

ADDENDUM NO. 29/2023

NOTICE TO THE UNITHOLDERS OF ADITYA BIRLA SUN LIFE CRISIL IBX AAA - JUN 2023 INDEX FUND AND ADITYA BIRLA SUN LIFE FLOATING RATE FUND

NOTICE IS HEREBY GIVEN THAT, the Board of Directors of Aditya Birla Sun Life AMC Limited ("ABSLAMC"), Investment Manager for Aditya Birla Sun Life Mutual Fund, and Aditya Birla Sun Life Trustee Private Limited, Trustees to Aditya Birla Sun Life Mutual Fund, have approved the proposal for merger of Aditya Birla Sun Life CRISIL IBX AAA - Jun 2023 Index Fund, an open ended Target Maturity Index Fund tracking the CRISIL IBX AAA Index – June 2023. A moderate interest rate risk and relatively low credit risk (hereinafter referred to as "Merging Scheme") into Aditya Birla Sun Life Floating Rate Fund, an open ended debt scheme predominantly investing in floating rate instruments (including fixed rate instruments converted to floating rate exposures using swaps/ derivatives). A relatively high interest rate risk and moderate credit risk. (hereinafter referred to as "Surviving Scheme"):

A. Effective date for Merger

The merger shall be effective after the close of business hours on **Friday, June 30, 2023 ("Effective Date")** or the immediately following Business Day, if such day is a Non-Business Day.

B. No Change to Surviving Scheme post merger:

Consequent to aforesaid merger, there will be no change in the name or other attributes of the Surviving Scheme and accordingly, interest of unitholders of Surviving Scheme is not adversely affected. The investment objective, asset allocation, investment pattern, annual scheme recurring expenses and all other provisions as contained in the Scheme Information Document of the Surviving Scheme will remain unchanged post the merger. Thus, no new scheme will come into existence as a result of the aforesaid merger.

C. Consent of Unitholders of Merging Scheme

Investors of Merging Scheme who are in agreement with the proposed merger are requested to kindly fill the consent form Annexure A as annexed to letter to unitholders and submit it at ABSLAMC.trxn@adityabirlacapital.com or submit it at any Official Point of Acceptance of Aditya Birla Sun Life Mutual Fund ("the Fund") or at any of the Investor Service Centers of Computer Age Management Services Limited, during the consent period. The consent period shall commence from Thursday, June 1, 2023 and will end on Friday, June 30, 2023 (both days inclusive and upto 3.00 pm on Friday, June 30, 2023). Unitholder(s) who do not submit the duly filled consent form within the stated timelines will be deemed as not in agreement with the Merger and will receive the redemption proceeds based on applicable NAV as on Friday, June 30, 2023 i.e. the original maturity date of the Merging Scheme.

In case the unitholders who are not in agreement with the aforesaid merger, no action is required from unitholder(s) end. In such case the investment held under the Merging Scheme shall be redeemed at applicable NAV on the maturity date and the redemption proceeds shall be transferred to Unitholders of the Merging Scheme within 3 (three) working days from the Effective Date. If the units are held in dematerialized form, the unitholders are requested to contact their Depository participant.

D. Exit Option for Unitholders of Surviving Scheme:

Pursuant to SEBI Circular No. SEBI/MFD/CIR No. 05/12031/03 dated June 23, 2003 read with SEBI Circular No. Cir/IMD/DF/15/2010 dated October 22, 2010 and SEBI/HO/IMD/DF2/CIR/P/2021/024 dated March 4, 2021, merger of Aditya Birla Sun Life CRISIL IBX AAA - Jun 2023 Index Fund into Aditya Birla Sun Life Floating Rate Fund is considered as change in the fundamental attribute of the concerned schemes and consequently, as per Regulation 18 (15A) of the SEBI (Mutual Funds) Regulations, 1996 any change in fundamental attributes can be carried out after a written communication is sent to all the unitholders of concerned schemes, giving them an option to redeem/switch their investments at the prevailing Net Asset Value ("NAV"), without payment of any exit load.

Accordingly, the existing unitholders of the Surviving Scheme (i.e. whose names appear in the register of unitholders as on close of business hours on Thursday, May 25, 2023) are hereby given an option to exit, i.e. either redeem their investments or switch their investments to any other schemes of the Fund within the Exit Option Period (minimum 30 days) starting from Thursday, June 1, 2023 till Friday, June 30, 2023 (both days inclusive and upto 3.00 pm on Friday, June 30, 2023) at Applicable NAV, without payment of any exit load. The Exit Option can be exercised during the Exit Option Period by submitting a valid redemption / switch-out request at any Official Point of Acceptance of the Fund. For list of Official Points of Acceptance, please visit our website <https://mutualfund.adityabirlacapital.com>. Unit holders who hold the units in electronic (demat) mode need to submit the redemption request to their Depository Participant.

All the valid applications for redemptions/switch-out received under the Surviving Scheme shall be processed at Applicable NAV of the day of receipt of such redemption/switch-out request, without payment of any exit load, provided the same is received during the exit option period as mentioned above.

Unitholders who have pledged or encumbered their units will not have the option to exit unless they procure a release of their pledges / encumbrances prior to the submission of redemption / switch requests.

Unitholders should ensure that their change in address or bank details are updated in records of Aditya Birla Sun Life Mutual Fund as required by them, prior to exercising the exit option for redemption of units. Unit holders holding units in dematerialized form may approach their Depository Participant for such changes. In case units have been frozen / locked pursuant to an order of a government authority or a court, such exit option can be executed only after the freeze / lock order is vacated / revoked within the period specified above. The redemption proceeds shall be transferred within 3 working days of receipt of valid redemption request to those unitholders who choose to exercise their exit option.

The units of the Surviving Scheme allotted to the unitholders of the Merging Scheme shall be treated as fresh subscription in the Surviving Scheme. However, the date of allotment at the time of subscription in Merging Scheme shall be considered as the allotment date for the purpose of applicability of the exit load period at the time of redemption of such units in Surviving Scheme.

The expenses related to the proposed merger and other consequential changes will not be charged to the unit holders of the Surviving Scheme.

Unitholders should note that after the Merger, amounts relating to unclaimed redemption and IDCW, if any will be transferred in the name of the Surviving Scheme.

Kindly note that an offer to exit from the Surviving Scheme is merely optional and is not compulsory.

E. Communication to Unitholders of Merging Scheme & Surviving Scheme:

Written communication is being sent to all the existing unitholders of Merging Scheme & Surviving Scheme informing the existing Unitholders details about the merger including, basis of allocation of Units into Surviving Scheme, tax implication, financial information and features of the Schemes, etc. In case any existing Unitholder has not received the Letter, they are advised to contact any of the Investor Service Centres of Aditya Birla Sun Life AMC Limited.

F. Gist of Tax Implications:

The Finance Act, 2015 provided tax neutrality on transfer of units of a scheme of a Mutual Fund under the process of consolidation of schemes of Mutual Funds as per SEBI (Mutual Funds) Regulations, 1996.

Section 47 was amended so as to include clause (xviii) which provides that any transfer of unit or units by a unit holder held in the Consolidating Scheme of a mutual fund, will not be treated as transfer, if the transfer is made in consideration of the allotment of unit or units in the Consolidated Scheme of the mutual fund under the process of consolidation of the schemes of mutual fund in accordance with the SEBI (Mutual Funds) Regulations, 1996 and accordingly capital gains will not apply.

The Finance Act, 2016 amended Section 47 of the Act so as to include clause (xix) which provides that any transfer of unit or units by a unit holder held in the Consolidating Plan of a mutual fund scheme, will not be treated as transfer, if the transfer is made in consideration of the allotment of unit or units in the Consolidated Plan of that mutual fund scheme under the process of consolidation of the schemes of mutual fund in accordance with the SEBI (Mutual Funds) Regulation, 1996 and accordingly capital gains will not apply. The amendment is effective from April 1, 2017.

As per the amendments, allotment of units in Surviving Scheme/plan, pursuant to merger, to Unit holders of Merging Scheme/plan who decide to continue will not be considered as redemption of Units in Merging Scheme/plan and will not result in short-term / long-term capital gain / loss in the hands of the unit holders. Further, the cost of acquisition of units allotted in Surviving Scheme/Plan (Consolidated Scheme/Plan) pursuant to merger or consolidation of schemes/plans of a mutual fund will be the cost of acquisition of units in Transferor Scheme/Plan (Consolidating Scheme/Plan) as per the provisions of section 49(2AD) and 49(2AF) of the Act.

However, in case where the unitholder of the Merging Scheme is not in agreement with the proposed merger, in such case the investment held under the Merging Scheme shall be redeemed at applicable NAV and the redemption proceeds shall be transferred to Unitholders of the Merging Scheme and will result in short-term / long-term capital gain / loss in the hands of the Unit holders depending on the period of holding of the investment.

Redemption/switch of units from the Surviving Scheme during the exit option period shall be considered as redemption and shall result in short-term/long-term capital gains in the hands of the unit holders depending on the period of holding of the investment.

In case of NRI investors, upon no consent being provided for the merger or upon exercise of exit option, as applicable, tax shall be deducted in accordance with the applicable Tax laws upon exercise of exit option and the same would be required to be borne by such investor only.

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

Aditya Birla Sun Life AMC Limited / Aditya Birla Sun Life Mutual Fund would like the unitholders to remain invested with the Fund. Also, please note that in case, unitholders of Surviving Scheme choose to continue with their investments, there shall be no tax implications arising out of the above proposal. However, redemption/ switch during the exit option period will result in short term / long term capital gain / loss in the hands of the Unit Holders.

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.

The Securities and Exchange Board of India ("SEBI") has vide its communication dated April 25, 2023 noted the proposed merger.

To locate your nearest Investor Service Centre (ISC) we request you to visit <https://mutualfund.adityabirlacapital.com>.

The updated SID & KIM of the Surviving Scheme containing the revised provisions shall be made available with our ISCs and also displayed on the website <https://mutualfund.adityabirlacapital.com> immediately after completion of duration of exit option period.

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 applicable Schemes, read with the addenda issued thereunder.

For **Aditya Birla Sun Life AMC Limited**
(Investment Manager for Aditya Birla Sun Life Mutual Fund)
Sd/-
Authorised Signatory

Date : May 24, 2023
Place: Mumbai