

UNION CORPORATE BOND FUND

(An open ended debt scheme predominantly investing in AA+ and above rated corporate bonds)

Bond ka Dum

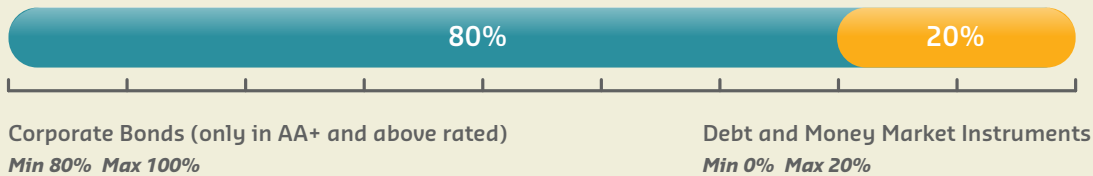


Fund manager:

Mr. Parijat Agrawal, with more than 22 years of experience in Fixed Income Markets



Indicative Asset Allocation (Under normal circumstances):



Investment horizon: Medium to Long Term

The Scheme endeavors to have the following characteristics:



Moderately Low Risk



Returns through Interest accrual and capital appreciation



Investment across sectors



Tax Efficient
(Long term capital gain i.e. investment exceeding 3 years attracts taxation post indexation)

THE TIME IS NOW

✓ 10 Year Government Security Yield has moved up due to



Higher Crude Oil Prices



Global concerns from trade wars



Upside Risks to Inflation

Illustration/Indexation benefits for investment > 3 years

Particulars	Investor Taxed @ 20%	Investor Taxed @ 30%	Debt Mutual Fund ^{&}
Amount Invested (in ₹)	100,000	100,000	100,000
Annualised return (%)~	7.00%	7.00%	7.00%
Gross Value at 3 years (in ₹)	122,488	122,488	122,488
Gains/Interest on Investment (in ₹)	22,488	22,488	22,488
Indexed Cost of Acquisition (in ₹) [^]	NA	NA	110,236
Taxable income (in ₹)	22,488	22,488	12,252
Applicable Tax Rate (%) [*]	20.80%	31.20%	20.80%
Tax Liability (in ₹)	4,678	7,016	2,548
Post Tax Returns (in ₹)	17,810	15,472	19,940
Post Tax Value at 3 years (in ₹)	117,810	115,472	119,940
Post Tax Annualised Returns (%)	5.62%	4.91%	6.25%

& For LTCG with indexation benefit for Individual / HUF and Domestic Companies

In the illustration given, the assumption is that the investor would stay invested in the scheme for more than 36 months so that the investment qualifies as a long term capital asset for which indexation benefit is available.

~ The interest rate used in the illustration is based on the average monthly yield level of 3 years Government Securities from Oct 2015 till Sept 2018 (36 months) as per Bloomberg.

^ Indexation of cost of acquisition means raising the cost of investment depending on the Cost Inflation Index (CII) value in the financial year of purchase and sale of units. The cost thus goes up to Rs. 1,22,488 while calculating the gain or loss (Rs. 1,00,000 X index in the year of sale / index in the year of purchase). In case the investment is made in the FY 2015-2016 and redeemed in the FY 2018-2019, the investor gets indexation benefits of 3 financial years. CII is assumed at 3.30% based on last 3 years average [280 (FY 2018-2019) ,272 (FY 2017-2018), 264 (FY 2016-2017) and 254 (FY 2015-2016)].

* The tax rate assumed is the medium and highest rate based on the current tax slabs.

Notes:

- This is a hypothetical illustration to explain the concept of double indexation and its benefits and actual figures may vary. This illustration does not in any manner imply or indicate returns provided by investments in mutual fund units. Please consult your tax advisor before investing for tax implications and further details.
- This illustration is for Resident Individuals/ HUF and Domestic Company. Interest calculation is assumed on yearly cumulative basis.
- The features of Debt Securities / Traditional Fixed Income Securities and Debt Mutual Funds are not comparable. The comparison is limited to the scope of returns and tax efficiency which will be subject to the prevailing tax laws.

SCHEME DETAILS:



Load Structure

Entry Load: NIL

Exit Load: 1% if redeemed or switched out on or before completion of 1 year from the date of allotment of units.

0.50% if redeemed or switched out after completion of 1 year but before completing 2 years from the date of allotment of units.

0.25% if redeemed or switched out after completion of 2 years but before completing 3 years from the date of allotment of units.

Nil if redeemed or switched out after completion of 3 years.

Suitability:-

<p>This product is suitable for investors who are seeking*:</p> <ul style="list-style-type: none"> Regular income over Medium to Long Term Income by investing in fixed income securities of varying maturities and credits 	<p>Riskometer</p> <p>Investors understand that their principal will be at moderately low risk</p>
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*Investors should consult their financial advisors if in doubt about whether the product is suitable for them.

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

Disclaimer: The views, facts and figures in this document are as of September 28, 2018, unless stated otherwise, and could change without any notice.

Statutory Details: Constitution: Union Mutual Fund (formerly Union KBC Mutual Fund) has been set up as a Trust under the Indian Trusts Act, 1882; Sponsors: Union Bank of India and Dai-ichi Life Holdings, Inc.; Trustee: Union Trustee Company Private Limited (formerly Union KBC Trustee Company Private Limited), [Corporate Identity Number (CIN): U65923MH2009PTC198198], a company incorporated under the Companies Act, 1956 with a limited liability; Investment Manager: Union Asset Management Company Private Limited (formerly Union KBC Asset Management Company Private Limited), [Corporate Identity Number (CIN): U65923MH2009PTC198201], a company incorporated under the Companies Act, 1956 with a limited liability. Registered Office: Unit 503, 5th Floor, Leela Business Park, Andheri Kurla Road, Andheri (East), Mumbai -400059. • Toll Free No. 18002002268 • Non Toll Free. 022-67483333 • Fax No: 022-67483401 • Website: www.unionmf.com Email: investorcare@unionmf.com

Copy of all Scheme related documents along with the application form can be obtained from any of our AMC offices / Customer Service Centres/ distributors as well as from our website www.unionmf.com

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