

Union Mutual Fund
Union Asset Management Company Private Limited
Investment Manager for Union Mutual Fund
Corporate Identity Number (CIN): U65923MH2009PTC198201
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NOTICE CUM ADDENDUM TO THE SCHEME INFORMATION DOCUMENT (SID) AND KEY INFORMATION MEMORANDUM (KIM) OF UNION MEDIUM DURATION FUND AND UNION CORPORATE BOND FUND

MERGER OF UNION MEDIUM DURATION FUND AND UNION CORPORATE BOND FUND

NOTICE is hereby given to the unitholders, that the Board of Directors of Union Asset Management Company Private Limited ("the AMC") and the Board of Directors of Union Trustee Company Private Limited ("Trustees"), have approved the proposal of merger details of which are as below:

Merging Scheme	Surviving Scheme
Union Medium Duration Fund (an open ended medium term debt scheme investing in instruments such that the Macaulay duration of the portfolio is between 3 to 4 years. Please refer to the Page no. 20 of the SID on which the concept of Macaulay Duration has been explained. A relatively high interest rate risk and moderate credit risk)	Union Corporate Bond Fund (an open ended debt scheme predominantly investing in AA+ and above rated corporate bonds. A relatively high interest rate risk and moderate credit risk)

Further, SEBI has vide e-mail reference no. **SEBI/HO/IMD/IMD-RAC-2/P/OW/2024/36993/1** dated November 29,2024 granted its no-objection for merger of the afore-mentioned Schemes.

It may be noted that, the aforesaid merger does not entail any change in the fundamental attribute of the Surviving Scheme i.e. Union Corporate Bond Fund. The rationale for the merger and various scheme related details, are forming part of the letter being sent to unit holders of the Merging Scheme.

A. Effective date for Merger:

The merger shall be effective after the close of business hours on January 29, 2025 ("Effective Date")

It may be noted that, the aforesaid merger shall be considered as a change in the fundamental attributes of the Merging Scheme in terms of Regulation 18(15A) of SEBI (Mutual Funds) Regulations,1996. In this regard, unitholders of the Merging Scheme are being given 30 days written notice of the merger and provided an option to exit the Merging Scheme with no exit load, during the Exit Window Period, which commences from December 30 , 2024 to January 28, 2025 , both days inclusive (Exit Window Period). Individual communication is also being sent to existing unitholders of the Merging Schemes over email, wherever email ID is available.

B. Impact of the merger

- As a result of the above merger, no new scheme will come into effect.
- The merger would be considered as change in fundamental attributes of the Merging Scheme, and an exit option of 30 days (without charging exit load) would be provided to the unitholders of the Merging Scheme.
- The Merging scheme i.e. Union Medium Duration Fund will cease from the effective date of the merger and the unit holders of the Merging scheme as of close of business hours will be allotted units under the corresponding available option of the Surviving scheme i.e. Union Corporate Bond Fund at the Applicable NAV of the Surviving Scheme. This will also include any investments received in the Merging scheme during the Exit Window period.
- The assets and liabilities (if any) of the Merging Scheme prevailing on the date of merger would be transferred to the Surviving Scheme after selling securities which are not in line with the residual maturity profile and asset allocation pattern of the Surviving Scheme.
- All provisions under the Surviving scheme will apply to unit holders of the Merging scheme, from the effective date of merger.
- The units allotted to the unit holders in the Surviving scheme shall be treated as fresh subscriptions in the Surviving scheme. In case of any pledge/ lien/ other encumbrance marked on any units in the Merging scheme, the same shall be marked on the corresponding number of units allotted in the Surviving scheme.
- Upon merger, there will be no change in the investment objective, asset allocation, investment pattern, annual scheme recurring expenses, or any other provisions as contained in the Scheme Information Document (SID) of the Surviving scheme.

Unit holders of Merging Scheme may note that no action is required in case they are in agreement with the aforesaid merger. The offer to exit at no exit load during the Exit Window Period is purely optional and not compulsory, and exercise is at the discretion of the unitholder. However, we, at Union Mutual Fund would like the Unit holders to continue their investments with us to help achieve their financial goals.

C. Exit Option for Unit holders of Merging Scheme

The existing unitholders under the Merging Scheme who do not consent to the above merger, are entitled to redeem all or part of the units of the Merging Scheme held by them by exercising the Exit Option, within the Exit Window Period between December 30, 2024 to January 28, 2025 upto 3.00 p.m. at applicable NAV without any exit load, if any. The NAV applicable, should you choose to exit/ redeem/ switch out during the Exit Window Period would be based on the date/ time of receipt of your application for exit/ redemption/ switch out during business hours on a business day.

The unitholders of the Merging Scheme who have pledged or encumbered their units will not have the option to exit unless they submit a release of their pledges/ encumbrances prior to the submission of their redemption/ switch requests. In case investors, who had registered for Systematic investment facilities such as SIP/STP/SWP in the Merging Scheme, decide to continue their investments i.e. do not opt for the Exit Option, then such SIP/STP/SWP registrations will continue to be processed under the respective Plan/Option of the surviving scheme from the Effective Date and no fresh registration will be required. Further, investors who have registered for Systematic investment facilities in the Merging Scheme and who do not wish to continue their future investment facilities must apply for cancellation of such registrations. Detailed information in this regard has been provided in the communication sent to the unitholders.

The expenses related to the proposed merger and other consequential changes will not be charged to the unit holders of the relevant schemes of the Fund.

Any tax consequences, arising out of exercise of exit option during the Exit Window Period hereunder, shall be borne by the investor in line with the relevant provisions, as have been set forth in the Statement of Additional Information (SAI)/ SID/ Key Information Memorandum (KIM) of Union Mutual Fund.

Unitholders who do not exercise the exit option on or before January 28, 2025 would be deemed to have consented to the proposed change. The merger as detailed herein, shall be effective from January 29, 2025 (Effective date).

D. Tax Implications

- As regards the unit holders who redeem their investments during the Exit Window Period, tax consequences as set forth in the SAI of the Fund and SID of the schemes would apply.
- In view of individual nature of tax consequences, Unit holders are advised to consult their professional tax advisor w.r.t. tax and other financial implications arising out of their participation in merger of the Schemes.
- As per section 47(xviii) of Income Tax Act, 1961 (the Act), any transfer of units held by the investor in the Merging Scheme of the mutual fund in consideration of allotment of units in the Surviving Scheme, shall not to be regarded as a taxable transfer, provided that the merger is of two or more schemes of an equity oriented fund or two or more schemes of a fund other than equity oriented fund.
- Redemption / switch-out of units may entail capital gain/loss in the hands of the unitholder.
- In case of NRI investors, TDS shall be deducted from the redemption proceeds in accordance with the prevailing income tax laws.
- The redemption / switch-out of units from the Merging Scheme are liable for deduction of Securities Transaction Tax (STT), wherever applicable; however, such STT shall be borne by AMC and will not be borne by the investor.

Unitholders are required to check the relevant Income Tax provisions as may be applicable to them from time to time.

Pursuant to above merger, all references to Merging Scheme stands deleted from SID & KIM of Schemes of Union Mutual Fund. All Scheme related documents of the Merging Scheme would cease to exist from the Effective date.

The SID and KIM of the Surviving Scheme will stand suitably modified to incorporate/give effect to the above merger. All other features and terms & conditions of the Surviving Scheme shall remain unchanged.

This Notice-cum-Addendum forms an integral part of the SID/KIM issued for the Schemes, read with the addenda issued thereunder.

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

Place: Mumbai
Date: December 23, 2024

Sd/-
Authorised Signatory

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.

Copy of all Scheme Related Documents can be obtained from any of our AMC offices/Customer Service Centers/distributors as well as from our website www.unionmf.com.