under Regulation 25(8) of SEBI (Mutual Funds) Regulations, 1996:

8.1 Brokerage paid to associates/related parties/group companies of Sponsor/Asset Management Company on investment transactions: **NIL.**

8.2 Payment of Commission for Distribution and Sale of Units to associates/related parties/group companies of Sponsor/AMC:

Name of associates/related parties/ group companies of Sponsor/AMC	Nature of Association/ Nature of relation	Period covered	Business given (Rupees and % of total business received by fund)		Commission paid (Rupees and % of total commission paid by the fund)	
			₹ (Crs.)	%	₹	%
Union Bank of India	Sponsor	For the period ended at reporting date				
Scheme						
• Union KBC Fixed Maturity Plan - 92 Days - Series 1			10.68	34.85%	4,008	0.04%
• Union KBC Fixed Maturity Plan - 92 Days - Series 2			5.90	22.91%	7,418	0.07%

8.3 Underwriting obligations undertaken by the Schemes with respect to issue of securities by associate companies during the period under review: **NIL**.

8.4 Devolvement during the period: **NIL.**

8.5 Subscription by the schemes in the issues lead managed by its associate companies: **NIL**.

8.6 Subscription to any issue of equity or debt on private placement basis where the sponsor or its associate companies have acted as arranger or manager: **NIL.**

8.7 Payment of Bank Charges for the period ended at reporting date

Name of associates/ related parties/ group companies of Sponsor/ AMC	Nature of association / Nature of relation	Amount
		₹
Union Bank of India	Sponsor	
a. Union KBC Fixed Maturity Plan - 92Days - Series 1		115
b. Union KBC Fixed Maturity Plan - 92Days - Series 2		151

9. Related Party Transactions

Related Parties

1. Union KBC Asset Management Company Private Limited (Asset Management Company)
2. Union KBC Trustee Company Private Limited (Trustee Company)
3. Union Bank of India (Sponsor)
4. Star Union Dai-Ichi Life Insurance Company Limited (Associate)

The Scheme has entered into transactions with related parties which are required to be disclosed in accordance with Accounting Standard - 18 'Related Party Disclosures'.

(a) The transactions entered into(except subscription/redemption of units) during the period with the related parties are as under:

		Union KBC Fixed Maturity Plan - 92 Days - Series 1		Union KBC Fixed Maturity Plan - 92 Days - Series 2	
Name of Related Party	**Nature of transaction**	**For the period ended January 19, 2012 ₹**	**As at January 19, 2012 ₹**	**For the period ended March 20, 2012 ₹**	**As at March 20, 2012 ₹**
Union KBC Trustee Company Private Limited	Trusteeship fees	8,621	1,448	7,221	1,460
Union KBC Asset Management Company Private Limited	Investment management fees	71,885	28,923	122,691	26,710
Union KBC Asset Management Company Private Limited	Receivable for other expenses	10,614	10,614	10,580	5,206
Union Bank of India	Bank Charges	115	-	151	-
Union Bank of India	Commission to Distributor	4,008	-	7,418	-

(b) Subscription/Redemption of units by Related Party in Scheme(s) of Union KBC Mutual Fund

Name of Related Party	Nature of transaction	Union KBC Fixed Maturity Plan - 92 Days - Series 1 ₹	Union KBC Fixed Maturity Plan - 92 Days - Series 2 ₹
Union KBC AssetManagement Company Private limited	Purchase (including Dividend reinvestment) at NAV	50,000,000	-
	Redemption at NAV	-	-
	Reporting date balance at closing NAV	51,148,000	-
Union Bank of India	Purchase (including Dividend reinvestment) at NAV	75,000,000	60,000,000
	Redemption at NAV	-	-
	Reporting date balance at closing NAV	76,722,000	61,405,800

10. Segment Information

The schemes operate only in one segment viz. to primarily generate returns, based on the investment objective of the schemes.

11. Investment Portfolio Information and Industry wise classification: There are no investments held by the schemes on the reporting date

12. Disclosure under Regulation 25 (11) of SEBI (Mutual Fund) Regulations, 1996:

Investments made in companies which have invested more than five percent of the net asset value of the Schemes of Union KBC Mutual Fund

Company Name	Schemes invested in by the Company	Investment made by schemes of Union KBC Mutual Fund in the company/subsidiary	Aggregate cost of acquisition during the period ended 31 March 2012 (₹ in lakhs)	Outstanding as at 31 Mar 2012 (At Market / Fair Value) (₹ in lakhs)
Allahabad Bank	Union KBC Liquid Fund	Union KBC Fixed Maturity Plan - 92 Days - Series 2	684	-
		Union KBC Liquid Fund	24,910	3,427
Andhra Bank	Union KBC Liquid Fund	Union KBC Dynamic Bond Fund	499	-
		Union KBC Liquid Fund	24,115	2,444
Bank of India	Union KBC Liquid Fund	Union KBC Dynamic Bond Fund	904	909
		Union KBC Fixed Maturity Plan - 92Days - Series 2	513	-
		Union KBC Liquid Fund	16,694	2,441
Canara Bank	Union KBC Liquid Fund	Union KBC Dynamic Bond Fund	1,398	910
		Union KBC Liquid Fund	33,863	7,326
Central Bank of India	Union KBC Liquid Fund	Union KBC Dynamic Bond Fund	994	-
		Union KBC Liquid Fund	31,404	7,328
Corporation Bank	Union KBC Liquid Fund	Union KBC Dynamic Bond Fund	496	-
		Union KBC Liquid Fund	24,229	4,895
Dena Bank	Union KBC Liquid Fund	Union KBC Liquid Fund	4,934	-
Indian Overseas Bank	Union KBC Dynamic Bond Fund	Union KBC Liquid Fund	14,751	4,895
IndusInd Bank	Union KBC Liquid Fund	Union KBC Equity Fund	260	291
		Union KBC Liquid Fund	2,497	-
		Union KBC Tax Saver Scheme	96	117
Infrastructure Development Finance Company	Union KBC Liquid Fund	Union KBC Tax Saver Scheme	38	41

Company Name	Schemes invested in by the Company	Investment made by schemes of Union KBC Mutual Fund in the company/subsidiary	Aggregate cost of acquisition during the period ended 31 March 2012 (₹ in lakhs)	Outstanding as at 31 Mar 2012 (At Market / Fair Value) (₹ in lakhs)
Power Finance Corporation	Union KBC Liquid Fund	Union KBC Dynamic Bond Fund	506	499
		Union KBC Equity Fund	160	129
Punjab & Sind Bank	Union KBC Liquid Fund	Union KBC Liquid Fund	4,931	2,447
Reliance Capital	Union KBC Liquid Fund	Union KBC Liquid Fund	9,862	-
Religare Finvest	Union KBC Liquid Fund	Union KBC Liquid Fund	14,620	4,871

All companies transacted herewith are financially sound companies with proven track record. Moreover, fund management has undertaken a detailed research in each of these companies and are part of the investment universe with defined exposure norms. As a result, investments in all these companies are independent investment decisions and do not relate, in any manner, to their investment in Union KBC Mutual Fund's schemes.

13. Contingent Liability

Contingent liability as on reporting date: **NIL**.

14. Unclaimed redemption and dividend as on reporting date: **NIL**

15. Borrowings as on the balance sheet date is **NIL**

16. The schemes have not made any investments in derivative products during the period ended at reporting date.

17. Non Performing Assets as on reporting date: **NIL**

18. Investment in sponsor and its Group Companies: **NIL**

19. Prior period comparatives

As these are the first financial statements of the Scheme(s) since the date of launch, there are no prior period comparatives.

As per our attached report of even date

For S.R. Batliboi & Co.
Firm Registration number: 301003E
Chartered Accountants

Sd/-

Surekha Gracias
Partner
Membership No. : 105488

Place: Mumbai
Date: June 22, 2012

For Union KBC Trustee Company Private Limited

Sd/-
Director

Sd/-
Director

Place: Mumbai
Date: June 22, 2012

For Union KBC Asset Management Company Private Limited

Sd/-
Director

Sd/-
Director

Sd/-
G. Pradeepkumar
Chief Executive Officer

Sd/-
Ashish Ranawade
Chief Investment Officer

Sd/-
Devesh Thacker
Fund Manager - Fixed Income

Sd/-
Parijat Agrawal
Head-Fixed Income

Place: Mumbai
Date: June 19, 2012

Cash Flow Statement for the period ended at Reporting Date

		Union KBC Fixed Maturity Plan - 92 Days - Series 1	Union KBC Fixed Maturity Plan - 92 Days - Series 2
		For the period ended January 19, 2012	For the period ended March 20, 2012
		₹	₹
A. Cashflow from Operating Activity			
Net Surplus for the period		7,036,092	6,022,721
Operating Profit Before Working Capital Changes		**7,036,092**	**6,022,721**
Adjustments for:-			
(Increase)/Decrease in Other Current Assets		(82,719)	(67,011)
Increase/(Decrease) in Current Liabilities and Provisions		58,477	58,549
Net Cash Generated From / (used in) Operating Activities	**(A)**	**7,011,850**	**6,014,259**
B. Cashflow from Financing Activities			
Increase/(Decrease) in Unit Corpus		306,450,000	257,051,740
Net Cash Used in Financing Activities	**(B)**	**306,450,000**	**257,051,740**
Net Increase/(Decrease) in Cash & Cash Equivalents	**(A+B)**	**313,461,850**	**263,065,999**
Cash and Cash Equivalents as at the close of the period		313,461,850	263,065,999
Net Increase/(Decrease) in Cash & Cash Equivalents		**313,461,850**	**263,065,999**
Components of cash and cash equivalents			
With Banks - in current account		440,543	286,930
Collateralised Borrowing and Lending Obligation (CBLO)		313,021,307	262,779,069
		313,461,850	**263,065,999**

Note: The above cashflow statement has been prepared under the indirect method set out in Accounting Standard 3 - Cash Flow Statement, issued by the Institute of Chartered Accountants of India.

As per our attached report of even date

For S.R. Batliboi & Co.
Firm Registration number: 301003E
Chartered Accountants

Sd/-
Surekha Gracias
Partner
Membership No. : 105488

Place: Mumbai
Date: June 22, 2012

For Union KBC Trustee Company Private Limited

Sd/-
Director

Sd/-
Director

Place: Mumbai
Date: June 22, 2012

For Union KBC Asset Management Company Private Limited

Sd/-
Director

Sd/-
Director

Sd/-
G. Pradeepkumar
Chief Executive Officer

Sd/-
Ashish Ranawade
Chief Investment Officer

Sd/-
Devesh Thacker
Fund Manager - Fixed Income

Sd/-
Parijat Agrawal
Head-Fixed Income

Place: Mumbai
Date: June 19, 2012

PERSPECTIVE HISTORICAL PER UNIT STATISTICS

		Union KBC Fixed Maturity Plan - 92 Days - Series 1	Union KBC Fixed Maturity Plan - 92 Days - Series 2
		For the Period Ended January 19, 2012	For the Period Ended March 20, 2012
a.	**Net assets value, per unit ₹ (at the end of the period)**		
	Growth Option	10.2296	10.2343
	Dividend Option	-	-
	Dividend Payout Option	10.0000	10.0000
	Dividend Option-Daily dividend frequency	-	-
	Dividend Option-Weekly dividend frequency	-	-
	Dividend Option-Fortnightly dividend frequency	-	-
	Dividend Option-Monthly dividend frequency	-	-
	* Refers to Computed NAV		
b.	**Gross Income**		
(i)	Income other than profit on sale of investments	0.23	0.24
(ii)	Income from profit / (loss) on inter scheme sales/transfer of investment	-	-
(iii)	Income from profit / (loss) on sale of investment to third party	-	-
(iv)	Transfer to revenue account from past years' reserve	-	-
c.	**Aggregate of expenses, writeoff, amortisation and charges** (excluding unrealised depreciation in investments)	0.00	0.01
d.	**Net Income** (excluding unrealised depreciation in investments)	0.23	0.23
e.	**Unrealised appreciation / (depreciation) in value of investments**	-	-
f(i).	**Repurchase Price:**		
	Highest Price		
	Growth Option	10.2296	10.2343
	Dividend Option	-	-
	Dividend Payout Option	10.0000	10.0000
	Dividend Option-Daily dividend frequency	-	-
	Dividend Option-Weekly dividend frequency	-	-
	Dividend Option-Fortnightly dividend frequency	-	-
	Dividend Option-Monthly dividend frequency	-	-
	Lowest Price		
	Growth Option	10.2296	10.2343
	Dividend Option	-	-
	Dividend Payout Option	10.0000	10.0000
	Dividend Option-Daily dividend frequency	-	-
	Dividend Option-Weekly dividend frequency	-	-
	Dividend Option-Fortnightly dividend frequency	-	-
	Dividend Option-Monthly dividend frequency	-	-
	Sale Price		
	Highest Price		
	Growth Option	10.0000	10.0000
	Dividend Option	-	-
	Dividend Payout Option	10.0000	10.0000
	Dividend Option-Daily dividend frequency	-	-
	Dividend Option-Weekly dividend frequency	-	-
	Dividend Option-Fortnightly dividend frequency	-	-
	Dividend Option-Monthly dividend frequency	-	-
	Lowest Price		
	Growth Option	10.0000	10.0000
	Dividend Option	-	-
	Dividend Payout Option	10.0000	10.0000
	Dividend Option-Daily dividend frequency	-	-
	Dividend Option-Weekly dividend frequency	-	-
	Dividend Option-Fortnightly dividend frequency	-	-
	Dividend Option-Monthly dividend frequency	-	-
f(ii).	**Price-earning Ratio:**	-	-
g.	**Ratio of expenses to average daily net assets by percentage**	0.14%	0.27%
h.	**Ratio of gross income to average daily net assets by percentage (excluding transfer to revenue account from past years' reserve but including unrealised appreciation / depreciation on investments).**	9.17%	9.49%

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MUTUAL FUND
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