

KEY INFORMATION MEMORANDUM

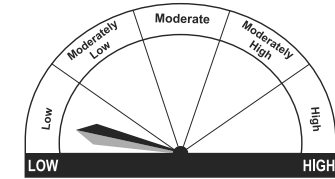
JM HIGH LIQUIDITY FUND (An Open-Ended Liquid Scheme)

Continuous offer for Units at NAV based prices

SPONSOR : JM Financial Limited
TRUSTEE : JM Financial Trustee Company Private Limited
 : Registered Office:141, Maker Chambers III, Nariman Point, Mumbai, Mumbai 400 021.
 : CIN: U65991MH1994PTC078880.
REGISTRAR : Karvy Computershare Private Limited
INVESTMENT MANAGER : JM Financial Asset Management Limited (Formerly known as JM Financial Asset Management Private Ltd.),
 Corporate Office: Office B, 8th Floor, Cnergy, Appasaheb Marathe Marg, Prabhadevi, Mumbai – 400025.
 CIN: U65991MH1994PLC078879 • Tel. No -(022) 6198 7777. • Fax No.:(022) 6198 7704
 • Email: investor@jmfl.com • Website: www.jmfinancialmf.com
REGISTERED OFFICE : 7th Floor, Cnergy, Appasaheb Marathe Marg, Prabhadevi, Mumbai - 400025.
 • Tel.: (022) 6198 7777 • Fax: (022) 6198 7704

This Key Information Memorandum (KIM) sets forth the information, which a prospective investor ought to know before investing. For further details of the scheme/Mutual Fund, due diligence certificate by the AMC, Key Personnel, investors’ rights & services, risk factors, penalties & pending litigations, associate transactions etc. investors should, before investment, refer to the Scheme Information Document (SID) and Statement of Additional Information (SAI) available free of cost at any of the Investor Service Centres or distributors or from the website www.JMFinancialmf.com. The Scheme particulars have been prepared in accordance with Securities and Exchange Board of India (Mutual Funds) Regulations 1996, as amended till date, and filed with Securities and Exchange Board of India (SEBI). The units being offered for public subscription have not been approved or disapproved by SEBI, nor has SEBI certified the accuracy or adequacy of this KIM.

The date of this Key Information Memorandum is 30/08/2016.

This product is suitable for investors who are seeking* <ul style="list-style-type: none"> • Regular Income over Short Term. • Investment in debt and money market securities with maturity of upto 91 days only. <p>*Investors should consult their financial advisers if in doubt about whether the product is suitable for them.</p>	<p>Riskometer</p>  <p>Investors understand that their principal will be at low risk</p>
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MINIMUM CRITERIA FOR INVESTMENT & REDEMPTION

As mentioned in the reckoner table for normal transactions other than through SIP/STP. Additional Purchase : Rs. 1,000/- or any amount thereafter. Repurchase : Minimum redemption from existing Unit Accounts for normal transactions other than through STP/SWP would be a) Rs. 500 and any amount thereafter OR b) 50 units or any number of units thereafter subject to keeping a minimum balance of 500 units or Rs. 5000/- whichever is less. c) for all the units in the folio for the respective plan if the available balance is less than Rs. 500/- or less than 50 units on the day of submission of valid redemption request. For Direct plan, please see subsequent pages.

Reckoner and Default Options: In case an investor fails to specify his preference of Plans/Sub-Plans/Options/Sub-Options, in the below mentioned scheme, the default Plans/Sub-Plans/Options/Sub-Options for purchase transactions would be as under.

Scheme	Currently available facilities				Default Plan	Default Option	Default Sub Option	Exit Load @@@	Lock-in Periods @@@	Redemption Time##
	Min. investment amt.	Plan	Options	Sub Options						
JM High Liquidity Fund	Rs. 5000/-		Daily Dividend	Reinvestment	Direct	Daily Dividend	Reinvestment	NIL	NA	T+1 Business Days
			Weekly Dividend	Reinvestment / Payout ^{\$\$}						
			Quarterly Dividend	Payout ^{\$\$} / Reinvestment						
			Growth							
			Bonus [#]	Principal units						
		(Direct)	Daily Dividend	Reinvestment		Daily Dividend	Reinvestment			
			Weekly Dividend	Reinvestment / Payout ^{\$\$}						
			Quarterly Dividend	Payout ^{\$\$} / Reinvestment						
			Growth							
			Bonus [#]	Principal units						

\$\$ No dividend under dividend option shall be distributed in cash even for those unit holders opted for payout where such dividend on a single payout is less than Rs. 100/-. Consequently, such dividend (less than Rs.100/-) shall be compulsorily re-invested.

#In terms of AMFI Best Practice Guidelines Circular No. 58 dated May 19, 2015, the said Bonus Options has been discontinued. Accordingly, the Scheme shall have only Dividend Option and Growth Option. It has been deemed to discontinue fresh subscriptions through (fresh/additional/switches/STP/SIP) under the Bonus Options of scheme. The outstanding units of the existing unit holders under the Bonus Option shall be continued (without allowing any fresh subscription from the unitholder) till all the units, under the Bonus Option/Plan of the Scheme has been redeemed and subsequently, Bonus Option/Plan shall be closed. Accordingly, the existing and fresh SIP transactions under the Bonus Options of the Scheme has been discontinued.

The Trustees to JM Financial Mutual Fund reserves the right to change/modify the above provisions at a later date.

It is clarified that the minimum investment is applicable at the respective Options/ Sub-options level i.e. Growth, Dividend and will be considered after taking into account permissible DD charges.

@@@ The exit load shown in the above table are applicable for allotment of units for investment made through fresh purchases/switch-in/shift-in or through respective SIP/STP/SWP Installments out of the fresh registration effected during the period when above exit load rates are applicable. The exit load are

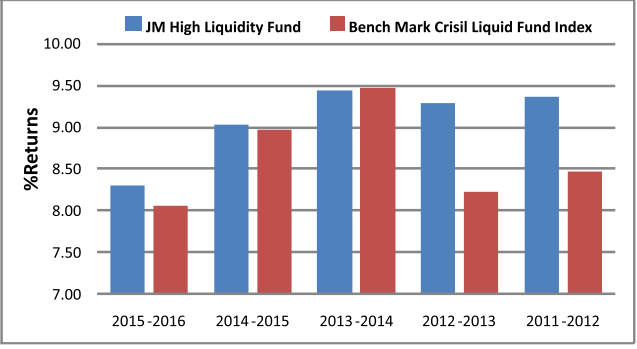
subject to change at any time. Hence, all Investors are advised to check the current exit load from the nearest Investor Service Centers before investment. In case, the investor does not mention the name of the Plan/ Option/ Sub-option/or wherever there is an ambiguity in choice of Plan/ Option/ Sub-option opted for purchase/ switch application(s), the AMC/ Registrar may allot the units as per default Plans/ Options/ Sub-options, if no clarification letter is provided by the investor on the transaction date. However, in case of fresh purchase application, the AMC/ Registrar at its discretion may allot the units based on the Plan/ Option/ Sub-option appearing on the respective payment instrument. In case, there is complete ambiguity regarding the Plans/ Options/ Sub-options, the application will be treated as invalid and will be summarily rejected. In case of purchase transactions, where there is a mismatch in the amounts on the Transaction Slip / Application Form and the payment instrument / credit received, the AMC may at its discretion allot the units for the lesser of the two amounts and refund / utilize the excess, if any, for any other transaction submitted by the same investor, subject to the fulfillment of other regulatory requirements for the fresh transaction.

AMC would adhere to the aforesaid service standards for redemption payments on best efforts basis under normal circumstances subject to the overall 10 business days as stipulated by SEBI. The redemption payout may be deferred in line with the settlement cycle/s of the stock market and/or money market in case of intervening Bank holiday/s in Mumbai. Similarly, the switch-in transactions amounting to Rs. 2 lac and above will be allotted units based on the NAVs applicable on the payout dates of switch-out schemes in all schemes, where previous calendar day's NAV will be applicable.

Note: Dividend shall be declared at the discretion of the Trustee subject to the availability of distributable profits as compiled in accordance with SEBI (Mutual Funds) Regulations, 1996.

Name of the Scheme	JM High Liquidity Fund					
Type of Scheme	An Open-Ended Liquid Scheme					
Investment Objective	To provide income by way of dividend (dividend plans) and capital gains (growth plan) through investing in debt and money market instruments. There can be no assurance that the investment objective of the scheme will be realized. The scheme does not guarantee/ indicate any returns.					
Investment Strategy	Securities will be selected by the fund manager based on a continuous study of the trends in the economy, liquidity and interest rates, management capabilities, credit rating and other relevant investment criteria. A constant watch will be kept on various liquidity indicators in the economy, inflation rate movement, cash flows etc. so as to ascertain the expected changes in interest rates in the short/medium term and accordingly funds would be invested to optimize returns. Being a cash management product, the primary aim of the fund will be to invest in securities which have superior liquidity. The Scheme will have an appropriate mix of money market securities and fixed income securities depending on the prevailing market outlook to generate reasonable return with low risk and high level of liquidity.					
Asset Allocation Pattern of the Scheme	Scheme	Equity	Debt	Money market and short term debt Inst. maturing within one year.	Debt, Money market and short term debt Inst. with residual maturity above one year.	Risk Profile
	JM High Liquidity Fund	NIL	0-30%	70-100%	NIL	Low
	The above limits shall be in line with the investment objective of the Scheme. Exposure in securitized debt 0%-70% of net assets of this scheme with low risk profile. The AMC may, from time to time, pending deployment of funds of the Scheme in securities in terms of the investment objective of the Scheme, invest the funds of the Scheme in short-term deposits of scheduled commercial banks subject to compliance with SEBI Circular SEBI/ IMD/CIR No.1/ 91171 /07 dated April 16,2007 as amended by SEBI Circular SEBI/ IMD/CIR No.7/129592/08 dated June 23,2008. The AMC may from time to time, pending investment in terms of investment objective of the Scheme, for a short term period on defensive consideration invest upto 100% of the funds available in overnight interbank call/notice money and/ or repos and/ or CBLO, the primary motive being to protect the Net Asset Value of the Scheme and protect unitholders interest so also to earn reasonable returns on liquid funds maintained for redemption/ repurchase of units. For further details kindly refer SID.					
Risk Profile of the Scheme	Mutual Fund Units involve investment risks including the possible loss of principal. Please read the SID carefully for details on risk factors before investment.					
Plans and Options	<p>Normal Plan: Daily Dividend (Reinvestment sub-option), Weekly Dividend (Payout & Reinvestment sub-option), Quarterly Dividend (Payout & Reinvestment sub-option), Growth, Bonus* (Principal units)</p> <p>Direct Plan: Daily Dividend (Reinvestment sub-option), Weekly Dividend (Payout & Reinvestment sub-option), Quarterly Dividend (Payout & Reinvestment sub-option), Growth, Bonus* (Principal units)</p> <p>*In terms of AMFI Best Practice Guidelines Circular No. 58 dated May 19, 2015, the said Bonus Options has been discontinued. Accordingly, the Scheme shall have only Dividend Option and Growth Option. It has been deemed to discontinue fresh subscriptions through (fresh/additional/switches/STP/SIP) under the Bonus Options of the said scheme. The outstanding units of the existing unit holders under the Bonus Option shall be continued (without allowing any fresh subscription from the unitholder) till all the units, under the Bonus Option/Plan of the said Scheme have been redeemed and subsequently, Bonus Option/Plan shall be closed. Accordingly, the existing and fresh SIP transactions under the Bonus Options of the above Scheme have been discontinued.</p>					
Applicable NAV	Details are set out in subsequent pages.					
Minimum Application Amount / No. of Units	Refer MINIMUM CRITERIA FOR INVESTMENT & REDEMPTION on page 1					
Dispatch of Repurchase / Redemption request	Details are set out in subsequent pages.					
Benchmark Index	CRISIL LIQUID FUND INDEX (CLFI)					
Dividend Policy	Details are set out in subsequent pages.					
Name of the Fund Manager	Shalini Tibrewala (Managing this Scheme since December 1997 and hence managing the scheme from more than 18 years)					

Performance of the Scheme Compounded annualized returns	Compounded annualized returns (%) of Growth option as on March 31, 2016.								
	Normal Plan	1 yr	3 yrs	5 yrs	Since Inception*	Direct Plan	1 yr	3 yrs	Since Inception*
	Growth	8.29	8.92	9.07	8.08	Growth	8.36	9.00	9.00
	CLFI	8.04	8.82	8.63	N A	CLFI	8.04	8.82	8.78
	* Date of inception = Date of allotment i.e. 31.12.1997				* Date of inception = 01.01.2013				
	Note: Compounded Annualised Growth Returns (CAGR) for period 1 year or more, with reinvestment of dividends (if any). Past performance may or may not be sustained in future.								

Performance of the Scheme Compounded annualized returns	Absolute Returns for each financial year for the last 5 years	
		

Entry Load	NIL
Exit Load^	NIL
Recurring expenses [% of Net Assets]	Actual Expenses for the period 1st April 2015 to 31st March 2016: Normal: 0.28%, Direct: 0.21%
No. of Folios as on 31.03.2016	3402
Quarterly Avg. AUM (In Rs.) - April 16 to June 16	4,70,284.09
Portfolio Turnover Ratio	NA

Scheme's Portfolio holdings as on July 31, 2016:

Particular	Weightage To Nav %	Rating	INDUSTRY ALLOCATION	
91 Day T-Bill	11.26	GOI SOV	Money Market Instruments	70.18%
AXIS Bank	10.30	CRISIL A1+	CBLO & Others	13.67%
IDFC Bank	9.55	ICRA A1+	Treasury Bills	11.81%
IndusInd Bank	5.97	CRISIL A1+	Fixed Deposit	4.35%
Oriental Bank of Commerce	5.43	CRISIL A1+		
IL & FS Transportation Networks	4.35	IND A1		
Edelweiss Commodities Services	4.33	CRISIL A1+		
Kotak Mahindra Bank	4.33	CRISIL A1+		
South Indian Bank	3.80	CARE A1+		
Dena Bank	3.26	CRISIL A1+		

Investors can view the scheme's latest monthly portfolio holding on the website of the mutual fund i.e. www.jmfinancialmf.com.

Note: The returns of the schemes are calculated on the basis of the NAVs declared as on the last business day.

Direct Plan shall have a lower expense ratio excluding distribution expenses, commission, etc and no commission for distribution of Units will be paid / charged under Direct Plan.

^ No exit load shall be charged for any switch of investments between Existing Plan (whether the investments were made before or after the Effective Date) and Direct Plan within the same scheme. The applicable exit load, if any, will be charged for redemptions/ switch outs of the scheme (i.e. at portfolio level) before the completion of the stipulated load/ lock-in period. The stipulated load/ lock-in period will be reckoned from the date of allotment of units for a particular transaction in the scheme (i.e. at portfolio level) till the date of redemption / switch out from that scheme, irrespective of the number of intra-scheme switches by the investor between the aforementioned two dates (e.g. switches between plans/sub-plans/options/sub-options within the scheme having the same portfolio)

The extant provisions of applicability of load on redemptions/ switches from one Scheme to another will continue to be applicable.

Recurring Expenses:

As per the amendments to the SEBI (Mutual Funds) Regulations, 1996 ["SEBI Regulations"] notified vide notification No. LAD-NRO/GN/2012-13/17/21502 dated September 26, 2012 ("Notification"), the total expenses of the scheme including the investment management and advisory fee (for other than Index and Fund of Funds Schemes) shall not exceed the limits stated in Regulation 52(6):

- On the first Rs. 100 crore of the daily net assets 2.25%.
- On the next Rs. 300 crore of the daily net assets 2.00%.
- On the next Rs. 300 crore of the daily net assets 1.75%.
- On the balance of the assets 1.50%.

In addition to the limits as specified in Regulation 52(6) of SEBI Regulations, the following costs or expenses can be charged to the schemes of JM Financial Mutual Fund ("JMF"):

Additional TER of up to 30 basis points on daily net assets of the scheme as per regulation 52 of SEBI (Mutual Funds) Regulations, 1996 if the new inflows from beyond top 15 cities* received by JMF are at least (a) 30% of gross new inflows in the scheme or (b) 15% of the average assets under management (year to date) of the scheme, whichever is higher. In case the inflows from beyond top 15 cities is less than the higher of (a) or (b) above, then additional TER can be charged on pro rata basis. The additional TER on account of inflows from beyond top 15 cities so charged shall be clawed back in case the same

is redeemed within a period of 1 year from the date of investment. The amount so charged shall be utilised for distribution expenses incurred for bringing inflows from such cities. * The top 15 cities shall mean top 15 cities based on Association of Mutual Funds in India (AMFI) data on 'AUM by Geography – Consolidated Data for Mutual Fund Industry' as at the end of the previous financial year.

Additional expenses not exceeding 0.20 per cent of daily net assets of the scheme, incurred towards different heads mentioned under sub-regulations (2) and (4) of Regulation 52. The brokerage and transaction costs which are incurred for the purpose of execution of trade and is included in the cost of investment shall not exceed 0.12% in case of cash market transactions and 0.05% in case of derivative transactions.

The investors shall also note that the contents set out under part E. (iv) under the head "Aggregate fees and expenses charged to the scheme" of the Common Scheme Information Document (SID) of both Equity and Debt Schemes of JMF stands amended in light of the Notification dated September 26, 2012, whereby the slabs on Investment Management & Advisory Fee have been withdrawn. As required under Regulation 52 of the Regulations, the Investment Management & Advisory Fee would be disclosed in the Scheme Information Document(s) of the Schemes. The aggregate of the Investment Management & Advisory Fee charged by JMF AMC and the Expenses will remain within the maximum permissible TER as per Regulation 52 of the Regulations, as amended from time to time.

CHECKLIST
Please ensure that your Application Form is
Complete in all respects & signed by all applicants.
Name, Address and Contact Details are mentioned in full.
Bank Account Details are entered completely and correctly.
Permanent Account Number (PAN) of all Applicants is mentioned for all investments and verified copy of PAN Card is submitted.
Appropriate Option / Sub-option is selected. If the Dividend Option is chosen, Dividend Payout or Re-investment is indicated.
If units are applied for jointly, Mode of Operation of account is indicated.
KYC Acknowledgement issued by the KRA is submitted irrespective of the amount of investment.
Investment Cheque/Demand Draft is drawn in favour of respective scheme you wish to apply for, dated and signed.
Application Number is mentioned on the reverse of the Cheque/Demand Draft.
Documents, as applicable, are submitted along with the Application Form.

Accompanying documents									
Please submit the following documents (where applicable) with your application. All documents should be original / true copies certified by a Director/Trustee/Company/Secretary/Authorised Signatory in case of Non Individuals and by gazette officer/notarized in case Individuals (Resident, PIOs & NRI).									
Documents	Individual	Companies	Societies	Partnership Firms	Investments through POA	Trusts	NRI	FIIs	PIO
Resolution/Authorisation to invest		✓	✓	✓		✓		✓	
List of Authorised Signatories with Specimen signature(s)		✓	✓	✓	✓	✓		✓	
Memorandum & Articles of Association		✓							
Trust Deed						✓			
Bye-laws			✓						
Partnership Deed				✓					
Overseas Auditors' Certificate								✓	
Notarised Power of Attorney					✓				
Bank confirmation of source of funds/FIRC							✓		✓
Proof of Identity	✓						✓		✓
Proof of Address	✓	✓	✓	✓	✓	✓	✓	✓	✓
PAN	✓	✓	✓	✓	✓	✓	✓	✓	✓
KYC Acknowledgement issued by the KRA	✓	✓	✓	✓	✓	✓	✓	✓	✓
FATCA / UBO	✓	✓	✓	✓	✓	✓	✓	✓	✓

A. RISK FACTORS

Standard Risk Factors:

- Investment in Mutual Fund Units involves investment risks such as trading volumes, settlement risk, liquidity risk, default risk including the possible loss of principal.
- As the price / value / interest rates of the securities in which the scheme invests fluctuates, the value of your investment in the scheme may go up or down.
- Past performance of the Sponsor/AMC/Mutual Fund does not guarantee future performance of the scheme.
- The name of the scheme does not in any manner indicate either the quality of the scheme or its future prospects and returns.
- The Sponsor is not responsible or liable for any loss resulting from the operation of the scheme beyond the initial contribution of 1 Lac made by it towards setting up the Fund.
- The present scheme is not a guaranteed or assured return scheme.

Other Risk Factors

a) Risk related to investing in Bonds / Money Market Instruments:

i) Interest Rate Risk

As with all debt securities, changes in interest rates will affect the NAVs of the Scheme as the prices of securities generally increase as interest rates decline and generally decrease as interest rates rise. Prices of long term securities generally fluctuate more in response to interest rate changes than of shorter-term securities. Interest rate movements in the Indian debt markets can be volatile leading to the possibility of large price movements up or down in debt and money market securities and thereby to possibly large movements in the NAV.

ii) Liquidity or Marketability Risk

This refers to the ease at which a security can be sold at or near its true value. The primary measure of liquidity risk is the spread between the bid price and the offer price quoted by a dealer. Liquidity risk is characteristic of the Indian fixed income market. Trading volumes, settlement periods and transfer procedures may restrict the liquidity of some of these investments. Different segments of the Indian financial markets have different settlement periods, and such periods may be extended significantly by unforeseen circumstances. The length of time for settlement may affect the Scheme in the event it has to meet an inordinately large number of redemption or of restructuring of the Scheme's investment portfolio.

iii) Credit Risk

Credit risk or default risk refers to the risk that an issuer of a fixed income security may default (i.e., will be unable to make timely principal and

interest payments on the security). Because of this risk, debentures are sold at a yield spread above those offered on treasury securities which are sovereign obligations and generally considered to be free of credit risk. Normally, the value of a fixed income security will fluctuate depending upon the actual changes in the perceived level of credit risk as well as the actual event of default.

iv) Reinvestment Risk

This risk refers to the interest rate levels at which cash flows received from the securities in the Scheme or from maturities in the Scheme are reinvested. The additional income from reinvestment is the "interest on interest" component. The risk is that the rate at which interim cash flows can be reinvested will fall.

b) Risk relating to Derivatives

The Scheme may use various derivative products as permitted by the Regulations. In the derivative markets there are risk factors and issues concerning the use of derivatives that investors should understand. Derivatives require the maintenance of adequate controls to monitor the transactions entered into, the ability to assess the risk that a derivative adds to the portfolio and the ability to manage the risks as a result of the failure of the counterparty to comply with the terms of the derivative contract. Other risks in using derivatives include the risk of mispricing or improper valuation of derivatives, credit risk where the danger is that of a counterparty failing to honour its commitment, liquidity risk where the danger is that the derivatives cannot be sold at prices that reflect the underlying assets, rates and indices and price risk where the market price may move in adverse fashion.

Derivative products are leveraged instruments and can provide disproportionate gains as well as disproportionate losses to the investor. Execution of such strategies depends upon the ability of the fund manager to identify such opportunities. Identification and execution of the strategies to be pursued by the fund manager involve uncertainty and decision of fund manager may not always be profitable. No assurance can be given that the Fund Manager will be able to identify or execute such strategies.

The risks associated with the use of derivatives are different from or possibly greater than, the risks associated with investing directly in securities and other traditional investments and are set out in more detail in SID under the head

POLICY AND SPECIAL CONSIDERATION ON INVESTMENT IN DERIVATIVES AND HEDGING PRODUCTS

c) Additional Risk Factors:

i) Redemption Risk

As the liquidity of the investments made by the Scheme could, at times, be restricted by trading volumes and settlement periods, the time taken by the Mutual Fund for redemption of Units may be significant in the event of an inordinately large number of redemption requests or a restructuring of the Scheme.

ii) Securities Lending

In case the Scheme undertakes stock lending under the Regulations, it may, at times be exposed to counter party risk and other risks associated with the securities lending. Unitholders of the Scheme should note that there are risks inherent to securities lending, including the risk of failure of the other party, in this case the approved intermediary, to comply with the terms of the agreement entered into between the lender of securities i.e. the Scheme and the approved intermediary. Such failure can result in the possible loss of rights to the collateral put up by the borrower of the securities, the inability of the approved intermediary to return the securities deposited by the lender and the possible loss of any corporate benefits accruing to the lender from the securities deposited with the approved intermediary.

d) Investment exposure of the Fund with reference to Securitised Debt and risk factors specific to investments in Securitised papers

The Fund will predominantly invest only in those securitisation issuances which have a rating of AA and above indicating the high level of safety from credit risk point of view at the time of making an investment. The Fund will not invest in foreign securitised debt.

The Fund may invest in various type of securitisation issuances, including but not limited to Asset Backed Securitisation, Mortgage Backed Securitisation, Personal Loan Backed Securitisation, Collateralized Loan Obligation / Collateralized Bond Obligation and so on.

The Fund will conduct an independent due diligence on the cash margins, collateralisation, guarantees and other credit enhancements and the portfolio characteristic of the securitisation to ensure that the issuance fits in to the overall objective of the investment in high investment grade offerings irrespective of underlying asset class.

Types of securitised debt vary and carry different levels and types of risks. Credit risk on securitised bonds depends upon the originator and

varies depending on whether they are issued with recourse to originator or otherwise. Even within securitised debt, AAA rated securitised debt offers lesser risk of default than AA rated securitised debt. A structure with Recourse will have a lower credit risk than a structure without recourse.

e) Risk analysis on underlying asset classes in securitisation

Generally the following asset classes for securitisation are available in India :

- (a) Commercial Vehicles
- (b) Auto and Two wheeler pools
- (c) Mortgage pools (residential housing loans)
- (d) Personal Loan, credit card and other retail loans
- (e) Corporate loans/receivables

Underlying assets in securitised debt may assume different forms and the general types of receivables include auto finance, credit cards, home loans or any such receipts. Credit risks relating to these types of receivables depend upon various factors including macro economic factors of these industries and economies. Specific factors like nature and adequacy of property mortgaged against these borrowings, nature of loan agreement / mortgage deed in case of home loan, adequacy of documentation in case of auto finance and home loans, capacity of borrower to meet its obligation on borrowings in case of credit cards and intentions of the borrower influence the risks relating to the asset borrowings underlying the securitised debt.

Holders of the securitised assets may have low credit risk with diversified retail base on underlying assets especially when securitised assets are created by high credit rated tranches. Risk profiles of Planned Amortisation Class tranches (PAC), Principal Only Class Tranches (PO) and Interest Only class tranches (IO) will differ depending upon the interest rate movement and speed of prepayment.

In terms of specific risks attached to securitisation, each asset class would have different underlying risks, however, residential mortgages are supposed to be having lower default rates as an asset class. On the other hand, repossession and subsequent recovery of commercial vehicles and other auto assets is fairly easier and better compared to mortgages. Some of the asset classes such as personal loans, credit card receivables, etc., being unsecured credits in nature, may witness higher default rates. As regards corporate loans/receivables, depending upon the nature of the underlying security for the loan or the nature of the receivable the risks would correspondingly fluctuate. However, the credit enhancement stipulated by rating agencies for such asset class pools is typically much higher and hence their overall risks are comparable to other AAA rated asset classes. The rating agencies have an elaborate system of stipulating margins, over collateralisation and guarantees to bring risk limits in line with the other AA rated securities.

The risks associated with the underlying assets can be described as under :

Credit card receivables are unsecured. Automobile / vehicle loan receivables are usually secured by the underlying automobile / vehicle and sometimes by a guarantor. Mortgages are secured by the underlying property. Personal loans are usually unsecured.

Corporate loans could be unsecured or secured by a charge on fixed assets / receivables of the company or a letter of comfort from the parent company or a guarantee from a bank / financial institution. As a rule of thumb, underlying assets which are secured by a physical asset / guarantor are perceived to be less risky than those which are unsecured. By virtue of this, the risk and therefore the yield in descending order of magnitude would be credit card receivables, personal loans, vehicle / automobile loans, mortgages and corporate loans assuming the same rating.

Some of the factors, which are typically analyzed for any pool are as follows :

Size of the loan : generally indicates the kind of assets financed with loans. Also indicates whether there is excessive reliance on very small ticket size, which may result in difficult and costly recoveries. To illustrate, the ticket size of housing loans is generally higher than that of personal loans. Hence in the construction of a housing loan asset pool for say Rs.10,000,000/- it may be easier to construct a pool with just 10 housing loans of Rs.1,000,000 each rather than to construct a pool of personal loans as the ticket size of personal loans may rarely exceed Rs.500,000/- per individual. Also to take this illustration further, if one were to construct a pool of Rs.1 0,000,000/- consisting of personal loans of Rs.100,000/- each, the larger number of contracts (100 as against one of 10 housing loans of Rs.10 lakh each) automatically diversifies the risk profile of the pool as compared to a housing loan based asset pool.

Average original maturity of the pool : indicates the original repayment

period and whether the loan tenors are in line with industry averages and borrower's repayment capacity. To illustrate, in a car pool consisting of 60-month contracts, the original maturity and the residual maturity of the pool viz. number of remaining installments to be paid gives a better idea of the risk of default of the pool itself. If in a pool of 100 car loans having original maturity of 60 months, if more than 70% of the contracts have paid more than 50% of the installments and if no default has been observed in such contracts, this is a far superior portfolio than a similar car loan pool where 80% of the contracts have not even crossed 5 installments.

Loan to Value ("LTV") Ratio : Indicates how much % value of the asset is financed by borrower's own equity. The lower the LTV ratio, the better it is. This ratio stems from the principle that where the borrower's own contribution of the asset cost is high, the chances of default are lower. To illustrate for a vehicle costing Rs. 50 lakhs, if the borrower has himself contributed Rs. 40 lakhs and has taken only Rs. 10 lakhs as a loan, he is going to have lesser propensity to default as he would lose an asset worth Rs. 50 lakhs if he defaults in repaying an installment. This is as against a borrower who may meet only Rs. 5 lakhs out of his own equity for a vehicle costing Rs. 50 lakhs. Between the two scenarios given above, the latter would have higher risk of default than the former.

Average seasoning of the pool : Indicates whether borrowers have already displayed repayment discipline. To illustrate, in the case of a personal loan, if a pool of assets consists of those who have already repaid 80% of the installments without default, this certainly is a superior asset pool than the one where only 10% of the installments have been paid. In the former case, the portfolio has already demonstrated that the repayment discipline is far higher.

Default rate distribution : Indicates how much % of the pool and overall portfolio of the originator is current, how much is in 0-30 DPD (days past due), 30-60 DPD, 60-90 DPD and so on. The rationale here is very obvious - as against 0-30 DPD, the 60-90 DPD is certainly a higher risk category.

Unlike in plain vanilla instruments, in securitisation transactions, it is possible to work towards a target credit rating, which could be much higher than the originator's own credit rating. This is possible through a mechanism called "Credit enhancement" and is fulfilled by filtering the underlying asset classes and applying selection criteria, which further diminishes the risk inherent for a particular asset class. The purpose of credit enhancement is to ensure timely payment to the investors, if the actual collections from the pool of receivables for a given period are short of the contractual payouts on securitisation. Securitisation is normally a non-recourse instrument and therefore, the repayment on securitisation would have to come from the underlying assets and the credit enhancement. Therefore, the rating criteria centrally focuses on the quality of the underlying assets.

World over, the quality of credit ratings is measured by default rates and stability. An analysis of rating transition and default rates, witnessed in both international and domestic arena, clearly reveals that structured finance ratings have been characterized by far lower default and transition rates than that of plain vanilla debt ratings. Further, internationally, in case of structured finance ratings, not only are the default rates low but post default recovery is also high.

In the Indian scenario, also, more than 95% of issuances have been AAA rated issuances indicating the strength of the underlying assets as well as adequacy of credit enhancement.

Interest Rate Risk

The change in market interest rates – prepayments may not change the absolute amount of receivables for the investors, but may have an impact on the re-investment of the periodic cash flows that the investor receives in the securitised paper.

Limited liquidity & price risk

Presently, secondary market for securitised papers is not very liquid. There is no assurance that a deep secondary market will develop for such securities. This could limit the ability of the investor to resell them. Even if a secondary market develops and sales were to take place, these secondary transactions may be at a discount to the initial issue price due to changes in the interest rate structure.

Limited recourse, delinquency and credit risk

Securitised transactions are normally backed by pool of receivables and credit enhancement as stipulated by the rating agency, which differ from issue to issue. The credit enhancement stipulated represents a limited loss cover to the InvestoRs. These certificates represent an undivided beneficial interest in the underlying receivables and there is no obligation of either the Issuer or the Seller or the originator, or the parent or any affiliate of the seller, issuer and originator. No financial recourse is available to the certificate holders against the investors' representative. Delinquencies and credit losses may cause depletion

of the amount available under the credit enhancement and thereby the investor payouts may get affected if the amount available in the credit enhancement facility is not enough to cover the shortfall. On persistent default of an obligor to repay his obligation, the servicer may repossess and sell the underlying asset. However many factors may affect, delay or prevent the repossession of such asset or the length of time required to realize the sale proceeds on such sales. In addition, the price at which such asset may be sold may be lower than the amount due from that obligor.

Risks due to possible prepayments: Weighted Tenor / Yield

Asset securitisation is a process whereby commercial or consumer credits are packaged and sold in the form of financial instruments. Full prepayment of underlying loan contract may arise under any of the following circumstances :

- Obligor pays the receivable due from him at any time prior to the scheduled maturity date of that receivable; or
- Receivable is required to be repurchased by the seller consequent to its inability to rectify a material misrepresentation with respect to that receivable; or
- The servicer recognizing a contract as a defaulted contract and hence repossessing the underlying asset and selling the same; or
- In the event of prepayments, investors may be exposed to changes in tenor and yield.

Bankruptcy of the originator or seller

If originator becomes subject to bankruptcy proceedings and the court in the bankruptcy proceedings concludes that the sale from originator to Trust was not a sale then an investor could experience losses or delays in the payments due. All possible care is generally taken in structuring the transaction so as to minimize the risk of the sale to Trust not being construed as a "True Sale". Legal opinion is normally obtained to the effect that the assignment of Receivables to Trust in trust for and for the benefit of the Investors, as envisaged herein, would constitute a true sale.

Bankruptcy of the investor's agent

If an investor's agent becomes subject to bankruptcy proceedings and the court in the bankruptcy proceedings concludes that the recourse of investor's agent to the assets/receivables is not in its capacity as agent/ Trustee but in its personal capacity, then an investor could experience losses or delays in the payments due under the swap agreement. All possible care is normally taken in structuring the transaction and drafting the underlying documents so as to provide that the assets/receivables if and when held by investor's agent is held as agent and in Trust for the investors and shall not form part of the personal assets of investor's agent. Legal opinion is normally obtained to the effect that the investor's agent's recourse to assets/receivables is restricted in its capacity as agent and Trustee and not in its personal capacity.

Credit Rating of the Transaction / Certificate

The credit rating is not a recommendation to purchase, hold or sell the certificate in as much as the ratings do not comment on the market price of the certificate or its suitability to a particular investor.

There is no assurance by the rating agency either that the rating will remain at the same level for any given period of time or that the rating will not be lowered or withdrawn entirely by the rating agency.

Risk of Co-mingling

The servicers normally deposit all payments received from the obligors into the collection account. However, there could be a time gap between collection by a servicer and depositing the same into the collection account especially considering that some of the collections may be in the form of cash. In this interim period, collections from the Loan Agreements may not be segregated from other funds of the servicer. If the servicer fails to remit such funds due to investors, the investors may be exposed to a potential loss.

H) Risk factors associated with processing of transaction through Stock Exchange Mechanism:

The trading mechanism introduced by the stock exchange(s) is configured to accept and process transactions for mutual fund units in both Physical and Demat Form. The allotment and/or redemption of Units through NSE and/or BSE, on any Business Day will depend upon the modalities of processing viz. collection of application form, KYC documentation, order processing/ settlement, etc. upon which the Fund has no control. Moreover, transactions conducted through the stock exchange mechanism shall be governed by the operating guidelines and directives issued by respective recognized stock exchange(s).

RISK MITIGATION MEASURES FOLLOWED:

Risk management is an integral part of the investment process. The AMC incorporates adequate safeguards for controlling risks in the portfolio

construction process, which would be periodically evaluated. Online monitoring of various exposure limits are done by the Front Office System. The system incorporates all the investment restrictions as per SEBI guidelines and 'soft' warning alerts at appropriate levels for preemptive monitoring. The system also enables identifying & measuring the risk through various risk measurement tools and analyzes the same so as to act in a preventive manner. In addition to minimize the major risks for equity & debt schemes, the following steps are taken.

Credit Risk – Risk of investing in unsustainable / weak companies

- In depth credit evaluation of the money market and debt instruments (other than GSecs) proposed to be invested in.
- Issuer wise and Industry wise exposure limits
- Independent rating of scheme portfolio by recognized rating agency.
- Defining the minimum rating grades at position and portfolio level

Interest Rate Risk – Risk of bond prices falling as a result of rise in interest rates

- Active duration management
- Cap on Average Portfolio maturity depending upon the scheme objective and Strategy.
- Portfolio exposure spread over various maturities depending on the mandates of the respective schemes

Liquidity Risk – High impact cost at the time of buying/selling

- Focus on good quality paper having good liquidity in the market at the time of portfolio construction
- Asset-Liability management

The scheme may also use derivatives and other hedging instruments, as permitted, from time to time, in order to protect the value of the portfolio.

INTRODUCTION OF DIRECT PLAN

In accordance with Para D titled "Separate Option for direct investments" under Circular No. CIR/IMD/DF/21/2012 dated September 13, 2012 issued by Securities and Exchange Board of India (SEBI), JM Financial Trustee Company Private Limited, (the "Trustee" to the Mutual Fund), decided to introduce a separate plan for direct investments (i.e. investments not routed through an AMFI Registration Number (ARN) Holder ("Distributor") (hereinafter referred to as "Direct Plan") with effect from January 1, 2013 (the "Effective Date") as under:

1. **Introduction of Direct Plan:** Direct Plan is only for investors who purchase/subscribe units in a Scheme directly with the Mutual Fund and is not available for investors who route their investments through a Distributor.
2. **Plans / Options / Sub-options:** All Plans / Options / Sub-Options being offered under the Schemes ("Normal Plan") will also be available for subscription under the Direct Plan. Thus, from the Effective Date, there shall be 2 Plans available for subscription under the Schemes viz., Normal Plan and Direct Plan. Portfolio of the Scheme under the Normal Plan and Direct Plan will be common.

The provisions pertaining to Minimum Subscription Criteria, Load and Additional Purchases will be applicable at Scheme (Portfolio) Level.

3. **Scheme characteristics:** Scheme characteristics such as Investment Objective, Asset Allocation Pattern, Investment Strategy, risk factors, facilities offered and terms and conditions including load structure will be the same for the Normal Plan and the Direct Plan, except that:

No exit load shall be charged for any switch of investments between Normal Plan (whether the investments were made before or after the Effective Date) and Direct Plan within the same scheme. The applicable exit load, if any, will be charged for redemptions/ switch outs of the scheme (i.e. at portfolio level) before the completion of the stipulated load/ lock-in period. The stipulated load/ lock-in period will be reckoned from the date of allotment of units for a particular transaction in the scheme (i.e. at portfolio level) till the date of redemption / switch out from that scheme, irrespective of the number of intra-scheme switches by the investor between the aforementioned two dates (e.g. switches between plans/sub-plans/options/sub-options within the scheme having the same portfolio)

The extant provisions of applicability of load on redemptions/ switches from one Scheme to another will continue to be applicable.

Direct Plan shall have a lower expense ratio excluding distribution expenses, commission, etc and no commission for distribution of Units will be paid / charged under Direct Plan.

4. **Applicable NAV and allotment of units:**

The provisions of applicability of NAV and allotment of units in case of Direct Plan will be as are currently applicable for the Normal Plan.

5. **Eligible investors / modes for applying:** All categories of investors (whether existing or new Unitholders), as permitted under the SID of the

Schemes, are eligible to subscribe under Direct Plan. Investments under Direct Plan can be made through various modes offered by the Mutual Fund for investing directly with the Mutual Fund {except Stock Exchange Platform(s) and all other Platform(s) where investors' applications for subscription of units are routed through Distributors}.

6. How to apply:

- a. Investors subscribing under Direct Plan of a Scheme will have to indicate "Direct Plan" against the Scheme name in the application form/ transaction slip e.g. "JM High Liquidity Fund (Direct)".
- b. Investors may also indicate "Direct" in the ARN column of the application form/ transaction slip. However, in case Distributor/ Sub-broker code is mentioned in the application form, but "Direct Plan" is indicated against the Scheme name or in any other place or in any manner whatsoever in the Application Form/ transaction slip, the Distributor/ Sub-broker code will be ignored and the application will be processed under Direct Plan.
- c. Further, where application is received for Normal Plan without Distributor code or "Direct" is mentioned in the ARN Column, the application will be processed under the Direct Plan.

7. Existing Investments:

- (a) Investors wishing to transfer their accumulated unit balance held under Normal Plan (through lumpsum / systematic investments made with or without Distributor code) to Direct Plan will have to switch /redeem their investments (subject to applicable Exit Load, if any) and apply under Direct Plan.
- (b) Investors who have invested without Distributor code and have opted for Dividend Reinvestment facility under Normal Plan may note that the dividend will continue to be reinvested in the Normal Plan only.

8. Investments through systematic routes:

- (a) In case of Systematic Investment Plan ("SIP") / Systematic Transfer Plan ("STP") etc. registered prior to the Effective Date without any distributor code under the Normal Plan, the installments falling on or after the Effective Date will automatically be processed under the Direct Plan only.
- (b) Investors who had registered for SIP facility prior to the Effective Date with distributor code shall continue under the Normal Plan. However if the investor wishes that their future installments be invested into the Direct Plan, he shall make a written request to the Mutual Fund in this behalf. The Mutual Fund will take at least 15 Business days to process such requests. Intervening installments will continue in the Normal Plan.

In case of (a) and (b) above, the terms and conditions of the existing registered enrolment such as tenure , amount of the SIP etc. shall continue to apply.

- (c) In case of Systematic Transfer Facilities which were registered with a Distributor Code under the Normal Plan prior to the Effective Date, the future installments under the said Facilities shall continue as under the Normal Plan

In case such investors wish to invest under the Direct Plan through these facilities, they would have to cancel their existing enrolments and register afresh for such facilities.

9. **Redemption requests:** Where Units under a Scheme are held under both Normal and Direct Plans and the redemption / Switch request pertains to the Direct Plan, the same must clearly be mentioned on the request (along with the folio number).

In the event of the investor not clearly mentioning the name of the Plan (Normal or Direct)/ Option/ Sub-option/or wherever there is an ambiguity in choice of Plan (Normal or Direct)/ Option/ Sub-option opted for in the request for redemption/switch-out of all/specified amount/units, in the absence of clarificatory letter from the investor on the day of the transaction, the AMC/ Registrar reserves the right to process the redemption/switch out request from the Normal Plan or Direct Plan if such redemption request can be processed in totality. In such case, the redemption will first be effected from the Normal Plan.

E.g. If an investor has investment of Rs. 5 lakh in a Normal Plan and Rs. 10 lakh in the Direct Plan and a redemption request is received from him for redemption of Rs. 2 lakh without indicating which Plan the redemption is to be effected from, the AMC/ Registrar will effect the redemption from the Normal Plan. In the same example, if the redemption request was for Rs. 7 lakh, the redemption would be effected from the Direct Plan.

However, in case it is not possible to effect the redemption from any one of the Plans in totality i.e. either from the Normal or from the Direct Plan, such redemption request will be treated as void ab-initio and rejected.

E.g. If the redemption request in the above example is for Rs. 12 lakh,

the AMC / Registrar will summarily reject the redemption request.

Where units are held under any one i.e. under Normal or Direct Plan, the redemption will be processed from such Plan.

- 10. Tax consequences:** Switch / redemption may entail tax consequences. Investors should consult their professional tax advisor before initiating such requests.

Surviving Plan and Suspended Plan

As per SEBI Circular no. CIR/IMD/DF/21/2012 dated September 13, 2012, with effect from October 1, 2012, fresh subscriptions (including SIPs/ Switches) shall be accepted under only one plan of JM High Liquidity Fund and not in any other plans (suspended plans).

The suspended plans are as follows.

Schemes	Plans	Options	Suspended w.e.f
JM High Liquidity Fund	Institutional Plan	Daily Dividend	October 1, 2012
		Weekly Dividend	
		Growth	
	Super Institutional Plan	Daily Dividend	
		Weekly Dividend	
		Growth	

Any subscriptions received under the suspended plans of the aforesaid scheme, will be processed under their surviving plans. Only redemptions/ switch outs will be permitted in the suspended plan. Subscriptions received under the suspended plan or in case of any ambiguity in transaction slip / absence of any clarificatory letter, the transactions will be processed under the Surviving Plans only.

The surviving plans of the Schemes have been renamed as under (hereinafter referred to as "surviving plans")

- JM High Liquidity Fund – Regular Plan as JM High Liquidity Fund,

The suspended plan mentioned in the table above will continue till the existing investors remain invested in the plan.

All Systematic Investment Plans (SIPs), Systematic Transfer Plans (STPs), Dividend Reinvestment Facilities of the Suspended Plans will automatically stand discontinued. However, the investor may opt for investment in Surviving Plan or any other scheme of JM Financial Mutual Fund by registering for fresh SIPs/STPs/ Dividend Reinvestment.

With respect to re-investment of dividend in the aforesaid scheme the following is applicable:

1. Dividend accrued (if any) under any Dividend Option (Dividend Re-investment being its sub – option) of the suspended plan shall be re-invested in the corresponding options under the surviving plans of the respective Schemes, if such dividend per folio, per occasion is upto Rs. 2000/-. In such scenario, the same folio number will have units in two plans, i.e. units created till October 31, 2012 in suspended plans and units created from November 01, 2012 in the surviving plans. Investors are requested to mention the specific plan/option while submitting any transaction requests.

In case, such dividend is more than Rs. 2000/- per folio, per occasion, the same shall be considered for dividend payout.

2. For the above re-investment of dividend in surviving plan, the minimum investment amount criteria/lock – in period/load structure applicable for purchases/switch – in under the surviving plans shall not apply. However, the minimum redemption amount/units criteria under the surviving plan shall apply.

Exchange Platforms:

SEBI vide its Circular No. SEBI/IMD/CIR No. 11/183204/2209 dated November 13, 2009 had facilitated transactions in Mutual Fund schemes through the stock exchanges infrastructure. Also, vide Circular No. CIR/IMD/DF/17/2010 dated November 09, 2010, SEBI had permitted routing of Mutual Fund transactions through the clearing members of the registered stock exchanges and Depository Participants of registered Depositories. In view of this and in order to increase the network and enhance the level of service to the investors of JM Financial Mutual Fund, the Boards of JM Financial Asset Management Limited (the "AMC") and JM Financial Trustee Company Private Limited (the "Trustees") decided to offer an alternate platform to facilitate purchase (subscription) and redemption (repurchase) of units of all the eligible schemes of the Mutual Fund. This facility is offered in terms of the aforesaid SEBI circular and the guidelines issued by National Stock Exchange of India Ltd. (NSE) and BSE Ltd. (BSE) in this regard.

Following are the exchange platforms through which investors can subscribe/redeem the units of certain schemes:

- Mutual Fund Service System (MFSS) introduced by NSE.
- BSE Stock Exchange Platform (BSE StAR MF) introduced by BSE.

Features of the MFSS introduced by NSE:

- MFSS is an online order collection system provided by NSE to its eligible

members for placing subscription or redemption orders on the MFSS, based on orders received from the investors.

- MFSS has been designed to provide a confirmation slip of the order(s) entered, which would be deemed to be the time of receipt of application for the purpose of determining the applicability of NAV.
- MFSS facility shall be subject to such operating guidelines as may be issued by NSE from time to time.

Features of the BSE StAR MF introduced by BSE:

- The trading member of BSE can facilitate investors to subscribe and redeem the mutual fund units using their existing network and order collection mechanism provided by BSE.
- The transactions carried out on the BSE platform shall be subject to such guidelines as may be issued by BSE and also SEBI (Mutual Funds) Regulations, 1996 and circulars/guidelines issued thereunder from time to time.

1) Basic points to be noted by the investors:

i) Who can avail of this facility and is it available for all modes/options of investment?:

- This facility is available for purchase (subscription) and redemption (repurchase) of units of the eligible schemes to the existing and new investors. The list of scheme is subject to change from time to time.
- This facility is available only to Corporate investors, individuals, HUF and Minors acting through a guardian, who are Resident in India.
- This facility is not available to Societies/Trusts/Overseas Corporate Bodies (OCBs)/Partnership Firms, etc.
- Dividend – Reinvestment sub-option shall not be available to investors for transacting through stock exchange in demat form.
- This facility is not available for switching of units or facilities like SWP/STP.
- Currently, this facility can be availed only for the purpose of redemption, in case of Direct Plans. As and when permitted by the Exchanges, this facility may also be available for purchase (subscription).

ii) Whom should the investor approach for transacting in units of the eligible schemes of the Mutual Fund?:

The investor has to approach a trading member of NSE and BSE who are registered with Association of Mutual Funds in India (AMFI) as Mutual Fund Advisors and who are empanelled as a distributor with the AMC and also registered with NSE and BSE as Participants ("AMFI certified stock exchange brokers") for MFSS and BSE StAR Platform.

Option for holding the units:

- Units shall be allotted in physical form or dematerialised form as per the request of the investor.
- Investors have an option to hold the units in physical or dematerialized form.
- International Security Identification Number (ISIN) in respect of each plans/options of the scheme have been created and admitted in the National Securities Depository Ltd. ("NSDL") and Central Depository Services (India) Ltd. ("CDSL").

i) Purchase of units:

a) Physical Form:

- The investor who chooses the physical mode is required to submit all requisite documents along with the purchase application (subject to applicable limits prescribed by BSE/NSE) to the Participants.
- The Participants shall verify the application and documents for mandatory details and KYC compliance.
- After completion of the verification, the purchase order will be entered in the Stock Exchange system and an order confirmation slip will be issued to investor.
- The investor will transfer the funds to the Participants.
- Allotment details will be provided by the Participants to the investor.

b) Dematerialised form:

- The investors who intend to deal in depository mode are required to have a demat account with CDSL/NSDL.
- The investor who chooses the depository mode is required to place an order for purchase of units (subject to applicable limits prescribed by BSE/NSE) with the Participants.
- The investor should provide their depository account details to the Participants.

- The purchase order will be entered in the Stock Exchange system and an order confirmation slip will be issued to investor.
- The investor will transfer the funds to the Participants.
- Allotment details will be provided by the Participants to the investor.

ii) Redemption of units:

a) Physical Form:

- The investor who chooses the physical mode is required to submit all requisite documents along with the redemption application (subject to applicable limits prescribed by BSE/NSE) to the Participants.
- The redemption order will be entered in the Stock Exchange system and an order confirmation slip will be issued to investor. Redemption orders would be created either in terms of amount or quantity.
- The redemption proceeds will be credited to the bank account of the investor, as per the bank account details recorded with the Mutual Fund.

b) Dematerialised form:

- The investors who intend to deal in depository mode are required to have a demat account with CDSL/ NSDL and units converted from physical mode to demat mode prior to placing of redemption order.
- The investor who chooses the depository mode is required to place an order for redemption (subject to applicable limits prescribed by BSE/NSE) with the Participants. The investors should provide their Depository Participant with Depository Instruction Slip with relevant units to be credited to Clearing Corporation pool account.
- The redemption order will be entered in the system and an order confirmation slip will be issued to investor. Redemption orders would be created in terms of units without any minimum limit and not in terms of amount.
- The redemption proceeds will be credited to the bank account of the investor, as per the bank account details recorded with the Depository Participant.

- 3) Investors shall receive redemption amount (if units are redeemed) and units (if units are purchased) through broker/clearing member's pool account. The Mutual Fund/AMC would pay proceeds to the broker/clearing member (in case of redemption) and broker/clearing member in turn to the respective investor and similarly units shall be credited by AMC/Mutual Fund into broker/clearing member's pool account (in case of purchase) and broker/clearing member in turn to the respective investor's demat account.

Payment of redemption proceeds to the broker/clearing members by AMC/Mutual Fund shall discharge AMC/Mutual Fund of its obligation of payment to individual investor. Similarly, in case of purchase of units, crediting units into broker/clearing member pool account shall discharge AMC/ Mutual Fund of its obligation to allot units to individual investor.

- 4) Applications for purchase/redemption of units which are incomplete/invalid are liable to be rejected.
- 5) In case of units held in demat form, the redemption request can be given only in number of units and subject to the provision pertaining to minimum repurchase amount.
- 6) Separate folios will be allotted for units held in physical and demat mode. In case of non-financial requests/applications such as change of address, change of bank details, etc. investors should approach Investor Service Centres (ISCs) of the Mutual Fund if units are held in physical mode and the respective Depository Participant(s) if units are held in demat mode. In case of KYC compliant investors, the non-financial requests/applications shall be submitted by the investors to their respective KYC Registration Agencies (KRAs).

Investors will have to comply with Know Your Customer (KYC) norms as prescribed by BSE/NSE/ CDSL/ NSDL and the Mutual Fund to participate in this facility.

The Mutual Fund will not be in a position to accept any request for transactions or service requests in respect of units bought under this facility in demat mode.

The cut – off timing and applicability of Net Asset Value (NAV) shall be subject to the guidelines issued by SEBI in this regard. With respect to investors who transact through stock exchange, applicable NAV shall be reckoned on the basis of the time stamping as evidenced by confirmation slip given by stock exchange mechanism and subject to receipt of funds by AMC/Mutual Fund before the cut – off time of the scheme.

Investors should get in touch with Investor Service Centres (ISCs) of the Mutual Fund for further details.

For any complaints or grievances against the Eligible Stock Broker with

respect to the transactions done through the stock exchange infrastructure, the investor should contact either the concerned Eligible Stock Broker or the investor grievance cell of the respective stock exchange.

The Trustee of the Mutual Fund reserves the right to change/modify the features of this facility or discontinue this facility at a later date.

FACILITATING TRANSACTIONS IN THE SCHEMES THROUGH STOCK EXCHANGE MECHANISM:

SEBI vide its Circular Nos. CIR/MRD/DSA/32/2013 dated October 4, 2013 and CIR/MRD/DSA/33/2014 dated December 9, 2014, has permitted Mutual Fund Distributors (MF Distributors) to use National Stock Exchange (NSE) and Bombay Stock Exchange (BSE), recognized stock exchange infrastructure for transacting units directly from Mutual Fund/Asset Management Companies on behalf of their clients.

Pursuant to the above, the following guidelines shall be applicable for transactions executed in the open ended schemes of the Fund through MF Distributors via the Stock Exchange Mechanism offered by BSE:

1. MF Distributor registered with Association of Mutual Funds in India (AMFI) and who has been permitted by Bombay Stock Exchange ("the Exchange"), will be eligible to use "BSE STAR MF" platform to purchase/redeem/switch units of the eligible schemes, on behalf of their clients, directly from the Fund through online - non-demat mode and/or demat mode. The BSE platform is currently also available for Systematic Investment Plans (SIPs). The platform will accept Systematic Transfer Plan (STP) and Systematic Withdrawal Plan (SWP) as and when it is started by BSE.
2. MF distributors shall not handle pay - out/pay - in of funds as well as units on behalf of the investor/ AMC. 'Pay - in' will be directly received from the investor's account by Indian Clearing Corporation Limited (ICCL) of BSE, in its name through any of the payment modes i.e. Cheque/ Demand Draft (DD), RTGS/NEFT, Netbanking, OTM (One Time ACH Debit Mandate) or any other mode of authorized Banking Channels. The 'Pay - out' will be directly made to the investor by the Registrar/AMC, for non-demat mode. For demat mode, the pay-out for redemption will be directly made to the ICCL.
3.
 - i. **Purchase of units in Demat mode:** In case of purchase in demat mode, the units will be credited into the ICCL account for onward transfer to the investor's account.
 - ii. **Purchase of units in Non – Demat Mode:** In case of non-demat mode, the Registrar will intimate the allotment details to the investor directly by emailing/issuing the physical statement of accounts or through the monthly Consolidated Account Statement (CAS).
 - iii. **Redemption of units in Demat mode:** In case of redemption in demat mode, the investor has to approach his/her/their MF Distributor / Depository Participant (DP) registered with BSE platform and submit the Redemption Request Form (RRF) / Delivery Instruction Slip (DIS). The DP in turn will intimate the Exchange and the exchange shall intimate the RTA for further processing of the redemption request.
 - iv. **Redemption of units in Non - Demat mode:** In case of non-demat mode, the redemption order will be placed on BSE platform and BSE shall communicate the same to the RTA for redemption proceeds.
4. Switch transaction requests can be placed for units which are held in demat as well as in non-demat mode.
5. In case of payment of redemption proceeds by the Fund/its Registrar to ICCL, the same shall be treated as valid discharge for the Fund/JM Financial Asset Management Limited ("JMF AMC") of its obligation of payment of redemption proceeds to the investor. For purchase of units in demat mode, crediting units into the Clearing Corporation's account shall discharge the Fund/JMF AMC of its obligation to allot units to the investor.
6. In case of Dividend Payout/Reinvestment of units for demat and non-demat cases, the RTA shall process the same and remit/credit directly into the investor's/beneficiary's accounts.
7. The investors are requested to note that the allotment of NAV will be based on the time stamping of transaction and receipt of Funds into the account of the respective schemes of the AMC from the Clearing Corporation within the overall guidelines of SEBI on the matter. Payment to the Clearing Corporation will not entitle the investor for the NAV until the same is transferred into the AMC's scheme account by the ICCL, before the cut – off time, if the amount of each transaction is Rs. 2 lac or more per investor, per scheme, per Business Day, including all purchase cases of Liquid Fund irrespective of the amount. The redemption request shall be accepted by the Exchange upto the cutoff time i.e. 3 p.m. only, failing which the request shall be rejected/processed with the NAV applicable for the next permissible day.

8. The Exchange shall act as the Point of Acceptance only for the purpose of time – stamping of the transaction and reporting thereof but not for collection of funds from the investor and transfer to the AMC.
9. The Mutual Fund Distributors are permitted to handle the transactions of only their clients, through the above platform.
10. The facility of transacting in the Fund's schemes through BSE StAR MF Platform is available through the BSE, subject to such operating guidelines, terms and conditions as may be prescribed by BSE/ SEBI and JMF AMC from time to time.

For transacting units on the BSE platform, the registration of the mobile no. and/or email id of the investor is compulsory.

Currently, BSE does not provide the facility for non-financial transactions. However, BSE is hereby authorised to accept the same as and when they start this facility.

All the authorised offices of BSE and BSE StAR MF platform shall be considered as the Official Point of Acceptance (OPA) of the Mutual Fund in accordance with SEBI Circular No. SEBI/IMD/CIR No.11/78450/06 dated October 11, 2006 and conditions stipulated in SEBI Circular dated November 13, 2009.

APPLICABLE NAV

FOR SUBSCRIPTION (PURCHASE)/SWITCH-IN:

- i. where the application is received upto 2.00 p.m. on a day and funds are available for utilization before the cutoff time without availing any credit facility whether, intra-day or otherwise, the applicable NAV shall be the closing NAV of the day immediately preceding the day of receipt of application;
- ii. where the application is received after 2.00 p.m. on a day and funds are available for utilization on the same day without availing any credit facility whether, intra-day or otherwise, the applicable NAV shall be the closing NAV of the day immediately preceding the next business day; and
- iii. irrespective of the time of receipt of application, where the funds are not available for utilization before the cutoff time, without availing any credit facility whether, intra-day or otherwise, the applicable NAV shall be the closing NAV of the day immediately preceding the day on which the funds are available for utilization.

For allotment of units in respect of purchase of/switch in to JM High Liquidity Fund (liquid scheme), it shall be necessary that:

- i. Application is received before the applicable cut-off time of 2.00 p.m.
- ii. Funds for the entire amount of subscription/purchase as per the purchase application/ switch in request are credited to the bank account of liquid schemes before the cut-off time of 2.00 p.m.
- iii. The funds are available for utilization before the cut-off time without availing any credit facility whether intra-day or otherwise, by the liquid scheme.

In case of Direct Plan

The provisions of applicability of NAV and allotment of units in case of Direct Plan will be as are currently applicable for the Normal Plan.

FOR REDEMPTION (SALE)/ SWITCH OUT:

At the applicable NAV subject to the deduction/ charge of exit loads as prescribed at the time of respective investments.

Redemption/ Switch out request can be submitted to the official point of acceptance on any business day till 3.00 pm. In respect of valid applications received up to 3 p.m. by the Mutual Fund, closing NAV of the day immediately preceding the next business day's NAV shall be applicable. In respect of valid applications received after 3 p.m. by the Mutual Fund, the closing NAV of the next business day shall be applicable.

It is clarified that the cut off timings will also be applicable to investments made through "sweep" mode.

Investors are requested to note that in case of redemption/switch request, if the number of units or the amount to be redeemed/switched out to any other Scheme of JM Financial Mutual Fund, exceeds the number of outstanding units or value of outstanding units, respectively, then JM Financial Asset Management Limited (the "AMC") shall, at its discretion, redeem/switch out all the outstanding units, if no clarificatory letter is received from the respective investor on the date of the transaction.

Unit held in physical form:

The investors holding units in physical form may submit their redemption/ switch requests duly signed by all the holders (as per the mode of holding) at any of the Investor Service Centers (ISC) of Registrar & Transfer Agent viz., M/s Karvy Computershare Pvt. Ltd. or JM Financial Asset Management Ltd. latest by 3.00 p.m. on any business day. For redemption cases under

Liquid Schemes, NAV of the calendar day prior to next business day would be applied if transactions are time-stamped upto the cut-off time.

Units held in demat form:

Investors who hold units in demat form and wish to redeem their units, then redemption procedure has to be followed. For details on the procedure, kindly refer SID.

DEFAULT REDEMPTION/SWITCH-OUT/PURCHASE/SWITCH-IN

In case, an Investor fails to mention the complete name of the scheme upto plan/ sub- plan level while making request for redemption/ switch-out, the AMC reserves the right to redeem/ switch-out all/specified desired units/ value provided the investor is having holdings only in one scheme/plan/ option and the folio number is clearly mentioned or if he maintains one folio. Otherwise, such incompletely filled requests would be summarily rejected without processing.

In case, an existing unitholder of a scheme makes an additional investment in an existing folio held by him, where the scheme name is clearly mentioned but the name of the Plan/Option is not specified, the AMC may, at its discretion, allot units in the Plan/Option where he had made investment in the past i.e. such Plan/Option of the scheme will be treated as the default Plan/Option, in the absence of any specific written signed instructions/ clarificatory letter from the unit holder/s concerned, received on the date of such investment. Such investments will also be subject to the load structure and lock-in of the respective default Plan/Option.

In case, the investor has not mentioned the plans/ sub-plans etc or has incompletely/illegibly mentioned the plans/sub-plans etc. in the purchase/ redemption/switch request (specifically where he is having holdings in various plans/sub-plans etc.) of the particular scheme, the AMC will summarily reject such requests if the investor has not furnished any clarification in writing, duly signed, on the date of transaction itself, during normal office hours. However, in case of purchase, where there is a mismatch in the amount mentioned in the Purchase Application form/Transaction Slip and the payment instrument/credit received, the AMC may at its discretion allot units for the lesser of the two amounts and refund/utilize excess, if any, for any other transaction submitted by the same investor' subject to the fulfillment of other regulatory requirements for the fresh transaction.

No request for redemption/switch out will be processed/effected unless the scheme from which redemption/switch out is sought to be effected, has received the funds.

In case, the investor does not mention the name of the Plan/ Option/ Sub-option/or wherever there is an ambiguity in choice of Plan/ Option/ Sub option opted for purchase/ switch application(s), the AMC/ Registrar may allot the units as per default Plans/ Options/ Sub-options, if no clarification letter is provided by the investor on the transaction date. However, in case of purchase application, the AMC/ Registrar at its discretion may allot the units based on the Plan/ Option/ Sub-option appearing on the respective payment instrument.

In case, there is complete ambiguity regarding the default Plans/ Options/ Sub-options, the application will be treated as invalid and will be summarily rejected.

In case, investor applies for dividend payout option, for the scheme which does not have dividend payout option, the application will be processed under dividend reinvestment option and investor will be allotted units accordingly.

Pursuant to Association of Mutual Funds in India (AMFI) Best Practice Guidelines Circular No. 48/2014-15 dated June 24, 2014, the investors are hereby informed that in case of fresh/additional purchases, if the name of a particular Scheme on the application form/transaction slip differs from the name on the Cheque/Demand Draft (payment instrument), then JM Financial Asset Management Limited (the "AMC") shall process the application and allot units at the applicable Net Asset Value of the scheme mentioned in the application form/transaction slip duly signed by the investor, given that the same constitutes a valid legal document between the investor and the AMC.

The AMC reserves the right to call for other additional documents as may be required, for processing such transactions. The AMC also reserves the right to reject such transactions.

The AMC, thereafter, shall not be responsible for any loss suffered by the investor due to the discrepancy in the scheme name mentioned in the application form/transaction slip and Cheque/Demand Draft.

In case of Direct Plan

Applicability of NAV

Units shall be allotted for valid applications received before cut-off time (subject to provisions on realization of funds) on any business day under Direct Plan (the respective options) at the applicable Net Asset Value (NAV) of the Direct Plan of the day prior to the next business day will be applicable.

Uniform process for processing of redemption/switch – out for Scheme:

Pursuant to Association of Mutual Funds in India (AMFI) Best Practice Guidelines Circular No.28/2012-13 dated May 15, 2012, unit holders shall note that application for redemption/switch-out for units, for which funds are not realized via purchase or switch-in in the scheme of the Mutual Fund, shall be liable to be rejected. In other words, redemption or switch out of units will be processed only if the funds for such units are realized in the scheme, by way of payment instructions/transfer or switch-in funding process.

Further, all switch funding shall be in line with redemption funding timelines adopted by the concerned scheme i.e. if a scheme follows T+1 payout for redemption, the switch out funding will also be made on T+1 and not earlier or later than T+1, where T is the day of transaction.

Unitholders shall further note that the AMC at its sole discretion, may process redemption/switch-out request partially, if funds for part of the units being redeemed/switched-out are realised.

Redemption/Switch Provisions:

Investors are requested to note that in case of redemption/switch request, if the number of units or the amount to be redeemed/switched out to any other Scheme of JM Financial Mutual Fund, exceeds the number of outstanding units or value of outstanding units, respectively, then JM Financial Asset Management Limited (the "AMC") shall, at its discretion, redeem/switch out all the outstanding units, if no clarificatory letter is received from the respective investor on the date of the transaction.

SYSTEMATIC PLANS

SYSTEMATIC PLANS ARE AVAILABLE TO THE INVESTORS THROUGH Systematic Investment Plan ("SIP")/ Systematic Transfer Plan ("STP") and Systematic Withdrawal Plan ("SWP")

The Terms and conditions of the Systematic Investment Plan ("SIP")/ Systematic Transfer Plan ("STP") and Systematic Withdrawal Plan ("SWP") being offered in terms of the Scheme Information Document.

All the terms and conditions (including the provisions of load structure & lock-in period) applicable on the date of registration i.e. date of initial investment will also be applicable for all future SIP/STP/SWP installments as well i.e. Registration concept except for Special SIP where the terms and conditions (including load & lock-in period) applicable on the date of first installment would be applicable for all future installments.

These facilities are available on the following days/dates

Facility	Daily	Weekly	Fortnightly	Monthly	Quarterly
SIP	Not available (Please use option available in STP facility as under)	Not available	Not available	1st, 5th, 10th, 15th, 20th, & 25th	1st of month on quarterly basis
STP	Available through Chhota STP/ Combo SIP	1st, 8th, 15th, & 22nd	1st & 15th		
SWP	Not Available	Not available	Not available		

An investor wishing to avail of the Systematic Investment Plan will have to mandatorily abide by the following conditions in order to be treated as a valid SIP investment.

Systematic Investment Plan (SIP) Minimum no. of installments & Frequency

Frequency	Amount Per Installment (Rs. in whole Numbers)	Minimum Mandatory Installments*
Monthly	Rs. 500 to Rs. 999 per month	12 or more out of which 10 installments must be effected
Monthly	Rs. 1000 or more per month	6 or more out of which 5 installments must be effected
Quarterly	Rs. 3000 or more per quarter	2 or more where atleast 1st 2 installments must be effected

* The above conditions are to be fulfilled in addition to other conditions for each SIP cycle independently, failing which the respective SIP will be treated as invalid and will be subject to refund/auto redemption/revertal & reprocessing etc as per the discretion of the AMC. No two or more SIP cases will be clubbed to determine the fulfillment of Minimum Investment Criteria

Perpetual SIP/STP/SWP

An investor who does not want to opt for any specific period, may opt for Perpetual SIP/STP/SWP i.e. without mentioning any fixed period for his SIP/

STP/SWP. Perpetual SIP/STP/SWP can be cancelled/discontinued only on the written request of the investor or on account of automatic discontinuation/ cancellation in terms of provisions of the facility e.g. failure of 5 continuous installments for a particular Monthly SIP date as set out above or sufficient balance being unavailable in out-scheme in case of STP/SWP etc. Any rejection by the Local Clearing House/ RBI citing 'Account Closed' or 'non existent account' or other similar reasons, will lead to cancellation of the SIP for subsequent periods, after the first such rejection, at the discretion of the AMC. AMC at its Discretion may also treat the SIP as discontinued if the minimum number of SIP investments as per the minimum Investment criteria are not completed within the stipulated time-frame and may refund the amount after redeeming the outstanding units at current NAV.

SYSTEMATIC PLANS

Systematic Investment Plan (SIP)

Under this facility, by investing a fixed amount at regular interval, the Unitholders can take advantage of the benefits of Rupee Cost Averaging, at the same time investing a fixed amount regularly in a disciplined manner.

SIP facility is subject to changes from time to time.

SIP can be done through

1. NACH facility is available in all locations and has replaced the existing ECS system for which the AMC has made necessary arrangements.
2. Direct Debit facility with certain banks and for which the AMC has made arrangements.
3. Auto Debit through standing instructions for HDFC account holders.

The Investor has to submit a cheque/DD towards initial purchase /1st SIP for regular SIP.

To avail of the facility of Auto Debit (NACH or Direct Debit) for SIP from the second SIP installment onwards, the applicant is required to give standing instructions to his bankers in the prescribed form to debit his Bank accounts at periodic Intervals and credit the installment amount to the Bank Account of JM Financial Mutual Fund directly or through any of the service providers appointed by the AMC.

The Bank Account Holder/s has/have to sign the Authorization Request Form meant for Bank in case of Auto SIP in the same order as they maintain their bank account.

The Investor is advised to contact the nearest ISC for current list of Banks accepting Direct Debit mandates or Banks where NACH facility is available. The list of Banks for Auto Debit (through NACH/Direct Debit) may be modified/ updated/changed/removed at any time in future, entirely at the discretion of JM Financial Mutual Fund without assigning any reason. Appropriate prior notice will be provided to the investors in case of any such deletion in the list of Banks. In case of removal of any Bank from the current list, the Auto SIP instructions for investors in Banks will stand automatically discontinued. The AMC, its Registrars and other service providers will not be responsible, if the transaction is delayed or not effected or the investor's bank account is debited in advance or on the specific SIP date due to various cycles of NACH/Clearing due to any reason.

Terms and conditions of the Systematic Investment Plan ("SIP")/ Systematic Transfer Plan ("STP") and Systematic Withdrawal Plan ("SWP") being offered in terms of the Scheme Information Documents

The existing and prospective Investor is advised to refer to the Key Information Memorandum carefully of the scheme before applying for the enrollment under the Systematic Plan.

The Clause on "Minimum Amount of subscription" as specified in the Scheme Information Document of the respective scheme/plan will not be applicable for investments made through the first installment of Systematic Investment /Transfer Plan subject to the fulfillment of minimum investment criteria and minimum installment criteria, during the opted period through SIP/STP (e.g. With atleast through 5 out of the first 6 installments and 10 out of the first 12 installments in case of monthly SIP and minimum of first two installments in case of quarterly SIP as the case may be) For example, the minimum investment amount for 1st investment in JM High Liquidity Fund is Rs.5,000/- . However, in case of SIP, an investor can invest with minimum installment amount of Rs.1000/-or Rs.500/- per month so as to meet the Minimum Investment Amount over the opted period. i.e. 6/12 months respectively. The similar condition would apply to STP as well.

In case of a Regular SIP, the AMC will retain the initial investment made towards the 1st SIP installment as normal investment if the same meets the minimum investment criteria of the scheme concerned and will not refund even if it does not fulfill any of the criteria stipulated for a valid SIP. However, the investor may redeem/switch-out if he so wishes, by submitting redemption/switch-out requests as per normal procedure.

In case, any of SIP/STP/SWP due dates fall on a Non-Business day, the NAV of the next Business day will be applicable.

The allotment of NAV for SIP cases for liquid schemes will be based on the time and date of realisation and sighting of funds in the schemes account.

SYSTEMATIC INVESTMENT PLAN (SIP)

SIP facility is available to investors in all the open ended / close ended schemes (after conversion into open ended scheme at the end of the specified period) of JM Financial Mutual Fund. This facility is subject to changes from time to time.

The existing and prospective Investor/s is/are advised to refer to the Scheme Information Document/s and Key Information Memorandum of the scheme carefully before applying for the enrollment under the Systematic Plan/s.

Default Option for all SIP/STP-Out/SWP

In case, the Investor does not mention the start date or end date under the SIP/STP-out/SWP, the 1st of the subsequent month, after completing 30 days from the date of registration, will be considered as the default SIP/STP-out/SWP date and the SIP/STP-out/SWP will be treated to have been opted on Perpetual basis. However, the facility on Perpetual Basis will also be subject to the other applicable terms and conditions.

The features and other terms & conditions of the SIP are as under:

JM Financial Mutual Fund offers two types of Systematic Investment Plans i.e. Normal SIP and Micro SIP on Monthly and Quarterly basis on any of the six SIP dates during any month i.e. 1st, 5th, 10th, 15th, 20th or 25th.

- I. **Normal SIP:** Under normal SIP, the investor is required to furnish copy of KYC Acknowledgement & PAN Card in addition to other documents as mentioned hereunder in subsequent points.
- II. **Micro SIP:** Under Micro SIP, the investor is exempted to furnish the copy of PAN Card provided his total contribution through Micro SIP (including all schemes/dates etc) does not exceed Rs. 50,000/- during any financial year or on a rolling period of 12 months. However, the investor is required to submit an attested copy of any of 13 identification documents mentioned in the Key Information Memorandum. This facility is available to individual investors including Minors & NRIs and Sole Proprietorship firms. Other categories including PIOs, HUFs, non-individuals etc are not eligible. Micro SIP investors have to be KYC compliant (through SEBI appointed KRA) and should attach KYC form, proof of identity, address etc alongwith purchase application and cheque. Please refer to para on KYC process.

The minimum investment criteria will not be applicable in case any Micro SIP application is found to be invalid and the amount collected initially will remain in the folio. However, redemption will be permitted for the same based on the request by investor on the normal transaction slip.

Other terms and conditions of normal SIP remain unchanged and are applicable for Micro SIP investors as well.

Investment under SIP (i.e. Normal SIP or Micro SIP) can be done through Regular SIP or Special SIP

1. Regular SIP

In case of Regular SIP, the investor will have to attach a cheque/ Demand Draft towards initial investment i.e. first installment. An investor can opt for Regular SIP and choose Auto debit (NACH/Direct Debit/Standing Instructions) as the mode of payments for subsequent installments.

2. Special SIP Facility

As an Investor-friendly measure and in order to simplify the procedure, an investor may subscribe to SIP without even submitting the cheque/demand draft towards initial investment i.e. first installment as is required under Regular SIP. The first installment will also be debited through Auto Debit (through NACH/Direct Debit/ Standing Instructions) process. While all other terms and conditions of Regular SIP will be applicable for Special SIP as well except for the following changes:

- i. No Cheque is required for initial investment i.e. first installment. Hence, it will work like Zero balance account of any Bank.
- ii. The allotment of units for first SIP installment will be made on the next opted SIP due date out of the 6 SIP Dates (1st, 5th, 10th, 15th, 20th, 25th of every month) opted by the investor, which would atleast be 30 days after the submission of valid application form and other required documents, i.e. when his account will be debited for the first time.
- iii. The investment through Special SIP will be subject to the terms and conditions (including loads etc) as are applicable to the Regular SIP on the 1st SIP due (debit) date when his account will be debited for the first time and not as applicable on the date of submission of valid SIP application with other required documents.

Modes of payment for SIP:

a. Auto Debit Facility:

To avail of the facility of Auto Debit (through NACH or Direct Debit or Standing Instructions) for Regular SIP from the second SIP installment onwards and from 1st installment for Special SIP, the applicant is required to give standing instructions addressed to his bankers in the prescribed form to debit his bank accounts on the opted due dates of SIP chosen by him and credit the installment amount to the Bank Account of JM Financial Mutual Fund directly or through any of the service providers appointed by the AMC. The contribution through Auto Debit Facility (through any of the following modes) will start from 1st/1nd installment onwards in case of Special & Regular SIP respectively as approx. 30 days' time is required for registration of Auto Debit Mandates with Investors' Banks across India. **For HDFC Bank Account Holders, there is a separate Standing Instructions Form, which needs to be submitted instead of normal Auto Debit Form.**

- i. **Auto Debit (Through NACH Debit) Facility:** It is available in RBI's all NACH locations (current and future) and covers all banks participating in the respective NACH clearing locations.
- ii. **Auto Debit (Through Direct Debit) Facility:** It is available with certain selected banks with which the AMC has made arrangements. At present, AMC has a tie-up with 3 Banks i.e. ICICI Bank, IDBI Bank and Axis Bank.

The Investors may contact the nearest ISC for current list of Banks accepting Direct Debit mandates or for the list of cities where NACH facility is available. The list of banks for Auto Debit (through NACH/ Direct Debit) may be modified/updated/changed/ removed at any time in future, entirely at the discretion of JM Financial Asset Management Ltd without assigning any reason. Appropriate prior notice will be provided to the investors in case of any such deletion in the list of bank. In case of removal of any bank from the current list, the Auto SIP instructions for investors in such Banks will stand automatically discontinued. JM Financial Asset Management Ltd., its Registrars and other service providers will not be responsible, if the transaction is delayed or not effected or the investor's bank account is debited in advance or after the specific SIP date due to various cycles of NACH/Clearing because of any reason.

iii. Auto Debit (Through Standing Instructions) Facility For HDFC Bank Account Holders:

This facility is available for those investors who maintain their Bank Account with any branch of HDFC Bank in India. Such investors are required to fill up a separate Standing Instructions Form meant for HDFC Bank Account holders only.

Daily (Chhotta) STP

In order to enable the investors to avail of the benefit of the daily volatility in the stock markets, a Daily STP (Chhotta STP) facility is available to investors. An investor may opt for Daily STP of Rs. 100/- or in multiples of any amount in full rupee terms, on every Business Day against his other live investment made in lump sum or through getting inflows through SIP.

Other terms and conditions with respect to SIP transactions:

Investors may choose any one of the following six SIP dates: 1st, 5th, 10th, 15th, 20th or 25th of the month in case of monthly SIP and 1st of the month in case of Quarterly SIP, subject to other Terms & Conditions.

Investor is required to make separate application for different opted dates/ schemes/plan except in case of choosing All the six SIP due dates in one go or in case of Combo SIP for a particular plan.

1. The list of banks for Auto Debit (through NACH/Direct Debit/Standing Instruction) as mentioned above may be modified/updated/ changed/ removed at any time in future, entirely at the discretion of JM Financial Mutual Fund without assigning any reason. Appropriate prior notice will be provided to the investors in case of any such deletion in the list of cities/ banks. In case of removal of any city/bank from the current list, the Auto SIP instructions for investors in such locations/ banks will stand automatically discontinued. The AMC, its Registrars and other service providers will not be responsible, if the transaction is delayed or not effected or the investor's bank account is debited in advance or after the specific SIP date due to various cycles of NACH/Clearing, due to any reason.
2. A separate set of complete application form (including separate KYC/ PAN/Cheque etc) with required documents is required to be submitted for each SIP date (except for Combo SIP)/Scheme/Plan/Option/Sub-Option. While the choice of multiple dates through single Form is not permitted, the investor is free to choose all the six SIP dates through single form. Any single application if received with multiple choices will be summarily rejected and the amount of initial investment refunded without any interest, if the amount of the same is less than the minimum investment limit fixed for allotment of units in a particular Scheme/Plan/ Option/sub-option. In case, the amount invested is equivalent or more

than the amount required for meeting the minimum investment criteria, through 1st installment, the same would be construed as a normal investment for allotment of units in the scheme and shall be redeemed only on the basis of the redemption request made by the investor.

3. A Minimum of 30 days' time is required for the next installment of SIP through cheques/Auto Debit (NACH/Direct Debit/ Standing Instructions) to take place after the initial application for each set of separate SIP date (if opted for multiple dates other than All SIP dates through single form).
4. Under Regular SIP, the first investment has to be made through physical cheque/DD payable locally at the place of submission of the application. The cheque/DD has to be of any valid date and not a post dated one on the date of submission. Similarly, in case of SIP through Auto Debit (Direct Debit/NACH/Standing Instructions), the investor should choose any of the above mentioned six SIP dates. Likewise, the frequency of SIP (i.e. Monthly/Quarterly) needs to be specified clearly, failing which Monthly frequency will be taken as the default frequency.
5. The second SIP installment of the same opted SIP due date should not fall in the same calendar month.
6. In case, any particular SIP due date falls on a non-business day or falls during a book closure period, the immediate next business day will be considered for the purpose of NAV application accordingly, irrespective of the date of debit into investor's bank account.
7. The applicable NAV for first investment through SIP under Liquid Funds shall be the closing NAV of the day immediately preceding the day when the application is timestamped upto 2.00 p.m. on a business day and the funds are sighted into the scheme's bank account upto the cut-off time (i.e. 2 p.m.). In case of subsequent SIP installments, the applications will be deemed to have been received before the cut-off time for the purpose of SEBI's requirement on cut-off time. However, NAV for subsequent SIP installments under Liquid Funds would be based on the time of receipt of funds into scheme's bank account before the cut-off time as per SEBI requirements.

In case of SIP under debt schemes in respect of purchase of units for Rs. 2 lacs or more, the cut off time of 3.00 pm will applicable for the purpose of time-stamping/ deemed time-stamping and receipt of funds into scheme's bank account.

8. The Investment cum SIP Enrolment Form complete in all respects may be submitted at any of the ISCs of JM Financial Mutual Fund or Karvy Computershare Pvt. Ltd. In case of SIP through Auto Debit (i.e. through Direct Debit in selected banks or through NACH in selected cities or through Standing Instructions for the HDFC Bank account holders), an additional form known as the SIP Auto Debit Registration cum Mandate Form (through NACH/Direct Debit/Standing Instruction) is also required to be submitted at the time of opting for SIP.
9. To subscribe to investment through SIP, an Investor has to submit the following documents:
 - Scheme Application cum SIP Registration Form
 - Auto Debit (through NACH/Direct Debit) Registration cum Mandate Form OR
 - Auto Debit (through Standing Instructions) Mandate by HDFC Bank Account Holders
 - Copy of KYC acknowledgement irrespective of amount of investment/ SIP Installment
 - Copy of PAN (exempted for micro SIP investors)
 - A photo copy of the cheque/cancelled cheque from the same account where future installments are to be debited if opted for SIP through Auto Debit (through NACH under Regular & Special SIP) for MICR/IFSC code verification.
 - Locally Payable Cheque/DD for Initial Investment cum 1st SIP Installment Amount (NOT REQUIRED FOR SPECIAL SIP CASES) subject to the minimum amount/number of installment as per above mentioned table for Regular SIP.

The investor should write the SIP Form/Folio number / the first applicant's name on the reverse of the cheque/s accompanying the SIP Form. No need to submit any payment instrument towards initial investment/first installment in case of Special SIP

CONVERSION OF REGULAR SIP TO SPECIAL SIP

The AMC at its discretion can treat the investment made under Regular SIP as having been made under Special SIP if the 1st payment instrument bounces back as unpaid whereas payment for 2nd installment is received in the meantime. However, in such event, all the provisions of Special SIP will be applicable including load structure as applicable on the date of 1st installment through Special SIP (i.e. 2nd installment through Regular SIP).

Accordingly the AMC/its Registrar will re-register the period of subscription through Special SIP by postponement suitably.

MICRO SYSTEMATIC INVESTMENT PLANS (MICRO SIPS)

- According to SEBI's letter dated June 19, 2009 to AMFI, investment in Micro Systematic Investment Plans (Micro SIPS) up to Rs.50,000/- per year per investor shall be exempted from the requirement of PAN subject to other operational guidelines.
- Any investment through Systematic Investment Plans (SIPs) by investors where aggregate of installments in a rolling 12 months period or in a financial year i.e April to March, which does not exceed Rs 50,000/- will be treated as Micro SIP for above purpose. Micro SIP will be subject to common KYC process through KRA (e.g. M/s CVL etc). This exemption will be applicable ONLY to investments by individuals (including NRIs but not PIOs), Minors and Sole proprietary firms. HUFs and other categories will not be eligible for Micro SIPS. The exemption is applicable to joint holders also.
- In case of first Micro SIP Installment is processed (as the cheque may be banked), and the application is found to be defective, the Micro SIP registration will cease for future installments. No refund to be made for the units already allotted. Investor will be sent a communication to this effect. However redemptions will be allowed based on the submission of normal prescribed Redemption Transaction Slip.
- The Minimum Investment criteria and the minimum remaining balance criteria will not be applicable for Micro SIP investors.
- RTA back-office will reject a Micro SIP application where it is found that the registration of the application will result in the aggregate of Micro SIP installments in a financial year exceeding Rs 50,000 or where there are deficiencies in supporting documents.
- Rejected application will be sent back to the investor with a deficiency memo.

Valid SIP application

An investor wishing to avail of the Systematic Investment Plan will have to mandatorily abide by the following conditions in order to be treated as a valid SIP

1. Initial Investment Amount may not be equal to subsequent SIP Installments (Excluding Special SIP), provided the Minimum Investment criteria of the scheme/plan are met through the Initial Investment itself. However, all subsequent SIP Installments must be of the same Amount. The load structure & lock-in conditions for the Initial Investment & subsequent SIP will be as per the rates/terms applicable on the date of Initial Investment i.e the Registration Date, in case of Regular SIP and 1st installment in case of Special SIP.
2. In the event of any of the installment amount being different, the AMC will treat all SIP installments as normal investments and these will be subject to normal load and other provision as applicable on the respective dates of investments. In order to treat such installments as normal investments, the AMC reserves the right to revert and reprocess all previous SIP installments besides discontinuation of SIP for future installments or alternatively the AMC may recover the exemptions/benefits directly from investor or by redeeming the equivalent units from the respective folio. In addition, the AMC will also charge exit load as applicable on the normal investment based on the dates of respective SIP installments. In the event of non-fulfillment of minimum subscription criteria due to non-fulfillment of the other conditions or discontinuation of the SIP on the request by the investor, the AMC reserves the right to redeem/refund with current valuation on the date of review by the AMC.
3. Investor is required to ensure that (5) five consecutive SIP installments should not fail due to the reasons attributable to him or his banker. However, in case of any rejection by local clearing house/RBI citing reasons like 'Account closed ' or 'non-existent account' or any such other similar reasons, the SIP for future period will be treated as cancelled/ discontinued after first such rejection itself, at the discretion of the AMC.
4. In the event of non-receipt of funds for the first investment/1st SIP installment itself due to dishonour of the cheque, the SIP will automatically be treated as discontinued ab -initio and amount for subsequent installment will be refunded, if it is not possible to convert the Regular SIP to Special SIP as per the provisions of the Special SIP.
5. In order to be treated as a valid SIP application, minimum investment amount criteria as per the Scheme Information Document of the respective scheme e.g Rs. 5,000/- should be received by the AMC as per details mentioned in the above table during the opted period.
6. The clause on "Minimum Investment Criteria" as specified in the Scheme Information Document of the respective scheme/plan/option/ sub-options will not be applicable for investments made through the

first/single installment of Systematic Investment /Transfer Plan. For example, the minimum investment amount for investment in JM High Liquidity Fund is Rs.5,000/- . However, in case of investment through SIP/STP (Systematic Investment/Transfer Plan), an investor can invest with minimum installment amount of Rs.500/- on more per month or Rs. 3,000/- or more per quarter so as to meet the Minimum Investment Amount over the opted period.

In case of a Regular SIP, the AMC will retain the initial investment made towards the 1st SIP installment as normal investment if the same meets the minimum investment criteria of the scheme concerned and will not refund even if it does not fulfill any of the criteria stipulated for a valid SIP. However, the investor may redeem/switch-out if he so wishes, by submitting redemption/switch-out requests as per normal procedure.

In case, any of SIP/STP/SWP due dates fall on a Non-Business day, the NAV of the next Business day will be applicable.

7. The cheque/s should be drawn in favour of the scheme/plan chosen (e.g. "JM High Liquidity Fund") and crossed "A/C Payee Only" and payable locally and drawn on any bank, which is situated at and is a member of the Bankers Clearing House located at the place where the SIP application is submitted. In case of outstation cheques, if accepted by the AMC, the AMC shall credit the unit holder's account with the number of units at the applicable sale price on the day when clear funds are received by the Mutual Fund.
8. Returned/Dis-honoured cheques/NACH/Direct Credit failures will not be presented again for realization for reasons attributable to the investor/s.
9. The investor/s agree/s to abide by the terms and conditions of NACH facility of Reserve Bank of India (RBI) in case of SIP through NACH.
10. Please refer to para on Transaction charges elsewhere in this document. Kindly refer SAI for details on third party payments.

Termination of SIP

In the event of not meeting any one or more of the above mentioned criteria, the SIP will stand terminated and the investor will be required to make a fresh SIP application if he is desirous of availing this facility in future also . The fresh application will be subject to the current terms and conditions of the respective scheme/plan/option.

Discontinuation of Systematic Investment Plan ("SIP"):

i. For National Automated Clearing House (NACH) cases :

For discontinuation of SIP through NACH debit, the cancellation/ discontinuation request signed by the unitholder/s should reach the AMC/ Registrar at least 15 Calendar days prior to the due date for next SIP installment, failing which the discontinuation request will be considered from the subsequent SIP installment onwards.

ii. For Direct Debit cases / Standing Instruction of HDFC Bank cases :

For discontinuation of SIP through Direct debit/Standing Instructions of HDFC Bank, the cancellation/discontinuation request signed by the unitholder/s should reach the AMC / Registrar at least 30 Calendar days prior to the due date of the next installment, failing which the same will be considered from the subsequent SIP installment onwards. In view of the time required by respective banks to complete the process of cancellation, the units towards such SIP installments will continue to be allotted for the subsequent two installments after the receipt of cancellation/ discontinuation request or until the respective banks confirm having noted the cancellation of debit instructions, whichever is earlier. Thereafter, the SIP will be automatically discontinued for allotment of units for future Installments. Any credit received thereafter from the Bank towards the subsequent installments will be kept in abeyance for refund to unit holders at the earliest, without any interest/ accruals/benefits or without allotting the units.

Corporate SIP : Systematic Investment Plan for Corporate Employees

Corporate employees may opt for the Systematic Investment Plan available to them. In this case, the concerned employer is required to forward to the AMC the Scheme application cum SIP registration mandate form of the corporate employee who desires to invest in the Scheme. The application amount for the corporate employees would also be forwarded by the employer on specific request from the concerned employee. The concerned employee has to authorize the employer to deduct the application amount from his salary and remit the same to the Fund at regular intervals to ensure receipt of funds by the AMC on or before the next due date. Other terms and condition of respective SIP and Schemes will be applicable.

Facility of re-registration under Systematic Investment Plan ("SIP")

In terms of SEBI circular No. SEBI/IMD/CIR no. 4/ 168230/09 dated June 30, 2009, no entry load is to be charged for investments into the schemes. Pursuant to the above, all existing SIP investors of JM Financial Mutual Fund ("the Fund") may, if desired request for re-registering their existing SIP for the remaining installments, without any entry load, by making a request on

a prescribed form containing the requisite undertaking. However, the other existing terms and conditions (including broker code, exit load applicability for respective installments etc. as prevailing at the time of original registration of the SIP, shall remain unchanged for the re-registered SIP.

Renewal/Continuation of existing SIP :

In case, the existing SIP investor is willing to continue/extend his/her/their existing SIP in the same plan of the same for further period of 6 or more months, he/she/they may do by:

1. Auto Debit (NACH/Direct Debit) : Submitting a fresh Auto Debit (NACH/ Direct Debit) Form before the expiry of last SIP due date to avoid break in SIP period and render it to be invalid (fresh Common Application Form is not required)
2. Standing Instructions : In case of HDFC Bank Account Holder submitting a fresh Standing Instructions Form with Common Application Form and cheque towards first instalment before the expiry of the last due date to avoid break in SIP period and render it to be invalid.

Systematic Transfer Plan ("STP") / Systematic Withdrawal Plan ("SWP")

These facilities have been explained in detail below.

STP provides for transfer of specified amount from one scheme/plan/option in which the original investment is made to any other scheme/ plan/option of JM Financial Mutual Fund, at the end of specified periodic interval viz., either daily, weekly, fortnightly, monthly or quarterly.

Combo SIP/Chhota STP

Under Combo SIP investors may Daily Transfer Rs. 100/- or in multiples of any amount in full rupee terms to an Opted Scheme, per Business Day, as under.

- a. **Out of Normal Investment:** An investor against his existing or fresh lump sum investment may opt for this facility through daily STP where a transfer of Rs. 100/- or any amount thereafter (in full rupee terms) on every Business Day will be effected by the AMC/its Registrar automatically during the opted period or till the out-scheme/ plan/option is able to transfer funds , whichever is earlier made any of the Open-ended Schemes/ Plans/ Options
- b. **Out of SIP Investment :** An investor may choose to avail of this facility against his existing/fresh SIP Account in any of the open-ended schemes/plan/option where transfer of Rs. 100/- or in multiples of any amount (in full rupee terms) through daily STP would be effected per Business Day. Through this mechanism of regular inflow & outflow, the investor may invest higher amount through SIP on any of the six SIP dates and avail the benefit of daily volatility of market through daily STP with smaller amounts for better risk-adjusted return.

The Investor is required to meet the minimum Investment amount of the Plan within 90 days of the 1st Chhotta STP/ 1st Combo SIP due date.

In case of non – fulfillment of Minimum Investment Criteria of the Scheme/ Plan under Daily STP & Combo SIP facility within 90 days of the 1st Chhotta STP/1st Combo SIP date, the AMC may, at its discretion redeem the allotted units at current NAV and remit the proceeds any time after the completion of specified period of 90 days, if not already redeemed by the investor. In an out-going scheme folio, the Investor can also make investment through SIP or through Additional investment to meet the minimum Investment criteria of the Scheme/Plan concerned in order to avoid automatic redemption by the AMC.

Investors may choose any one of the six dates i.e.: 1st, 5th, 10th, 15th, 20th or 25th of the month for their STP and SWP transactions. In case of Chhotta STP, the choice of daily option is automatic.

Under SWP, the Unit holders shall have an option to predetermine the withdrawal from the scheme. SWP facility is available on 1st, 5th, 10th, 15th, 20th and 25th of the month under monthly and 1st Business Day of the next month for quarterly SWP, subject to the minimum gap of 15 calendar days to start SWP. Subsequent quarterly SWP will fall due after completion of 3 months from the start date.

Under the SWP facility, investors may choose between

- (a) Fixed Amount Withdrawal and
- (b) Capital Appreciation Withdrawal

Fixed Amount Withdrawal (FAW):

Under this option the investor will have the facility to automate withdrawal of a fixed amount from the scheme at Monthly / Quarterly intervals on the opted due date.

Capital Appreciation Withdrawal (CAW):

Under Capital Appreciation Withdrawal facility, the investors will have the option to indicate automatic withdrawal of capital appreciation at varying time intervals over previous period, on monthly or quarterly basis.

Example: Mr. X has invested Rs. 10,000 in the Scheme and instructs the AMC for CAW withdrawal on monthly basis. If his investment turns to be Rs. 10,100 at the end of first month the appreciated Rs. 100 would be automatically withdrawn from the Scheme. In order to start the STP/SWP, the investor must have a minimum investment of Rs. 5,000/- or above or as per the minimum investment subscription amount (whichever is higher) applicable for the respective scheme/plan/option on the 1st opted STP/SWP date. However, the investor is not required to maintain the same balance after processing the 1st STP/SWP installment. The last installment may be equivalent to or less than the opted installment amount.

Systematic Transfer Plan (STP) - The minimum amount for transfer and available dates for STP are as under :

Frequency	Amount per installment\$	Starting date during any month	Minimum mandatory installments (equal amount)	Minimum period required to start 1st STP/ extend the STP after receiving the request	Revertal and Reprocess with load or recovery of load if following conditions are not met@
Daily (Chhotta STP /Combo SIP	Rs. 100	Any day subject to the time required to complete the registration process	60	Minimum 15 Calendar days	If 50 installments within 90 days of start of 1st STP could not be effected
Weekly	Rs. 1000/-	1st , 8th, 15th, 22nd (after 22nd the next date will automatically be the 1st of next month)	6	Minimum 15 calendar days	If five Installments out of the first six Installments could not be effected. *
Fortnightly	Rs. 1000/-	1st and 15th	6	As above	As above
Monthly	Rs. 1000/-	1st, 5th, 10th, 15th, 20th and 25th	6	As above	As above
Quarterly	Rs. 3000/-	1st Business Day of the next month subject to the minimum gap of 15 calendar days from the date of receipt of STP request and subsequently after every quarter from the start month.	2	As above	If first two installments are not effected *

\$ Further, in multiples of Re 1/- after the above minimum limit fixed for each STP installment as per the frequency opted or as per the features of the scheme.

@ In case 5 out of the first 6 installments in monthly / weekly / fortnightly and first two in case of quarterly option are effected, the STP's will be treated as valid and there will be no revertal and reprocess with recovery of load.

*Or In the event of failure of two consecutive STP installments, the STP request will stand terminated and the investor will have to make a fresh application for availing of this facility subject to the current term & conditions applicable for fresh STP cases. This condition will, however, not be applicable in case of CAW where the condition of minimum STP Installments could not be met due to the capital appreciation amount being less than Rs. 100 in case of monthly option and Rs. 300 in case of quarterly option.

An investor will have to opt for minimum 6 installments or in multiples of 6 installments i.e 6,12,18,24,30 installments respectively for his STP requests in case of weekly/ fortnightly/monthly plan and for minimum of 2 installments or in multiples of 2 installments in case he opts for the quarterly plan

It is clarified that these 6 installments pertain to a given application for a specified opted date, for a specific option/ sub-option Separate application is required for each option/sub-option for respective due date(s).

In case, it is not possible for the AMC/Registrar to start the STP/SWP from the opted start date due to the insufficiency of time given by the investor ,

the AMC/Registrar will automatically process the first STP/SWP on the opted date from the next cycle/month after the opted starting cycle/month e.g. In case investor applies for STP/SWP on 18th Jan 2012 for effecting 1st STP/ SWP from 1st February, 2012, AMC/Registrar may process the same from 1st of March, 2012 in case of monthly option. In such a case, the ending period will be extended automatically by another month.

Minimum amount for withdrawal under SWP is fixed as under :

a. Fixed Amount Withdrawal (FAW) : Rs. 1 ,000/- per month or Rs.3,000/- per quarter and further in multiples of Re.1 /- thereafter.

b. Capital Appreciation Withdrawal(CAW) Entire Capital Appreciation over the previous due date to current due date subject to a minimum of Rs. 100 under monthly option and Rs. 300/- under quarterly option

In case, the opted STP/SWP day falls on a non-business day, the next business day shall be deemed to be the transaction day for that month or quarter as the case may be.

Each installment under STP/SWP cannot exceed the live investment amount on the registration date of STP/SWP divided by the number of installment chosen subject to the fulfillment of minimum STP/SWP criteria for respective frequency. In case of multiple STP/SWP dates, the total number of installments for all opted dates will be taken into account while fixing up the maximum installment amount.

Discontinuation/Termination of STP/SWP

For discontinuation of STP/ SWP, the unitholder is required to intimate the AMC/ Registrar at least 15 Calendar Days prior to the next installment for the respective due date. On such request, STP/ SWP will be terminated and the transfer/ withdrawal instructions given by the investor will be treated as cancelled.

Further, in case of non-fulfilment of any other terms and conditions, the STP/SWP will be treated as cancelled/discontinued/terminated as per the discretion of the AMC.

An investor cannot simultaneously participate in an SIP and SWP in the same scheme. This facility is not available for investments under lock-in or encumbrances. All withdrawals under SWP including FAW & CAW options shall be considered as redemption with no further specific request or documentation requiring to be submitted by the unit holder. On the respective date of processing the SWP request, a revised account statement showing the amount withdrawn under SWP together with balance units (post accounting the SWP) in their account shall be mailed to the unit holders.

All operational instructions of SWP including FAW & CAW options shall be in Rupees and not in Units.

In case, the outstanding balance falls below the prescribed minimum balance (based on applicable NAV) due to redemptions or SWP, the AMC reserves the right to discontinue the SWP facility and / or close an investor's account if the investor fails to invest sufficient funds to bring the value of the account to the prescribed minimum (based on applicable NAV) after a written intimation in this regard is sent to the Unit holder.

In case of SIP/ STP transactions, the minimum number of mandatory installments pertain to a given application for a specified opted date/ specific option/ specific sub-option. Separate application is required for each option/ sub-option for respective due date(s).

In the event of not meeting any one or more of the above mentioned criteria, the SIP will stand terminated and the investor will be required to make a fresh SIP application if he is desirous of availing this facility in future also. The fresh application will be subject to the current terms and conditions of the respective scheme/plan/option on the date of fresh registration.

Investments through systematic routes in case of Direct Plan:

(a) In case of Systematic Investment Plan ("SIP") / Systematic Transfer Plan ("STP") etc. registered prior to the Effective Date without any distributor code under the Normal Plan, installments falling on or after the Effective Date will automatically be processed under the Direct Plan only.

(b) Investors who had registered for SIP facility prior to the Effective Date with distributor code shall continue under the Normal Plan. However if the investor wishes that their future installments be invested into the Direct Plan, he shall make a written request to the Mutual Fund in this behalf. The Mutual Fund will take at least 15 Business days to process such requests. Intervening installments will continue in the Normal Plan.

In case of (a) and (b) above, the terms and conditions of the existing registered enrolment such as tenure , amount of the SIP etc. shall continue to apply.

(c) In case of Systematic Transfer Facilities which were registered with a Distributor Code under the Normal Plan prior to the Effective Date, the future installments under the said Facilities shall continue as under the Normal Plan

In case such investors wish to invest under the Direct Plan through these facilities, they would have to cancel their existing enrolments and register afresh for such facilities.

All applicants are deemed to have accepted the terms and conditions upon submitting the valid application form with other requisites for investment under Systematic Plans.

The AMC reserves the right to change the terms of this facility from time to time.

Default Option for all SIP/STP-out/SWP

In case, the Investor fails to mention the start date or end date under the SIP/STP-out/SWP, the first of the subsequent month, after completing 30 days from the date of registration, will be considered as the default SIP/STP-out/SWP date and the same would be treated to have been opted on perpetual basis.

Switching Options: Unitholders under the Scheme have the option to switch part or all of their unit holdings in the Scheme to another Scheme established by the Fund, or within the Scheme from one Plan to another, which is available for investment at that time. This option will be useful to Unitholders who wish to alter the allocation of their investment among the Scheme/Plan(s)/Options of the Fund in order to meet their changed investment needs.

The switch will be effected by way of a redemption of Units from the Scheme/Plan/Option and a reinvestment of the redemption proceeds in the opted Scheme/Plan/Option of the other Scheme and accordingly, to be effective, the switch must comply with the redemption rules of the Scheme and the issue rules of the other scheme (for e.g. as to the minimum number of Units that may be redeemed or issued, applicable load, etc). The price at which the Units will be switched out of the Scheme/Plan/Option will be based on the Repurchase Price, and the proceeds will be invested in the opted Plan/Option of the target Scheme at the prevailing terms and sale price for units in that scheme/plan/option. The switch - out from one scheme to another scheme (i.e. requiring change in portfolio) will be effective only after the switch - out scheme has received the funds in the in-scheme. Accordingly, the applicability of NAV will be dependant on the SEBI guidelines

Investors will not have to bear exit load for inter and intra equity switches except in case of (i) switches by SIP/STP investors within 24 months (for cases registered from 4.1.2008 up to 2.10.2008) and within 12 months (for cases registered upto 3.1.2008) of respective SIP/STP installments (ii) switches by STP investors (for cases registered w.e.f 3.10.2008) within 24 months of respective STP installments (iii) switches by SIP investors (for cases registered w.e.f 3.10.2008) within 12 months of respective SIP installments (iv) switches to/from JM High Liquidity Fund / to any equity schemes.

Subject to necessary approvals (if any) from the Regulatory authorities and any other approval as applicable, tax deduction at source, if any, will be effected at the appropriate rate in case of a switching by NRIs/FIIs and the balance amount would be utilized to exchange units to the other Scheme.

In case of Direct Plan:

(a) Investors wishing to transfer their accumulated unit balance held under Normal Plan (through lumpsum / systematic investments made with or without Distributor code) to Direct Plan will have to switch /redeem their investments (subject to applicable Exit Load, if any) and apply under Direct Plan.

(b) Investors who have invested without Distributor code and have opted for Dividend Reinvestment facility under Existing Plan may note that the dividend will continue to be reinvested in the Existing Plan only.

Identification of Beneficial Ownership:

In terms of SEBI Master Circular on Anti Money Laundering (AML) Standards/ Combating the Financing of Terrorism (CFT) dated December 31, 2010 and guidelines issued by SEBI from time to time, all the registered intermediaries are required to undertake Client Due Diligence ('CDD') measures wherein intermediaries are required to obtain sufficient information from their clients in order to identify and verify the identity of the persons who beneficially own or control the securities account.

In terms of the said SEBI Master Circular, beneficial owner is the natural person or persons who ultimately own, control or influence a client and/or persons on whose behalf a transaction is being conducted. It also incorporates those persons who exercise ultimate effective control over a legal person or arrangement. Also, the Prevention of Money Laundering Rules, 2005 (PMLR 2005) requires each intermediary to identify the beneficial owner and take all reasonable steps to verify his/her identity.

In compliance with the aforesaid regulatory requirements, the following CDD shall be applicable to all the investors of the schemes of JM Financial Mutual Fund (the 'Mutual Fund'):

1. Applicability:

- a. Details of beneficial ownership will have to be provided by all the categories of investors except the following:
 1. Individuals
 2. Company listed on a stock exchange
 3. Majority owned subsidiary of the aforesaid company.
- b. Information about the Beneficial Owner shall be provided by the investors to JM Financial Asset Management Limited (the "AMC")/its Registrar i.e. M/s. Karvy Computershare Private Limited.
- c. Proof of Identity of the Beneficial Owner such as Name/s, Address & PAN/Passport together with self attested copy* are required to be submitted to the AMC/its Registrar.
(*Original to be shown for verification and immediate return)
- d. In case of any change in the beneficial ownership, the investor is required to immediately intimate the AMC/its Registrar/KRA, as may be applicable, about such changes.

2. Identification Process:

As provided by SEBI in its Circular No. CIR/MIRSD/2/2013 dated January 24, 2013, the following process shall be adopted by the Mutual Fund:

a) For investors other than Individuals or Trusts:

1. In the case of Company, Partnership or unincorporated association/ body of individuals, the beneficial owners are the natural person/s, who, whether acting alone or together, or through one or more judicial person, exercises control through ownership or who ultimately has a controlling ownership interest.

For the aforesaid clause, Controlling ownership interest means ownership of/entitlement of:

- a. More than 25% of shares or capital or profits of the juridical person, where the juridical person is a company;
 - b. More than 15% of the capital or profits of the juridical person, where the juridical person is a partnership; or
 - c. More than 15% of the property or capital or profits of the juridical person, where the juridical person is an unincorporated association or body of individuals.
2. In case of doubt under clause (1) above as to whether the person with the controlling ownership interest is the beneficial owner or where no natural person exerts control through ownership interests; the identity of the natural person exercising control over the juridical person through voting rights, agreement, arrangements or in any other manner shall be the beneficial owner.
 3. Where no natural person is identified under clauses (1) and (2) above, the natural person who holds the position of senior managing official shall be considered as the beneficial owner.

b) For investor which is a Trust:

In case of a Trust, the intermediary shall identify the beneficial owners of the investor and take reasonable measures to verify the identity of such persons, through the identity of the Settlor of the trust, the trustee, the protector, the beneficiaries with 15% or more interest in the trust and any other natural person exercising ultimate effective control over the trust through a chain of control or ownership.

c) For Foreign investors:

The intermediaries dealing with foreign investors viz., Foreign Institutional Investors, Sub Accounts and Qualified Foreign Investors shall adopt the Know Your Client (KYC) requirements specified by SEBI in its SEBI Circular No. CIR/MIRSD/11/2012 dated September 5, 2012, which are as follows

Relevant requirements on KYC Form as per SEBI Circulars dated August 22, 2011 and October 5, 2011	Clarifications for Foreign Investors viz. FIIs, Sub Accounts and QFIs
Copy of latest share holding pattern including list of all those holding control, either directly or indirectly, in the company in terms of SEBI Takeover Regulations, duly certified by the Company Secretary/Whole Time Director/MD (to be submitted every year). POI and POA of individual promoters holding control - either directly or indirectly.	List of beneficial owners with shareholding or beneficial interest in the client equal to or above 25% to be obtained. If Global Custodian /Local Custodian provides an undertaking to submit these details, then intermediary may take such undertaking only. Any change in the list to be obtained based on risk profile of the investor.

Relevant requirements on KYC Form as per SEBI Circulars dated August 22, 2011 and October 5, 2011	Clarifications for Foreign Investors viz. FII's, Sub Accounts and QFIs
Name, residential address, photograph, POI and POA of Partners/Trustees, Whole Time Directors/ two directors in charge of day to day operations and individual promoters holding control - either directly or indirectly.	<p>A. Not required if Global Custodian /Local Custodian gives an undertaking to provide the following documents as and when requested for by intermediary:</p> <p>1) A resolution from the Board of Directors and power of attorney granted to its managers, officers or employees to transact on its behalf; and</p> <p>2) An officially valid document in respect of managers, officers or employees holding an attorney to transact on its behalf.</p> <p>B. If Global Custodian/Local Custodian does not provide such undertaking as stated in A above, intermediary shall take required details from Foreign Investors.</p>

DISCLOSURE OF BANK MANDATE

All cheques and bank drafts accompanying the application form should contain the application form number on its reverse.

As per the directive issued by SEBI vide their letter IIMARP/MF/CIR/07/826/98 dated April 15, 1998, and SEBI/IMD/CIR No. 6/4213/04 dated March 1, 2004 it is mandatory for applicants to mention their bank account numbers in their applications for purchase or redemption of Units. This is to prevent fraudulent encashment of dividend/redemption / refund cheques.

The verification procedures for registration of bank mandates will henceforth be applicable at the time of fresh subscription/new folio creation with the Mutual Fund i.e. in case the fresh subscription cheque does not belong to the bank mandate mentioned in the application form, the AMC shall seek the additional documents and follow the procedures set out in the above mentioned addendum, before registering the bank mandate in the new folio.

Refusal to accept fresh purchases

In case, it is observed that there are consecutive instances of cheque dishonour by the same unitholder/ investor due to the reasons attributable to such unitholder/ investor, the AMC reserves the right, not to accept fresh purchase application(s) from such unit holder/ investor in the future.

DESPATCH OF REPURCHASE OR DIVIDEND PROCEEDS:

The redemption or repurchase proceeds shall be dispatched/remitted to the unit holders within 10 business days from the date of redemption or repurchase.

The dividend warrants shall be dispatched/remitted to the unit holders within 30 days of the date of declaration of the dividend. The Asset Management Company shall be liable to pay interest to the unitholders at such rate as may be specified by SEBI for the period of delay (presently @ 15% per annum).

DIVIDEND POLICY

DIVIDENDS SHALL BE DECLARED AT THE DISCRETION OF THE TRUSTEE SUBJECT TO AVAILABILITY OF DISTRIBUTABLE SURPLUS.

Dividends if declared will be paid to the Unit holders appearing in the Register of Unit holder on the Record Date. In case the Record Date falls on a non Business Day, the immediately following Business Day shall be the Record Date.

An investor of record for the purpose of dividend is an investor who is a Unitholder as of the date when dividend is declared. The Fund does not guarantee or assure declaration or payment of dividend. Although, the Trustee has the intention to declare dividend under the dividend options, such declaration of dividend, if any, is subject to the Scheme's performance and the availability of distributable surplus in the Scheme at the time of declaration of such dividend. Under the Growth option, the earnings will be retained and reflected in the NAV and not distributed.

On payment of dividend and dividend distribution tax (if and as applicable), the NAV will stand reduced by the amount of dividend and dividend tax paid.

No dividend under Dividend Plan shall be distributed in cash even for those unitholders who have opted for payout where such dividend on a single payout is less than Rs. 100/-. Consequently, such dividend (less than Rs. 100/-) shall be compulsorily re-invested.

Exchange Platforms:

As per the normal practice, if in the sub - option of Dividend payout, the dividend amount is less than Rs. 100, then the dividend is compulsorily re-invested. Investors are hereby informed that under this facility, dividend shall not be reinvested but will be paid out to the respective investors.

RESTRICTION ON ACCEPTANCE OF THIRD PARTY PAYMENTS

Any application accompanied with third party payment for subscription to units of Scheme(s) is liable for rejection without any recourse to the applicant or investor.

It is clarified that Third Party Payment would mean a payment is from a bank account other than that of the beneficiary investor. In case of payments received from a bank account which is jointly held, the first holder of the

mutual fund subscription has to be one of the joint holders of the bank account, from which such payment is made.

Exceptions to Third Party Payments

Subject to the submission of requisite documentation and declarations, the following third party payments will be accepted by the AMC / Mutual Fund.

- Payment by Parents/Grand-Parents/related persons on behalf of a minor in consideration of natural love and affection or as gift for a value not exceeding Rs.50,000/- (each regular purchase or per SIP instalment). However this restriction will not be applicable for payment made by a guardian whose name is registered in the records of Mutual Fund in that folio.
- Payments made by employer on behalf of employees under SIPs or lumpsum/ one time subscription, through payroll deductions or deductions of expense reimbursements subject to submission of requisite & valid documentation/declarations .
- Payment by Corporate to its Agent/Distributor/Dealer (similar arrangement with principal-agent relationship), on account of commission/incentive payable for sale of its goods/services, in the form of the Mutual Fund Units through Systematic Investment Plans or lump sum / one-time subscription, subject to compliance with SEBI Regulations and Guidelines issued by AMFI, from time to time.
- Custodian on behalf of an FII or a Client.

Investments made through the exceptional cases mentioned above, are required to comply with the following.

- a) Mandatory KYC Acknowledgement Letter of the Investor as well as of the person making the payment i.e. the third party should accompany the application form.
- b) Declaration from the Investor and the person making the payment i.e. the third party, giving the details of the bank account from which the payment is made and the relationship with the beneficiary.

Important Note: The declarations mentioned above should accompany each purchase application.

In order to enable verification of the source of funds the investors are required to ensure the following requirements while subscribing to the units of the Schemes of the Mutual Fund:

- a) At the time of his / her / their purchase, investors to provide the details of his / her / their pay-in bank account (i.e. account from which a subscription payment is made) and his / her / their pay-out bank account (i.e. account into which redemption / dividend proceeds are to be paid).
- b) In case, an investor has multiple accounts, the investor to register them with the AMC in accordance with the procedure set out in para II below.
- c) The investor to submit any one of the following documents to establish that the payment is made from the bank account of the first unit holder:
 - i. Cancelled cheque leaf depicting name of the first unit holder or
 - ii. In case, name of the first holder / applicants is not printed on payment cheque, a cancelled cheque and copy of Bank Pass Book / Bank Statement or
 - iii. A Certificate, in original, on letter head from the banker certifying that the investor maintains a bank account with the bank and mentioning the details like bank account number and branch address.
- d) If the subscription is settled with pre-funded instruments such as Pay Order, Demand Draft, Banker's cheque, etc., investors to provide a Certificate from the Issuing banker stating the Account holder's name and the Account number which has been debited for issue of the pre-funded instrument. The bank account number mentioned in the certificate must be the account which is registered with the Fund or the first named applicant / investor should be one of the holders of the said bank account.

Note: A pre-funded instrument issued by the Bank against Cash shall not be accepted by the AMC / Mutual Fund for investments of Rs. 50,000/- or more. This also should be accompanied by a certificate from the banker giving name, address and PAN (if available) of the person who has requested for the demand draft.

- e) If payment is made by RTGS, NEFT, NACH, bank transfer, etc., investors should submit a copy of the instruction to the bank stating the account number debited along with the purchase application. An investor must attach a Certificate, in original, on letter head from the banker certifying account holder's name and account number which has been debited for issue of the instruments. The bank account number mentioned in the certificate must be the account which is registered with the Fund or the first named applicant / investor should be one of the holders of the said bank account.
- f) In case, the payment is made by online transfer of funds, the copy of transfer confirmation, showing the details of date of payment, debit and credit accounts and amount of transfer, is attached.

In case, the details and additional documents, where necessary, as mentioned above are not submitted with each subscription application, the application will be deemed to be through a "Third Party" payment and

is liable to be rejected without any recourse to the applicant / investor. In case, the funds are transferred to the mutual fund prior to rejection of the subscription, additional documents / details with respect to the investor and the payment may be sought prior to initiating a refund.

SAFE MODE OF WRITING CHEQUE:

To avoid fraud and misuse of payment instruments, investors are advised to make the payment instrument (cheque, demand draft, pay order, etc) favouring

“XYZ Scheme A/c First Investor name” or

“XYZ Scheme A/c Permanent Account Number” or

“XYZ Scheme A/c Folio number”.

Clarifications pertaining to Third Party Payments:

- 1) As an exception to the Third Party Payments, JM Financial Asset Management Limited (The “AMC”) is open to accept payments made by the employer on behalf of the employee, provided valid supporting documents are submitted.
- 2) If subscription to the units in one or more of the schemes of JMF MF is made by the investor vide Demand Draft (DD), subject to the debit in his/her account, any one of the following documents submitted will be considered as valid by JMF MF:
 - a) A Bank Manager’s Certificate will be considered as proof, provided the details of Account Holder’s Name, Bank Account Number and PAN, as per bank records, is provided.
 - b) An Acknowledgement from the bank specifying the debit details, bank account details and name of the investor as an account holder.
 - c) A copy of the Passbook/Bank Statement for proof of debit transaction for the issue of DD.
- 3) If subscription to the units in one or more schemes of JMF MF is made by the investor vide DD, provided it is issued against cash, then a Banker’s Certificate, mentioning the details of the Issuance of DD along with the Investor’s Name, Bank Account Number and PAN as per Bank records, if available, must be submitted. Provided in both the above cases i.e. Point No. 2 and 3, the Bank Account Number of the investor must be the same as the bank account mandate registered with JM Financial Mutual Fund or the bank details mentioned in the application form.

REGISTRATION OF MULTIPLE BANK ACCOUNTS

To mitigate the risk related to simultaneous change of bank mandate and redemption on multiple occasions, the Mutual Fund has introduced the facility to register “Multiple Bank Accounts”. Individuals and HUFs can register up to five (5) bank accounts and non individuals can register up to ten (10) bank accounts in a folio and is applicable for all schemes in that folio.

Please contact the nearest Investor Service Centre (ISC) of the Mutual Fund/ the Registrar of the Mutual Fund viz M/s Karvy Computershare Pvt. Ltd. or visit our website www.jmfinancialmf.com for the Multiple Bank Accounts Registration Form (“Registration Form”).

For registration of multiple bank accounts, the investors can submit any one of the following documents along with Part A of the registration form. In case, a copy of any document has been submitted, investor should bring the original to the ISC of the Mutual Fund / the Registrar for verification:

- a. Cancelled cheque leaf, or
- b. Bank Statement / Pass Book Page with account number, account holders’ name and address.

The registered bank accounts mentioned above will be used to identify subscriptions payments and any one of the registered bank accounts can be used towards redemption or dividend payments. In case, any of the registered bank accounts is closed / altered, instructions to delete / alter it should be intimated by using the designated form which can be downloaded from our website mentioned above. Requests received on a plain paper are liable to be rejected. The bank accounts will be registered or any subsequent addition / change / deletion in the registered bank accounts would be effected within a period of 10 calendar days, subject to the documents being in order. The process of validation would include notifying the investor about the request made for registration of new bank account, through letter, email, sms, phone etc. as may be deemed appropriate. In case a redemption request is received before the change of bank details have been validated and registered, the redemption request would be the currently registered (old) bank account.

Registration of a Default Bank Account: Part B of the Registration Form may be used by the unit holders to specify any one bank account out of the registered multiple bank accounts, as the ‘Default Bank Account’, for the credit of redemption and dividend proceeds. The Default Bank Account will be used for payments of redemption requests in case no other registered bank account or a non-registered bank account is specified in the redemption request for receiving redemption proceeds.

In case, the ‘Default Bank Account’ is not specified, the Mutual Fund shall treat the following as default bank accounts.

- a. In case of existing investors, the existing bank mandate, till the investor gives a separate request to change the same to any of other registered bank accounts.

- b. In case of new investors, the bank account mentioned on the purchase application form, used for opening the folio, till the investor gives a separate request to change the same to any of other registered bank account.

Deletion of Registered Bank Accounts: Part C of the Registration Form can be used by the investors to delete a registered bank account. Investor will not be allowed to delete a default bank account unless he/she registers another registered account as a default account.

Kindly note that effective November 15, 2010, redemption payments will be sent only to a bank account that is already registered and validated in the folio at the time of redemption transaction processing.

Consequent to introduction of “Multiple Bank Accounts Facility”, the existing facility of redemption requests accompanied with request for change of bank mandate will not be processed simultaneously. The two requests will be handled and executed separately for all existing and new customers, irrespective of customer category.

In case, the unit holder(s) provide a new and unregistered bank mandate with a redemption request (with or without necessary supporting documents) such bank account will not be considered for payment of redemption proceeds and redemption proceeds will be sent to existing registered bank account only.

In case of registration of bank mandates, the verification procedures shall be applicable at the time of fresh subscription/new folio creation with the Mutual Fund i.e. in case the fresh subscription cheque does not belong to the bank mandate mentioned in the application form, the AMC shall seek the additional documents and follow the procedures set out in our addendum dated November 12, 2010, before registering the bank mandate in the new folio.

The verification procedures for registration of bank mandates will henceforth be applicable at the time of fresh subscription/new folio creation with the Mutual Fund i.e. in case the fresh subscription cheque does not belong to the bank mandate mentioned in the application form, the AMC shall seek the additional documents and follow the procedures set out in addendum dated October 1, 2013, before registering the bank mandate in the new folio.

TAX & LEGAL INFORMATION

The information is provided for general information only. However, in view of the individual nature of the implications, each investor is advised to consult his or her own tax advisors/authorised dealers with respect to the specific amount of tax and other implications arising out of his or her participation in the schemes.

	Individuals / HUFs	Domestic Company
Dividend		
Dividend Distribution Tax		
Money Market Mutual Fund and Liquid Fund	25% (plus applicable surcharge and an additional surcharge)	30% (plus applicable surcharge and an additional surcharge)
Other than Money Market Mutual Fund and Liquid Fund	25% (plus applicable surcharge and an additional surcharge)	30% (plus applicable surcharge and an additional surcharge)

Capital Gains

Long Term

Resident unit holders	Foreign Companies (including Qualified Foreign Investors)	Non-resident Indians (section 115 E)	Overseas Financial Organisations (Section 11 5AB) and Foreign Institutional Investors, Foreign Portfolio Investors (115AD)	Non-residents
20% (see note 4 and 5 below)	20% (see note 6 below)	20% (for unspecified asset) 10% (for specified asset)	10%	20%

Short Term

Resident Individuals	FII/ QFIs/FPDs/Domestic Companies	Foreign Companies
At the applicable slab rate	30%	40%

The above tax rates will be increased by applicable surcharge, education cess and secondary and higher education cess.

1. JM Financial Mutual Fund is a Mutual Fund registered with the Securities and Exchange Board of India and hence the entire income of the Mutual Fund will be exempt from income tax in accordance with the provisions of section 10 (23D) of the Income Tax Act, 1961.
2. Liquid Scheme will not attract securities transaction tax (STT).
3. In case of companies, if income exceeds Rs. 1 crore but does not exceed Rs 10 crores, then the tax payable would be increased by a surcharge @ 7% in case of domestic companies and @ 2% in case of foreign companies and if income exceeds Rs 10 crore then surcharge @ 12% in case of domestic companies and @ 5% in case of foreign companies would be applicable. In all cases, the tax payable (as increased by surcharge in case of companies referred to above) would be further increased by Education Cess (2%) and Secondary & Higher Education Cess (1%).
4. In the case of Individuals, where taxable income of the individual exceeds Rs 1 crore, surcharge @ 15% would be applicable. The tax payable (as increased by surcharge would be further increased by Education Cess (2%) and Secondary & Higher Education Cess (1%). In the case of Partnership Firms where taxable income exceeds Rs 1 crore, surcharge @ 12% would be applicable. The tax payable (as increased by surcharge would be further increased by Education Cess (2%) and Secondary & Higher Education Cess (1%).
5. In the case of Resident Individuals and HUFs, where taxable income as reduced by long term capital gains is below the exemption limit, the long term capital gains will be reduced to the extent of the shortfall and only the balance long term capital gains will be charged at the flat rate of 20% and Education Cess and Secondary and Higher Education Cess.
6. It may be possible for foreign companies to opt for computation of long term capital gains as per Section 112, which provides for 10% tax on long term capital gains computed without indexation of cost. However, this issue is not free from doubt as there have been several judicial and appellate decisions where it has been held that a non resident is not entitled to the benefit of paying tax at 10% on unindexed gains.
7. For non-resident Indians, under Section 115E of the Act, long-term capital gains would be calculated without indexation of cost of acquisition. However, such units should have been acquired or purchased with or subscribed to in convertible foreign exchange. It may be possible for non-resident Indians to opt for computation of long term capital gains as per Section 112, which provides for 10% tax on long term capital gains computed without indexation of cost. In such case, the non-resident Indian would have to forego all the benefits of concessional rate of tax available to non-resident Indians under Chapter XII-A of the Act. However, this issue is not free from doubt as there have been several judicial and appellate decisions where it has been held that a non resident is not entitled to the benefit of paying tax at 10% on unindexed gains.

It may be noted that investors/ unitholders are responsible to pay their own taxes. Investors/ unitholders should consult their own tax adviser with respect to the tax applicable to them for participation in the scheme.

Finance (No.2) Bill, 2014 amended the definition of short term capital assets for a unit of Mutual fund (other than equity oriented fund). Accordingly, short term capital gains will be taxable if assets are held for less than 36 months from the date of investment and Long term Capital Gains would mean gain other than Short Term Capital Gains.

With effect from 1 April 2016, as per the proposed Section 54EE(1) of the Act, taxable capital gains, arising on transfer of a long term capital asset, shall not be chargeable to tax to the extent such capital gains are invested in long term specified assets within six months from the date of transfer of the said capital asset subject to an upper limit of Rs. 50 lakhs whether the said investment is made in the same year (of transfer) or the succeeding year. For the purpose of this proposed section, "long term specified asset" means a unit or units, issued before the 1st day of April, 2019, of such fund as may be notified by the Central Government in this behalf.

The investors may choose to avail the indexation benefit directly from IT department or pay the applicable tax on the gains as the AMC does not provide any indexation benefit.

For further details on taxation please refer to the clause on Taxation in the SAI

The tax benefits are available to investors and the Fund under the present taxation laws.

The information set forth in the SAI is based on the advice of the Fund's tax advisor and is included for general information purposes only. The information set forth in the SAI reflects the law and practice as of date of this Scheme Information Document. Investors/ Unit holders should be aware that the relevant fiscal rules or their interpretation may change. There is a possibility that the tax position prevailing at the time of an investment in the Scheme can change thereafter. Mutual Fund will pay / deduct taxes as per tax law applicable on relevant date. The investor will have not have any

recourse in case of additional tax liability imposed due to changes in the tax structure in the future.

PERMANANT ACCOUNT NUMBER

In accordance with Circular dated April 27, 2007 issued by the Securities and Exchange Board of India ("SEBI"), Permanent Account Number ("PAN") issued by the Income Tax authorities will be used as the sole identification number for all investors (existing and prospective) transacting in the securities market, including mutual funds, irrespective of the amount of transaction, (except for Micro SIP) with effect from July 02, 2007.

As per SEBI guidelines and as per Rule 114 (B) of Income Tax Rules, 1962, it is mandatory for every/all the joint investor/s to submit verified copy of his/ her/their PAN Card for all investments irrespective of the amount involved including SIP while opening the SIP Account. Even NRI investor is also required to submit the same.

If the investment is in the name of a minor, the verified copy of PAN Card of the minor or his father or mother or legal guardian, who represents the minor, should be submitted.

With effect from January 1,2008 , it is mandatory for all existing and prospective investors (including joint holders, guardians of minors, NRIs etc) to enclose a verified copy of PAN proof along with the application for any transaction in the schemes of JM Financial Mutual Fund.

The verification of the PAN from the original PAN card/ letter can be done by any of the following under his/her signature, rubber stamp and date

- any ARN holder if the PAN proof is self attested by Investor
- Bank Manager,
- notary,
- officials of JM Financial Mutual/ Investor Service Centres of Karvy Computershare Pvt. Ltd.

Investors transacting through approved Web Portals are also required to get their PAN verified by their Web Portals.

In case, the investor does not conform to the above requirement of submission of verified copy of PAN or produces original PAN proof for verification or the PAN details as per furnished verified copy of PAN proof does not match with the Website of Income Tax Deptt. as prescribed by SEBI, the AMC/its Registrar reserves the right to reject the application before allotment and refund the investment amount, without any interest.

In case of inadvertent allotment, the AMC reserves the right to revert the transaction & refund the investment amount, without any interest.

Micro SIP : The mandatory requirement of submitting a copy of PAN card has been dispensed with in case of Micro SIP (Pls refer to para on Micro SIP for more details).

DAILY NET ASSET VALUE (NAV) PUBLICATION

The NAV of the scheme will be declared on all Business Days and may be published in 2 newspapers. NAVs can also be viewed on [www. JMFinancialmf.com](http://www.JMFinancialmf.com) and www.amfiindia.com. Investors may also contact any of the Investor Service Centres of JM Financial Mutual Fund

FOR INVESTOR GRIEVANCES PLEASE CONTACT

HEAD - CLIENT SERVICES

JM FINANCIAL ASSET MANAGEMENT LTD

(Formerly known as JM Financial Asset Management Private Ltd)

Corporate Identity Number: U65991MH1994PLC078879

Office B, 8th Floor, Cnergy, Appasaheb Marathe Marg, Prabhadevi, Mumbai – 400025.

Tel. No.: (022) 6198 7777 Fax Nos.: (022) 6198 7704;

Email: investor@jmfml.com

REGISTRAR: KARVY COMPUTERSHARE PRIVATE LTD

Karvy Selenium Tower B, Plot No 31 & 32, First Floor, Gachibowli, Financial District, Nanakramguda, Serilingampally, Hyderabad – 500 008. Tele :- 040 - 67161500• Fax No.: 040 - 2331 1968.

E-mail: services_jmf@karvy.com

UNIT HOLDER'S INFORMATION:

Accounts Statements

Pursuant to Regulation 36 of SEBI (Mutual Funds) Regulations, 1996 and amendments thereto, read with SEBI circular No. Cir/ IMD/ DF/16/ 2011 dated September 8, 2011, the investor whose transaction** has been accepted by the AMC on or after October 1, 2011 shall receive the following:

- (i) On acceptance of the application for subscription, an allotment confirmation specifying the number of units allotted by way of email and/ or SMS within 5 Business Days from the date of receipt of transaction request to the e-mail address and/or mobile number registered by the investor.
- (ii) Thereafter, a Consolidated Account Statement ("CAS")^ for each

calendar month to those Unit holder(s) in whose folio(s) transaction (s)** has/have taken place during the month. shall be sent by ordinary post / or e-mail (in case e-mail address is provided by the investor) on or before 10th of the succeeding month. The CAS shall be sent to the mailing address/ email available in the folio where the customer has last transacted (including non financial transaction).

^Consolidated Account Statement (CAS) shall contain details relating to all the transactions** carried out by the investor across all schemes of all mutual funds during the month and holding at the end of the month including transaction charges paid to the distributor.

**The word 'transaction' shall include purchase, redemption, switch, dividend payout, dividend reinvestment, systematic investment plan, systematic withdrawal plan, systematic transfer plan and bonus transactions.

- (iii) For the purpose of sending CAS, common investors across mutual funds shall be identified by their Permanent Account Number (PAN). The CAS shall not be sent to the Unit holders for the folio(s) not updated with PAN details.

For folios without a valid PAN, the AMC may send account statements on a monthly basis on or before the 10th of the succeeding month. The Unit holders are therefore requested to ensure that the folio(s) are updated with their PAN.

- (iv) In case of a specific request received from the Unit holders, the AMC will dispatch the account statement to the investors within 5 Business Days from the receipt of such request.
- (v) In the event the account has more than one registered holder, the first named Unit holder shall receive the CAS/ account statement.
- (vi) Consolidation shall be done only for folios in which the unit holders and the order of holding in terms of first, second and third is similar. In case of folios pertaining to minors, the guardian's PAN shall be used for consolidation.

Further, the CAS detailing holding across all schemes of all mutual funds at the end of every six months (i.e. September/ March), shall be sent by ordinary post / e-mail (in case e-mail address is provided by the investor), on or before 10th day of succeeding month, unless a specific request is made to receive in physical, to all such Unit holders in whose folios no transaction has taken place during that period.

The statement of holding of the beneficiary account holder for units held in demat will be sent by the respective Depository Participants ("DPs") periodically.

Investors are requested to note the following regarding dispatch of account statements:

1. The Consolidated Account Statement (CAS) for each calendar month is to be issued on or before tenth day of succeeding month, to the investors who have provided valid Permanent Account Number (PAN). Due to this regulatory change, AMC shall now cease to send physical account statement to the investors after every financial transaction including systematic transactions. Further, CAS will be sent via email where any of the folios consolidated has an email id or to the email id of the first unit holder as per KYC records.
2. For folios not included in the Consolidated Account Statement (CAS), the AMC shall henceforth issue account statement to the investors on a monthly basis, pursuant to any financial transaction in such folios, on or before tenth day of succeeding month. Pursuant to SEBI Circular No. CIR/MRD/DP/31/2014 dated November 12, 2014 regarding Consolidated Account Statements (CAS) for all the securities assets, the following provisions shall be applicable. Investors are requested to note the changes regarding dispatch of Account Statements to the investors for the transactions done by them in any of the schemes of the Fund, on or after February 01, 2015.

1. Investors not holding units in Demat Account:

Based on the PAN of the investors, for each calendar month, Consolidated Account Statement (CAS) shall be dispatched by the Asset Management Companies (AMC)/Registrar & Transfer Agent (RTA) within 10th day of the succeeding month to the investors in whose folio transactions have taken place during that previous month.

In case of no transactions by the investors during the period of six months, the CAS shall be dispatched by the AMC/RTA to the investors on half yearly basis, on or before 10th day of the succeeding month.

2. Investors holding units in Demat Account:

Based on the PAN of the investors, for each calendar month, Consolidated Account Statement (CAS) shall be dispatched by the respective Depository within 10th day of the succeeding month to the investors, in whose folio transactions have taken place during that previous month.

In case of no transactions by the investors during the period of six

months, the CAS shall be dispatched by the respective Depository to the investors on half yearly basis, on or before 10th day of the succeeding month.

In case of demat accounts with nil balance and no transactions in securities and in mutual fund folios, the respective Depository shall send the physical statement as per the applicable regulations.

In case of statements which are currently being dispatched by email to the investors, the CAS shall continue to be sent through email. In case the investor does not wish to receive the CAS by email, option will be given to the investors to receive the same in physical form, at the address registered in the Depository system. In case no email id is provided, the statements will be sent in physical form.

Investors are requested to note that in case of any transactions done in the folios which are not included in the CAS, the AMC shall issue a monthly account statement to the investors on or before 10th day of the succeeding month. In case no email id is provided, the statements will be sent in physical form.

Investors whose folio(s)/demat account(s) are not updated with PAN, shall not receive the CAS. Hence, investors are hereby requested to update their folio(s)/demat account(s) with the PAN.

In case of STP/SWP:

In case of specific request received from investors, the Fund/Registrar will provide the account statement to the investors within 5 business days from the receipt of such request without any charges. Further, soft copy of the account statement shall be mailed to the investors under SIP/STP/SWP to their e-mail address on a monthly basis, if email id is furnished in the folio concerned.

Exchange Platforms:

An account statement/Consolidated Account Statement (CAS) will be issued by the Mutual Fund to investors who purchase/ redeem their units under this facility in physical mode. In case of investors who intend to deal in units in depository mode, a demat statement will be sent by Depository Participant showing the credit/debit of units to their account. The units will be transferred to investors demat account via the exchange clearing corporations and broker through whom the units are purchased.

Monthly Portfolio Disclosure

As per SEBI circular no. Cir/IMD/DF/21/2012 dated September 13, 2012, the AMC shall disclose the portfolio (along with ISIN) as on the last day of the month for all its schemes on its website on or before the tenth day of the succeeding month or within such time lines as prescribed by SEBI, from time to time.

Half yearly Portfolio:

The mutual fund shall publish a complete statement of the scheme portfolio within one month from the close of each half year (i.e. 31st March and 30th September), by way of an advertisement at least, in one National English daily and one regional newspaper in the language of the region where the head office of the mutual fund is located.

The mutual fund may opt to send the portfolio to all unit holders in lieu of the advertisement. These shall also be displayed on website of the Fund, i.e. www.JMFinancialmf.com.

Half Yearly Financial Results:

The mutual fund and asset management company shall within one month from the close of each half year, that is on 31st March and on 30th September, host a soft copy of its unaudited / audited financial results on its website.

The Mutual Fund shall give an advertisement disclosing the hosting of the financial results on the website in atleast one English daily newspaper having nationwide circulation and in a newspaper having wide circulation published in the regional language where the Corporate Office of the Mutual Fund is situated.

Annual Report:

Scheme wise Annual Report or an abridged summary thereof shall be sent to all unitholders within four months from the date of closure of the relevant accounts year i.e. 31st March each year.

Pursuant to SEBI Circular No. Cir/ IMD/ DF/ 16/ 2011 dated September 8, 2011, the following provision with respect to sending annual report of scheme(s) of the Mutual Fund or abridged annual report will be applicable. The scheme wise annual report or an abridged summary hereinafter shall be sent by the AMC as under:

- (i) by email to the unitholders whose e-mail address is available with the AMC
- (ii) in physical form to the unitholders whose email address is not available with the AMC and/ or to those unitholders who have opted/ requested for the same.

The physical copy of the schemewise annual report or abridged summary shall be made available to the investors at the registered office of the AMC.

A link of the scheme annual report or abridged summary shall be displayed prominently on the website of the Mutual Fund.

PREVENTION OF MONEY LAUNDERING & KNOW YOUR CUSTOMER

In terms of the Prevention of Money Laundering Act, 2002, the Rules issued there under and the guidelines / circulars issued by SEBI regarding the Anti Money Laundering ("AML Laws"), all intermediaries, including Mutual Funds, have to formulate and implement a client identification programme, verification of identity and address, financial status, occupation and such other personal information.

With effect from January 1, 2011, it is mandatory in case of all the investors (Individual/Non-Individuals) to be KYC Compliant, irrespective of the amount of investment.

The Power Of Attorney holders (in case of investments through a PoA Holder) and joint account holders (in case of investments in joint names) will also have to be KYC compliant.

SPECIAL CASE:

Joint Holders: Joint holders (including first, second and third if any, are required) to be individually KYC compliant before they can invest with any Mutual Fund. e.g. in case of three joint holders, all holders need to be KYC compliant and copies of each holder's KYC Acknowledgement must be attached to the investment application form with any Mutual Fund.

Minors: In case of investments in respect of a Minor, the Guardian should be KYC compliant and attach his KYC Acknowledgement while investing in the name of the minor. The Minor, upon attaining majority, should immediately apply for KYC compliance in his/her own capacity and intimate the concerned Mutual Fund(s) with all the folio details, in order to be able to transact further in his/her own capacity.

Power of Attorney (PoA) Holder: Investors desirous of investing through a PoA must note that the KYC compliance requirements are mandatory for both the PoA issuer (i.e. Investor) and the Attorney (i.e. the holder of PoA), both of whom should be KYC compliant in their independent capacity and attach their respective KYC Acknowledgements while investing.

For transmission (In case of death of the unit holder): If the deceased is the sole applicant, the claimant should submit his/her KYC Acknowledgement along with the request and other relevant documents to effect the transmission in his/her favour.

KYC PROCESS

Pursuant to SEBI Circular No. MIRSD/ Cir-26/ 2011 dated December 23, 2011, SEBI (KYC Registration Agency)

Regulations, 2011 and SEBI Circular No. MIRSD/SE/Cir-21/2011 dated October 5, 2011, in-order to implement uniform KYC norms and eliminate duplication of KYC across SEBI registered intermediaries in the securities market, KYC registration is centralized through KYC Registration Agencies (KRA) registered with SEBI. Thus each investor has to undergo KYC process only once in the securities market and the details would be shared with other intermediaries.

- 1 New investors are requested to use the revised common KYC Application Form with specified documents as set out in the form and carry out the KYC process including In-Person Verification (IPV) with any SEBI registered intermediaries including mutual funds. The revised common KYC Application Forms are also available on our website www.jmfinancialmf.com.
- 2 The Mutual Fund shall perform the initial KYC of its new investors and may undertake enhanced KYC measures commensurate with the risk profile of its investors. The Mutual Fund shall upload the details of the investors on the system of the KYC Registration Agency (KRA). KRA shall send a letter to the investor within 10 working days of the receipt of the initial/updated KYC documents from the Mutual Fund, confirming the details thereof.
- 3 It is mandatory for intermediaries including mutual funds to carry out In-Person Verification (IPV) of its new investors from the Effective Date. The IPV carried out by any SEBI registered intermediary can be relied upon by the Mutual Fund. The AMC or NISM/AMFI certified distributors who are KYD compliant are authorized to undertake the IPV for Mutual Fund investors. Further, in case of any applications received directly (i.e. without being routed through the distributors) from the investors, the Mutual Fund may rely upon the IPV (on the KYC Application Form) performed by scheduled commercial banks.
- 4 Once the investor has done KYC as per the revised process with a SEBI registered intermediary, the investor need not undergo the same process again with another intermediary including mutual funds. However, the Mutual Fund reserves the right to carry out fresh KYC of the investor.
- 5 The AMC reserves the right to reject application forms for transactions in units of the Mutual Fund not accompanied by letter/ acknowledgement issued by KRA. The KYC compliance status will be validated with the records of the KRA before allotting units.

- 6 Existing KYC compliant investors of the Mutual Fund, who have completed the KYC process prior to January 01, 2012, can continue to invest as per the practice prevalent prior to the effective date. However it will not be applicable for investments in securities market. These investors, if they wish to deal with any SEBI registered intermediary other than mutual funds, will have to follow the new KYC procedure.

Note: The above change in relation to KYC process shall be applicable in respect of all investment applications (including MICRO SIP) by new investors made on or after January 01, 2012.

All investors (Individuals or Non Individuals) who wish to make an investment in a mutual fund scheme through purchase or switch via a Lumpsum amount or via a Systematic Plan (SIP/STP) (including MICRO SIP) will be required to complete the KYC process. This one-time verification is valid for transactions across all mutual funds. Submission of KYC acknowledgement is mandatory for the following :

- All unit holders (including joint holders) i.e. Resident & Non resident Individuals
- All Non Individual unit holders
- HUF and its Karta
- Guardian of Minor
- Power of Attorney holder
- Financial Institutions to whom the units of Mutual Fund are pledged.
- PAN Exempted cases (provided sufficient documentary evidence in support of such claims is submitted) :
- In case of transactions undertaken on behalf of Central Government and/or State Government and by officials appointed by Courts e.g. Official liquidator, Court receiver etc.
- Investors residing in the state of Sikkim
- UN entities/multilateral agencies exempt from paying taxes/filing tax returns in India
- MICRO SIP

Point of Service (POS) of the intermediaries will accept KYC Application Forms along with the necessary documents as set out in the KYC form (including originals if the copies are not attested) verify documents, conduct In-Person Verification (IPV) and provide the KYC Acknowledgement (across the counter on a best effort basis). KYC application and necessary documents as set out in the form should be submitted along-with Financial Transactions to any branch of the AMC. The KYC form after completion of IPV process can also be submitted to the Investor Service Centre of Registrar & Transfer Agent along-with Financial Transactions.

- Individual (including NRI / PIO) & Non Individual investors will have to produce Proof of identity, Proof of Address and other mandatory documents as set out in the KYC Application Form.
- NRIs/PIOs, in addition to the certified true copy of the passport will also be required to furnish certified true copy of the overseas address and permanent address. If any of the documents (including attestations/certifications) towards proof of identity or address is in a foreign language, they have to be translated to English for submission. The documents can be attested, by the Consulate office or overseas branches of scheduled commercial banks registered in India. A PIO, in addition, will also be required to submit a certified true copy of the PIO Card.

The documents submitted as per the above process by the investor to the Point of Service of the Intermediaries would be forwarded to the KRA. The KRA on receipt of documents from Intermediaries would send a confirmation to investors.

Once the investor has completed the KYC process as per the revised guidelines with a SEBI registered intermediary from any KRA, the investor need not undergo the same process again with another intermediary including Mutual Funds. However, the Mutual Fund reserves the right to carry out fresh KYC of the investor. The investor needs to produce a copy of the confirmation letter received from KRA when investing for the first time with a Mutual Fund for fresh investments or additional purchases in an existing folio as per the aforesaid requirements or till his KYC status is updated successfully as per the new revised KYC norms.

Existing KYC compliant investors of the Mutual Fund, who have completed the KYC process prior to January 01, 2012, can continue to invest in Mutual Fund schemes as per the current practice i.e. by submitting along with their Financial Transaction the KYC acknowledgement issued prior to January 01, 2012 by CVL on behalf of all Mutual Funds. However it will not be applicable for investments in other securities markets. These investors, in case they wish to deal with any SEBI registered intermediary other than mutual funds, will have to follow the new KYC procedure.

An existing investor can inform the Mutual Fund to update the KYC Acknowledgement against all the folios/accounts held by him with the respective Mutual Fund. However, each of the holders in these folios/

accounts should be KYC Compliant. Applications Forms / Transaction Slips not accompanied by KYC Acknowledgement / Confirmation letter are liable to be rejected by the Mutual Fund and no transactions, other than redemption, will be permitted. Investors are advised to complete KYC process through KRA at the earliest.

Further, in order to ensure that the unitholder receives all communications, including redemption requests, at the new address, investors are also advised to forward any request for change of address only to same POS/intermediaries sufficiently in advance of any transaction with the Fund House. Investors holding erstwhile MIN/ KYC Compliance Acknowledgement and who have since changed their address with Karvy are requested to approach POS /KRA and complete the process stated above. Kindly note that the Mutual Fund, the AMC or the Trustees shall not be liable in case the investor does not follow the above procedure for change of address or the earlier address continues to be in the Registrar's database. AMC or its Registrar will update change of address requests of KYC compliant investors based on the data provided by KRA and will not be responsible for non-updation if not received sufficiently in advance of any transaction.

Investors are advised to approach the same POS/ intermediaries from where the KYC acknowledgement was issued in case they wish to rectify any data entry mistake by POS/KRA.

For details on documents to be submitted pls refer to the revised KYC forms available this site, AMFI website (www.amfiindia.com) or on website of any SEBI registered KRAs.

New KYC Requirement:

Securities and Exchange Board of India (SEBI) vide its various circulars dated October 05, 2011, December 02, 2011 and December 23, 2011 have prescribed the requirements, for the implementation of Uniform Know Your Customer (KYC) process across all intermediaries registered with SEBI.

Pursuant to the above, the existing / new investors of the Mutual Fund are required to take note of the following:

1. Investment by Investors who are KYC Compliant through KRAs (KYC Registration Agency) on or after January 1, 2012 :

No action is required by such investors and they may invest in any Mutual Funds. However, Non-individual entities like Corporate, Partnership Firm, Trust etc are required to submit their Balance Sheet for every Financial Year on an ongoing basis within a reasonable period to KYC Registration Agency (KRA).

2. Investment in existing folios by Investors who are CVL MF KYC Compliant prior to January 1, 2012:

In case of the existing investors who are CVL MF KYC Compliant through the erstwhile centralized KYC registration agency i.e. CDSL Ventures Ltd. (CVLMF), there will be no effect on their subsequent transactions (including Systematic Investment Plan) in their existing folios/accounts. However, the KYC status of such investors will continue to reflect as "MF – VERIFIED BY CVLMF" in the CVL – KRA system.

3. Investment by new Investor who is CVL MF KYC Compliant:

In case a new investor who is CVL MF KYC Compliant wishes to invest as a sole investor in a new folio in JM Financial Mutual Fund or he wishes to invest jointly with another existing investor/s of JM Financial Mutual Fund who is/are also CVL MF KYC Compliant, then such investor/s will have to submit the "KYC Details Change Form" along with the investment application and complete the IPV process.

4. Investment by Non-KYC Compliant Investors (Individual or Non-Individual):

Non-KYC compliant investor/s desirous of investment, are required to submit the duly filled in KYC Application Form along with necessary documents for completion of KYC certification through KYC Registration Agencies (KRAs) and complete the "In-person Verification (IPV)" at the time of making any investment.

5. Requirements from CVLMF KYC Compliant investors (i.e. KYC compliant prior to January 1, 2012):

I. Individual Investors:

In case, the individual investor is KYC compliant prior to January 1, 2012, the investor will have to submit 'KYC Details Change Form' with respective applicable documents, (if any) mentioned therein to update their 'Missing/Not Available' details besides completing the IPV process as a one time exercise. After due verification by the respective KRA e.g. M/s CVL, the KYC status will get changed from "MF – VERIFIED BY CVLMF" to "Verified by CVL KRA".

In case of individuals, 'missing/not available details' are as under :

- a. Father's/Spouse Name
- b. Marital Status
- c. Nationality
- d. In-person Verification (IPV)

II. Non - Individual investors:

In case of all Non – individual investors who are KYC compliant prior to January 1, 2012, KYC process with IPV needs to be done afresh due to significant and major changes in KYC requirements.

In case of opening of a new folio with JM Financial Mutual Fund or any other Mutual Fund, the individual & non-individual investors will have to comply with the respective procedures mentioned above. The above procedure is also applicable for Guardian (in case of Minor) / Power of Attorney holder as well.

The necessary forms are available on the Mutual Fund website.

GENERAL PROVISIONS REGARDING LOAD

1. No entry load:

In accordance with the requirements specified by the SEBI circular no. SEBI/IMD/CIR No.4/1 68230/09 dated June 30, 2009, no entry load will be charged for purchase / additional purchase / switch-in accepted by the Fund with effect from August 1, 2009. Similarly, no entry load will be charged with respect to applications for registrations under Systematic Investment Plan/ Systematic Transfer Plan / accepted by the Fund with effect from August 1, 2009.

The upfront commission on investment made by the investor, if any, shall be paid to the ARN Holder (AMFI registered Distributor) directly by the investor, based on the investor's assessment of various factors including service rendered by the ARN Holder

2. No Load on Bonus Unit and Units allotted on Re-investment of Dividend:

Pursuant to SEBI vide circular SEBI/IMD/CIR No. 14/120784/08 dated March 18, 2008 the AMC shall not charge entry as well as exit load on Bonus units and on units allotted on Re-investment of Dividend.

3. Exit Load/Contingent Deferred Sales Charge ("CDSC")

With effect from August 1, 2009, exit load/ CDSC (if any) up to 1% of the redemption value charged to the Unitholder by the Fund on redemption of units shall be retained by each of the Scheme in a separate account and will be utilized for payment of commissions to the ARN Holder and to meet other marketing and selling expenses.

Any amount in excess of 1% of the redemption value charged to the Unitholder as exit load/ CDSC shall be credited to the respective Scheme immediately.

In case of Direct Plan:

No exit load shall be charged for any switch of investments between Existing Plan (whether the investments were made before or after the Effective Date) and Direct Plan within the same scheme. The applicable exit load, if any, will be charged for redemptions/ switch outs of the scheme (i.e. at portfolio level) before the completion of the stipulated load/ lock-in period. The stipulated load/ lock-in period will be reckoned from the date of allotment of units for a particular transaction in the scheme (i.e. at portfolio level) till the date of redemption / switch out from that scheme, irrespective of the number of intra-scheme switches by the investor between the aforementioned two dates (e.g. switches between plans/sub-plans/options/sub-options within the scheme having the same portfolio)

The extant provisions of applicability of load on redemptions/ switches from one Scheme to another will continue to be applicable.

4. Change in the load structure

The Trustee reserves the right to modify/alter the load structure and may decide to charge an exit load or a combination of exit loads (i.e. slabs of load based on tenure of holding) on the Units with prospective effect, subject to the maximum limits as prescribed under the SEBI Regulations. At the time of changing the load structure, the AMC shall take the following steps:

- a) The addendum detailing the changes shall be attached to Scheme Information Documents and Key Information Memoranda. The addendum will be circulated to all the distributors so that the same can be attached to all Scheme Information Documents and Key Information Memoranda already in stock. The addendum shall also be sent along with the newsletter sent to the Unitholders immediately after the changes.
- b) Arrangements shall be made to display the changes/modifications in the Scheme Information Document in the form of a notice in all the JM ISCs' and distributors' offices.
- c) The introduction of the exit load along with the details shall be stamped in the acknowledgement slip issued to the investors on submission of the application form and may also be disclosed in the statement of accounts issued after the introduction of such load.
- d) The Fund shall arrange to display a notice in the JM ISCs at least 1 (one) day before the change of the then prevalent load structure.

The investor is requested to check the prevailing load structure of the scheme before investing.

TRANSACTION CHARGES

- (i) First Time Mutual Fund Investor (across Mutual Funds):
Transaction charge of Rs. 150/- for subscription of Rs. 10,000 and above will be deducted from the subscription amount and paid to the distributor/ agent of the first time investor and the balance shall be invested.
- (ii) Investor other than First Time Mutual Fund Investor:
Transaction charge of Rs. 100/- per subscription of Rs. 10,000 and above will be deducted from the subscription amount and paid to the distributor/ agent of the investor and the balance shall be invested. Transaction charges (Rs. 150/- or Rs. 100/- as may be applicable) in case of investments through Systematic Investment Plan (SIP) shall be deducted only if the total commitment (i.e. amount per SIP installment x No. of installments) amounts to Rs. 10,000/- or more. The Transaction Charges shall be deducted in 4 installments.
- Investors may note that distributors have an option to opt in or opt out of charging the transaction charge. Pursuant to SEBI circular no. Cir/IMD/DF/21/2012 dated September 13, 2012, effective November 1, 2012 distributors shall also have the option to either opt in or opt out of levying transaction charges, based on type of the product.

- (iii) Transaction charges shall not be deducted for:
- (a) purchases /subscriptions for an amount less than Rs. 10,000/-;
- (b) transaction other than purchases/ subscriptions relating to new inflows, such as Switch, STP, etc.
- (c) purchases/ subscriptions made directly with the Fund (i.e. not through any distributor/agent).
- (d) Transactions, wherein the concerned distributor has not opted-in for transaction charges.
- (e) Transactions done through Stock Exchange platform.

It is also clarified that minimum investment criteria shall be monitored at the gross investment amount level (i.e. amount before deducting transaction charges).

In terms of Best Practice Circular no. 20/2010-11 dated February 9, 2011, following provisions are applicable w.e.f. April 1, 2011:

1. "On Behalf of Minor" Accounts: Where the account/folio (account) is opened on behalf of a minor:

- (a) The minor shall be the first and the sole holder in an account. There shall not be any joint accounts with minor as the first or joint holder.
- (b) The Guardian in the folio on behalf of the minor should either be a natural guardian (i.e. father or mother) or a court appointed legal guardian. Information on the relationship/status of the guardian as father, mother or legal guardian should be provided to the AMC/ the Registrar of JM Financial Mutual Fund ("the Registrar"). If the documents mentioned in clause (c) below do not provide information evidencing the relationship of natural guardian to the minor, separate documents establishing the relationship should be provided. In case of court appointed legal guardian, supporting documentary evidence should be submitted.
- (c) Date of birth of the minor along with photocopy of supporting documents as enumerated below shall be mandatory while opening the account on behalf of minor:
1. Birth certificate of the minor, or
 2. School leaving certificate / Mark sheet issued by Higher Secondary Board of respective states, ICSE, CBSE etc., or
 3. Passport of the minor, or
 4. Any other suitable proof evidencing the date of birth of the minor.

2. Minor Attaining Majority – Status Change:

- (a) Prior to minor attaining majority, the AMC/ Registrar will send advance notice to the registered correspondence address advising the guardian and the minor to submit an application form along with prescribed documents (as per (e) below) to change the status of the account to "major".
- (b) The account shall be frozen for operation by the guardian on the day the minor attains the age of majority and no transactions shall be permitted till the documents for changing the status are received. However, the AMC will continue to process the existing standing instructions like SIP, STP, SWP registered prior to the minor attaining majority and send a intimation to that effect.
- (c) In case of existing standing instructions including STP, SIP and SWP registered prior to the minor attaining majority, the AMC will send an advance notice to the registered correspondence address advising the guardian and the minor that the existing standing instructions will continue to be processed beyond the date of the minor attaining majority till the time a instruction from the major to terminate the standing instruction is received by the mutual fund along with the below mentioned documents:
1. Services Request form, duly filled and containing details like name

of major, folio numbers, etc.

2. New Bank mandate where account changed from minor to major,
 3. Signature attestation of the major by a manager of a scheduled bank / Bank Certificate/ Letter,
 4. KYC acknowledgement of the major.
The standing instruction shall be terminated within 30 days from the date of receiving the instruction.
- (d) List of standard documents required to change the account status from minor to major:
1. Services Request form, duly filled and containing details like name of major, folio numbers, etc.
 2. New Bank mandate where account has been changed from minor to major,
 3. Signature attestation of the major by a manager of a scheduled bank / Bank Certificate / Letter,
 4. KYC acknowledgement of the major.
- 3. Change in Guardian:** When there is a change in guardian either due to mutual consent or demise of existing guardian, following documents should be submitted to the AMC/ the Registrar prior to registering the new guardian:
- (a) Request letter from the new guardian,
- (b) No Objection Letter (NoC) or Consent Letter from existing guardian or Court Order for new guardian, in case the existing guardian is alive.
- (c) Notarized copy or attested copy of the Death Certificate of the deceased guardian, where applicable. The attestation may also be done by a special executive magistrate, AMC authorised official or manager of a scheduled bank.
- (d) The new guardian must be a natural guardian (i.e. father or mother) or a court appointed legal guardian.
1. Information on the relationship/status of the guardian as father, mother or legal guardian should be specified in the application form.
 2. In case of natural guardian, a document evidencing the relationship if the same is not available as part of the documents submitted as per sub clause c of clause 1 mentioned above
 3. In case of court appointed legal guardian, supporting documentary evidence should be submitted.
- (e) Bank attestation attesting the signature of the new guardian in a bank account of the minor where the new guardian is registered as the guardian.
- (f) KYC of the new guardian.

4. Nomination facility

- (a) Nomination should be maintained at the folio or account level and should be applicable for investments in all schemes in the folio or account.
- (b) Where a folio has joint holders, all joint holders should sign the request for nomination/cancellation of nomination, even if the mode of holding is not "joint". Nomination form cannot be signed by Power of attorney (PoA) holders.
- (c) Every new nomination for a folio/account will overwrite the existing nomination.
- (d) Nomination shall be mandatory for new folios/accounts opened by individual especially with sole holding and no new folios/accounts for individuals in single holding will be opened without nomination.
1. Even those investors who do not wish to nominate must sign separately confirming their non-intention to nominate.
- (e) Nomination will not allowed in a folio held on behalf of a minor.

5. Transmission: We have set out below the list of the documents required for transmission under various situations:

- (a) Transmission to surviving unit holders in case of death of one or more unitholders:
1. Letter from surviving unitholders to the Fund / AMC / RTA requesting for transmission of units,
 2. Death Certificate in original or photocopy duly notarized or attested by gazette officer or a bank manager,
 3. Bank Account Details of the new first unit holder as per specified format along with attestation by a bank branch manager or cancelled cheque bearing the account details and account holders name.
 4. KYC of the surviving unit holders, if not already available.
 5. Application form duly completed and signed with signature verification done by Bank Manager/Notary Public/Gazetted Officer with his designation, name and official seal.
- (b) Transmission to registered nominee/s in case of death of Sole or All unit holders:

1. Letter from claimant nominee/s to the Fund / AMC / RTA requesting for transmission of units,
 2. Death Certificate/s in original or photocopy duly notarized or attested by gazette officer or a bank manager,
 3. Bank Account Details of the new first unit holder as per specified format along with attestation by a bank branch manager or cancelled cheque bearing the account details and account holders name.
 4. KYC of the claimant/s,
 5. Application form duly completed and signed with signature verification done by Bank Manager/Notary Public/Gazetted Officer with his designation, name and official seal.
- (c) Transmission to claimant/s, where nominee is not registered, in case of death of Sole or All unit holders:
1. Letter from claimant/s to the Fund / AMC / RTA requesting for transmission of units,
 2. Death Certificate/s in original or photocopy duly notarized or attested by gazette officer or a bank manager,
 3. Bank Account Details of the new first unit holder as per specified format along with attestation by a bank branch manager or cancelled cheque bearing the account details and account holders name.
 4. KYC of the claimant/s,
 5. Indemnity Bond from legal heir/s as per specified format.
 6. Individual affidavits from legal heir/s as per specified format
 7. If the transmission amount is below Rs. Two Lakh any appropriate document evidencing relationship of the claimant/s with the deceased unitholder/s.
 8. If the transmission amount is Rs Two Lakh or more any one of the documents mentioned below:
 - a. Notarised copy of Probated Will, or
 - b. Legal Heir Certificate or Succession Certificate or Claimant's Certificate issued by a competent court, or
 - c. Letter of Administration, in case of Intestate Succession.
- (d) Transmission in case of HUF, due to death of Karta: HUF, being a Hindu Undivided Family, the property of the family is managed by the Karta and HUF does not come to an end in the event of death of the Karta. In such a case, the members of the HUF will appoint the new Karta who needs to submit following documents for transmission:
1. Letter Requesting for change of Karta,
 2. Death Certificate in original or photocopy duly notarized or attested by gazette officer or a bank manager,
 3. Duly certified Bank certificate stating that the signature and details of new Karta have been appended in the bank account of the HUF as per specified format
 4. KYC of the new Karta and KYC of HUF, if not already available.
 5. Indemnity bond signed by all the surviving coparceners and new Karta as per specified format.
 6. In case of no surviving co-parceners and the transmission amount is Rs Two Lakh or more OR where there is an objection from any surviving members of the HUF, transmission shall be effected only on the basis of any of the following mandatory documents:
 - a. Notarized copy of Settlement Deed, or
 - b. Notarized copy of Deed of Partition, or
 - c. Notarized copy of Decree of the relevant competent Court
- (ii) An existing investor who wants to redeem units held in his demat account under any open-ended Schemes has to approach his depository participant (DP) directly.
- (iii) Switch transactions from one scheme/plan to another scheme/ plan is not permitted for investors holding the units in Demat. Investors desirous of switching their units need to follow the procedure of rematerialisation of their demat holdings and after that they may apply for switch through physical mode.
- (iv) It is also clarified that provision of minimum investment/ balance/ redemption amount shall not be applicable for transactions done in demat mode, post initial allotment of units in demat mode. However subscription done in demat mode, directly through the Mutual Fund, shall be subject to minimum investment criteria.

It is clarified that demat facility is not available for daily dividend, weekly dividend and fortnightly dividend Plans / Options. With effect from January 1, 2012, investors would also have an option of holding the units in demat form for SIP. However, the units will be allotted, based on the applicable NAV as per the SID and will be credited to investors' demat account on weekly basis upon realization of funds. For example, units will be credited to investors' demat account every Monday, for realization status received from Monday to Friday in the previous week.

MINOR ACCOUNT

In terms of Best Practice Circular no. 20/2010-11 dated February 9, 2011, following provisions are applicable w.e.f. April 1, 2011:

1. "On Behalf of Minor" Accounts: Where the account/folio (account) is opened on behalf of a minor:

- (a) The minor shall be the first and the sole holder in an account. There shall not be any joint accounts with minor as the first or joint holder.
- (b) The Guardian in the folio on behalf of the minor should either be a natural guardian (i.e. father or mother) or a court appointed legal guardian. Information on the relationship/status of the guardian as father, mother or legal guardian should be provided to the AMC/the Registrar of JM Financial Mutual Fund ("the Registrar"). If the documents mentioned in clause (c) below do not provide information evidencing the relationship of natural guardian to the minor, separate documents establishing the relationship should be provided. In case of court appointed legal guardian, supporting documentary evidence should be submitted.
- (c) Date of birth of the minor along with photocopy of supporting documents as enumerated below shall be mandatory while opening the account on behalf of minor:
 1. Birth certificate of the minor, or
 2. School leaving certificate / Mark sheet issued by Higher Secondary Board of respective states, ICSE, CBSE etc., or
 3. Passport of the minor, or
 4. Any other suitable proof evidencing the date of birth of the minor.

2. Minor Attaining Majority – Status Change:

- (a) Prior to minor attaining majority, the AMC/ Registrar will send advance notice to the registered correspondence address advising the guardian and the minor to submit an application form along with prescribed documents (as per (e) below) to change the status of the account to "major".
- (b) The account shall be frozen for operation by the guardian on the day the minor attains the age of majority and no transactions shall be permitted till the documents for changing the status are received. However, the AMC will continue to process the existing standing instructions like SIP, STP, SWP registered prior to the minor attaining majority and send a intimation to that effect.
- (c) In case of existing standing instructions including STP, SIP and SWP registered prior to the minor attaining majority, the AMC will send an advance notice to the registered correspondence address advising the guardian and the minor that the existing standing instructions will continue to be processed beyond the date of the minor attaining majority till the time a instruction from the major to terminate the standing instruction is received by the mutual fund along with the below mentioned documents:
 1. Services Request form, duly filled and containing details like name of major, folio numbers, etc.
 2. New Bank mandate where account changed from minor to major,
 3. Signature attestation of the major by a manager of a scheduled bank / Bank Certificate/ Letter,
 4. KYC acknowledgement of the major.

The standing instruction shall be terminated within 30 days from the date of receiving the instruction.
- (d) List of standard documents required to change the account status from minor to major:
 1. Services Request form, duly filled and containing details like name

HOLDING OF UNITS IN DEMAT FORM

Option to hold Units in dematerialized (demat) form :

Pursuant to SEBI Circular no. CIR/IMD/DF/9/2011 dated May 19, 2011, an option to subscribe to the units of open ended, close ended, Interval schemes in dematerialized (demat) form shall be provided to the investors effective October 1,2011. Consequently, the Unit holders under the Scheme(s)/ Plan(s) shall have an option to subscribe/ hold the Units in demat form in accordance with the provisions laid under the respective Scheme(s)/ Plan(s) and in terms of the guidelines/ procedural requirements as laid by the Depositories (NSDL/ CDSL) from time to time. In case, the Unit holder desires to hold the Units in a Dematerialized /Rematerialized form at a later date, the request for conversion of units held in physical form into Demat (electronic) form or vice-versa should be submitted along with a Demat/ Remat Request Form to their DPs. Provisions with respect to transaction in units held in Demat mode:

- (i) Units held in demat form will be transferable subject to the provisions laid under the respective Scheme(s)/Plan(s) and in accordance with provisions of Depositories Act, 1996 and the Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996 as may be amended from time to time.

of major, folio numbers, etc.

2. New Bank mandate where account has been changed from minor to major,
3. Signature attestation of the major by a manager of a scheduled bank / Bank Certificate / Letter,
4. KYC acknowledgement of the major.

NOMINATION FACILITY

- The nomination can be made only by individuals applying for / holding units on their own behalf singly or jointly.
- In case of Electronic mode of holding units, Non-individuals including Society, Trust, Body Corporate, Partnership Firm, Karta of Hindu Undivided Family, holder of Power of Attorney cannot nominate.
- A minor can be nominated and in that event, the name and address of the guardian of the minor nominee shall be provided by the unitholder.
- Nomination can also be in favour of the Central Government, State Government, a local authority, any person designated by virtue of his office or a religious or charitable trust.
- The Nominee shall not be a Trust, (other than a Religious or Charitable Trust), Society, Body Corporate, Partnership Firm, Karta of a Hindu Undivided Family or a Power of Attorney holder, in case of physical mode of holding units.
- A Non-Resident Indian can be a Nominee subject to the Exchange Control Regulations of RBI, in force, from time to time.
- Nomination in respect of the units stands rescinded upon the transfer of units.
- Transfer of units in favour of a Nominee shall be valid discharge by the Asset Management Company against the legal heir.
- The cancellation of nomination can be made only by those individuals who hold units on their own behalf singly or jointly and who made the original nomination.
- On cancellation of the nomination, the nomination shall stand rescinded and the Asset Management Company shall not be under any obligation to transfer the units in favour of the Nominee.
- The Multiple Nomination Facility has been provided to enable Unitholders to nominate more than one person, subject to a maximum of three, in whom the Units held by the Unitholder shall vest in the event of the demise of the Unitholder in the ratio as stipulated by investor/s. Accordingly, multiple nominees can be made per folio. Existing and new investors can make a fresh nomination which will supersede all existing nominations in the folio by filing a fresh nomination form. Nomination is registered / modified / changed only at folio level and not at scheme/ option / plan level. The Multiple Nomination Facility has been provided as under :
- In case of multiple nominations, it is mandatory for unitholders to indicate the percentage allocation in favour of the nominees in the nomination forms/ requests letter in whole numbers such that it totals to 100%, so that the AMC can execute its obligations to the unit holders.
- If the percentage allocation is not mentioned or is left blank, the AMC shall apply the default option of equal distribution among all the nominees as designated by the deceased Unitholder/s. In case of 3 nominees, where allocation is not defined, the allocation by default will be 34%,33% and 33% respectively for each nominee in the sequential order.

In terms of Best Practice Circular no. 20/2010-11 dated February 9, 2011, following provisions are applicable w.e.f. April 1, 2011:

- (a) Nomination should be maintained at the folio or account level and should be applicable for investments in all schemes in the folio or account.
- (b) Where a folio has joint holders, all joint holders should sign the request for nomination/cancellation of nomination, even if the mode of holding is not "joint". Nomination form cannot be signed by Power of attorney (PoA) holders.
- (c) Every new nomination for a folio/account will overwrite the existing nomination.
- (d) Nomination shall be mandatory for new folios/accounts opened by individual especially with sole holding and no new folios/accounts for individuals in single holding will be opened without nomination.
 1. Even those investors who do not wish to nominate must sign separately confirming their non-intention to nominate.
- (e) Nomination will not allowed in a folio held on behalf of a minor.

CHANGE OF BANK DETAILS AND ADDRESS

A. CHANGE OF BANK DETAILS:

Investors can update the bank account details by submitting either Multiple Bank Account Registration Form or a standalone separate Change of Bank Mandate form, available with Investor Services Centers. In other words, forms like common transaction forms, or any other form containing

redemption request having the facility to change the bank mandate or update a new bank mandate, should not be used.

Investors are required to provide originals of any one of the following documents or originals should be produced for verification or copy of any of the following supporting documents duly attested by the bank, in case of :

a. New bank details:

- Cancelled original cheque of the new bank mandate bearing the name of the first unit holder and the bank account number printed on the face of the cheque.
 - Self attested copy of bank statement
 - Bank passbook with current entries not older than 3 months.
 - Bank Letter duly signed by branch manager/authorized personnel
- ##### **b. Change in existing bank mandate currently registered with the Mutual Fund,**
- Cancelled original cheque with first unit holder name and bank account number printed on the face of the cheque.
 - Original bank account statement / Pass book.
 - Original letter issued by the bank on the letterhead confirming the bank account holder with the account details, duly signed and stamped by the Branch Manager/ authorized personnel.
 - In case such bank account is already closed, a duly signed and stamped original letter from such bank on the letter head of bank, confirming the closure of said account.

Investors may register multiple bank accounts and choose any of the registered bank accounts towards receipt of redemption proceeds. Any unregistered bank account or a new bank account forming part of redemption request will not be processed.

In case of folios/accounts where the bank details were not provided by the investor at the time of making investment (pertains to the period when bank details were not mandatory), the said investor shall provide the documents specified at Point a. above (for proof of new bank details) and a valid photo identity proof.

There will be cooling period of 10 calendar days for processing and registration of new bank account. In case of receipt of redemption request during the said cooling off period, the registration of new bank mandate and dispatch of redemption proceeds shall be completed within 10 business days.

In case, the request for change in bank mandate is invalid/ incomplete/ dissatisfactory in respect of signature mis-match/ document insufficiency/ not complying with the requirements set out above, the request for such change will not be processed and redemption/ dividend proceeds, if any, will be processed in the last registered Bank Account.

B. CHANGE OF ADDRESS:

KYC Not Complied Folios/Clients:

In case of change of address for KYC Not Complied Folios, investors are required to provide the following supporting documents:

- Proof of new Address (POA), and
- Proof of Identity (POI): Only PAN card copy, if PAN is updated in the folio, or PAN/ other proof of identity, if PAN is not updated in the folio.

Additionally, the AMC reserves the right to ask for proof of old address, while effecting a change of address.

KYC Complied Folios/Clients:

All KYC through KRA complied Investors should approach the POS (point of Service) of the respective KRAs (KYC Registration Agencies) for the change of address. Once the POA is updated by the respective KRAs, automatically feeds are sent to the RTA for updating the same in their database.

Self attested copy of any one of the documents prescribed as list of admissible documents for POA and POI as mentioned above should be in conformity with SEBI circular no. MIRSD/SE/Cir-21/2011 dated October 5, 2011.

Copies of all the documents submitted by the applicants/investors should be self-attested and accompanied by originals for verification. In case the original of any document is not produced for verification, then the copies should be properly attested/verified by entities authorized for attesting/ verification of the documents as per extant KYC guidelines.

Employee Unique Identification No. (EUIIN)

In accordance with the SEBI Circular No. CIR/IMD/DF/21/2012 dated September 13, 2012 and AMFI Circular No. 135/BP/33/2012-13 dated December 31, 2012, all the Asset Management Companies / Mutual Funds are directed to capture the Employee Unique Identification Number (EUIIN) i.e. unique identity number of the employee/relationship manager/sales person of the distributor (Sales Person) who interacts with the investors for the purpose of selling the mutual fund products, in addition to the AMFI Registration Number (ARN) of the distributor.

In accordance with the aforesaid circulars, in case transactions are routed through the distributor, investors are requested to mention the valid ARN code, Sub-Broker ARN, Internal Sub – Broker code and the EUIN on the transaction slip(s)/application form(s). The AMC has made the necessary provisions in the transaction slip(s)/application form(s) i.e. separate spaces for Sub – Broker ARN Code and EUIN, in addition to the Distributor ARN code, have been provided. EUIN shall assist in tackling the problem of mis-selling even if the employee/relationship manager/sales person leave the employment of the ARN holder / Sub broker.

From 01.10.2013 EUIN has been made mandatory for both “Advisory” and “Non- Advisory” (i.e execution) transactions. The EUIN remediation may be done by the distributor within the time permitted by AMFI which is 30 days from the date of transactions received upto 30th June 2014.

All the investors are requested to use the updated transaction slip(s)/ applications forms(s).

Non – acceptance of subscriptions:

The U.S. Securities and Exchange Commission (SEC) requires that a person falling under the definition of the term ‘US Person’ under the Securities Act of 1933 of U.S.A (an ‘Act’) and corporations or other entities organized under the U.S. laws shall not be permitted to make investments in securities not registered under the Act.

Also, the Canadian Securities Administrator (CSA) mandates prior registration of the fund with CSA before marketing or selling to the residents of Canada.

The investors are hereby informed that none of the schemes of JM Financial Mutual Fund (the “Mutual Fund”) are presently registered under the relevant laws, as applicable in the territorial jurisdiction of U.S. or in any provincial or territorial jurisdiction of Canada. Hence, the units made available under the SAI or SID of all the schemes may not be directly or indirectly be offered for sale in any of the provincial or territorial jurisdiction in U.S. and/or Canada or to/or for the benefits of the residents thereof. Accordingly, the persons, corporations and other entities organized under the applicable laws of the U.S. including Qualified Foreign Investors (QFI) registered in USA and Canada and residents of Canada as defined under the applicable laws of Canada will not be permitted to make any fresh purchases/additional purchases/switches in any of the Schemes of the Mutual Fund, in any manner whatsoever.

The above classes of investors are requested to note the following:

- a. No fresh purchases (including Systematic Investment Plans and Systematic Transfer Plans)/ additional purchases/switches in any Schemes of the Mutual Fund would be allowed. However, existing Unit Holder(s) will be allowed to redeem their units from the Schemes of the Mutual Fund. If an existing Unit Holder(s) subsequently becomes a U.S. Person or Resident of Canada, then such Unit Holder(s) will not be able to purchase any additional Units in any of the Scheme of the Fund.
- b. All existing registered Systematic Investment Plans and Systematic Transfer Plans would be ceased from the effective date.
- c. For transaction from Stock Exchange platform, while transferring units from the broker account to investor account, if the investor has U.S./ Canadian address then the transactions would be rejected.
- d. In case JM Financial Asset Management Ltd. (the “AMC”)/JM Financial Mutual Fund subsequently identifies that the subscription amount is received from U.S. Person(s) or Resident(s) of Canada, in that case the AMC/Mutual Fund at its discretion shall redeem all the units held by such person from the Scheme of the Mutual Fund at applicable Net Asset Value.

Who cannot invest:

- a. Any individual who is a foreign national or any other entity that is not an Indian resident under the Foreign Exchange Management Act, 1999, except where registered with SEBI as a FII or FII sub-account or except for NRIs or PIOs (who are not residents of the United States of America and Canada), unless such foreign national or other entity that is not an Indian resident has procured the relevant regulatory approvals from the Foreign Investment Promotion Board and / or the RBI, as applicable in the sole discretion and to the sole satisfaction of the AMC.
- b. Overseas Corporate Bodies (“OCBs”), i.e. firms and societies which are held directly or indirectly but ultimately to the extent of at least 60% by NRIs and trusts in which at least 60% of the beneficial interest is similarly held irrevocably by such persons without the prior approval of the RBI.
- c. NRIs and PIOs who are resident of the United States of America and Canada.
- d. NRIs residing in Non-Compliant Countries and Territories (“NCCTs”) as determined by the Financial Action Task Force (“FATF”), from time to time.
- e. Any individual or entity subject to U.S. sanctions (OFAC) or other sanctions or persons resident in countries which are subject to U.S.

sanctions (OFAC) or other sanctions.

- f. Any other person determined by the AMC or the Trustee as not being eligible to invest in the Scheme.

The AMC reserves the right to include/exclude new/existing categories of investors to invest in the Scheme from time to time, subject to SEBI Regulations & other prevailing statutory regulations, if any.

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