

**Union KBC Asset Management Company Private Limited -
Investment Manager for Union KBC Mutual Fund**

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AMENDMENT TO THE STATEMENT OF ADDITIONAL INFORMATION OF UNION KBC MUTUAL FUND

Union KBC Asset Management Company Pvt. Ltd., the Investment Manager to Union KBC Mutual Fund, hereby makes the following amendments to the Statement of Additional Information ("SAI") dated October 29, 2011 with immediate effect:

The following sub clauses be and are hereby added, under sub section No. 27 viz "**Additional Facilities**", under Section II viz. "**How to Apply**" in the Statement of Additional Information dated October 29, 2011:

(c) Zero Balance folio facility:

As a value-added service, and with the objective of making future transactions in the Schemes of Union KBC Mutual Fund simpler, the AMC has a process of opening a "**Zero Balance Folio**". A Zero Balance Folio is similar to a Zero Balance Account in the bank where in you would be allotted a Folio number. In this regard, you would be required to fill an application form which is available on the AMC website i.e. www.unionkbc.com, and submit the duly filled in forms to the Authorised Registrar. The Authorised Registrar would create a unique Folio for you, after necessary verifications on the documentations submitted. This Zero Balance Folio number can then be quoted by you for any future transactions with the Mutual Fund/ AMC. However, this process does not mean any investment or commitment of investment in the Scheme/s of Union KBC Mutual Fund now or later. The advantage of opening a zero balance folio is that, whenever a transaction is to be carried out in future with Union KBC Mutual Fund, it can be done through a transaction slip by quoting the zero balance folio number and you can avoid any lengthy paper work with the Mutual Fund/ AMC at the time of investment.

(d) Transactions in the open ended Schemes of Union KBC Mutual Fund through the Automated Teller Machines (ATM) of Union Bank of India:

In order to facilitate transactions and provide convenience while investing in our Schemes, the Mutual Fund / AMC / Trustee would at its sole discretion, accept electronic transactions either for **subscription/redemption**, through the **ATM machines of Union Bank of India, subject to the following terms and conditions**. The following terms and conditions are concomitant with the provisions detailed in the Scheme Information Document (SID)/ Statement of Additional Information (SAI)/Key Information Memorandum (KIM) of the respective Scheme(s) of Union KBC Mutual Fund:

- Only a Resident Indian Individual, not being a minor, who is already a Bank account holder with Union Bank of India and also an existing folio holder (zero balance/otherwise) with Union KBC Mutual Fund and who has registered his/ her Bank Account with Union Bank of India as a registered bank mandate with the AMC, and who has registered Union Bank of India as a distributor or has made direct investments in the existing folio would be eligible to use these ATM services;
- The mode of operation/holding of the existing folio should be "**single**" or "**either/ survivor**" basis only;
- Only those unit holders who have opted to hold the units in physical form (by way of accounts statement) are currently eligible to apply through this service. However, unit holders who have opted for the dematerialised mode of holding currently cannot avail this service.
- All the ATM machines are only for facilitation purposes and shall not be deemed to be a designated Official Point of Acceptance for the Schemes of Union KBC Mutual Fund;
- Since, the investments would be made through the infrastructure provided by Union Bank of India; for all investments through this channel the Distributor would be deemed to be Union Bank of India. By using this facility, the investor authorises Union Bank of India to communicate the transaction done through the ATM by the investor to the AMC on behalf of the investor ;
- The allotment of units of the Schemes shall be made subject to compliance with the provisions detailed under "Non-Acceptance of Third Party Payment Instruments for subscription/investments of units" under the section "How to Apply" in the SAI;
- All transactions would further be subject to the provisions of the SAI and the respective SID including the provisions of the "Prevention of Money Laundering and Know Your Customer" requirements as detailed in the SAI;
- Currently only purchase/subscription and redemption transactions are allowed under this facility. Hence, Systematic Investment Plan / Systematic Transfer Plan / Systematic Withdrawal Plan / Switches are currently not available under this platform.
- An acknowledgement slip/ receipt shall be generated on the submission of the transaction request at the ATM machine and the investors are requested to retain the acknowledgement slip for future reference. However, date or time if any, indicated on this slip/receipt shall not be deemed to be construed as the time for providing applicable NAV for the given business day;
- The applicable NAV for the transaction would be strictly determined on the basis of the time and date of receipt of the transaction on the Mutual Fund/AMC/ Authorised Registrar servers and the realisation/ utilisation of clear funds by the AMC in accordance with the prescribed process agreed between the AMC and Union Bank of India and further in accordance with the provisions of the Scheme Information Document of the respective Schemes. The Investors are requested to note that there may be a time lag between the time of conclusion of transaction at the ATM machine and the time of receipt of transaction on the AMC/Authorised Registrar/Mutual Funds servers;
- The AMC/ Mutual Fund/ Authorised Registrar shall not be held responsible/ liable for any loss caused to the investor due to any time-lag/ error/ interception in transmission of transaction through the ATM machine of Union Bank of India to the AMC/Authorised Registrar/Mutual Fund;
- The purchase/subscription/ redemption transactions, from Union Bank of India ATM's would further, be subject to the provisions with regard to the minimum amount for subscription/ redemption as specified in the Scheme Information Document of the respective Schemes;
- Any redemption request would be further subject to the closing units available in the AMC/ Authorised Registrar's records;
- Further, the investment/redemption amount through this facility may be restricted by Union Bank of India/ the AMC from time to time in line with the prudent risk management requirements and to protect the overall interest of the investors;
- All units will be allotted in the folio selected at Union Bank of India ATM by the investor;
- The AMC shall not be held responsible/liable for non-receipt of any transaction or any loss, damage and or liability arising out of any malfunctioning/failure/interruption/error in this service provided by Union Bank of India at any of its ATM outlets. The AMC/ Mutual Fund/ Authorised Registrar, does not accept any responsibility for any error /omission /inaccuracy /mistake of any nature or any consequences of the use of the ATM Service of Union Bank of India;
- The AMC/ Authorised Registrar may at its sole discretion and in accordance with the terms of the Scheme Information Document reject allotment/ redemption of Units and such decision shall be final and binding on the investor;
- The AMC reserves the right to restrict the number / type of schemes being offered through this facility;
- The usage of the ATM services of Union Bank of India would be at the user's own risk;
- In addition to the above terms and conditions, this service is subject to the terms and conditions and/or costs and charges (if any) of usage of ATM as prescribed by Union Bank of India. The investors are requested to familiarise themselves to such terms and conditions and/or costs and charges (if any) as may be prescribed by Union Bank of India from time to time;
- Usage of Union Bank of India ATM service will be deemed as the investors' confirmation that the investor understands and agrees to be bound by all of the above terms and conditions as amended from time to time;
- The AMC reserves the right to change, modify, add, or remove portions of the aforesaid terms and conditions at any time without prior notification;

- Further, the AMC reserves the right to alter / discontinue all / any of the abovementioned facility (ies) at any point of time. However, the change will be effective only on a prospective basis.

This amendment shall form an integral part of the SAI. All other terms and conditions mentioned in the SAI remain unchanged.

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

Sd/-

December 16, 2011

Authorised Signatory

Risk Factors: All mutual funds and securities investments are subject to market risks and the Net Asset Value (NAV) of the schemes may go up or down depending upon the factors and forces affecting the securities market and there can be no assurance that the fund's objective will be achieved. Past performance of the Sponsors and their Affiliates / Investment Manager or AMC / Mutual Fund and its Scheme (s) is not necessarily indicative of future results, and may not necessarily provide a basis for comparison with other investments. **The name of the Schemes are only the name of the Schemes and do not in any manner indicate either the quality of the Schemes, their future prospects or returns.** Investment in mutual fund units involves investment risks such as trading volumes, settlement risk, liquidity risk, interest rate risk, default risk including the possible loss of principal, fluctuations in NAVs, uncertainty of dividend distributions etc. For detailed risk factors please refer the respective SID. The Sponsors are not responsible or liable for any loss or shortfall resulting from the operations of the Scheme(s) beyond the initial contribution of an amount of ₹ 1 lakh each, made by them towards setting up the Mutual Fund. Investors are not being offered any guaranteed /assured returns under any scheme of Union KBC Mutual Fund.

Statutory Details: Constitution: Union KBC Mutual Fund has been set up as a Trust under the Indian Trusts Act, 1882; **Settlers / Sponsors:** Union Bank of India and KBC Participations Renta, a 100% subsidiary of KBC Asset Management NV (liability restricted to their initial contribution of ₹ 1 lakh each to the corpus); **Trustee:** Union KBC Trustee Company Private Limited, a Company incorporated under the Companies Act, 1956 with a limited liability; **Investment Manager:** Union KBC Asset Management Company Private Limited, a Company incorporated under the Companies Act, 1956 with a limited liability.

Mutual Fund investments are subject to market risks. Please read the Statement of Additional Information (SAI), Scheme Information Document (SID) and Key Information Memorandum (KIM) of the respective schemes carefully before investing. Copy of the SAI, SID & KIM 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.unionkbc.com.