Union KBC Asset Management Company Private Limited -
Investment Manager for Union KBC Mutual Fund
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Union KBC MUTUAL FUND
Your Bridge to Responsible Investing

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 June 28, 2013 and subsequent Amendments to the SAI issued before the date of this Amendment:

1) Investment Valuation Norms for securities and other assets:

The following amendments are being made in the broad valuation norms appearing under the section (IV) 'Investment Valuation Norms for Securities and Other Assets':

Reference	Original text	Revised text
Section A 'Valuation Committee Composition'	In accordance with the SEBI Circular MFD/CIR No.010/024/2000 dated January 17, 2000 every Asset Management Company (AMC) should formulate valuation committee to review investment valuation practices. Valuation committee of AMC would consist of Chief Executive Officer (CEO), Chief Risk Officer (CRO), Chief Investment Officer (CIO), Chief Operating Officer (COO) and Head-Compliance. Head-Fixed Income can be invited as and when required. This committee would review the valuation policies on periodic basis and as and when any change is proposed.	In accordance with the SEBI Circular MFD/CIR No.010/024/2000 dated January 17, 2000 every Asset Management Company (AMC) should formulate valuation committee to review investment valuation practices. Valuation Committee of AMC would consist of Chief Executive Officer (CEO), Chief Investment Officer (CIO), Chief Operating Officer (COO) and Head-Compliance, Legal & Risk Management. Head-Fixed Income can be invited as and when required. This Committee would review the valuation policies on periodic basis and as and when any change is proposed.
Section C 'Securities Covered', point 1 'Debt & Money Market Instruments', sub-point 1.1 'Instruments maturing up to 60 days'	**Benchmark yield:** Traded prices are to be considered for construction of the benchmark yield curve. In arriving at the benchmark yields, traded prices/yields across all public platforms are to be considered.	**Benchmark yield:** Traded prices are to be considered for construction of the benchmark yield curve. In arriving at the benchmark yields, traded prices/yields across all public platforms are to be considered. **For tenors below 60 days, benchmark yields are provided for each fortnightly interval by the rating agencies.**
Section C 'Securities Covered', point 1 'Debt & Money Market Instruments', sub-point 1.1 'Instruments maturing up to 60 days'	In case of subsequent trades by the fund in the same security and in different schemes, the spread for the security would be adjusted so that the difference between bench mark reference price and amortized price [as captured in the Crisil Bond Valuer (CBV) master] would be the same. The spread would be adjusted to reflect the latest trade. The CBV price would be compared with the amortised price of each scheme. If there is a material difference between the prices in different schemes as compared with the CBV price, the process in the following paragraph would be followed.	In case of subsequent trades by the fund in the same security and in different schemes, **then the spread for the latest purchase would be calculated and the spread for the earlier purchase** would be adjusted such that the difference between bench mark reference price and amortized price [as captured in the Crisil Bond Valuer (CBV) master] would be the same. The spread would be adjusted to reflect the latest trade **and the spread fixed in the CBV would accordingly be adjusted.** The CBV price would be compared with the amortised price of each scheme. If there is a material difference between the prices in different schemes as compared with the CBV price, the process in the following paragraph would be followed.
Section C 'Securities Covered', point 1 'Debt & Money Market Instruments', sub-point 1.1 'Instruments maturing up to 60 days'	CRISIL has provided the upgraded software for discounted securities and the same has been implemented since July 3, 2012. However, the software upgradation for coupon bearing securities is not yet provided. Hence, coupon bearing securities falling under this category would be amortised.	The original paragraph has been deleted.
Section C 'Securities Covered', point 1.2 'Instruments having maturity greater than 60 days', sub-point 1.2.1 'Traded instruments'	Securities having same ISIN would be considered for comparison. All the amounts mentioned above refer to face value of securities. **In addition, as the price may be distorted in case of forward settlement dates (e.g. across a weekend/holidays), the traded yields may be used to arrive at a price for valuation. In case of multiple trades, the weighted average price may be used for valuation.**	Securities having same ISIN would be considered for comparison. All the amounts mentioned above refer to face value of securities. **The security would be valued at weighted average of traded prices. However, in case of discounted securities, before calculating weighted average traded price, all the prices of trades other than T+1 trades would be converted to T+1 prices.**
Section C 'Securities Covered', point 1.3 'Government Securities' and point 1.4 'Treasury Bills'	**1.3 Government Securities** Government Securities are valued at the prices released by the agency suggested by Association of Mutual Funds in India (AMFI). Currently, AMFI has suggested that mutual funds use the average price provided by CRISIL & ICRA on a daily basis for valuation of these securities. **1.4 Treasury Bills** In case of Treasury Bills, the price taken will be the average of the prices provided by CRISIL and ICRA, agencies entrusted for the said purpose by AMFI, however, the traded prices would be considered in case of the trades are reported in NSE (WDM) by applying the criteria that the traded price may be taken if there are at least three trades aggregating to ₹ 100 crores or more in NSE (WDM).	**1.3 Sovereign Securities such as Central Government Securities (Gsec), State Development Loans (SDLs) including Treasury Bills (T-Bills) and Cash Management Bills (CMBs):** **1.3.1 Sovereign Instruments maturing up to 60 days** Instruments will be valued by amortization on a straight-line basis to maturity from cost or last valuation price whichever is more recent. For tenors below 60 days, benchmark yields are provided for each fortnightly interval by the rating agencies. At the time of first purchase the spread between the purchase yield and the benchmark yield should be fixed. This spread should remain fixed through the life of the instrument & should be changed only if there is justification for the change. For example, market trades or AMC trades at a different spread could

<table>
<tr><th>Reference</th><th>Original text</th><th>Revised text</th></tr>
<tr><td></td><td></td><td>be reflected through a change in the spread. The amortized price may be used for valuation as long as it is within ±0.10% of the reference price. In case the variance exceeds ±0.10%, the valuation shall be adjusted to bring it within the ±0.10% band.

In case of subsequent trades by the fund in the same security and in same scheme: the weighted average of T-1 day valuation price and purchase price of the additional purchase would be calculated and the result would be amortized for one day. The price arrived would be used for the purpose of amortization and the same would be compared with the reference price. The amortized price may be used for valuation as long as it is within ±0.10% of the reference price. In case the variance exceeds ±0.10%, the valuation shall be adjusted to bring it within the ±0.10% band.

In case of subsequent trades by the fund in the same security and in different schemes, then the spread for the latest purchase would be calculated and the spread for the earlier purchase would be adjusted such that the difference between bench mark reference price and amortized price [as captured in the Crisil Bond Valuer (CBV) master] would be the same. The spread would be adjusted to reflect the latest trade and the spread fixed in the CBV would accordingly be adjusted. The CBV price would be compared with the amortised price of each scheme. If there is a material difference between the prices in different schemes as compared with the CBV price, the process in the following paragraph would be followed.

In case of self trades, if the security is maturing up to 60 days and if the difference between the price at which the security is traded in one portfolio and the price at which the security is valued in another portfolio at the end of the day is more than or equal to +/- 0.10%, the difference would be considered to be material. In such case the valuation price would be computed by taking weighted average price as mentioned above of all holdings across Mutual Fund Schemes and the same price would be applied for the security held in different portfolios.

1.3.2 Sovereign Instruments having maturity greater than 60 days

Such Sovereign Securities including T-Bills and CMBs would be valued at the average prices released by the rating agency suggested by Association of Mutual Funds in India (AMFI), currently, CRISIL & ICRA on a daily basis.</td></tr>
<tr><td>Section C ‘Securities Covered’, point 1.6 ‘Valuation of Interest Rate Swap (IRS)’</td><td>Valuation of Interest Rate Swap (IRS):

Interest Rate swaps will be valued separately than the underlying asset or a portfolio of assets. SEBI has not prescribed any policy for valuation of IRS.

<u>If the tenure of the IRS is less than 92 days:</u> Value of IRS contract on 92nd day would be amortised over the remaining period.

<u>If the tenure is more than 91 days:</u> Value of IRS contract would be present value of the difference between the fixed and floating interest to be received/paid on maturity of the contract. Floating rate interest till maturity is the interest accrued till the valuation date plus the interest on remaining period at reversal rate.

Reversal rate for the day would be obtained from Reuters/ FIMMDA for different maturities. The relevant rate is taken on the basis of maturity of the contract. However, if the maturity date falls between the two years, the reversal rate is arrived by interpolation on valuation date.

Methodology of IRS valuation is tabulated below:

In case of Receive Fixed and Pay Floating:
<table><tr><td>FIXED Receivable (A)</td><td>Notional Contract value * Fixed interest rate * period of contract</td><td>XXXXX</td></tr><tr><td>Reversal rate</td><td>Interest rate as per Reuters/ FIMMDA</td><td>XXX</td></tr></table></td><td>Valuation of Interest Rate Swap (IRS) / Forward Rate Agreements (FRA):

Interest Rate Swaps or Forward Rate Agreements will be valued at net present value after discounting the future cash flows. Future cash flows for IRS / FRA contracts will be computed daily, based on the terms of the contract and discounted using suitable OIS rates available on Reuters / Bloomberg / any other provider, as approved by the Valuation Committee.</td></tr>
</table>

<table>
<tr><th>Reference</th><th colspan="3">Original text</th><th>Revised text</th></tr>
<tr><td rowspan="7"></td><td>Floating Payable (B)</td><td>Accumulated interest till date + (Reversal rate* Compounded face value * No. of days remaining/365)</td><td>XXXXX</td><td rowspan="7"></td></tr>
<tr><td>No. of days remaining</td><td></td><td>XXXX</td></tr>
<tr><td>Unrealised Gain/(Loss) (C)</td><td>(A) – (B)</td><td>XXXXX</td></tr>
<tr><td>Balance days for maturity date</td><td></td><td>XXXX</td></tr>
<tr><td>PV on unrealised G/(L)</td><td>(C)/(1+Reversal rate/365* Balance days to maturity)</td><td>XXXX</td></tr>
<tr><td>Gain/(Loss) already provided</td><td></td><td>XXXX</td></tr>
<tr><td>Mark to Market Loss</td><td></td><td>XXXX</td></tr>
<tr><td>Section C ‘Securities Covered’, point 1.7 ‘Valuation of Repo’</td><td colspan="3">Valuation of “Repo”

Where instruments have been bought on 'repo' basis, the instrument must be valued at the resale price after deduction of applicable interest upto date of resale. Where an instrument has been sold on a 'repo' basis, adjustment must be made for the difference between the repurchase price (after deduction of applicable interest upto date of repurchase) and the value of the instrument. If the repurchase price exceeds the value, the depreciation must be provided for and if the repurchase price is lower than the value, credit must be taken for the appreciation.</td><td>The original paragraph has been deleted.</td></tr>
<tr><td>Section C ‘Securities Covered’, point 1.8 ‘CBLO, Bills purchased under rediscounting scheme and Fixed Deposits with banks’</td><td colspan="3">CBLO, Bills purchased under rediscounting scheme and Fixed Deposits with banks

Investments in CBLO, Bills purchased under rediscounting scheme and Fixed deposits with banks will be valued at cost plus accrual.</td><td>Reverse-repo, CBLO, Bills purchased under rediscounting scheme and Fixed Deposits with banks

Investments in Reverse-repo, CBLO, Bills purchased under rediscounting scheme and Fixed deposits with banks will be valued at cost plus accrual.</td></tr>
<tr><td>Section C ‘Securities Covered’, point 3 ‘Equity and Equity Related Instruments’, sub-point 3.1 ‘Traded Equity Securities’, sub-point ‘b’ & ‘c’.</td><td colspan="3">When the securities are traded on more than one recognised stock exchange, the securities shall be valued at the last quoted closing price on the stock exchange where the security is principally traded. The AMC will select the appropriate stock exchange and shall record the reasons for the selection and change, if any, in writing. All scrips may be valued at the prices quoted on the stock exchange where a majority in value of the investments are principally traded. The AMC has selected National Stock Exchange (NSE) as the Principal Stock Exchange and the Bombay Stock Exchange (BSE) as the Secondary Stock Exchange. In case selected stock exchange for valuation of any or all securities is to be changed, reasons for change have to be recorded in writing by the valuation committee and approved by the Board of AMC & the Trustees.

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 another stock exchange may be used.</td><td>When the securities are traded on more than one recognised stock exchange, the securities shall be valued at the last quoted closing price on the stock exchange. The AMC has selected National Stock Exchange (NSE) as the Principal Stock Exchange and the Bombay Stock Exchange (BSE) as the Secondary Stock Exchange. If the security is not traded in any of the two exchanges then the value at which it is traded on another stock exchange may be used. In case selected stock exchange for valuation of any or all securities is to be changed, reasons for change have to be recorded in writing by the valuation committee and approved by the Board of AMC & the Trustees.</td></tr>
<tr><td>Section C ‘Securities Covered’, point 3 ‘Equity and Equity Related Instruments’, sub-point 3.2 Thinly Traded / Non-traded / Suspended Equity / Equity related securities, sub-point ‘c’.</td><td colspan="3">Where a stock exchange identifies the "thinly traded" securities by applying the above parameters for the preceding calendar month and publishes / provides the required information along with the daily quotations, the same can be used by the Mutual Fund.</td><td>Where Fund Accountants / BILAV identifies the "thinly traded" securities by applying the above parameters for the preceding calendar month and provides the required information along with the daily quotations, the same can be used by the Mutual Fund.</td></tr>
<tr><td>Section C ‘Securities Covered’, point 3 ‘Equity and Equity Related Instruments’, sub-point 3.3 ‘Valuation of Non-Traded / Thinly Traded Equity Securities’, sub-point ‘c’</td><td colspan="3">The value as per the net worth value per share and the capital earning value calculated as above shall be averaged and further discounted by 10% for ill-liquidity so as to arrive at the fair value per share.</td><td>The value as per the net worth value per share and the capital earning value calculated as above shall be averaged and further discounted by 10% for ill-liquidity so as to arrive at the fair value per share. In exceptional circumstance the Valuation Committee may decide the illiquidity discount of higher or lower than 10%.</td></tr>
</table>

Reference	Original text	Revised text
Section C 'Securities Covered', point 3 'Equity and Equity Related Instruments', sub-point 3.3 'Valuation of Non-Traded / Thinly Traded Equity Securities', last paragraph	In case trading in an equity security is suspended up to thirty days, then the last traded price shall be considered for valuation of that security. If an equity security is suspended for more than thirty days, then the AMC or Trustees shall decide the valuation norms to be followed and such norms shall be documented and recorded.	g. At the discretion of the AMC and with the approval of the Trustees, a non traded / thinly traded equity share may be valued at a price lower than the value derived using the aforesaid methodology.
Section C 'Securities Covered', point 3 'Equity and Equity Related Instruments', sub-point 3.6 'Unlisted Equity Shares'	**Unlisted Equity Shares** Unlisted equity shares of a company shall be valued "in good faith" on the basis of the valuation principles laid down below: **Based on the latest available audited balance sheet, net worth shall be calculated lower of the following:** a. Net worth per share = [share capital plus free reserves (excluding revaluation reserves) minus Miscellaneous expenditure not written off or deferred revenue expenditure, intangible assets and accumulated losses] divided by Number of Paid up Shares. b. After taking into account the outstanding warrants and options, net worth per share shall again be calculated and shall be = [share capital plus consideration on exercise of Option / Warrants received / receivable by the Company plus free reserves (excluding revaluation reserves) minus Miscellaneous expenditure not written off or deferred revenue expenditure, intangible assets and accumulated losses] divided by [Number of Paid up Shares plus Number of Shares that would be obtained on conversion / exercise of Outstanding Warrants and Options]. The lower of (a) and (b) above shall be used for calculation of net worth per share and for further calculation to arrive at the fair value per share as stated in (ii) below. i. Average capitalisation rate (P / E ratio) for the industry based upon either BSE or NSE data (which should be followed consistently and changes, if any, noted with proper justification thereof) shall be taken and discounted by 75% i.e. only 25% of the Industry average P / E shall be taken as capitalisation rate (P / E ratio). Earnings per share of the latest audited annual accounts will be considered for this purpose. ii. The value as per the net worth value per share and the capital earning value calculated as above shall be averaged and further discounted by 15% for illiquidity so as to arrive at the fair value per share. **The above methodology for valuation shall be subject to the following conditions:** a. All calculations as aforesaid shall be based on audited accounts. b. In case where the latest balance sheet of the company is not available within nine months from the close of the year, unless the accounting year is changed, the shares of such companies shall be valued at zero. c. If the net worth of the company is negative, the share would be marked down to zero. d. In case the EPS is negative, EPS value for that year shall be taken as zero for arriving at capitalised earning. e. In case an individual security accounts for more than 5% of the total assets of the scheme, an independent valuer shall be appointed for the valuation of the said security. To determine if a security accounts for more than 5% of the total assets of the scheme, it should be valued in accordance with the procedure as mentioned above on the date of valuation. At the discretion of the AMC and with the approval of the Trustees, an unlisted equity share may be valued at a price lower than the value derived using the aforesaid methodology.	**Unlisted Equity Shares** Unlisted equity shares of a company shall be valued "in good faith" on the basis of the valuation principles laid down below: **Based on the latest available audited balance sheet, net worth shall be calculated as follows:** a. Net worth per share = [share capital plus reserves (excluding revaluation reserves) minus Miscellaneous expenditure and Debit Balance in Profit and Loss account] divided by Number of Paid up Shares. "(Note: Audit qualifications with quantified effect if any, having a bearing on the net worth of the company (i.e. numerator) should be reckoned appropriately)." b. Average capitalisation rate (P / E ratio) for the industry based upon either BSE or NSE data (which should be followed consistently and changes, if any, noted with proper justification thereof) shall be taken and discounted by 75% i.e. only 25% of the Industry average P / E shall be taken as capitalisation rate (P / E ratio). Earnings per share of the latest audited annual accounts will be considered for this purpose. c. The value as per the net worth value per share and the capital earning value calculated as above shall be averaged and further discounted by 15% for illiquidity so as to arrive at the fair value per share. In exceptional circumstance the Valuation Committee may decide the illiquidity discount of higher or lower than 15%. d. In case the EPS is negative, EPS value for that year shall be taken as zero for arriving at capitalised earning. e. In case where the latest balance sheet of the company is not available within nine months from the close of the year, unless the accounting year is changed, the shares of such companies shall be valued at zero. f. In case an individual security accounts for more than 5% of the total assets of the scheme, an independent valuer shall be appointed for the valuation of the said security. To determine if a security accounts for more than 5% of the total assets of the scheme, it should be valued by the procedure above and the proportion which it bears to the total net assets of the scheme to which it belongs would be compared on the date of valuation. g.At the discretion of the AMC and with the approval of the Trustees, an unlisted equity share may be valued at a price lower than the value derived using the aforesaid methodology.
Section C 'Securities Covered', point 5 'Mutual Fund Units', point d has been added.	-	d. In case of Investments made by a scheme into the other scheme of Union KBC Mutual Fund the unpublished NAV would be considered for valuation on March 31st whenever the last day of the financial year falls on a non-business day and on any other non-business day with the approval of Valuation Committee.

Reference	Original text	Revised text
Section D 'General areas covered', point 10 'Pricing of Inter-scheme trades'.	The inter-scheme trades in debt and money market instrument would be priced as follows: a. At weighted average price of trades reported on FIMMDA platform up to **2.30 pm** by applying below mentioned criterion: i. For instruments maturing above 1 year, the traded price may be taken if there are at least two trades aggregating to ₹ 25 crores or more after excluding inter-scheme trades. ii. For instruments maturing less than 1 year, the traded price may be taken if there are at least three trades aggregating to ₹ 100 crores or more after excluding inter-scheme trades. b. If there is no qualifying Total Traded Volume in the same security up to **2.30 pm** then the previous day portfolio valuation from selling scheme would be used.	a. At weighted average price of trades reported on FIMMDA platform up to **15 minutes from the deal entry in the front office system by the Fund Manager** by applying below mentioned criterion: i. For instruments maturing above 1 year, the traded price may be taken if there are at least two trades aggregating to ₹ 25 crores or more after excluding inter-scheme trades. ii. For instruments maturing less than 1 year, the traded price may be taken if there are at least three trades aggregating to ₹ 100 crores or more after excluding inter-scheme trades. b. If there is no qualifying Total Traded Volume in the same security up to **15 minutes from the deal entry in the front office system by the Fund Manager** then the previous day portfolio valuation from selling scheme would be used.

Investors can view the updated Valuation Policy on the AMC's website (www.unionkbc.com).

2) Dealings with associates:

i. The below table shall be inserted under the existing table on Investments in Associates / Group Companies by the Schemes during the financial year ended March 31, 2013 appearing under the sub point 1. 'Investment in Group Companies of the Sponsor and the AMC' appearing under the heading 'Dealings with associates companies', under point (xi) 'Associate Transactions', under sub section C 'General Information', under section V 'Tax & Legal & General Information':

"Investments in Associates / Group Companies by the Schemes during the half year ended September 30, 2013:

₹ in Crores

Issuer	Scheme	Purchase	Sale	As on September 30, 2013
Union Bank of India	Union KBC Capital Protection Oriented Fund - Series 2	-	-	4.81
Total		**-**	**-**	**4.81**

Investments made by the Scheme in associate/group companies are in accordance with the investment objectives of the Scheme."

ii. The existing last sentence appearing under sub point 2. 'Underwriting obligations undertaken by the Scheme(s) of the Fund with respect to issues of Associate Companies' appearing under the heading 'Dealings with associates companies' under point (xi) 'Associate Transactions', under sub section C 'General Information', under section V 'Tax & Legal & General Information', shall be replaced by the following sentence:

"No underwriting obligations were undertaken by the Schemes of Union KBC Mutual Fund with respect to issue of securities by Associate Companies during the financial year ended March 31, 2012 and March 31, 2013 and during the half year ended September 30, 2013."

iii. The existing last sentence appearing under sub point 3. 'Subscription by the Scheme(s) in issues lead managed by the associate companies' appearing under the heading 'Dealings with associates companies' under point (xi) 'Associate Transactions', under sub section C 'General Information', under section V 'Tax & Legal & General Information', shall be replaced by the following sentence:

"There were no subscriptions by the Schemes in issues lead managed by the Associate Companies during the financial year ended March 31, 2012 and March 31, 2013 and during the half year ended September 30, 2013."

iv. The below tables shall be inserted under sub point 4. 'Brokerage and Commission paid to associates / related parties / group companies of sponsor/ AMC' appearing under the heading 'Dealings with associates companies' under point (xi) 'Associate Transactions' , under sub section C 'General Information', under section V 'Tax & Legal & General Information':

"Disclosure for the half year ended September 30, 2013 is as follows:

Brokerage paid 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	Value of transaction (in ₹ Cr & % of total value of transaction of the Fund)		Brokerage (₹ Cr. & % of total brokerage paid by the Fund)	
			₹ Cr	%	*₹ Cr*	%
NA	NA	1-Apr-2013 to 30-Sep-2013	-	-	-	-

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

Name of associates / related parties / group companies of Sponsor/AMC	Nature of association / Nature of relation	Period Covered	Business Given (₹ Cr. & % of total business received by the Fund)		Brokerage (₹ Cr. & % of total brokerage paid by the Fund)@@@	
			₹ Cr	%	*₹ Cr*	%
Union Bank of India	Sponsor	1-Apr-2013 to 30-Sep-2013	404.05	1.39%	1.44	96.25%

@@@This amount includes ₹ 0.56 crores; reimbursed to Union KBC Asset Management Co. Pvt. Ltd. (AMC), against advance trail commission paid by AMC to Union Bank of India on behalf of the schemes, on the basis of accrual of trail commission."

v. The below table shall be inserted under the existing table for FY 2012-13 under sub point 5 'Payment of Bank Charges to Associates by the Schemes' appearing under the heading 'Dealings with associates companies' under point (xi) 'Associate Transactions', under sub section C 'General Information', under section V 'Tax & Legal & General Information':

Name of associates/related parties/group companies of Sponsor/AMC	Nature of Association/ Nature of relation	Period covered	Bank Charges Paid (₹ Cr)
Union Bank of India	Sponsor	1-Apr-2013 to 30-Sep-2013	0.03

vi. The below table shall be inserted under the sub point 6 'Payment of interest on borrowings' appearing under the heading 'Dealings with associates companies' under point (xi) 'Associate Transactions' , under sub section C 'General Information', under section V 'Tax & Legal & General Information':

"Borrowing during the half year ended September 30, 2013 is as follows:

Name of associates/related parties/group companies of Sponsor/AMC	**Nature of Association/ Nature of relation**	**Period covered**	**Interest paid on Borrowings [$$] (₹ Cr)**
Union Bank of India	Sponsor	1-Apr-2013 to 30-Sep-2013	0.21

[$$] *Interest paid on borrowing includes ₹ 0.05 Crs, which is interest paid during the half year, on outstanding borrowing at beginning of the half year and repaid during the current half year."*

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/-

November 18, 2013

Authorised Signatory

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