

Price



Value



Union Value Discovery Fund

Discover More **Value** For Your **Money**

(An Open-ended equity scheme following a value investment strategy)





“

“Price is the most important factor to use in relation to value.”

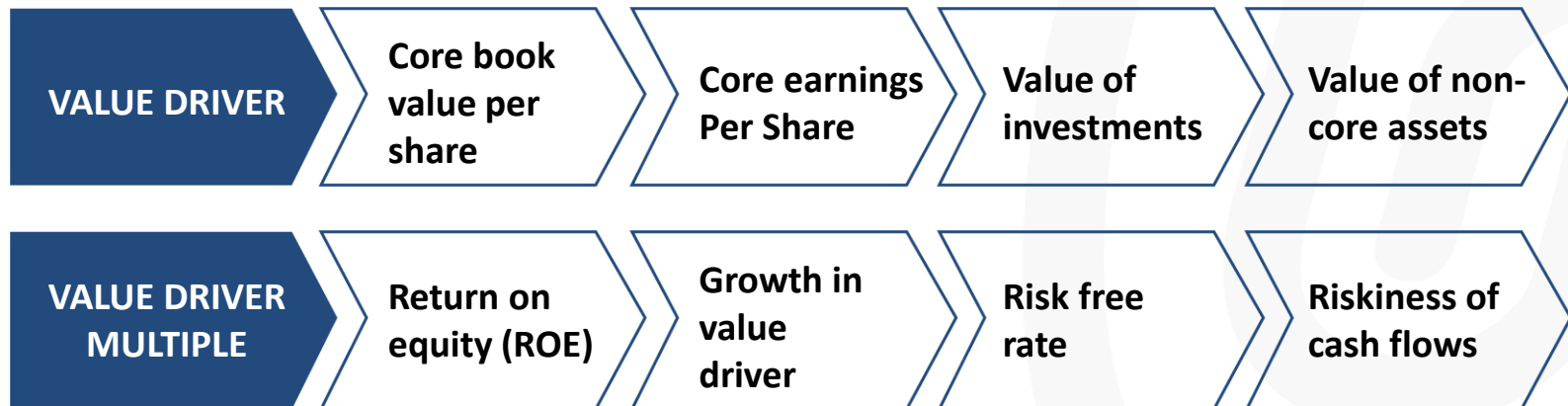
“I learned that if I can simply survive in the market, just like surviving in the war, and not lose money, eventually I will make something.”

- Walter Schloss

Walter J. Schloss was an American investor, fund manager, and philanthropist. He was a well-regarded value investor, as well as a notable disciple of the Benjamin Graham school of investing.

DETERMINANTS OF FAIR VALUE

$$\text{VALUE DRIVER} \times \text{VALUE DRIVER MULTIPLE} = \text{FAIR VALUE}$$



Source: Internal Research

INVESTMENT STRATEGY FOR VALUE STOCKS



Stock A	Stock B	Stock C	Stock D
<ul style="list-style-type: none"> An Oil exploring and refining company. The Company's products include lubricating oils, liquid petroleum gas, aviation turbine fuels, greases, wax, bitumen and asphalt. For e.g Current price is ₹ 530 and intrinsic value is ₹ 1000, trades at 0.53x 	<ul style="list-style-type: none"> Largely a cement conglomerate whose product ranges from Viscose Staple Fiber, cement, chemicals and textiles. For e.g Current price is ₹ 740 and intrinsic value is ₹ 1000, trades at 0.74x 	<ul style="list-style-type: none"> Automobile manufacturer whose products range from passenger to commercial vehicle and operates globally as well. For e.g Current price is ₹ 630 and intrinsic value is ₹ 1000, trades at 0.63x 	<ul style="list-style-type: none"> A pharmaceuticals company whose products are largely targeted against tuberculosis. It is also involved in preparation of herbal medicines. For e.g Current price is ₹ 820 and intrinsic value is ₹ 1000, trades at 0.82x

Intrinsic Value = Present value of future cash flows discounted at cost of equity; Source: Internal Research

Note: The above information is only for illustration purposes to explain the concept of value stocks and does not relate to any actual company. Any similarity to actual companies is purely coincidental.

Stock Selection

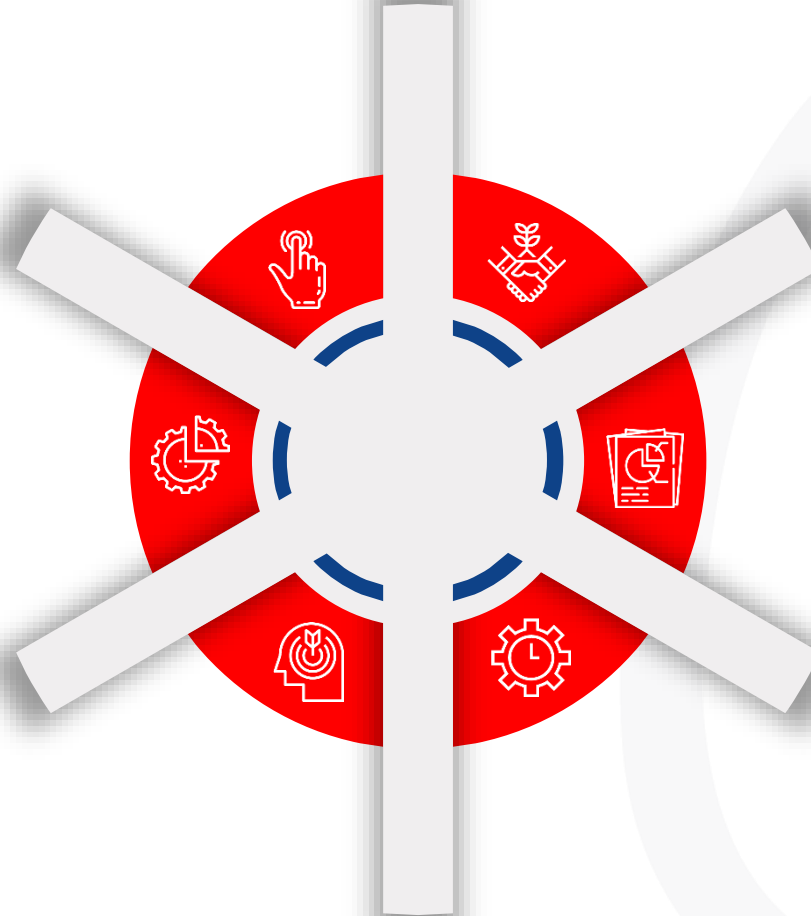
Predominantly Bargain stocks
Temporarily out of favour Stocks
Under-owned Stocks
Turnaround Companies
Attractive valuations

Sector Allocation

Under-owned and out of
favour sectors
Partly driven by bottom up stock
selection

Concentration

Diversified Fund



Capitalisation

Multi-cap. Across market
capitalisation depending on
opportunities

Asset Allocation

Nearly fully invested in equity
and equity related instruments

Exit Discipline

Original investment rationale is
substantially weakened,
Valuation re-rating, resulting in
meaningful reduction in expected
returns in the medium term. We
find an alternative idea with
better risk-reward payoff

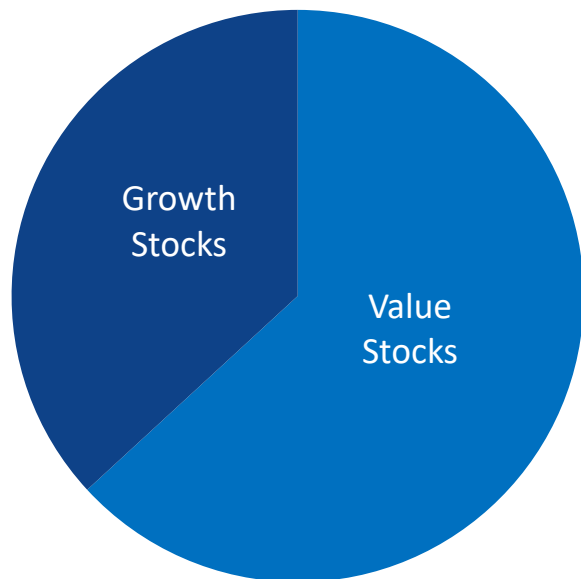
Note: For the asset allocation pattern, refer Scheme Information Document (SID) of the Scheme.

This is the current investment strategy and may change in future but would be in accordance with requirements of the scheme documents.

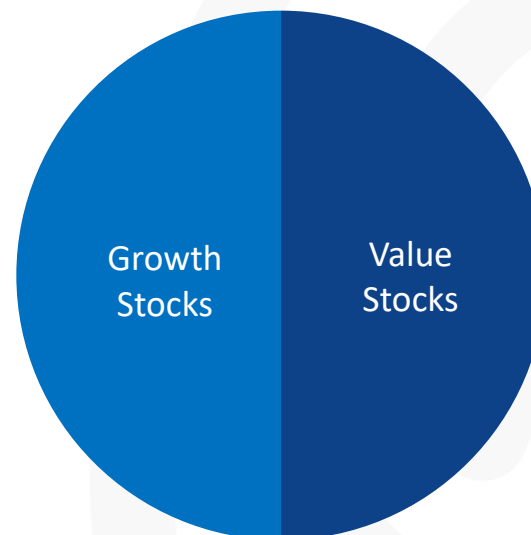
ILLUSTRATION

PORTFOLIO STRATEGY UNDER VARIOUS MARKET CONDITIONS

Secular downtrend and
Range Bound market cycle



Secular uptrend
market cycle



At most times, major portion of the portfolio will be invested in companies with price to current intrinsic value less than that of Nifty

This is the current investment strategy and may change in future but would be in accordance with requirements of the scheme documents.

WHO SHOULD INVEST?



**Investors with long
term investment
horizon**



**Those who need
portfolio
diversification**



**Investors who are
looking for value
for their money**

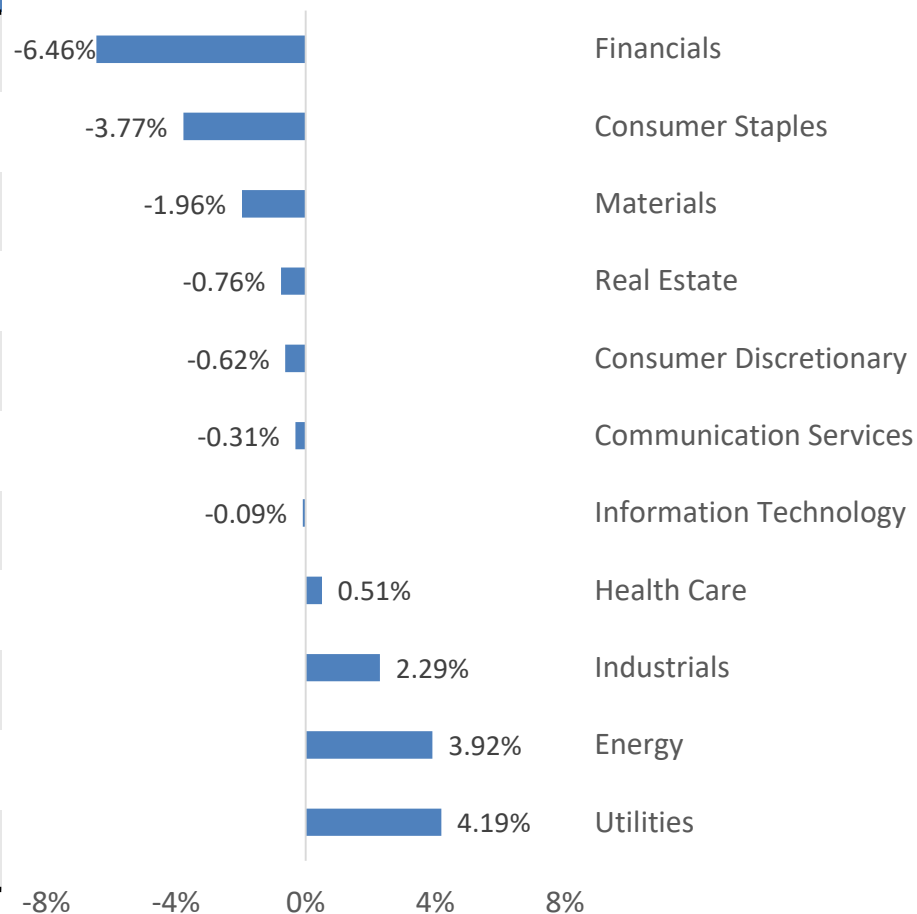
UNION VALUE DISCOVERY FUND – KEY STATISTICS



SECTOR ALLOCATION- AS ON 31ST JANUARY 2020

GICS SECTOR*	UNION VALUE DISCOVERY FUND	S&P BSE 500 INDEX (TRI)^
Financials	29.05%	35.50%
Consumer Staples	5.50%	9.27%
Materials	6.71%	8.67%
Real Estate	0.00%	0.76%
Consumer Discretionary	8.37%	8.99%
Communication Services	2.24%	2.55%
Information Technology	10.50%	10.59%
Health Care	5.36%	4.85%
Industrials	9.02%	6.73%
Energy	12.99%	9.08%
Utilities	7.19%	3.00%

Sector Overweight/Underweight



*GICS: Global Industry Classification Standard; ^ For disclaimers, refer slide no. 14.

Note: For sector allocation as per AMFI classification, refer slide no. 13.

ACTIVE WEIGHTS VIS-À-VIS BENCHMARK AS ON 31ST JANUARY 2020



COMPANY	TOP 10 (% OVERWEIGHT)
STATE BANK OF INDIA	4.83%
TATA CHEMICALS LTD	3.45%
NTPC LTD	2.55%
ICICI BANK LTD	2.55%
rites LTD	2.31%
LARSEN & TOUBRO LTD	2.06%
AVANTI FEEDS LTD	1.88%
SUN PHARMACEUTICAL INDUSTRIES LTD	1.68%
AXIS BANK LTD	1.64%
HINDALCO INDUSTRIES LTD	1.55%

COMPANY	TOP 10 (% UNDERWEIGHT)
HOUSING DEVELOPMENT FINANCE CORP LTD	-5.99%
TATA CONSULTANCY SERVICES LTD	-3.16%
KOTAK MAHINDRA BANK LTD	-2.89%
HINDUSTAN UNILEVER LTD	-2.10%
BAJAJ FINANCE LTD	-1.56%
ASIAN PAINTS LTD	-1.17%
INDUSIND BANK LTD	-1.10%
BAJAJ FINSERV LTD	-0.83%
NESTLE INDIA LTD	-0.79%
ULTRATECH CEMENT LTD	-0.72%

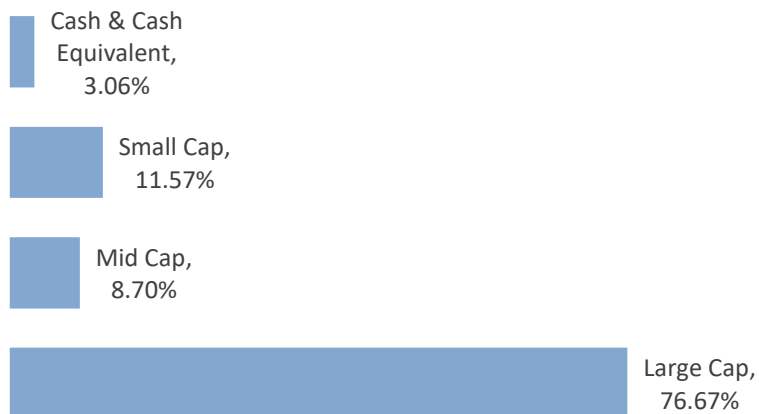
UNION VALUE DISCOVERY FUND - KEY STATISTICS



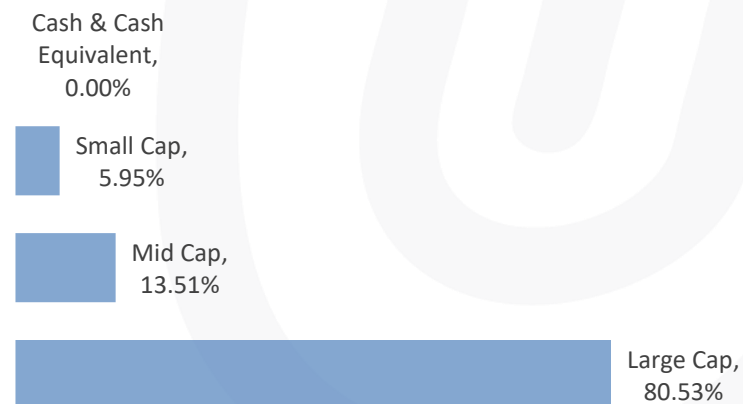
RANGE OF MARKET CAPITALIZATION OF STOCKS IN PORTFOLIO	UNION VALUE DISCOVERY FUND (₹ CRS)	S&P BSE 500 INDEX (TRI)^ (₹ CRS)
Highest Market Cap	894,874	894,874
Lowest Market Cap	1,391	230
Wtd Avg Market Cap	243,931	267,693

CONCENTRATION ANALYSIS	UNION VALUE DISCOVERY FUND	S&P BSE 500 INDEX (TRI)^
No. of Stocks	42	500
Top 5 Holdings (as % of Total Holdings)	35%	29%
Top 10 Holdings (as % of Total Holdings)	54%	43%

UNION VALUE DISCOVERY FUND COMPOSITION



S&P BSE 500 INDEX (TRI)^ COMPOSITION



Data as of 31st January 2020; ^For disclaimers, refer slide no. 14.

The allocation to different asset classes, market cap and sectors can change without notice but would be in accordance with requirements of the scheme documents.

TOP 10 PORTFOLIO HOLDINGS (% OF NET ASSETS)



NAME OF INSTRUMENT	AMFI INDUSTRY	31-Oct-19	30-Nov-19	31-Dec-19	31-Jan-20
HDFC BANK LTD	BANKS	6.04%	6.39%	6.61%	8.35%
ICICI BANK LTD	BANKS	7.18%	8.11%	7.61%	7.42%
RELIANCE INDUSTRIES LTD	PETROLEUM PRODUCTS	7.22%	7.80%	7.90%	7.36%
STATE BANK OF INDIA	BANKS	6.08%	6.79%	6.87%	6.56%
INFOSYS LTD	SOFTWARE	5.01%	5.19%	5.15%	5.46%
LARSEN & TOUBRO LTD	CONSTRUCTION PROJECT	4.55%	4.19%	4.24%	4.47%
AXIS BANK LTD	BANKS	4.05%	4.15%	4.18%	4.05%
TATA CHEMICALS LTD	CHEMICALS	2.87%	3.16%	3.23%	3.64%
ITC LTD	CONSUMER NON DURABLES	3.70%	3.61%	3.61%	3.57%
NTPC LTD	POWER	3.33%	3.22%	3.42%	3.24%

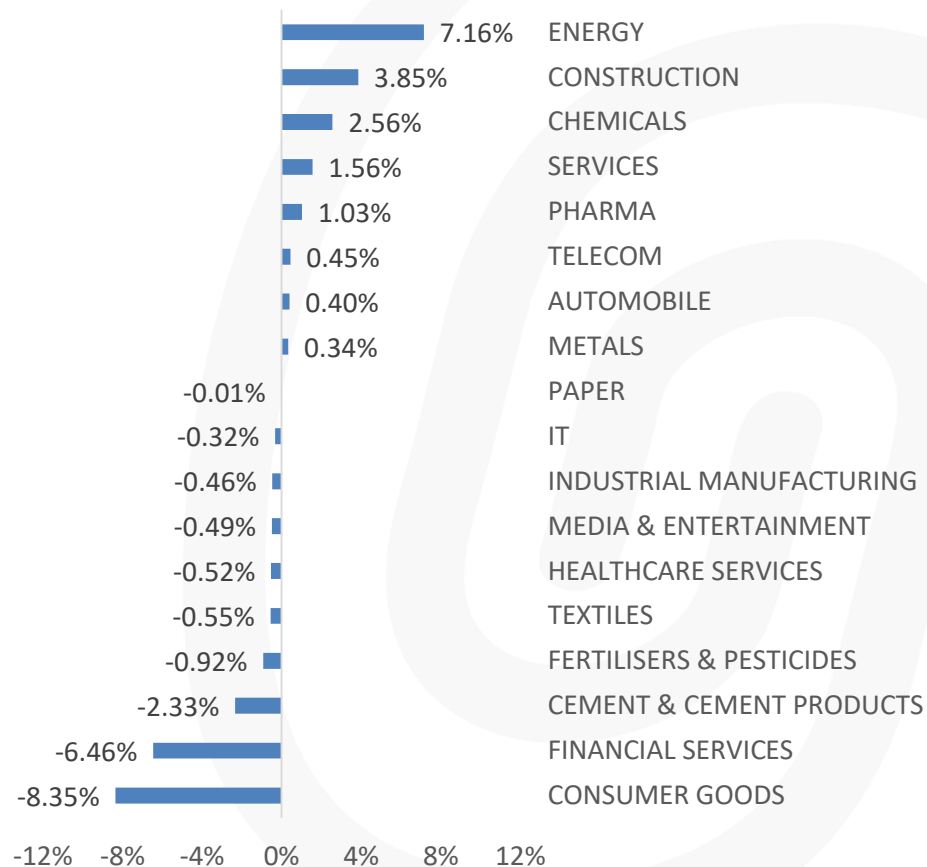
For latest monthly portfolio, kindly visit www.unionmf.com.

SECTOR COMPOSITION OF PORTFOLIO-AMFI

SECTOR ALLOCATION- AS ON 31ST JANUARY 2020

AMFI SECTOR	UNION VALUE DISCOVERY FUND	S&P BSE 500 INDEX (TRI)^
ENERGY	18.86%	11.70%
CONSTRUCTION	7.52%	3.66%
CHEMICALS	3.64%	1.08%
SERVICES	3.32%	1.76%
PHARMA	5.36%	4.33%
TELECOM	2.24%	1.78%
AUTOMOBILE	6.37%	5.97%
METALS	3.07%	2.73%
PAPER	0.00%	0.01%
IT	10.50%	10.82%
INDUSTRIAL MANUFACTURING	1.51%	1.97%
MEDIA & ENTERTAINMENT	0.00%	0.49%
HEALTHCARE SERVICES	0.00%	0.52%
TEXTILES	0.00%	0.55%
FERTILISERS & PESTICIDES	0.00%	0.92%
CEMENT & CEMENT PRODUCTS	0.00%	2.33%
FINANCIAL SERVICES	29.05%	35.50%
CONSUMER GOODS	5.50%	13.85%

Sector Overweight/Underweight



Portfolio as on 31st January 2020. Sector classification as per AMFI. For complete portfolio details, visit www.unionmf.com.

^For disclaimers, please refer slide no. 14.

FUND FACTS



Type of Scheme	An Open-ended equity scheme following a value investment strategy
Inception Date	5 th December 2018
Investment Objective	The investment objective of the scheme is to seek to generate long term capital appreciation by investing substantially in a portfolio of equity and equity related securities of companies which are undervalued (or are trading below their intrinsic value). However, there can be no assurance that the investment objective of the scheme will be achieved
Fund Manager	Vinay Paharia (Since inception)
Asset under management	As on 31st January 2020: ₹129.55 crore Average for January 2020: ₹134.13 crore
Application Amount	Minimum Application Amount: ₹500 and in multiples of ₹ 500 thereafter Minimum Additional Investment: ₹ 500 and in multiples of ₹ 500 thereafter Minimum Redemption Amount: ₹ 500
Load Structure	Entry Load: Nil Exit Load: 1 % if units are redeemed /switched out within 1 year from the date of allotment. Nil thereafter.
Benchmark Index	S&P BSE 500 Index TRI [^] (w.e.f February 25, 2019) For Benchmark Disclaimer, refer slide no. 14

DISCLAIMERS & PRODUCT LABEL



Note: Pursuant to Notice Cum Addendum dated September 06, 2019 Union Value Discovery Fund has undergone change in fundamental attributes with effect from October 23, 2019

^Benchmark disclaimer: The “Index” viz. “S&P BSE 500”, is a product of Asia Index Private Limited (AIPL), which is a joint venture of S&P Dow Jones Indices LLC or its affiliates (“SPDJI”) and BSE Limited, and has been licensed for use by Union Asset Management Company Private Limited. For the detailed disclaimer in this regard please refer to the Scheme Information Document (SID) of the Scheme.

Disclaimer: The views, facts and figures in this document are as of 31st January 2020, unless stated otherwise, and could change without any notice.

The information in this document alone is not sufficient and should not be used for the development or implementation of an investment strategy. Neither the Sponsors/the AMC/ the Trustee Company/ their associates/ any person connected with it, accepts any liability arising from the use of this information. While utmost care has been exercised while preparing this document, the Sponsors/ the AMC/ the Trustee Company/ their associates/ any person connected with it, do not warrant the completeness or accuracy of the information and disclaim all liabilities, losses and damages arising out of the use of this information. The recipients of this material should rely on their investigations and take their own professional advice.

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

Statutory Details: Constitution: Union Mutual Fund has been set up as a Trust under the Indian Trusts Act, 1882; Sponsors: Union Bank of India and Dai-ichi Life Holdings, Inc.; Trustee: Union Trustee Company Private Limited, [Corporate Identity Number (CIN): U65923MH2009PTC198198], a company incorporated under the Companies Act, 1956 with a limited liability; Investment Manager: Union Asset Management Company Private Limited, [Corporate Identity Number (CIN): U65923MH2009PTC198201], a company incorporated under the Companies Act, 1956 with a limited liability. Registered Office: Unit 503, 5th Floor, Leela Business Park, Andheri Kurla Road, Andheri (East), Mumbai - 400059. Toll Free No. 18002002268/18005722268 • 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.

Product Label for Union Value Discovery Fund:-

<p>This product is suitable for investors who are seeking*:</p> <ul style="list-style-type: none"> • Long Term Capital Appreciation • Investment predominantly in a portfolio of equity and equity related securities of value companies. 	<p style="text-align: center;">Riskometer</p> <p style="text-align: center;">Investors understand that their principal will be at moderately high risk</p>
--	---

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

THANK YOU