Automatically pops up the bread once it's toasted.

Automatically redeems your investment once the predetermined growth is achieved.#

Union KBC
TRIGGER FUND - SERIES 2

A Close-ended Equity Scheme

In case the predetermined growth is not achieved during the 3 year period, the scheme would mature at the end of 3 years at the then prevailing NAV.

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New Fund Offer Opens: 18th February, 2015. Closes: 4th March, 2015.

This product is suitable for investors who are seeking*:

- Capital Appreciation during the tenure of the Scheme
- Investment predominantly in Equity and Equity related portfolio constituting S&P BSE 200 Index** Companies.
- High Risk (Brown)

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

Note: Risk is represented as:

(BLUE) investors understand that their principal will be at low risk
(YELLOW) investors understand that their principal will be at medium risk
(BROWN) investors understand that their principal will be at high risk

The scheme maturity would be on the 10th business day from the NAV of the Direct Plan of the Scheme crossing the trigger level as per the scheme documents or at the end of 3 years from the date of allotment, whichever is earlier. The redemption, on maturity of the scheme, would be at the applicable NAV of the respective Plan on the aforesaid 10th business day or at the end of the aforesaid 3 year period, as the case may be.

This product is neither a guaranteed return product nor a guaranteed capital protection product.

**** Disclaimer:** *The "Index" viz. "S&P BSE 200", 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 KBC Asset Management Company Private Limited. For the detailed disclaimer in this regard please refer to the Scheme Information Document (SID) of the Scheme.*

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Turnaround of India story during Calendar Year (CY) 2014 - A Snapshot

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Events during CY 2014 that helped in positive market sentiments

- ✔ Historical outcome of General Elections 2014; after 30 years, a single political party forming the Central Government
- ✔ The new Central Government announced an elongated list of policy measures and reforms to enhance the economic growth, such as:
  - Emphasis on infrastructure development to reduce bottlenecks faced by the Industries.
  - Reducing and simplifying the process for doing business in India.
  - 'Make in India', an initiative to develop India as a global manufacturing base.
  - Opening of key sectors for public investment, both, domestic as well as foreign.
  - 'Pradhan Mantri Jan Dhan yojana', an initiative to bring the whole country under the banking net.

Parliament in session

'Make in India' initiative

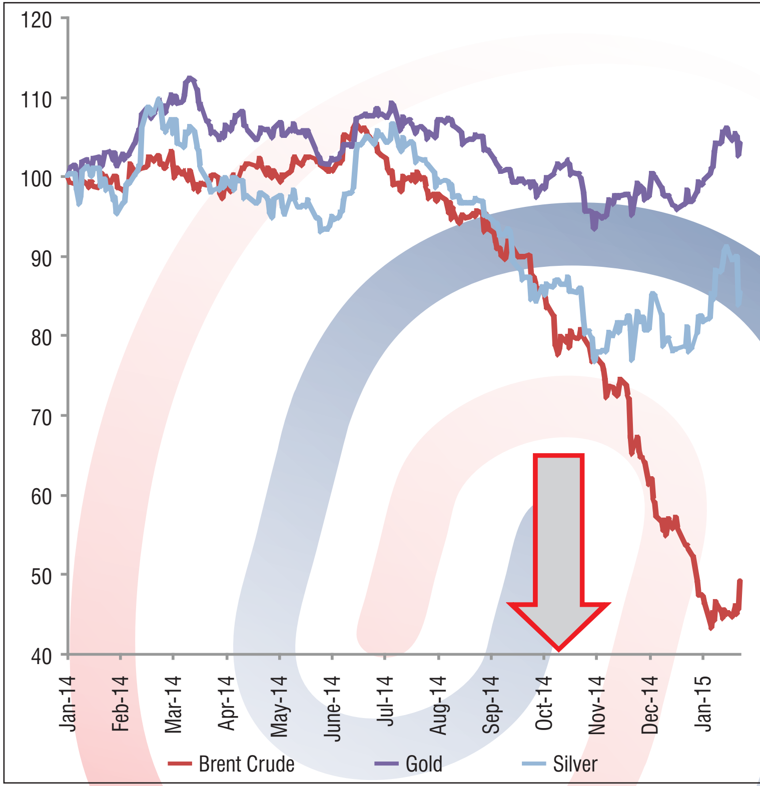
प्रधानमंत्री जन-धन योजना
मेरा खाता भाग्य विधाता

Global commodity prices from January 2014 – January 2015

Major global commodity prices declined on the back of lower global demand.

Approximately 75% of India's crude oil requirements are met through imports. The crude oil price at the current level, helps India in multiple ways, such as

- ✔ Reduction in Current Account Deficit (CAD).
- ✔ Lower Inflation Level.
- ✔ To conserve Foreign Exchange.



Data Source: Bloomberg

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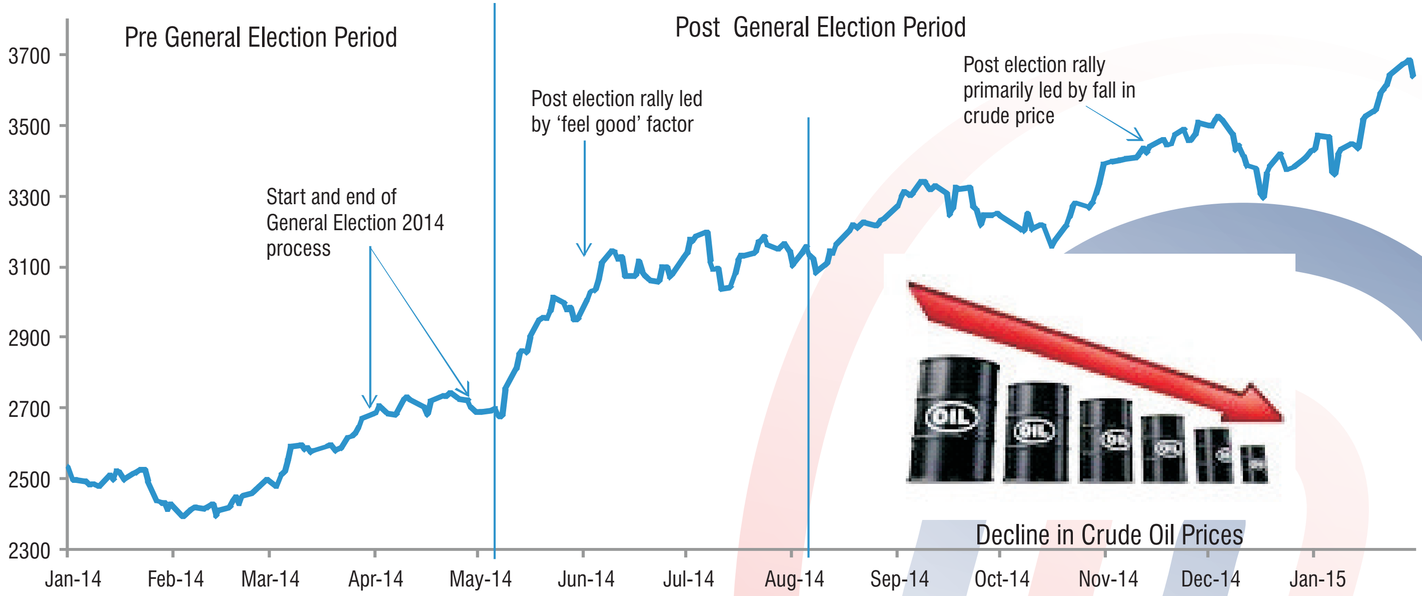
S&P BSE 200 Index** movement from January 2014 till January 2015.



Equity market rally during CY 2014 can be broken into two periods:

- ✔ Period till May 16, 2014 – Markets rallied on the back of Pre General Election expectation.
- ✔ Period post May 16, 2014 – Markets rallied on the back of historical election results that boosted positive sentiments, further supported by favorable commodity prices and enhanced confidence of both Foreign as well as domestic investors.

Data Source: Bloomberg

** Note: For the detailed Benchmark disclaimer please refer the last page.

CY 2014 was a strong year for the Equity Markets.
Will it continue further?

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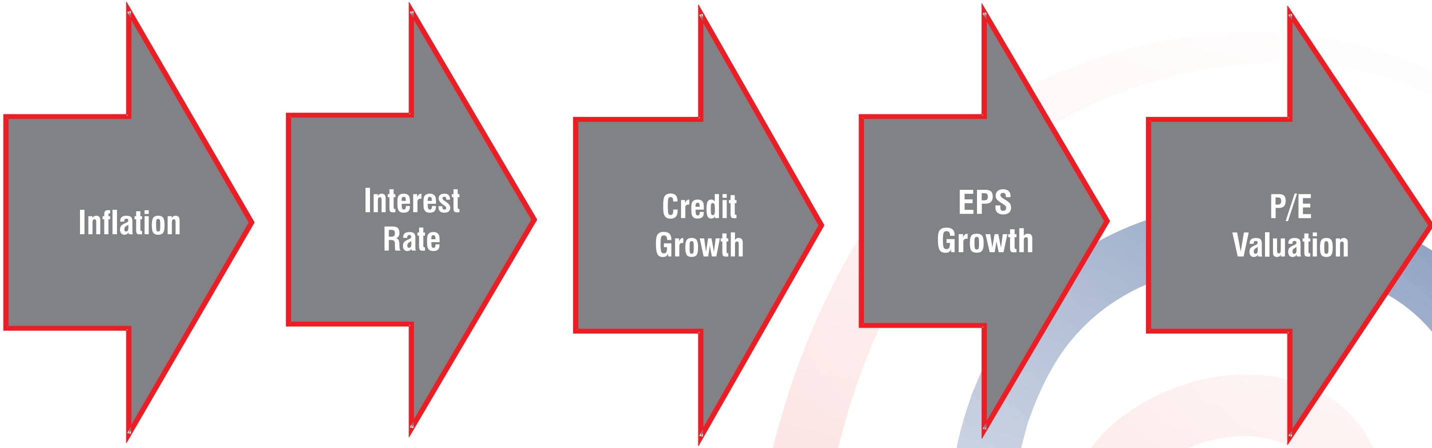
Factors that may keep the BALL ROLLING........



- ✔ Lower inflation may kick start interest rate cut cycle.
- ✔ Lower interest rate may further boost Credit Growth.
- ✔ Credit Growth may prompt business expansion.
- ✔ Business expansion may help in improving Earnings Per Share (EPS).
- ✔ EPS growth may lead to Price Earning (P/E) ratio re-rating.

The above sequence is well connected and may help the market scale up further, fundamentally.

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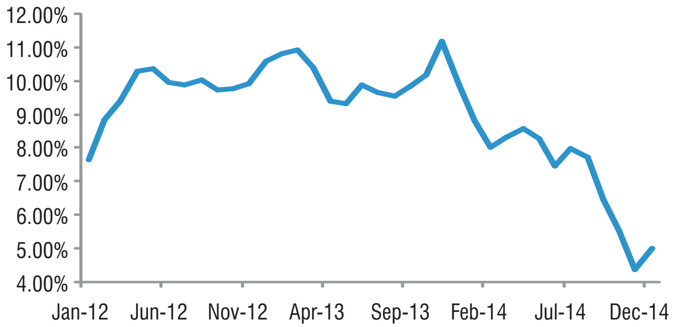
Are there reasons to believe that the party is not over yet?

Improving factors that could support the market further.......

Reducing CPI (YoY) inflation level.........



Much needed reduction in inflation level due to:

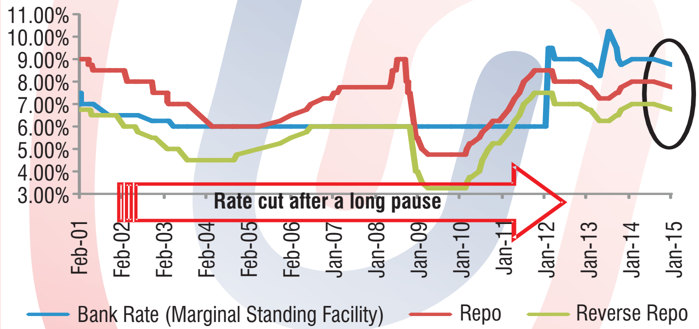
- ✓ soft food article prices
- ✓ lower crude oil prices
- ✓ higher base effect

Lower Inflation level has set the stage for lower interest rate regime.

Inflation level reaching under Reserve Bank of India's (RBI) target level, created the headroom for reducing the Interest Rate. RBI reduced the benchmark rates by 0.25% on 15th January 2015. RBI maintained status quo on rates in the monetary policy review meeting held on 3rd February 2015.

In CY 2015, RBI may cut rates further to support economic growth and boost credit growth.

Softer Interest Rates may be a reality going forward.........



Data Source: Bloomberg, Reserve Bank of India

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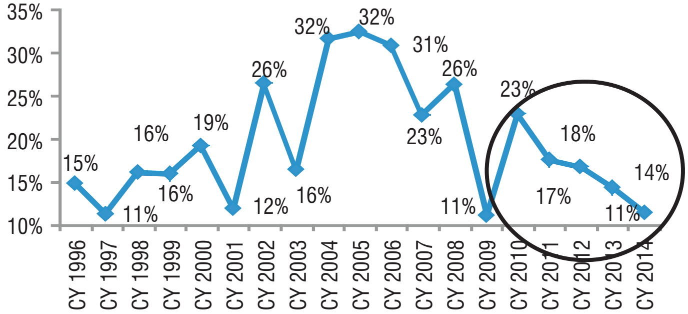
Credit Growth at lowest level.........



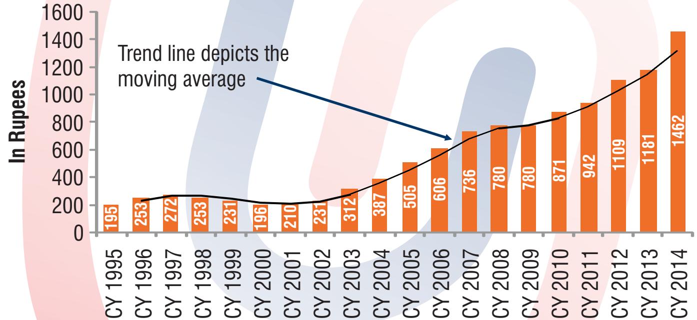
Reducing Interest Rate regime could fuel credit offtake, which is at a multi year low.

Rise in Credit Growth will lead to higher business expansion which may in turn support rise in Earning Per Share (EPS).

As the economic trend picks up, EPS growth could be well supported by positive trend in corporate sales leading to higher corporate profit margins.

The trend line depicts the moving average of EPS over a long term period. Growth in EPS in CY 2014, higher than the average may be an indicator of improving EPS going forward.

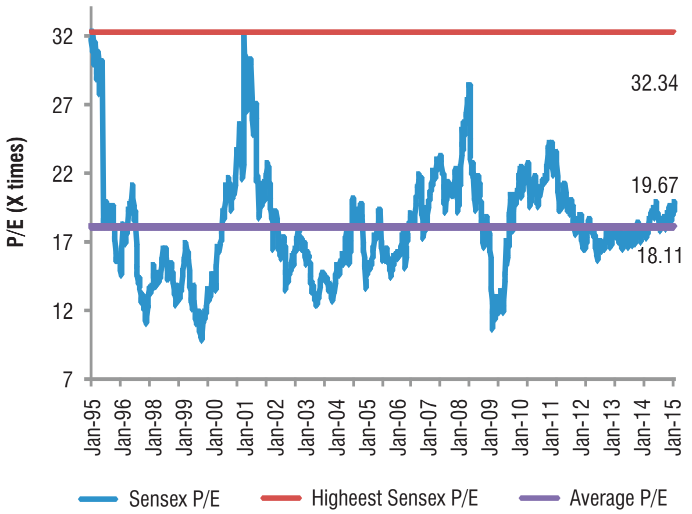
EPS Growth Trend.........



Data Source: Bloomberg, Reserve Bank of India

Note: EPS of S&P BSE SENSEX Index is used to depict broader market.

Current P/E level still closer to the long term average...



Historically the P/E ratio of S&P BSE SENSEX Index has touched 32.24x on the higher side.

Historical long term average P/E ratio of S&P BSE SENSEX Index has been around 18.11x (18.11 times earnings).

Current market P/E ratio at 19.67x, is anyway close to the long term average level and the expected EPS expansion should bring back the P/E level further down to the long term average level; making the market more attractive for further investments.

Improving macro economic factors are creating a **compelling reason** for investing in equities now.

Data Source: Bloomberg

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Note: P/E ratio of S&P BSE SENSEX Index is used to depict broader market.

Revisiting the Union KBC Trigger Fund as a Concept…

Typical dilemma an investor faces

Often investors are well advised on all aspects related to investing, but very rarely somebody advises them on when to exit and book profit.

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Invest with an inbuilt Trigger Mechanism defining the Exit Point

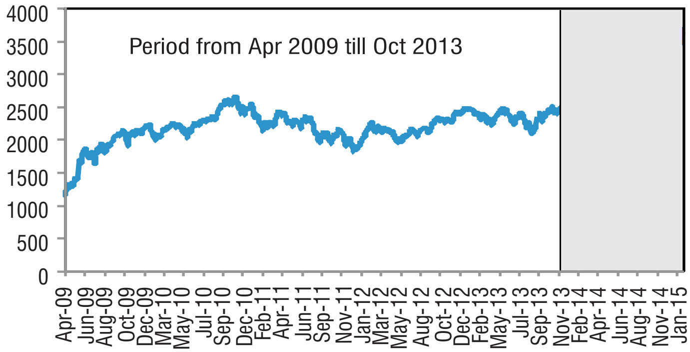
Just like the alarm rings at a pre-determined time…..

Likewise, the Trigger mechanism automatically redeems your investment once the pre-determined target is achieved.

As one needs to be disciplined while investing, it is also important to realize profit in a disciplined manner. The Trigger mechanism works without any emotions attached.

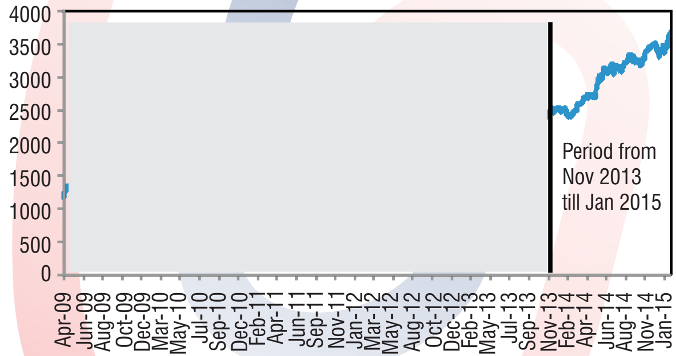
Union KBC Trigger Fund – Series 1 was launched on 1st November 2013 and was able to achieve the Trigger level in a little more than 8 months.

S&P BSE 200 Index** movement: 'Hit' for Some and 'Miss' for the Rest



At the time of launch of Union KBC Trigger Fund - Series 1, there were apprehensions among many, that the Index level is nearing its peak.

The Index entered a bull run and achieved new highs on the back of domestic events.



Data Source: Bloomberg

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** Note: For the detailed Benchmark disclaimer please refer the last page.

Presenting Union KBC Trigger Fund – Series 2

Scheme Objective: The investment objective of the Scheme is to seek to generate capital appreciation by investing in a portfolio of equity and equity related securities, predominantly constituted of Companies in S&P BSE 200 Index**.

However, there is no assurance that the investment objective of the Scheme will be realized and the Scheme does not assure or guarantee any returns.

Scheme Type: A Close-Ended Equity Scheme

Portfolio composition (% of total assets): Equity and equity related instruments constituted of companies in S&P BSE 200 Index** 80% to 100%; Debt, Money Market Instruments, cash and equivalent 0% to 20%.

Benchmark: S&P BSE 200 Index**.

Unique Feature: In-built Trigger mechanism.

Trigger Level: Trigger level will be achieved whenever the NAV of the Direct Plan of the Scheme crosses ₹ 13 per unit within the 3 year period. In case the trigger level is not achieved during the 3 year period, the scheme would mature at the end of 3 years at the then prevailing NAV.

Maturity: 10th Business Day from the NAV of the Direct Plan of the Scheme crossing the trigger level or at the end of 3 years from the Date of Allotment, whichever is earlier.

Minimum Investment: ₹ 5,000 and in multiples of ₹ 10 thereafter.

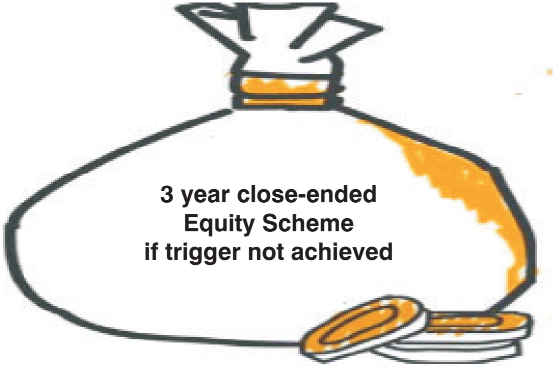
Plans / Option: Regular and Direct Plan with Growth Option only.

**** Note: For the detailed Benchmark Disclaimer, please refer the last slide.**

Two Trigger Scenarios that can prevail

Scenario 1: Return Based Trigger level achieved

In the event that the NAV of the Direct Plan of the Scheme crosses ₹ 13/- per unit (trigger level) within a 3 year period from the date of allotment, the Scheme will automatically be liquidated on the 10th business day from the NAV of the Direct Plan crossing ₹ 13/- and the redemption proceeds at the applicable NAV of the 10th business day will be returned to the investors of both the Plans under the Scheme.



Scenario 2: Trigger level not achieved

In the event that the NAV of the Direct Plan of the Scheme does not cross ₹ 13/- per unit (trigger level) at any time during the 3 year period from the date of allotment, the Scheme will mature at the end of 3 years and the redemption proceeds at the applicable NAV of the respective Plans at the time of maturity of the Scheme will be returned to the investors of both the Plans under the Scheme.

✓ **If the NAV crosses ₹ 13 per unit, will I get back exactly the same amount?**

No. If the NAV of the Direct Plan of the Scheme crosses ₹ 13 per unit, the fund manager will initiate liquidation of the portfolio, and the Scheme would be wound up on the 10th business day from the NAV of the Direct Plan of the Scheme crossing the trigger level. As the market price of securities may move up or down from the date of the NAV of the Direct Plan meeting the trigger level (₹ 13/-) till the 10th business day as mentioned above, the actual repurchase price that you receive may be below or above the trigger level, depending on the market conditions at that time and the NAV of the respective Plan of the Scheme (Direct or Regular) in which you have invested. If the trigger level is achieved within a period of 1 year, Short Term Capital Gains may be applicable on such proceeds.

Investors are requested to go through the illustration provided in the Key Information Memorandum (KIM) and Scheme Information Document (SID) under the section viz. 'Duration/Maturity' to understand this feature clearly.

✓ **What if the NAV per unit of the Direct Plan does not touch ₹ 13 at any time during the three year period?**

In that case, the Scheme will mature at the end of 3 years from the date of allotment including the date of allotment and the redemption proceeds would be paid back to the investors of both the Plans at the applicable NAV of the respective Plan at the time of maturity of the scheme.

✓ **At the time of subscribing the units during the NFO period, can I opt to switch the redemption proceeds receivable on maturity to another eligible scheme of Union KBC Mutual Fund?**

Yes, all investors have an option of switching their redemption proceeds receivable on maturity of the Scheme to another eligible scheme of Union KBC Mutual Fund. Investors can avail of this facility by indicating their intention in the application form at the time of subscribing the units of the Scheme during the NFO period. For more details regarding the facility and the eligible scheme, investors are requested to refer the section on 'Auto Switch of Redemption Proceeds of Union KBC Trigger Fund- Series 2 on Maturity' in the SID and KIM.

✓ **Does the scheme guarantee any return or provide any capital protection?**

This product is neither a guaranteed return product nor a guaranteed capital protection product.

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

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Copy of all Scheme related documents along with the application form can be obtained from any of our AMC offices/ Customer Service Centers/ distributors as well as from our website www.unionkbcmf.com.

The Mutual Fund/AMC and its empanelled broker(s) has not given and shall not give any indicative portfolio and indicative yield in any communication, in any manner whatsoever. Investors are advised not to rely on any communication regarding indicative yield/ portfolio with regard to the scheme.

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