

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

Registered Office: 7th Floor, Piramal Tower, Peninsula Corporate Park,
Ganpatrao Kadam Marg, Lower Parel (W), Mumbai - 400013
Toll Free No. 18002002268 • Non Toll Free. 022-24833333
• Website: www.unionkbc.com



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 30, 2012 of Union KBC Mutual Fund and the subsequent Amendments to the SAI which have been issued before the date of this Amendment.

1) Appointment of Director:

Mr. Mayank Mehta has been appointed as an Associate Director on the Board of Union KBC Trustee Company Private Limited with effect from 26.10.2012. Subsequent to his appointment, the following details shall be inserted in the table appearing under the heading ‘Details of Trustee Directors’ under sub-section C ‘The Trustee’, under section I ‘Information about Sponsor, AMC and Trustee Companies’:

Name	Age/Qualification(s)	Brief Experience
Mr. Mayank Mehta*	54 years BSC, CAIIB	Mr. Mehta is currently the General Manager & Chief Financial Officer (CFO) of Union Bank of India in charge of Finance, Planning and Investor Relations. Prior to which, he was Regional Head – Ernakulum with Union Bank of India in the capacity of Deputy General Manager from May 2010 to August 2012. Mr. Mehta has been associated with Union Bank since 1977 and has over 35 years of experience in the Banking Services.

*Associate Director

2) Multiple applications in schemes (other than liquid fund schemes):

In the existing paragraphs on ‘Multiple applications in income/debt oriented schemes’ appearing under the point 30 ‘Cut off timing for subscriptions/ redemptions/ switches’ under Section II ‘How to apply?’, the words ‘income/debt oriented’ shall stand deleted and the text ‘₹ 1 crore’ shall be replaced with ‘₹ 2 lakhs’.

3) Valuation of Derivatives:

With a view to have clarity on the methodology to be followed for valuation of equity and equity related derivatives, the following text is inserted under point (4) on ‘Derivatives’ appearing under the sub section C ‘Securities covered’ under section (IV) ‘Investment Valuation Norms for Securities and Other Assets’:

“Market values of traded open futures and option contracts shall be determined with respect to the exchange on which contracted originally, i.e., a future or an option contracted on the National Stock Exchange (NSE) would be valued at the closing price on the NSE. The price of the same futures and option contract on the Bombay Stock Exchange (BSE) cannot be considered for the purpose of valuation, unless the futures or option itself has been contracted on the BSE. The same shall be valued at closing price if the contract is traded on the valuation day. In case there is no trade on valuation day then the same shall be valued at Settlement prices.”

4) List of associates:

The list of names of associates of the Sponsors or the Asset Management Company appearing under point (xi) ‘Associate Transactions’ under sub-section C ‘General Information’ under Section V. ‘Tax & Legal & General Information’ will be replaced with the following list:

Names of associates of the Sponsors or the Asset Management Company as on October 31, 2012 are as follows:

Sr. No.	Name of the Associate Company / Firm
1.	KBC Asset Management NV
2.	KBC Asset Management SA
3.	KBC Participations Renta B
4.	KBC Participations Renta C
5.	KBC Participations Renta
6.	KBC Fund Management Ltd
7.	CSOB Asset Management a.s.
8.	KBC TFIS.A.
9.	Union KBC Asset Management Company Private Limited
10.	Union KBC Trustee Company Private Limited
11.	Prime Commodities Clearing Corporation Limited
12.	Rewa Siddhi Gramin Bank
13.	Kashi Gombi Samyut Gramin Bank
14.	Union Bank of India
15.	Union Bank Social Foundation Trust
16.	Star Union Dai-Ichi Life Insurance Company Limited
17.	General Insurance Corporation of India – Re
18.	Oil India Limited
19.	Orion Equity Advisors Private Limited
20.	Orion Alternative Assets Private Limited
21.	Fortune Securities Private Limited
22.	MAC Insurance Broking Private Limited

Sr. No.	Name of the Associate Company / Firm
23.	Advance Knee Care Private Limited
24.	Power Finance Corporation Limited
25.	Transstroy (India) Limited
26.	M/s. Suresh Chandra & Associates
27.	FINSEC Law Advisors
28.	Voltas Limited
29.	ARI Consolidated Investments Limited
30.	INARCO Limited
31.	Lifestyle International Private Limited
32.	Hannover Re- Consulting Services India Pvt. Ltd
33.	Universal Comfort Products Ltd
34.	KBC Bank – India and South Asia Representative Office
35.	KBC Bank NV
36.	KBC Group NV
37.	Valuesource Technologies Private Limited
38.	Antwerp Diamont Bank NV (“Antwerpse Diamantbank NV”)
39.	Horizon N.V. with Access India Fund as sub-fund

5) 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, 2012 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, 2012:

₹ in Crores

Issuer	Scheme	Purchase	Sale	As on September 30, 2012
Power Finance Corporation Limited	Union KBC Asset Allocation Fund – Moderate Plan	5.00	-	5.06
	Union KBC Equity Fund	-	1.36	-
	Union KBC Dynamic Bond Fund	-	-	5.07
Total		5.00	1.36	10.13

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 during the half year ended September 30, 2012.”

- 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 during the half year ended September 30, 2012.”

- 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, 2012 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	%
NIL	NIL	1-Apr-2012 to 30-Sep-2012	-	-	-	-

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)		Commission paid (₹ Cr. & % of total commission paid by the Fund)	
			₹ Cr	%	₹ Cr	%
Union Bank of India	Sponsor	1-Apr-2012 to 30-Sep-2012	787.07	4.22%	0.88	79.16%

- v. The below table shall be inserted under the existing table 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	<i>Sponsor</i>	<i>1-Apr-2012 to 30-Sep-2012</i>	<i>0.03</i>

6) Investor Complaints History:

The existing table on the status of Investor Complaints received during the period April 1, 2012 to July 31, 2012 under the heading 'Investors' Complaints History' appearing under point xiii 'Investor Services and Investor Grievances Redressal Mechanism', under sub section C 'General Information', under section V 'Tax & Legal & General Information', shall be replaced with the following table:

"Given below is the status of Investor Complaints received during the period April 1, 2012 to September 30, 2012:

Scheme name	April 1, 2012 to September 30, 2012		
	Number of complaints Received	Number of complaints Redressed	Number of complaints Pending
<i>Union KBC Equity Fund</i>	<i>6</i>	<i>6</i>	<i>0</i>
<i>Union KBC Liquid Fund</i>	<i>1</i>	<i>1</i>	<i>0</i>
<i>Union KBC Tax Saver Scheme</i>	<i>0</i>	<i>0</i>	<i>0</i>
<i>Union KBC Dynamic Bond Fund</i>	<i>0</i>	<i>0</i>	<i>0</i>
<i>Union KBC Ultra Short Term Debt Fund</i>	<i>0</i>	<i>0</i>	<i>0</i>
<i>Union KBC Asset Allocation Fund - Moderate Plan</i>	<i>18</i>	<i>18</i>	<i>0</i>
<i>Union KBC Capital Protection Oriented Fund - Series 1</i>	<i>0</i>	<i>0</i>	<i>0</i>
Total	25	25	0

It may be noted that necessary/incidental changes, if required, in this regard shall be made in the SAI.

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)

Place: Mumbai

Sd/-

Date: October 31, 2012

Authorised Signatory

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

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; **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.

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.unionkbc.com.