

Notice cum Addendum to the unitholders Merger of Sundaram Gilt Fund with Sundaram Corporate Bond Fund (presently Sundaram Flexible Fund - Flexible Income Plan)

NOTICE is hereby given to all the unitholders of Sundaram Gilt Fund that the Trustee of Sundaram Mutual Fund (“Mutual Fund”) have, in terms of the enabling provisions of SEBI (Mutual Funds) Regulations, 1996 and circulars issued by SEBI thereunder, approved the merger of Sundaram Gilt Fund (“**Transferor Scheme**”) with Sundaram Corporate Bond Fund (presently Sundaram Flexible Fund - Flexible Income Plan) (“**Transferee Scheme**”) from **04/05/2018** (“Effective Date”). SEBI vide their letter No. IMD/DF3/OW/P/2018/6389/1 dated 28/02/2018 has conveyed their no objection to the proposed merger.

Unitholders are requested to note that from the Effective Date, the Transferor Scheme shall cease to exist and there will be no change in the fundamental attributes and features of the Transferee Scheme, owing to the merger.

Since the proposed merger is equivalent to change in the fundamental attributes of the Transferor Scheme as per Regulation 18(15A) of the SEBI (Mutual Funds) Regulations, 1996, unitholders of the Transferor Scheme who are not in agreement with the proposed merger are given an option to exit i.e. redeem their units or switch to other Schemes of Sundaram Mutual Fund available for subscription without payment of exit load **05/04/2018 and 04/05/2018 (both days inclusive)**. However, for investments made during the exit window period, there will be no waiver of exit load. The redemption requests received will be processed at NAV as on the date of receipt of request subject to applicable cut-off time. **Unitholders may note that the offer to exit is merely an option and not compulsory.**

Unitholders of the Transferor Scheme who have not opted to exit or switch-out **on or before 04/05/2018 (upto 3.00 p.m.)** shall be deemed to have consented to the proposed merger and will be allotted units under the respective Plan(s) / Option(s) of the Transferee Scheme at the NAV declared as on the close of business hours on 04/05/2018. For example, units held by the investors of Regular Plan of Sundaram Gilt Fund shall be transferred to Regular Plan of Sundaram Corporate Bond Fund (presently Sundaram Flexible Fund - Flexible Income Plan) under dividend and growth option respectively.

The requirement of minimum application amount for fresh and additional purchase of units as applicable for Transferee Scheme shall not be applicable in respect of units allotted to the unitholders of the Transferor Scheme on account of the merger.

The allotment of units in the Transferee Scheme consequent to merger shall be considered as redemption in the Transferor Scheme and purchase in the Transferee scheme. However, the redemption of units from the Transferor Scheme on account of merger will not be subject to any Exit Load. The Effective Date shall be considered as the allotment date in the Transferee Scheme. Securities Transaction Tax arising out of the merger, if any, will be borne by Sundaram Asset Management Company Limited.

Any Transfer by a unit holder of a capital asset, being unit or units, held by him in the consolidating scheme of a mutual fund, made in consideration of the allotment to him of a capital asset, being a unit or units, in the consolidated scheme of mutual fund would not be considered as “transfer” by virtue of the provisions of section 47(xviii) of income tax act and hence would not be chargeable to tax.

In case of unitholders in the Transferor Scheme who have registered for any of the systematic transaction facilities viz., Systematic Investment Plan (SIP), Systematic Transfer Plan (STP) or Systematic Withdrawal Plan (SWP) and who opt to continue the same in the Transferee Scheme post-merger, the said registration for SIP, STP or SWP will continue under the Transferee Scheme for its remaining tenure.

Unitholders of the Transferor Scheme who do not wish to continue the systematic transactions under the Transferee Scheme post-merger are required to intimate Sundaram Mutual Fund in writing about their unwillingness to continue the said facilities before the Effective Date of merger.

It may be noted that the existing SIP/STP/SWP mandate in the Transferor Scheme will be processed in that respective scheme during the period 05/04/2018 to 04/05/2018. From the Effective Date, all existing SIP/STP/SWP of Transferor Scheme will be treated as SIP/STP/SWP of Transferee Scheme, unless the unitholders requests otherwise. No application for fresh purchases / additional purchase / switch-in / fresh registration or renewal of SIP/STP/ SWP in the Transferor Scheme will be accepted from 04/05/2018.

The exit option will not be available to the unitholders of the Transferor Scheme whose units have been pledged and the Mutual Fund has been asked to mark a lien on such units unless the release of pledge is obtained and appropriately communicated to the Mutual Fund/Registrar prior to applying for redemption. Where the release of pledge is not obtained by the unitholder, such lien or encumbrance will continue on the units allotted in Transferee Scheme on account of merger.

The Scheme Information Document & Key Information Memorandum of the Transferee Scheme shall be made available with our Investor Service Centres (ISCs) and also displayed on the website www.sundarammutual.com.

This notice forms an integral part of the Scheme Information Document and Key Information Memorandum of the Scheme of Sundaram Mutual Fund as amended from time to time.

Investors are requested to contact any of the Investor Service Centres (ISCs) of Sundaram Mutual Fund for further details.

For Sundaram Asset Management Company Ltd
P Sundararajan
Secretary & Compliance Officer

Place: Chennai
Date: 03/04/2018

For more information please contact:
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