

## Creation of segregated portfolio in UTI Credit Risk Fund and UTI Medium Term Fund

In order to ensure fair treatment to all investors in case of a credit event and to deal with liquidity risk, the Securities and Exchange Board of India vide its circular bearing reference number SEBI/HO/IMD/DF2/CIR/P/2018/160 dated December 28, 2018 has permitted mutual fund schemes to create segregated portfolios for debt and money market instruments.

Pursuant to the downgrade of debt instruments of Zee Learn Limited from 'AA(CE)' to 'B' (i.e. 'below investment grade') by CARE Ratings Limited on July 07, 2020, UTI Mutual Fund proposes to create a segregated portfolio in respect of debt securities of Zee Learn Limited in UTI Credit Risk Fund and UTI Medium Term Fund effective from July 07, 2020 subject to approval from the Board of Trustees of UTI Mutual Fund ("Board of Trustees")

As of July 06, 2020, UTI Credit Risk Fund and UTI Medium Term Fund have the following exposures in the debt securities of Zee Learn Limited which are proposed to be segregated:

Scheme Name	Name of Security	ISIN	Market value (in Rs. Crores.)	% of Net Assets
UTI - Credit Risk Fund.	0%(F-1)RNCD ZEELEARN LTD-08/07/2020	INE565L07018	40.77	9.24
UTI - Medium Term Fund	0%(F-1)RNCD ZEELEARN LTD-08/07/2020	INE565L07018	3.40	3.02

The above securities were rated AA(SO) by CARE Ratings Limited on March 12, 2015, on the basis of an unconditional and irrevocable undertaking from Zee Entertainment Enterprises Ltd (rated CARE AA/ A1+ on September 11, 2014) for funding of a Debt Service Reserve Account ("DSRA") to cover any shortfall in servicing outstanding obligations of the said securities 7 days prior to the due date as per the repayment schedule.

Envisaging segregation of portfolio, the NAV of above mentioned schemes as of July 07, 2020 would be declared after opening of business hours on July 08, 2020.

### Impact on the Investors

- Upon recovery of money from Zee Learn Limited in the segregated portfolio, whether partial or in full, the money so recovered will be distributed to investors in proportion to their holdings in the segregated portfolio.
- Existing investors in the above mentioned schemes, as of the day of creation of the segregated portfolio, shall be allotted an equal number of units in the segregated portfolio as those held in the main portfolio. No subscription or redemption will be allowed in the segregated portfolio of the captioned schemes.

- Investors redeeming their units will get redemption proceeds based on the net asset value (“NAV”) of the main portfolio and will continue to hold units of the segregated portfolio.
- Processing of subscriptions and redemptions in the scheme will be suspended from the credit event day until the approval from the Board of Trustees is received for the segregation of the portfolio.
- Investors subscribing to the schemes will be allotted units only in the main portfolio based on its NAV.
- UTI Asset Management Company Limited (“**UTI AMC**”) will enable listing of units of the segregated portfolio on a recognized stock exchange within 10 working days of creation of the segregated portfolio and enable transfer of such units on receipt of transfer requests.
- UTI AMC will disclose separate NAVs of the segregated and main portfolios from the date of creation of the segregated portfolio.
- A statement of account indicating the units held by the investors in the segregated portfolio along with the NAV of both the segregated portfolio and the main portfolio as of the day of the credit event shall be communicated to the investors within 5 working days of creation of the segregated portfolio.

### About UTI Mutual Fund

UTI Mutual Fund is a SEBI registered mutual fund whose Sponsors are State Bank of India, Punjab National Bank, Bank of Baroda and Life Insurance Corporation of India.

Mumbai  
July 07, 2020

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**Registered Office:** UTI Tower, ‘Gn’ Block, Bandra - Kurla Complex, Bandra (E), Mumbai - 400 051. Phone: 022-66786666. For more information, please contact the nearest UTI Financial Centre or your AMFI/NISM certified UTI Mutual Fund Independent Financial Advisor (IFA) for a copy of Statement of Additional Information, Scheme Information Document and Key Information Memorandum cum Application Form. **Mutual Fund Investments are subject to market risks, read all scheme related documents carefully.**