

NOTICE

Merger of Baroda Pioneer Public Sector Undertaking (PSU) Bond Fund with Baroda Pioneer Income Fund

NOTICE is hereby given that the Directors of Baroda Pioneer Asset Management Company Limited ("**AMC**"), investment manager to Baroda Pioneer Mutual Fund ("**Mutual Fund**") and Baroda Pioneer Trustee Company Private Limited, trustee to the Mutual Fund, have approved the merger of Baroda Pioneer Public Sector Undertaking (PSU) Bond Fund ("**BP PSU**"), an open ended debt scheme, with Baroda Pioneer Income Fund ("**BP IF**"), an open ended income scheme. The Securities and Exchange Board of India ("**SEBI**") has, vide its letter no. OW/34814/2015 dated December 16, 2015, accorded its "No Objection" for the said proposal.

In terms of Regulation 18 (15A) of the SEBI (Mutual Funds) Regulations, 1996 as amended from time to time, the merger of BP PSU with BP IF constitutes change of fundamental attributes of BP PSU and therefore, Unit Holders of BP PSU are being given an option to exit without load, for 30 days commencing from December 31, 2015 up to January 29, 2016 (both days inclusive).

Consequent to the merger effective February 1, 2016, all consenting Unit Holders of BP PSU would become Unit Holders of BP IF and BP PSU will cease to exist. The consenting Unit Holders of BP PSU will be allotted units under the corresponding plan/option of BP IF at the applicable Net Asset Value as on record date except for consenting Unit Holders in the Monthly and Quarterly Dividend options of BP PSU who will be allotted units under the Dividend option of BP IF at the applicable Net Asset Value as on record date.

All features of BP IF will remain unchanged post the merger and no new scheme/plan will emerge post the merger. This exit option is not available to the Unit Holders of BP IF since there is no change in the fundamental attributes of BP IF and the interests of the Unit Holders of BP IF are not adversely affected.

The existing special products/facilities i.e. SIP/STP/SWP of BP PSU to schemes other than BP IF shall be automatically re-registered into BP IF for remaining instalments/tenure, as per the terms and conditions of the respective special product/facility as offered by the AMC. Any special facility/product such as STP/SWP from BP PSU to BP IF or vice versa, shall stand cancelled effective February 1, 2016. In case a Unit Holder does not wish to continue any or all of the special products/facilities, as the case maybe, availed under BP PSU, then the Unit Holder may communicate the same to the AMC/ Karvy Computershare (Pvt.) Ltd. ("**Karvy**"), the Registrar and Transfer Agent of the Mutual Fund, in writing, his/her/its unwillingness to continue the said special product/ facility under BP IF during the said exit option period till January 29, 2016.

Unit Holders of BP PSU and BP IF may take note of the tax impact of the merger :

Scheme	Unit holder who wishes to continue in the Consolidated Scheme	Unit holder who decides to exercise exit option
BP PSU (Consolidating Scheme)	Getting units of Consolidated Scheme not being treated as taxable transfer and hence, no tax.	Tax impact depending upon period of holding prior to redemption.
BP IF (Consolidated Scheme)	No impact as there is no change for existing investors in the scheme.	'Exit Option' in the circumstances as above is not applicable, as such a specific option to exit is not provided to investors of this scheme. However, investors are free to redeem generally and such redemptions will be subject to tax as applicable, depending upon the period of holding prior to redemption.

Securities Transaction Tax : The AMC will bear the security transaction tax, on behalf of the Unit Holders, if any, arising out of the above merger.

Notwithstanding the above, Unit holders are advised to consult their tax advisors on tax consequences relating to the above merger.

Unit Holders of BP PSU who wish to exercise the exit option, may do so, by submitting a valid redemption/switch request (to any other fund) at any of the Investor Service Centres of Karvy, or at the Registered Office of the AMC located at 501, Titanium, 5th Floor, Western Express Highway, Goregaon (E), Mumbai - 400 063 or at the branch offices of the AMC located at Flat No. 103 & 104, First Floor, Prakash Deep Building, 7 Tolstoy Marg, New Delhi - 110 001 or at HP Complex, Flat No.12, 3rd Floor, Door No. 124/1, 2 & 3 New No. 14, G. N. Chetty Road, T. Nagar, Chennai - 600 017. If the redemption request is sent via courier or post by the investor, it should reach any of the above offices before the cut off time viz. 3 PM on or before the last date viz. January 29, 2016. The applicable NAV for redemption will be based on the cut-off time of the Business Day when the redemption request is accepted. The redemption proceeds will be mailed/credited within 10 (ten) working days from the date of the receipt of valid redemption request.

It may, however, be noted that all requests for exit option received after January 29, 2016, shall be subject to the applicable exit load and other features of BP IF as specified in the SID/KIM of BP IF.

Unit Holders of BP PSU should ensure that any change in address or pay-out bank details required by them, are updated with KYC Registration Agency and the Mutual Fund respectively before exercising the exit option in line with the timelines as mentioned in the SID/ KIM. Unit Holders of BP PSU who have pledged or encumbered their units will not have the option to exit unless they procure an effective release of their pledges / encumbrances prior to the submission of redemption / switch-out requests. In case a Unit Holder who has pledged or encumbered his units held in BP PSU does not obtain an effective release of the pledge / encumbrance within the exit option period, then the units of BP IF allotted to such Unit Holder shall be subject to the same terms and conditions of lien as were applicable when held in BP PSU.

The Unit Holders of BP PSU are also being individually informed about the details of the merger with BP IF through a separate written communication. In case of non-receipt of the written communication, Unit Holders of BP PSU may contact our toll free number 1800-2670-189 or write to us at info@barodapioneer.in.

It may be noted that the offer to exit is merely an option and is not compulsory. It may be further noted that in case Unit Holders of BP PSU do not have any objection to the said merger, no action is required to be taken. Unit Holders who do not exercise the exit option within the aforesaid period would be deemed to have consented to the said merger. In case of any clarification / further information, you may contact our toll free number 1800-2670-189 or write to us at info@barodapioneer.in.

For Baroda Pioneer Asset Management Company Limited

Place : Mumbai

sd/-

Date : December 28, 2015

Authorised Signatory

Mutual Fund investments are subject to market risks, read all scheme related documents carefully.

For further details, kindly contact:
Baroda Pioneer Asset Management Company Limited
CIN : U65991MH1992PLC069414
501, Titanium, 5th Floor, Western Express Highway, Goregaon (E),
Mumbai - 400063. Visit us at : www.barodapioneer.in
Email: info@barodapioneer.in, Tel. No.: 91 22 3074 1000
Toll Free No.: 1800 267 0189

BARODA PIONEER MUTUAL FUND

