

COMBINED SCHEME INFORMATION DOCUMENT ("SID") OF EQUITY SCHEMES

JM ARBITRAGE ADVANTAGE FUND

An open-ended equity oriented interval Scheme

JM BALANCED FUND

An open-ended balanced Scheme

JM BASIC FUND

An open-ended Sector Scheme

JM CORE 11 FUND

(Earlier known as JM Core 11 Fund – Series 1)
An open-ended equity oriented scheme

JM EQUITY FUND

An open-ended growth Scheme

JM MULTI STRATEGY FUND

An open ended Equity Oriented Scheme

JM TAX GAIN FUND

An open ended Equity Linked Savings Scheme

Ongoing offer of Units for Subscription at NAV based prices

The particulars of the Schemes have been prepared in accordance with the Securities and Exchange Board of India (Mutual Funds) Regulations 1996, (herein after referred to as SEBI (MF) Regulations) as amended till date, and filed with SEBI, along with a Due Diligence Certificate from the AMC. The units being offered for public subscription have not been approved or recommended by SEBI nor has SEBI certified the accuracy or adequacy of the Scheme Information Document.

The Scheme Information Document sets forth concisely the information about the scheme that a prospective investor ought to know before investing. Before investing, investors should also ascertain about any changes to this Scheme Information Document after the date of this Document from the Mutual Fund / Investor Service Centres / Website / Distributors or Brokers.

The investors are advised to refer to the Statement of Additional Information (SAI) for details of JM Financial Mutual Fund, Tax and Legal issues and general information on www.JMFinancialmf.com

SAI is incorporated by reference (is legally a part of the Scheme Information Document). For a free copy of the current SAI, please contact your nearest Investor Service Centre or log on to our website.

The Scheme Information Document should be read in conjunction with the SAI and not in isolation.

This Combined Scheme Information Document is dated 27/04/2012

NAME OF MUTUAL FUND:

JM Financial Mutual Fund

NAME OF ASSET MANAGEMENT COMPANY:

JM Financial Asset Management Private Limited

NAME OF TRUSTEE COMPANY:

JM Financial Trustee Company Private Limited

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HIGHLIGHTS/SUMMARY OF THE SCHEME

A) INVESTMENT OBJECTIVE

Name of the Scheme	Investment Objectives of the schemes
JM Arbitrage Advantage Fund	To generate income through arbitrage opportunities emerging out of mis-pricing between the cash market and the derivatives market and through deployment of surplus cash in fixed income instruments.
JM Balanced Fund	To provide steady current income as well as long term growth of capital.
JM Basic Fund	To provide capital appreciation to its Unit holders through judicious deployment of the corpus of the scheme in sectors categorized under “basic industry” in the normal parlance and in context of the Indian economy, including but not limited to, energy, petrochemicals, oil & gas, power generation & distribution and electrical equipment suppliers, metals and building materials. The fund would continue to remain open-ended with a sector focus.
JM Core 11 Fund (Earlier known as JM Core 11 Fund – Series 1)	To provide long-term growth by investing predominantly in a concentrated portfolio of equity / equity related instruments.
JM Equity Fund	To provide Optimum Capital growth and appreciation.
JM Multi Strategy Fund	The investment objective of the Scheme is to provide capital appreciation by investing in equity and equity related securities using a combination of strategies.
JM Tax Gain Fund	The investment objective is to generate long-term capital growth from a diversified and actively managed portfolio of equity and equity related securities and to enable investors a deduction from total income, as permitted under the Income Tax Act, 1961 from time to time.

While the above table gives the investment objectives of the schemes, investors are required to read all the scheme related information set out in this document carefully and also note that there can be no assurance that the investment objectives of the any of the schemes will be realized. The schemes do not guarantee/ indicate any returns.

B) LIQUIDITY

All Schemes (except JM Arbitrage Advantage Fund) will offer units for sale and repurchase at NAV based prices on all business days.

A) JM Arbitrage Advantage Fund:

- Purchase of units will be on all Business Days
- Redemption of units will be as follows

For the purposes of redemptions/switch-outs, the Interval Period will be the settlement Thursday (the settlement day for derivatives segment in the NSE which is currently last Thursday of the month) or any day which is declared as the settlement day for Derivatives segment by the NSE. Redemption request can be submitted at the official point of acceptance on any Business Day till 3.00 pm. All Redemption requests received till the Friday of the week preceding the interval period would be processed at the NAV of the Interval Period.

Investors may note that once a request to redeem / switch-out either in number of units or in amount is submitted, the corresponding units held by the investor on the date of submission of redemption / switch-out are blocked. The investor cannot submit another redemption / switch-out request unless a fresh redemption / switch-out request for the revised redemption / switch-out of units / amount is submitted alongwith a letter for cancellation / withdrawal of the previous redemption / switch-out request, within the applicable prescribed time. In case of declaration of any benefits like dividend, bonus, etc., after the investor having submitted the redemption / switch-out request but before the interval period, such accrual of dividend, bonus, etc. will be on the unit balance outstanding in the investor's account (including the units that are blocked for redemption / switch-out and any fresh purchases / switch-ins) on the record date. However, only the units / amount sought to be redeemed will be given effect on the interval period and the accrued units (in case of dividend reinvestment, bonus, etc.) / amount will not be redeemed. In such cases, automatic redemption by the Fund will not apply. This is explained with the help of an illustrative example given below :

On 01.05.2012, an investor holds 25,000 units in the Scheme and has opted for the Dividend Reinvestment Option. He submits a request to redeem the entire 25,000 units on 06.05.2012. These units will be blocked for redemption. Let's assume that on 13.05.2012, the Scheme declares dividend @ 1%. The investor being entitled to receive dividend on the 25,000 units sought to be redeemed, receives 250 units as dividend which are reinvested in the Scheme. In case the interval period for May 2012 is 28.05.2012, on that day only 25,000 units will be redeemed as per the redemption request. The investor will continue to hold the 250 units received as dividend, which may be redeemed by the investor in the future.

B) JM Tax Gain Fund :

- Purchase of units will be on all Business Days
- Redemption of units

Units under the Scheme can be redeemed on every Business Day at the Redemption Price after a lock-in period of three years from the

date of allotment. Repurchase facility will be available to the Unitholders subject to the completion of the lock-in period.

Lock-in period – The Scheme is open for continuous redemption subject to the completion of a lock-in period of 3 years from the date of allotment of units, as prescribed in the ELSS Guidelines. It may, however, be noted that, in the event of the death of the Unit Holder, the nominee or legal heir, (subject to production of requisite documentary evidence to the satisfaction of the AMC) as the case may be, shall be able to redeem the investment only after the completion of one year, or any time thereafter, from the date of allotment of units to the deceased Unit Holder.

The Trustee reserves the right to change the lock-in period prospectively from time to time, in the event of amendment(s) in the ELSS Guidelines with respect to the lock-in period.

C) BENCHMARK

The performance of the Schemes will be benchmarked as follows

Scheme	Index
JM ARBITRAGE ADVANTAGE FUND	CRISIL LIQUID INDEX FUND
JM BALANCED FUND	CRISIL BALANCED FUND INDEX
JM BASIC FUND	BSE 200
JM CORE 11 FUND	BSE SENSEX
JM EQUITY FUND	BSE SENSEX
JM MULTI STRATEGY FUND	BSE 500
JM TAX GAIN FUND	BSE 500

In terms of SEBI Circular No. MFD/CIR/01/ 071/02 dated 15th April 2002 the AMC and Trustees may change the Benchmark Index or select an additional Benchmark Index after recording adequate justification for carrying out such change. However, change of Benchmark Index and/or selecting additional Benchmarks Index would be done in complete compliance of the relevant guidelines of SEBI in this regard. Further, in terms of SEBI Circular No. MFD/CIR/1 6/400/02 dated 26th March 2002; the performance of the Schemes will be benchmarked and reviewed at the meetings of the Board of the AMC/Trustees.

D) TRANSPARENCY/NAV DISCLOSURE

NAVs will be determined at the close of every business day and disclosed on the websites of the Mutual Fund/ AMFI. Schemes will disclose details of its portfolio on a half yearly basis. As presently required under the Regulations, a complete statement of the Scheme's portfolio will be published by the Mutual Fund as an advertisement in a newspaper within one month from the close of each half year (i.e. March 31st & September 30th) or mailed to the Unit holders.

E) LOAD STRUCTURE AND TRANSACTION CHARGES

Entry load is NIL for all the schemes.

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.

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

With effect from August 1, 2009, exit load/ CDSC (if any) charged to the Unitholder by the Fund, up to 1% of the redemption value shall be retained by each of the Schemes 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 balance shall be credited to the Scheme.

The current exit load structure is as below:

Scheme Name	Exit Load	Lock-in periods*
All open ended equity schemes (except JM Arbitrage Advantage Fund and JM Tax Gain Fund)	1.00%	365 days
JM Arbitrage Advantage Fund	0.50%	30 days
JM Tax Gain Fund	NIL	Refer Note 1

*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 Instalments out of the fresh registration effected during the period when above exit load rates are applicable. The exit loads 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.

Note 1: JM Tax Gain Fund falls in the ELSS category and is eligible for tax benefits under section 80C of Income Tax Act. There is a lock-in period of 3 years under the Scheme.

No 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 with in 12 months (for cases registered upto 3.1.2008) of respective SIP/STP installments (ii) switches by STP investors (for cases registered from 3.10.2008 upto 31.7.09) within 24 months of respective STP installments (iii) switches by SIP investors (for cases registered from 3.10.2008 upto 31.7.2009) within 12 months of respective SIP installments (iv) switches to/from JM Arbitrage Advantage Fund to any equity schemes.

The Repurchase Price however, will not be lower than 93% of the NAV, and the Sale Price will not be higher than 107% of the NAV, provided that the difference between the Repurchase price and Sale price at any point in time shall not exceed the permitted limit as prescribed by SEBI from time to time which is presently 7% calculated on the Sale Price.

It is clarified that 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). However, Government levies eg. STT (wherever applicable) will continue to be deducted for every intra-scheme switch-out /redemption transactions.

In case of JM Tax Gain Fund

As per the ELSS guidelines, in calculating the repurchase price, the Mutual Fund shall take into account the unrealised appreciation in the value of the investment of the funds of a plan to the extent they deem fit provided that it shall not be less than 50% of such unrealised appreciation. While calculating the repurchase price, the Mutual Fund may deduct such sums as are appropriate to meet management, selling and other expenses including realization of assets and such sums shall not exceed 5% p.a. of the average Net Asset Value of a plan. The Fund will adhere to such guidelines / notifications / circulars issued by SEBI / CBDT / any other regulatory authority in this regard.

Load exemptions, if any:

The AMC will not charge exit load for a Fund of Funds Scheme investing in the scheme.

Bonus units and units allotted on reinvestment of dividend

In accordance with SEBI 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 reinvestment of Dividend.

The investor is requested to check the prevailing load structure of the scheme on the website of the Mutual Fund before investing.

CHANGE IN 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 part of 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 alongwith 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.
- e) The AMC/ Fund will display the notice on its website.

DEDUCTION OF TRANSACTION CHARGES FOR INVESTMENTS THROUGH DISTRIBUTORS/AGENTS:

Vide its Circular No. Cir/ IMD/ DF/13/ 2011 dated August 22, 2011, SEBI has permitted Asset Management Companies (AMCs) to deduct transaction charges per subscription of Rs. 10,000/- and above and the same be paid to the distributors of the Mutual Fund products. In accordance with the said circular, the AMC shall deduct the Transaction Charges on purchase / subscription received from first time mutual fund investors and investor other than first time mutual fund investors through the distributor/ agent (who have opted to receive the transaction charges) as under:

Description	First Time Mutual Fund Investor (across Mutual Funds)	Investor other than First Time Mutual Fund Investor
Lump sum subscription of Rs. 10,000 and above	Transaction charges will be Rs. 150/-	Transaction charges will be Rs. 100/-
In case of investments through Systematic Investment Plan (SIP), if the total commitment (i.e. amount per SIP installment x No. of installments) amounts to Rs. 10,000/- or more.	Transaction charges will be Rs. 150/- or Rs. 100/- as may be applicable as mentioned above. The Transaction Charges shall be deducted in 4 equal installments, from the 2nd to the 5th installment.	

Investors may note that distributors have an option to opt in or opt out of charging the transaction charge. Transaction charges shall not be deducted for:

- purchases /subscriptions for an amount less than Rs. 10,000/-;
- transaction other than purchases/ subscriptions relating to new inflows, such as Switch, Systematic Transfer Plan (STP), etc.
- purchases/ subscriptions made directly with the Fund (i.e. not through any distributor/agent).
- Transactions, wherein the concerned distributor has not opted-in for transaction charges.
- 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).

F) CHOICE OF INVESTMENT PLANS/OPTIONS:

The Schemes offer investors two options viz., Dividend option and Growth option

The Dividend option will offer investors the facilities of: (a) Dividend Payout, (b) Dividend Reinvestment

The options under the Scheme will have a common portfolio.

Minimum Investment Amount, Options and Sub-Options under the respective schemes and the Default options (in case an investor fails to specify his preference) for each of the Schemes would be as under:

Sr. no.	Schemes	Currently available facilities			Default Option	Default Sub Option
		Min. investment amnt.	Options	Sub Options		
1	JM - Arbitrage Advantage Fund	₹ 5000/-	Dividend	Payout / Reinvestment	Growth	Reinvestment
			Growth			
2	JM Balanced Fund	₹ 5000/-	Dividend	Payout / Reinvestment	Growth	Reinvestment
			Growth			
3	JM Basic Fund	₹ 5000/-	Dividend	Payout / Reinvestment	Growth	Reinvestment
			Growth			
4	JM Core 11 Fund	₹ 5000/-	Dividend	Payout / Reinvestment	Growth Plan	Reinvestment
			Growth			
5	JM Equity Fund	₹ 5000/-	Dividend	Payout / Reinvestment	Growth	Reinvestment
			Growth			
6	JM Multi Strategy Fund	₹ 5000/-	Dividend	Payout / Reinvestment	Growth	Reinvestment
			Growth			
7	JM Tax Gain Fund	₹ 500/- or in multiples of ₹ 500/- each	Dividend	Payout	Growth	Payout
			Growth			

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.

Default Option/ Sub-options:

In case, an existing unit holder of a scheme makes an additional purchase 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 an investment in the past i.e. such Plan/Option of the Scheme will be treated as the Default Plan/Option, in the absence of specific instructions/ clarificatory letter from the unit holder, received on the date of the additional investment. Such investment would be subject to the load structure and lock-in of the respective default Plan/Option.

In case the investor does not mention the name of Plan/Sub-Plan/Option/Sub-Option opted for, the AMC/ Registrar will allot the units as per default Plans/ Options/ Sub-options. In case, it is not possible to decide about the default Plans/ Options/ Sub-options or in case of any other ambiguity, then the application will be treated as invalid and 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.

Default Option for all SIP/STP-Out/SWP

In case, the Investor does not mention the 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 start 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 set out elsewhere in this document.

The above will be applicable for Interval Funds e.g. JM Arbitrage Advantage Fund to the extent it is operationally feasible e.g. STP-out/SWP dates has to be only on the Settlement date of Future and Options Market i.e. normally the last Thursday of the month and other such applicable provisions.

G) PURCHASE/ MINIMUM APPLICATION AMOUNT

Minimum amount of ₹5,000/- per Plan / Option and in multiples of any amount thereafter in case of first time investments. For ongoing investments in an existing folio the investment would be ₹ 1,000/- and in multiples of any amount thereafter. There is no upper limit for investment. However, for JM Tax Gain Fund the minimum application amount is ₹ 500/- and in multiples of Rs. 500.

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

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.

H) REDEMPTION / MINIMUM REDEMPTION AMOUNT

The Fund will endeavour to dispatch the redemption cheque / draft within 10 business days from the date of acceptance of valid redemption request.

Minimum redemption from existing Unit Accounts would be

- a) ₹ 500 and any amount there after OR
- b) 50 units or any number of units there after OR
- c) The entire investment in case the available balance is less than a) and b) above

In the event of remaining balance (for investment other than through SIP/STP/SWP) falling below the minimum balance of 500 units or ₹ 5000 (Which ever is less) except in case of JM Tax Gain Fund where it will be Rs. 500, while processing redemption/switch requests, the entire outstanding units may be redeemed/switched out.

A unitholder of the Scheme, may at any point in time, redeem his/ her full investment in the Scheme.

In case of difference/ ambiguity in the amount and units mentioned in any request for Redemption/ Switch, the minimum value (of units and amount) on rupee equivalent basis on the Transaction/ applicable NAV date will be considered by the AMC, provided the investor has not furnished any clarification in writing, duly signed on the date of transaction. In the event of investor not having filled in the Amount/ Units in the Transaction Slip, the AMC will redeem/ switch out all the outstanding units in case the Scheme, Plan, Option are clearly mentioned.

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.

I) DIVIDEND

The Fund does not guarantee or assure declaration of dividend. Although, the Fund may have the intention to declare dividend under the various dividend options, such declaration of dividend if any, is subject to the respective schemes performance, availability of distributable surplus and other considerations keeping in view the interest of the unitholders in the scheme, at the time of declaration of such dividend.

In case the Record Date falls on a non Business Day, the immediately following Business Day shall be the Record Date.

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 except in schemes where Dividend Reinvestment option is not available e.g. JM Tax Gain Fund.

J) ADDITIONAL PLANS

The Trustees may permit introduction of one or more plans that may be envisaged at a later date under any of the scheme in terms of SEBI circular MFD/CIR No.12/175/01 dated February 15, 2001 read with SEBI / IMD / CIR No 14 / 187175/ 2009 dated December 15, 2009 depending upon the market conditions prevailing at the time of launch of the plan(s) and taking into consideration the interests of the unitholders and subject to the SEBI regulations. Investors will be suitably informed by publishing a notice in a newspaper/addendum or through any other means as may be considered appropriate.

K) TAX BENEFITS

Tax benefits to the unitholders under section 112 of the Income Tax Act, 1961.

L) EARNINGS OF THE FUND

Earnings of the fund are totally exempt from income tax under Section 10(23D) of the I.T. Act.

M) REPATRIATION FACILITY

NRIs and FIIs may invest in the Scheme on a full repatriation basis as per RBI notification no. FEMA 20/2000 dated May 3, 2000.

The AMC may add to or otherwise amend either all or any of the terms of the Scheme, by duly complying with the guidelines of and notifications issued by SEBI/GOI/any other regulatory body that may be issued from time to time subject to the prior approval of SEBI, if required.

The SID shall be updated once every year. In case of change in fundamental attributes in terms of Regulation 18(15A), SID shall be revised and updated immediately after completion of duration of the exit option..

Till the time the SID is revised and reprinted, an addendum giving details of each of the changes shall be circulated to all the Investor Service Centre (ISC)/ distributors, so that the same can be attached to copies of SID already in stock.

I. INTRODUCTION

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 schemes.
- The names of the schemes do 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 schemes are not guaranteed or assured return schemes.

Scheme Specific Risk Factors

a) Risk related to Equity & Equity related securities

Trading volumes, settlement periods and transfer procedures may restrict the liquidity of the investments in equity and equity related securities. Different segments of the Indian financial markets have different settlement periods and such periods may be extended significantly by unforeseen circumstances leading to delays in receipt of sale proceeds. The NAVs of the units of the Scheme can go up or down because of various factors that affect the capital markets in general. Macroeconomic factors like changes in tax rates, political uncertainties, changes in government regulations etc. and industry specific factors like competition, demand supply, etc. could impact the performance of the companies in which the Scheme invests.

b) Exchange Risk

The Scheme may also invest in ADRs / GDRs as permitted by Reserve Bank of India and Securities and Exchange Board of India. To the extent that some part of the assets of the Plans may be invested in securities denominated in foreign currencies, the Indian Rupee equivalent of the net assets, distributions and income may be adversely affected by the changes in the value of certain foreign currencies relative to the Indian Rupee. The repatriation of capital also may be hampered by changes in regulations concerning exchange controls or political circumstances as well as the application to it of other restrictions on investment.

c) Derivative Risks

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.

d) 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.

e) 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.

f) 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.

g) 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.

h) Stock 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.

i) 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.

j) 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.

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 ₹10,000,000/- it may be easier to construct a pool with just 10 housing loans of ₹1,000,000 each rather than to construct a pool of personal loans as the ticket size of personal loans may rarely exceed ₹500,000/- per individual. Also to take this illustration further, if one were to construct a pool of ₹10,000,000/- consisting of personal loans of ₹100,000/- each, the larger number of contracts (100 as against one of 10 housing loans of ₹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 ₹ 50 lakhs, if the borrower has himself contributed ₹ 40 lakhs and has taken only ₹10 lakhs as a loan, he is going to have lesser propensity to default as he would lose an asset worth ₹ 50 lakhs if he defaults in repaying an installment. This is as against a borrower who may meet only ₹ 5 lakhs out of his own equity for a vehicle costing ₹ 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.

l) Risk specific to Sector Scheme (JM Basic Fund)

A Unitholder in JM Basic Fund should note that this Schemes is designed as a Sectoral Scheme with the aim to invest pre-dominantly in the Sector specified in the Scheme Information Documents and as such the performance of the sector would have a direct bearing on the performance of Scheme. Unitholders should also note that there might be concentration of investments in companies of the basic industries thereby carrying the risk of non-diversification. Therefore, the NAV of this Scheme would be dependent upon the performance and market price movement of such companies in the sector. Hence the movement in the NAV of this Scheme will be more volatile compared to the NAV of a scheme with more diversified portfolio.

The performance of JM Basic Fund is being benchmarked against BSE 200.

The investment universe of the Scheme(s) shall be those companies appearing in the selected benchmark indices. However, the exposure to any company shall be restricted at 10% of NAV or sector weightage at the time of investment. The Scheme(s) may also invest in the companies of sectors which are outside these indices/universe and such exposure per such company will be restricted to 10% of the NAV. However, such companies classified under the sector would be those which are publicly recognized under that sector and / or by agencies like AMFI/ NSE/ BSE. Investors may note that they cannot invest directly into the benchmark indices.

Tracking Error

Tracking errors are inherent in any sectoral / index fund and such errors may cause the Schemes to generate returns which are not in line with the performance of the BSE 200 or one or more securities covered by / included in the said customized indices and may arise from a variety of factors including but not limited to:

- i. Any delay in the purchase or sale of shares due to illiquidity in the market, settlement and realisation of sales proceeds, delay in registration of securities or in receipt and consequent reinvestment of dividends, etc.
- ii. The indices reflect the prices of securities at a point in time, which is the price at the close of business day on The Stock Exchange, Mumbai / National Stock Exchange. The Schemes however, may trade these securities at different points in time during the trading session and therefore the prices at which the Schemes trade may not be identical to the closing price of each scrip on that day on the BSE / NSE. In addition, the Schemes may opt to trade the same securities on different exchanges due to price or liquidity factors, which may also result in traded prices being at variance, from BSE / NSE closing prices.
- iii. BSE may drop existing securities that are represented in their respective indices or include new ones. In such an event, the Schemes will endeavor to reallocate its portfolio to mirror the changes. However, the reallocation process may not occur instantaneously and permit precise mirroring of the said customized indices during this period.
- iv. The potential of trades to fail may result in the Schemes not having acquired the security at the price necessary to mirror the indices.
- v. Transaction and other expenses, such as but not limited to brokerage, custody, trustee and asset management fees.
- vi. There will be times when the Schemes may not be able to acquire or sell the desired number of securities due to conditions prevailing in the securities market such as, but not restricted to : circuit filters, delisting of securities, liquidity and volatility in security prices.

m) Specific Risk Factors associated with investments in JM Tax Gain Fund

Apart from the risk factors mentioned above, the investors in JM Tax Gain Fund would face the following risks:

- i. The Scheme may not be able to invest in the suitable securities falling within its investment parameters leading the Scheme to hold short term deposits of scheduled commercial banks till the monies are deployed as per the investment objective of the Scheme or invest the same in other suitable securities leading to substantial reduction in the earning capability of the Scheme.
- ii. In the event of an inordinately large number of redemption requests, the Scheme may face an asset-liability mismatch requiring the investment manager to make a distress sale of the securities leading to realignment of the portfolio, consequently resulting in investment in liquid instruments.

- iii. The tax benefits available to investors in accordance with the ELSS Guidelines may be withdrawn / changed in future from time to time as may be decided by the Central Board of Direct Taxes.

n) Specific Risk Factors associated with investments in JM Core 11 Fund

Apart from the risk factors mentioned above, the investors in JM Core 11 Fund should note that the Scheme is designed for investment in only 11 stocks at any point of time and as such the performance of these stocks would have a direct bearing on the performance of Scheme. Unitholders should also note that as there will be concentration of investments in only 11 stocks, the Scheme carries the risk of non-diversification. Therefore, the NAV of this Scheme would be dependent upon the performance and market price movement of such companies in the Scheme and will be more volatile compared to the NAV of a scheme with more diversified portfolio.

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

Market Risk / Volatility Risk – Risk of adverse price movements in the portfolio

The overall volatility of the respective portfolios would be maintained in line with the objectives of the schemes. The portfolio would be adequately diversified to mitigate volatility depending on its respective mandate. Volatility would be monitored with respect to the benchmark and peer set.

Concentration Risk - Risk of undue concentration in single stock

The AMC has an investment policy in place that ensures that the equity portfolios are reasonably diversified in line with the objectives of the schemes. JM Core 11 fund will be an exception to the above since the fund invests only in 11 stocks. Hence its volatility and concentration risk will be higher. The investors of the respective schemes are apprised of the same

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.

Liquidity Risk – Risk if liquidity impact of entering/exiting the underlying stocks in the portfolio

Depending on the mandate of the respective equity schemes, some part of the scheme is invested in large cap stocks which are actively traded and thereby liquid. The fund manager may also keep some portion of the portfolio in debt and money market instruments and/or cash within the specified asset allocation framework for the purpose of meeting redemptions. The overall liquidity of the schemes are monitored periodically and necessary action taken on the portfolios, if required. The debt/money market instruments that are invested by the fund also have a short term duration.

Risk management strategy in case of JM Arbitrage Advantage Fund

In order to minimize the risk on account of re-pricing of futures or options at the time of expiry, the Fund will endeavour to rollover the hedge transaction to the next month at an appropriate premium before the current hedge expires. In case an appropriate premium is not available for the same, the Fund would liquidate the entire portfolio and invest in fixed income securities or any other suitable securities. In such a transaction, the original hedge on the underlying portfolio would protect the returns of the investors till expiry and enable the Fund Manager to fully mitigate any market risk. The above transaction could be executed anytime within a settlement taking into account asset-liability profiles and liquidity issues.

All investment decisions will be recorded with regards to market neutrality (zero VAR) and any deviations will be reported to the Board of Trustees at their next meetings.

B. REQUIREMENT OF MINIMUM INVESTORS/ INVESTMENT IN THE SCHEME (Applicability for an open-ended schemes)

Each of the Schemes/ plans (at portfolio level) shall have a minimum of 20 investors and no single investor shall account for more than 25% of the corpus of the Scheme/ Plan(s). However, if such limit is breached during the NFO of the Scheme/ plan, the Fund will endeavor to ensure that within a period of three months or the end of the succeeding calendar quarter from the close of the NFO of the Scheme/ plan, whichever is earlier, the Scheme/ plan complies with these two conditions. In case the Scheme / Plan(s) does not have a minimum of 20 investors in the stipulated period, the provisions of Regulation 39(2)(c) of the SEBI (MF) Regulations would become applicable automatically without any reference from SEBI and accordingly the Scheme / Plan(s) shall be wound up and the units would be redeemed at applicable NAV. The two conditions mentioned above shall also be complied within each subsequent calendar quarter thereafter, on an average basis, as specified by SEBI. If there is a breach of the 25% limit by any investor over the quarter, a rebalancing period of one month would be allowed and thereafter the investor who is in breach of the rule shall be given 15 days notice to redeem his exposure over the 25 % limit. Failure on the part of the said investor to redeem his exposure over the 25 % limit within the aforesaid 15 days would lead to automatic redemption by the Mutual Fund on the applicable Net Asset Value on the 15th day of the notice

period. The Fund shall adhere to the requirements prescribed by SEBI from time to time in this regard.

C. SPECIAL CONSIDERATIONS, if any

Prospective investors in this Scheme should educate themselves or seek professional advice on:

1. Legal requirements or restrictions relating to the acquisition, holding, disposal, or redemption of Units within their jurisdiction of nationality, residence, ordinary residence and domicile or under the laws of any jurisdiction to which they are subject; and
2. Treatment of capital gains, and other tax consequences relevant to their acquisition, holding or disposal, whether by way of sale or redemption of Units

Potential investors should study this Scheme Information Document carefully in its entirety and consult their legal, tax and investment advisors to determine possible legal, tax, financial or other considerations of subscribing for, purchasing or holding Units before making a subscription for Units.

Potential investors should note that all financial investments carry inherent risks and no assurance or guarantee can be given that the objective of the Fund will be fully met. The NAV of the Units issued under these Schemes and the income from them can go up or down depending on the factors and forces affecting the capital markets, debt markets and money markets.

Entities managed or sponsored by the affiliates or associates of the Sponsors may either directly or indirectly invest in a substantial portion of the Scheme. If these entities decide to offer a substantial portion of such investment for repurchase, it may have an adverse impact on the NAV of Units.

Neither this Scheme Information Document nor the Units have been registered in any jurisdiction. The distribution of this Scheme Information Document in certain jurisdictions may be restricted or subject to registration requirements and, accordingly, persons who come into possession of this Scheme Information Document are required to inform themselves about, and to observe, any such restrictions, as may be applicable. This Scheme Information Document does not constitute an offer or solicitation to any person within such jurisdiction. The Mutual Fund may compulsorily redeem any units held directly or beneficially in contraventions of these prohibitions. It is the responsibility of any person in possession of this Scheme Information Document and of any person wishing to apply for Units pursuant to this Scheme Information Document to inform themselves of and to observe, all applicable laws and Regulations of such relevant jurisdiction.

No person has been authorized to issue any advertisement or to give any information or to make any representations other than that contained in this Scheme Information Document. Circulars in connection with this offering not authorized by JM Financial Mutual Fund and any information or representations not contained herein must not be relied upon as having been authorized by JM Financial Mutual Fund. Prospective investors should not construe the contents hereof as advice relating to legal, taxation or investment matters and are advised to consult their own professional advisors concerning the purchase, holding or disposal of Units.

Past performance of other Schemes of JM Financial Mutual Fund are not necessarily indicative of the future performance of the Scheme. The Sponsor is not responsible or liable for any loss resulting from the operation of the Scheme beyond the initial contribution made by it of an aggregate amount of Rupees One lac towards setting up of the Mutual Fund which has been invested in JM Equity Fund and such other accretions and additions to the initial corpus made by the Sponsor.

SPECIAL FACILITIES

The Fund reserves the right to amend or terminate or introduce special facilities in this Scheme Information Document. Such facilities for the time being include Switch Facility, Systematic Investment Facility, Systematic Transfer / Withdrawal Plan, Systematic Switch Plan, Dividend Reinvestment Plan and any such facility/plan that may be introduced in the future.

D. DEFINITIONS -

- I. **Applicable NAV:** NAV of the Business Day on which the application is received for purchase/switch-in/for repurchase/switch-out at the JM ISC(s) subject to the cut off times and will be inclusive of load, wherever applicable.
- II. **AMC or Investment Manager:** JM Financial Asset Management Private Limited (the Investment Manager/Asset Management Company of the JM Financial Mutual Fund), a company incorporated and registered under the Companies Act, 1956 and includes its successors and assigns.
- III. **Business Day:** Business day is a day other than (a) Saturday and Sunday (b) a day on which banks or Reserve Bank of India in Mumbai are closed for business or clearing or when major banking transaction in Mumbai comes to halt due to any reason (c) a day on which the Bombay Stock Exchange and /or the National Stock Exchange are closed (d) a day which is a public and/or bank holiday at JM ISC where the application is received (e) a day on which sale and repurchase of units is suspended by the AMC (f) a day on which normal business could not be transacted due to storms, floods, bandhs, strikes, major system failure in Banks or Stock Exchange or AMC etc. (g) The AMC reserves the right to declare any day as Business Day or otherwise at any or all JM ISCs at any time/ day. (h) a day on which money markets are closed/not accessible for business; or (i) a day on which funds accompanying applications cannot be realized and / or are not available for utilisation for investments or investments cannot be liquidated and / or funds are not available for utilization for redemption / repurchase. (j) All applications received on these non-business days will be processed on the next business day at

Applicable NAV.

- IV. Calendar Year: A Calendar Year shall be full 12 English Calendar months viz. 12 months commencing from 1st January and ending on 31st December.
- V. Credit Rating Agency: means a body corporate which is engaged in, or proposes to be engaged in, the business of rating of securities offered by way of public or rights issue under the SEBI (Credit Rating Agencies) Regulations, 1999.
- VI. Credit Risk: Risk of default in payment of principal or interest or both.
- VII. Custodian: A person/ body corporate who has been granted a certificate of registration to carry on the business of custodian of securities under the Securities and Exchange Board of India (Custodian of Securities) Regulations 1996, which for the time being is HDFC Bank Limited, Mumbai.
- VIII. Day: Any day (including Saturday, Sunday and holiday) as per English Calendar viz. 365 days in a year/ 366 days in a leap year.
- IX. Debt Instruments: Government securities, corporate debentures, bonds, promissory notes, money market instruments, pass-through obligations, asset backed securities/securitised debt and other possible similar securities.
- X. Depository: A body corporate as defined in the Depositories Act, 1996 (22 of 1996).
- XI. Derivative includes: (i) a security derived from a debt instrument, share, loan whether secured or unsecured, risk instrument or contract for differences or any other form of security; (ii) a contract which derives its value from the prices, or index of prices, of underlying securities.
- XII. Dividend: In case of Mutual Funds, it is the income distributed by the Mutual Fund on the units under its various schemes. It also refers to dividend received on investments in equity related securities.
- XIII. Emerging Sectors : Sectors which will benefit from domestic economic growth and the outsourcing/ business opportunities in the global markets.
- XIV. Equity related instruments/ equity related securities: It would include convertible bonds and debentures, convertible preference shares, warrants carrying the right to obtain equity shares, equity derivatives, preference shares and any other like instrument.
- XV. Equity Linked Savings Scheme or ELSS : Equity Linked Savings Scheme, 2005 as notified by Ministry of Finance vide notification dated November 3, 2005 as amended vide notification dated December 13, 2005.
- XVI. FI: Foreign Institutional Investors registered with SEBI under the Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995, as amended from time to time.
- XVII. Financial Year: A Financial Year shall be full 12 English Calendar months viz. 12 months commencing from 1st April and ending on 31st March.
- XVIII. Government Securities: Securities created and issued by the Central Government or a State Government for the purposes of raising a public loan and having one of the forms specified in clause (2) of section 2 of the Public Debt Act, 1944.
- XIX. I.T. Act: Income Tax Act, 1961 as amended from time to time.
- XX. IMA: Investment Management Agreement dated 1st September, 1994 between JM Financial Trustee Company Private Limited and JM Financial Asset Management Private Limited as amended from time to time.
- XXI. Interval Period : In case of JM Arbitrage Advantage Fund - For the purposes of redemptions/switch-outs, the Interval Period will be the settlement day for derivatives segment in the NSE which is currently last Thursday of the month or any other day which is declared as the settlement day for Derivatives segment by the NSE. Redemption request can be submitted to the official point of acceptance on any Business Day till 3.00 pm. All Redemption requests received till the Friday of the week preceding the interval period would be processed at the NAV of the Interval Period.
- XXI. Investor: Any resident (person resident in India under the Foreign Exchange Management Act and under the Income Tax Act, 1961 including amendments thereto) or non-resident person (a person who is not a resident of India) whether an individual or not (legal entity), who is eligible to subscribe for units under the laws of his/her/ their state/country of incorporation, establishment, citizenship, residence or domicile and under the Income Tax Act, 1961 including amendments thereto from time to time and who has made an application for subscribing for units under the scheme and may also include Qualified Foreign Investors (QFI). Under normal circumstances, a Unitholder shall be deemed to be the investor.
- XXII. JM Financial Mutual Fund or Fund: JM Financial Mutual Fund, a mutual fund constituted as a Trust under the provisions of the Indian Trust Act, 1882, bearing SEBI Registration No. MF/015/94/8 dated 15th September 1994.
- XXI. JM ISC: Investor Service Center(s) of JM Financial Mutual Fund/registrar & transfer agent and authorized web portals approved by JM Financial Mutual Fund from time to time/AMC's own site are authorized to receive all types of transactions during NFO & Post NFO

period as mentioned in the Scheme Information Document.

The above mentioned collection center(s) will be treated as official points of acceptance for all financial transactions like subscription/redemption/switch etc. and the cut-off timing for various transactions shall be reckoned as per the time stamping of the transactions at these Official Points of Acceptance. However, Investor Service Centers located at Corporate Office of the AMC in Mumbai may act as the official point of acceptance for all financial transactions under all schemes.

The AMC reserves the right to change the list of official points of acceptance of transactions from time to time. The list of the official points of acceptance of transactions has been put up on the web-site of the Fund for the information of the Investors.

- XXIII. Load: A charge that may be levied as a percentage of NAV at the time of entry into the Scheme or at the time of exiting from the Scheme.
- XXIV. NAV: Net Asset Value of the Units of the Scheme calculated in the manner provided in this Scheme Information Document and in conformity with the SEBI Regulations as prescribed from time to time. The NAV will be computed and rounded off upto four decimal places.
- XXV. NRI: Non-Resident Indian.
- XXVI. Permissible Investments or Investments: Collective or group investments made on account of the Unitholders in accordance with the SEBI Regulations and amendments thereto.
- XXVII. Portfolio: The portfolio of the Scheme of JM Financial Mutual Fund would include all permissible investments and cash.
- XXVIII. Rating: means an opinion regarding securities, expressed in the form of standard symbols or in any other standardized manner, assigned by a Credit Rating Agency and used by the issuer of such securities, to comply with any requirement of the SEBI (Credit Rating Agencies) Regulations, 1999.
- XXIX. RBI: Reserve Bank of India established under the Reserve Bank of India Act, 1934, as amended from time to time.
- XXX. Registrar or Transfer Agent: Karvy Computershare Private Limited, Hyderabad, currently acting as registrar and transfer agent to the Scheme, or any other registrar and transfer agent appointed by the AMC from time to time.
- XXXI. Repo/Reverse Repo: Sale/purchase of securities as may be allowed by RBI from time to time with simultaneous agreement to repurchase/resell them respectively at a later date.
- XXXII. Repurchase /Redemption Price: Price at which the Units can be bought back/ redeemed and will be calculated based on the applicable NAV after taking care of STT/ unamortized expenses/ exit load etc.
- XXXIII. Sales /Subscription Price: Price at which the Units can be purchased and will be calculated based on the applicable NAV.
- XXXIV. Scheme or Schemes: Schemes would include JM Equity Fund, JM Balanced Fund, JM Basic Fund, JM Tax Gain Fund, JM Multi Strategy Fund and JM Arbitrage Advantage Fund being offered by JM Financial Mutual Fund.
- XXXV. Scheme Information Document: This document issued by JM Financial Mutual Fund, offering Units of the Scheme of JM Equity Fund, JM Balanced Fund, JM Basic Fund, JM Tax Gain Fund, JM Multi Strategy Fund, JM Core 11 Fund and JM Arbitrage Advantage Fund.
- XXXVI. SEBI or the Board: The Securities and Exchange Board of India established under the Securities and Exchange Board of India Act, 1992.
- XXXVII. SEBI Act: Securities and Exchange Board of India Act, 1992 as amended from time to time.
- XXXVIII. SEBI Regulations or the Regulations: The Securities and Exchange Board of India (Mutual Funds) Regulations, 1996 as amended from time to time, and includes any amendments or clarifications and guidelines in the form of notifications or circulars or press releases issued from time to time by SEBI or any other statutory authority to regulate the operation and management of mutual funds.
- XXXIX. Securities: Include shares, scrips, stocks, etc. notes, bonds, debentures, debenture stock, warrants, etc., futures, options, derivatives, etc. or other transferable securities of a like nature in or of any incorporated company or other body corporate, Gilts / Government securities, Mutual Fund units, Money Market Instruments like Call Deposit, Commercial Paper, Treasury Bills etc. such other instruments as may be declared by GOI and/or SEBI and/or RBI and/or any other regulatory authority to be securities, and rights or interest in securities.
- XL. Sponsor: JM Financial Limited (the Sponsor of JM Financial Mutual Fund), a company incorporated and registered under the Companies Act, 1956 and includes its successors and assigns.
- XLI. Stock Lending: Lending of securities to another person or entity for a fixed period of time, at a negotiated compensation in order to enhance returns of the portfolio.
- XLII. Switch: Transfer of units of one Scheme /Plan of the scheme of JM Financial Mutual Fund to any of its other Schemes/Plan of the Fund.

- XLIII. Trustee: JM Financial Trustee Company Private Limited (the Trustee to the JM Financial Mutual Fund), a company incorporated and registered under the Companies Act, 1956 and includes its successors and assigns.
- XLIV. Trust Deed: The registered Trust Deed dated 1st September, 1994 establishing the JM Financial Mutual Fund as amended from time to time.
- XLV. Trust Property: Includes Permissible Investments and cash or any part thereof which may be converted or varied from time to time.
- XLVI. Units under the Scheme: The interest of the Unitholders in the Scheme, which consists of each unit representing one undivided share in the assets of the Scheme.
- XLVII. Unit holder: A person holding Units in the Scheme of the Fund.

INTERPRETATION

- For all purposes of this Scheme Information Document, except as otherwise expressly provided or unless the context otherwise requires
 - (a) the terms defined in this Offer Document include the plural as well as the singular and
 - (b) pronouns having a masculine or feminine gender shall be deemed to include the other.
- Words and expressions used herein but defined in the SEBI Act, 1992 or the SEBI Regulations shall have the meanings respectively assigned to them therein.

E. DUE DILIGENCE BY THE ASSET MANAGEMENT COMPANY

The Asset Management Company shall confirm that a Due Diligence Certificate duly signed by the Compliance Officer/Chief Executive Officer/ Managing Director/Whole time Director/Executive Director of the Asset Management Company has been submitted to SEBI, which reads as follows:

It is confirmed that:

- (i) the Scheme Information Document forwarded to SEBI is in accordance with the SEBI (Mutual Funds) Regulations, 1996 and the guidelines and directives issued by SEBI from time to time.
- (ii) all legal requirements connected with the launching of the scheme as also the guidelines, instructions, etc., issued by the overnment and any other competent authority in this behalf, have been duly complied with.
- (iii) the disclosures made in the Scheme Information Document are true, fair and adequate to enable the investors to make a well informed decision regarding investment in the proposed scheme.
- (iv) the intermediaries named in the Scheme Information Document and Statement of Additional Information are registered with SEBI and their registration is valid, as on date.

Place: Mumbai

Date: 27/04/2012

Signed: sd/-

Name: Diana D'sa
Designation: Compliance Officer

II. INFORMATION ABOUT THE SCHEME

A. TYPE & INVESTMENT OBJECTIVE OF THE SCHEME

Name of the Scheme	Type	Investment Objectives
JM Arbitrage Advantage Fund	An open ended equity oriented interval scheme	To generate income through arbitrage opportunities emerging out of mis-pricing between the cash market and the derivatives market and through deployment of surplus cash in fixed income instruments.
JM Balanced Fund	An open ended balanced scheme	To provide steady current income as well as long term growth of capital.
JM Basic Fund	An open ended sector scheme	To provide capital appreciation to its Unit holders through judicious deployment of the corpus of the scheme in sectors categorized under "basic industry" in the normal parlance and in context of the Indian economy, including but not limited to, energy, petrochemicals, oil & gas, power generation & distribution and electrical equipment suppliers, metals and building materials. The fund would continue to remain open-ended with a sector focus.
JM Core 11 Fund	An open ended equity oriented scheme	To provide long-term growth by investing predominantly in a concentrated portfolio of equity / equity related instruments.
JM Equity Fund	An open ended growth scheme	To provide Optimum Capital growth and appreciation.
JM Multi Strategy Fund	An open ended equity oriented scheme	The investment objective of the Scheme is to provide capital appreciation by investing in equity and equity related securities using a combination of strategies.
JM Tax Gain Fund	An open ended equity linked savings scheme	The investment objective is to generate long-term capital growth from a diversified and actively managed portfolio of equity and equity related securities and to enable investors a deduction from total income, as permitted under the Income Tax Act, 1961 from time to time.

While the above table gives the investment objectives of the schemes, investors are required to read all the scheme related information set out in this document carefully and also note that there can be no assurance that the investment objectives of any of the schemes will be realized. The schemes do not guarantee/ indicate any returns.

B. HOW WILL THE SCHEME ALLOCATE ITS ASSETS?

Under normal circumstances the Investment Pattern of the Schemes would be as follows.

a) JM Arbitrage Advantage Fund

Sr.No.	Type of Instrument	Normal Allocation (% of net assets)	Risk Profile
1	Equity and Equity related instruments	65%-80%	Medium – High
2	Derivatives including stock futures and stock options #	65%-80%	Medium – High
3	Money market instruments / Debt*/ Fixed Income Derivatives	20%-35%	Medium – High

The notional value exposure in derivatives securities would be reckoned for the purposes of the specified limits.

Including securitized debt upto a maximum of 30% of net assets of this scheme. Debt instruments will include Government securities, corporate debentures, bonds, promissory notes, money market instruments, pass-through obligations, asset backed securities / securitized debt and other possible similar instruments.

In line with the provisions of the SEBI circular no. DNPd/Cir-29/2005 dated September 14, 2005 duly amended by circular no. DNPd/Cir-30/2006 dated January 20, 2006 by enumerating the guidelines for participation in Derivatives, the scheme shall execute transactions in the derivatives markets.

The maximum derivative position will not exceed 80% of the portfolio (i.e. net assets including cash). The above limits shall be in line with the investment objective of the scheme.

b) JM Balanced Fund

Sr.No.	Type of Instrument	Normal Allocation (% of net assets)	Risk Profile
1	Equity and equity related instruments	65% - 75%	Medium to High

2	Debt Securities (including fixed income derivatives and securitized debt*) and money market instruments	25% - 35%	Low to medium
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* Allocation in securitized debt will not exceed 10% of the net assets

c) JM Basic Fund

Sr.No.	Type of Instrument	Normal Allocation (% of net assets)	Risk Profile
1	Equity and Equity Related instruments (including equity derivatives)	80% - 100%	High
2	Debt Securities and Money Market Instruments.	0% - 20%	Low
3	Securitized debt	0% - 20%	Low

d) JM Core 11 Fund

Security	Maximum Exposure %	Risk Profile
Equity and equity related securities#	65 – 100	Medium – High
Money Market Instruments / Debt	0 – 35	Low – Medium

The Scheme will not invest in securitized debt and foreign securities.

Exposure to derivatives would be capped at 50 % of equity portfolio of the Scheme.

e) JM Equity Fund

Sr.No.	Type of Instrument	Normal Allocation (% of net assets)	Risk Profile
1	Equity	80% - 100%	High
2	Debt, Money market and short term debt inst. maturing within one year	0% - 20%	Low

f) JM Multi Strategy Fund

Instruments	Indicative allocations (% of total assets)		Risk Profile
	Minimum	Maximum	High/Medium/Low
Equity & equity related instruments	65%	100%	Medium to High
Money market instruments / debt securities (including securitized debt* to the extent of 20%)	0%	35%	Low to Medium

*excluding foreign securitized debt.

g) JM Tax Gain Fund

Security	Maximum Exposure	Risk Profile
Equity and equity related securities	80% - 100%	Medium – High
Money Market Instruments / Debt	0% - 20%	Low – Medium

In accordance with the ELSS notification of November, 2005, the Funds collected under the Scheme shall be invested in equities, cumulative convertible preference shares and fully convertible debentures and bonds of companies. Investment may also be made in partly convertible issues of debentures and bonds including those issued on rights basis subject to the condition that, as far as possible, the non-convertible portion of the debentures so acquired or subscribed, shall be disinvested within a period of twelve months.

The corpus of the assets of the Scheme shall be predominantly invested in equity and equity related instruments. In accordance with the ELSS notifications, investments in equity and equity related instruments in the Scheme shall be to the extent of at least 80% of net assets. The Fund shall strive to invest the funds in the manner stated within a period of six months from the date of allotment. In exceptional circumstances, this requirement may be dispensed with by the Fund in order that the interests of the unitholders are protected.

In case of any change in asset allocation pattern affecting the investment profile of JM Tax Gain Fund, in addition to the above procedure, the changes shall be effected in line with the ELSS notifications issued by the Central Board of Direct Taxes from time to time.

The AMC intends to invest in derivative instruments in accordance with the SEBI Regulations, as and when opportunities arise in the derivatives markets. The investment in derivatives will be broadly in line with the investment objective of the Scheme.

All the above limits shall be in line with the investment objective of the Scheme.

The cumulative gross exposure through equity, debt and derivative positions will not exceed 100% of the net assets of the Scheme.

The Trustee 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.

Changes in Investment pattern:- Subject to the SEBI Regulations, the asset allocation pattern indicated above may change from time to time, keeping in view market conditions, market opportunities, applicable regulations and political and economic factors. It must be clearly understood that the percentages stated above are only indicative and not absolute and that they can vary substantially within the maximum and minimum allocation limits, depending upon the perception of the Investment Manager, the intention being at all times to seek to protect the interests of the Unitholders. Such changes in the investment pattern will be for short term and defensive considerations.

Provided further and subject to the above, any change in the asset allocation affecting the investment profile of the Scheme shall be effected only in accordance with the provisions of sub regulation (1 5A) of Regulation 18 of the SEBI Regulation, as detailed later in this document.

C. WHERE WILL THE SCHEMES INVEST?

The Mutual Fund may invest in any of the following securities or a combination of the following securities subject to the Regulations and the investment objectives and the terms of the respective schemes set out elsewhere in the Scheme Information Document.

The corpus of the Schemes will be invested in equity, equity related instruments, derivatives such as futures and options and fixed income securities. Subject to the Regulations, the corpus of the Scheme can be invested in any (but not exclusively) of the following securities:

- Equity and equity related securities including convertible bonds and debentures and warrants carrying the right to obtain equity shares ;
- Derivative instruments like Interest Rate Swaps, Forward Rate Agreements, Stock Index Futures and such other derivative instruments permitted by SEBI and RBI;
- Securities created and issued by the Central and State Governments and/or repos/reverse repos in such Government Securities as may be permitted by RBI (including but not limited to coupon bearing bonds, zero coupon bonds and treasury bills);
- Securities guaranteed by the Central and State Governments (including but not limited to coupon bearing bonds, zero coupon bonds and treasury bills);
- Debt obligations of domestic Government agencies and statutory bodies, which may or may not carry a Central/State Government guarantee;
- Corporate debt and securities (of both public and private sector undertakings) including Bonds, Debentures, Notes, Strips, etc.;
- Obligations of banks (both public and private sector) and development financial institutions;
- Money market instruments permitted by SEBI / RBI;
- Certificate of Deposits (CDs);
- Commercial Paper (CPs);
- Securitised Debt;
- The non-convertible part of convertible securities;
- Any other domestic fixed income securities including Structured Obligations;;
- Pass through, Pay through or other Participation Certificates representing interest in a pool of assets including receivables;
- Any other like instruments as may be permitted by RBI/SEBI/ such other regulatory authority from time to time.

The securities mentioned above and such other securities, the Scheme is permitted to invest, could be listed, unlisted, IPO's, secondary market operations, privately placed, rights offers or negotiated deals, secured, unsecured, rated or unrated and of any maturity.

However the sectors/stocks in the Scheme may undergo a change in line with market conditions.

The Fund can invest in securities that are rated by CRISIL, ICRA and other independent credit rating agencies.

- Investment in overseas securities shall be made in accordance with the requirements stipulated by SEBI and RBI from time to time;

POLICY AND SPECIAL CONSIDERATION ON INVESTMENT IN DERIVATIVES AND HEDGING PRODUCTS

Equity Derivatives

SEBI vide its circular no. DNPd/Cir-29/2005 dated September 14, 2005 as amended by circular nos. DNPd/Cir-30/2006 dated January 20, 2006 and DNPd/Cir-31/2006 dated September 22, 2006 has specified position limits in index futures, index options, stock options and stock futures contracts for Mutual Funds.

The position limits for the Mutual Fund and its schemes shall be as under:

- i. **Position limit for the Mutual Fund in equity index options contracts**

- a. The Mutual Fund position limit in equity index options contracts on a particular underlying index shall be higher of ₹ 500 crores or 15% of the total open interest in the market in equity index option contracts
- b. This limit would be applicable on open positions in all options contracts on a particular underlying index.

ii. Position limit for the Mutual Fund in equity index futures contracts:

- a. The Mutual Fund position limit in equity index futures contracts on a particular underlying index shall be higher of ₹ 500 crores or 15% of the total open interest in the market in equity index futures contracts.
- b. This limit would be applicable on open positions in all futures contracts on a particular underlying index.

iii. Additional position limit for hedging

In addition to the position limits at point (i) and (ii) above, the Mutual Fund may take exposure in equity index derivatives subject to the following limits:

1. Short positions in index derivatives (short futures, short calls and long puts) shall not exceed (in notional value) the Mutual Fund's holding of stocks.
2. Long positions in index derivatives (long futures, long calls and short puts) shall not exceed (in notional value) the Mutual Fund's holding of cash, government securities, T-Bills and similar instruments.

iv. Position limit for the Mutual Fund for stock based derivative contracts

The Mutual Fund position limit in a derivative contract on a particular underlying stock, i.e. stock option contracts and stock futures contracts, stand modified in the following manner:-

1. For stocks having applicable market-wise position limit ("MWPL") of ₹ 500 crores or more, the combined futures and options position limit shall be 20% of applicable MWPL or ₹ 300 crores, whichever is lower and within which stock futures position cannot exceed 10% of applicable MWPL or ₹ 150 crores, whichever is lower.
2. For stocks having applicable MWPL less than ₹ 500 crores, the combined futures and options position limit would be 20% of applicable MWPL and futures position cannot exceed 20% of applicable MWPL or ₹ 50 crores whichever is lower.
3. The MWPL and client level position limits, however, would remain the same as prescribed.

v. Position limit for each scheme of a Mutual Fund

The position limits for each scheme of the mutual fund and disclosure requirements shall be identical to that prescribed for a sub-account of a FII. Therefore, the scheme-wise position limit / disclosure requirements shall be:

1. For stock option and stock futures contracts, the gross open position across all derivative contracts on a particular underlying stock of a scheme of a mutual fund shall not exceed the higher of: 1% of the free float market capitalisation (in terms of number of shares).
Or
5% of the open interest in the derivative contracts on a particular underlying stock (in terms of number of contracts).
2. This position limits shall be applicable on the combined position in all derivative contracts on an underlying stock at a Stock Exchange.
3. For index based contracts, the Mutual Fund shall disclose the total open interest held by its scheme or all schemes put together in a particular underlying index, if such open interest equals to or exceeds 15% of the open interest of all derivative contracts on that underlying index.

The enhanced limits will enable participants, to hedge their positions more effectively, especially for stocks with large market capitalization and higher liquidity. Separate position limits have been built in for stock options in order to provide an impetus for the options market.

JM Financial Mutual Fund will act in accordance with the rules and regulations as may be prescribed by SEBI in this regard from time to time.

Strategies that employ index futures:

The Scheme has an existing equity portion invested in a basket of stocks. In case the fund manager has a view that the equity markets are headed downwards, the Scheme can then hedge the exposure to equity either fully or partially by initiating short futures positions in the index. A similar position in the long direction can also be initiated by the Scheme to hedge its position of cash and permissible equivalents.

Risks

The risks associated with index futures are similar to those associated with equity investments. Additional risks could be on account of illiquidity and potential mis-pricing of the futures and the inability of derivatives to correlate perfectly with underlying assets, rates and indices.

The long position in the Nifty will have as much loss as the gain in the short portfolio if hedged completely and would be vice versa if we were holding long portfolio short index.

To the extent permissible by extant regulations, the Scheme can initiate a naked short position in an underlying index future traded on a recognized stock exchange. In case the nifty future contract is trading at say, ₹ 1850, and the fund manager has a view that it will depreciate going forward, the Scheme can initiate a sale transaction of nifty futures at ₹1850 without holding a portfolio of equity stocks or any other

underlying long equity position. Once the price falls to ₹ 1800 after say, 20 days the Scheme can initiate a square-up transaction by buying the said futures and book a profit of ₹ 50. Correspondingly the Scheme can take a long position without an underlying cash/ cash equivalent subject to the extant regulations.

Risks

The risks associated with index futures are similar to those associated with equity investments. Additional risks could be on account of illiquidity and potential mis-pricing of the futures and the inability of derivatives to correlate perfectly with underlying assets, rates and indices.

The long position in the Nifty will have as much loss as the gain in the short portfolio if hedged completely and would be vice versa if we were holding long portfolio short index.

Strategies that employ stock specific futures :

Individual stock futures are also available in the Indian equity markets. Stock futures trade either at a premium or at discount to the spot prices, the level of premium generally reflects the cost of carry. Stock specific issues may have a bearing on futures as speculators may find futures as a cost-effective way of executing their view on the stock. However such executions usually increase the premium/discount to the spot significantly, thereby giving rise to arbitrage opportunities for a Scheme. The Scheme will also look at mispricing opportunities to generate returns through shorts on specific stock futures within the applicable limits for the Fund. These strategies have been explained below.

- (a) **Selling spot and buying future :** In case the Scheme holds the stock of a company at say ₹ 1000 while in the futures market it trades at a discount to the spot price say at ₹ 980 then the Scheme may sell the stock and buy the futures. On the date of expiry of the stock future, the Scheme may reverse the transactions (i.e. buying at spot & selling futures) and earn a risk-free ₹ 20 (2% absolute) on its holdings. If on the date of expiry of the futures, if the stock trades at ₹ 1100 which would be the price of the futures too, the Scheme will have a benefit of ₹ 100 whereby the Scheme gets the 10% upside movement together with the 2% benefit on the arbitrage, and thus getting a total return of 12%.

Risks

While futures markets are typically more liquid than the underlying cash market, there can be no assurance that ready liquidity would exist at all points in time for the Scheme to purchase or close out a specific futures contract.

The risks associated with stock futures are similar to those associated with equity investments. Additional risks could be on account of illiquidity and potential mis-pricing of the futures.

- (b) **Buying spot and selling future :** A company trading in the spot market at ₹ 1000 while it trades at ₹ 1020 in the futures market then the Scheme may buy the stock at spot and sell in the futures market thereby earning ₹ 20. In case of adequacy of cash with the Scheme, this strategy may be used to enhance returns of the Scheme which was otherwise sitting on cash.

Risks

While futures markets are typically more liquid than the underlying cash market, there can be no assurance that ready liquidity would exist at all points in time for scheme to purchase or close out a specific futures contract.

The risks associated with stock futures are similar to those associated with equity investments. Additional risks could be on account of illiquidity and potential mis-pricing of the futures.

- (c) **Buying stock future :** Where the Scheme wants to initiate a long position in a stock whose spot price is at say, ₹1 000 and futures is at ₹ 980, then the Scheme may just buy the futures contract instead of the spot thereby benefiting from a lower cost option.

Risks

The risks associated with stock futures are similar to those associated with equity investments. Additional risks could be on account of illiquidity and potential mis-pricing of the futures and the inability of derivatives to correlate perfectly with underlying assets, rates and indices.

- (d) **Selling stock future :** In case the Scheme has a bearish view on a stock which is trading in the spot market at ₹ 1000 and the futures market at say ₹ 980. The Scheme can express such a view subject to extant SEBI regulations by initiating a short position in the futures contract. In case the view is right and the futures price depreciates to say ₹ 900 the Scheme can square up the short position thereby earning a profit of ₹ 80.

Risks

The risks associated with stock futures are similar to those associated with equity investments. Additional risks could be on account of illiquidity and potential mis-pricing of the futures and the inability of derivatives to correlate perfectly with underlying assets, rates and indices.

Options :

Option contracts are of two types - Call and Put; the former being the right, but not obligation, to purchase a prescribed number of shares at a specified price before or on a specific expiration date and the latter being the right, but not obligation, to sell a prescribed number of shares at a specified price before or on a specific expiration date. The price at which the shares are contracted to be purchased or sold is called the strike price. Options that can be exercised on or before the expiration date are called American Options, while those that can be exercised only on the expiration date are called European Options.

Option contracts are designated by the type of option, name of the underlying, expiry month and the strike price.

Numerical examples of Options Call

Call Option: The Scheme buys a call option at the strike price of say ₹1 000 and pays a premium of say ₹ 50, the Scheme would earn profits if the market price of the stock at the time of expiry of the option is more than ₹ 1050 being the total of the strike price and the premium thereon. If on the date of expiry of the option the stock price is below ₹ 1000, the Scheme will not exercise the option while it loses the premium of ₹ 50.

Risks

In case of buying options either call/put, the maximum loss would be the premium paid in case of options expiring out of the money.

Put Option (Buy): The Scheme buys a Put Option at Rs. 1000 by paying a premium of say Rs. 50. If the stock price goes down to Rs. 900, the Scheme would protect its downside and would only have to bear the premium of Rs. 50 instead of a loss of Rs. 100, whereas if the stock price moves up to say Rs. 1100 the Scheme may let the Option expire and forego the premium thereby capturing Rs. 100 upside after bearing the premium of Rs.50.

Put Option (Buy): The Scheme buys at the money Put Option by paying a premium of Rs 50 for a stock trading at Rs. 1000. If the market price of the stock at expiry goes down to Rs. 900, the Scheme benefits to the extent of Rs 50 i.e Rs 100 from the price movement minus Rs 50 premium paid, whereas if the stock price moves up to say Rs. 1100 the Scheme may let the Option expire and forego the premium of Rs.50.

Risks

In case of buying options either call / put, the maximum loss would be the premium paid in case of options expiring out of the money.

The above option positions can be initiated in both index based options as well as stock specific options. Permissible strategies involving index options and stock specific options would be the same as that of index futures and stock specific futures respectively.

The AMC retains the right to enter into such derivative transactions and to such extent as may be permitted by the applicable regulations from time to time.

Other Risk factors

- **Credit Risk:** The credit risk is the risk that the counter party will default obligations and is generally negligible, as there is no exchange of principal amounts in a derivative transaction.
- **Market Risk:** Derivatives carry the risk of adverse changes in the market price.
- **Illiquidity Risk:** The risk that a derivative cannot be sold or purchased quickly enough at a fair price, due to lack of liquidity in the market.

Valuation of Derivative Products:

- a) The traded derivatives shall be valued at market price in conformity with the stipulations of sub clauses (i) to (v) of clause 1 of the Eighth Schedule to the SEBI Regulations, as amended from time to time.
- b) The valuation of untraded derivatives shall be done in accordance with the valuation method for untraded investments prescribed in sub clauses (i) and (ii) of clause 2 of the Eighth Schedule to the SEBI Regulations as amended from time to time.

D. WHAT ARE THE INVESTMENT STRATEGIES?

The Mutual Fund may invest in any of the following securities or a combination of the following securities subject to the Regulations and the investment objectives and the terms of the respective schemes set out elsewhere in the Scheme Information Document.

The corpus of the Schemes will be invested in equity, equity related instruments, derivatives such as futures and options and fixed income securities.

Besides the above, the following will be the broad investment strategies.

i) JM Arbitrage Advantage Fund

JM Financial Mutual Fund adopts a scientific approach to investments. Securities are selected for various funds by the fund managers based on a continuous study of trends in industries and companies, including management capabilities, global competitiveness, earning power, growth features and other relevant investment criteria. The Fund Manager would identify opportunities for mis-pricing and execute the deals simultaneously in both the markets. In terms of the SEBI guidelines the scheme shall not short sell in the cash market at all times. Due to mis-pricing between the cash and the underlying derivative security, the fund manager shall deploy investments in securities accordingly.

ii) JM Balanced Fund

In order to stabilize equity volatility, JM Balanced Fund seeks a judicious mix of debt securities in its portfolio. The scheme, under normal circumstances, will seek to invest between 65% - 75% of its assets in equity markets and the balance in debt and money market securities.

The fund, while at all times emphasizing on a long term investment approach, will take advantage of the trading opportunities that present themselves from time to time because of inefficiencies in securities market with a view to booking short term profits. Portfolio turnover will therefore depend upon the circumstances prevalent at any time. However, this allocation is not absolute and the fund manager may take a defensive view on the equity markets and reallocate the assets for a short term period. Due to market fluctuations, if the equity component of the Portfolio goes above 75%, the fund manager shall balance the Portfolio in order to bring down the

equity component.

iii) JM Basic Fund

Under normal circumstances, the corpus would be invested in equities and equity related securities categorized under “basic industry” in the normal parlance and in context of the Indian economy, including but not limited to, energy, petrochemicals, oil & gas, power generation & distribution and electrical equipment suppliers, metals and building materials. The fund would continue to remain open-ended with a sector focus. Exposure of investment in individual scrip, if forming a part of the Sectoral Index, shall not be restricted to 10% of NAV as Clause 10 of Seventh Schedule of SEBI Regulations has clarified that the limit of 10 percent shall not be applicable for investments in index fund or sector or industry specific scheme.

iv) JM Core 11 Fund

The primary investment objective of the scheme is to generate returns by investing predominantly in a concentrated portfolio of equity/equity related instruments of companies. The Scheme will have a concentrated portfolio with not more than 11 stocks in the portfolio with each stock being invested to the extent of 9.09% of the NAV of the Scheme. The Scheme will have no market capitalization or sector restrictions. The portfolio will be rebalanced on a fortnightly basis so as to prevent any one stock going above the targeted concentration range. To prevent stagnancy of the portfolio, the portfolio will be reviewed on a half yearly basis whereby some stocks would be replaced.

v) JM Equity Fund

Being a growth oriented scheme, JM Equity Fund seeks to invest a substantial portion of its portfolio in equity and equity related instruments. Under normal circumstances, around 80% of the corpus shall be deployed in such securities and the balance in debt/money market instruments. However, whenever the valuations of securities rise in a sharp manner, the AMC may take advantage of trading opportunities presented and in such a scenario, the Fund may have a high turnover rate.

vi) JM Multi Strategy Fund

The Scheme proposes to invest primarily in equities and equity related securities using a combination of strategies. Depending on the prevailing market conditions, the Scheme will either adopt the growth or value style of investing. During benign market conditions, the Scheme will act like an aggressive growth fund with a concentrated portfolio of say 25 – 30 stocks with a targeted portfolio beta of greater than 1 whereas in a bearish market the Scheme will have a low volatility conservative portfolio of larger number of stocks in the range of 40 to 60 stocks with a targeted portfolio beta of less than 1. The Scheme may also keep a portion of the corpus in cash for short term defensive considerations.

The investment strategy is explained in greater detail below

The Fund Manager may regularly churn the portfolio of the Scheme in order to achieve the investment objective and as such the portfolio turnover ratio could be high.

Normally schemes of mutual funds will tend to have a static strategy, for example a small and mid cap fund will be focused on investing in the small and mid capitalization companies. On the other hand there might be theme based funds like infrastructure or services sector funds which focus on a particular part of the market. Similarly there might be large cap, mid cap and small cap funds.

A Multi strategy fund is one which by its mandate will tend not to have a static strategy but a strategy which is more dynamic where the fund management team of the AMC will take a call on the direction and momentum of the market at periodic intervals, which might be 3-6 months and decide on a strategy which will be followed for the ensuing period and the strategy might change or remain the same subsequently depending on the fund management teams view on how the markets are likely to behave subsequently.

In periods of time when the fund management team is of the view that the markets are likely to exhibit strong upward momentum the fund will predominantly invest in high growth stocks and have a relatively compact portfolio of 25-30 stocks. It will target to have a beta of more than one under these circumstances. Essentially the targeted beta of the portfolio will be important in this kind of fund as beta essentially will reflect the degree of correlation and volatility of the portfolio vis-a-vis the movement of the markets and incase the view is that markets are likely to trend up positively it will make sense to have a higher beta as under the circumstances the fund should be able to outperform the markets in case the view proves to be right.

The targeted portfolio beta will essentially be a weighted average of the beta of individual stocks in the portfolio, so essentially the fund manager will try to pick up a majority of stocks which have a beta of more than one. This will also increase the volatility of the portfolio. In periods of time when the fund management team is of the view that the markets are likely to uncertain and the downside risk might be higher than the upside and the economic environment is uncertain the fund will convert itself into a value driven diversified portfolio fund with the number of stocks being in the range of 40-60. The fund will target to have a beta of lower than one under these circumstances so that in case of a downside the loss is lower. The fund will also move its portfolio into more consistent growth defensive stocks where the risks to earnings growth is lower. These measures will help to reduce the volatility of the portfolio and protect investor returns under uncertain circumstances. Spreading the portfolio over a larger basket of stocks will also reduce stock specific risks.

By having a multi strategy approach to managing the fund the aim of the fund is to be true to the economic momentum and market momentum in various time cycles. Since an open ended fund will face various kinds of economic and market cycles this strategy is directed towards outperforming the markets in the long run.

As mentioned above, the Scheme would invest in growth style of investing during benign market conditions i.e. when the fund management team is of the view that the economy is likely to grow strongly, inflation and interest rate scenario is expected to remain benign and the markets are likely to exhibit strong upward momentum. The scheme will invest in value style of investing during bearish market conditions i.e. In periods of time when the fund management team is of the view that the economy is likely to slow down, interest rates and inflation are likely to trend up and earnings growth is likely to slowdown and the view is that markets are likely to be uncertain and the downside risk might be higher than the upside.

Definition of beta

Beta is the quantitative measure of the volatility of a given stock, mutual fund, or portfolio, relative to the overall market.

Specifically, the performance of the stock, fund or portfolio in a particular time period during which the benchmark (BSE 500) increased or decreased by 1%. A beta of above 1 is more volatile than the overall market, while a beta of below 1 is less volatile.

The mathematical formula is:

$$\text{beta} = [\text{Cov}(r, K_m)] / [\text{StdDev}(K_m)]^2$$

where

r is the return rate of the investment;

K_m is the return rate of the asset class.

If the asset class is well chosen so that the return fluctuations of the investment and the class are highly correlated, then the formula approximates "the volatility of the investment divided by the volatility of the class."

Elaboration of "beta" in the context of the Scheme

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These measures will help to reduce the volatility of the portfolio and protect investor returns under uncertain circumstances. Spreading the portfolio over a larger basket of stocks will also reduce stock specific risks.

Investment Strategy applicable to all schemes:

(i) Scientific approach to investment

The Mutual Fund adopts a scientific approach to investments. Securities are selected for various funds by the fund managers based on a continuous study of trends in industries and companies, including management capabilities, global competitiveness, earning power, growth / payout features and other relevant investment criteria, which would, inter-alia include evaluation of the outlook of the economy, exposure to various industries and geographical regions, evaluation of the intrinsic worth of specific opportunities such as primary market transactions, private placements, trading opportunities etc.

(ii) Liquidity Management

The Fund Manager may invest in short term deposits of scheduled commercial banks pending deployment of funds in line with SEBI Circular no. SEBI/IMD/CIR No. 1/ 91171 /07 dated April 16, 2007, till suitable opportunities are present. The Scheme may also keep a portion in cash or near cash for meeting the expenses of the Scheme.

(iii) Mode of Investment

The securities in which the investment manager may invest would be through primary as well as secondary market, private placement etc. These securities may be those listed on various stock exchanges as well as unlisted securities.

(iv) Procedure for taking investment decisions

The investment policy of the AMC has been determined by the Investment Advisory Committee ("IAC") which has been approved by the Boards of the AMC and Trustee. At the strategic level, the broad investment philosophy of the AMC and the authorised exposure limits are spelt out in the Investment Policy of the Mutual Fund and the SEBI Regulations. During trading hours, the Fund Managers have the discretion to take investment decisions for the Scheme within the limits defined in the SEBI Regulations and the Investment Policy of the Mutual Fund.

The designated Fund Manager of the Scheme will be responsible for taking day-to-day investment decisions and will inter-alia be responsible for asset allocation, security selection and timing of investment decisions.

PORTFOLIO TURNOVER POLICY

The Schemes will invest with a long-term outlook on the equity market; however, as and when trading opportunities arise in the market where, in the opinion of the fund manager there is an opportunity to enhance the total return of the portfolio, the Schemes may take trading exposure which may result in high portfolio turnover.

INTER SCHEME INVESTMENTS

The Scheme may invest in other Schemes managed by the AMC or in the Schemes of any other Mutual Funds, provided it is in conformity with the investment objectives of the investor Scheme and in terms of the prevailing SEBI Regulations. As per the SEBI Regulations, no investment management fees will be charged for such investments and the aggregate inter Scheme investment made by all Schemes of JM Financial Mutual Fund or in the Schemes under the management of other asset management companies shall not exceed 5% of the net asset of the Mutual Fund as on date of investments.

IMPORTANT

It must be clearly understood that the above referred portfolio strategies are not absolute, and that they can vary substantially depending upon the Fund Manager's perception as to whether the stock/debt market is in an overheated state or has fallen well below a level they consider appropriate taking into account the factors prevailing at that time, the intent being to protect the Unitholders interest, especially the NAV of the Fund.

The Fund Manager may, from time to time, at its' absolute discretion review and modify the strategy, provided such modification is in accordance with the Investment Objective of the Scheme and SEBI Regulations.

E: FUNDAMENTAL ATTRIBUTES

Following are the Fundamental Attributes of the scheme, in terms of Regulation 18 (15A) of the SEBI (MF) Regulations:

(i) Type and Investment Objective of the scheme

Name of the Scheme	Type	Investment Objectives
JM Arbitrage Advantage Fund	An open ended equity oriented interval scheme	To generate income through arbitrage opportunities emerging out of mis-pricing between the cash market and the derivatives market and through deployment of surplus cash in fixed income instruments.
JM Balanced Fund	An open ended balanced scheme	To provide steady current income as well as long term growth of capital.
JM Basic Fund	An open ended sector scheme	To provide capital appreciation to its Unit holders through judicious deployment of the corpus of the scheme in sectors categorized under "basic industry" in the normal parlance and in context of the Indian economy, including but not limited to, energy, petrochemicals, oil & gas, power generation & distribution and electrical equipment suppliers, metals and building materials. The fund would continue to remain open-ended with a sector focus.
JM Core 11 Fund	An open ended equity oriented scheme	To provide long-term growth by investing predominantly in a concentrated portfolio of equity / equity related instruments.
JM Equity Fund	An open ended growth scheme	To provide Optimum Capital growth and appreciation.
JM Multi Strategy Fund	An open ended equity oriented scheme	The investment objective of the Scheme is to provide capital appreciation by investing in equity and equity related securities using a combination of strategies.
JM Tax Gain Fund	An open ended equity linked savings scheme	The investment objective is to generate long-term capital growth from a diversified and actively managed portfolio of equity and equity related securities and to enable investors a deduction from total income, as permitted under the Income Tax Act, 1961 from time to time.

While the above table gives the investment objectives of the schemes, investors are required to read all the scheme related information set out in this document carefully and also note that there can be no assurance that the investment objectives of the any of the schemes will be realized. The schemes do not guarantee/ indicate any returns.

ii) Investment pattern – As set out under the head 'HOW WILL THE SCHEME ALLOCATE ITS ASSETS'

iii) Terms of Issue

Purchase / Redemption of Units

The Schemes being offered through this Scheme Information Document are open ended Schemes. The Schemes will offer units for sale

and repurchase at NAV based prices on all business days on an ongoing basis (except JM Arbitrage Advantage Fund and JM Tax Gain Fund). The Fund will endeavour to remit the redemption proceeds/ dispatch the redemption cheque / draft within 10 business days from the date of acceptance of valid redemption request.

Provisions applicable for JM Tax Gain Fund and JM Arbitrage Advantage Fund are as follows:

JM Tax Gain Fund :- The scheme falls in the ELSS category and is eligible for tax benefits under section 80C of Income Tax Act. There is a lock-in period of 3 years under the Scheme.

JM - Arbitrage Advantage Fund: The redemption shall be in terms of Interval Period defined herein below.

Redemption request can be submitted to the official point of acceptance on any business day till 3.00 pm. All redemption requests received till Friday (in case such Friday is a holiday then the last business day) of the week preceding the interval period, would be processed at the NAV of the Interval Period. The Interval period will be the settlement Thursday (the settlement day for derivatives segment in the NSE which is currently last Thursday of the month) or any day which is declared as the settlement day for Derivatives segment by the NSE.

Aggregate fees and expenses charged to the scheme.

The estimated maximum recurring expenses that can be charged to a plan launched under the Scheme, on an annual basis are given below:

Particulars (as a % of Applicable NAV)	JM Arbitrage Advantage Fund	JM Balanced Fund	JM Basic Fund
Investment Management & Advisory Fee	1.25%	1.25%	1.25%
Trustee Fee	0.05%	0.05%	0.05%
Marketing and Selling Expenses	1.20%	0.80%	0.80%
Custodian Expenses		0.20%	0.20%
Registrar and Transfer Agent Fee, Audit Fee and other Expenses		0.20%	0.20%
Total Recurring expenses	2.50%	2.50%	2.50%

Particulars (as a % of Applicable NAV)	JM Core 11 Fund	JM Equity Fund	JM Multi Strategy Fund	JM Tax Gain Fund
Investment Management & Advisory Fee	1.25%	1.25%	1.25%	1.25%
Trustee Fee	0.05%	0.05%	0.05%	0.05%
Marketing and Selling Expenses	1.20%	0.80%	1.20%	1.20%
Custodian Expenses		0.20%		
Registrar and Transfer Agent Fee, Audit Fee and other Expenses		0.20%		
Total Recurring expenses	2.50%	2.50%	2.50%	2.50%

These estimates have been made in good faith as per the information available to the Investment Manager based on past experience and are subject to change inter-se. Types of expenses charged shall be as per the SEBI (MF) Regulations.

The purpose of the above table is to assist the investor in understanding the various costs and expenses that an investor in the Scheme will bear directly or indirectly. While the above estimates have been made in good faith on the basis of information available with the Fund, there can be no assurance that actual expense, under any particular head will not be more or less than such estimate. The AMC reserves the rights to revise the fees payable to the service providers from time to time. The total expenses, however, will be maintained within the limits mentioned under Regulation 52 (6) of SEBI Regulations.

As per the Regulations, the maximum recurring expenses including investment management and advisory fee that can be charged to the Scheme shall be subject to a percentage limit of weekly net assets as in the table below:

First ₹ 100 crores	Next ₹ 300 crores	Next ₹ 300 crores	On the balance assets
2.50%	2.25%	2.00%	1.75%

Subject to the overall ongoing fees and expenses which would be charged to the Scheme not exceeding the limit laid down under Regulation 52(6) [as reproduced above], the AMC may at its discretion charge to the Scheme the Government levies in the form of any charges or applicable taxes including applicable surcharge either presently payable or which may be imposed in future. Currently, the Government has imposed Service Tax of 12% on the Management and Trustee Fees and education cess (which is currently at 2%) and Secondary and Higher Education Cess (which is currently at 1%) on Service Tax which would be charged to the Scheme subject to the

overall expenses charged to the Scheme do not exceed the limits laid down under Regulation 52(6).

Further, as and when permitted by SEBI, the AMC may charge a higher fee for that part of the assets which are invested overseas. However, revision in fee charged shall be within the SEBI Regulations at all times.

For the actual current expenses being charged, the investor should refer to the website of the mutual fund.

The expense ratios will be updated on the Mutual Fund website viz. www.jmfinancialmf.com within two business days of the change.

Any safety net or guarantee provided: No guarantee has been provided

PROCESS TO BE FOLLOWED FOR CHANGE IN FUNDAMENTAL ATTRIBUTES OF A SCHEME

In accordance with Regulation 18(1 5A) of the SEBI (MF) Regulations, the Trustees shall ensure that no change in the fundamental attributes of the Scheme(s) and the Plan(s) / Option(s) thereunder or the trust or fee and expenses payable or any other change which would modify the Scheme(s) and the Plan(s) / Option(s) thereunder and affect the interests of Unitholders is carried out unless:

- A written communication about the proposed change is sent to each Unitholder and an advertisement is given in one English daily newspaper having nationwide circulation as well as in a newspaper published in the language of the region where the Head Office of the Mutual Fund is situated; and
- The Unitholders are given an option for a period of 30 days to exit at the prevailing Net Asset Value without any exit load.

Fundamental attributes will not cover such actions of the Trustees of the Mutual Fund or the Board of Directors of the Asset Management Company, made in order to conduct the business of the Trust, the Scheme or the Asset Management Company, where such business is in the nature of discharging the duties and responsibilities with which they have been charged. Nor will it include changes to the Scheme made in order to comply with changes in regulation with which the Scheme has been required to comply.

F. HOW WILL THE SCHEME BENCHMARK ITS PERFORMANCE?

The performances of the schemes of the Mutual Fund are reviewed by the Investment Advisory Committee ("IAC") as well as the Boards of the AMC and Trustee periodically. The IAC is operational at the AMC level and has majority representation from the independent Directors. Monthly reports on the performance of the schemes with appropriate benchmark indices as also with the relative performance of the schemes of other mutual funds schemes in the same category is placed before the Boards of the AMC and Trustee. Further, in terms of SEBI Circular No.MFD/CIR/16/400/02 dated March 26, 2002, the performance of the Scheme compared to its benchmark index will be reviewed at every meeting of the Boards of the AMC and Trustee and corrective action as proposed will be taken in case of unsatisfactory performance.

Scheme	Index
JM ARBITRAGE ADVANTAGE FUND	CRISIL LIQUID INDEX FUND
JM BALANCED FUND	CRISIL BALANCED FUND INDEX
JM BASIC FUND	BSE 200
JM Core 11 FUND	BSE SENSEX
JM EQUITY FUND	BSE SENSEX
JM MULTI STRATEGY FUND	BSE 500
JM TAX GAIN FUND	BSE 500

In terms of SEBI Circular No.MFD/CIR/01/ 071/02 dated April 15, 2002, the AMC and Trustee may change the benchmark index or select an additional benchmark index after recording adequate justification for carrying out such change. However, change of benchmark index and/or selecting additional benchmark indices would be done in complete compliance of the relevant guidelines of SEBI in this regard.

G. WHO MANAGES THE SCHEME?

Details of the Fund Managers of the respective Schemes are as mentioned below.

Mr. Asit Bhandarkar - Fund Manager - (Equity)	B.Com., MMS Age : 33 years	He has 9 years of experience in equity research and fund management. His last assignment was as Fund Manager with Lotus India Asset Management Company Pvt. Ltd. Prior to that, for more than 2 years, he was with SBI Funds Management Pvt. Ltd. as a Junior Fund Manager. He started his career on the broking side as an equity analyst and has worked with firms like Jet Age Securities and Sushil Finance Consultants for around 2 years. He is the Fund Manager for JM Basic Fund, JM Core 11 Fund.
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Mr. Sanjay Chhabaria - Fund Manager - (Equity)	PGDBA, CFA Age : 38 years	He has more than 12 years of experience in fund management and equity research. In his last assignment he was working as a Fund Manager with Lotus India Asset Management Company Pvt. Ltd. Prior to this he has worked SBI Funds Management as a Fund Manager. He started his career on the broking side in equity research and has worked with firms like SMIFS Securities and IDBI Capital Markets for 4 years. He is the Fund Manager for JM Equity Fund, JM Balanced Fund, JM Multi Strategy Fund and JM Tax Gain Fund.
Mr. Chaitanya Choksi	MMS(Finance), CFA Age: 33 Years	Mr. Chaitanya Choksi has around 10 years of work experience in the field of equity research and capital markets. Mr. Choksi is associated with JM Financial Asset Management Private Limited since 2008. Prior to joining the AMC, he has worked with Lotus India Asset Management Company Pvt. Ltd., Chanrai Finance Private Limited, IL & FS Investsmart and UTI Investment Advisory Services Ltd. He is the Fund Manager for JM Arbitrage Advantage Fund.

H. WHAT ARE THE INVESTMENT RESTRICTIONS?

The relevant restrictions applicable to the Scheme of the Fund as per the Seventh Schedule of SEBI Regulations are as follows:

1. A mutual fund scheme shall not invest more than 15% of its NAV in debt instruments issued by a single issuer which are rated not below investment grade by a Credit Rating Agency authorized to carry out such activity under the Act. Such investment limit may be extended to 20% of the NAV of the Scheme with the prior approval of the Boards of Trustee and AMC.
Provided that such limit shall not be applicable for investments in government securities and money market instruments.
Provided further that investment within such limit can be made in mortgaged backed securities which are rated not below investment grade by a credit rating agency registered with SEBI.
2. A mutual fund scheme shall not invest more than 10% of its NAV in unrated debt instruments issued by a single issuer and the total investment in such instruments shall not exceed 25% of the NAV of the scheme. All such investments shall be made with the prior approval of the Board of Trustees and the Board of asset management company.
3. No mutual fund scheme shall invest more than thirty percent of its net assets in money market instruments of an issuer:
Provided that such limit shall not be applicable for investments in Government securities, treasury bills and collateralized borrowing and lending obligations.
4. No mutual fund under all its schemes should own more than ten per cent of any company's paid up capital carrying voting rights.
5. Transfers of investments from one scheme to another scheme in the same mutual fund shall be allowed only if,—
(a) such transfers are done at the prevailing market price for quoted instruments on spot basis.
Explanation.—“Spot basis” shall have same meaning as specified by stock exchange for spot transactions;
(b) the securities so transferred shall be in conformity with the investment objective of the scheme to which such transfer has been made.
6. A scheme may invest in another scheme under the same asset management company or any other mutual fund without charging any fees, provided that aggregate interscheme investment made by all schemes under the same management or in schemes under the management of any other asset management company shall not exceed 5% of the net asset value of the mutual fund :
Provided that this clause shall not apply to any fund of funds scheme.
7. Every mutual fund shall buy and sell securities on the basis of deliveries and shall in all cases of purchases, take delivery of relevant securities and in all cases of sale, deliver the securities:
Provided that a mutual fund may engage in short selling of securities in accordance with the framework relating to short selling and securities lending and borrowing specified by the Board:
Provided further that a mutual fund may enter into derivatives transactions in a recognized stock exchange, subject to the framework specified by the Board.
Provided further that sale of government security already contracted for purchase shall be permitted in accordance with the guidelines issued by the Reserve Bank of India in this regard.
8. Every mutual fund shall get the securities purchased or transferred in the name of the mutual fund on account of the concerned scheme, wherever investments are intended to be of long-term nature.
9. Pending deployment of funds of a scheme in terms of investment objectives of the scheme, a mutual fund may invest them in short term deposits of schedule commercial banks, subject to such Guidelines as may be specified by the Board.
10. No mutual fund [scheme] shall make any investment in,—

- (a) any unlisted security of an associate or group company of the sponsor; or
 - (b) any security issued by way of private placement by an associate or group company of the sponsor; or
 - (c) the listed securities of group companies of the sponsor which is in excess of 25 per cent of the net assets.
11. No scheme of a mutual fund shall make any investment in any fund of funds scheme.
 12. No mutual fund scheme shall invest more than 10 per cent of its NAV in the equity shares or equity related instruments of any company:
Provided that, the limit of 10 per cent shall not be applicable for investments in case of index fund or sector or industry specific scheme.
 13. A mutual fund scheme shall not invest more than 5% of its NAV in the unlisted equity shares or equity related instruments in case of open ended scheme and 10% of its NAV in case of close ended scheme.
 14. A fund of funds scheme shall be subject to the following investment restrictions:
 - (a) A fund of funds scheme shall not invest in any other fund of funds scheme;
 - (b) A fund of funds scheme shall not invest its assets other than in schemes of mutual funds, except to the extent of funds required for meeting the liquidity requirements for the purpose of repurchases or redemptions, as disclosed in the offer document of fund of funds scheme.
 15. The Mutual Fund having an aggregate of securities which are worth ₹10 crores or more, as on the latest balance sheet date, shall subject to such instructions as may be issued from time to time by SEBI, settle their transactions entered on or after January 15, 1998 only through dematerialised securities. Further, all transactions in government securities shall be in dematerialised form.

The Scheme will comply with SEBI regulations and any other Regulations applicable to the investments of Funds from time to time. The Trustee may alter the above restrictions from time to time to the extent that changes in the Regulations may allow. All investment restrictions shall be applicable at the time of making investment.

The Fund can invest in securities that are rated by CRISIL and ICRA and other independent credit rating agencies.

All investment restrictions shall be applicable at the time of making investments

INVESTMENTS IN DERIVATIVES

In accordance with SEBI Circular Cir/ IMD/ DF/ 11 / 2010 dated August 18, 2010, the following clauses shall be inserted in the Scheme Information Documents of all the schemes of JM Financial Mutual Fund under the head "What are the Investment Restrictions"

1. The cumulative gross exposure through equity, debt and derivative positions should not exceed 100% of the net assets of the scheme.
2. The Scheme shall not write options or purchase instruments with embedded written options.
3. The total exposure related to option premium paid shall not exceed 20% of the net assets of the scheme.
4. Exposure due to hedging positions may not be included in the above mentioned limits subject to the following :
 - a. Hedging positions are the derivative positions that reduce possible losses on an existing position in securities and till the existing position remains.
 - b. Hedging positions shall not be taken for existing derivative positions. Exposure due to such positions shall be added and treated under limits mentioned in Point 1.
 - c. Any derivative instrument used to hedge has the same underlying security as the existing position being hedged.
 - d. The quantity of underlying associated with the derivative position taken for hedging purposes does not exceed the quantity of the existing position against which hedge has been taken.
5. The Scheme may enter into plain vanilla interest rate swaps for hedging purposes. The counter party in such transactions has to be an entity recognized as a market maker by RBI. Further, the value of the notional principal in such cases shall not exceed the value of respective existing assets being hedged by the scheme. Exposure to a single counterparty in such transactions should not exceed 10% of the net assets of the scheme.
6. Exposure due to derivative positions taken for hedging purposes in excess of the underlying position against which the hedging position has been taken, shall be treated under the limits mentioned in point 1.

Definition of Exposure in case of Derivative Positions

7. Each position taken in derivatives shall have an associated exposure as defined under and will be computed as follows:

Position	Exposure
Long Future	Futures Price * Lot Size * Number of Contracts
Short Future	Futures Price * Lot Size * Number of Contracts
Option bought	Option Premium Paid * Lot Size * Number of Contracts.

The derivative transactions shall also be disclosed in the half yearly portfolio/ annual report of the schemes in the specified format.

INVESTMENT BY AMC

The AMC and investment companies managed by the Sponsor(s), their affiliates, their associate companies and subsidiaries may invest either directly or indirectly in the Schemes. The AMC shall not charge any fees on investment made by it in the units of the Schemes in accordance with sub-regulation 3 of Regulation 24 of the Regulations and shall charge fees on such amounts in future only if the SEBI Regulations so permit. The maximum amount the AMC can invest in any of the schemes shall be its networth. The affiliates, associates, the Sponsor, subsidiaries of the Sponsor and/or the AMC may acquire a substantial portion of the Scheme's units and collectively constitute a major investment in the Schemes. Consequently in the event of repurchase of units held by such affiliates/associates and Sponsor, there be an adverse impact on the units of the Scheme as the timing of such repurchase may impact the ability of other unitholders to repurchase their units. The AMC reserves the right to invest its own funds in the Scheme as may be decided by the AMC from time to time.

INVESTMENTS IN ADRS / GDRS/ OVERSEAS SECURITIES :

It is the AMC's belief that the investment in ADRs/GDRs/overseas securities offer new investment and portfolio diversification opportunities into multi-market and multi-currency products. However, such investments also entail additional risks. Such investment opportunities may be pursued by the AMC in the future provided they are considered appropriate in terms of the overall investment objectives of the schemes. The Schemes may then, if necessary, seek permission from SEBI and RBI to invest abroad in accordance with the investment objectives of the Scheme and in accordance with any guidelines issued by SEBI / RBI / any other relevant regulatory authority from time to time.

Since the Schemes would invest only partially in ADRs/GDRs/overseas securities, there may not be readily available and widely accepted benchmarks to measure performance of the Schemes. To manage risks associated with foreign currency and interest rate exposure, the Fund may use derivatives for efficient portfolio management including hedging and in accordance with conditions as may be stipulated by SEBI/RBI any other relevant regulatory authority from time to time.

In case the Scheme intends to invest in ADRs / GDRs, the specific guidelines laid down by SEBI for making investments in ADRs / GDRs vide its circular no. SEBI/IMD/Cir no. 7/73202/06 dated August 2, 2006 as modified by SEBI circular no. SEBI/IMD/CIR No.13/83589/07 dated January 4, 2007 will be adhered to. The AMC will appoint a dedicated Fund Manager for making investments in the above securities and adequate disclosure to that effect shall be made vide an addendum to the Offer Document and Key Information Memorandum of the Scheme.

Before making investments in ADRs / GDRs, the Boards of the AMC and Trustee shall prescribe detailed parameters for making such investments. The Boards shall also satisfy themselves that the AMC has experienced key personnel, research facilities and infrastructure for making such investments. Similarly, other specialized agencies and service providers associated with such investments, e.g. custodian, bank, advisors, etc. having adequate expertise and infrastructure facilities and past track record of performance and compliance shall be considered by the Boards.

EXPOSURE TO FOREIGN SECURITIES:

Under normal circumstances the scheme shall not have an exposure of more than 25% of its net assets in foreign securities. However, the AMC with a view to protecting the interests of the investors, may increase exposure in foreign securities as deemed fit from time to time; but such investment will not exceed the limits laid down by SEBI / RBI / any other relevant regulatory authority in this respect from time to time. The Mutual Fund shall not invest more than 10% of its Net Assets as on January 31st of each relevant year, in foreign securities.

RISK FACTORS:

To the extent that the assets of the Scheme are invested in securities denominated in foreign currencies, the Indian Rupee equivalent of the net assets may be adversely affected by changes in the value of certain foreign currencies relative to Indian Rupee. The repatriation of capital to India may also be hampered by changes in regulations concerning exchange controls or political circumstances as well as the application to it of other restrictions on investment.

STOCK LENDING BY THE MUTUAL FUND

Subject to the SEBI Regulations as applicable from time to time, the Fund may, if the Trustee permits, engage in Stock Lending. Stock Lending means the lending of securities to another person or entity for a fixed period of time, at a negotiated compensation in order to enhance returns of the portfolio. The securities lent will be returned by the borrower on the expiry of the stipulated period. The AMC will adhere to strict limits should it engage in Stock Lending.

1. Not more than 25% of the net assets of the Scheme can generally be deployed in Stock Lending.
2. Not more than 5% of the net assets of the Scheme can generally be deployed in Stock Lending to any single counter party.

The Fund may not be able to sell such lent out securities and this can lead to temporary illiquidity.

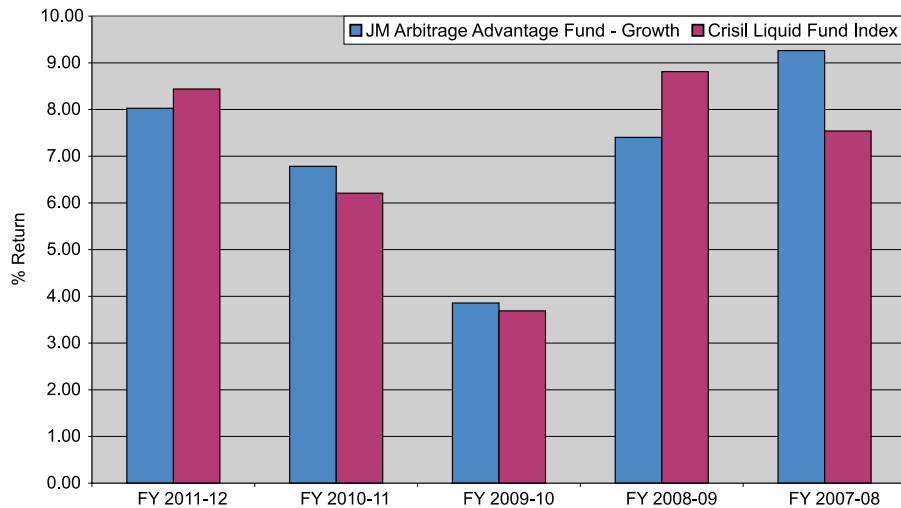
I. HOW HAS THE SCHEME PERFORMED?

Following are the Performance of Schemes as on March 30, 2012.

JM Arbitrage Advantage Fund

Compounded Annualised Returns	Scheme Returns %	Benchmark Returns %
Returns for the last 1 year	8.17	8.45
Returns for the last 3 years	6.27	6.10
Returns for the last 5 years	7.04	6.91
Returns since inception	7.25	6.84

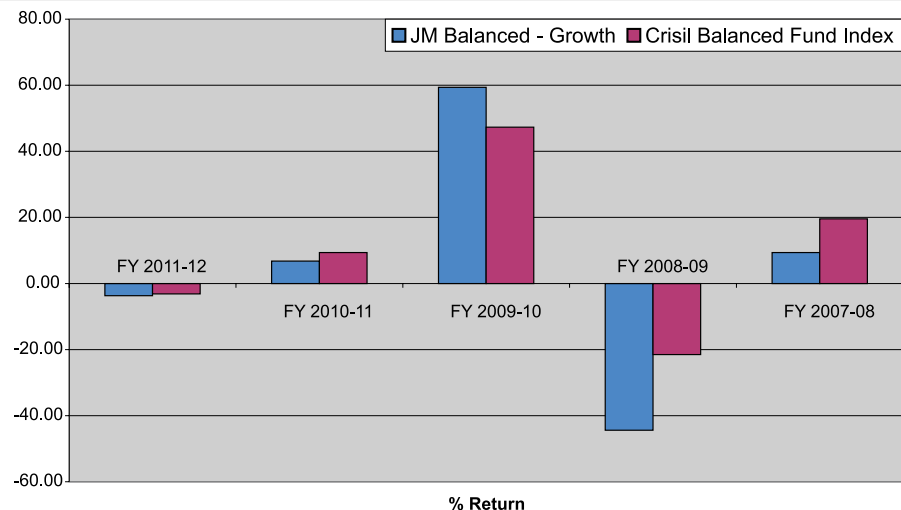
Absolute Returns for each financial year for the last 5 years



JM Balanced Fund

Compounded Annualised Returns	Scheme Returns %	Benchmark Returns %
Returns for the last 1 year	(3.01)	(2.66)
Returns for the last 3 years	18.63	16.34
Returns for the last 5 years	(0.08)	7.90
Returns since inception	11.71	NA

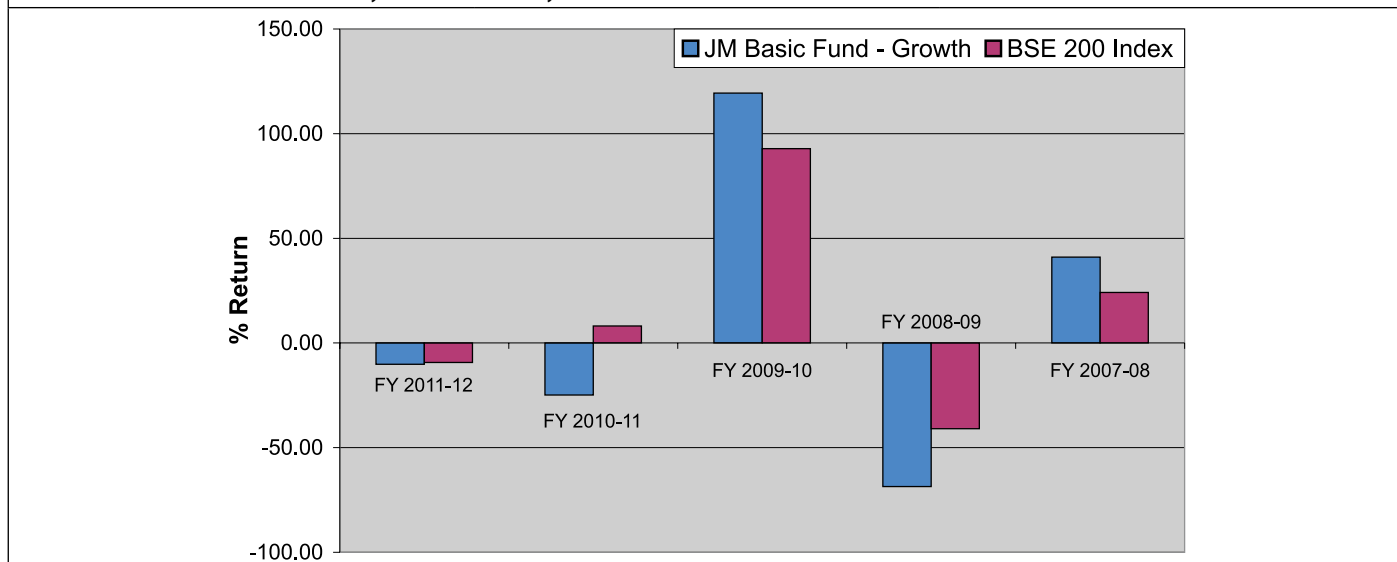
Absolute Returns for each financial year for the last 5 years



JM Basic Fund (w.e.f. April 1, 2011 JM Agri & Infra Fund and JM HI FI Fund were merged into JM Basic Fund)

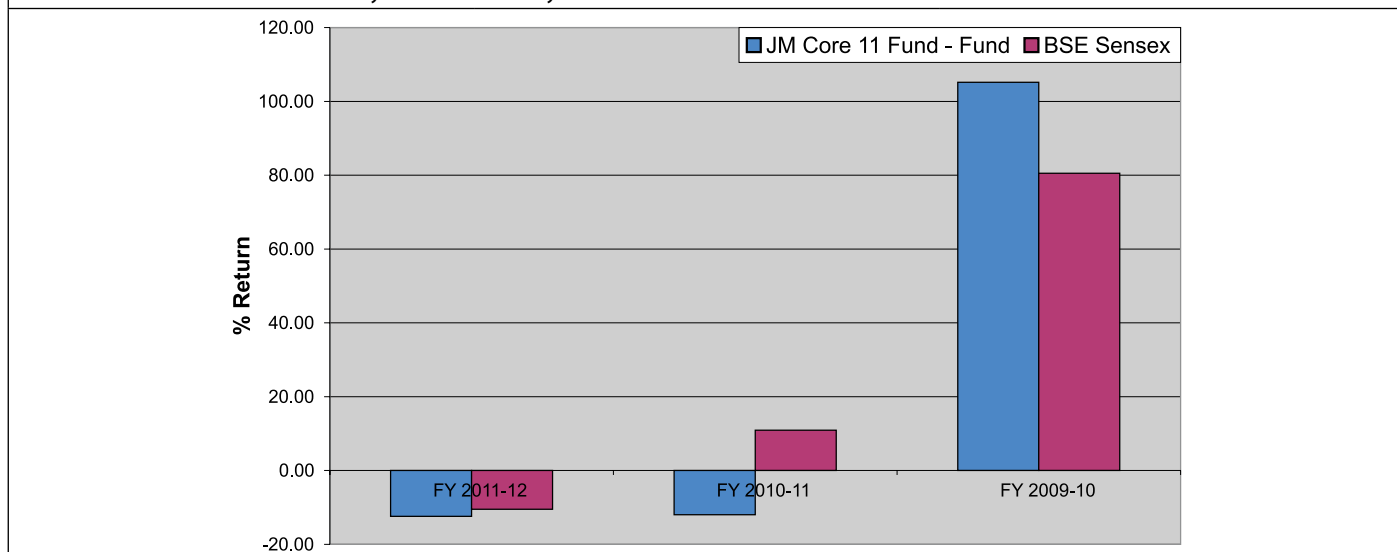
Compounded Annualised Returns	Scheme Returns %	Benchmark Returns %
Returns for the last 1 year	(10.14)	(8.77)
Returns for the last 3 years	15.18	24.38
Returns for the last 5 years	(8.11)	6.74
Returns since inception	16.71	12.71

Absolute Returns for each financial year for the last 5 years


JM Core 11 Fund

Compounded Annualised Returns	Scheme Returns %	Benchmark Returns %
Returns for the last 1 year	(11.77)	(9.75)
Returns for the last 3 years	16.52	22.05
Returns for the last 5 years	N A	N A
Returns since inception	(23.08)	1.26

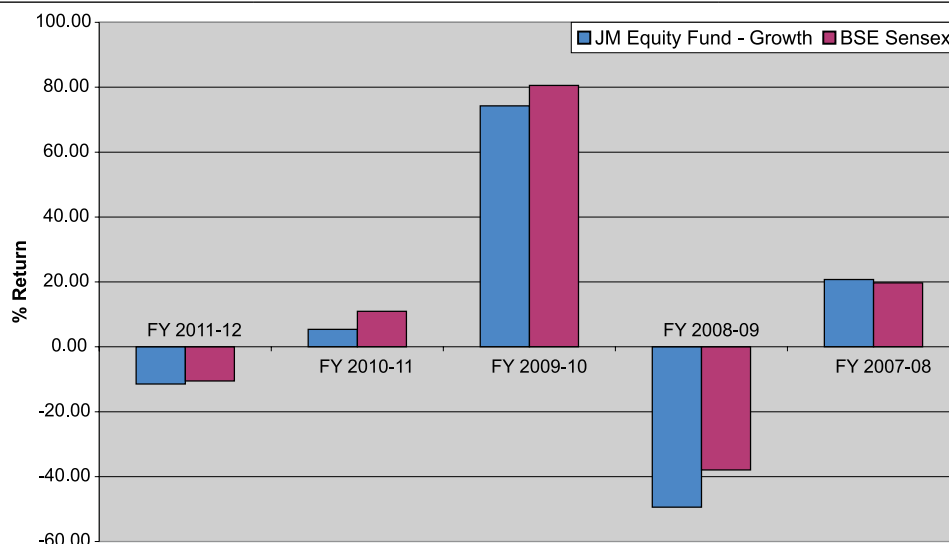
Absolute Returns for each financial year for the last 5 years



JM Equity Fund (w.e.f. April 1, 2011 JM Financial Services Sector Fund, JM Telecom Sector Fund and JM Large Cap Fund and w.e.f. July 29, 2011 JM Nifty Plus Fund were merged into JM Equity Fund)

Compounded Annualised Returns	Scheme Returns %	Benchmark Returns %
Returns for the last 1 year	(10.82)	(9.75)
Returns for the last 3 years	18.16	22.05
Returns for the last 5 years	(0.15)	5.89
Returns since inception	7.21	10.35

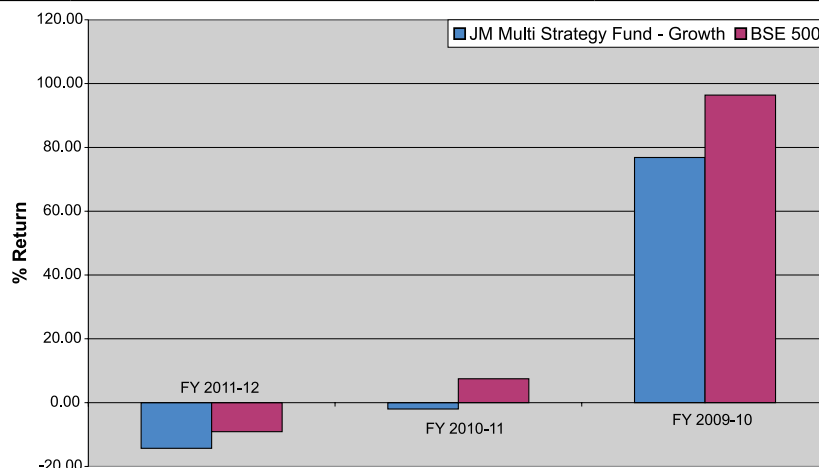
Absolute Returns for each financial year for the last 5 years



JM Multi Strategy Fund (w.e.f. April 1, 2011 JM Mid Cap Fund, JM Small & Mid Cap Fund and JM Contra Fund and w.e.f. July 29, 2011 JM Emerging Leaders Fund were merged into JM Multi Strategy Fund)

Compounded Annualised Returns	Scheme Returns %	Benchmark Returns %
Returns for the last 1 year	(14.06)	(8.60)
Returns for the last 3 years	14.45	24.96
Returns for the last 5 years	N A	N A
Returns since inception	5.53	7.80

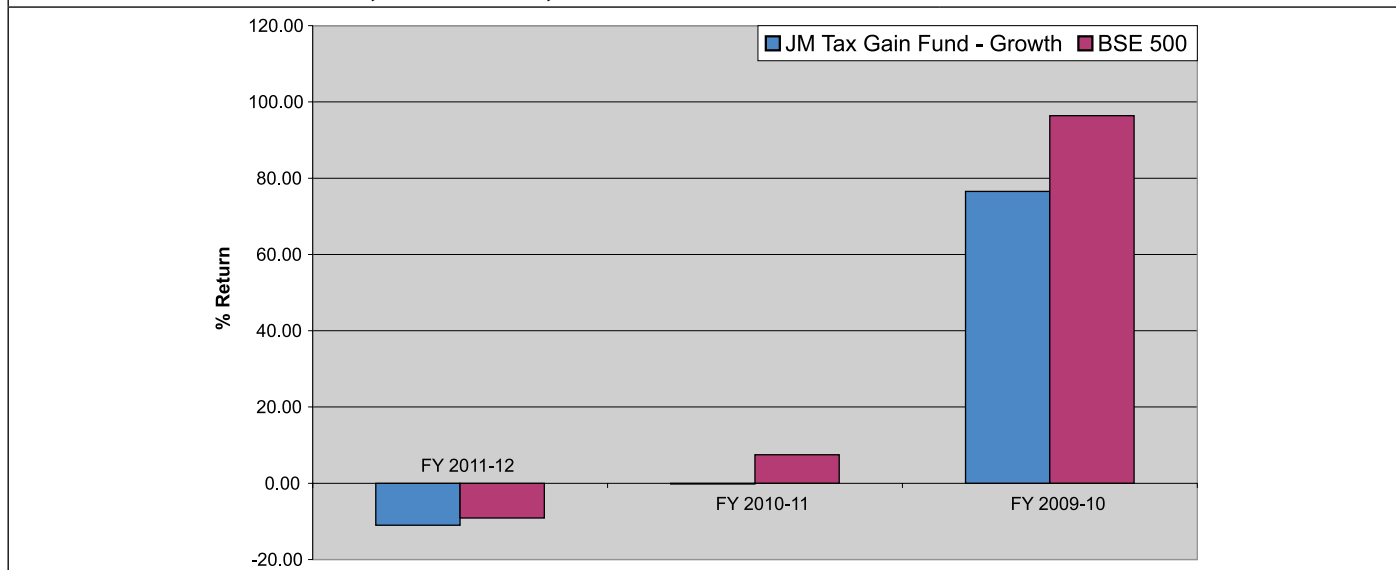
Absolute Returns for each financial year for the last 5 years



JM Tax Gain Fund

Compounded Annualised Returns	Scheme Returns %	Benchmark Returns %
Returns for the last 1 year	(10.98)	(8.60)
Returns for the last 3 years	16.94	24.96
Returns for the last 5 years	N A	N A
Returns since inception	(10.97)	2.36

Absolute Returns for each financial year for the last 5 years



III. UNITS AND OFFER

This section provides details which you need to know for investing in the scheme.

A. NEW FUND OFFER (NFO)

All the above-mentioned schemes are on-going schemes, therefore, the section 'NEW FUND OFFER' is not relevant, except for the details as under.

Plans/ Options offered	Kindly refer para on 'choice of investment plans' appearing under 'Highlights/ Summary of the Scheme' heading of this document.
<p>Who can invest</p> <p>This is an indicative list and investors are requested to consult their financial advisor to ascertain whether the scheme is suitable to their risk profile.</p>	<p>The following persons (subject to, wherever relevant, purchase of units of mutual funds being permitted under respective constitutions, and relevant statutory regulations) are eligible and may apply for subscription to the Units of the Scheme.</p> <ul style="list-style-type: none"> • Resident adult individuals, either singly or jointly (not exceeding three into) • Parents/Lawful Guardian on behalf of Minors • Hindu Undivided Family (HUF), in the name of Karta • Companies/Bodies Corporate/Public Sector Undertakings, association of persons or bodies of individuals whether incorporated or not and societies registered under the Societies Registration Act, 1860 (so long as the purchase of units is permitted under the respective constitutions) • Religious and Charitable Trusts, Wakfs or endowments of private trusts (subject to receipt of necessary approvals as required) under the provisions of 11(5) of Income Tax Act, 1961 read with 17C of the Income Tax Rules, 1962 (subject to receipt of necessary approvals as "Public Securities", where required); • Trustee of private trusts authorized to invest in mutual fund scheme under the Trust Deed • Partnership firm in the name of partner(s) • Proprietorship firm in the name of the proprietor • Banks and Financial Institutions • NRIs/ persons of Indian origin residing abroad on full repatriation basis (subject to RBI approval, if any) or non-repatriation basis . Presently OCBs are not permitted to invest in mutual funds pursuant to RBI A.P.(DIR Series) Circular No. 14 dated September 16,2003 • Foreign Institutional Investors (FIIs) registered with SEBI on full repatriation basis (subject to RBI approval, if any) • Army/Air Force/Navy and other Para Military units and other eligible institutions • Scientific and/or industrial research organisations • International Multilateral Agencies approved by Government of India • Non- Government Provident/Pension/Gratuity funds as and when permitted to invest • Qualified Foreign Investors/ QFIs, subject to provisions stipulated by SEBI in its circular dated August 9, 2011 • Others who are permitted to invest in the Scheme as per their respective constitutions

	<p>Note:</p> <ol style="list-style-type: none"> 1 The AMC may reject any application received in case the application is found invalid/ incomplete or for any other reason in the AMC's sole discretion, subject to the Regulations. 2 Any scheme of JM Financial Mutual Fund or of any other Mutual Fund managed by any other AMC, including a Fund of Fund (subject to the conditions and limits prescribed in Regulations and/or by the Trustee, AMC or Sponsor) may subscribe to the units under the Scheme. The AMC/Trustee /Fund /Sponsor may subject to the limits prescribed by SEBI subscribe to units of this Scheme. The AMC will not be entitled to charge any fees on investments made by the AMC. 3 The AMC may accept an application from an unincorporated body of persons/ trusts. The AMC may also periodically add and review the persons eligible for making application for purchase of units under the Scheme. If a person who is a resident Indian at the time of subscription becomes a resident outside India subsequently, he/she shall have the option to either be paid repurchase value of Units, or continue into the Scheme if he/she so desires and is otherwise eligible. <p>Notwithstanding the aforesaid, the AMC reserves the right to close the unitholder account and to pay the repurchase value of Units, subsequent to his becoming a person resident outside India, should the reasons of cost, interest of other unitholders and any other circumstances make it necessary for the Fund to do so. Unitholders in whose case there has been a change of status from Resident to Non Resident will not have a right to claim growth in capital and/or income distribution.</p>
Where can you submit the filled up applications.	<p>Registrar&TransferAgent</p> <p>Karvy Computershare Private Limited Karvy Plaza; H No. 8-2-5 96, Avenue 4 Street No. 1, Banjara Hills, Hyderabad - 500 034. Tele :- 040-23440670 Email :- service_jmf@karvy.com, Website:- www.karvy.com</p> <p>The duly completed application form can also be submitted at the official points of acceptance managed by the AMC/ Registrar mentioned above. The details of the official points of acceptance are on back cover page.</p>
How to Apply	Please refer to the SAI, Key Information Memorandum and Common Application Form for the instructions.
The policy regarding reissue of Repurchased units, including the maximum extent, the manner of reissue, the entity (the scheme or the AMC) involved in the same.	Presently the AMC does not intend to reissue the repurchased units. The Trustee reserves the right to reissue the repurchased units at a later date after issuing adequate public notices and taking approvals, if any, from SEBI.

B. ONGOING OFFER DETAILS

<p>Ongoing Offer Period</p> <p>This is the date from which the scheme will reopen for subscriptions/redemptions after the closure of the NFO period.</p>	<p>The Schemes will be on offer for Sale/ Switch-in and Redemption/ Switch-out of Units on every Business Day. Units of the Scheme would be available at applicable NAV on any Business Day, from any of the ISCs.</p>
<p>Ongoing price for subscription (purchase)/switch-in (from other schemes/plans of the mutual fund) by investors. This is the price you need to pay for purchase/switch-in.</p>	<p>In respect of valid applications received upto 3 p.m. by the Mutual Fund at any of its Investor Service Centers alongwith a local cheque or a demand draft payable at par at the place where the application is received, the closing NAV of the business day on which application is received shall be applicable.</p> <p>In respect of valid applications received after 3 p.m. by the Mutual Fund alongwith a local cheque or a demand draft payable at par at the place where the application is received, the closing NAV of the next business day shall be applicable.</p> <p>However, in respect of valid applications with outstation cheques/ demand drafts not payable at par at the place where the application is received, closing NAV of the business day on which cheque/demand draft is credited shall be applicable.</p> <p>JM Arbitrage Advantage Fund : Purchase of units will be on all Business Days.</p>
<p>Ongoing price for redemption (sale) /switch outs (to other schemes/plans of the Mutual Fund) by investors.</p> <p>This is the price you will receive for redemptions/switch outs.</p> <p>Example: If the applicable NAV is ₹ 10, exit load is 2% then redemption price will be: ₹ 10* (1-0.02) = ₹ 9.8000</p>	<p>At the applicable NAV subject to the deduction/ charge of exit loads as prescribed at the time of respective investments and govt. levies eg. STT, withholding tax .</p> <p>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 upto 3 p.m. by the Mutual Fund, same day's closing 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.</p> <p>It is clarified that the cut off timings will also be applicable to investments made through "sweep" mode.</p> <p>JM Arbitrage Advantage Fund :</p> <p>Redemption request can be submitted to the official point of acceptance on any business day till 3.00 pm. All Redemption request received till Friday of the week preceding the Interval Period (in case such Friday is a holiday then the last business day) would be processed at the NAV of the Interval Period.</p> <p>The Interval period will be the settlement Thursday (the settlement day for derivatives segment in the NSE which is currently last Thursday of the month) or any day which is declared as the settlement day for Derivatives segment by the NSE.</p>
<p>Cut off timing for subscriptions/ redemptions/ switches</p> <p>This is the time by which your application (complete in all respects) should reach the official points of acceptance.</p>	<p>To be time stamped by 3.00 p.m.</p>
<p>Where can the applications for purchase/redemption switches be submitted?</p>	<p>The details of official points of acceptance are set out on the back cover page.</p>

<p>Minimum amount for purchase/redemption/switches</p>	<p>The table on minimum investment amounts for the respective schemes under this Scheme Information Document is set out elsewhere in the document.</p> <p>Minimum amount of ₹ 5,000/- per Plan / Option and in multiples of any amount thereafter (₹ 500 for JM Tax Gain Fund and in multiples of Rs. 500) in case of first time investments. For ongoing investments in an existing folio, the investment would be ₹ 1,000/- and in multiples of any amount thereafter except JM Tax Gain Fund where it should be Rs. 500 and in multiples of Rs. 500. However, there is no upper limit for investment. The minimum investment is applicable at the respective Plans /Options/ Sub-options level i.e. Growth, Dividend etc. and will be considered at gross level after taking into account permissible DD charges etc.</p> <p>Minimum redemption from existing Unit Accounts for normal transactions other than through STP/SWP would be:</p> <ol style="list-style-type: none"> ₹ 500 and any amount thereafter OR 50 units or any number of units there after subject to keeping a minimum balance of 500 units or ₹ 5000/- whichever is less. The entire outstanding investment in case the available balance is less than a) and b) above except in case of JM Arbitrage Advantage Fund where dividend units are allotted after receipt of redemption/ switch out request. <p>In the event of remaining balance (for investment other than through SIP/ STP/SWP) falling below the minimum balance of 500 units or ₹ 5000 (Which ever is less) while processing redemption/switch requests, the entire outstanding units may be redeemed.No switches will be effected if the switched out proceeds do not meet the minimum investment criteria of the switched in scheme.</p> <p>A unitholder of the Scheme, may at any point in time, redeem his/ her full investment in the Scheme.</p> <p>In case of difference/ ambiguity in the amount and units mentioned in any request for Redemption/ Switch, the minimum value (of units and amount) on rupee equivalent basis on the Transaction/ applicable NAV date will be considered by the AMC, provided the investor has not furnished any clarification in writing, duly signed on the date of transaction. However, this will again be subject to the above requirement of minimum balance holding. In the event of investor not having filled in the Amount/ Units in the Transaction Slip, the AMC will redeem/ switch out all the outstanding units in case the Scheme, Plan, Option are clearly mentioned.</p> <p>In case, the investor has not mentioned the plans/ sub-plans etc. in the redemption request specifically where he is having holdings in various plans/ sub-plans etc. of the particular scheme, AMC will summarily reject such redemption request if the investor has not furnished any clarification in writing, duly signed on the date of transaction itself, during normal office hours.</p>
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<p>Minimum balance to be maintained and consequences of non maintenance.</p>	<p>The Fund reserves the right to redeem the entire units lying to the credit of the Unitholder's account if</p> <ul style="list-style-type: none"> after redemption/ switch out, the amount/ units remaining to the credit of the Unitholder's account falls below the minimum balance of 500 units; or ₹ 5000/- the redemption / switch out request amount exceeds the balance lying to the credit of the Unitholder. <p>The number of Units so redeemed will be subtracted from the Unitholder's account and a statement to this effect will be issued to the Unitholder.</p> <p>The Unitholders may also request for repurchase of their entire holding and close the account by indicating the same at the appropriate place in the Transaction Slip/Repurchase form.</p> <p>Clarification on minimum balance criteria:</p> <p>It is clarified that minimum balance criteria, as applicable to the Schemes, will not be applicable for all those unitholders who will get units in the Schemes on account of merger on April 1, 2011 and July 29, 2011 in lieu of their investments in the respective merging schemes.</p>
<p>Special Products available</p>	<p>SIP/ STP/ SWP</p>
<p>Accounts Statements/ Common Account Statement ("CAS")</p>	<p>For normal transactions during ongoing sales and repurchase:</p> <ul style="list-style-type: none"> The AMC shall issue to the investor whose application has been accepted, an account statement / CAS specifying the number of units allotted In case, an investor has provided his e-mail ID in the application form or any subsequent communication, in any of the folio(s) belonging to him/her, the AMC reserves the right to use such e-mail ID as a default mode of communication to the investor including sending of account statements / CAS for the new and existing investments for folio(s)/ investor(s) concerned. However, the AMC or Registrar & Transfer Agent will, on receipt of specific request, endeavour to provide the physical account statement to the investor within 5 business days from the receipt of such request, in terms of SEBI circular No. IMD/CIR/12/80083/2006 dated November 20, 2006, on a case to case basis. The unitholder may request for a physical account statement by writing/ calling the AMC/ ISC/ R&T. The Fund shall 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 to their e-mail address on a monthly basis. <p>For SIP / STP / SWP transactions;</p> <ul style="list-style-type: none"> For cases eligible for CAS (i.e. where valid PANs are updated), the concerned investor shall be issued CAS on monthly basis For cases not eligible for CAS, Account Statement for SIP, STP and SWP will be despatched once every quarter ending March, June, September and December within 10 business days of the end of the respective quarter. A 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. However, the first Account Statement under SIP/STP/ SWP shall be issued within 10 business days of the initial investment/transfer. In case of specific request received from investors, Mutual Funds shall provide the account statement (SIP/STP/SWP) to the investors within 5 business days from the receipt of such request without any charges.

Half Yearly/ Annual Account Statement:

- The Mutual Funds shall provide the Account Statement to the Unitholders who have not transacted during the last six months prior to the date of generation of account statements. The Account Statement shall reflect the latest closing balance and value of the Units prior to the date of generation of the account statement,
- Where portfolio statement is not published, the account statements for non transacted cases may be generated and issued along with the Portfolio Statement or Annual Report of the Scheme.
- 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 JM Financial Mutual Fund.

Consolidated Account Statement (CAS):

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. The Unit holders are therefore requested to ensure that the folio(s) are updated with their PAN.

	<p>(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.</p> <p>(v) In the event the account has more than one registered holder, the first named Unit holder shall receive the CAS/ account statement.</p> <p>(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.</p> <p>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.</p> <p>In case of investment through New Fund offers ("NFOs"), investors will receive the allotment confirmation from the AMC within the stipulated time.</p> <p>The statement of holding of the beneficiary account holder for units held in demat will be sent by the respective Depository Participants ("DPs") periodically.</p>
Dividend	The dividend warrants shall be dispatched to the unitholders within 30 days of the date of declaration of the dividend.
Redemption	The redemption or repurchase proceeds shall be dispatched to the unitholders within 10 business days from the date of redemption or repurchase.
Delay in payment of redemption / repurchase / dividend proceeds	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 such delay (presently @ 15% per annum).

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.
- (ii) An existing investor who wants to redeem units held in his demat account has to approach his depository participant (DP) directly.
- (iii) Switch/ STP/SWP transactions will not be permitted for Demat cases till the same is converted into physical form.
- (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 available for all schemes of the Mutual Fund except for subscription by way of Systematic Investment Plan and for daily dividend, weekly dividend and fortnightly dividend Plans / Options.

For issue of units of the scheme in demat form, applicants under the scheme will be required to have a beneficiary account with a DP of NSDL/ CDSL and will be required to indicate in the application the DP's name, DP ID number and its beneficiary account number with the DP.

With effect from January 1, 2012, investors 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.

Redemption Procedure:

The investors who hold units in demat form and wish to redeem their units will have to take following steps:

1. Investors will have to approach their DP (Depository Participants) where Demat Account is being held.
2. Investors will have to submit duly filled-in and signed Redemption/Repurchase Request Form (RRF) available with respective DPs. Normally, these RRF may be available on the websites of respective DPs e.g. Banks etc. As the format of RRF may be different with every DP, the investors are advised to use the RRF procured from their own DP to avoid rejections/delays. The ISIN of the scheme is printed on the Statement of Account issued to investors.
3. The investors are required to submit 3 copies of RRF to their DPs. One copy of the RRF is used by the DP for issuing acknowledgement to investors whereas the second copy of the RRF will be forwarded by the DP to the Head Office of the respective RTA i.e M/s Karvy Computershare Pvt Ltd . The third copy will be retained by the DP for their own records.
4. Based on the receipt of RRF, if found in order, the DP concerned generates Electronic Redemption Requests and blocks the units applied for redemption in the NSDL/CDSL system immediately. After this, the investor will not be able to transfer the blocked units to anyone (i.e. cannot transfer to anyone).
5. The Electronic Requests generated up to 3 pm every day by DPs shall get transmitted from NSDL / CDSL to respective Registrars of Mutual Fund by 4 pm.
6. All such Electronic Requests transmitted by NSDL / CDSL by 4 pm everyday are updated in the system at Registrar's end i.e. M/s Karvy Computershare Pvt Ltd for further processing.
7. Registrar shall verify and process the requests subject to finding the same in order by
 - a) Nullifying the units by confirming Electronic Repurchase Request,
 - b) Applying NAV based on Date and Time of raising Electronic request by DP's for Redemption Request,
 - c) Remitting Redemption proceeds to investor's bank account (as recorded in demat account) within 10 business days and
 - d) Dispatching an SOA (Statement of Account/Consolidated Account Statement) to the registered address of investor.
8. After the above process is completed, the Registrar will update the respective Depository (i.e. NSDL/ CDSL) about the processing of redemption to enable their DPs to issue Fortnightly/ Monthly Transaction Statement.

Special Products / facilities available

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 ,	1st of month on quarterly basis
STP	Available through Chhota STP/Combo SIP	1st , 8th, 15th, & 22nd	1st & 15th	20th , & 25th	
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 SIP date as set out above or sufficient balance being unavailable in out-scheme in case of STP/SWP etc. 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)

SIP facility is available to investors in all the open ended of JM Financial Mutual Fund. This facility is subject to changes from time to time.

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.

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 Basic Fund is Rs.5,000/-. However, in case of SIP, an investor can invest with minimum installment amount of Rs.1 ,000/-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.

The features and other terms & conditions 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 (ECS/Direct Debit/Standing Instructions or post dated cheques 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 ECS/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 ECS 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/11th 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 ECS Debit) Facility: It is available in RBI's all ECS locations (current and future) and covers all banks participating in the respective ECS 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 4 Banks i.e. ICICI Bank, IDBI Bank, Axis Bank and Standard Chartered Bank.

The Investors may contact the nearest ISC for current list of Banks accepting Direct Debit mandates or for the list of cities where ECS facility is available. The list of cities/banks for Auto Debit (through ECS/Direct Debit) may be modified/updated/changed/ removed at any time in future, entirely at the discretion of JM Financial Asset Management Pvt Ltd without assigning any reason. Appropriate prior notice will be provided to the investors in case of any such deletion in the list of cities/bank. 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. JM Financial Asset Management Pvt 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 ECS/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.

b. Post Dated Cheques:

An investor can subscribe to SIP facility in other than ECS locations/Direct Debit with above mentioned Banks/ Standing Instructions facility of HDFC Bank by depositing Post-dated cheques for the opted period if his bank participates in the local clearing of the locations on which the cheques are drawn in any part of India where AMC has made arrangements. However, the first cheque/demand draft should be drawn & payable at the place where the application is being accepted. Presently this facility is available in more than 400 locations across India in addition to locations covered through ECS facility.

In the event of any merger/ acquisition/ closure of Banks, the investor will be required to replace the remaining post dated cheques with the cheques drawn on any other existing Bank.

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 subject to other Terms & Conditions.

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

1. The list of cities/banks for Auto Debit (through ECS/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 ECS/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 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 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 post-dated cheques/Auto Debit (ECS/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 first cheque/DD has to be of any valid date and not a post dated one on the date of submission. However, in case of remaining post-dated SIP cheques, from 2nd installment onwards, the cheques must contain the opted SIP dates for the entire remaining period out of the permissible SIP dates i.e. 1st, 5th, 10th, 15th, 20th or 25th of a month. Similarly, in case of SIP through Auto Debit (Direct Debit/ECS/ 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 time-stamped 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. 1 crore or more, the cut off time of 3.00 pm will be applicable for the purpose of time-stamping/ deemed time-stamping and receipt of funds into scheme's bank account.

For SIP installments in other than Liquid fund and installments for Rs. 1 crore or more per installment in case of debt schemes, the application shall be considered to have been received on the opted due date before the cut off time of the respective scheme for the purpose of application of NAV.

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 ECS 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 ECS/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 ECS/Direct Debit) Registration cum Mandate Form OR
 - Auto Debit (through Standing Instructions) Mandate by HDFC Bank Account Holders
 - Post-dated cheques for remaining period, drawn on any city in India in case of Non- Auto Debit SIP
 - 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 ECS 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.50000/- per year per investors 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. 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 in 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.
- In case the 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 be ceased for future installments. No refunds to be made for the units already allotted. Investor will be sent a communication to this effect. However, redemptions shall be allowed.

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

- Initial Investment Amount may not be equal to subsequent SIP Installments (Excluding Special SIP), provided the Minimum Investment criteria of the scheme/plan is 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.
- 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.
- Investor is required to ensure that 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.
- 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.
- 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.
- 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 Basic 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. 3000/- or more per quarter so as to meet the Minimum Investment Amount over the opted period.
- The cheque/s should be drawn in favour of the scheme/plan chosen (e.g. "JM Equity 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.
- Returned / Dis-honoured cheques/ECS/Direct Credit failures will not be presented again for realization for reasons attributable to the investor/s.
- The investor/s agree/s to abide by the terms and conditions of ECS facility of Reserve Bank of India (RBI) in case of SIP through ECS.
- Please refer to para on Third Party Payment and Transaction charges elsewhere in this document

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 Electronic Clearing Services (ECS) cases :

For discontinuation of SIP through ECS 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 instalments. Any credit received thereafter from the Bank towards the subsequent installments will be kept in abeyance for refund to unitholders at the earliest, without any interest/ accruals/benefits or without allotting the units .

iii. For Post Dated Cheques:

In case of physical post-dated cheques, the minimum notice period for cancellation / discontinuation is 30 calendar days. However, the units will continue to be allotted till the happening of earlier of the following:

- till the cancellation is recorded and confirmed by the co-ordinating bank of the AMC and the balance unpaid post-dated cheques are retrieved from the Bank, for return to the unitholder; or
- till 2 SIP installments, after the receipt of request for discontinuation/cancellation of future SIP Installments.

Any amount received after the above will be refunded to the investor without any interest/ accruals/benefits or without allotting the units.

In the event of non fulfillment of the criteria specified for a valid SIP application, the AMC reserves the right to revert all the previous allotments and re-allot the units afresh with applicable loads (in case of applications for SIP transactions routed through a broker/agent/distributor) as applicable on the respective due dates by treating them as normal investments. In addition, the AMC may also recover the amount of load waived/exemptions given for all allotments directly from the investor or by debit to his folios maintained with JM Financial Mutual Fund. The revertal and reprocessing of units in the above case would be subject to the investor meeting the minimum subscription amount (after deduction of permissible DD charges). In case, an investor is unable to meet the minimum subscription criteria due to non fulfillment of the other conditions or discontinuation of the SIP on request by the investor, the AMC reserves the right to redeem/refund with current valuation on the date of review by the AMC.

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 :

- Auto Debit (ECS/Direct Debit) : Submitting a fresh Auto Debit (ECS/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)
- 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

3. Post Dated Cheque : Submitting the fresh set of PDCs with fresh signed Common Application Form by filling fresh SIP details and change if any.

For Renewal/Continuation of SIP, the terms and conditions with regard to Lock- in period, Load etc. as on the 1st Installment, after the expiry of the last installment of the Existing SIP, will be applicable

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. 1 00/- 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. 1 00 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 Chhota 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 instalments out of the first six instalments 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 respective schemes eg. under JM Tax Gain Fund , the minimum investment is Rs. 500/- and further in multiples of Rs. 500/- each.

@@ Not permitted under JM Tax Gain Fund being subject to ELSS guidelines.

@ 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 instalments 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 :

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

In case investor is not sent CAS, the Fund shall dispatch the statement of accounts to the unit holders under STF/SWP once every quarter ending March, June, September and December within 10 business days of the end of the respective quarter. However, the first account statement under STF/SWP shall be issued within 10 business days of the initial investment.. However, if investor is sent CAS on monthly basis, quarterly account statement shall not be dispatched to him.

However, in case of specific request received from investors, the Fund shall 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 STF/SWP to their e-mail address on a monthly basis, if so mandated.

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 holders. 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.

STP/SWP in JM Arbitrage Advantage Fund

The due date for processing STP/SWP installment for these schemes is based on the 'interval period' every month i.e. the settlement date of Futures and Options Market subject to the condition that such request is made by the investor 15 days prior to the next settlement date to start the STP/SWP. In case of shortfall of notice period, the AMC/ Registrar will process the 1st STP/SWP on the settlement date after the next settlement. Subsequent installments will be processed on respective settlement dates after the start date.

The due date for SWP/STP installment under quarterly option will also be on the next settlement date subject to the condition that such request is made by the investor 15 days prior to the next settlement date to start the STP/SWP. In case of shortfall of notice period, the AMC/ Registrar will process the 1st STP/SWP on the settlement date after the next settlement. Subsequent installments will be processed on settlement dates after a calendar month from the start date and so on.

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.

In case of JM Arbitrage Fund, the above will be linked to next possible Interval date due to Settlement Date of Future & Options Market i.e last Thursday of the month in normal conditions.

Switching Options (In case of JM Tax Gain Fund this option will be available only after completion of lock-in period)

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 from 3.10.2008) within 24 months of respective STP installments (iii) switches by SIP investors (for cases registered from 3.10.2008) within 12 months of respective SIP installments (iv) switches to/from JM Arbitrage Advantage Fund / JM Nifty Plus 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.

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.

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.

C. PERIODIC DISCLOSURES

<p>Net Asset Value</p> <p>This is the value per unit of the scheme on a particular day. You can ascertain the value of your investments by multiplying the NAV with your unit balance.</p>	<p>The Mutual Fund shall declare the Net asset value of the scheme on every business day on AMFI's website www.amfiindia.com by 9.00 p.m. and also on www.JMFinancialmf.com</p> <p>The NAVs of the Scheme may be published either through an advertisement or by way of a press release, at least in two daily newspapers daily (of which at least one will be a daily newspaper of all India circulation).</p> <p>JM Tax Gain Fund</p> <p>In accordance with the ELSS guidelines, the NAV of the Scheme shall be published after one year from the date of the date of allotment of units and thereafter on a half yearly basis.</p> <p>After a period of three years from the date of allotment of units, when the units are available for repurchase, the NAV will be published on a monthly basis or as frequently as may be decided by them.</p>
<p>Half yearly Disclosures: Portfolio / Financial Results</p> <p>This is a list of securities where the corpus of the scheme is currently invested. The market value of these investments is also stated in portfolio disclosures.</p>	<p>The mutual fund shall publish a complete statement of the scheme portfolio and the unaudited financial results, 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 Corporate Office of the mutual fund is located.</p> <p>The mutual fund may opt to send the portfolio to all unit holders in lieu of the advertisement (if applicable).</p>
<p>Half Yearly Results</p>	<p>The mutual fund and Asset Management Company shall before the expiry of one month from the close of each half year that is on 31st March and on 30th September, publish its unaudited financial results in one national English daily newspaper and in a regional newspaper published in the language of the region where the Corporate Office of the mutual fund is situated.</p>
<p>Annual Report</p>	<p>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.</p> <p>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:</p> <ul style="list-style-type: none"> (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. <p>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 on the website of the Mutual Fund.</p>
<p>Associate Transactions</p>	<p>Please refer to Statement of Additional Information (SAI).</p>

Taxation 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. (mention the tax rates as per the applicable tax laws)		Resident Investors	Mutual Fund
	Equity Fund	NIL	NIL
	Tax on Dividend		
	Capital Gains: Long Term Short Term	NIL 15% (plus surcharge, Education Cess and Secondary and Higher Education Cess, as may be applicable)	NIL NIL
Equity scheme will also attract securities transaction tax (STT) at applicable rates. 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. 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. For further details on taxation please refer to the clause on Taxation in the SAI		
Investor services	Mr. Harish Kukreja is the Head Investor Services Address:- 2nd Floor, Asha House, Next to Landmark Bldg, 28 Suren Road, Off Western Express Highway, Andheri (East). Mumbai – 400 093.. Telephone No:- 022-61987777, Email:- investor@jmfinancial.in and servicejmf@karvy. com		

D. COMPUTATION OF NAV

NET ASSET VALUE (NAV) AND VALUATION OF INVESTMENT

Valuation of assets, computation of NAV, repurchase price and their frequency of disclosure will be in accordance with the provisions of SEBI (MF) Regulations 1996/ Guidelines/ Directives issued by SEBI from time to time.

The NAVs of the Units of the Plans will be computed by dividing the net assets of the Scheme by the number of Units outstanding on the valuation date. The Fund shall value its investments according to the valuation norms, as specified in Schedule VIII of the Regulations, or such norms as may be prescribed by SEBI from time to time.

Account balances of Units will be calculated upto three decimal places. NAV will be calculated upto 4 decimal places.

IV. FEES AND EXPENSES

This section outlines the expenses that will be charged to the schemes.

A. ANNUAL SCHEME RECURRING EXPENSES

These are the fees and expenses for operating the scheme. These expenses include Investment Management and Advisory Fee charged by the AMC, Registrar and Transfer Agents' fee, marketing and selling costs etc.

Kindly refer para on 'Aggregate fees and expenses charged to the schemes' under FUNDAMENTAL ATTRIBUTES.

B. LOAD STRUCTURE

Load is an amount which is paid by the investor to subscribe to the units or to redeem the units from the scheme. This amount is

used by the AMC to pay commissions to the distributor and to take care of other marketing and selling expenses. Load amounts are variable and are subject to change from time to time. For the current applicable structure, please refer to the website of the AMC (www.JMFinancialmf.com) or may call at (toll free no.) or your distributor.

Please refer to details set out under the head "Load Structure" under Highlights/ Summary of the Schemes.

V. RIGHTS OF UNITHOLDERS

Please refer to SAI for details.

VI. PENALTIES, PENDING LITIGATION OR PROCEEDINGS, FINDINGS OF INSPECTIONS OR INVESTIGATIONS FOR WHICH ACTION MAY HAVE BEEN TAKEN OR IS IN THE PROCESS OF BEING TAKEN BY ANY REGULATORY AUTHORITY

- 1) In case of Indian Sponsor(s), details of all monetary penalties imposed and/ or action taken during the last three years or pending with any financial regulatory body or governmental authority, against Sponsor(s) and/ or the AMC and/ or the Board of Trustees /Trustee Company; for irregularities or for violations in the financial services sector, or for defaults with respect to share holders or debenture holders and depositors, or for economic offences, or for violation of securities law. Details of settlement, if any, arrived at with the aforesaid authorities during the last three years shall also be disclosed.

The Sponsor of JM Financial Mutual Fund has contingent liability in respect of income tax demand disputed in appeal is Rs.3.60 crore

The Sponsor had filed a civil suit against Mr. D B Patel for recovery of security deposit of around ₹ 1.28 crore paid to him for the office premises taken on Leave & License basis. The Sponsor is in possession of the premises that were rented by Mr. Patel. The Sponsor's application for execution of decree in this regard is pending in the High Court, Bombay.

The Complainant, M/s. Computron Systems Pvt. Ltd has withdrawn the criminal complaint against Mr. Nimesh Kampani, Chairman of the Board of the Trustee Company, who was one of the parties by virtue of his acting as an escrow agent to a commercial transaction in a case before the Court of Additional Chief Metropolitan Magistrate, Esplanade, Mumbai, and orders have been passed to the necessary effect and therefore, the matter is now closed.

- 2) Details of all enforcement actions taken by SEBI in the last three years and/ or pending with SEBI for the violation of SEBI Act, 1992 and Rules and Regulations framed there under including debarment and/ or suspension and/ or cancellation and/ or imposition of monetary penalty/adjudication/enquiry proceedings, if any, to which the Sponsor(s) and/ or the AMC and/ or the Board of Trustees / Trustee Company and/ or any of the directors and/ or key personnel (especially the fund managers) of the AMC and Trustee Company were/ are a party. The details of the violation shall also be disclosed.

Nil

- 3) Any pending material civil or criminal litigation incidental to the business of the Mutual Fund to which the Sponsor(s) and/ or the AMC and/ or the Board of Trustees /Trustee Company and/ or any of the directors and/ or key personnel are a party should also be disclosed separately.

Nil

- 4) Any deficiency in the systems and operations of the Sponsor(s) and/ or the AMC and/ or the Board of Trustees/Trustee Company which SEBI has specifically advised to be disclosed in the SID, or which has been notified by any other regulatory agency, shall be disclosed.

N.A.

Notwithstanding anything contained in this Scheme Information Document, the provisions of the SEBI (Mutual Funds) Regulations, 1996 and the guidelines there under shall be applicable.

JM FINANCIAL MUTUAL FUND

BRANCHES/INVESTOR SERVICE CENTERS :

- **AHMEDABAD:** 201, SAMEDH complex, Next to Associated Petrol Pump, C. G. Road, Panchvati, Ahmedabad - 380 006. Tel.: (079) 26426620 / 26426630.
- **BANGALORE:** 203, 2nd floor, City Centre, Off MG road, Church Street, Bangalore 560 001 Tel.: (080) 42914221/4242.
- **CHANDIGARH :** B-4 Basement, SCO 22, Sector 33 D, Chandigarh - 160020 Tel: (0172) 4346431/4646431 (operational w.e.f. March 5, 2012)
- **CHENNAI:** 2nd Floor, Ruby Regency, Dinrose Estate, Opposite to Tarapore Towers, (Behind HP Petrol Pump) Old No. 69, Anna Salai, Chennai - 600 002. Tel.: (044) 42976767, Fax: (044) 28513026.
- **COIMBATORE:** Door No. 196/17, First Floor, Aiswarya Commercial Centre, Thiruvengatasamy Road, R S Puram, Coimbatore 641 002. Tel.: (0422) 4367375.
- **HYDERABAD:** ABK OLBEE Plaza, 8-2-618/8 & 9, 4th Floor, 403, Road No. 1, Banjara Hills, Hyderabad 500 034. Tel.: (040) 66664436 / 66780752.
- **INDORE:** 129, City Centre, 570 M. G. Road, Opp. High Court, Indore - 452001, Tel.: (0731) 2533344.
- **JAIPUR:** 447, 4th Floor, Ganapati Plaza, MI Road, Jaipur - 302 001, Tel.: (0141) 4002188 / 99.
- **KANPUR:** Office No. 512, 5th Floor, Kan Chambers, 14/113 Civil Lines, Kanpur - 208 001, (U.P.) Tel.: (0512) 3914577, 3022754, 3022755.
- **KOLKATA:** 6, Little Russell Street, 8th Floor, Kankaria Estate, Kolkata - 700 071. Tel.: (033) 40062957 - 62/65/66/67.
- **LUCKNOW:** Room No.101, 1st Floor, Sky Hi, 5-Park Road, Lucknow - 226 001. Tel.: (0522) 4026636/7.
- **LUDHIANA:** Office No. 308, SCO 18, Opp. Stock Exchange, Feroze Gandhi Market, Ludhiana - 141 001. Tel.: (0161) 5054519 / 5054520.
- **MUMBAI (Andheri):** Asha House, 28, 2nd Floor, Suren Road, Off Western Express Highway, Andheri (E), Mumbai - 400 093. Tel.: (022) 61987777
- **MUMBAI (Nariman Point):** 51, Maker Chambers III, Nariman Point Mumbai – 400021. Tel: 022-61987777 Tel.: (022) 61987777..
- **NAGPUR:** 204, Khullar Chambers, Above Bank of Baroda, Munje Chowk, Sita Buldi, Nagpur - 440 012. Tel.: (0712) 6500171 / 72.
- **NASIK:** Lower Ground 14, Suyojit Sankul, Behind HDFC Bank, Sharanpur Road, Nasik - 422 002. Tel.: (0253) 3012824.
- **NEW DELHI (MAIN):** 818-819, 8th floor, Ambadeep Building, 14 K G Marg, Connaught Place, New Delhi - 110 001. Tel.: (011) 43616160.
- **NOIDA:** 505, 5th floor, Ocean Complex, Plot No.6, Sector 18, Noida 201 301. Tel.: (0120) 4271915 / 4271916
- **PUNE:** Office # 304 & 305, 4th Floor, "Amit Shreephal" Ghole Road, 1187/25 Shivajinagar, Next to Federal Bank, Pune- 411005. Tel: (020) 30266021/22/23.
- **RAJKOT:** 208, Star Chambers, 2nd Floor, Harihar Chowk, Rajkot - 360 001. Tel.:(0281) 2231303.
- **SURAT:** 1ST Floor, C 110, International Trade Centre (ITC), Majuragate, Ring Road, Surat-395002 . Tel.: (0261) 6533056.
- **VADODARA:** 407, 4th Floor, Siddarth Complex, Alkapuri, R C Dutt Road, Vadodara - 390 005. Tel.: (0265)6626474 / 2350453.

Web transactions through

www.icicidirect.com; www.kotaksecurities.com; www.kotak.com; www.idbipaisabuilder.in; www.standardchartered-wealthmanagers.co.in; www.indiainfoilne.com; www.njindiaonline.com; www.reliancemoney.com; www.religare.in; www.sharekhan.com; www.yesbank.in; www.angeltrade.com; www.guptaequities.com; www.hdfcbank.com; www.the-finapolis.com; www.ingim.co.in; www.bonanzaonline.com; www.dawnaydayavsecurities.com; www.emkayshare.com; www.arthamoney.com; www.smcindiaonline.com; www.wealthonline.in; www.sbicapsec.com; www.justtrade.in; www.almondz.com; www.fidelity.co.in; www.vsicl.com; www.wealthindia.in; www.ifastfinancial.com; www.motilaloswal.com; www.tatasecurities.com; www.shriraminsight.com; www.mynetworth.networthdirect.com

COMBINED SCHEME INFORMATION DOCUMENT (SID)

JM FLOATER FUND – LONG TERM PLAN

An open-ended income scheme

JM FLOATER FUND - SHORT TERM PLAN

An open-ended liquid scheme

JM G-SEC FUND

An open-ended dedicated gilts scheme

JM HIGH LIQUIDITY FUND

An open-ended liquid scheme

JM INCOME FUND

An open-ended income scheme

JM INTERVAL FUND

A debt oriented interval fund

(Note: Under this scheme

JM Financial Mutual Fund has
launched various plans.

Currently only one plan is live

i.e. JM Interval Fund –

Quarterly Plan 1)

JM MIP FUND

An open-ended monthly income fund
with no assured return

JM MONEY MANAGER FUND*

An open-ended debt scheme

JM SHORT TERM FUND

An open-ended income scheme

Ongoing offer of Units for Subscription at NAV based prices

*JM Money Manager Fund has 3 plans, i.e. Regular Plan, Super Plan and Super Plus Plan. Each plan has different portfolio.

The particulars of the Schemes have been prepared in accordance with the Securities and Exchange Board of India (Mutual Funds) Regulations 1996, (herein after referred to as SEBI (MF) Regulations) as amended till date, and filed with SEBI, along with a Due Diligence Certificate from the AMC. The units being offered for public subscription have not been approved or recommended by SEBI nor has SEBI certified the accuracy or adequacy of the Scheme Information Document.

The Scheme Information Document sets forth concisely the information about the scheme that a prospective investor ought to know before investing. Before investing, investors should also ascertain about any changes to this Scheme Information Document after the date of this Document from the Mutual Fund / Investor Service Centres / Website / Distributors or Brokers.

The investors are advised to refer to the Statement of Additional Information (SAI) for details of JM Financial Mutual Fund, Tax and Legal issues and general information on www.JMFinancialmf.com

SAI is incorporated by reference (is legally a part of the Scheme Information Document). For a free copy of the current SAI, please contact your nearest Investor Service Centre or log on to our website.

The Scheme Information Document should be read in conjunction with the SAI and not in isolation.

This Combined Scheme Information Document is Dated 27/04/2012

NAME OF MUTUAL FUND:

JM Financial Mutual Fund

NAME OF ASSET MANAGEMENT COMPANY("AMC"):

JM Financial Asset Management Private Limited

NAME OF TRUSTEE COMPANY:

JM Financial Trustee Company Private Limited

ADDRESS AND WEBSITE OF THE AMC/ MF:

Corporate Office of the AMC

502, 5th Floor, A Wing, Laxmi Towers, Bandra Kurla
Complex, Mumbai – 400 051. Tel. No. 022-6198 7777.

Fax Nos. 022-2652 8388

Web site: <http://www.JMFinancialmf.com>

Email: investor@jmfinancial.in

Disclaimer with respect to JM Interval Fund - Quarterly Plan 1:

“As required, a copy of the combined Scheme Information Document of debt schemes of JM Financial Mutual Fund had been submitted to National Stock Exchange of India Limited (hereinafter referred to as NSE). NSE has given vide its letter No. NSE/LIST/160262-X dated March 10, 2011 permission to the Mutual Fund to use the Exchange's name in this Scheme Information Document as one of the stock exchanges on which the units of JM Interval Fund - Quarterly Plan 1 are listed subject to, the Mutual Fund fulfilling the various criteria for listing. The Exchange has scrutinized this Scheme Information Document for its limited internal purpose of deciding on the matter of granting the aforesaid permission to the Mutual Fund. It is to be distinctly understood that the aforesaid permission given by NSE should not in any way be deemed or construed that the Scheme Information Document has been cleared or approved by NSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Scheme Information Document; nor does it warrant that the Mutual Fund's units will be listed or will continue to be listed on the Exchange; nor does it take any responsibility for the financial or other soundness of the Mutual Fund, its Sponsors, its management or any scheme or project of the Mutual Fund.

Every person who desires to apply for or otherwise acquire any units of the Mutual Fund may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Exchange whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription /acquisition whether by reason of anything stated or omitted to be stated herein or any other reason whatsoever.”

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HIGHLIGHTS/SUMMARY OF THE SCHEME

(A) Investment objective

Name of the Scheme	Investment Objectives of the schemes
JM Floater Fund - Short Term Plan	To provide regular income and capital appreciation through investment in floating rate debt instruments, fixed rate debt instruments swapped for floating rate returns and also fixed rate instruments and money market instruments.
JM Floater Fund – Long Term Plan	To provide regular income and capital appreciation through investment in floating rate debt instruments, fixed rate debt instruments swapped for floating rate return and also fixed rate instruments and money market instruments.
JM G-Sec Fund	To provide ultimate level of safety to its unitholders through investments in sovereign securities issued by the Central and State government.
JM High Liquidity Fund	To provide income by way of dividend (dividend plans) and capital gains (growth plan) through investing in debt and money market instruments.
JM Income Fund	To generate stable long term returns with low risk strategy and capital appreciation/accretion through investment in debt instruments and related securities besides preservation of capital.
JM Interval Fund	The investment objective of the Scheme and the plans launched there under is to seek to generate predictable returns over a predetermined period by investing in a portfolio of fixed income securities normally maturing in line with the time profile of the respective Plans.
JM MIP Fund (An open-ended monthly income fund with no assured return)	To generate regular income, primarily through investments in fixed income securities so as to make monthly, quarterly and annual dividend distribution, declare bonus in the growth option. The Fund would also aim to achieve capital appreciation through investing a portion of its assets in equity and equity related securities.
JM Money Manager Fund*	To generate stable long term returns with low risk strategy and capital appreciation/ accretion through investments in debt instruments and related securities besides preservation of capital.
JM Short Term Fund	To generate regular returns and high level of liquidity with low risk strategy and capital appreciation/ accretion through investment in debt instruments and related securities besides preservation of capital.

*JM Money Manager Fund has 3 plans i.e. Regular Plan, Super Plan and Super Plus Plan. Each three plan has different portfolio.

While the above table gives the investment objectives of the schemes, investors are required to read all the scheme related information set out in this document carefully and also note that there can be no assurance that the investment objectives of the any of the schemes will be realized. The schemes do not guarantee/ indicate any returns.

(B) LIQUIDITY

All Schemes (except JM Interval Fund) will offer units for sale and repurchase at NAV based prices on all business days.

Provisions for JM Interval Fund – Quarterly Plan 1 are as follows:

a. Specified Transaction Period:

The Specified Transaction Period for purchases and switch-ins in the various plans under JM Interval Fund will consist of 3 days i.e 2 business days prior to the Interval Date as well as the Interval Date of the respective Plan. All purchases / switch-ins received during the above mentioned days including for transaction of Rs. 1 crore and above (where the funds are available for utilization on the Interval Date), will be processed at ex-dividend NAV on the stipulated transaction date i.e. 91st day.

In the event of the investor submitting his redemption/ switch out request on a day other than STP period, the request will be kept in abeyance by the Registrar and processed on the next Interval Date, if the request is not withdrawn in writing.

There is no auto redemption facility available for the plans of JM Interval Fund. The investments of the investors who do not redeem/ switch out their investments during the Specified Transaction Date will continue on a perpetual basis till redemption/ switch out request is received from the investor or the scheme is wound up as per SEBI guidelines. All transactions (redemptions/ switch outs/ fresh purchases/ switch ins) time stamped up to 3.00 p.m. on the specified transaction date will be processed at applicable ex-dividend NAV on the same day.

b. Listing:

As the units of JM Interval Fund - Quarterly Plan I is listed on NSE, units held in dematerialisation form can be traded on stock exchange

on all business days. For trading of units on the Stock Exchange, the Units of the scheme can be traded in dematerialized form only.

The Units can be bought /sold during the trading hours like any other publicly traded stock, except during the temporary suspension period, as may be declared by NSE by way of a circular. Temporary suspension period will continue till such date a Circular is issued by NSE on its website informing about the revocation of the temporary suspension.

(C) BENCHMARK

The performance of the Schemes will be benchmarked as follows

Scheme	Index
JM Floater Fund - Short Term Plan	Crisil Liquid Fund Index
JM Floater Fund – Long Term Plan	Crisil Liquid Fund Index
JM G-Sec Fund	ISEC Composite Index
JM High Liquidity Fund	Crisil Liquid Fund Index
JM Income Fund	Crisil Composite Bond Fund Index
JM Interval Fund – Quarterly Plan 1	Crisil Liquid Fund Index
JM MIP Fund	Crisil Mip Blended Index
JM Money Manager Fund*	Crisil Liquid Fund Index
JM Short Term Fund	Crisil Liquid Fund Index

*JM Money Manager Fund has 3 plans i.e. Regular Plan, Super Plan and Super Plus Plan. Each plan has different portfolio.

In terms of SEBI Circular No. MFD/CIR/01/ 071/02 dated 15th April 2002 the AMC and Trustees may change the Benchmark Index or select an additional Benchmark Index after recording adequate justification for carrying out such change. However, change of Benchmark Index and/or selecting additional Benchmarks Index would be done in complete compliance of the relevant guidelines of SEBI in this regard. Further, in terms of SEBI Circular No. MFD/CIR/1 6/400/02 dated 26th March 2002; the performance of the Schemes will be benchmarked and reviewed at the meetings of the Board of the AMC/Trustees.

(D) TRANSPARENCY/NAV DISCLOSURE

NAVs will be determined at the close of every business day and disclosed on the websites of the Mutual Fund/ AMFI. Schemes will disclose details of its portfolio on a half yearly basis. As presently required under the Regulations, a complete statement of the Scheme's portfolio will be published by the Mutual Fund as an advertisement in a newspaper within one month from the close of each half year (i.e. March 31st & September 30th) or mailed to the Unit holders.

(E) LOADS AND TRANSACTION CHARGES

Entry load is NIL for all the schemes.

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.

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

With effect from August 1, 2009, exit load/ CDSC (if any) charged to the Unitholder by the Fund, up to 1% of the redemption value shall be retained by each of the Schemes 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 balance shall be credited to the Scheme.

The Repurchase Price however, will not be lower than 93% of the NAV, and the Sale Price will not be higher than 107% of the NAV, provided that the difference between the Repurchase price and Sale price at any point in time shall not exceed the permitted limit as prescribed by SEBI from time to time which is presently 7% calculated on the Sale Price.

The current exit load structure is as under:

Scheme Name	Exit Load	Lock-in periods*
JM MIP Fund	0.50%	182 Days

JM Money Manager Fund – Super Plan	0.10%	30 Days
JM Income Fund	1.00%	365 Days
JM Interval Fund – Quarterly Plan 1	NIL	Refer Note 1
JM MIP Fund	0.50%	182 Days
JM Money Manager Fund- Regular Plan	0.25%	45 Days
JM Short Term Fund	0.25%	30 Days
All other open ended schemes/ plans	NIL	NA

* 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.

Note 1: However in case of units held in dematerialized, an investor would be paying/incurred cost in the form of a bid and ask spread and brokerage, as charged by his broker, for buying/ selling of units. Additionally investor will also have to bear applicable statutory levies.

It is clarified that 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). However, Government levies eg. STT (wherever applicable) will continue to be deducted for every intra-scheme switch-out /redemption transactions.

Load exemptions, if any:

The AMC will not charge exit load for a Fund of Funds Scheme investing in the scheme.

BONUS UNITS AND UNITS ALLOTTED ON REINVESTMENT OF DIVIDEND

In accordance with SEBI 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 reinvestment of Dividend.

The investor is requested to check the prevailing load structure of the scheme on the website of the Mutual Fund before investing.

CHANGE IN 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:

- 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 part of the newsletter sent to the Unitholders immediately after the changes.
- 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.
- The introduction of the exit load alongwith 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.
- 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 AMC/ Fund will display the notice on its website.

DEDUCTION OF TRANSACTION CHARGES FOR INVESTMENTS THROUGH DISTRIBUTORS/AGENTS:

Vide its Circular No. Cir/ IMD/ DF/13/ 2011 dated August 22, 2011, SEBI has permitted Asset Management Companies (AMCs) to deduct transaction charges per subscription of Rs. 10,000/- and above and the same be paid to the distributors of the Mutual Fund products.

In accordance with the said circular, the AMC shall deduct the Transaction Charges on purchase / subscription received from first time mutual fund investors and investor other than first time mutual fund investors through the distributor/ agent (who have opted to receive the transaction charges) as under:

Description	First Time Mutual Fund Investor (across Mutual Funds)	Investor other than First Time Mutual Fund Investor
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Lump sum subscription of Rs. 10,000 and above In case of investments through Systematic Investment Plan (SIP), if the total commitment (i.e. amount per SIP installment x No. of installments) amounts to Rs. 10,000/- or more.	Transaction charges will be Rs. 150/-	Transaction charges will be Rs. 100/-
	Transaction charges will be Rs. 150/- or Rs. 100/- as may be applicable as mentioned above. The Transaction Charges shall be deducted in 4 equal installments, from the 2nd to the 5th installment.	

Investors may note that distributors have an option to opt in or opt out of charging the transaction charge. 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, Systematic Transfer Plan (STP), tc.
- (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).

(F) CHOICE OF INVESTMENT PLANS / OPTIONS

Please refer table under point (J) below for details.

(G) DIVIDENDS

Dividend shall be declared at the discretion of the Trustee subject to availability of distributable profit as compiled in accordance with SEBI (MF) Regulations, 1996. No dividend under Daily 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.

The Fund does not guarantee or assure declaration or payment of dividend. Although, the Fund may have the intention to declare dividend under the various dividend options, such declaration of dividend if any, is subject to the respective scheme's performance, the availability of distributable surplus and other considerations keeping in view the interest of the unitholders in the scheme, at the time of declaration of such dividend.

In case the Record Date falls on a non Business Day, the immediately following Business Day shall be the Record Date.

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 except in schemes where Dividend Reinvestment option is not available.

(H) ADDITIONAL PLANS

The Trustees may permit introduction of one or more plans that may be envisaged at a later date under any of the plan(s) under the scheme in terms of SEBI circular MFD/CIR No.12/175/01 dated February 15, 2001 read with SEBI / IMD / CIR No 14 / 187175/ 2009 dated December 15, 2009 depending upon the market conditions prevailing at the time of launch of the plan(s) and taking into consideration the interests of the unitholders and subject to the SEBI regulations. The investment management fees will be uniform across various plans launched under a plan. Investors will be suitably informed by publishing a notice in a newspaper/addendum or through any other means as the Trustee may be considered appropriate.

(I) Minimum Investment Amount, Plans, Options and Sub-Options under the respective schemes and the Default options (in case an investor fails to specify his preference) for each of the Schemes would be as under:

Sr. no.	Schemes	Currently available facilities				Default		
		Min. investment amt.	Plans	Options	Sub Options	Default Plan	Default Option	Default Sub Option
1	JM Floater Fund - Short Term Plan	Rs. 5000/-	Short Term Plan	Daily Dividend Growth	Reinvestment	-	Daily Dividend	Reinvestment
2	JM Floater Fund - Long Term Plan	Rs. 5000/-	Regular Plan	Daily Dividend	Reinvestment	Premium Plan	Daily Dividend	Reinvestment
				Weekly Dividend				
				Dividend	Reinvestment / Payout			
				Growth				
			Premium Plan	Daily Dividend	Reinvestment		Daily Dividend	Reinvestment
				Weekly Dividend				
				Dividend	Reinvestment / Payout			
				Growth				

Sr. no.	Schemes	Currently available facilities				Default					
		Min. investment amt.	Plans	Options	Sub Options	Default Plan	Default Option	Default Sub Option			
3	JM G Sec Fund	Rs. 5000/	Regular Plan	Dividend Growth	Payout / Reinvestment	-	Growth	Reinvestment			
				Bonus*	Principal units Bonus units						
4	JM High Liquidity Fund	Rs. 5000/-	Regular Plan	Daily Dividend	Reinvestment	If investment amt is < Rs. 1 crore then Regular; If investment amount is equal to or more than Rs. 1 crore but less than Rs. 5 crores then Institutional Plan. If investment amount is equal to or more than Rs. 5 crores then Super Institutional Plan	Daily Dividend	Reinvestment			
				Weekly Dividend	Reinvestment / Payout						
				Quarterly Dividend	Payout / Reinvestment						
				Growth							
				Bonus*	Principal units Bonus units						
		Rs. 1,00,00,000/-	Institutional Plan	Daily Dividend	Reinvestment			Daily Dividend	Reinvestment		
				Weekly Dividend	Reinvestment / Payout						
				Growth							
				Daily Dividend	Reinvestment					Daily Dividend	Reinvestment
				Weekly Dividend	Reinvestment / Payout						
Rs. 5,00,00,000/-	Super Institutional Plan	Growth									
5	JM Income Fund	Rs. 5000/-	-	Dividend Growth	Payout / Reinvestment	-	Growth	Reinvestment			
		Bonus*	Principal units Bonus units								
6	JM Interval Fund – Quarterly Plan 1	Rs. 5000/-	Regular Plan	Dividend Plan	Payout	If investment amt is < Rs. 5 lacs then Regular, else Institutional	Dividend	Payout			
		Rs. 500000/-	Institutional Plan	Growth Plan							
7	JM MIP Fund	Rs. 5,000/-	-	Monthly Dividend	Payout / Reinvestment	-	Monthly Dividend	Payout			
				Quarterly Dividend							
				Annual Dividend							
				Growth	Growth						
					Capital Appriciation Withdrawal						
					Fixed Amount Withdrawal						
8	JM Money Manager Fund	Rs. 5000/-	Regular	Daily Dividend	Reinvestment	Super Plus	Daily Dividend	Reinvestment			
				Weekly Dividend							
				Fortnightly Dividend							
				Growth							
		Rs. 5000/-	Super	Daily Dividend	Reinvestment						
				Weekly Dividend							
				Fortnightly Dividend							
				Growth							
		Rs. 5000/-	Super Plus	Daily Dividend	Reinvestment						
				Weekly Dividend							
				Fortnightly Dividend							
				Growth							

Sr. no.	Schemes	Currently available facilities				Default		
		Min. investment amt.	Plans	Options	Sub Options	Default Plan	Default Option	Default Sub Option
9	JM Short Term Plan	Rs. 5000/-	Regular Plan	Daily Dividend	Reinvestment			
				Dividend	Payout / Reinvestment			
				Growth				
		Rs. 100000/-	Institutional Plan	Daily Dividend	Reinvestment			
				Dividend	Payout / Reinvestment			
				Growth				

* Currently these Plans/Options are not available for fresh subscription.

Default Plan/Option/ Sub-option:

In case, an existing unit holder of a scheme makes an additional purchase 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 an investment in the past i.e. such Plan/Option of the Scheme will be treated as the Default Plan/Option, in the absence of specific instructions/ clarificatory letter from the unit holder, received on the date of the additional investment. Such investment would be subject to the load structure and lock-in of the respective default Plan/Option.

In case the investor does not mention the name of Plan/Sub-Plan/Option/Sub-Option opted for, the AMC/ Registrar will allot the units as per default Plans/ Options/ Sub-options. In case, it is not possible to decide about the default Plans/ Options/ Sub-options or in case of any other ambiguity, then the application will be treated as invalid and 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.

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 start 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 set out elsewhere in this document.

PURCHASE/ MINIMUM APPLICATION AMOUNT

Minimum amount as set out in the table above for investments in each Plan / Option and in multiples of any amount thereafter in case of first time investments. For ongoing investments in an existing folio the investment would be Rs. 1,000/- and in multiples of any amount thereafter. However, there is no upper limit for investment.

In case of JM Interval Fund, being listed scheme, the lot size is one unit. Hence, the AMC will refund the excess amount if any, in respect of fractional units arising out of allotment of units due to applicable NAV notwithstanding the Minimum/ Additional Investment criteria as mentioned above. Similarly, in case of switch transaction, the excess amount, if any, will be paid to the investor after apportioning for the allotment of units under the scheme as per the applicable NAV.

The minimum investment is applicable at the respective Plans/Sub-plans/Options/ Sub-options level i.e. Growth, Dividend.

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.

(J) REDEMPTION/ MINIMUM REDEMPTION AMOUNT

Minimum redemption from existing Unit Accounts would be

- a) Rs. 500 and any amount there after OR
- b) 50 units or any number of units there after OR
- c) The entire investment in case the available balance is less than a) and b) above

A unitholder of the Scheme, may at any point in time, redeem his/ her full investment in the Scheme.

In the event of remaining balance (for investment other than through SIP/STP/SWP) falling below the minimum balance of 500 units or Rs.5000 (Which ever is less), while processing redemption/switch requests, the entire outstanding units will be redeemed/ switched out.

In case of difference/ ambiguity in the amount and units mentioned in any request for Redemption/ Switch, the minimum value (of units and amount) on rupee equivalent basis on the Transaction/ applicable NAV date will be considered by the AMC, provided the investor has not furnished any clarification in writing, duly signed on the date of transaction. In the event of investor not having filled in the Amount/ Units in the Transaction Slip, the AMC will redeem/ switch out all the outstanding units in case the Scheme, Plan, Option are clearly mentioned.

In case, an Investor fails to mention the complete name of the scheme upto plan/ option 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, the investor has not mentioned the plans/ options etc or has incompletely/illegibly mentioned the plans/ options etc. in the purchase/ redemption/switch request (specifically where he is having holdings in various plans/ options 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.

In case of JM Interval Fund, being listed scheme, the lot size is one unit. Hence, the AMC will refund the excess amount if any, in respect of fractional units arising out of allotment of units due to applicable NAV notwithstanding the Minimum/ Additional Investment criteria as mentioned above. Similarly, in case of switch transaction, the excess amount, if any, will be paid to the investor after apportioning for the allotment of units under the scheme as per the applicable NAV.

(K) TAX BENEFITS

Tax benefits to the unitholders under Section 112 of the I.T. Act.

EARNINGS OF THE FUND

Earnings of the fund are totally exempt from income tax under Section 10(23D) of the I.T. Act.

(L) REPATRIATION FACILITY

NRIs and FIIs may invest in the Scheme on a full repatriation basis as per RBI notification no. FEMA 20/2000 dated May 3, 2000.

The AMC may add to or otherwise amend either all or any of the terms of the Scheme, by duly complying with the guidelines of and notifications issued by SEBI/GOI/any other regulatory body that may be issued from time to time subject to the prior approval of SEBI, if required. The SID shall be updated once every year. In case of change in fundamental attributes in terms of Regulation 18(15A), SID shall be revised and updated immediately after completion of duration of exit option. Till the time the SID is revised and reprinted, an addendum giving details of each of the changes shall be circulated to all the Investor Service Centre (ISC)/ distributors, so that the same can be attached to copies of SID already in stock.

I. INTRODUCTION

A. RISK FACTORS

Standard Risk Factors:

- Mutual funds and securities investments are subject to market risks and there is no assurance or guarantee that the objectives of the Fund will be achieved.
- 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 schemes.
- The names of the schemes do 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 schemes under this Scheme Information Document are not guaranteed or assured return schemes.

A Unitholder in JM Financial Mutual Fund's Debt/ Liquid schemes should be aware of the risks generally associated with investments in the fixed income and money markets. Below are some of the common risks associated with investments in fixed income and money market securities. These risks include:

a) Derivative Risks

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 under the head

POLICY AND SPECIAL CONSIDERATION ON INVESTMENT IN DERIVATIVES AND HEDGING PRODUCTS

b) 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.

c) 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.

d) 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.

e) 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.

f) Stock 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.

g) Risks associated with Short Selling and Securities Lending -

The risks in lending portfolio securities, as with other extensions of credit, consist of the failure of another party, in this case the approved intermediary, to comply with the terms of agreement entered into between the lender of securities i.e. the Scheme and the approved intermediary. Such failure to comply can result in the possible loss of rights in 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.

h) 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.

i) 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.

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.10,000,000/- 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.

Specific Risk Factors associated with investments JM MIP Fund

Risk related to Equity & Equity related securities

A Unitholder in the Scheme which invests in equity and equity related instruments should be aware of the risks generally associated with investments in the equity and equity related securities. Below are some of the common risks associated with investments in equity and equity related securities.

As these Schemes propose to invest in equities and equity related instruments, they will be subjected to normal risks associated with equity markets.

NAV of these Schemes are linked to equity performance of the companies in which they invest.

Macroeconomic factors like changes in tax rates, political uncertainties, change in government regulations etc. and industry specific factors like competition, demand supply etc. could impact the performance of the companies in which the scheme invests.

Trading volumes, settlement periods and transfer procedures may restrict the liquidity of these investments. The inability of the scheme(s) to make intended security purchases due to settlement problems could also cause the scheme(s) to miss certain investment opportunities.

The scheme(s) may also use various derivative and hedging products from time to time, as would be available and permitted by SEBI, in an attempt to protect the value of the portfolio and enhance unitholder's interest.

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.

B. REQUIREMENT OF MINIMUM INVESTORS/ INVESTMENT IN THE SCHEME

(Applicability for an open-ended scheme)

Each of the Schemes/ plans (at portfolio level) shall have a minimum of 20 investors and no single investor shall account for more than 25% of the corpus of the Scheme/ Plan(s). However, if such limit is breached during the NFO of the Scheme/ plan, the Fund will endeavor to ensure that within a period of three months or the end of the succeeding calendar quarter from the close of the NFO of the Scheme/ plan, whichever is earlier, the Scheme/ plan complies with these two conditions. In case the Scheme / Plan(s) does not have a minimum of 20 investors in the stipulated period, the provisions of Regulation 39(2)(c) of the SEBI (MF) Regulations would become applicable automatically without any reference from SEBI and accordingly the Scheme / Plan(s) shall be wound up and the units would be redeemed at applicable NAV. The two conditions mentioned above shall also be complied within each subsequent calendar quarter thereafter, on an average basis, as specified by SEBI. If there is a breach of the 25% limit by any investor over the quarter, a rebalancing period of one month would be allowed and thereafter the investor who is in breach of the rule shall be given 15 days notice to redeem his exposure over the 25 % limit. Failure on the part of the said investor to redeem his exposure over the 25 % limit within the aforesaid 15 days would lead to automatic redemption by the Mutual Fund on the applicable Net Asset Value on the 15th day of the notice period. The Fund shall adhere to the requirements prescribed by SEBI from time to time in this regard.

(Applicability for Interval scheme)

The Scheme(s) and individual Plan(s) under the Scheme(s) shall have a minimum of 20 investors and no single investor shall account for more than 25% of the corpus of the Scheme(s)/Plan(s). These conditions will be complied with immediately after the close of the NFO itself i.e. at the time of allotment. In case of non-fulfillment with the condition of minimum 20 investors, the Scheme(s)/Plan(s) shall be wound up in accordance with Regulation 39 (2) (c) of SEBI (MF) Regulations automatically without any reference from SEBI. In case of non-fulfillment with the condition of 25% holding by a single investor on the date of allotment, the application to the extent of exposure in excess of the stipulated 25% limit would be liable to be rejected and the allotment would be effective only to the extent of 25% of the corpus collected. Consequently, such exposure over 25% limits will lead to refund within 6 weeks of the date of closure of the New Fund Offer.

C. SPECIAL CONSIDERATIONS, if any

Prospective investors in this Scheme should educate themselves or seek professional advice on:

1. Legal requirements or restrictions relating to the acquisition, holding, disposal, or redemption of Units within their jurisdiction of nationality, residence, ordinary residence and domicile or under the laws of any jurisdiction to which they are subject; and
2. Treatment of capital gains, and other tax consequences relevant to their acquisition, holding or disposal, whether by way of sale or redemption of Units

Potential investors should study this Scheme Information Document carefully in its entirety and consult their legal, tax and investment advisors to determine possible legal, tax, financial or other considerations of subscribing for, purchasing or holding Units before making a subscription for Units.

Potential investors should note that all financial investments carry inherent risks and no assurance or guarantee can be given that the objective of the Fund will be fully met. The NAV of the Units issued under these Schemes and the income from them can go up or down depending on the factors and forces affecting the capital markets, debt markets and money markets.

Entities managed or sponsored by the affiliates or associates of the Sponsors may either directly or indirectly invest in a substantial portion of the Scheme. If these entities decide to offer a substantial portion of such investment for repurchase, it may have an adverse impact on the NAV of Units.

Neither this Scheme Information Document nor the Units have been registered in any jurisdiction. The distribution of this Scheme Information Document in certain jurisdictions may be restricted or subject to registration requirements and, accordingly, persons who come into possession of this Scheme Information Document are required to inform themselves about, and to observe, any such restrictions, as may be applicable. This Scheme Information Document does not constitute an offer or solicitation to any person within such jurisdiction. The Mutual Fund may compulsorily redeem any units held directly or beneficially in contraventions of these prohibitions. It is the responsibility of any person in possession of this Scheme Information Document and of any person wishing to apply for Units pursuant to this Scheme Information Document to inform themselves of and to observe, all applicable laws and Regulations of such relevant jurisdiction.

No person has been authorized to issue any advertisement or to give any information or to make any representations other than that contained in this Scheme Information Document. Circulars in connection with this offering not authorized by JM Financial Mutual Fund and any information or representations not contained herein must not be relied upon as having been authorized by JM Financial Mutual Fund. Prospective investors should not construe the contents hereof as advice relating to legal, taxation or investment matters and are advised to consult their own professional advisors concerning the purchase, holding or disposal of Units.

Past performance of other Schemes of JM Financial Mutual Fund are not necessarily indicative of the future performance of the Scheme. The Sponsor is not responsible or liable for any loss resulting from the operation of the Scheme beyond the initial contribution made by it of an aggregate amount of Rupees One lac towards setting up of the Mutual Fund which has been invested in JM Equity Fund and such other accretions and additions to the initial corpus made by the Sponsor.

SPECIAL FACILITIES

The Fund reserves the right to amend or terminate or introduce special facilities in this Scheme Information Document. Such facilities for the time being include Switch Facility, Systematic Investment Facility, Systematic Transfer / Withdrawal Plan, Systematic Switch Plan, Dividend Reinvestment Plan and any such facility/plan that may be introduced in the future.

D. DEFINITIONS -

- I. **Applicable NAV:** NAV of the Business Day on which the application is received for purchase/switch-in/for repurchase/switch-out at the JM ISC(s) subject to the cut off times and will be inclusive of load, wherever applicable (except in the case of the income/ debt oriented schemes).
- II. **AMC or Investment Manager:** JM Financial Asset Management Private Limited (the Investment Manager/Asset Management Company of the JM Financial Mutual Fund), a company incorporated and registered under the Companies Act, 1956 and includes its successors and assigns.
- III. **Business Day:** Business day is a day other than (a) Saturday and Sunday (b) a day on which banks or Reserve Bank of India in Mumbai are closed for business or clearing or when major banking transaction in Mumbai comes to halt due to any reason (c) a day on which the Bombay Stock Exchange and /or the National Stock Exchange are closed (d) a day which is a public and/or bank holiday at JM ISC where the application is received (e) a day on which sale and repurchase of units is suspended by the AMC (f) a day on which normal business could not be transacted due to storms, floods, bandh's, strikes, major system failure in Banks or Stock Exchange or AMC etc. (g) The AMC reserves the right to declare any day as Business Day or otherwise at any or all JM ISCs at any time/ day. (h) a day on which money markets are closed/not accessible for business; or (i) a day on which funds accompanying applications cannot be realized and / or are not available for utilisation for investments or investments cannot be liquidated and / or funds are not available for utilization for redemption / repurchase. All applications received on these non-business days will be processed on the next business day at Applicable NAV. (j) All applications received on these non-business days will be processed on the next business day at Applicable NAV.

In respect of JM High Liquidity Fund and JM Floater Fund – Short Term Plan

Business day is a day other than (a) a day on which banks in Mumbai including Reserve Bank of India are closed for business or clearing; or (b) a day on which the Mumbai Stock Exchange and/or National Stock Exchange are closed; or (c) a day which is a public and/or bank holiday at JM ISC where the application is received; or (d) a day on which sale and repurchase of units is suspended by the AMC; or (e) a day on which normal business could not be transacted due to storms, floods, bandh's, strikes, etc.; or (f) a day on which money markets are closed/not accessible for business; or (g) a day on which funds accompanying applications cannot be realized and / or are not available for utilisation for investments or investments cannot be liquidated and / or funds are not available for utilization for redemption / repurchase. All applications received on these non-business days will be processed on the next business day at Applicable NAV.

- IV. **Calendar Year:** A Calendar Year shall be full 12 English Calendar months viz. 12 months commencing from 1st January and ending on 31st December.
- V. **Credit Rating Agency:** means a body corporate which is engaged in, or proposes to be engaged in, the business of rating of securities offered by way of public or rights issue under the SEBI (Credit Rating Agencies) Regulations, 1999.
- VI. **Credit Risk:** Risk of default in payment of principal or interest or both.
- VII. **Custodian:** A person/ body corporate who has been granted a certificate of registration to carry on the business of custodian of securities under the Securities and Exchange Board of India (Custodian of Securities) Regulations 1996, which for the time being is HDFC Bank Limited, Mumbai.
- VIII. **Day:** Any day (including Saturday, Sunday and holiday) as per English Calendar viz. 365 days in a year/ 366 days in a leap year.
- IX. **Debt Instruments:** Government securities, corporate debentures, bonds, promissory notes, money market instruments, pass-through obligations, asset backed securities/securitised debt and other possible similar securities.
- X. **Depository:** A body corporate as defined in the Depositories Act, 1996 (22 of 1996).
- XI. **Derivative includes:** (i) a security derived from a debt instrument, share, loan whether secured or unsecured, risk instrument or contract for differences or any other form of security; (ii) a contract which derives its value from the prices, or index of prices, of underlying securities.
- XII. **Dividend:** In case of Mutual Funds, it is the income distributed by the Mutual Fund on the units under its various schemes. It also refers to dividend received on investments in equity related securities.
- XIII. **Equity related instruments// equity related securities:** It would include convertible bonds and debentures, convertible preference shares, warrants carrying the right to obtain equity shares, equity derivatives, preference shares and any other like instrument.
- XIV. **FI:** Foreign Institutional Investors registered with SEBI under the Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995, as amended from time to time.
- XV. **Financial Year:** A Financial Year shall be full 12 English Calendar months viz. 12 months commencing from 1st April and ending on 31st March.

- XVI. **Government Securities:** Securities created and issued by the Central Government or a State Government for the purposes of raising a public loan and having one of the forms specified in clause (2) of section 2 of the Public Debt Act, 1944.
- XVII. **I.T. Act:** Income Tax Act, 1961 as amended from time to time.
- XVIII. **IMA:** Investment Management Agreement dated 1st September, 1994 between JM Financial Trustee Company Private Limited and JM Financial Asset Management Private Limited as amended from time to time.
- XIX. **Investor:** Any resident (person resident in India under the Foreign Exchange Management Act and under the Income Tax Act, 1961 including amendments thereto) or non-resident person (a person who is not a resident of India) whether an individual or not (legal entity), who is eligible to subscribe for units under the laws of his/her/ their state/country of incorporation, establishment, citizenship, residence or domicile and under the Income Tax Act, 1961 including amendments thereto from time to time and who has made an application for subscribing for units under the scheme and may also include Qualified Foreign Investors (QFI). Under normal circumstances, a Unitholder shall be deemed to be the investor.
- XX. **Interval Date for JM Interval Fund :** It will generally be the 91st day of the Quarterly Plan from the previous STP. In case the Interval Date falls on a Non Business Day, it will be extended to the next Business Day and explained in detail elsewhere in this document.
- XXI. **JM Financial Mutual Fund or Fund:** JM Financial Mutual Fund, a mutual fund constituted as a Trust under the provisions of the Indian Trust Act, 1882, bearing SEBI Registration No. MF/015/94/8 dated 15th September 1994.
- XXII. **JM ISC:** Investor Service Center(s) of JM Financial Mutual Fund/Registrar & Transfer Agent and authorized web portals approved by JM Financial Mutual Fund from time to time/AMC's own site (as and when started) are authorized to receive all types of transactions during NFO & Post NFO period as mentioned in the Scheme Information Document.
- The above mentioned collection center(s) will be treated as official points of acceptance for all financial transactions like subscription/redemption/switch etc. and the cut-off timing for various transactions as per the time stamping of the transactions shall be reckoned at these Official Points of Acceptance. However, Investor Service Centers located at Corporate Office of the AMC in Mumbai may act as the official point of acceptance for all financial transactions under all schemes.
- The AMC reserves the right to change the list of official points of acceptance of transactions from time to time. The list of the official points of acceptance of transactions has been put up on the web-site of the Fund for the information of the Investors.
- XXIII. **Load:** A charge that may be levied as a percentage of NAV at the time of entry into the Scheme or at the time of exiting from the Scheme.
- XXIV. **NAV:** Net Asset Value of the Units of the Scheme calculated in the manner provided in this Scheme Information Document and in conformity with the SEBI Regulations as prescribed from time to time. The NAV will be computed and rounded off upto four decimal places.
- XXV. **NRI:** Non-Resident Indian.
- XXVI. **Permissible Investments or Investments:** Collective or group investments made on account of the Unitholders in accordance with the SEBI Regulations and amendments thereto.
- XXVII. **Portfolio:** The portfolio of the Scheme of JM Financial Mutual Fund would include all permissible investments and cash.
- XXVIII. **Rating:** means an opinion regarding securities, expressed in the form of standard symbols or in any other standardized manner, assigned by a Credit Rating Agency and used by the issuer of such securities, to comply with any requirement of the SEBI (Credit Rating Agencies) Regulations, 1999.
- XXIX. **RBI:** Reserve Bank of India established under the Reserve Bank of India Act, 1934, as amended from time to time.
- XXX. **Registrar or Transfer Agent:** Karvy Computershare Private Limited, Hyderabad, currently acting as Registrar and Transfer Agent to the Scheme(s) and/or any other Registrar and Transfer Agent appointed by the AMC from time to time.
- XXXI. **Repo/Reverse Repo:** Sale/purchase of securities as may be allowed by RBI from time to time with simultaneous agreement to repurchase/resell them respectively at a later date.
- XXXII. **Repurchase /Redemption Price:** Price at which the Units can be bought back/ redeemed and will be calculated based on the applicable NAV.
- XXXIII. **Sales /Subscription Price:** Price at which the Units can be purchased and will be calculated based on the applicable NAV.
- XXXIV. **Scheme or Schemes:** JM Income Fund , JM Short Term Fund, JM High Liquidity Fund, JM Floater Fund - Short Term Plan, JM G-Sec Fund, JM MIP Fund, JM Money Manager Fund, JM Floater Fund – Long Term Plan, JM Interval Fund being offered by JM Financial Mutual Fund.
- XXXV. **Scheme Information Document:** The document issued by JM Financial Mutual Fund, offering Units of JM Income Fund , JM Short Term Fund, JM High Liquidity Fund, JM Floater Fund - Short Term Plan, JM G-Sec Fund, JM MIP Fund, JM Money Manager Fund, JM Floater Fund – Long Term Plan and JM Interval Fund.
- XXXVI. **SEBI or the Board:** The Securities and Exchange Board of India established under the Securities and Exchange Board of India Act, 1992.
- XXXVII. **SEBI Act:** Securities and Exchange Board of India Act, 1992 as amended from time to time.

XXXVIII. SEBI Regulations or the Regulations: The Securities and Exchange Board of India (Mutual Funds) Regulations, 1996 as amended from time to time, and includes any amendments or clarifications and guidelines in the form of notifications or circulars or press releases issued from time to time by SEBI or any other statutory authority to regulate the operation and management of mutual funds.

XXXIX. Securities: Include shares, scrips, stocks, etc. notes, bonds, debentures, debenture stock, warrants, etc., futures, options, derivatives, etc. or other transferable securities of a like nature in or of any incorporated company or other body corporate, Gilts / Government securities, Mutual Fund units, Money Market Instruments like Call Deposit, Commercial Paper, Treasury Bills etc. such other instruments as may be declared by GOI and/or SEBI and/or RBI and/or any other regulatory authority to be securities, and rights or interest in securities.

XL. Specified Transaction Period/ Interval Date for JM Interval Fund: Each Quarterly plan under JM Interval Fund will have Specified Transaction Period during which units of the Plan(s) under the Scheme are available for Subscription / Redemption / Switch-ins/ Switch-outs, without payment of any entry / exit load once a quarter. The Specified Transaction Period would be different for each of the quarterly Plans. However, the AMC reserves the right to change / alter the "Specified Transaction Period" depending on the prevailing market conditions and to protect the interest of the investors.

The Specified Transaction Period for purchases and switch-ins in the various plans under JM Interval Fund will consist of 3 days i.e 2 business days prior to the Interval Date as well as the Interval Date of the respective Plan. All purchases / switch-ins received during the above mentioned days and where the funds are available for utilization on the Interval Date, will be processed at ex-dividend NAV on the same day.

XLI. Sponsor: JM Financial Limited (the Sponsor of JM Financial Mutual Fund), a company incorporated and registered under the Companies Act, 1956 and includes its successors and assigns.

XLII. Stock Lending: Lending of securities to another person or entity for a fixed period of time, at a negotiated compensation in order to enhance returns of the portfolio.

XLIII. Switch: Transfer of units of one Scheme/Plan of the scheme of JM Financial Mutual Fund to any of its other Scheme/Plan of the Fund.

XLIV. Trustee: JM Financial Trustee Company Private Limited (the Trustee to the JM Financial Mutual Fund), a company incorporated and registered under the Companies Act, 1956 and includes its successors and assigns.

XLV. Trust Deed: The registered Trust Deed dated 1st September, 1994 establishing the JM Financial Mutual Fund as amended from time to time.

XLVI. Trust Property: Includes Permissible Investments and cash or any part thereof which may be converted or varied from time to time.

XLVII. Units under the Scheme: The interest of the Unitholders in the Scheme, which consists of each unit representing one undivided share in the assets of the Scheme.

XLVIII. Unit holder: A person holding Units in the Scheme of the Fund.

INTERPRETATION

- For all purposes of this Scheme Information Document, except as otherwise expressly provided or unless the context otherwise requires
 - (a) the terms defined in this Scheme Information Document include the plural as well as the singular and
 - (b) pronouns having a masculine or feminine gender shall be deemed to include the other.
- Words and expressions used herein but defined in the SEBI Act, 1992 or the SEBI Regulations shall have the meanings respectively assigned to them therein.

E. DUE DILIGENCE BY THE ASSET MANAGEMENT COMPANY

The Asset Management Company shall confirm that a Due Diligence Certificate duly signed by the Compliance Officer/Chief Executive Officer/ Managing Director/Whole time Director/Executive Director of the Asset Management Company has been submitted to SEBI, which reads as follows:

It is confirmed that:

- (i) the Scheme Information Document forwarded to SEBI is in accordance with the SEBI (Mutual Funds) Regulations, 1996 and the guidelines and directives issued by SEBI from time to time.
- (ii) all legal requirements connected with the launching of the scheme as also the guidelines, instructions, etc., issued by the Government and any other competent authority in this behalf, have been duly complied with.
- (iii) the disclosures made in the Scheme Information Document are true, fair and adequate to enable the investors to make a well informed decision regarding investment in the proposed scheme.
- (iv) the intermediaries named in the Scheme Information Document and Statement of Additional Information are registered with SEBI and their registration is valid, as on date.

Place: Mumbai
Date: 27/04/2012

Signed: sd/-
Name: Diana D'sa
Designation: Compliance Officer

II. INFORMATION ABOUT THE SCHEME

A. TYPE OF THE SCHEME

Name of the Scheme	Type	Investment Objectives of the schemes
JM Floater Fund - Short Term Plan	An open ended liquid scheme	To provide regular income and capital appreciation through investment in floating rate debt instruments, fixed rate debt instruments swapped for floating rate returns and also fixed rate instruments and money market instruments.
JM Floater Fund – Long Term Plan	An open-ended income scheme	To provide regular income and capital appreciation through investment in floating rate debt instruments, fixed rate debt instruments swapped for floating rate return and also fixed rate instruments and money market instruments.
JM G-Sec Fund	An open ended dedicated Gilts scheme.	To provide ultimate level of safety to its unitholders through investments in sovereign securities issued by the Central and State government.
JM High Liquidity Fund	An open ended Liquid scheme	To provide income by way of dividend (dividend plans) and capital gains (growth plan) through investing in debt and money market instruments.
JM Income Fund	An open ended income scheme	To generate stable long term returns with low risk strategy and capital appreciation/accretion through investment in debt instruments and related securities besides preservation of capital.
JM Interval Fund	A Debt Oriented Interval Fund	The investment objective of the Scheme and the plans launched there under is to seek to generate predictable returns over a predetermined period by investing in a portfolio of fixed income securities normally maturing in line with the time profile of the respective Plans.
JM MIP Fund (An open-ended monthly income fund with no assured return)	An open-ended monthly income fund with no assured return	To generate regular income, primarily through investments in fixed income securities so as to make monthly, quarterly and annual dividend distribution, declare bonus in the growth option. The Fund would also aim to achieve capital appreciation through investing a portion of its assets in equity and equity related securities.
JM Money Manager Fund*	An open-ended debt scheme	To generate stable long term returns with low risk strategy and capital appreciation/ accretion through investments in debt instruments and related securities besides preservation of capital.
JM Short Term Fund	An open ended income scheme	To generate regular returns and high level of liquidity with low risk strategy and capital appreciation/ accretion through investment in debt instruments and related securities besides preservation of capital.

While the above table gives the investment objectives of the schemes, investors are required to read all the scheme related information set out in this document carefully and also note that there can be no assurance that the investment objectives of any of the schemes will be realized. The schemes do not guarantee/ indicate any returns.

*JM Money Manager Fund has 3 plans i.e. Regular Plan, Super Plan and Super Plus Plan. Each three plan has different portfolio.

B. HOW WILL THE SCHEME ALLOCATE ITS ASSETS?

ASSET ALLOCATION PATTERN

Under normal circumstances the Investment Pattern of the Schemes would be as follows.

Scheme	Equity	Debt*	Money market and short term debt Inst. maturing within one year.	Debt, Money market and short term debt Inst. with residual maturing above one year.	Risk Profile
JM High Liquidity Fund	NIL	0-30%	70-100%	NIL	Low
JM MIP Fund (An open-ended monthly income fund with no assured return)	Upto 15%	85%-100%**	NIL	NIL	Debt-low to medium Equity-Medium to High

JM Money Manager Fund (Regular Plan, Super Plan and Super Plus Plan)	NIL	0 – 100%	Low
JM Floater Fund – Long Term Plan#	NIL	0 – 100%	Debt-low to medium Equity-Medium to High

** Exposure in securitized debt 0%-70% of net assets of this scheme with low risk profile.

Asset allocation of JM Floater Fund – Long Term Plan will be 35% to 100% in Floating rate debt securities/ fixed rate debt securities swapped for floating rate returns and 0% to 65% in fixed rate debt securities (including securitized debt)/ money market securities.

JM Floater Fund - Short Term Plan

Instruments	Indicative allocations (% of total assets)	Risk Profile
Money market and short term debt instrument maturing within less than 91 days	0 - 100%	Low – Medium

The gross notional exposure in derivatives shall not exceed the AuM of the Scheme.

JM G-Sec Fund

Instruments	Indicative allocations (% of total assets)	Risk Profile
Government Securities / Treasury Bills	0 – 100%	Low – Medium
CBLO/REPO	0 – 100%	Low

The gross notional exposure in derivatives shall not exceed the AuM of the Scheme.

JM Income Fund

Instruments	Indicative allocations (% of total assets)	Risk Profile
Debt	0 – 100%	Low – Medium
Money Market and Debt Instruments maturing within one year	0 – 100%	Low

The gross notional exposure in derivatives shall not exceed the AuM of the Scheme.

JM Interval Fund

The asset allocation pattern under normal circumstances would be as under:

Type of Plan	Type of Security	Normal Allocation (% of net assets)	Risk Profile
Quarterly Plan	Government Securities & other fixed income/ debt securities* including but not limited to Corporate bonds and securitised debt	0% - 90%	Low - Medium
	Money Market Instruments	10%-100%	Low - Medium

* Debt Securities will also include Securitised Debt, which may go up to 70% of the portfolio. Securitised debt will not include foreign securitized debt.

JM Short Term Fund

The asset allocation pattern under normal circumstances would be as under:

Investment / Asset Class	Proportion % of corpus			Credit Risk Profile
	Min	Likely	Max upto	
Debt, Money Market Instruments with residual average maturity of equal to or less than 367 days	20	80	100	Low
Debt, Money Market Instruments with residual average maturity of equal to or more than 367 days*	-	20	100	Low to Medium

* Including securitized debt 0% - 70% of net assets of this scheme.

The above limits shall be in line with the investment objective of the Scheme.

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.

Portfolio of “Liquid Schemes”

SEBI has vide its Circular no. SEBI/IMD/CIR No.13/150975 / 09 dated January 19, 2009 SEBI, issued following Guidelines on portfolio of Liquid Scheme.

The ‘liquid fund schemes and plans’ shall:

With effect from May 01, 2009, make investment in /purchase debt and money market securities with maturity of upto 91 days only.

Explanation:

- In case of securities where the principal is to be repaid in a single payout the maturity of the securities shall mean residual maturity. In case the principal is to be repaid in more than one payout then the maturity of the securities shall be calculated on the basis of weighted average maturity of security.
- In case of securities with put and call options (daily or otherwise) the residual maturity of the securities shall not be greater than 91 days w.e.f May 01, 2009.
- In case the maturity of the security falls on a non-business day then settlement of securities will take place on the next business day.

Portfolio of Interval Schemes/ Plans

In accordance with SEBI circular no. Cir / IMD / DF / 19 / 2010 dated November 26, 2010, Investments shall be permitted only in such securities which mature on or before the opening of the immediately following specified transaction period.

Explanation: In case of securities with put and call options the residual time for exercising the put option of the securities shall not be beyond the opening of the immediately following transaction period.

Changes in Investment pattern:- Subject to the SEBI Regulations, the asset allocation pattern indicated above may change from time to time, keeping in view market conditions, market opportunities, applicable regulations and political and economic factors. It must be clearly understood that the percentages stated above are only indicative and not absolute and that they can vary substantially within the maximum and minimum allocation limits, depending upon the perception of the Investment Manager, the intention being at all times to seek to protect the interests of the Unitholders. Such changes in the investment pattern will be for short term and defensive considerations.

Provided further and subject to the above, any change in the asset allocation affecting the investment profile of the Scheme shall be effected only in accordance with the provisions of sub regulation (15A) of Regulation 18 of the SEBI Regulation, as detailed later in this document.

C. WHERE WILL THE SCHEME INVEST?

The corpus of these Schemes will be invested in high quality debt, money market instruments and equities as the case may be.

JM G-Sec Fund

Subject to the Regulations, the corpus of the Scheme can be invested in any (but not exclusively) of the following securities:

- Securities created and issued by the Central and State Governments and/or repos/reverse repos in such Government Securities as may be permitted by RBI (including but not limited to coupon bearing bonds, zero coupon bonds and treasury bills).
- Money market instruments permitted by SEBI/RBI.
- Derivative instruments like Interest Rate Swaps (including interest rate futures), Forward Rate Agreements and such other derivative instruments permitted by SEBI and RBI
- Any other like instruments as may be permitted by RBI/SEBI/ such other Regulatory Authority from time to time.

JM Income Fund

Subject to the Regulations, the corpus of the Scheme can be invested in any (but not exclusively) of the following securities:

- Securities created and issued by the Central and State Governments and/or repos/reverse repos in such Government Securities as may be permitted by RBI (including but not limited to coupon bearing bonds, zero coupon bonds and treasury bills).
- Securities guaranteed by the Central and State Governments (including but not limited to coupon bearing bonds, zero coupon bonds and treasury bills).

- Debt obligations of domestic Government agencies and statutory bodies, which may or may not carry a Central/State Government guarantee.
- Corporate debt and securities (of both public and private sector undertakings) including Bonds, Debentures, Fixed Deposits, Notes, Strips, etc.
- Obligations of banks (both public and private sector) and development financial institutions.
- Money market instruments permitted by SEBI/RBI.
- Certificate of Deposits (CDs).
- Commercial Paper (CPs).
- Securitised Debt
- The non-convertible part of convertible securities.
- Any other domestic fixed income securities including Structured Obligations.
- Any international fixed income securities.
- Pass through, Pay through or other Participation Certificates representing interest in a pool of assets including receivables.
- Derivative instruments like Interest Rate Swaps (including interest rate futures), Forward Rate Agreements and such other derivative instruments permitted by SEBI and RBI
- Any other like instruments as may be permitted by RBI/SEBI/ such other Regulatory Authority from time to time.

JM Interval Fund

- As mentioned in the asset allocation pattern, the Scheme may invest upto 100% in short term debt securities and / or money market instruments. The exposure to short term debt securities and money market instruments within the overall limit of 100% may be changed by the AMC depending on market conditions. However, the Scheme is not a money market mutual fund Scheme. The main aim of changing the weightages of short term debt securities and money market instruments will be to protect the interests of the unitholders and for short term defensive considerations
- On occasions, if deemed appropriate, the Plan / Scheme will invest in securities sold directly by the issuer, or acquired in a negotiated transaction. Notwithstanding the aforesaid, the proportion of investment in privately placed debentures, securitised debt and other unquoted debt instruments could be increased by the Trustee / AMC to around 80% of the total assets / funds available of the Plan / Scheme. For the possible impact on liquidity of the Scheme, which might be experienced due to investment of around 80% in privately placed debentures, securitised debt and other unquoted debt instruments, please refer to the clause "Possible deferral of redemption / resale requests" and also to the Clauses on "Liquidity & Marketability Risks" under Specific Risk Factors. The moneys collected under this Plan / Scheme shall be invested only in transferable securities in the money market or in the capital / debt market or in privately placed debentures or securitised debts or in Government securities.
- JM Interval Fund will seek to invest in debt and money market instruments. The Scheme aims to identify securities, which offer superior levels of yield at lower levels of risks. With the aim of controlling risks, rigorous in depth credit evaluation of the securities proposed to be invested in will be carried out by the investment team of the AMC. Rated debt instruments in which the Scheme invests will be of investment grade as rated by a credit rating agency. The AMC will be guided by the ratings of rating agencies such as CRISIL, CARE, ICRA and Duff and Phelps Credit Rating India Limited or any other rating agencies that may be registered with SEBI from time to time. In case a debt instrument is not rated, necessary clearance of the Committee / Boards as per requirements of Regulations / Guidelines / Circulars will be obtained for such an investment.
- The Plan / Scheme may also use various fixed income derivatives and hedging products like interest swap etc. from time to time, as would be available and permitted by SEBI, in an attempt to protect the value of the portfolio and enhance Unitholders' interest.

OTHER SCHEMES:

Subject to the Regulations, the corpus of the Scheme can be invested in any (but not exclusively) of the following securities:

- Securities created and issued by the Central and State Governments and/or repos/reverse repos in such Government Securities as may be permitted by RBI (including but not limited to coupon bearing bonds, zero coupon bonds and treasury bills).
- Securities guaranteed by the Central and State Governments (including but not limited to coupon bearing bonds, zero coupon bonds and treasury bills).
- Debt obligations of domestic Government agencies and statutory bodies, which may or may not carry a Central/State Government guarantee.

- Corporate debt and securities (of both public and private sector undertakings) including Bonds, Debentures, Fixed Deposits, Notes, Strips, etc.
- Obligations of banks (both public and private sector) and development financial institutions.
- Money market instruments permitted by SEBI/RBI.
- Certificate of Deposits (CDs).
- Commercial Paper (CPs).
- Securitised Debt
- The non-convertible part of convertible securities.
- Any other domestic fixed income securities including Structured Obligations.
- Any international fixed income securities.
- Pass through, Pay through or other Participation Certificates representing interest in a pool of assets including receivables.
- Any other like instruments as may be permitted by RBI/SEBI/ such other Regulatory Authority from time to time.
- Derivative instruments like Interest Rate Swaps, Forward Rate Agreements, Stock Index Futures and such other derivative instruments permitted by SEBI and RBI

The securities mentioned above and such other securities in which the schemes are permitted to invest could be listed, unlisted, IPO's, secondary market operations, privately placed, rights offers or negotiated deals, secured, unsecured, rated or unrated.

Rated debt instruments in which the Scheme invests will be of investment grade as rated by a credit rating agency. The AMC will be guided by the ratings of Rating Agencies such as CRISIL, CARE, ICRA and Duff and Phelps Credit Rating India Limited or any other rating agencies that may be registered with SEBI from time to time. In case a debt instrument is not rated, necessary clearance of the Committee/ Board as per requirements of Regulations/guidelines /circulars will be obtained for such an investment.

The Scheme may also use various derivatives and hedging products from time to time, as would be available and permitted by SEBI, in an attempt to protect the value of the portfolio and enhance Unitholders' interest.

The instruments available in the Indian Debt Market are classified into two categories, namely Government and Non – Government debt. The following instruments are available in these categories:

A] Government Debt -

- Central Government Debt
- Treasury Bills
- Dated Government Securities
- Coupon Bearing Bonds
- Floating Rate Bonds
- Zero Coupon Bonds
- State Government Debt
- State Government Loans
- Coupon Bearing Bonds

B] Non-Government Debt

- Instruments issued by Government Agencies and other Statutory Bodies
- Government Guaranteed Bonds
- PSU Bonds
- Instruments issued by Public Sector Undertakings
- Commercial Paper
- PSU Bonds
- Fixed Coupon Bonds

- Floating Rate Bonds
- Zero Coupon Bonds
- Instruments issued by Banks and Development Financial Institutions
- Certificates of Deposit
- Promissory Notes
- Bonds
- Fixed Coupon Bonds
- Floating Rate Bonds
- Zero Coupon Bonds
- Instruments issued by Corporate Bodies
- Commercial Paper
- Non-Convertible Debentures
- Fixed Coupon Debentures
- Floating Rate Debentures
- Zero Coupon Debentures

Activity in the primary and secondary markets is dominated by Central Government Securities including Treasury Bills. These instruments comprise close to 50% of all outstanding debt and close to 75% of the daily trading volume on the Wholesale Debt Market Segment of the National Stock Exchange of India Limited.

In the money market, activity levels of the Government and Non-Government Debt vary from time to time. Instruments that comprise a major portion of money market activity include :

- Overnight Call
- CBLO (Collateralised Borrowing & Lending Obligations)
- Treasury Bills
- Government Securities with a residual maturity of < 1 year
- Commercial Paper
- Certificates of Deposit

JM MIP Fund: (in addition to abovementioned securities, JM MIP Fund may also invest in below stated securities):

- Equity and Equity related securities including convertible bonds and debentures and warrants carrying the right to obtain equity shares
- ADR's, GDR's issued by Indian companies subject to condition issued by RBI and SEBI.

Apart from these, there are some other options available for short tenure investments that include MIBOR linked debentures with periodic exit options and other such instruments. Though not strictly classified as Money Market Instruments, PSU / Corporate paper with a residual maturity of < 1 year, are actively traded and offer a viable investment option.

Investment in overseas securities, when made, shall be made in accordance with the requirements stipulated by SEBI and RBI from time to time.

INVESTMENTS IN ADRS / GDRS/ OVERSEAS SECURITIES :

It is the AMC's belief that the investment in ADRs/ GDRs/overseas securities offer new investment and portfolio diversification opportunities into multi-market and multi-currency products. However, such investments also entail additional risks. Such investment opportunities may be pursued by the AMC in the future provided they are considered appropriate in terms of the overall investment objectives of the schemes. The Schemes may then, if necessary, seek permission from SEBI and RBI to invest abroad in accordance with the investment objectives of the

Scheme and in accordance with any guidelines issued by SEBI / RBI / any other relevant regulatory authority from time to time.

Since the Schemes would invest only partially in ADRs/ GDRs/ overseas securities, there may not be readily available and widely accepted

benchmarks to measure performance of the Schemes. To manage risks associated with foreign currency and interest rate exposure, the Fund may use derivatives for efficient portfolio management including hedging and in accordance with conditions as may be stipulated by SEBI/RBI any other relevant regulatory authority from time to time.

To the extent that the assets of the Schemes will be invested in securities denominated in foreign currencies, the Indian Rupee equivalent of the net assets, distributions and income may be adversely affected by the changes in the value of certain foreign currencies relative to the Indian Rupee. The repatriation of capital also may be hampered by changes in regulations concerning exchange controls or political circumstances as well as the application to it of the other restrictions on investment.

Offshore investments will be made subject to any/all approvals, conditions thereof as may be stipulated by SEBI/RBI and provided such investments do not result in expenses to the Fund in excess of the ceiling on expenses prescribed by and consistent with costs and expenses attendant to international investing. The Fund may, where necessary, appoint other intermediaries of repute as advisors, custodian/sub-custodians etc. for managing and administering such investments. The appointment of such intermediaries shall be in accordance with the applicable requirements of SEBI and within the permissible ceilings of expenses. The fees and expenses would illustratively include, besides the investment management fees, custody fees and costs, fees of appointed advisors and sub-managers, transaction costs, and overseas regulatory costs.

The Scheme may also invest in overseas financial assets as and when permitted by the concerned regulatory authorities in India. SEBI has permitted mutual funds to invest in Foreign Debt Securities in the countries with fully convertible currencies, both short-term and long-term debt instruments with highest rating. They are also permitted to invest in the G-secs of other countries, where the countries are AAA rated. Mutual funds are also permitted to invest in unit securities issued by overseas mutual funds or Unit Trusts that invest in the aforesaid securities which are rated and are registered with the overseas regulators.

Apart from the above the returns from such overseas debt instruments will also attract the interest rate risk which is directly related to the underlining prices of such securities.

Exposure to foreign securities:

Under normal circumstances the scheme shall not have an exposure of more than 25% of its net assets in foreign securities. However, the AMC with a view to protecting the interests of the investors, may increase exposure in foreign securities as deemed fit from time to time; but such investment will not exceed the limits laid down by SEBI / RBI / any other relevant regulatory authority in this respect from time to time. The Mutual Fund shall not invest more than 10% of its Net Assets as on January 31st of each relevant year, in foreign securities.

STOCK LENDING BY THE MUTUAL FUND

Subject to the SEBI Regulations as applicable from time to time, the Fund may, if the Trustee permits, engage in Stock Lending. Stock Lending means the lending of securities to another person or entity for a fixed period of time, at a negotiated compensation in order to enhance returns of the portfolio. The securities lent will be returned by the borrower on the expiry of the stipulated period. The AMC will adhere to strict limits should it engage in Stock Lending.

1. Not more than 25% of the net assets of the Scheme can generally be deployed in Stock Lending.
2. Not more than 5% of the net assets of the Scheme can generally be deployed in Stock Lending to any single counter party. The Fund may not be able to sell such lent out securities and this can lead to temporary illiquidity.

POLICY AND SPECIAL CONSIDERATION ON INVESTMENT IN DERIVATIVES AND HEDGING PRODUCTS

The Scheme may take derivatives position in the fixed income and equity markets based on the opportunities available subject to the guidelines provided by SEBI from time to time and in line with the overall investment objective of the Scheme.

Fixed Income Derivatives

Generally, interest rate swaps involve exchange of a fixed rate to a floating rate of interest or vice versa. These are known as Plain Vanilla Swaps. The RBI has currently allowed only these swaps in the Indian market. An interest rate swap agreement (as per guidelines issued by RBI on 7th July 1999 and 1st November 1999) from fixed rate to floating rate will be an effective hedge for portfolio in a rising interest rate environment.

Interest Rate Swaps (IRS)

An IRS is an agreement between two parties to exchange stated interest obligations for an agreed period in respect of a notional principal amount. The most common form is a fixed to floating rate swap where one party receives a fixed (pre-determined) rate of interest while other receives a floating (variable) rate of interest.

Forward Rate Agreement (FRA)

A FRA is basically a forward starting IRS. It is an agreement between two parties to pay or receive the difference between an agreed fixed rate (the FRA rate) and the interest rate (reference rate) prevailing on a stipulated future date, based on a notional principal amount for an agreed period. The only cash flow is the difference between the FRA rate and the reference rate. As is the case with IRS, the notional amounts are not

exchanged in FRAs.

Basic structure of a Swap

Assume that the Scheme has a Rs. 20 crore floating rate investment linked to MIBOR (Mumbai Inter Bank Offered Rate). Hence, the Scheme is currently running an interest rate risk and stands to lose if the interest rate moves down. To hedge this interest rate risk, the Scheme can enter into a 6 month MIBOR swap. Through this swap, the Scheme will receive a fixed predetermined rate (assume 12%) and pays the “benchmark rate” (MIBOR), which is fixed by the National Stock Exchange of India limited (NSE) or any other agency such as Reuters. This swap would effectively lock-in the rate of 12% for the next 6 months, eliminating the daily interest rate risk. This usually routed through an intermediary who runs a book and matches deals between various counterparties.

The steps will be as follows :

- Assuming the swap is for Rs. 20 crore June 1, 2011 to December 1, 2011. The Scheme is a fixed rate receiver at 12% and the counterparty is a floating rate receiver at the overnight rate on a compounded basis (say NSE MIBOR).
- On June 1, 2011 the Scheme and the counterparty will exchange only a contract of having entered this swap. This documentation would be as per International Swap Dealers Association (ISDA). On a daily basis, the benchmark rate fixed by NSE will be tracked by them.
- On December 1, 2011 they will calculate the following –
- The Scheme is entitled to receive interest on Rs. 20 crore at 12% for 184 days i.e. Rs. 1.21 crore, (this amount is known at the time the swap was concluded) and will pay the compounded benchmark rate.
- The counterparty is entitled to receive daily compounded call rate for 184 days & pay 12% fixed.
- On December 1, 2011, if the total interest on the daily overnight compounded benchmark rate is higher than Rs. 1.21 crore, the Scheme will pay the difference to the counterparty. If the daily compounded benchmark rate is lower, then the counterparty will pay the Scheme the difference.
- Effectively the Scheme earns interest at the rate of 12% p.a. for six months without lending money for 6 months fixed, while the counterparty pays interest @ 12% p.a. for 6 months on Rs. 20 crore, without borrowing for 6 months fixed.

The above example illustrates the benefits and risks of using derivatives for hedging and optimizing the investment portfolio. Swaps have their own drawbacks like credit risk, settlement risk, etc. However, these risks are substantially reduced as the amount involved is interest streams and not principal.

Valuation of Derivative Products:

- a) The traded derivatives shall be valued at market price in conformity with the stipulations of sub clauses (i) to (v) of clause 1 of the Eighth Schedule to the SEBI Regulations, as amended from time to time.
- b) The valuation of untraded derivatives shall be done in accordance with the valuation method for untraded investments prescribed in sub clauses (i) and (ii) of clause 2 of the Eighth Schedule to the SEBI Regulations as amended from time to time.

Risk factors

- **Credit Risk:** The credit risk is the risk that the counter party will default obligations and is generally negligible, as there is no exchange of principal amounts in a derivative transaction.
- **Market Risk:** Derivatives carry the risk of adverse changes in the market price.
- **Illiquidity Risk:** The risk that a derivative cannot be sold or purchased quickly enough at a fair price, due to lack of liquidity in the market.
- The fund pays the daily compounded rate. In practice however there can be a difference in the actual rate at which money is lent in the call market and the benchmark, which appears and is used.

D. WHAT ARE THE INVESTMENT STRATEGIES?

Scheme Specific Investment Strategies

JM Floater Fund - Short Term Plan and JM Floater Fund - Long Term Plan

The Fund will seek to invest in quality debt and money market instruments. The fund aims to identify securities, which offer superior levels of yields at lower levels of risk. With the aim of controlling risks, rigorous in-depth credit evaluations of the securities proposed to be invested in will be carried out.

JM G-Sec Fund

In line with the objective of JM G-Sec Fund, the investment strategy has been designed to ensure safety which is a paramount feature of

investment in this fund with returns commensurate to investment in Government Securities.

The Investment Manager would endeavour to achieve an improved return than the returns traditionally expected from such an instrument by actively managing the portfolio. Further, by enlarging the basket of Government securities, the safety of the Fund as a whole will be elevated to the highest degree than what is normally associated with an individual security.

JM High Liquidity Fund

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.

JM Income Fund

JM Income Fund will seek to invest in high quality debt and money market instruments. The fund aims to identify securities, which offer superior levels of yield at lower levels of risks. With the aim of controlling risks, rigorous in depth credit evaluation of the securities proposed to be invested in will be carried out by the investment team of the AMC. Rated Debt instruments in which the Scheme invests will be of investment grade as rated by a credit rating agency. The AMC will be guided by the ratings of Rating Agencies such as CRISIL, CARE, ICRA and Duff and Phelps Credit Rating India Limited or any other rating agencies that may be registered with SEBI from time to time. In case a debt instrument is not rated, necessary clearance of the Committee/ Board as per requirements of Regulations/Guidelines /Circulars will be obtained for such an investment.

The Scheme may also use various derivatives and hedging products from time to time, as would be available and permitted by SEBI, in an attempt to protect the value of the portfolio and enhance Unitholders' interest.

The Scheme may invest in other debt Schemes managed by the AMC or in the debt Schemes of any other Mutual Funds, provided it is in conformity to the investment objectives of the Scheme and in terms of the prevailing Regulations. As per the Regulations, no investment management fees will be charged for such investments and the aggregate inter Scheme investment made by all Schemes of JM Financial Mutual Fund or in the Schemes under the management of other asset management companies shall not exceed 5% of the net asset value of JM Financial Mutual Fund.

JM MIP Fund (An open-ended monthly income fund with no assured return)

To achieve the investment objective, assets under the Scheme will be invested in wide range of fixed income and money market instruments. The Scheme may also invest a small part of its assets in equity/equity related instruments. Further the Scheme may also invest in financial derivatives such as options and futures & IRS that are permitted or may become permissible under SEBI/RBI Regulations. The proportion of assets to be so invested would be decided by the AMC at the appropriate time, and would be done in accordance with the relevant guidelines to be issued by SEBI/RBI and other authorities.

JM Money Manager Fund

JM Financial Mutual Fund adopts a scientific approach to investments. Securities are selected for various funds by the fund managers based on a continuous study of trends in industries and companies, including management capabilities, global competitiveness, earning power, growth/payout features and other relevant investment criteria, which would, inter alia, include evaluation of the outlook of the economy, exposure to various industries and geographical regions, evaluation of the intrinsic worth of specific opportunities such as primary market transactions, private placements, etc.

JM Short Term Fund

The investment focus of the scheme is to achieve the investment of the scheme through investments in a combination of debt and money market instruments having varied yields and maturity profile. The scheme is being positioned as a product having the essence of both debt and money market schemes. As such the product is being positioned as intervening product between the long-term debt scheme and short-term cash/liquid scheme. Further, the composition of maturity profile of the instruments may vary substantially from time to time depending upon the changes due to purchase and repurchase of units.

Investment Strategy applicable to all schemes:

(i) Scientific approach to investment

The Mutual Fund adopts a scientific approach to investments. Securities are selected for various funds by the fund managers based on a continuous study of trends in industries and companies, including management capabilities, global competitiveness, earning power, growth / payout features and other relevant investment criteria, which would, inter-alia include evaluation of the outlook of

the economy, exposure to various industries and geographical regions, evaluation of the intrinsic worth of specific opportunities such as primary market transactions, private placements, trading opportunities etc.

(ii) Liquidity Management

The Fund Manager may invest in short term deposits of scheduled commercial banks pending deployment of funds in line with SEBI Circular no. SEBI/IMD/CIR No. 1/ 91171 /07 April 16, 2007_till suitable opportunities are present. The Scheme may also keep a portion in cash or near cash for meeting the expenses of the Scheme.

(iii) Mode of Investment

The securities in which the investment manager may invest would be through primary as well as secondary market, private placement etc. These securities may be those listed on various stock exchanges as well as unlisted securities.

(iv) Procedure for taking investment decisions

The investment policy of the AMC has been determined by the Investment Advisory Committee ("IAC") which has been approved by the Boards of the AMC and Trustee. At the strategic level, the broad investment philosophy of the AMC and the authorised exposure limits are spelt out in the Investment Policy of the Mutual Fund and the SEBI Regulations. During trading hours, the Fund Managers have the discretion to take investment decisions for the Scheme within the limits defined in the SEBI Regulations and the Investment Policy of the Mutual Fund.

The designated Fund Manager of the Scheme will be responsible for taking day-to-day investment decisions and will inter-alia be responsible for asset allocation, security selection and timing of investment decisions.

PORTFOLIO TURNOVER POLICY

The AMC as such does not have a policy statement on portfolio turnover for Scheme. However, the general portfolio management style is biased towards maintaining a low portfolio turnover rate. In the debt market, trading opportunities may arise due to changes in interest rate policy announced by the Reserve Bank of India, shifts in the yield curve, credit rating changes or any other factors where in the opinion of the fund manager there is an opportunity to enhance the total return of the portfolio. Since the investments would nearly match the maturity profile of the respective plans, the consequent brokerages and transactions costs would be low.

INTER SCHEME INVESTMENTS

The Scheme may invest in other Schemes managed by the AMC or in the Schemes of any other Mutual Funds, provided it is in conformity to the investment objectives of the investor Scheme and in terms of the prevailing SEBI Regulations. As per the SEBI Regulations, no investment management fees will be charged for such investments and the aggregate inter Scheme investment made by all Schemes of JM Financial Mutual Fund or in the Schemes under the management of other asset management companies shall not exceed 5% of the net asset of the Mutual Fund as on date of the investment.

IMPORTANT

It must be clearly understood that the above referred portfolio strategies are not absolute, and that they can vary substantially depending upon the Fund Manager's perception as to whether the stock/debt market is in an overheated state or has fallen well below a level they consider appropriate taking into account the factors prevailing at that time, the intent being to protect the Unitholders interest, especially the NAV of the Fund.

The Fund Manager may, from time to time, at its' absolute discretion review and modify the strategy, provided such modification is in accordance with SEBI Regulations.

E: FUNDAMENTAL ATTRIBUTES

Following are the Fundamental Attributes of the scheme, in terms of Regulation 18 (1 5A) of the SEBI (MF) Regulations:

(i) Type of a scheme

Name of the Scheme	Type	Investment Objectives of the schemes
JM Floater Fund - Short Term Plan	An open ended liquid scheme	To provide regular income and capital appreciation through investment in floating rate debt instruments, fixed rate debt instruments swapped for floating rate returns and also fixed rate instruments and money market instruments.
JM Floater Fund – Long Term Plan	An open-ended income scheme	To provide regular income and capital appreciation through investment in floating rate debt instruments, fixed rate debt instruments swapped for floating rate return and also fixed rate instruments and money market instruments.
JM G-Sec Fund	An open ended dedicated Gilts scheme.	To provide ultimate level of safety to its unitholders through investments in sovereign securities issued by the Central and State government.
JM High Liquidity Fund	An open ended Liquid scheme	To provide income by way of dividend (dividend plans) and capital gains (growth plan) through investing in debt and money market instruments.

JM Income Fund	An open ended income scheme	To generate stable long term returns with low risk strategy and capital appreciation/accretion through investment in debt instruments and related securities besides preservation of capital.
JM Interval Fund	A Debt Oriented Interval Fund	The investment objective of the Scheme and the plans launched there under is to seek to generate predictable returns over a predetermined period by investing in a portfolio of fixed income securities normally maturing in line with the time profile of the respective Plans.
JM MIP Fund (An open-ended monthly income fund with no assured return)	An open-ended monthly income fund with no assured return	To generate regular income, primarily through investments in fixed income securities so as to make monthly, quarterly and annual dividend distribution, declare bonus in the growth option. The Fund would also aim to achieve capital appreciation through investing a portion of its assets in equity and equity related securities.
JM Money Manager Fund*	An open-ended debt scheme	To generate stable long term returns with low risk strategy and capital appreciation/ accretion through investments in debt instruments and related securities besides preservation of capital.
JM Short Term Fund	An open ended income scheme	To generate regular returns and high level of liquidity with low risk strategy and capital appreciation/ accretion through investment in debt instruments and related securities besides preservation of capital.

*JM Money Manager Fund has 3 plans i.e. Regular Plan, Super Plan and Super Plus Plan. Each three plan has different portfolio.

While the above table gives the investment objectives of the schemes, investors are required to read all the scheme related information set out in this document carefully and also note that there can be no assurance that the investment objectives of the any of the schemes will be realized. The schemes do not guarantee/ indicate any returns.

iii) Investment pattern – As set out under the head ‘HOW WILL THE SCHEME ALLOCATE ITS ASSETS’

(iii) Terms of Issue Purchase / Redemption of Units

The Schemes being offered through this Scheme Information Document (Except JM Interval Fund) are open ended Schemes. The Scheme will offer units for sale and repurchase at NAV based prices on all business days on an ongoing basis except in the case of JM Interval Fund.

The Fund will endeavour to remit the redemption proceeds/ dispatch the redemption cheque / draft within 10 business days from the date of acceptance of valid redemption request.

(iv) Aggregate fees and expenses charged to the schemes.

The estimated maximum recurring expenses that can be charged to the scheme/ plan on an annual basis are given below:

Particulars (as a % of Applicable NAV)	JM Floater Fund – Short Term Plan	JM Floater Fund – Long Term Plan		JM G-Sec Fund
		Regular Plan	Premium Plan	Regular Plan
Investment Management & Advisory Fee	1.25%	1.25%	1.25%	0.60%
Trustee Fee	0.05%	0.05%	0.05%	0.02%
Marketing and Selling Expenses	0.55%	0.55%	0.55%	0.68%
Custodian Expenses	0.20%	0.20%	0.20%	
Registrar and Transfer Agent Fee, Audit Fee and other Expenses	0.20%	0.20%	0.20%	
Total Recurring expenses	2.25%	2.25%	2.25%	1.30%

Particulars (as a % of Applicable NAV)	JM High Liquidity Fund	JM Income Fund	JM Interval Fund	
			Regular Plan	Inst. Plan
Investment Management & Advisory Fee	0.50%	1.25%	0.25%	0.25%

Trustee Fee	0.05%	0.05%	0.05%	0.05%
Marketing and Selling Expenses	0.30%	0.55%	0.70%	0.50%
Custodian Expenses	0.05%	0.20%		
Registrar and Transfer Agent Fee, Audit Fee and other Expenses	0.05%	0.20%		
Total Recurring expenses	1.00%	2.25%	1.00%	0.80%

Particulars (as a % of Applicable NAV)	JM MIP Fund	JM Money Manager Fund	JM Short Term Fund	
			Regular	Institutional
Investment Management & Advisory Fee	1.25%	1.25%	0.50%	0.30%
Trustee Fee	0.05%	0.05%	0.05%	0.05%
Marketing and Selling Expenses	0.80%	0.55%	0.30%	0.40%
Custodian Expenses	0.05%	0.20%	0.05%	
Registrar and Transfer Agent Fee, Audit Fee and other Expenses	0.10%	0.20%	0.10%	
Total Recurring expenses	2.25%	2.25%	1.00%	0.75%

These estimates have been made in good faith as per the information available to the Investment Manager based on past experience and are subject to change inter-se. Types of expenses charged shall be as per the SEBI (MF) Regulations.

The purpose of the above table is to assist the investor in understanding the various costs and expenses that an investor in the Scheme will bear directly or indirectly. While the above estimates have been made in good faith on the basis of information available with the Fund, there can be no assurance that actual expense, under any particular head will not be more or less than such estimate. The AMC reserves the rights to revise the fees payable to the service providers from time to time. The total expenses, however, will be maintained within the limits mentioned under Regulation 52 (6) of SEBI Regulations.

As per the Regulations, the maximum recurring expenses including investment management and advisory fee that can be charged to the Scheme shall be subject to a percentage limit of weekly net assets as in the table below:

First Rs. 100 crores	Next Rs. 300 crores	Next Rs. 300 crores	For the balance assets
2.25%	2.00%	1.75%	1.50%

Subject to the overall ongoing fees and expenses which would be charged to the Scheme not exceeding the limit laid down under Regulation 52(6) [as reproduced above], the AMC will charge to the Scheme the Government levies in the form of any charges or applicable taxes including applicable surcharge either presently payable or which may be imposed in future. Currently, the Government has imposed Service Tax of 12% on the Management and Trustee Fees and education cess (which is currently at 2%) and Secondary and Higher Education Cess (which is currently at 1%) on Service Tax which would be charged to the Scheme subject to the overall expenses charged to the Scheme do not exceed the limits laid down under Regulation 52(6).

Further, as and when permitted by SEBI, the AMC may charge a higher fee for that part of the assets which are invested overseas. However, revision in fee charged shall be within the SEBI Regulations at all times.

For the actual current expenses being charged, the investor should refer to the website of the mutual fund.

The expense ratios will be updated on the Mutual Fund website viz. www.jmfinancialmf.com within two business days of the change.

(v) **Any safety net or guarantee provided:** No guarantee has been provided.

PROCESS TO BE FOLLOWED FOR CHANGE IN FUNDAMENTAL ATTRIBUTES OF A SCHEME

In accordance with Regulation 18(1 5A) of the SEBI (MF) Regulations, the Trustees shall ensure that no change in the fundamental attributes of the Scheme(s) and the Plan(s) / Option(s) thereunder or the trust or fee and expenses payable or any other change which would modify the Scheme(s) and the Plan(s) / Option(s) thereunder and affect the interests of Unitholders is carried out unless:

- A written communication about the proposed change is sent to each Unitholder and an advertisement is given in one English daily newspaper having nationwide circulation as well as in a newspaper published in the language of the region where the Head Office of the Mutual Fund is situated; and
- The Unitholders are given an option for a period of 30 days to exit at the prevailing Net Asset Value without any exit load.

Fundamental attributes will not cover such actions of the Trustee of the Mutual Fund or the Board of Directors of the Asset Management Company, made in order to conduct the business of the Trust, the Scheme or the Asset Management Company, where such business

is in the nature of discharging the duties and responsibilities with which they have been charged. Nor will it include changes to the Scheme made in order to comply with changes in regulation with which the Scheme has been required to comply.

F. HOW WILL THE SCHEME BENCHMARK ITS PERFORMANCE ?

The performances of the schemes of the Mutual Fund are reviewed by the Investment Advisory Committee ("IAC") as well as the Boards of the AMC and Trustee periodically. The IAC is operational at the AMC level and has majority representation from the independent Directors. Monthly reports on the performance of the schemes with appropriate benchmark indices as also with the relative performance of the schemes of other mutual funds schemes in the same category is placed before the Boards of the AMC and Trustee. The performance of the Scheme compared to its benchmark index will be reviewed at every meeting of the Boards of the AMC and Trustee and corrective action as proposed will be taken in case of unsatisfactory performance.

Scheme	Index
JM Floater Fund - Short Term Plan	Crisil Liquid Fund Index
JM Floater Fund – Long Term Plan	Crisil Liquid Fund Index
JM G-Sec Fund	ISEC Composite Index
JM High Liquidity Fund	Crisil Liquid Fund Index
JM Income Fund	Crisil Composite Bond Fund Index
JM Interval Fund – Quarterly Plan 1	Crisil Liquid Fund Index
JM MIP Fund	Crisil Mip Blended Index
JM Money Manager Fund	Crisil Liquid Fund Index
JM Short Term Fund	Crisil Liquid Fund Index

In terms of SEBI Circular No.MFD/CIR/01/ 071/02 dated April 15, 2002, the AMC and Trustee may change the benchmark index or select an additional benchmark index after recording adequate justification for carrying out such change. However, change of benchmark index and/or selecting additional benchmark indices would be done in complete compliance of the relevant guidelines of SEBI in this regard.

G. WHO MANAGES THE SCHEME?

The Fund Managers for the Schemes is Ms. Shalini Tibrewala, Mr Girish Hisaria and Mr. Vikas Agarwal, whose details are as set out below

Ms. Shalini Tibrewala - Fund Manager – (Debt)	B.Com, A.C.A., C.S. Age: 40 years	She has over 14 years of experience in the financial services sector. She has been with the Fund for 14 years and is responsible for managing the JM High Liquidity Fund, JM MIP Fund, plans under various series of JM Fixed Maturity Fund, JM Interval Fund, JM JM Money Manager Fund Super Plus Plan, JM Floater Fund – Long Term Plan and JM Floater Fund – Short Term Plan. Prior to joining the AMC, she was working with a firm of Chartered Accountants.
Mr. Girish Hisaria - Fund Manager	B.Com, MMS (Finance) Age: 33 Yrs	He has 7 years of experience in Fixed Income Markets. Prior to joining the AMC, he has worked with Sahara Indian Financial Corp and Darashaw Securities Pvt Limited. He is responsible for managing the JM Gsec Fund, JM Income Fund and JM Short Term Fund. He is also joint Fund Manager for certain plans of JM Fixed Maturity Fund.
Mr. Vikas Agrawal - Fund Manager	B.Com, PGDBM (Finance) Age: 30 Years	He has 8 years of work experience in fixed income market and has worked with Centrum Capital, Stratcap Securities and SPA Securities. In his earlier assignments, he was responsible for origination and placement of short term / long term bonds. He was associated with the AMC since June 2007 as Debt Dealer. He is the Fund Manager for JM Money Manager Fund – Regular Plan and JM Money Manager Fund - Super Plan. He is also joint Fund Manager for certain plans of JM Fixed Maturity Fund

H. WHAT ARE THE INVESTMENT RESTRICTIONS?

The relevant restrictions applicable to the Scheme of the Fund as per the Seventh Schedule of SEBI Regulations are as follows:

- 1 A mutual fund scheme shall not invest more than 15% of its NAV in debt instruments issued by a single issuer which are rated not below investment grade by a Credit Rating Agency authorized to carry out such activity under the Act. Such investment limit may be extended to 20% of the NAV of the Scheme with the prior approval of the Boards of Trustee and AMC.

Provided that such limit shall not be applicable for investments in government securities and money market instruments.

Provided further that investment within such limit can be made in mortgaged backed securities which are rated not below investment grade by a credit rating agency registered with SEBI.

2. A mutual fund scheme shall not invest more than 10% of its NAV in unrated debt instruments issued by a single issuer and the total investment in such instruments shall not exceed 25% of the NAV of the scheme. All such investments shall be made with the prior approval of the Board of Trustees and the Board of asset management company.
3. No mutual fund scheme shall invest more than thirty percent of its net assets in money market instruments of an issuer:
Provided that such limit shall not be applicable for investments in Government securities, treasury bills and collateralized borrowing and lending obligations.
4. No mutual fund under all its schemes should own more than ten per cent of any company's paid up capital carrying voting rights.
5. Transfers of investments from one scheme to another scheme in the same mutual fund shall be allowed only if,—
(a) such transfers are done at the prevailing market price for quoted instruments on spot basis.
Explanation.—“Spot basis” shall have same meaning as specified by stock exchange for spot transactions;]
(b) the securities so transferred shall be in conformity with the investment objective of the scheme to which such transfer has been made.
6. A scheme may invest in another scheme under the same asset management company or any other mutual fund without charging any fees, provided that aggregate interscheme investment made by all schemes under the same management or in schemes under the management of any other asset management company shall not exceed 5% of the net asset value of the mutual fund :
Provided that this clause shall not apply to any fund of funds scheme.
7. Every mutual fund shall buy and sell securities on the basis of deliveries and shall in all cases of purchases, take delivery of relevant securities and in all cases of sale, deliver the securities:
Provided that a mutual fund may engage in short selling of securities in accordance with the framework relating to short selling and securities lending and borrowing specified by the Board:
Provided further that a mutual fund may enter into derivatives transactions in a recognized stock exchange, subject to the framework specified by the Board.
Provided further that sale of government security already contracted for purchase shall be permitted in accordance with the guidelines issued by the Reserve Bank of India in this regard.
8. Every mutual fund shall get the securities purchased or transferred in the name of the mutual fund on account of the concerned scheme, wherever investments are intended to be of long-term nature.
9. Pending deployment of funds of a scheme in terms of investment objectives of the scheme, a mutual fund may invest them in short term deposits of schedule commercial banks, subject to such Guidelines as may be specified by the Board.
10. No mutual fund [scheme] shall make any investment in,—
(a) any unlisted security of an associate or group company of the sponsor; or
(b) any security issued by way of private placement by an associate or group company of the sponsor; or
(c) the listed securities of group companies of the sponsor which is in excess of 25 per cent of the net assets.
11. No scheme of a mutual fund shall make any investment in any fund of funds scheme.
12. No mutual fund scheme shall invest more than 10 per cent of its NAV in the equity shares or equity related instruments of any company:
Provided that, the limit of 10 per cent shall not be applicable for investments in case of index fund or sector or industry specific scheme.
13. A mutual fund scheme shall not invest more than 5% of its NAV in the unlisted equity shares or equity related instruments in case of open ended scheme and 10% of its NAV in case of close ended scheme.
14. A fund of funds scheme shall be subject to the following investment restrictions:
(a) A fund of funds scheme shall not invest in any other fund of funds scheme;
(b) A fund of funds scheme shall not invest its assets other than in schemes of mutual funds, except to the extent of funds required for meeting the liquidity requirements for the purpose of repurchases or redemptions, as disclosed in the offer document of fund of funds

scheme.

15. The Mutual Fund having an aggregate of securities which are worth ₹10 crores or more, as on the latest balance sheet date, shall subject to such instructions as may be issued from time to time by SEBI, settle their transactions entered on or after January 15, 1998 only through dematerialised securities. Further, all transactions in government securities shall be in dematerialised form.

The Scheme will comply with SEBI regulations and any other Regulations applicable to the investments of Funds from time to time. The Trustee may alter the above restrictions from time to time to the extent that changes in the Regulations may allow. All investment restrictions shall be applicable at the time of making investment.

The Fund can invest in securities that are rated by CRISIL and ICRA and other independent credit rating agencies.

- All investment restrictions shall be applicable at the time of making investments

STOCK LENDING BY THE MUTUAL FUND

Subject to the SEBI Regulations as applicable from time to time, the Fund may, if the Trustee permits, engage in Stock Lending. Stock Lending means the lending of securities to another person or entity for a fixed period of time, at a negotiated compensation in order to enhance returns of the portfolio. The securities lent will be returned by the borrower on the expiry of the stipulated period. The AMC will adhere to strict limits should it engage in Stock Lending.

1. Not more than 25% of the net assets of the Scheme can generally be deployed in Stock Lending.
2. Not more than 5% of the net assets of the Scheme can generally be deployed in Stock Lending to any single counter party. The Fund may not be able to sell such lent out securities and this can lead to temporary illiquidity.

INVESTMENTS IN DERIVATIVES

In accordance with SEBI Circular Cir/ IMD/ DF/ 11/ 2010 dated August 18, 2010, the following clauses shall be inserted in the Scheme Information Documents of all the schemes of JM Financial Mutual Fund under the head "What are the Investment Restrictions"

1. The cumulative gross exposure through equity, debt and derivative positions should not exceed 100% of the net assets of the scheme.
2. The Scheme shall not write options or purchase instruments with embedded written options.
3. The total exposure related to option premium paid shall not exceed 20% of the net assets of the scheme.
4. Exposure due to hedging positions may not be included in the above mentioned limits subject to the following :
 - a. Hedging positions are the derivative positions that reduce possible losses on an existing position in securities and till the existing position remains.
 - b. Hedging positions shall not be taken for existing derivative positions. Exposure due to such positions shall be added and treated under limits mentioned in Point 1.
 - c. Any derivative instrument used to hedge has the same underlying security as the existing position being hedged.
 - d. The quantity of underlying associated with the derivative position taken for hedging purposes does not exceed the quantity of the existing position against which hedge has been taken.
5. The Scheme may enter into plain vanilla interest rate swaps for hedging purposes. The counter party in such transactions has to be an entity recognized as a market maker by RBI. Further, the value of the notional principal in such cases shall not exceed the value of respective existing assets being hedged by the scheme. Exposure to a single counterparty in such transactions should not exceed 10% of the net assets of the scheme.
6. Exposure due to derivative positions taken for hedging purposes in excess of the underlying position against which the hedging position has been taken, shall be treated under the limits mentioned in point 1.

Definition of Exposure in case of Derivative Positions

7. Each position taken in derivatives shall have an associated exposure as defined under and will be computed as follows:

Position	Exposure
Long Future	Futures Price * Lot Size * Number of Contracts
Short Future	Futures Price * Lot Size * Number of Contracts
Option bought	Option Premium Paid * Lot Size * Number of Contracts.

The derivative transactions shall also be disclosed in the half yearly portfolio/ annual report of the schemes in the specified format

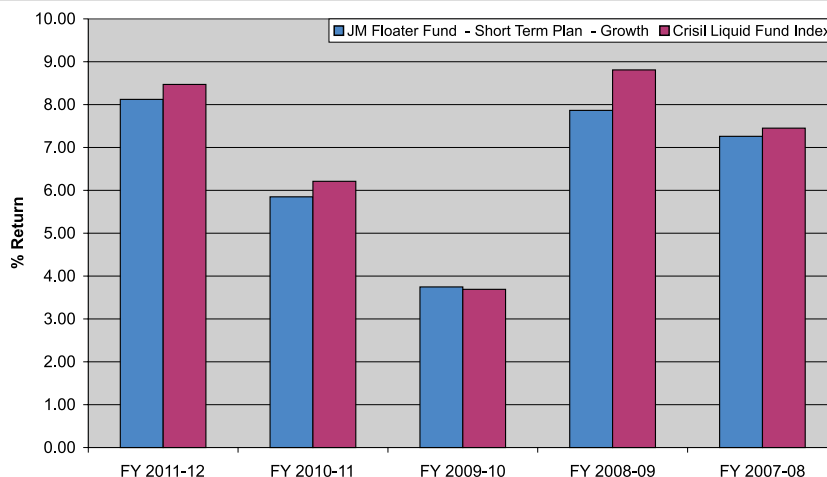
I. HOW HAS THE SCHEME PERFORMED?

Following are the Performance of Schemes as on March 30, 2012.

JM Floater Fund - Short Term plan

Compounded Annualised Returns	Scheme Returns %	Benchmark Returns %
Returns for the last 1 year	8.10	8.45
Returns for the last 3 years	5.88	6.10
Returns for the last 5 years	6.55	6.90
Returns since inception	6.21	6.06

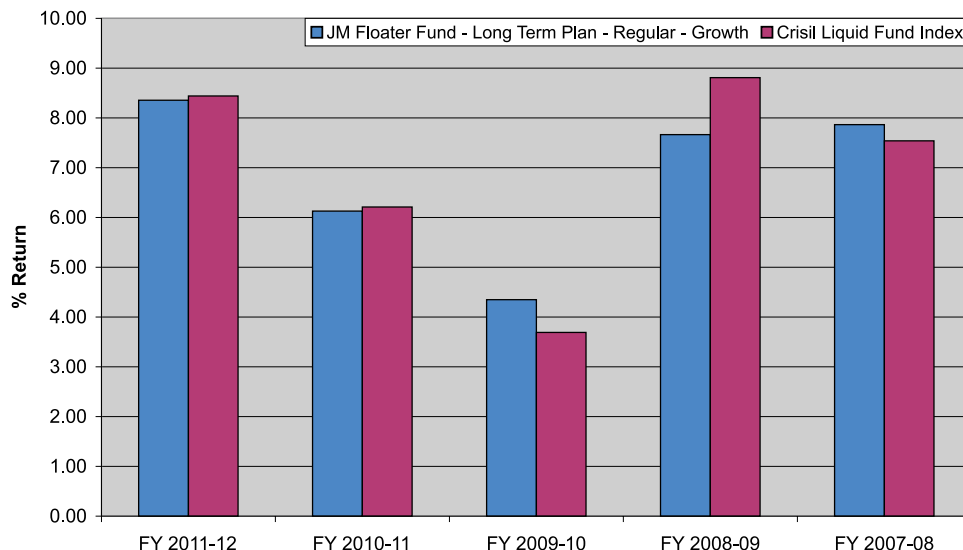
Absolute Returns for each financial year for the last 5 years



JM Floater Fund - Long Term Plan

Compounded Annualised Returns	Scheme Returns %	Benchmark Returns %
Returns for the last 1 year	8.43	8.45
Returns for the last 3 years	6.26	6.10
Returns for the last 5 years	6.85	6.91
Returns since inception	6.01	6.06

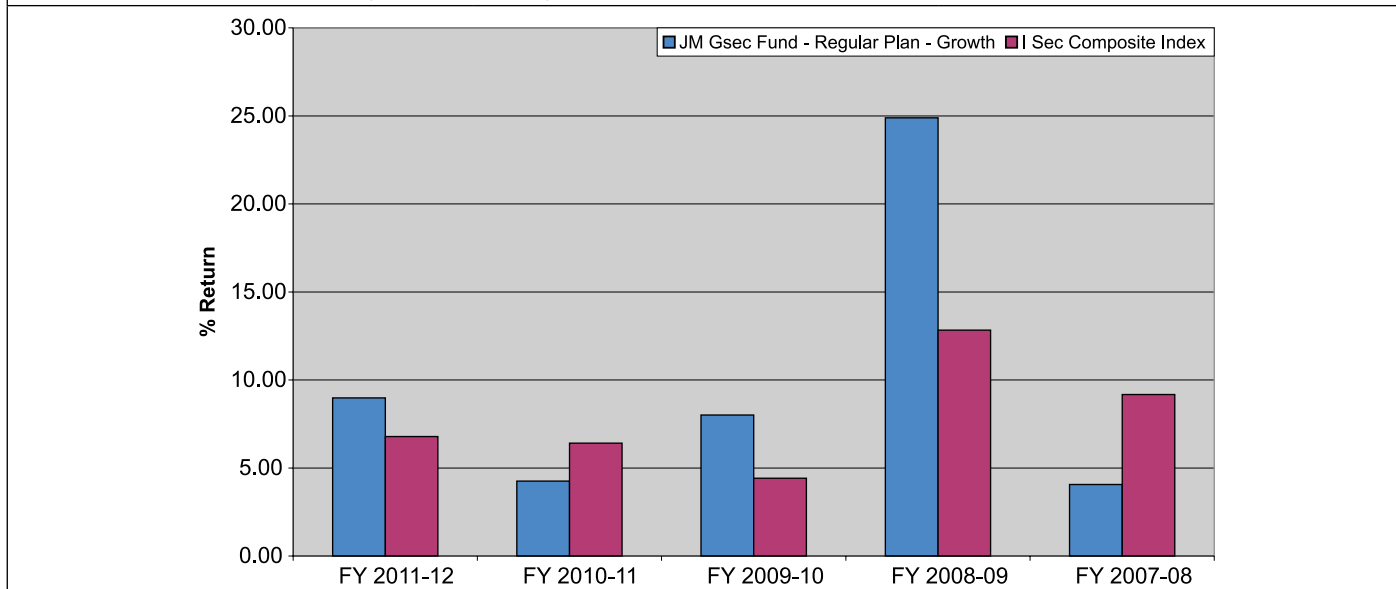
Absolute Returns for each financial year for the last 5 years



JM G-Sec Fund

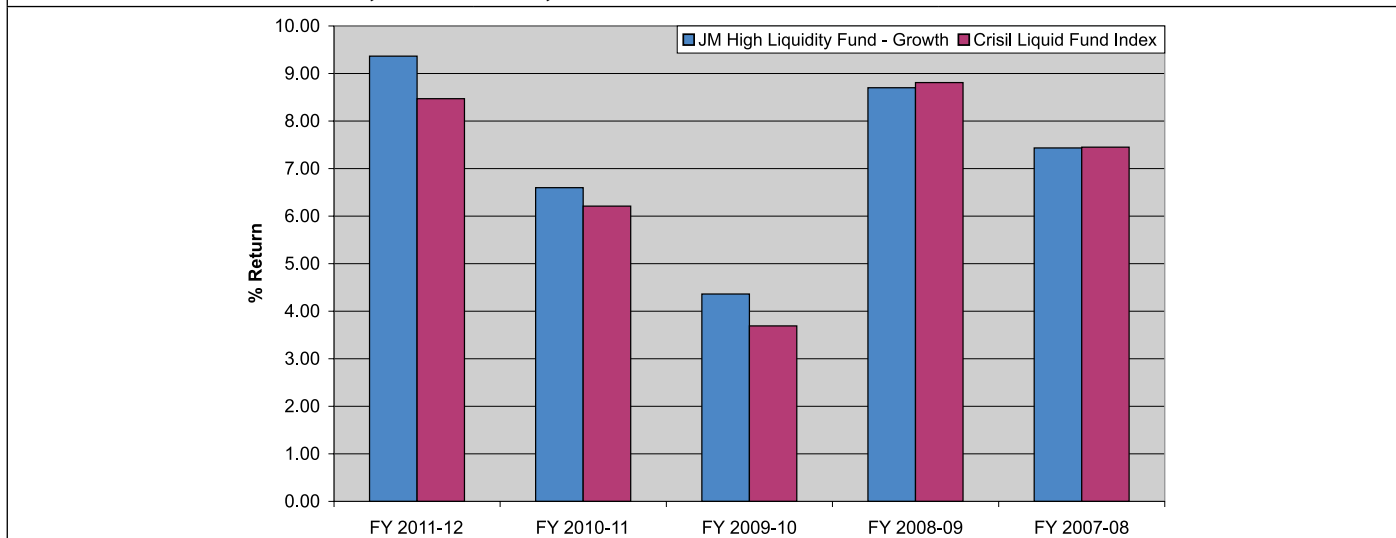
Compounded Annualised Returns	Scheme Returns %	Benchmark Returns %
Returns for the last 1 year	8.98	6.76
Returns for the last 3 years	7.02	5.83
Returns for the last 5 years	9.78	7.88
Returns since inception	10.24	N A

Absolute Returns for each financial year for the last 5 years


JM High Liquidity Fund

Compounded Annualised Returns	Scheme Returns %	Benchmark Returns %
Returns for the last 1 year	9.34	8.45
Returns for the last 3 years	6.75	6.10
Returns for the last 5 years	7.27	6.90
Returns since inception	7.82	N A

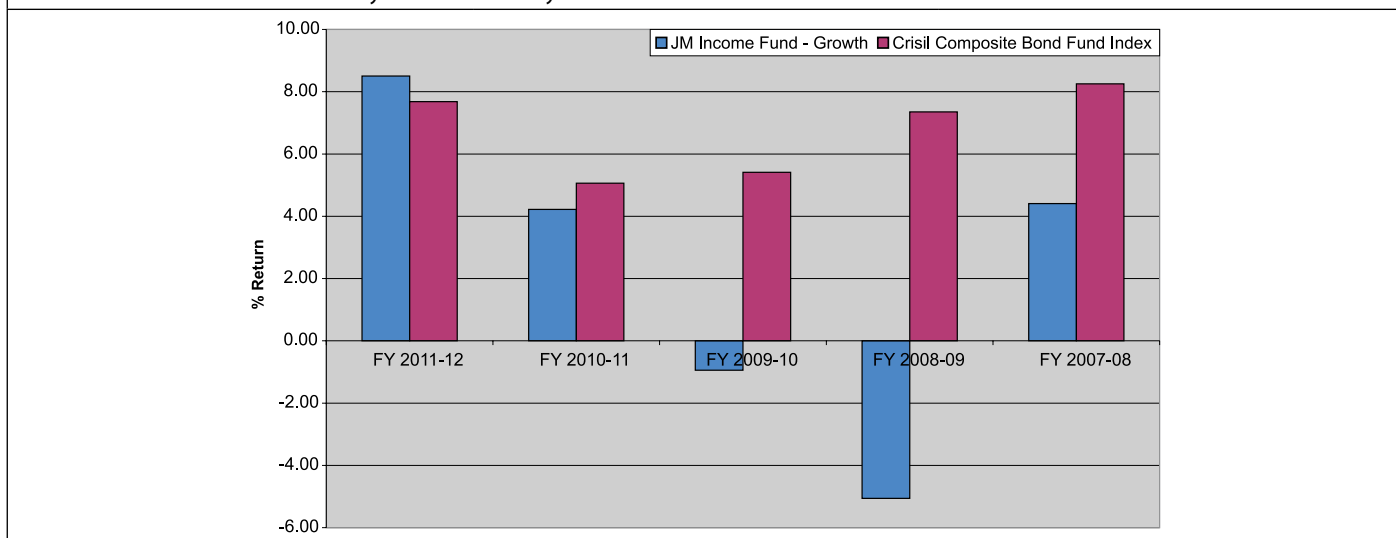
Absolute Returns for each financial year for the last 5 years



JM Income Fund

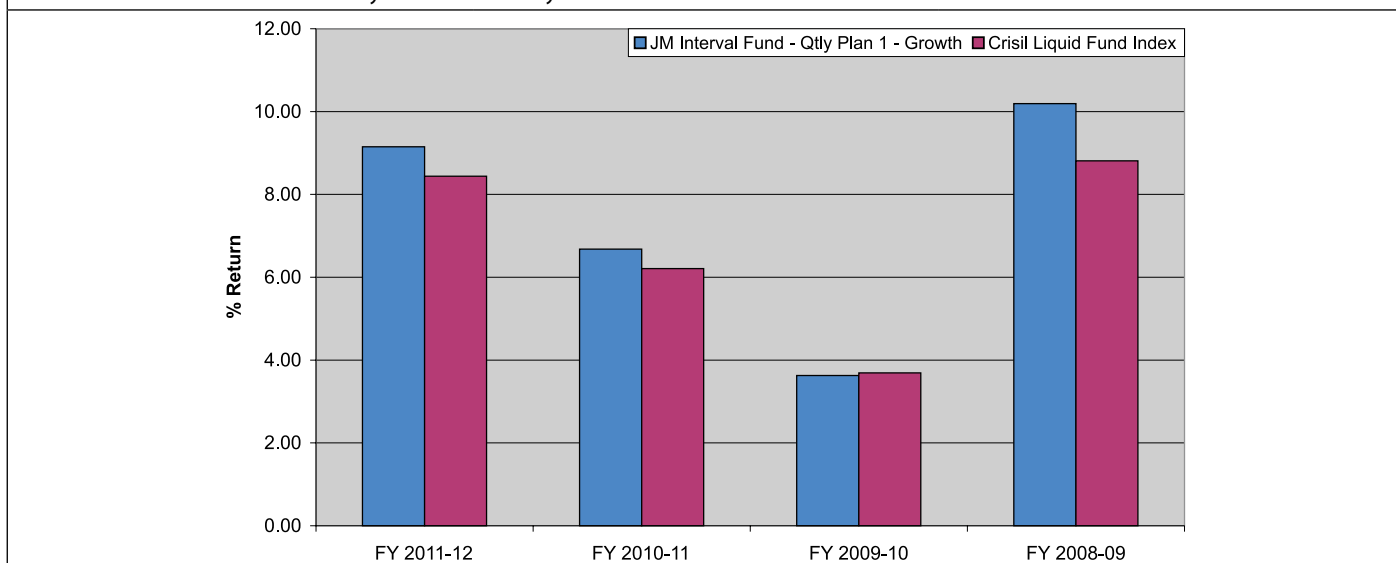
Compounded Annualised Returns	Scheme Returns %	Benchmark Returns %
Returns for the last 1 year	8.51	7.67
Returns for the last 3 years	3.85	6.08
Returns for the last 5 years	2.11	6.74
Returns since inception	7.06	N A

Absolute Returns for each financial year for the last 5 years


JM Interval Fund

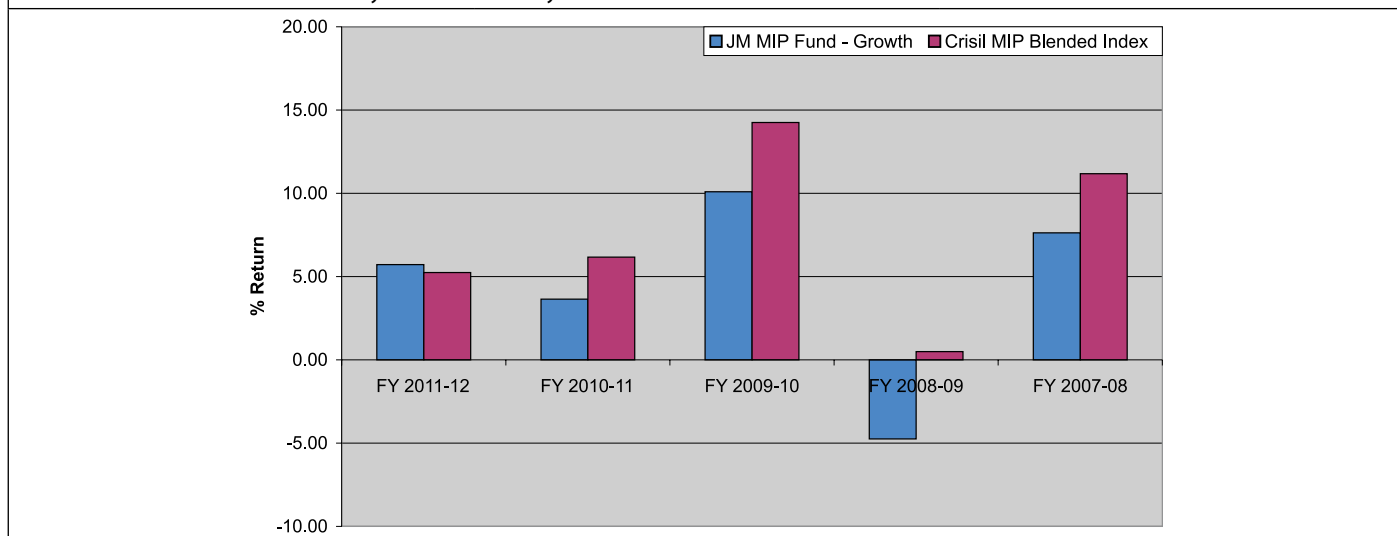
Compounded Annualised Returns	Scheme Returns %	Benchmark Returns %
Returns for the last 1 year	9.15	8.45
Returns for the last 3 years	6.46	6.10
Returns for the last 5 years	N A	N A
Returns since inception	7.51	6.79

Absolute Returns for each financial year for the last 5 years

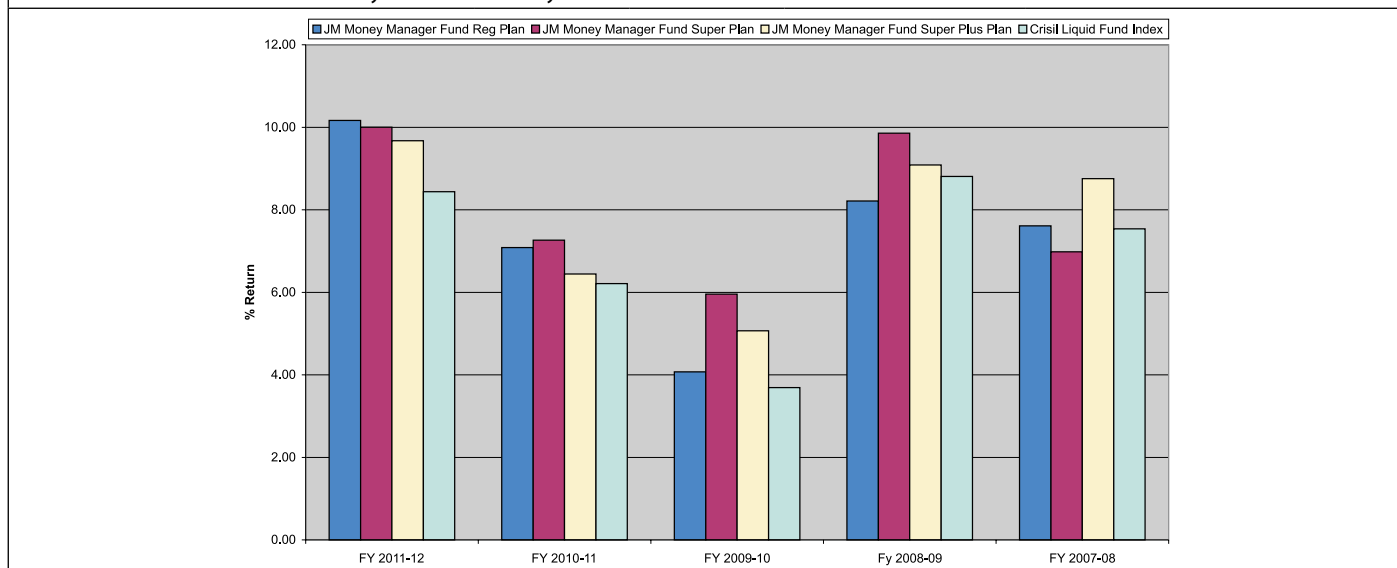


JM MIP Fund (An open-ended monthly income fund with no assured return)

Compounded Annualised Returns	Scheme Returns %	Benchmark Returns %
Returns for the last 1 year	5.95	5.36
Returns for the last 3 years	6.53	8.58
Returns for the last 5 years	4.33	7.35
Returns since inception	5.78	7.48

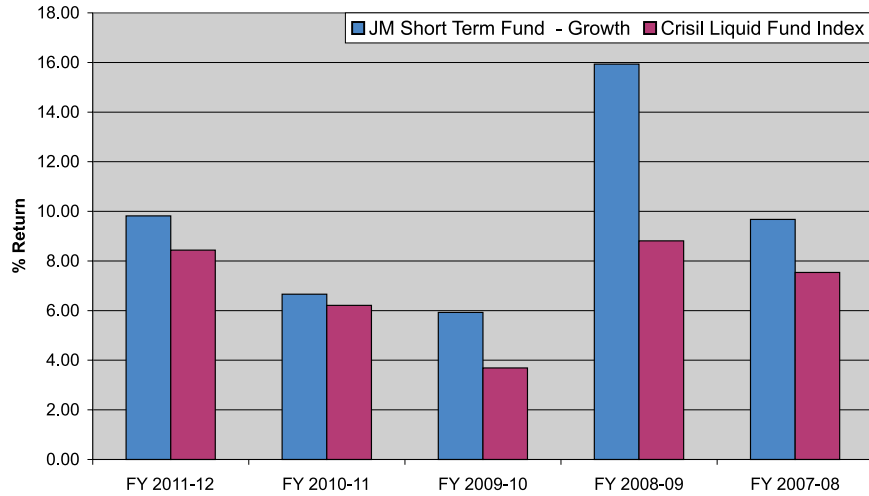
Absolute Returns for each financial year for the last 5 years

JM Money Manager Fund

Compounded Annualised Returns	Regular Plan	Super Plan	Super Plus Plan	Benchmark Returns %
Returns for the last 1 year	10.16	10.00	9.68	8.45
Returns for the last 3 years	7.08	7.73	7.05	6.10
Returns for the last 5 years	7.42	8.00	7.79	6.91
Returns since inception	7.42	7.97	7.84	6.89

Absolute Returns for each financial year for the last 5 years


JM Short Term Fund

Compounded Annualised Returns	Scheme Returns %	Benchmark Returns %
Returns for the last 1 year	9.82	8.45
Returns for the last 3 years	7.45	6.10
Returns for the last 5 years	9.54	6.91
Returns since inception	7.93	6.00

Absolute Returns for each financial year for the last 5 years


III. UNITS AND OFFER

This section provides details which you need to know for investing in the scheme.

A. NEW FUND OFFER (NFO)

All the above-mentioned schemes are on-going schemes, therefore, the section 'NEW FUND OFFER' is not relevant, except for the details as under.

Plans/ Options offered	Kindly refer para on 'choice of investment plans' appearing under 'Highlights/ Summary of the Scheme' heading of this document.
<p>Who can invest</p> <p>This is an indicative list and investors are requested to consult their financial advisor to ascertain whether the scheme is suitable to their risk profile.</p>	<p>The following persons (subject to, wherever relevant, purchase of units of mutual funds being permitted under respective constitutions, and relevant statutory regulations) are eligible and may apply for subscription to the Units of the Scheme.</p> <ul style="list-style-type: none"> • Resident adult individuals, either singly or jointly (not exceeding three in toto) • Parents/Lawful Guardian on behalf of Minors • Hindu Undivided Family (HUF), in the name of Karta • Companies/Bodies Corporate/Public Sector Undertakings, association of persons or bodies of individuals whether incorporated or not and societies registered under the Societies Registration Act, 1860 (so long as the purchase of units is permitted under the respective constitutions)
	<ul style="list-style-type: none"> • Religious and Charitable Trusts, Wakfs or endowments of private trusts (subject to receipt of necessary approvals as required) under the provisions of 11(5) of Income Tax Act, 1961 read with 17C of the Income Tax Rules, 1962 (subject to receipt of necessary approvals as "Public Securities", where required); • Trustee of private trusts authorized to invest in mutual fund scheme under the Trust Deed • Partnership firm in the name of partner(s) • Proprietorship firm in the name of the proprietor • Banks and Financial Institutions • NRIs/ persons of Indian origin residing abroad on full repatriation basis (subject to RBI approval, if any) or non-repatriation basis . Presently OCBs are not permitted to invest in mutual funds pursuant to RBI A.P.(DIR Series) Circular No. 14 dated September 16,2003 • Foreign Institutional Investors (FIIs) registered with SEBI on full repatriation basis (subject to RBI approval, if any)
	<ul style="list-style-type: none"> • Army/Air Force/Navy and other Para Military units and other eligible institutions • Scientific and/or industrial research organisations • International Multilateral Agencies approved by Government of India • Non- Government Provident/Pension/Gratuity funds as and when permitted to invest • Qualified Foreign Investors/ QFIs subject to provisions stipulated by SEBI in its circular dated August 9, 2011 • Others who are permitted to invest in the Scheme as per their respective constitutions <p>Note:</p> <ol style="list-style-type: none"> 1 The AMC may reject any application received in case the application is found invalid/ incomplete or for any other reason in the AMC's sole discretion, subject to the Regulations. 2 Any scheme of JM Financial Mutual Fund or of any other Mutual Fund managed by any other AMC, including a Fund of Fund (subject to the conditions and limits prescribed in Regulations and/or by the Trustee, AMC or Sponsor) may subscribe to the units under the Scheme. The AMC/Trustee /Fund /Sponsor may subject to the limits prescribed by SEBI subscribe to units of this Scheme.

	<p>The AMC will not be entitled to charge any fees on investments made by the AMC.</p> <p>3 The AMC may accept an application from an unincorporated body of persons/ trusts. The AMC may also periodically add and review the persons eligible for making application for purchase of units under the Scheme. If a person who is a resident Indian at the time of subscription becomes a resident outside India subsequently, he/she shall have the option to either be paid repurchase value of Units, or continue into the Scheme if he/she so desires and is otherwise eligible.</p> <p>Notwithstanding the aforesaid, the AMC reserves the right to close the unitholder account and to pay the repurchase value of Units, subsequent to his becoming a person resident outside India, should the reasons of cost, interest of other unitholders and any other circumstances make it necessary for the Fund to do so. Unitholders in whose case there has been a change of status from Resident to Non Resident will not have a right to claim growth in capital and/or income distribution.</p>
Where can you submit the filled up applications.	<p>Registrar&TransferAgent</p> <p>Karvy Computershare Private Limited Karvy Plaza; H No. 8-2-5 96, Avenue 4 Street No. 1, Banjara Hills, Hyderabad - 500 034. Tele :- 040-23440670 Email :- service_jmf@karvy.com, Website:- www.karvy.com</p> <p>The duly completed application form can also be submitted at the official points of acceptance managed by the AMC/ Registrar mentioned above. The details of the official points of acceptance are on back cover page.</p>
How to Apply	Please refer to the SAI, Key Information Memorandum and Common Application Form for the instructions.
The policy regarding reissue of Repurchased units, including the maximum extent, the manner of reissue, the entity (the scheme or the AMC) involved in the same.	Presently the AMC does not intend to reissue the repurchased units. The Trustee reserves the right to reissue the repurchased units at a later date after issuing adequate public notices and taking approvals, if any, from SEBI.

B. ONGOING OFFER DETAILS

<p>Ongoing Offer Period</p> <p>This is the date from which the scheme will reopen for subscriptions/redemptions after the closure of the NFO period.</p>	<p>All the schemes other than JM Interval Fund, offers for Sale/ Switch-in and Redemption/ Switch-out of Units on every Business Day.</p> <p>JM Interval Fund is a perpetual scheme. The exact date of the Specified Transaction Date/ interval cycle would be based on the date of allotment of units after the closure of the cycle of 91 days from previous allotment/ STD. Units of the Scheme will be listed on stock exchange (s) which will allow Investors to buy/ sell units on all business days on stock exchange(s), where units of the Scheme are listed.</p>
<p>Ongoing price for subscription (purchase)/ switch-in (from other schemes/plans of the mutual fund) by investors.</p> <p>This is the price you need to pay for purchase/switch-in.</p>	<p>1. Liquid Schemes - JM High Liquidity Fund and JM Floater Fund – Short Term Plan:</p> <ul style="list-style-type: none"> i. where the application is received upto 2.00 p.m. on a day and funds are available for utilization before the cutoff time, 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, 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, the applicable NAV shall be the closing NAV of the day immediately preceding the day on which the funds are available for utilization. <p>For allotment of units in respect of purchase of/switch in to JM High Liquidity Fund and JM Floater Fund – Short Term Plan, it shall be necessary that:</p> <ul style="list-style-type: none"> i. Application for purchase/switch-in is received before the applicable cut-off time. ii. Funds for the entire amount of subscription/purchase as per the purchase application/ switch in request are credited to the bank account of JM High Liquidity Fund and JM Floater Fund – Short Term Plan before the cut-off time. iii. The funds are available for utilization before the cut-off time without availing any credit facility whether intra-day or otherwise, by the respective liquid schemes. <p>2. Debt Schemes - JM MIP Fund, JM Money Manager Fund, JM Floater Fund – Long Term Plan, JM Short Term Fund, JM Income Fund and JM G-Sec Fund, in respect of purchase of units for Rs. 1 crore or more:</p> <p>For allotment of units in respect of purchase of/switch in to the aforementioned schemes/ plans, it shall be necessary that:</p> <ul style="list-style-type: none"> i. Application is received before the applicable cut-off time i.e. 3.00 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 the respective schemes before the cut-off time. iii. The funds are available for utilization before the cut-off time without availing any credit facility whether intra-day or otherwise, by the respective scheme <p>3. Debt Schemes - JM MIP Fund, JM Money Manager Fund, JM Floater Fund – Long Term Plan, JM Short Term Fund, JM Income Fund and JM G-Sec Fund, in respect of purchase of units for less than Rs. 1 crore:</p> <p>In respect of valid applications received upto 3 p.m. by the Mutual Fund at any of its Investor Service Centers along with a local cheque or a demand draft payable at par at the place where the application is received, the closing NAV of the business day on which application is received shall be applicable.</p>

	<p>In respect of valid applications received after 3 p.m. by the Mutual Fund along with a local cheque or a demand draft payable at par at the place where the application is received, the closing NAV of the next business day shall be applicable. However, in respect of valid applications with outstation cheques/ demand drafts not payable at par at the place where the application is received, closing NAV of the business day on which cheque/demand draft is credited shall be applicable.</p> <p>The aforesaid provisions are applicable for prospective transactions and shall also apply to existing as well as fresh SIP and STP transactions.</p> <p>4. For Interval Fund</p> <p>Specified Transaction Period</p> <p>The Specified Transaction Period for purchases and switch-ins in the various plans under JM Interval Fund will consist of 3 days i.e 2 business days prior to the Interval Date as well as the Interval Date of the respective Plan. All purchases / switch-ins received during the above mentioned days including for transaction of Rs. 1 crore and above (where the funds are available for utilization on the Interval Date), will be processed at ex-dividend NAV on the stipulated transaction date/ interval date i.e. 91st day from last specified transaction date/ interval date.</p> <p>Other than Specified Transaction Period</p> <p>As the scheme will be listed on stock exchange(s), investors, holding units in demat form, can buy or sell units of the scheme from the secondary market on the stock exchange(s) on all business days. The minimum number of units that can be bought or sold is 1 (one) unit.</p>
<p>Ongoing price for redemption (sale) / switch outs (to other schemes/plans of the Mutual Fund) by investors. This is the price you will receive for Redemptions / switch outs.</p> <p>Example: If the applicable NAV is Rs. 10, exit load is 2% then redemption price will be: $Rs. 10 * (1 - 0.02) = Rs. 9.8000$</p>	<p>At the applicable NAV subject to the deduction/ charge of exit loads as prescribed at the time of respective investments and government levies as applicable.</p> <p>A. Debt Schemes:</p> <p>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, same day's closing 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.</p> <p>B. Liquid Schemes:</p> <p>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.</p> <p>It is clarified that the cut off timings will also be applicable to investments made through "sweep" mode.</p> <p>C. For Interval Fund</p> <p>All valid redemption/ switch out requests submitted by 3 p.m. of interval date will be processed at ex-dividend NAV on the stipulated transaction date/ interval date i.e. 91st day from last specified transaction date/ interval date.</p> <p>In the event of the investor submitting his redemption/ switch out request on a day other than STP period, the request will be kept in abeyance by the Registrar and processed on the next Interval Date, if the request is not withdrawn in writing.</p>

	<p>As the scheme will be listed on stock exchange(s), investors can sell units of the scheme from the secondary market on the stock exchange(s) on all business days. The minimum number of units that can be bought or sold is 1 (one) unit. On maturity of a Plan except plans under JM Interval Fund, the maturity pay out will normally be effected on the day immediately following the maturity day. However, if the maturity pay-out day falls on a non-business day, then the maturity day will be extended appropriately to ensure that both the maturity day and the pay-out day are continuous business days. There is no auto redemption facility available for the plans of JM Interval Fund. The investments of the investors who do not redeem/ switch out their investments during the Specified Transaction Date will continue on a perpetual basis till redemption/ switch out request is received from the investor or the scheme is wound up as per SEBI guidelines. All transactions (redemptions/ switch outs/ fresh purchases/ switch ins) time stamped up to 3.00 p.m. on or before the specified transaction date/ interval date will be processed at applicable ex-dividend NAV on the specified transaction date/ interval date.</p>
Cut off timing for subscriptions/ redemptions/ switches This is the time before which your application (complete in all respects) should reach the official points of acceptance.	<p>For purchase or switch-in: To be time stamped by 2 p.m. for liquid schemes and 3 p.m. for debt</p> <p>For redemption/switch out : To be time stamped by 3.00 p.m. (Kindly refer above points for detail.)</p>
Where can the applications for purchase/ redemption switches be submitted?	The details of official points of acceptance, collecting banker details etc. are set out on the back cover page.
Minimum amount for purchase/ redemption/switches	<p>The table on minimum investment amounts for the respective schemes under this Scheme Information Document is set out elsewhere in the document.</p> <p>Minimum amount of Rs. 5,000/- per Plan / Option/ sub-option i.e. Dividend and Growth {except in the case of , JM High Liquidity Fund – Institutional and Super Institutional Plans, JM Short Term Fund – Institutional Plan} and in multiples of any amount thereafter in case of first time investments. For ongoing investments in an existing folio the investment would be Rs. 1,000/- and in multiples of any amount thereafter. However, there is no upper limit for investment. The minimum investment is applicable at the respective Plans /Options/ Sub-options level i.e. Growth, Dividend etc.</p> <p>Minimum redemption from existing Unit Accounts for normal transactions other than through STP/SWP would be:</p> <ul style="list-style-type: none"> a) Rs. 500 and any amount thereafter OR b) 50 units or any number of units there after OR c) The entire outstanding investment in case the available balance is less than a) and b) above <p>An unitholder of the Scheme, may at any point in time, redeem his/ her full investment in the Scheme.</p> <p>In the event of remaining balance (for investment other than through SIP/STP/ SWP) falling below the minimum balance of 500 units or Rs. 5000 (Which ever is less) while processing redemption/switch requests, the entire outstanding units will be redeemed.</p> <p>No switches will be effected if the switched out proceeds do not meet the minimum investment criteria of the switched in scheme.</p> <p>A unitholder of the Scheme, may at any point in time, redeem his/ her full investment in the Scheme.</p>

	<p>In case of JM Interval Fund, being listed scheme, the lot size is one unit. Hence, the AMC will refund the excess amount if any, in respect of fractional units arising out of allotment of units due to applicable NAV notwithstanding the Minimum/ Additional Investment criteria as mentioned above. Similarly, in case of switch transaction, the excess amount, if any, will be paid to the investor after apportioning for the allotment of units under the scheme as per the applicable NAV.</p> <p>In case of difference/ ambiguity in the amount and units mentioned in any request for Redemption/ Switch, the minimum value (of units and amount) on rupee equivalent basis on the Transaction/ applicable NAV date will be considered by the AMC, provided the investor has not furnished any clarification in writing, duly signed on the date of transaction. However, this will again be subject to the above requirement of minimum balance holding. In the event of investor not having filled in the Amount/ Units in the Transaction Slip, the AMC will redeem/ switch out all the outstanding units in case the Scheme, Plan, Option are clearly mentioned.</p> <p>In case, the investor has not mentioned the plans/ sub-plans etc. in the redemption request specifically where he is having holdings in various plans/ sub-plans etc. of the particular scheme, AMC will summarily rejects such redemption request if the investor has not furnished any clarification in writing, duly signed on the date of transaction.</p>
Minimum balance to be maintained and consequences of non maintenance.	<p>The Fund reserves the right to redeem the entire units lying to the credit of the Unitholder's account if</p> <ul style="list-style-type: none"> • after redemption/ switch out, the amount / units remaining to the credit of the Unitholder's account falls below the minimum balance of 500 units; or Rs. 5000/- • the redemption /switch out request amount exceeds the balance lying to the credit of the Unitholder. <p>The number of Units so redeemed will be subtracted from the Unitholder's account and a statement to this effect will be issued to the Unitholder.</p> <p>The Unitholders may also request for repurchase of their entire holding and close the account by indicating the same at the appropriate place in the Transaction Slip/Repurchase form.</p>
Special Products available	SIP/ STP/ SWP
Accounts Statements/ Common Account Statement ("CAS")	<p>For normal transactions (other than SIP/STP) during ongoing sales and repurchase:</p> <ul style="list-style-type: none"> • The AMC shall issue to the investor whose application (other than SIP/STP) has been accepted, an account statement/CAS specifying the number of units allotted • In case, an investor has provided his e-mail ID in the application form or any subsequent communication, in any of the folio(s) belonging to him/her, the AMC reserves the right to use such e-mail ID as a default mode of communication to the investor including sending of account statements / CAS for the new and existing investments for folio(s)/ investor(s) concerned. However, the AMC or Registrar & Transfer Agent will, on receipt of specific request, endeavour to provide the physical account statement to the investor within 5 business days from the receipt of such request, in terms of SEBI circular No. IMD/ CIR/12/80083/2006 dated November 20, 2006, on a case to case basis.

For SIP / STP/ SWP transactions;

- For cases eligible for CAS (i.e. where valid PANs are updated), the concerned investor shall be issued CAS on monthly basis
- For cases not eligible for CAS, Account Statement for SIP, STP and SWP will be despatched once every quarter ending March, June, September and December within 10 working days of the end of the respective quarter. However, the first account statement under SIP shall be issued within 10 business days of the initial investment.
- A 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.
- In case of specific request received from investors, Mutual Funds shall provide the account statement (SIP/STP/ SWP) to the investors within 5 business days from the receipt of such request without any charges.

Half Yearly/Annual Account Statement:

- The Mutual Funds shall provide the Account Statement to the Unitholders who have not transacted during the last six months prior to the date of generation of account statements. The Account Statement shall reflect the latest closing balance and value of the Units prior to the date of generation of the account statement,
- Where portfolio statement is not published, the account statements for non transacted cases may be generated and issued along with the Portfolio Statement or Annual Report of the Scheme.
- 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 JM Financial Mutual Fund.

Consolidated Account Statement (CAS):

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.

	<p>**The word 'transaction' shall include purchase, redemption, switch, dividend payout, dividend reinvestment, systematic investment plan, systematic withdrawal plan, systematic transfer plan and bonus transactions.</p> <p>(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.</p> <p>For folios without a valid PAN, the AMC may send account statements on a monthly basis. The Unit holders are therefore requested to ensure that the folio(s) are updated with their PAN.</p> <p>(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.</p> <p>(v) In the event the account has more than one registered holder, the first named Unit holder shall receive the CAS/ account statement.</p> <p>(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.</p> <p>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.</p> <p>In case of investment through New Fund offers ("NFOs"), investors will receive the allotment confirmation from the AMC within the stipulated time.</p> <p>The statement of holding of the beneficiary account holder for units held in demat will be sent by the respective Depository Participants ("DPs") periodically.</p>
Dividend	The dividend warrants shall be dispatched to the unitholders within 30 days of the date of declaration of the dividend.
Redemption	The redemption or repurchase proceeds shall be dispatched to the unitholders within 10 business days from the date of redemption or repurchase.
Delay in payment of redemption / repurchase / dividend proceeds	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 such delay (presently @ 15% per annum).

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.
- (ii) An existing investor who wants to redeem units held in his demat account has to approach his depository participant (DP) directly.
- (iii) Switch/ STP/SWP transactions will not be permitted for Demat cases till the same is converted into physical form.
- (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 available for all schemes of the Mutual Fund except for subscription by way of Systematic Investment Plan and for daily dividend, weekly dividend and fortnightly dividend Plans / Options.

For issue of units of the scheme in demat form, applicants under the scheme will be required to have a beneficiary account with a DP of NSDL/ CDSL and will be required to indicate in the application the DP's name, DP ID number and its beneficiary account number with the DP.

With effect from January 1, 2012, investors 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.

Redemption Procedure:

The investors who hold units in demat form and wish to redeem their units will have to take following steps:

1. Investors will have to approach their DP (Depository Participants) where Demat Account is being held.
2. Investors will have to submit duly filled-in and signed Redemption/Repurchase Request Form (RRF) available with respective DPs. Normally, these RRF may be available on the websites of respective DPs e.g. Banks etc. As the format of RRF may be different with every DP, the investors are advised to use the RRF procured from their own DP to avoid rejections/delays. The ISIN of the scheme is printed on the Statement of Account issued to investors.
3. The investors are required to submit 3 copies of RRF to their DPs. One copy of the RRF is used by the DP for issuing acknowledgement to investors whereas the second copy of the RRF will be forwarded by the DP to the Head Office of the respective RTA i.e. M/s Karvy Computershare Pvt Ltd. The third copy will be retained by the DP for their own records.
4. Based on the receipt of RRF, if found in order, the DP concerned generates Electronic Redemption Requests and blocks the units applied for redemption in the NSDL/CDSL system immediately. After this, the investor will not be able to transfer the blocked units to anyone (i.e. cannot transfer to anyone).
5. The Electronic Requests generated up to 3 pm every day by DPs shall get transmitted from NSDL / CDSL to respective Registrars of Mutual Fund by 4 pm.
6. All such Electronic Requests transmitted by NSDL / CDSL by 4 pm everyday are updated in the system at Registrar's end i.e. M/s Karvy Computershare Pvt Ltd for further processing.
7. Registrar shall verify and process the requests subject to finding the same in order by
 - a) Nullifying the units by confirming Electronic Repurchase Request,
 - b) Applying NAV based on Date and Time of raising Electronic request by DP's for Redemption Request,
 - c) Remitting Redemption proceeds to investor's bank account (as recorded in demat account) within 10 business days and
 - d) Dispatching an SOA (Statement of Account/Consolidated Account Statement) to the registered address of investor.
8. After the above process is completed, the Registrar will update the respective Depository (i.e. NSDL/ CDSL) about the processing of redemption to enable their DPs to issue Fortnightly/ Monthly Transaction Statement.

Special Products / facilities available

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 SIP date as set out above or sufficient balance being unavailable in out-scheme in case of STP/SWP etc. 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, Unitholders can take advantage of the benefits of Rupee Cost Averaging, at the same time investing a fixed amount each month.

SIP can be done through

1. ECS Debit facility in those locations where ECS facility is available and for which the AMC has made arrangements.
2. Direct Debit facility with certain banks and for which the AMC has made arrangements.

Alternatively, the investor may submit post-dated cheques drawn on any city in India subject to the first cheque/DD being payable at the location of Point of Acceptance where the SIP request is being submitted.

To avail of the facility of Auto Debit (ECS 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 for the list of cities where ECS facility is available. The list of cities/banks for Auto Debit (through ECS/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 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 ECS/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 respective schemes 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 (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 Basic Fund is Rs.5,000/-. However, in case of SIP, an investor can invest with minimum installment amount of Rs.1,000/- 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.

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 respective scheme(s) 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 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 investor will have to provide cheque/ Demand Draft towards first installment. An investor can opt for Regular SIP and choose Auto debit or post dated cheques as the modes of payments for subsequent installments.

2. SPECIAL SIP

In order to simplify the procedure, an investor may subscribe to SIP without even submitting the cheque/demand draft towards first installment as is required under Regular SIP. The first installment will also be debited through Auto Debit (through ECS/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 required for first installment. Hence, it will work like Zero balance account of a Bank.
- ii. The allotment of units for first SIP installment will be made on the next opted SIP date out of the 6 SIP Dates (1st, 5th, 10th, 15th, 20th, 25th of every month) 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 and not as applicable on the date of submission of valid SIP application with other required documents when his account will be debited for the first time.

Following documents need to be submitted while opting Special SIP Facility

1. Application Form
2. Auto Debit Mandate Form (meant for Banks) for ECS (presently in 81 locations)/Direct Debit (presently Axis bank, ICICI Bank, IDBI Bank and Standard Chartered Bank) or Standing Instructions Form (for HDFC Bank Account Holders)
3. Photo copy of cancelled cheque for MICR/IFSC details
4. Copy of KYC acknowledgement (exempted for micro SIP investors)
5. Copy of PAN (exempted for micro SIP investors)

The prospective investor is advised to contact the Investor Service Centres (ISCs) managed by the offices of JM Financial Mutual Fund or Registrar M/s Karvy Computershare Pvt. Ltd for an updated list of Banks accepting Direct Debit mandates or for the list of cities where ECS facility is available. However minimum 30 days time is required for registration of Auto Debit for the next installment after submission of application.

Modes of payment for SIP:

a. Auto Debit Facility:

To avail of the facility of Auto Debit (through ECS 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/ 11nd 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 ECS Debit) Facility: is available in RBI's all ECS locations (current and future) and covers all banks participating in ECS clearing in those locations.

- ii. Auto Debit (Through Direct Debit) Facility is available with certain selected banks with which the AMC has made arrangements. At present, AMC has a tie-up with 4 Banks i.e. ICICI Bank, IDBI Bank, Axis Bank and Standard Chartered Bank.

The Investor is advised to contact the nearest ISC for current list of Banks accepting Direct Debit mandates or for the list of cities where ECS facility is available. The list of cities/banks for Auto Debit (through ECS/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 or prior notice to investors. 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 without any prior notice. JM Financial Asset Management Pvt 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 ECS/Clearing due to any reason.

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

This facility is available for those who maintain account with HDFC Bank. Such investors are required to fill up a separate form meant for HDFC Bank account holders only.

b. Post Dated Cheques :

An investor can subscribe to SIP facility in other than ECS locations/Direct Debit/Standing Instructions Bank by depositing Post-dated cheques for the opted period if his bank participates in the local clearing of the locations on which the cheques are drawn in any part of India where AMC has made arrangements. However, the first cheque/demand draft should be drawn & payable at the place where the application is being submitted. Presently this facility is available in more than 400 locations across India in addition to locations covered through ECS facility. In the event of any merger/ acquisition/ closure of Banks, the investor will be required to replace the remaining post dated cheques with the cheques drawn on any other existing Bank.

Pursuant to AMFI circular dated June 17, 2011, it is clarified that the AMC will accept payments through net banking or debit cards for subscription of units of the Schemes of JM Financial Mutual Fund (as and when these facilities are activated). However, in case the payment is not made from a registered bank account or from an account not belonging to the first named unit holder, the AMC/ R&TA shall reject the transaction with due intimation to the investor.

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) was launched. 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:

1. The list of cities/banks for Auto Debit (through ECS/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 ECS/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 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 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 post-dated cheques/Auto Debit (ECS/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 first cheque/DD has to be of any valid date and not a post dated one on the date of submission. However, in case of remaining post-dated SIP cheques, from 2nd installment onwards, the cheques must contain the opted SIP dates for the entire remaining period out of the permissible SIP dates i.e. 1st, 5th, 10th, 15th, 20th or 25th of a month. Similarly, in case of SIP through Auto Debit (Direct Debit/ECS/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 time-stamped 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. 1 crore or more, the cut off time of 3.00 pm will be applicable for the purpose of time-stamping/ deemed time-stamping and receipt of funds into scheme's bank account.

For SIP installments in other than Liquid fund and installments for Rs. 1 crore or more per installment in case of debt schemes, the application shall be considered to have been received on the opted due date before the cut off time of the respective scheme for the purpose of application of NAV.

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 ECS 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 ECS/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 ECS/Direct Debit) Registration cum Mandate Form OR
 - Auto Debit (through Standing Instructions) Mandate by HDFC Bank Account Holders
 - Post-dated cheques for remaining period, drawn on any city in India in case of Non- Auto Debit SIP
 - 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 ECS 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 will re-register the period of subscription through Special SIP, 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.50000/- per year per investors 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. 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 in 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.
- In case the 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 be ceased for future installments. No refunds to be made for the units already allotted. Investor will be sent a communication to this effect. However, redemptions shall be allowed.

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 is 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 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 subscription amount as per the Scheme Information Document of the respective scheme/Plan/Sub-Plan/Option/Sub-Option e.g Rs. 5,000/- should be received by the AMC during the opted period, through the minimum no. of mandatory installments mentioned in the table above. 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 Income 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. 3000/- or more per quarter so as to meet the Minimum Investment Amount over the opted period.
7. The cheque/s should be drawn in favour of the scheme/plan chosen (e.g. "JM Equity 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 / Dishonoured cheques 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 ECS facility of Reserve Bank of India (RBI) in case of SIP through ECS.
10. Please refer to para on Third Party Payment and Transaction charges elsewhere in this document

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 Electronic Clearing Services (ECS) cases :

For discontinuation of SIP through ECS 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 instalments. Any credit received thereafter from the Bank towards the subsequent installments will be kept in abeyance for refund to unitholders at the earliest, without any interest/ accruals/benefits or without allotting the units .

iii. For Post Dated Cheques:

In case of physical post-dated cheques, the minimum notice period for cancellation / discontinuation is 30 calendar days. However, the units will continue to be allotted till the happening of earlier of the following:

- a. till the cancellation is recorded and confirmed by the co-ordinating bank of the AMC and the balance unpaid post-dated cheques are retrieved from the Bank, for return to the unitholder; or
- b. till 2 SIP installments, after the receipt of request for discontinuation/cancellation of future SIP Installments.

Any amount received after the above will be refunded to the investor without any interest/ accruals/benefits or without allotting the units.

In the event of non fulfillment of the criteria specified for a valid SIP application, the AMC reserves the right to revert all the previous allotments and re-allot the units afresh with applicable loads (in case of applications for SIP transactions routed through a broker/ agent/distributor) as applicable on the respective due dates by treating them as normal investments. In addition, the AMC may also recover the amount of load waived/exemptions given for all allotments directly from the investor or by debit to his folios maintained with JM Financial Mutual Fund. The reversion and reprocessing of units in the above case would be subject to the investor meeting the minimum subscription amount (after deduction of permissible DD charges). In case, an investor is unable to meet the minimum subscription criteria due to non fulfillment of the other conditions or discontinuation of the SIP on request by the investor, the AMC reserves the right to redeem/refund with current valuation on the date of review by the AMC.

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") are being provided with the facility of 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 (ECS/Direct Debit) : Submitting a fresh Auto Debit (ECS/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
3. Post Dated Cheque : Submitting the fresh set of PDCs with fresh signed Common Application Form by filling fresh SIP details and change if any.

For Renewal/Continuation of SIP, the terms and conditions with regard to Lock- in period, Load etc. as on the 1st Installment, after the expiry of the last installment of the Existing SIP, will be applicable

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 weekly, fortnightly, monthly or quarterly.

Combo SIP/Chhota STP

Under Combo SIP investors may Daily Transfer Rs. 1 00/- 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. 1 00 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 Chhota 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 SWP, the Unit holders shall have an option to predetermine the withdrawal from the scheme. 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 instalments out of the first six instalments 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 respective schemes eg. under JM Tax Gain Fund , the minimum investment is Rs. 500/- and further in multiples of Rs. 500/- each.

@ 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 instalments 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 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.

SWP facility is available on 1st, 5th, 15th 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.

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 month after the opted starting 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 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 original investment amount 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 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.

In case investor is not sent CAS, the Fund shall dispatch the statement of accounts to the unit holders under STP/SWP once every quarter ending March, June, September and December within 10 business days of the end of the respective quarter. However, the first account statement under STP/SWP shall be issued within 10 business days of the initial investment. However, if investor is sent CAS on monthly basis, quarterly account statement shall not be dispatched to him.

However, in case of specific request received from investors, the Fund shall 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 STP/SWP to their e-mail address on a monthly basis, if so mandated.

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 holders. 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.

If the 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.

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 Plan/Option and a reinvestment of the redemption proceeds in the opted 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, exit/entry load, etc). The price at which the Units will be switched out of the Plan will be based on the Repurchase Price, and the proceeds will be invested in the opted Plan/ Option of the other Scheme at the prevailing 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 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 with in 12 months (for cases registered upto 3.1.2008) of respective SIP/STP installments (ii) switches by STP investors (for cases registered from 3.10.2008) within 24 months of respective STP installments (iii) switches by SIP investors (for cases registered from 3.10.2008) within 12 months of respective SIP installments (iv) switches to/from JM Arbitrage Advantage 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.

Switching options In case of JM Interval Fund

(i) Switching from any Schemes of the Mutual Fund to plan under JM Interval Fund

Unitholders in any existing open ended schemes and close ended scheme, may switch all or part of their holdings to any of the scheme available for subscription under this Scheme Information Document during the New Fund Offer Period of the plans under the scheme or during any of the Specified Transaction Date. The switch from any close ended fund will be subject to applicable repurchase and/or maturity date of the respective Scheme/(s) or Plan/(s) and will be permitted only on such dates of respective Plans/Schemes.

(ii) Switch from plan under JM Interval Fund to any other eligible Schemes of the Mutual Fund

Unitholders of the Plans under this Scheme may switch all or part of their holdings to any (to be launched hereafter) other Open-end/close-ended Scheme/s (where switch-in is permitted) of the Mutual Fund. Such switch will be permitted only during the Specified Transaction Date. If the Specified Transaction Date falls on a holiday, the Specified Transaction Date would be extended only to the next business day.

The AMC retains the right to charge different loads on switching of Units as compared to sale/repurchase of Units as the case may be. Clarification for switching from liquid schemes to liquid/debt schemes (T+1 schemes) or vice versa

In case of switches from liquid schemes to liquid/debt schemes (T+1 schemes) or vice versa, both the legs of the transactions will be processed at the NAV of day of receipt of application (if received and time stamped up to 3.00 p.m.) on all business days and the assets will be moved on the very next day, irrespective of whether the same is a non-business day. However, in case the assets cannot be moved for any reason, on the very next day, the switched-out scheme will compensate the switched-in scheme at Mumbai Inter- Bank Offer Rate (MIBOR) for the interim period.

In addition to the above, the redemption under liquid schemes received on a day succeeded by a Non Business Day will continue to be processed at the NAV applicable for a day prior to the next Business Day.

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.

Refusal to accept fresh purchases

If it is observed that there are consecutive instances of cheque dishonour by the same unitholder/ investor on the grounds 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.

B. PERIODIC DISCLOSURES

<p>Net Asset Value</p> <p>This is the value per unit of the scheme on a particular day. You can ascertain the value of your investments by multiplying the NAV with your unit balance.</p>	<p>The Mutual Fund shall declare the Net asset value of the scheme on every business day on AMFI's website www.amfiindia.com by 9.00 p.m. every Business Day and also on www.JMFinancialmf.com</p> <p>The NAVs of the Scheme may be published either through an advertisement or by way of a press release, at least in two daily newspapers daily (of which at least one will be a daily newspaper of all India circulation).</p> <p>The sale (purchase) and repurchase (redemption) price of the Units shall be published in a daily newspaper through an advertisement or by way of a press release on a daily basis.</p>		
<p>Half yearly Disclosures: Portfolio / Financial Results This is a list of securities where the corpus of the scheme is currently invested. The market value of these investments is also stated in portfolio disclosures.</p>	<p>The mutual fund shall publish a complete statement of the scheme portfolio and the unaudited financial results, 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 Corporate Office of the mutual fund is located.</p> <p>The mutual fund may opt to send the portfolio to all unit holders in lieu of the advertisement (if applicable).</p>		
<p>Half Yearly Results</p>	<p>The mutual fund and Asset Management Company shall before the expiry of one month from the close of each half year that is on 31st March and on 30th September, publish its unaudited financial results in one national English daily newspaper and in a regional newspaper published in the language of the region where the Corporate Office of the mutual fund is situated.</p>		
<p>Annual Report</p>	<p>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.</p> <p>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:</p> <p>(i) by email to the unitholders whose e-mail address is available with the AMC</p> <p>(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.</p> <p>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 on the website of the Mutual Fund.</p>		
<p>Associate Transactions</p>	<p>Please refer to Statement of Additional Information (SAI).</p>		
<p>Taxation</p> <p>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.</p> <p>(mention the tax rates as per the applicable tax laws)</p>	<p>Equity Fund</p>	<p>Resident Investors</p>	<p>Mutual Fund</p>
	<p>Tax on Dividend</p>	<p>NIL</p>	<p>Debt Schemes – 12.5% for payout resident individual /HUF and 30% for payout to other than individual /HUF (plus surcharge, Education Cess and Secondary and Higher Education Cess, as may be applicable)</p> <p>Liquid Schemes - 25% for payout resident individual /HUF and 30% for payout to other than individual /HUF (plus surcharge, Education Cess and Secondary and Higher Education Cess, as may be applicable)</p>
	<p>Capital Gains:</p> <p>Long Term</p>	<p>10% without indexation or 20% with indexation whichever is lower (plus surcharge, Education Cess and Secondary and Higher Education Cess, as may be applicable)</p>	<p>NIL</p>
	<p>Short Term</p>	<p>At the applicable slab rate</p>	<p>NIL</p>

	<p>The tax benefits are available to investors and the Fund under the present taxation laws.</p> <p>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.</p> <p>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.</p> <p>For further details on taxation please refer to the clause on Taxation in the SAI</p>
Investor services	<p>Mr. Harish Kukreja is the Head Investor Services</p> <p>Address:- 2nd Floor, Asha House, Next to Landmark Bldg, 28 Suren Road, Off Western Express Highway, Andheri (East). Mumbai – 400 093.. Telephone No:- 022-61987777, Email:- investor@jmfinancial.in and servicejmf@karvy.com</p>

D. COMPUTATION OF NAV

NET ASSET VALUE (NAV) AND VALUATION OF INVESTMENT

Valuation of assets, computation of NAV, repurchase price and their frequency of disclosure will be in accordance with the provisions of SEBI (MF) Regulations 1996/ Guidelines/ Directives issued by SEBI from time to time.

The NAVs of the Units of the Plans will be computed by dividing the net assets of the scheme by the number of Units outstanding on the valuation date. The Fund shall value its investments according to the valuation norms, as specified in Schedule VIII of the Regulations, or such norms as may be prescribed by SEBI from time to time.

Account balances of Units will be calculated upto three decimal places. NAV will be calculated upto 4 decimal places.

IV. FEES AND EXPENSES

This section outlines the expenses that will be charged to the schemes.

A. NEW FUND OFFER (NFO) EXPENSES

These expenses are incurred for the purpose of various activities related to the NFO like sales and distribution fees paid marketing and advertising, registrar expenses, printing and stationary, bank charges etc.

All the schemes referred in this document are already launched and hence provision of NFO expenses is not applicable.

B. ANNUAL SCHEME RECURRING EXPENSES

These are the fees and expenses for operating the scheme. These expenses include Investment Management and Advisory Fee charged by the AMC, Registrar and Transfer Agents' fee, marketing and selling costs etc.

Kindly refer para on '**Aggregate fees and expenses charged to the schemes'** under **FUNDAMENTAL ATTRIBUTES**.

C. LOAD STRUCTURE

Load is an amount which is paid by the investor to subscribe to the units or to redeem the units from the scheme. This amount is used by the AMC to pay commissions to the distributor and to take care of other marketing and selling expenses. Load amounts are variable and are subject to change from time to time. For the current applicable structure which is also set out elsewhere in the Scheme Information Document, please refer to the website of the AMC (www.JMFinancialmf.in) or may call at (toll free no.) or your distributor.

V. RIGHTS OF UNITHOLDERS

Please refer to SAI for details.

VI. PENALTIES, PENDING LITIGATION OR PROCEEDINGS, FINDINGS OF INSPECTIONS OR INVESTIGATIONS FOR WHICH ACTION MAY HAVE BEEN TAKEN OR IS IN THE PROCESS OF BEING TAKEN BY ANY REGULATORY AUTHORITY

- 1) In case of Indian Sponsor(s), details of all monetary penalties imposed and/ or action taken during the last three years or pending with any financial regulatory body or governmental authority, against Sponsor(s) and/ or the AMC and/ or the Board of Trustees /Trustee Company; for irregularities or for violations in the financial services sector, or for defaults with respect to share holders or debenture holders and depositors, or for economic offences, or for violation of securities law. Details of settlement, if any, arrived at with the aforesaid authorities during the last three years shall also be disclosed.

The Sponsor of JM Financial Mutual Fund has contingent liability in respect of income tax demand disputed in appeal is Rs.3.60 crore The Sponsor had filed a civil suit against Mr. D B Patel for recovery of security deposit of around Rs. 1.28 crore paid to him for the office

premises taken on Leave & License basis. The Sponsor is in possession of the premises that were rented by Mr. Patel. The Sponsor's application for execution of decree in this regard is pending in the High Court, Bombay.

The Complainant, M/s. Computron Systems Pvt. Ltd has withdrawn the criminal complaint against Mr. Nimesh Kampani, Chairman of the Board of the Trustee Company, who was one of the parties by virtue of his acting as an escrow agent to a commercial transaction in a case before the Court of Additional Chief Metropolitan Magistrate, Esplanade, Mumbai, and orders have been passed to the necessary effect and therefore, the matter is now closed.

- 2) Details of all enforcement actions taken by SEBI in the last three years and/ or pending with SEBI for the violation of SEBI Act, 1992 and Rules and Regulations framed there under including debarment and/ or suspension and/ or cancellation and/ or imposition of monetary penalty/adjudication/enquiry proceedings, if any, to which the Sponsor(s) and/ or the AMC and/ or the Board of Trustees / Trustee Company and/ or any of the directors and/ or key personnel (especially the fund managers) of the AMC and Trustee Company were/ are a party. The details of the violation shall also be disclosed.

Nil

- 3) Any pending material civil or criminal litigation incidental to the business of the Mutual Fund to which the Sponsor(s) and/ or the AMC and/ or the Board of Trustees /Trustee Company and/ or any of the directors and/ or key personnel are a party should also be disclosed separately.

Nil

- 4) Any deficiency in the systems and operations of the Sponsor(s) and/ or the AMC and/ or the Board of Trustees/Trustee Company which SEBI has specifically advised to be disclosed in the SID, or which has been notified by any other regulatory agency, shall be disclosed.

N.A.

Notwithstanding anything contained in this Scheme Information Document, the provisions of the SEBI (Mutual Funds) Regulations, 1996 and the guidelines there under shall be applicable.

JM FINANCIAL MUTUAL FUND

BRANCHES/INVESTOR SERVICE CENTERS :

- **AHMEDABAD:** 201, SAMEDH complex, Next to Associated Petrol Pump, C. G. Road, Panchvati, Ahmedabad - 380 006. Tel.: (079) 26426620 / 26426630.
- **BANGALORE:** 203, 2nd floor, City Centre, Off MG road, Church Street, Bangalore 560 001 Tel.: (080) 42914221/4242.
- **CHANDIGARH :** B-4 Basement, SCO 22, Sector 33 D, Chandigarh - 160020 Tel: (0172) 4346431/4646431 (operational w.e.f. March 5, 2012)
- **CHENNAI:** 2nd Floor, Ruby Regency, Dinrose Estate, Opposite to Tarapore Towers, (Behind HP Petrol Pump) Old No. 69, Anna Salai, Chennai - 600 002. Tel.: (044) 42976767, Fax: (044) 28513026.
- **COIMBATORE:** Door No. 196/17, First Floor, Aiswarya Commercial Centre, Thiruvengatasamy Road, R S Puram, Coimbatore 641 002. Tel.: (0422) 4367375.
- **HYDERABAD:** ABK OLBEE Plaza, 8-2-618/8 & 9, 4th Floor, 403, Road No. 1, Banjara Hills, Hyderabad 500 034. Tel.: (040) 66664436 / 66780752.
- **INDORE:** 129, City Centre, 570 M. G. Road, Opp. High Court, Indore - 452001, Tel.: (0731) 2533344.
- **JAIPUR:** 447, 4th Floor, Ganapati Plaza, MI Road, Jaipur - 302 001, Tel.: (0141) 4002188 / 99.
- **KANPUR:** Office No. 512, 5th Floor, Kan Chambers, 14/113 Civil Lines, Kanpur - 208 001, (U.P.) Tel.: (0512) 3914577, 3022754, 3022755.
- **KOLKATA:** 6, Little Russell Street, 8th Floor, Kankaria Estate, Kolkata - 700 071. Tel.: (033) 40062957 - 62/65/66/67.
- **LUCKNOW:** Room No.101, 1st Floor, Sky Hi, 5-Park Road, Lucknow - 226 001. Tel.: (0522) 4026636/7.
- **LUDHIANA:** Office No. 308, SCO 18, Opp. Stock Exchange, Feroze Gandhi Market, Ludhiana - 141 001. Tel.: (0161) 5054519 / 5054520.
- **MUMBAI (Andheri):** Asha House, 28, 2nd Floor, Suren Road, Off Western Express Highway, Andheri (E), Mumbai - 400 093. Tel.: (022) 61987777
- **MUMBAI (Nariman Point):** 51, Maker Chambers III, Nariman Point Mumbai – 400021. Tel: 022-61987777 Tel.: (022) 61987777..
- **NAGPUR:** 204, Khullar Chambers, Above Bank of Baroda, Munje Chowk, Sita Buldi, Nagpur - 440 012. Tel.: (0712) 6500171 / 72.
- **NASIK:** Lower Ground 14, Suyojit Sankul, Behind HDFC Bank, Sharanpur Road, Nasik - 422 002. Tel.: (0253) 3012824.
- **NEW DELHI (MAIN):** 818-819, 8th floor, Ambadeep Building, 14 K G Marg, Connaught Place, New Delhi - 110 001. Tel.: (011) 43616160.
- **NOIDA:** 505, 5th floor, Ocean Complex, Plot No.6, Sector 18, Noida 201 301. Tel.: (0120) 4271915 / 4271916
- **PUNE:** Office # 304 & 305, 4th Floor, "Amit Shreephal" Ghole Road, 1187/25 Shivajinagar, Next to Federal Bank, Pune- 411005. Tel: (020) 30266021/22/23.
- **RAJKOT:** 208, Star Chambers, 2nd Floor, Harihar Chowk, Rajkot - 360 001. Tel.:(0281) 2231303.
- **SURAT:** 1ST Floor, C 110, International Trade Centre (ITC), Majuragate, Ring Road, Surat-395002 . Tel.: (0261) 6533056.
- **VADODARA:** 407, 4th Floor, Siddarth Complex, Alkapuri, R C Dutt Road, Vadodara - 390 005. Tel.: (0265)6626474 / 2350453.

Web transactions through

www.icicidirect.com; www.kotaksecurities.com; www.kotak.com; www.idbipaisabuilder.in; www.standardchartered-wealthmanagers.co.in; www.indiainfoilne.com; www.njindiaonline.com; www.reliancemoney.com; www.religare.in; www.sharekhan.com; www.yesbank.in; www.angeltrade.com; www.guptaequities.com; www.hdfcbank.com; www.the-finapolis.com; www.ingim.co.in; www.bonanzaonline.com; www.dawnaydayavsecurities.com; www.emkayshare.com; www.arthamoney.com; www.smcindiaonline.com; www.wealthonline.in; www.sbicapsec.com; www.justtrade.in; www.almondz.com; www.fidelity.co.in; www.vsicl.com; www.wealthindia.in; www.ifastfinancial.com; www.motilaloswal.com; www.tatasecurities.com; www.shriraminsight.com; www.mynetworth.networthdirect.com