

STATEMENT OF ADDITIONAL INFORMATION (SAI)

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 PVT. LTD.

INVESTMENT MANAGER:

JM FINANCIAL ASSET MANAGEMENT PRIVATE LIMITED

Corporate Office : 502, 5th Floor, 'A' Wing, Laxmi Towers, Bandra Kurla Complex, Mumbai - 400051.

Registered office : 141, Maker Chambers III, Nariman Point, Mumbai - 400 021.

Tel. No.: 022-6198 7777. Fax Nos.: 022- 2652 8388. E-mail: investor@jmfinancial.in, Website: www.jmfinancialmf.com

TRUSTEE:

JM FINANCIAL TRUSTEE COMPANY PRIVATE LIMITED

Registered Office : 141, Maker Chambers III, Nariman Point, Mumbai - 400 021.

Tel. No.: 022-6198 7777. Fax Nos.: 022- 2652 8388. E-mail: investor@jmfinancial.in, Website: www.jmfinancialmf.com

This Statement of Additional Information (SAI) contains details of JM Financial Mutual Fund, its constitution, and certain tax, legal and general information. It is incorporated by reference (is legally a part of the Scheme Information Document). Capitalised terms not defined herein shall have the meaning ascribed to them in the relevant Scheme Information Document.

This SAI is dated June 18, 2012.

STATEMENT OF ADDITIONAL INFORMATION (SAI)

I. INFORMATION ABOUT SPONSOR, AMC AND TRUSTEE COMPANIES

A. Constitution of the Mutual Fund

JM Financial Mutual Fund (formerly known as JM Mutual Fund and hereinafter referred as the “Mutual Fund”) has been constituted as a Trust on 1st September, 1994 in accordance with the provisions of the Indian Trusts Act, 1882 (2 of 1882). JM Financial Mutual Fund had been constituted as a Trust with J.M. Financial and Investment Consultancy Services Private Limited (“JMFICS”) and JM Financial Limited (formerly known as J.M. Share and Stock Brokers Limited and referred to as “JMF”) as the Settlers and JM Financial Trustee Company Private Limited (formerly, known as J.M. Trustee Company Private Limited and hereinafter referred as “the Trustee”) as the Trustee. The Fund was registered with SEBI vide Registration No. MF/015/94/8 dated September 15, 1994.

JM Financial Mutual Fund was promoted by the JM Financial Group, which has over 25 years of association with the Indian securities market, both as Investment Banker and Stock Brokers.

The main objective of JM Financial Mutual Fund is to formulate and devise various collective schemes of savings and investments for the general public and to provide them with reasonable income/ returns and ensure liquidity of investments for the unit holders.

B. Sponsor

JM Financial Limited is a sole sponsor of JM Financial Mutual Fund

JM Financial Mutual Fund had been constituted as a Trust. The Trustee has appointed JM Financial Asset Management Private Limited (formerly known as J.M. Capital Management Private Limited and referred to as “the AMC”) as the Investment Manager. JMFICS and JMF who were the Sponsor and the Co-Sponsor of JM Financial Mutual Fund had made an initial contribution of Rs. One lac each towards JM Financial Mutual Fund, which has been invested in JM Equity Fund.

Consequent to the change in the shareholding of the AMC in October 2007 and by virtue of being the only shareholder holding more than 40% of the equity share capital of the AMC, JMF has become the sole Sponsor of JM Financial Mutual Fund.

Financial Performance of the Sponsor (past three years):

(Rs. In Crs)

Particulars	FY 2009-10	FY 2010-11	FY 2011-12
Net Worth	1,653.80	1,617.80	1,638.00
Total Income	95.29	44.12	63.31
Profit after tax	47.31	10.04	42.50

C. The Trustee

JM Financial Trustee Company Private Limited (formerly known as J.M. Trustee Company Private Limited) has been promoted by J.M. Financial & Investment Consultancy Services Pvt. Ltd. and JM Financial Ltd. JM Financial Trustee Company Pvt. Ltd. is registered under the Companies Act, 1956 and was incorporated on 9th June 1994. The Sponsors have executed a Trust Deed on 1st September 1994 appointing JM Financial Trustee Company Pvt. Ltd. as Trustee Company of JM Financial Mutual Fund. The Settlor has executed a Supplemental Trust Deed on April 3, 2012 to bring it in line with the changes in the Regulations and reflect the changes in the names of the entities, constitution of the Mutual Fund, etc.

The following is a summary of the substantial provisions of the Trust Deed which may be of material interest to the Unitholders:

- The investments to be under the control and custody of the Trustee and to be held in trust for the Unitholders who are to have beneficial interest in the Trust Property.
- The Trustee to appoint AMC to frame from time to time one or more schemes for issue of units to the public. The AMC to function under the overall superintendence of the Trustee.
- The Trustee is authorised and directed by the Settlers to enter into, on behalf of the Fund, a Custodian Agreement with a party registered with SEBI with respect to custody of securities. The Trustee is responsible for supervision of the activities of the Custodian.
- The power and duties of the Trustee as provided in the Trust Deed are more particularly described under the heading “Rights and Obligations of the Trustee”.
- The Trust declared may be terminated or dissolved in accordance with SEBI Regulation by the Settlers and

thereupon the Mutual Fund to be liquidated in the manner provided in the Trust Deed.

- No amendments to the Trust Deed has been carried out without the prior approval of SEBI and Unitholders' approval would be obtained where it affects the interests of the Unitholders.

An amendment to the Trust Deed has been carried out to inter-alia incorporate the following provisions as required under the Regulations:

- Each Director shall file with JM Financial Mutual Fund, details of his transactions or dealings in securities of such value on a quarterly basis or as may be specified under the SEBI Regulations from time to time.
- The minimum number of Directors in the Trustee shall be four or such number of Directors as may be prescribed under the SEBI Regulations from time to time.

In specific circumstances where the consent of the Unit holders is required to be obtained, the AMC shall obtain this consent by the holding of a postal ballot, administered by the AMC, or in such other manner as may be prescribed by SEBI, from time to time.

On a regular basis, activity report forwarded by the AMC will be discussed at the Board meeting of the Trustee. The Board meeting of the Trustee shall be held at least once in every two months and at least six such meetings shall be held in every year or at such frequency as may be prescribed under the SEBI Regulation or the Trust Deed. The quorum for a Board meeting of the Trustee shall not be constituted unless such numbers of independent directors as may be prescribed by SEBI from time to time are present at the meeting. As already disclosed hereinabove, necessary amendments are proposed to be carried out in the Trust Deed for incorporation of clauses 20, 21 & 22 of the Third Schedule to the Regulation. The supervisory role of the Trustee will also include reviewing the internal auditors/compliance officer's reports on a regular basis.

Details of Trustee Directors:

Name	Age/Qualification	Brief Experience
Mr. Nimesh N. Kampani, Chairman	FCA Age : 65 years	Mr. Nimesh N. Kampani is an associate director and is the Chairman of the Board of Trustees. He is the Chairman and Managing Director of JM Financial Consultants Pvt. Ltd. He has varied experience of over 4 decades in the financial services sector and is recognized as a leading investment banker. He is also a director on the Board of various companies.
Mr. Darius E. Udawadia	Solicitor Age: 72 years	Mr. Darius Udawadia is an Associate Director on the Board of JM Financial Trustee Company Private Limited. He is a Solicitor and Advocate of the Bombay High Court and a Solicitor of the Supreme Court of England with a standing of 40 years in the legal profession. He is a Partner of M/s Udawadia & Udeshi, Solicitors and Advocates. He is on the Board of several public and private companies.
Mr. Anant V. Setalvad (Independent Director)	B.A, LLB Age 77 years	Mr. Anant V. Setalvad is currently an independent director on the Board of JM Financial Trustee Company Private Limited. He is an industrialist by profession and is the Chairman of KSB Pumps Limited. He is also a director on the Board of various companies.
Mr. Jalaj A. Dani (Independent Director)	MS, MIT from university of Wisconsin Age : 42 years	Mr. Jalaj A. Dani is a renowned industrialist and is on the Board of various public and private limited companies. He is associated with JM Financial Trustee Company Private Limited as an independent director.
Mr. Sharad M. Kulkarni (Independent Director)	B.E , Fellow of Indian Institute of Engineers Age : 73 years	Mr.Sharad Kulkarni, Non-Executive Independent Director, has a Degree in Engineering (B. E.) from University of Pune and is a Fellow of the Institute of Engineers India. He has been a Fellow of Institution of Management UK and Fellow of Institute of Directors, UK. He is a Business Advisor and Management Consultant. He sits on the Boards of several Indian and International companies. He is associated with several NGOs and Educational Trusts. He has held senior positions of CEO & President with major International and Indian Corporate entities during his 40 years career span. His area of expertise covers Business development, International Alliance management, Strategic Planning, Management and Technology Institutions of learning, Venture funding and Corporate Governance.

RIGHTS AND OBLIGATIONS OF THE TRUSTEE

Pursuant to the Trust Deed constituting JM Financial Mutual Fund and Regulation 18 of the SEBI Regulations, the Trustee has several rights and obligations. These inter-alia include:

1. The Trustee and the AMC shall with the prior approval of SEBI enter into an IMA.
2. The IMA shall contain such clauses as are mentioned in the Fourth Schedule of the SEBI Regulations and such other clauses as are necessary for the purpose of making investments.
3. The Trustee shall have a right to obtain from the AMC such information as is considered necessary by the Trustee.
4. The Trustee shall ensure before the launch of any scheme that the AMC has;
 - (a) systems in place for its back office, dealing room and accounting;
 - (b) appointed all key personnel including fund manager(s) for the scheme(s) and submitted their bio-data which shall contain the educational qualifications, past experience in the securities market with the Trustee, within 15 days of their appointment;
 - (c) appointed auditors to audit its accounts;
 - (d) appointed a compliance officer who shall be responsible for monitoring the compliance of the Act, rules and regulations, notifications, guidelines instructions etc issued by SEBI or the Central Government and for redressal of investors' grievances.;
 - (e) appointed registrars and laid down parameters for their supervision;
 - (f) prepared a compliance manual and designed internal control mechanisms including internal audit systems;
 - (g) specified norms for empanelment of brokers and marketing agents.
5. The Trustee shall ensure that the AMC has been diligent in empanelling the brokers, in monitoring securities transactions with brokers and avoiding undue concentration of business with any broker.
6. The Trustee shall ensure that the AMC has not given any undue or unfair advantage to any associates or dealt with any of the associates of the AMC in any manner detrimental to interest of the Unitholders.
7. The Trustee shall ensure that the transactions entered into by the AMC are in accordance with the SEBI Regulations and the Scheme.
8. The Trustee shall ensure that the AMC has been managing the mutual fund schemes independently of other activities and have taken adequate steps to ensure that the interest of investors of one scheme are not being compromised with those of any other scheme or of other activities of the AMC.
9. The Trustee shall ensure that all the activities of the AMC are in accordance with the provisions of the SEBI Regulations.
10. Where the Trustee has reason to believe that the conduct of business of the mutual fund is not in accordance with the SEBI Regulations and the Scheme they shall forthwith take such remedial steps as are necessary by them and shall immediately inform SEBI of the violation and the action taken by them.
11. Each Trustee shall file the details of his transactions of dealing in securities with the Mutual Fund on a quarterly basis.
12. The Trustee shall be accountable for, and be the Custodian of, the Funds and property of the respective schemes and shall hold the same in trust for the benefit of the Unitholders in accordance with the SEBI Regulations and the provisions of the Trust Deed.
13. The Trustee shall take steps to ensure that the transactions of the Fund are in accordance with the provisions of the Trust Deed.
14. The Trustee shall be responsible for the calculation of any income due to be paid to the Fund and also of any income received in the Fund for the holders of the units of any scheme in accordance with the SEBI Regulations and the Trust Deed.
15. The Trustee shall obtain the consent of the Unitholders
 - a. whenever required to do so by SEBI in the interest of the Unitholders; or

- b. whenever required to do so on the requisition made by three-fourths of the unit holders of any scheme; or
 - c. when the majority of the Directors of the Trustee decide to wind up or prematurely redeem the Units; or
- (15A). The Trustee shall ensure that no change in the fundamental attributes of any scheme or the trust or fees and expenses payable or any other change which would modify the Scheme and affects the interest of Unitholders, shall be carried out unless,
- i. 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
 - ii. the Unitholders are given an option to exit at the Applicable NAV without any exit Load.
16. The Trustee shall call for the details of transactions in securities by the key personnel of the AMC in his own name or on behalf of the AMC and shall report to SEBI, as and when required.
17. The Trustee shall quarterly review all transactions carried out between the Fund, AMC and its associates.
18. The Trustee shall quarterly review the networth of the AMC and in case of any shortfall, ensure that the AMC make up for the shortfall as per clause (f) of sub-regulation (1) of Regulation 21 of the SEBI Regulations.
19. The Trustee shall periodically review all service contracts such as custody arrangements, transfer agency of the securities and satisfy itself that such contracts are executed in the interest of the Unitholders.
20. The Trustee shall ensure that there is no conflict of interest between the manner of deployment of its networth by the AMC and the interest of the Unitholders.
21. The Trustee shall periodically review the investor complaints received and the redressal of the same by the AMC.
22. The Trustee shall abide by the Code of Conduct as specified in the Fifth Schedule of the SEBI Regulations.
23. The Trustee shall furnish to SEBI on a half yearly basis,
- (a) a report on the activities of the mutual fund;
 - (b) a certificate stating that the Trustee has satisfied itself that there have been no instances of self dealing or front running by any of the Trustee, directors and key personnel of the AMC;
 - (c) a certificate to the effect that the AMC has been managing the schemes independently of any other activities and in case any activities of the nature referred to in sub-regulation (2) of Regulation 24 of the SEBI Regulations have been undertaken by the AMC and has taken adequate steps to ensure that the interest of the Unitholders are protected.
24. The independent Directors of the Trustee referred to in sub-regulation (5) of Regulation 16 of the SEBI Regulations shall give their comments on the report received from the AMC regarding the investments by the mutual fund in the securities of group companies of the Sponsor.
25. The Trustee shall exercise due diligence as under:

A. General Due Diligence:

- i. The Trustee shall be discerning in the appointment of the directors on the Board of the AMC.
- ii. The Trustee shall review the desirability of continuance of the AMC if substantial irregularities are observed in any of the schemes and shall not allow the AMC to float new schemes.
- iii. The Trustee shall ensure that the Trust Property is properly protected, held and administered by proper persons and by a proper number of such persons.
- iv. The Trustee shall ensure that all service providers are holding appropriate registrations from SEBI or concerned regulatory authority.
- v. The Trustee shall arrange for test checks of service contracts.
- vi. The Trustee shall immediately report to SEBI of any special developments in the Fund.

B. Specific Due Diligence:

The Trustee shall:

- i. obtain internal audit reports at regular intervals from independent auditors appointed by the Trustee
 - ii. obtain compliance certificates at regular intervals from the AMC.
 - iii. hold meetings of the Directors of the Trustee more frequently.
 - iv. consider the reports of the independent auditor and compliance reports of the AMC at the meetings of the Trustee for appropriate action.
 - v. maintain records of the decisions of the Trustee at its meetings and of the minutes of the meetings.
 - vi. prescribe and adhere to a code of ethics by the Trustee, AMC and its personnel.
 - vii. communicate in writing to the AMC of the deficiencies and checking on the rectification of deficiencies.
26. Notwithstanding anything contained in clauses (1) to (25) mentioned above, the Trustee shall not be held liable for acts done in good faith if they have exercised adequate due diligence honestly.
27. The independent directors of the Trustee or AMC shall pay specific attention to the following, as may be applicable, namely:
- i. The IMA and the compensation paid under the agreement.
 - ii. Service contracts with affiliates - whether the AMC has charged higher fees than outside contractors for the same services.
 - iii. Selection of the AMC's independent directors
 - iv. Securities transactions involving affiliates to the extent such transactions are permitted.
 - v. Selecting and nominating individuals to fill independent directors' vacancies.
 - vi. Code of ethics must be designed to prevent fraudulent, deceptive or manipulative practices by insiders in connection with personal securities transactions.
 - vii. The reasonableness of fees paid to Sponsors, the AMC and any others for services provided.
 - viii. Principal underwriting contracts and their renewals.
 - ix. Any service contract with the associates of the AMC

TRUSTEE'S SUPERVISORY ROLE

The supervisory role of the Trustee is discharged by the Board of Directors of the Trustee company through internal and external reporting system;

Internal Reporting: The compliance officer reports on a regular basis to the Trustee on the compliance of mandatory regulatory requirements.

External Reporting: In terms of Regulation 18(4)(f) of the SEBI Regulations, the Trustee will ensure that before the launch of any scheme, the AMC has prepared a compliance manual and desired internal control mechanism including internal audit systems. Further, SEBI vide their letter No. MFD/CIR/No.010/024/2000 dated January 17, 2000 made it mandatory for the Trustee to constitute an audit committee of the Trustee, which is to be chaired by an independent Trustee. In compliance of the above SEBI Regulations, the Trustee has constituted an audit committee and appointed an independent internal auditor for conducting internal audit of the books and records of the Mutual Fund. The internal auditors submit their report directly to the Trustee under this external reporting system.

The Board of Trustee had 9 board meetings during the year 2011-2012.

D. Asset Management Company

JM Financial Asset Management Pvt. Ltd. (formerly known as J. M. Capital Management Pvt. Ltd.) ("AMC"). is a private limited company incorporated under the Companies Act, 1956 on 9th June, 1994., having its Registered Office at 141, Maker Chambers III, Nariman Point, Mumbai - 400 021. JM Financial Asset Management Pvt. Ltd. (formerly known as J. M. Capital Management Pvt. Ltd.) has been appointed as the Asset Management Company of the JM Financial Mutual Fund by the Trustee vide Investment Management Agreement (IMA) dated 1st September, 1994 and executed between JM Financial

Trustee Company Pvt. Ltd and JM Financial Asset Management Pvt. Ltd.

The AMC has received approval from SEBI for undertaking Portfolio Management and has been granted a Certificate of registration by SEBI under the SEBI (Portfolio Managers) Regulations, 1993. The SEBI Registration No. for the Portfolio Management is INP000002759. The AMC certifies that there is no conflict of interest between the aforesaid Portfolio Management activities and the activities of the Mutual Fund.

As required under Regulation 24(2), the asset management company has also received approval from SEBI for providing advisory services to offshore fund / entities. The AMC certifies that the advisory activity is not in conflict with the fund management activity of the company.

Shareholding Pattern of JM Financial Asset Management Pvt. Ltd.

Equity Share Capital

Sr. No.	Name of the Shareholder	% of Shareholding
1	JM Financial Ltd.	53.53
2	J.M. Financial & Investment Consultancy Services Pvt Ltd	25.77
3	Mr. Nimesh N. Kampani	5.32
4	J.M. Assets Management Private Limited	5.10
5	Valiant Mauritius Partners FDI Ltd.	3.99
6	BRLP Mauritius Holdings II	2.40
7	Ms. Aruna N. Kampani	2.02
8	BROMLP Mauritius Holdings II	1.60
9	Nimesh N. Kampani (HUF)	0.13
10	Other Shareholders - shares issued to Employees/Directors on exercising of ESOPs	0.14
		100.00

Details of AMC Directors:

Name	Age/Qualification	Brief Experience
Mr. V. P. Shetty	B.Com,CAIIB Age: 65 years	Mr. V. P. Shetty is the chairman of JM Financial Asset Management Private Limited. He has worked for nearly 39 years in various positions in 4 major nationalized banks. He has also worked as Chairman and Managing Director in 3 banks, i.e. UCO Bank, Canara Bank and IDBI Bank. He was the Chairman of the Indian Banks Association. He was also the Chairman of the AMC of Can Bank Mutual Fund for a brief period.
Mr. Rajendra P. Chitale	FCA Age: 51 years	Mr. Rajendra P Chitale is a Chartered Accountant by profession and is associated with M/s. M. P. Chitale & Co., Chartered Accountants as a Managing Partner. He is on the Board of JM Financial Asset Management Private Limited as an associate director since M/s. M. P. Chitale & Co. advises JM Financial Asset Management Private Limited on business and operational matters. He is also a director on the Board of various companies.
Mr. J. K. Modi (Independent Director)	B.Com. Age : 64 years	Mr. J. K. Modi is an independent director on the Board of JM Financial Asset Management Private Limited. He is the proprietor of a broking firm and is also on the Board of various securities related companies. He is also a director on the Board of various companies.
Mr. Darius D. Pandole (Independent Director)	B.A. (Harvard Univ), MBA (Univ of Chicago) Age: 46 years	Mr. Darius Pandole is an independent director on the Board of the AMC. For the past 14 years, Mr. Pandole has held senior positions at Duke & Sons Limited, IndAsia Fund Advisors Pvt. Ltd, IDFC Asset Management Company Limited and is currently the Managing Director of Gateway Fund Advisors Pvt. Ltd. He was the Indian junior national squash champion and has represented the country at various squash tournaments. He is also a director on the Board of various companies.

<p>Mr. G. M. Ramamurthy (Independent Director)</p>	<p>B.Sc., B.L., CAIIB, ACS, Diploma in Company Law with Banking Law and Practice, Diploma in Taxation Laws and Diploma in Labour Law Age: 65 Years</p>	<p>Mr. G. M. Ramamurthy is an independent director on the Board of the AMC. Mr. G. M. Ramamurthy served IDBI for over 27 years and retired as Executive Director (Legal). He practiced law for over eight years in civil courts. Before assuming charge as Executive Director, he worked at different levels in the legal department of IDBI and handled all legal issues relating to lending and recovery of loans. During his tenure he also effectively handled the NPA Recovery portfolio in addition to catering to corporate legal affairs, the performing loan portfolio. Mr. Ramamurthy was a member of the Empowered Committee of IDBI, which accorded approval for financial assistance up to Rs. 10 crore and negotiated settlements/ one-time settlement of outstanding financial assistance with defaulting borrowers. Mr. Ramamurthy was chairman of Secondary Market Operations Committees that dealt with short term investments and disinvestments in the stock market. Mr. Ramamurthy also served as Chairman of the Corporate Debt Restructuring empowered Group, set up under the Corporate Debt Restructuring Mechanism by the Reserve bank of India. He had been director on the board of companies engaged in the business of depository, custodian, registrar and transfer agent, real estate financing, asset reconstruction and manufacturing.</p>
<p>Mr. V. P. Singh (Independent Director)</p>	<p>Master of Commerce, Bachelor of Laws and Certified Associate of Indian Institute of Bankers (CAIIB). Age: 68 Years</p>	<p>Mr. V. P. Singh is an independent director on the Board of the AMC. He has around 40 years of experience in financial sector institutions including Reserve Bank of India and leading Development Banks in India and Tanzania. Mr. Singh was Chairman and Managing Director of IFCI and non-executive Chairman of Tourism Finance Corporation of India Ltd and IDBI Capital Market Services Ltd. He was also director of many companies including National Stock Exchange of India Ltd, IDBI Bank Ltd and LIC Housing Finance Ltd. He was also a trustee of IDBI Mutual Fund during February 1998 to September 2001.</p>

DUTIES AND OBLIGATIONS OF THE AMC

- (1) The AMC shall take all reasonable steps and exercise due diligence to ensure that the investment of funds pertaining to any scheme is not contrary to the provisions of these regulations and the Trust Deed.
- (2) The AMC shall exercise due diligence and care in all its investments decisions as would be exercised by other persons engaged in the same business.
- (3) The AMC shall be responsible for the acts of commissions or omissions by its employees or their persons whose services have been procured by the AMC.
- (4) The AMC shall submit to the Trustee quarterly reports of each year on its activities and the compliance with these regulations.
- (5) The Trustee at the request of the AMC may terminate the assignment of the AMC at any time:
Provided that such termination shall become effective only after the Trustee has accepted the termination of assignment and communicated their decision in writing to the AMC.
- (6) Notwithstanding anything contained in any contract or agreement or termination, the AMC or its directors or other officers shall not be absolved of liability to the mutual fund for their acts of commission or omissions, while holding such position or office.
 - (6A) The Chief Executive Officer (whatever his designation may be) of the AMC shall ensure that the Fund complies with all the provisions of the Regulations and the guidelines or circulars issued in relation thereto from time to time and that the investments made by the fund managers are in the interest of the Unit holders and shall also be responsible for the overall risk management function.
 - (6B) The fund manager (whatever his designation may be) shall ensure that the funds of the Schemes are invested to achieve the objectives of the Scheme and in the interest of the Unitholders.
- (7) (a) The AMC shall not through any broker associated with the Sponsor, purchase or sell securities, which is average of 5% or more of the aggregate purchases and sale of securities made by the mutual fund in all its schemes.
Provided that for the purpose of this clause, aggregate purchase and sale of securities shall exclude sale and distribution of units issued by the mutual fund. Provided further that the aforesaid limit of 5% shall apply for a block of any three

months

(b) The AMC shall not purchase or sell securities through any broker other than a broker referred to in clause 7(a) above, which is average of 5% or more of the aggregate purchases and sale of securities made by the mutual fund in all its schemes, unless the AMC has recorded in writing the justification for exceeding the limit of 5% and reports of all such investments are sent to the trustees on a quarterly basis.

Provided that the aforesaid limit shall apply for a block of three months.

- (8) The AMC shall not utilise the services of the Sponsor or any of its associates, employees or their relatives, for the purpose of any securities transaction and distribution and sale of securities:

Provided that the AMC may utilise such services if disclosure to that effect is made to the Unit Holders and the brokerage or commission paid is also disclosed in the half yearly annual accounts of the mutual fund.

Provided further that the mutual fund shall disclose at the time of declaring half-yearly and yearly results:

- (i) any underwriting obligations undertaken by the schemes of the mutual funds with respect to issue of securities of associate companies.
 - (ii) Devolvement, if any;
 - (iii) Subscription by the Schemes in the issues lead managed by associate companies.
 - (iv) Subscription to any issue of equity or debt on private placement basis where the Sponsor or its associate companies have acted as arranger or manager.
- (9) The AMC shall file with the Trustee the details of transactions in securities by the key personnel of the AMC in their own name or on behalf of the AMC and shall also report to SEBI, as and when required by SEBI.
- (10) In case the AMC enters into any securities transactions with any of its associates a report to that effect shall be sent to the Trustee at its next meeting.
- (11) In case any company has invested more than 5 per cent of the net asset value of a scheme, the investment made by that scheme or by any other scheme of the same mutual fund in that company or its subsidiaries shall be brought to the notice of the Trustee by the AMC and be disclosed in the half yearly and annual accounts of the respective schemes with justification for such investment provided the latter investment has been made within one year of the date of the former investment calculated on either side.
- (12) The AMC shall file with the Trustee and SEBI : (a) detailed bio-data of all its directors alongwith their interest in other companies within fifteen days of their appointment ;and (b) any change in the interests of directors every six months.(c) a quarterly report to the Trustee giving details and adequate justification about the purchase and sale of the securities of the group companies of the Sponsor or the AMC as the case may be, by the mutual fund during the said quarter.
- (13) Each director of the AMC shall file the details of his transactions of dealing in securities with the Trustee on a quarterly basis in accordance with the guidelines issued by SEBI.
- (14) The AMC shall not appoint any person as key personnel who has been found guilty of any economic offense or involved in violation of securities laws.
- (15) The AMC shall appoint registrars and share transfer agents who are registered with SEBI. Provided if the work relating to the transfer of units is processed in-house, the charges at competitive market rates may be debited to the scheme and for rates higher than the competitive market rates, prior approval of the Trustee shall be obtained and reasons for charging higher rates shall be disclosed in the annual accounts.
- (16) The asset management company shall, -
- (a) not act as a trustee of any mutual fund;
 - (b) not undertake any business activities other than in the nature of management and advisory services provided to pooled assets including offshore funds, insurance funds, pension funds, provident funds, if any of such activities are not in conflict with the activities of the mutual fund:

Provided that the asset management company may itself or through its subsidiaries undertake such activities, as permitted under clause (b), if, -

- (i) it satisfies the Board that bank and securities accounts are segregated activity wise;
- (ii) it meets with the capital adequacy requirements, if any, separately for each such activity and obtain separate approval, if necessary under the relevant regulations;
- (iii) it ensures that there is no material conflict of interest across different activities;
- (iv) the absence of conflict of interest shall be disclosed to the trustees and unit holders in scheme information document and statement of additional information;
- (v) there are unavoidable conflict of interest situations, it shall satisfy itself that disclosures are made of source of conflict, potential 'material risk or damage' to investor interests and detailed parameters for the same;
- (vi) it appoints separate fund manger for each separate fund managed by it unless the investment objectives and asset allocation are same and the portfolio is replicated across all the funds managed by the fund manger, within a period of six months from the date of notification of Securities and Exchange Board of India (Mutual Funds) (Amendment) Regulations, 2011;
- (vii) it ensures fair treatment of investors across different products that shall include, but not limited to, simultaneous buy and sell in the same equity security only through market mechanism and a written trade order management system; and
- (viii) it ensures independence to key personnel handling the relevant conflict of interest is provided through removal of direct link between remuneration to relevant asset management company personnel and revenues generated by that activity:

Provided further that the asset management company may, itself or through its subsidiaries, undertake portfolio management services and advisory services for other than broad based fund till further directions, as may be specified by the Board, subject to compliance with the following additional conditions:-

- (i) it satisfies the Board that key personnel of the asset management company, the system, back office, bank and securities accounts are segregated activity wise and there exist system to prohibit access to inside information of various activities;
- (ii) it meets with the capital adequacy requirements, if any, separately for each of such activities and obtain separate approval, if necessary under the relevant regulations.

Explanation:— For the purpose of this, the term 'broad based fund' shall mean the fund which has at least twenty investors and no single investor account for more than twenty five percent of corpus of the fund.

- (17) The AMC shall abide by the Code of Conduct as specified in the Fifth Schedule of the Regulations.

Information on Key Personnel:

Name/Designation	Age/ Qualification	Brief Experience
Mr. Bhanu Katoch - Chief Executive Officer - Mutual Fund	B.Com., PGDM (Marketing & Sales), MBA Age : 38 years	He has around 12 years of experience in the Telecom & Financial Services industry. He started his career with BPL US West Cellular Ltd. Subsequently, he has worked with various organisations in the financial sector like Pioneer ITI AMC, Alliance Capital AMC, Tata AIG Life Insurance Company and ABN AMRO AMC. Prior to joining JM Financial Mutual Fund, he was Head - Sales (North & West) at Lotus India AMC.
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 almost 2 years. He is the Fund Manager for JM Basic Fund and JM Core 11 Fund.
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 AMC. 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.
Ms. Shalini Tibrewala - Fund Manager – Debt	B.Com, A.C.A., C.S. Age: 41 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 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 - Debt	B.Com, MMS (Finance) Age: 34 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 Plan B of JM Fixed Maturity Fund Series XX and Plan A of JM Fixed Maturity Fund Series XXII.
Mr. Chaitanya Choksi - Fund Manager	MMS(Finance), Age: 35 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 AMC, Chanrai Finance Private Limited, IL &FS Investsmart and UTI Investment Advisory Services Ltd. He is the Fund Manager for JM Arbitrage Advantage Fund.
Mr. Vikas Agrawal - Fund Manager - Debt	B.Com, PGDBM (Finance) Age: 31 Years	He has 9 years of work experience in fixed income market and has worked with debt broking companies in area of debt capital markets (DCM). In his earlier assignments, he was responsible for trading, origination and placement of short term / long term debt products. He was associated with the AMC since June 2007 as Debt Dealer. He is currently the Fund Manager for JM Money Manager Fund – Regular Plan and JM Money Manager Fund - Super Plan. He is also joint Fund Manager for Plan B of JM Fixed Maturity Fund Series XX and Plan A of JM Fixed Maturity Fund Series XXII.

Mr. Bhavin Hemani - Equity Dealer	B.Com., CFA from ICFAI (India) Age: 32 Years	Mr. Hemani has around 9 years in Financial Markets. Prior to joining the AMC, he has worked with Grishma Securities Pvt. Ltd. as a equity and derivative dealer.
Ms. Diana D'sa - Compliance Officer (Head - Legal, Compliance & Secretarial)	B.Sc., LL.B Age : 42 years	She has 18 years of work experience and started her career with the investment banking division of JM Financial & Investment Consultancy Services Pvt. Ltd (JM FICS). She was part of the Compliance team at JM FICS and later moved to the Compliance Department of JM Morgan Stanley Pvt. Ltd. She joined the AMC in 2004 and has been handling the legal, compliance and secretarial functions since then. She is also the Principal Officer for the AMC under Prevention of Money Laundering Act, 2002. She has also been designated as the compliance officer under the SEBI (Portfolio Manager) Regulations, 1993.
Mr. Harish C. Kukreja - Head - Investor Services, Banking & Settlement	B. Com.(Hons), M. Com., MBA (Finance) from FMS, Delhi, CAIIB Age : 52 years	He has over 29 years of work experience of which 25 years have been in the Mutual Fund industry in the fields of Investor Services/ Banking Operations, Sales Promotions, Marketing & Publicity and Investment Monitoring and 5 years with Canara Bank in various areas of operations including Branch banking and Loans & Advances, Foreign Exchange, Inspection, HRD. Prior to the current assignment, he was with UTI Asset Management Private Limited (formerly known as Unit Trust of India) as an Asst. Vice President and had handled various projects including the PAN Card Project.
Mr. Vikram Shetty - Head - Finance & Accounts & Fund Accounting	B.Com., M.Com. Age : 53 years	He has over 22 years of work experience with the JM Financial Group. Prior to moving to JM AMC, he was with JM Morgan Stanley Fixed Income Securities Pvt. Ltd. as Head of Finance and Operation for about 3 years. Prior to that, he was part of the Finance Department of JM Morgan Stanley Pvt. Ltd. (Investment Banking Arm) for about 3 years and with JM Financial & Investment Consultancy Services Pvt. Ltd. for about 15 years, overseeing the integral part of finance functions.

E. Service providers

Custodian

The Custodian for the schemes of the Fund is

HDFC Bank Ltd

Lodha – I Think Techno Campus, Building Alpha, Custody Department, 8th Floor, Opp Crompton Greaves, Kanjurmarg (E), Mumbai – 400 042.

The Custodian is registered with SEBI under registration No. IN/CUS/ 001 dated February 2, 1998.

Registrar & Transfer agent

Presently, Karvy Computershare Private Limited, located at Karvy Plaza, H.No. 8-2-596, Avenue 4, Street No. 1, Banjara Hills, Hyderabad – 500 034 has been appointed as the Registrar and Transfer Agent for the Fund. The Registrar is registered with SEBI vide registration no. INR000000221.

The AMC and the Trustee have satisfied themselves that the Registrars can provide the services required and have adequate facilities and system capabilities to discharge the responsibility with regard to processing of applications and dispatching of unit certificates to Unitholders within the time limit prescribed in the SEBI Regulations and also has sufficient capacity to handle investor complaints. The Registrar will be paid fees in accordance with the Agreement executed with them.

Statutory auditor

M/s. N. M. Rajji & Co., Chartered Accountants, Universal Assurance Building, Fort, Mumbai - 400001 are the auditors for the Schemes of the Mutual Fund.

Legal counsel

Udwadia & Udeshi (Regd)

1st Floor, Elphinstone House
17 Marzban road,
Mumbai - 400001

Collecting Bankers

HDFC Bank Ltd

Lodha – I Think Techno Campus,
Building Alpha, Custody Department,
8th Floor, Opp Crompton Greaves,
Kanjurmarg (E), Mumbai – 400 042.
SEBI Reg No:- INBI00000063

During the New Fund Offer period, applications will be accepted during the normal working hours at the corporate office of the AMC and at the branches of the AMC. Post the NFO, the official points of acceptance of transactions for the Scheme will be the Investor Service Centres (ISCs) of JM Financial Mutual Fund and selected ISCs of Karvy Computershare Private Limited, the Registrar and Transfer Agent of the Fund. In addition to the above ISCs, the corporate office of the AMC shall also be a designated official point of acceptance of transactions. The cut-off time applicable to the Scheme shall be reckoned at these locations at counters specified for this purpose. The AMC reserves the right to change the list of official points of acceptance of transactions from time to time. Applications can also be accepted online through authorized web portals. A list of the official points of acceptance of transactions has been put up on the website of the Fund.

F. Condensed Financial Information (CFI) for all the schemes launched by MF during the last three fiscal years (excluding redeemed schemes) in the format given below:

Historical Per Unit Statistics JM Fixed Maturity Fund Series XX - Plan A	Dividend Plan 2011-2012	Growth Plan 2011-2012
Date of Allotment	09-08-2011	09-08-2011
NAV at the beginning of the year	10.0000 ^s	10.0000 ^s
Dividends (Rs.)	0	NA
NAV at the end of the year (as on March 31)	10.6224	10.6224
Net Assets at end of the period (Rs. in Crs.)	32.48	
Ratio of Recurring Expenses to Net Assets (%) (Annualized)	0.70	

§ NAV as on the date of allotment.

Historical Per Unit Statistics JM Fixed Maturity Fund Series XX - Plan B	Dividend Plan 2011-2012	Growth Plan 2011-2012
Date of Allotment	23-09-2011	23-09-2011
NAV at the beginning of the year	10.0000 [§]	10.0000 [§]
Dividends (Rs.)	0	NA
NAV at the end of the year (as on March 31)	10.4296	10.4296
Net Assets at end of the period (Rs. in Crs.)	25.72	
Ratio of Recurring Expenses to Net Assets (%) (Annualized)	0.20	

§ NAV as on the date of allotment.

Historical Per Unit Statistics JM Fixed Maturity Fund Series XXII - Plan A	Dividend Plan 2011-2012	Growth Plan 2011-2012
Date of Allotment	29-03-2012	29-03-2012
NAV at the beginning of the year	10.0000 [§]	10.0000 [§]
Dividends (Rs.)	0	NA
NAV at the end of the year (as on March 31)	10.0344	10.0344
Net Assets at end of the period (Rs. in Crs.)	42.26	
Ratio of Recurring Expenses to Net Assets (%) (Annualized)	0.20	

§ NAV as on the date of allotment.

III. HOW TO APPLY?

Where to submit application forms

Duly completed application forms for purchase of units under the Scheme along with full payment may be submitted on any business day to any of the official points of acceptance notified by the AMC. An investor should clearly indicate the residential status in the application form.

Mode of Payment

Domestic Unitholders

Payment may be made for a minimum amount of Rs. 5,000/- by cheque/draft or such other amount as may be specified in the Scheme Information Document (SID), drawn locally on any bank which is a member of the Bankers Clearing House located at the place where the application form is submitted. Cheques/drafts must be drawn in favour of scheme and crossed Account Payee only.

No receipt will be issued for the application money. The bankers to the New Fund Offer or their respective designated branches or any authorised collection agents / investor service centre who receive the application form, shall stamp and return the "Acknowledgment Slip" thereby acknowledging receipt of the application form. The investors are requested to preserve the acknowledgment slip duly stamped by the collecting bank / investor service centre etc. This shall be subject to final verification and scrutiny by the bankers / Trustee / AMC that the cheque / demand draft and application form are in order / valid.

Investors residing in centres, where the JM Financial Mutual Fund does not have any collection arrangement, are authorized to make payment by DDs/RTGS/NEFT/ Transfer. The AMC will, in the normal course, not reimburse the DD charges.

However the AMC reserves the right to allot units equivalent up to the permissible DD charges by adding the same to the investment made by the investor, if so claimed by the investor in the application form.

In the event that the total investment including permissible DD charges is not sufficient to allot minimum number of units in the Scheme, the AMC reserves the right to refund the amount represented by the investment made, without any interest. In the event of inadvertent allotment, the AMC reserves the right to revert the transaction and refund the investment amount without any interest.

DD charges would be borne by the Asset Management Company (AMC) only in respect of investors having address in locations where the AMC does not have a branch / ISC (Investor Service Center) or other collection facilities subject to DD being payable and deposited at any of the collection centers of JM Financial Mutual Fund/ Registrar & Transfer Agent / Authorised Collection Banks (during NFO) subject to the following terms and conditions :

Eligibility for DD charges is as under:

A - The DD charges will be payable only for equity schemes during NFO and Post-NFO.

B - The DD should be issued by the bank located in the place of address of the investor.

C - DD charges as levied by State Bank of India would be treated as permissible DD charges.

D - For individuals (For NFO and ongoing subscriptions)

The permissible DD charges for individual investors are not restricted by the number of applications or the amount invested.

E - For Non-individuals:

i) - During NFO;

In respect of non-individual investors, during the NFO, the DD charges will be borne by the AMC as follows :

1. Only one application is eligible for benefit of DD charges.
2. Irrespective of the amount of investment, permissible DD charges will not exceed the permissible DD charges as per SBI rates and as calculated for an investment of Rs.10 lacs or actual investment whichever is lower, subject to SBI rates.
3. In case of multiple applications during the NFO period, the DD charges will be paid only for one of the applications having the highest investment amount subject to the above limits.

ii) For ongoing subscriptions :

1. Only one application per business day per Scheme/Plan/Option is eligible for benefit of DD charges.
2. Irrespective of the amount of investment, permissible DD charges will not exceed the permissible DD charges as per SBI rates and as calculated for an investment of Rs.10 lacs or actual investment whichever is lower, subject to SBI rates.

3. In case of multiple applications in the same Scheme/Plan/Option, on a particular transaction day, the DD charges will be paid only for one of the applications having the highest investment amount subject to the above limits.

The AMC will, in the normal course, not reimburse the DD charges. However, the AMC reserves the right to allot equivalent units upto the permissible DD charges by adding the same to the investment made by the investor, if so claimed by the investor in the application form, subject to the provisions of the scheme i.e. in multiples of permissible units. In the event of inadvertent allotment, the AMC reserves the right to revert & reprocess the transactions without DD charges or refund the investment amount without any interest. In case of DD charges being claimed, under tax saving schemes, investor may consult his/her Tax Consultant to determine the investment amount on which tax exemption can be availed.

Note: Returned cheques will not be presented again for collection, and the accompanying application forms shall not be considered for allotment. In the normal course, stockinvests / outstation cheques / outstation drafts are liable to be rejected. However, if the AMC accepts valid application with outstation cheque/ demand draft not payable at par at a place where the application is received, closing NAV of the day on which outstation cheque/demand draft is credited shall be applicable.

Gift Facility

The unitholders have the option to gift the units (by way of transfer of units to the donee), to the extent provided in the Regulations and can write to the AMC requesting for the Gift Form. The Fund may, subject to compliance with such requirement as it deems necessary, may stipulate certain conditions and arrange to transfer the Units, on account of a gift made by the unitholder out of his Unit balance as per the provisions of applicable law. Gift in favour of Non-Residents will also be subject to permission, general or specific, under Foreign Exchange Management Act. All payments and settlements made to such donee and a receipt thereof shall be a valid discharge by the Fund. The Fund would not be liable for the loss resulting from a fraudulent transfer by way of gift to a donee, based on the unitholders instructions, that it reasonably believed as genuine. However, unitholders may note that such a transfer by way of gift may attract stamp duty.

Applications via electronic mode

Subject to the investor fulfilling certain terms and conditions stipulated by the AMC as under, the AMC, Mutual Fund or any other agent or representative of the AMC, Mutual Fund, Registrar may accept transactions through any electronic mode ("web/ electronic transactions") as permitted by SEBI or other regulatory authorities;

1. The acceptance of the web/electronic transactions will be solely at the risk of the transmitter of the web/ electronic transactions and the recipient shall not in any way be liable or responsible for any loss, damage caused to the transmitter directly or indirectly, as a result of the transmitter sending or purporting to send such transactions.
2. The recipient will also not be liable in the case where the transaction sent or purported to be sent is not processed on account of the fact that it was not received by the recipient.
3. The transmitter's request to the recipient to act on any web/electronic transmission is for the transmitter's convenience and the recipient is not obliged or bound to act on the same.
4. The transmitter acknowledges that fax/web/electronic transactions is not a secure means of giving instructions/ transactions requests and that the transmitter is aware of the risks involved including those arising out of such transmission.
5. The transmitter authorizes the recipient to accept and act on any web/ electronic transmission which the recipient believes in good faith to be given by the transmitter and the recipient shall be entitled to treat any such web/ electronic transaction as if the same was given to the recipient under the transmitter's original signature.
6. The transmitter agrees that security procedures adopted by the recipient may include signature verification, telephone call backs which may be recorded by tape recording device and the transmitter consents to such recording and agrees to co-operate with the recipient to enable confirmation of such web/ electronic transaction requests.
7. The transmitter accepts that the web/ electronic transactions shall not be considered until time stamped, as a valid transaction request in the Scheme in line with SEBI regulations.
8. In consideration of the recipient from time to time accepting and at its sole discretion acting on any web/electronic transaction request received / purporting to be received from the transmitter, the transmitter agrees to indemnify and keep indemnified the AMC, its Directors, employees, agents, representatives of the AMC, JM Financial Mutual Fund and the Trustees from and against all actions, claims, demands, liabilities, obligations, losses, damages, costs and expenses of whatever nature (whether actual or contingent), directly or indirectly suffered or incurred, sustained by or threatened against the indemnified parties whatsoever, arising from or in connection with or any way relating to the indemnified parties in good faith accepting and acting on web/ electronic transaction requests including relying upon such electronic transaction requests including relying upon such web/ electronic transaction request purporting to come from the transmitter even though it may not come from the transmitter.

The AMC reserves the right to discontinue the facility at any point of time.

Electronic Clearing Services (ECS)/Electronic Fund Transfer (EFT)

The RBI offers the facility of ECS / EFT for facilitating better customer service by direct credit of dividend or repurchase amount to a unitholder's bank account through electronic credit, which avoids loss of dividend or repurchase warrant in transit or fraudulent encashment. The Fund will endeavour to offer this optional facility for payment of dividend/repurchase proceeds to the unitholders residing in any of the cities where such a facility is available. The maximum amount of repurchase in cases of ECS/EFT should be such as may be decided by the processing agency and the AMC reserves the right to change this amount depending upon the relevant guidelines from the RBI from time to time. In order to avail the above facility, the unitholder may be required to give a written request to the Registrar. The Registrar will send a separate advice to the unitholder informing them of the direct credit to their account in the case of unitholder opting for the ECS/EFT facility. The AMC may seek certain declaration/additional information to offer facility of ECS/ETF. There is no commitment from the Fund that this facility will be made available to the unitholders for payment of dividend/repurchase proceeds. However, the Fund will endeavour to arrange the facility provided there is sufficient demand for the facility from unitholders at any centre, as required by the authorities and the investor's data matches with that of the Bank. The repurchase warrants will be mailed to the unitholder where such a facility is not available or if the facility is discontinued by the Fund, for any reason. The AMC is not responsible & shall not reimburse any charges that may be levied by the bank of the investor, who has opted for this facility.

It is further clarified that credits through ECS / EFT / NEFT instructions from a third party will not be permitted.

ASBA FACILITY

Additional mode of payment through Applications Supported by Blocked Amount (hereinafter referred to as "ASBA") in Mutual Funds for investing in New Fund offer (NFO)

In terms of SEBI circulars No. SEBI/IMD/CIR No 18 / 198647 /2010 and Cir / IMD / DF / 6 / 2010 dated March 15, 2010 and July 28, 2010 respectively, the Mutual Fund will extend ASBA facility to NFO of the Mutual Fund.

Investors will be provided ASBA facility for all NFOs launched on or after October 01, 2010. ASBA means "Application Supported by Blocked Amount". ASBA is an application containing an authorization to block the application money in the bank account, for applying during the NFO. An ASBA investor shall submit an ASBA physically or electronically through the internet banking system to the Self Certified Syndicate Bank (SCSB) with whom the bank account to be blocked, is maintained. Self Certified Syndicate Bank has the same meaning as given to it in clause (zi) of sub-regulation (1) of regulation 2 of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009. SCSB is a bank which is recognized as a bank capable of providing ASBA services to its customers. Names of such banks would appear on the website of SEBI.

The SCSB shall then block the application money in the bank account specified in the ASBA, on the basis of an authorization to this effect given by the account holder. The application money shall remain blocked in the bank account till the allotment of the issue or till withdrawal/ rejection of the application, as the case may be. ASBA facility will be available to all categories of investors and will co-exist with the existing process, wherein cheques/ demand drafts are used as a mode of payment.

TRANSFERABILITY OF UNITS

In accordance with SEBI Circular No. CIR/IMD/DF/10/2010 dated August 18, 2010 on transferability of mutual fund units, investors/ unitholders of the schemes of JM Financial Mutual Fund are requested to note that units held in demat form shall be freely transferable under the depository system, except in case of units held in Equity Linked Savings Scheme (ELSS), during the lock-in period.

RESTRICTION ON ACCEPTANCE OF THIRD PARTY PAYMENTS.

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

It is clarified that Third Party Payment would mean a payment is from a bank account other than that of the beneficiary investor. In case of payments received from a bank account which is jointly held, the first holder of the mutual fund subscription has to be one of the joint holders of the bank account, from which such payment is made.

Exceptions to Third Party Payments

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

- payments from Parents/ Grand-Parents/ related persons, on behalf of a minor, in consideration of natural love and affection or as gift, for a value not exceeding Rs. 50,000/- (for each regular purchase or per SIP installment). However, this restriction will not be applicable for payment made by a guardian, whose name is registered in the records of Mutual Fund, in that folio.

- payments made by employer on behalf of employees under SIPs or lumpsum/ one time subscription, through payroll deduction.
- Custodian on behalf of an FII or a Client.

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

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

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

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

- a) At the time of his / her / their purchase, investors to provide the details of his / her / their pay-in bank account (i.e. account from which a subscription payment is made) and his / her / their pay-out bank account (i.e. account into which redemption / dividend proceeds are to be paid).
- b) In case, an investor has multiple accounts, the investor to register them with the AMC in accordance with the procedure set out in para 2 below.
- c) The investor to submit any one of the following documents to establish that the payment is made from the bank account of the first unit holder:
 - i. Cancelled cheque leaf depicting name of the first unit holder or
 - ii. In case, name of the first holder / applicants is not printed on payment cheque, a cancelled cheque and copy of Bank Pass Book / Bank Statement or
 - iii. A Certificate, in original, on letter head from the banker certifying that the investor maintains a bank account with the bank and mentioning the details like bank account number and branch address.
- d) If the subscription is settled with pre-funded instruments such as Pay Order, Demand Draft, Banker's cheque, etc., investors to provide a Certificate from the Issuing banker stating the Account holder's name and the Account number which has been debited for issue of the pre-funded instrument. The bank account number mentioned in the certificate must be the account which is registered with the Fund or the first named applicant / investor should be one of the holders of the said bank account.

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

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

In case, the details and additional documents, where necessary, as mentioned above are not submitted with each subscription application, the application will be deemed to be through a "Third Party" payment and is liable to be rejected without any recourse to the applicant / investor. In case, the funds are transferred to the Mutual Fund prior to rejection of the subscription, additional documents / details with respect to the investor and the payment, may be sought prior to initiating a refund.

SAFE MODE OF WRITING CHEQUE:

To avoid fraud and misuse of payment instruments, investors are advised to make the payment instrument (cheque, demand

draft, pay order, etc) favouring

"XYZ Scheme A/c First Investor name" or

"XYZ Scheme A/c Permanent Account Number" or

"XYZ Scheme A/c Folio number".

Clarifications pertaining to Third Party Payments:

- 1) As an exception to the Third Party Payments, JM Financial Asset Management Private Limited (The "AMC") is open to accept payments made by the employer on behalf of the employee, provided valid supporting documents are submitted.
- 2) If subscription to the units in one or more of the schemes of JMF MF is made by the investor vide Demand Draft (DD), subject to the debit in his/her account, any one of the following documents submitted will be considered as valid by JMF MF:
 - a) A Bank Manager's Certificate will be considered as proof, provided the details of Account Holder's Name, Bank Account Number and PAN, as per bank records, is provided.
 - b) An Acknowledgement from the bank specifying the debit details, bank account details and name of the investor as an account holder.
 - c) A copy of the Passbook/Bank Statement for proof of debit transaction for the issue of DD.
- 3) If subscription to the units in one or more schemes of JMF MF is made by the investor vide DD, provided it is issued against cash, then a Banker's Certificate, mentioning the details of the Issuance of DD along with the Investor's Name, Bank Account Number and PAN as per Bank records, if available, must be submitted.

Provided in both the above cases i.e. Point No. 2 and 3, the Bank Account Number of the investor must be the same as the bank account mandate registered with JM Financial Mutual Fund or the bank details mentioned in the application form.

REGISTRATION OF MULTIPLE BANK ACCOUNTS

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

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

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

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

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

REGISTRATION OF A DEFAULT BANK ACCOUNT:

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

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

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

of the other registered bank accounts.

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

Deletion of Registered Bank Accounts:

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

Redemption payments will be sent only to a bank account that is already registered and validated in the folio, at the time of redemption transaction processing.

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

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

CHANGE OF BANK DETAILS AND ADDRESS

A. CHANGE OF BANK DETAILS:

Investors can update the bank account details by submitting either Multiple Bank Account Registration Form or a standalone separate Change of Bank Mandate form, available with Investor Services Centers. In other words, forms like common transaction forms, or any other form containing redemption request having the facility to change the bank mandate or update a new bank mandate, should not be used.

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

a. New bank details:

- Cancelled original cheque of the new bank mandate bearing the name of the first unit holder and the bank account number printed on the face of the cheque.
- Self attested copy of bank statement
- Bank passbook with current entries not older than 3 months.
- Bank Letter duly signed by branch manager/authorized personnel

b. Change in existing bank mandate currently registered with the Mutual Fund,

- Cancelled original cheque with first unit holder name and bank account number printed on the face of the cheque.
- Original bank account statement / Pass book.
- Original letter issued by the bank on the letterhead confirming the bank account holder with the account details, duly signed and stamped by the Branch Manager/ authorized personnel.
- In case such bank account is already closed, a duly signed and stamped original letter from such bank on the letter head of bank, confirming the closure of said account.

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

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

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

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

B. CHANGE OF ADDRESS:**KYC Not Complied Folios/Clients:**

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

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

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

KYC Complied Folios/Clients:

In case of change of address for KYC complied Folios, investors are required to provide the following supporting documents:

- Proof of new Address (POA),
- Any other document/form that the KRA may specify from time to time.

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

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

ELIGIBILITY FOR INVESTMENT

The following persons (subject to, 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 :

- Resident adult individuals, either singly or jointly (not exceeding three);
- Parents/Lawful Guardian on behalf of Minors;
- Hindu Undivided Family (HUF), in the name of Karta;
- Companies, bodies corporate, public sector undertakings, societies registered under the Societies Registration Act, 1860 (so long as the purchase of units is permitted under the respective constitutions);
- Association of Persons (AOPs), body of individuals consisting, in either case, only of husband and wife governed by the system of community of property in force in the State of Goa and Union Territories of Dadra and Nagar Haveli and Daman and Diu by whom, or on whose behalf, investment is made;
- 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 schemes under the Trust Deed;
- Partnership Firms in the name of partners;
- Proprietorship Firms in the name of the proprietors;
- Banks and Financial Institutions;
- Non-Resident Indians (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) and sub-accounts 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 organizations;
- International Multilateral Agencies approved by Government of India;
- Non- Government Provident/Pension/Gratuity funds as and when permitted to invest

- Others who are permitted to invest in the Scheme as per their respective constitutions.

JM G-Sec Fund:- In addition to the above, following are the persons who can also invest in JM G-Sec Fund.

- Non-Government Provident/ Superannuation/ Gratuity Funds as permitted under notification (No. F11(3) – PD/98 dated 31st March, 1999) issued by the ministry of Finance.
- Pension Fund

Note:

- 1 The AMC/Trustee may reject any application received, in case the application is found invalid/ incomplete or for any other reason in the AMC/Trustee's sole discretion, subject to regulations.
- 2 Any Scheme of the 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/Trustee may accept an application from an unincorporated body of persons/trusts. The AMC/Trustee 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 in the Scheme if he/she so desires and is otherwise eligible. However, the AMC/Trustee shall not be liable to pay interest or any compensation to such a person during the period it takes for the Fund to record the change in address and the residential status, if he desires to continue in the Scheme.

Notwithstanding the aforesaid, the AMC/Trustee reserves the right to close the unitholder's 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.

MODE OF HOLDING

The mode of holding may be "single", "joint" or "either / anyone or survivor". When units are held "singly", all notices, correspondences, distributions, redemptions, etc would be sent to the single holder. In case of more than one investor, where the mode of holding is not specified, it would be treated as a joint holding.

JOINT APPLICATIONS/HOLDERS

If an account has more than one holder, the first-named holder (as determined by the records of the Registrar) only will receive all notices and correspondence with respect to the Account, as well as the proceeds of any redemption requests or dividends or other distributions. In addition, such holder will have the voting rights, as permitted, associated with such Units. However, all documentation/purchase applications/redemption requests/enrollment forms shall necessarily be signed by all the holders.

In case of holdings specified as 'Jointly' all requests other than purchases will have to be signed by all the joint holders. However, in the case of holdings specified as 'Either or survivor', any one of the joint holders may sign such requests. In such case, all payments and settlements made to the concerned applicant (applying for redemption) would constitute valid discharge by the fund. However, under all the cases ("joint" or "either/anyone or survivor"), the Fund shall recognise the first named joint holder as the unitholder and all payments and settlements, etc. made to such first-named holder shall be a valid discharge by the Fund and the Fund shall not be liable to any other joint applicants in this regard.

Any one of the Joint holders (in case of either / anyone or survivor) shall hold the voting right, if any, associated with the Units and all documentation/purchase applications/redemption requests/ enrolment forms may be signed by any one of the joint holders (in case of either/anyone or survivor) and the Mutual Fund will act on the instructions of the first holder/anyone of the joint account holders. The subsequent clauses on "Nomination" and "Appointment of Beneficiary" further clarifies the position in the event of the death of one of the joint holder or of the first holder.

Application under Power of Attorney

In case of an application under a Power of Attorney or by a limited company or a body corporate or a registered society, or a trust, the original Power of Attorney or the certified copy duly notarised, together with the relevant resolution or authority to make the application as the case may be, or duly certified copy thereof, along with a certified copy of the memorandum and articles of association and/or bye-laws must be lodged along with the application form or request for transfer/transmission and a separate set of all the documents be submitted to the Registrar. The signatures of the power of attorney holder, duly attested, must also be submitted to the Registrar.

Subscription by NRI

For Applications by Non-Residents of Indian Nationality (NRIs) / Persons of Indian Origins (PIOs) :

The Reserve Bank of India vide circular no. FEMA 20/2000 dated May 3, 2000 has granted general permission to domestic mutual funds referred to in clause (23 D) of Section 10 of the Income Tax Act, 1961 to issue units under the schemes floated by them to NRIs / PIOs on non-repatriation / repatriation basis. Accordingly, NRIs / PIOs may invest in Schemes floated by JM Financial Mutual Fund subject to the following conditions :-

a) Issue of Units on repatriation basis -

The investment should be made by the eligible Non-Resident Investors out of funds remitted from abroad in free foreign exchange through normal banking channels or out of balances held in their NRE / FCNR accounts maintained with authorised dealers in India. Payment may be made by means of Indian Rupees Drafts purchased abroad or by cheque drawn on Non-Resident (External) Accounts / FCNR Accounts payable at par at Mumbai. Payments can also be made by means of drafts payable at Mumbai and purchased out of funds held in Non - Resident (External) Accounts / FCNR Accounts maintained with the banks authorised to deal in foreign exchange in India.

b) Issue of Units on non-repatriation basis -

The Funds for investment should be provided by eligible non-resident investors by way of inward remittance or by debit to their NRE / FCNR / NRO / NRSR Accounts maintained with authorised dealer in India. The payment procedure is as per (a) stated above.

In cases where the investment is made out of inward remittance or from funds held in NRE / FCNR / NRO Accounts of the investor, the maturity proceeds / repurchase price of Units and / or dividend or income earned may be credited to NRO / NRSR account (details of which should be furnished in the space provided for this purpose in the Application Form) of the Non-Resident investor maintained with an authorised dealer in India. In cases where the investment is made out of NRSR account, the maturity proceeds and / or the dividend or income earned should be credited to the NRSR accounts (details of which should be furnished in the space provided for this purpose in the Application Form) maintained by the investor with an authorised dealer in India.

Refunds, interest and other distribution (if any) and maturity proceeds / repurchase price and / or dividend or income earned (if any) will be payable in Indian Rupees only. The maturity proceeds / repurchase value of units issued on repatriation basis, dividend or income earned thereon, net of taxes (if any), may be credited to NRE / FCNR accounts (details of which should be furnished in the space provided for this purpose in the Application Form) of the Non-Resident Investor or remitted to the Non-Resident investor. Such payments will be converted into US dollars or into any other currency, as may be permitted by the RBI, at the rate of exchange prevailing at the time of remittance and will be dispatched at the unitholder's risk. The Fund will not be liable for any loss on account of exchange fluctuations, while converting the rupee amount in the US dollar or any other currency. Credit of such proceeds to NRE / FCNR account or remittance thereof may be permitted by authorized dealer only on production of a certificate from the Fund that the investment was made out of inward remittance or from the Funds held in NRE / FCNR account of the investor maintained with an authorized dealer in India. However, there is no objection to credit of such proceeds to NRO/NRSR account of the investor, if he so desires.

Subscriptions by FIIs / Multilateral Funding Agencies

FIIs and Multinational Agencies shall pay their subscription by direct remittance from abroad or out of their special non-resident Rupee account, maintained with a designated bank in India.

Subscriptions by FIIs / Multilateral Funding Agencies, on full repatriation basis, is subject to approval by the Foreign Investment Promotion Board (FIPB).

Subscriptions by Qualified Foreign Investors (QFIs):

QFIs may invest in the schemes subject to provisions laid down by SEBI in its circular dated August 9, 2011.

IV. RIGHTS OF UNITHOLDERS OF THE SCHEME

1. Unitholders of the Scheme have a proportionate right in the beneficial ownership of the assets of the Scheme.
2. When the Mutual Fund declares a dividend under the Scheme, the dividend warrants shall be despatched within 30 days of the declaration of the dividend.
3. Account Statement/ CAS shall be dispatched to the unitholders in terms of SEBI prescribed guidelines.
4. The Mutual Fund shall dispatch Redemption proceeds within 10 Business Days of receiving the Redemption request on maturity.
5. The Trustee is bound to make such disclosures to the Unitholders as are essential in order to keep the unitholders informed about any information known to the Trustee which may have a material adverse bearing on their investments.

6. The appointment of the AMC for the Mutual Fund can be terminated by majority of the Directors of the Trustee Board or by 75% of the Unitholders of the Scheme.
7. 75% of the Unitholders of a Scheme can pass a resolution to wind- up a Scheme.
8. The Trustee shall obtain the consent of the Unitholders:
 - whenever required to do so by SEBI, in the interest of the Unitholders.
 - whenever required to do so if a requisition is made by three- fourths of the Unitholders of the Scheme.
 - when the Trustee decides to wind up the Scheme or prematurely redeem the Units.
 - The Trustee shall ensure that no change in the fundamental attributes of any Scheme or the trust or fees and expenses payable or any other change which would modify the Scheme and affects the interest of Unitholders, shall be carried out unless :
 - (i) 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
 - (ii) the Unitholders are given an option to exit at the prevailing Net Asset Value without any Exit Load.
9. In specific circumstances, where the approval of unitholders is sought on any matter, the same shall be obtained by way of a postal ballot or such other means as may be approved by SEBI.

VOTING RIGHTS

Subject to the provisions of the SEBI Regulations as amended from time to time, the consent of the Unitholders shall be obtained, entirely at the option of the Trustee either at a meeting of the Unitholders or through postal ballot. Only one Unitholder in respect of each folio or account representing a holding shall vote and he shall have one vote in respect of each resolution to be passed.

NAV INFORMATION

The AMC would declare the NAV of the Scheme in compliance with the Regulations issued in this regard.

The first NAV will be announced before the Scheme reopens for repurchase after New Fund Offer period. NAVs will be updated on the websites of AMFI (www.amfiindia.com) and the Fund (www.JMFinancialmf.com) by 9.00 p.m. every Business Day.

REGISTER OF UNITHOLDERS

The following provisions shall have effect with regard to the registration of the Unitholders:

- 1) In all cases where Units are held in the name of two or three persons and in all matters concerning the Fund, it shall be deemed that the first of such persons is the holder of the Units and all correspondence, if any, shall be communicated only by/to the first of such persons;
- 2) All payments and settlements made to the first holder and a receipt thereof shall be a valid discharge by the Fund. The Fund shall for all purposes correspond only with the first holder and all communications with the first holder including information on the working of the Fund shall be deemed to be a valid discharge by the Trustee of its obligations;
- 3) Any change in the name and address of the Unitholder shall be notified to the JM ISCs/ KRA, as the case may be. The AMC/ RTA shall on being satisfied of such change and on compliance with such formalities as may reasonably be required, record the changes accordingly.
- 4) Subject to the provisions herein contained, the Trustee and the AMC shall not receive notice of any trust, express, implied or constructive, nor shall they be bound to consider any such notice in respect of Units in the Register except when so directed by a Court of Competent Jurisdiction.
- 5) In the event of death of a holder, any other person being entitled to the Units, upon recognition of the claim in such manner as the AMC may deem necessary, shall be registered as the holder of the Units.
- 6) In the case of death of a joint holder, the survivor(s) shall be the only person(s) recognized by the Fund as having any title or interest in the Units. In the event of death of the sole Unitholder at any time during the life of the Fund, the legal heirs will be recognized claimants to the outstanding Units on complying with the necessary formalities as may be stipulated by Trustees/ AMC from time to time.

A person becoming entitled to the Units in consequences of the death, insolvency or winding up of a sole holder or the survivor(s) of joint holders, upon producing evidence to the satisfaction of the AMC shall be registered as the holder of the Units or permitted

to transfer the Units, as the case may be, upon such terms as the AMC may determine.

V. INVESTMENT VALUATION NORMS FOR SECURITIES AND OTHER ASSETS

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 assets of the Scheme will be valued based on the following valuation norms.

TRADED SECURITIES

- i. The securities shall be valued at the last quoted price on the stock exchange.
- ii. When the securities are traded on more than one recognised stock exchange, the securities shall be valued at the last quoted closing price on the stock exchange where the security is principally traded. It would be left to the AMC to select the appropriate stock exchange, but the reasons for the selection should be recorded in writing. There should, however, be no objection for all scrips being valued at the prices quoted on the stock exchange where a majority in value of the investments are principally traded.
- iii. Once a stock exchange has been selected for valuation of a particular security, reasons for change of the exchange shall be recorded in writing by the Asset Management Company.
- iv. When on a particular valuation day, a security has not been traded on the selected stock exchange, the value at which it is traded on another stock exchange may be used.
- v. When a security is not traded on any stock exchange on a particular valuation day, the value at which it was traded on the selected stock exchange or any other stock exchange, as the case may be, on the earliest previous day may be used provided such date is not more than fifteen days prior to the valuation date. When a debt security (other than Government Securities) is purchased by way of private placement, the value at which it was bought may be used for a period of fifteen days beginning from the date of purchase. For valuation of government securities, all the mutual funds are advised to use the prices for Government Securities released by an agency suggested by AMFI (at present Crisil.com vide AMFI circular dated February 5, 2002).

NON-TRADED SECURITIES

- i. A debt security (other than Government Securities) is considered as a thinly traded security if on the valuation date, there are no individual trades in that security in marketable lots (presently Rs 5 crores) on the principal stock exchange or any other stock exchange. In order to determine whether a security is thinly traded or not the volumes traded in all recognised stock exchanges in India may be taken into account.
- ii. When a security is not traded on any stock exchange for a period of thirty days prior to the valuation date, the scrip must be treated as 'non-traded' scrip.
- iii. Non-traded securities shall be valued "in-good faith" by the AMC on the basis of appropriate valuation methods based on the principles approved by the Board of the AMC. For the purpose of valuation of non-traded securities, the following principles will be adopted:
 - a) Debt instruments shall generally be valued on a yield to maturity basis, the capitalisation factor being determined for comparable traded securities and with an appropriate discount for lower liquidity.
 - b) Government securities will be valued at yield to maturity based on the prevailing market rate.
 - c) In respect of convertible debentures and bonds, the non-convertible and convertible components shall be valued separately. The non-convertible component should be valued on the same basis as would be applicable to a debt instrument. The convertible component should be valued on the same basis as would be applicable to an equity instrument. If, after conversion the resultant equity instrument would be traded pari passu with an existing instrument which is traded, the value of the latter instrument can be adopted after an appropriate discount for the non-tradability of the instrument during the period preceding the conversion. While valuing such instruments, the fact whether the conversion is optional should also be factored in;
 - d) Where instruments have been bought on 'repo' basis, the instrument must be valued at the resale price after deduction of applicable interest up to date of resale. Where an instrument has been sold on a 'repo' basis, adjustment must be made for the difference between the repurchase price (after deduction of application interest up to date of repurchase) and the value of the instrument. If the repurchase price exceeds the value, the depreciation must be provided for and if the repurchase price is lower than the value, credit must be taken for the appreciation.

- e) Investments in call money, bills purchased under rediscounting scheme and short term deposits with banks shall be valued at cost plus accrual; other money market instruments shall be valued at the yield at which they are currently traded. For this purpose, non-traded instruments that is instruments not traded for a period of seven days will be valued at cost plus interest accrued till the beginning of the day plus the difference between the redemption value and the cost spread uniformly over the remaining maturity period of the instruments; government securities will be valued at yield to maturity based on the prevailing market rate.
- iv. All expenses and incomes accrued up to the valuation date shall be considered for computation of net asset value. For this purpose, while major expenses like management fees and other periodic expenses should be accrued on a daily basis, other minor expenses and income need not be so accrued, provided the non-accrual does not affect the NAV calculations by more than 1%.
- v. Any changes in securities and in the number of units should be recorded in the books not later than the first valuation date following the date of transaction. If this is not possible given the frequency of the Net Asset Value disclosure, the recording may be delayed up to a period of seven days following the date of the transaction, provided that as a result of the non-recording, the Net Asset Value calculations shall not be affected by more than 1%.
- vi. (i) 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 of the SEBI (MF) Regulations.(ii) The valuation of un-traded derivatives shall be done in accordance with the valuation method for un-traded investments prescribed in sub clauses (i) and (ii) of clause 2 of the Eighth Schedule to the SEBI (MF) Regulations, 1996.
- vii. Thinly traded securities as defined in the guidelines shall be valued in the manner as specified in the guidelines issued by the SEBI.
- viii. The aggregate value of illiquid securities as defined in the guidelines shall not exceed 15% of the total assets of the Scheme and any illiquid securities held above 15% of the total assets shall be valued in the manner specified in the guidelines issued by SEBI.
- ix. SEBI has issued circular no. MFD/CIR/8/92/2000 dated September 18, 2000 as amended by a subsequent circular no. MFD/ CIR/14/088/2001 dated March 28, 2001 ("guidelines") giving guidelines for valuation of securities and for identification and provisioning for NPAs. The Mutual Fund shall value its securities accordingly.

The NAVs of the Units of the Plans will be computed by dividing the net assets of the Plan 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. The broad valuation norms are detailed above. These norms are indicated based on the current Regulations and the guidelines/instructions issued by SEBI. In terms of SEBI letter no. MFD/CIR/8(A)/104/2000 dated October 3, 2000, the guidelines on valuation of non-traded and thinly traded debt securities have come into force from December 1, 2000 and the same was modified vide letter no. MFD/CIR/14/088/2001 dated March 28, 2001 and MFD/CIR/ No.14/442/2002 dated February 20, 2002 and subsequent amendments issued by SEBI.

ACCOUNTING POLICIES AND STANDARDS

Accounting Policies are in accordance with SEBI (Mutual Funds) regulations, 1996.

1) Investments

- a) Purchase and sale of securities are recognised on trade dates i.e. on the dates of transaction. Where transactions take place outside the stock market, the same will be recognized on the date of enforceable obligation to pay/collect the proceeds.
- b) All investments are accounted at acquisition cost. Such cost is updated for stamp duty, brokerage and securities transaction tax on incurrence. All investments are shown at marked to market.
- c) Cost of Right Equity Shares is considered at issue price plus premium paid, if any to acquire rights renunciation.
- d) Bonus entitlements are recognised on ex-bonus dates. Similarly, rights are recognized on ex-rights dates on the principal stock exchange where the original shares are traded.
- e) Equity stock futures are marked to market on a daily basis. Debit or credit balance disclosed under other current assets or current liabilities respectively, in the "Mark to Market Margin – Receivable/ Payable Account", represents the net amount payable or receivable on the basis of movement in the prices of stock futures till the balance sheet date from the purchase date.

- f) In case of Options, premium received/paid is marked to market and the balance amount is treated as liability/asset till the time the position is expired/squared off.

2) INCOME RECOGNITION

- a) Dividend income is accrued on ex-dividend date. In case of unquoted, the same is recognized on the date of declaration.
- b) Profit or loss on sale of investments is arrived at by applying weighted average cost on trade date. Except that, such profit is not recognised in respect of sale transaction remaining unsettled for more than three months.
- c) Underwriting commission is accrued on confirmation of full subscription by the Company. In case of devolvement, underwriting commission is adjusted against cost of investments of devolved securities.
- d) Provision is made against income accrued but not received for one quarter after the due date. In respect of such investments, income is recognised when it is realised.
- e) Interest on investments, other than covered by Para'd' above, and other income are recognised on accrual basis. Interest on investment in defaulted cases is accounted on cash basis.
- f) Unrealised gain / loss is recognized in Revenue Account. However, unrealised gain is excluded for calculating distributable income and same is carried to the Balance Sheet as Unrealised Appreciation Reserve.
- g) Income on discounted instruments is recognised in Revenue Account by spreading the difference between the maturity value and book value over the unexpired period of maturity.

3) COLLATERAL BORROWING AND LENDING OBLIGATION (CBLO) CHARGES

Collateral Borrowing and Lending Obligation (CBLO), charges are netted against the interest receipt.

4) INCOME EQUALISATION ACCOUNT & UNIT PREMIUM RESERVE

- I. Pursuant to SEBI circular dated 15 March, 2010, in case of open-ended scheme, when units are purchased / sold by the Scheme at NAV based price, and;
 - a) In case, NAV is higher than face value, amount representing unrealised appreciation per unit is transferred to Unit Premium Reserve. The balance amount of the NAV after reducing the face value of unit is transferred to Income Equalisation Account.
 - b) In case NAV is less than face value, the difference between the NAV and face value is transferred to Income Equalisation Account. The net balance in Income Equalisation Account is transferred to the Revenue Account at the year end.
- II. In case of close-ended Scheme, accounting for Income Equalisation as stated above is not carried out. The difference between face value and NAV of the units repurchased is credited/debited to Reserves.

5) VALUATION OF PERFORMING ASSETS.

For the purpose of financial statements, the Fund marks all investments to market and carries investments in the Balance Sheet at the market value. Unrealised gain, if any, arising out of appreciation of the investments, is carried to the Balance Sheet. All securities are valued at market value, if quoted. Non traded / thinly traded / unlisted shares are valued after considering net worth, discounted average industry P/E ratio etc as prescribed in the revised SEBI Guidelines. Non-traded debt instruments are valued on YTM arrived at based on CRISIL model. In case where duration of such debt instruments is less than 182 days, the same are valued on the basis of maturity value, adjusted for amortisation of the difference between cost and maturity value.

6) ENTRY/EXIT LOAD

From 1st August, 2009

In accordance with the SEBI circular dated 30th June, 2009:

- i) No entry load is charged on fresh purchase applications received after 1st August, 2009.
- ii) 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.

7) EQUITY STOCK FUTURES

On final settlement or squaring up of contracts for equity stock futures, the profit or loss is calculated as the difference

between settlement price and the average cost. Accordingly, debit or credit balance pertaining to the settled/ squared up contract in "Mark to market margin – Receivable/Payable Account" after adjustment of provision for anticipated losses is recognized in the Revenue account.

8) INITIAL ISSUE EXPENSES

Initial Issue Expenses incurred at the time of new fund offering, in respect of schemes launched prior to SEBI circular dated 31 January 2008, was debited to the scheme and treated as Deferred Revenue Expenditure. Accordingly, Initial issue expenses in respect of JM Core 11 Fund were amortised to Revenue account over the duration of the scheme from the date of allotment of units.

9) NON-PERFORMING ASSETS

An investment is regarded as non-performing, if the interest/principal due is outstanding for more than one quarter from the day such income/installment has fallen due. For non performing assets provisions are made as per guidelines prescribed by SEBI.

Identification and Provisioning for Non Performing Assets

(i) Definition of a Non Performing Asset (NPA)

An 'asset' shall be classified as non performing, if the interest and / or principal amount have not been received or remained outstanding for one quarter from the day such income/installment has fallen due.

(ii) Effective date for classification and provisioning of NPAs :

The definition of NPA may be applied after a quarter past due date of the interest. For e.g. if the due date for interest is 31.12.2006, it will be classified as NPA from 01.04.2007.

(iii) Treatment of income accrued on the NPA and further accruals

After the expiry of the 1st quarter from the date the income has fallen due, there will be no further interest accrual on the asset i.e. if the due date for interest falls on 31.12.2006 and if the interest is not received, accrual will continue till 31.03.2007 after which there will be no further accrual of income. In short, taking the above example, from the beginning of the 2nd quarter there will be no further accrual on income.

On classification of the asset as NPA from a quarter past due date of interest, all interest accrued and recognized in the books of accounts of the Fund till the date, should be provided for. For e.g. if interest income falls due on 31.12.2006, accrual will continue till 31.03.2007 even if the income as on 31.12.2006 has not been received. Further, no accrual will be done from 31.03.2007 onwards. Full provision will also be made for interest accrued and outstanding as on 31.12.2007.

(iv) Provision for NPAs

Both secured and unsecured investments once they are recognized as NPAs call for provisioning in the same manner and where these are related to close ended scheme the phasing would be such that to ensure full provisioning prior to the closure of the scheme or the scheduled phasing whichever is earlier.

The value of the asset must be provided in the following manner or earlier at the discretion of the fund. Fund will not have discretion to extend the period of provisioning. The provisioning against the principal amount or installments should be made at the following rates irrespective of whether the principal is due for repayment or not.

- 10% of the book value of the asset should be provided for after 6 months past due date of interest i.e. 3 months from the date of classification of the asset as NPA.
- 20% of the book value of the asset should be provided for after 9 months past due date of interest i.e. 6 months from the date of classification of the asset as NPA.
- Another 20% of the book value of the assets should be provided for after 12 months past due date of interest i.e. 9 months from the date of classification of the asset as NPA.
- Another 25% of the book value of the assets should be provided for after 15 months past due date of interest i.e. 12 months from the date of classification of the asset as NPA.
- The balance 25% of the book value of the asset should be provided for after 18 months past due date of the interest i.e. 15 months from the date of classification of the assets as NPA.

Book value for the purpose of provisioning for NPAs shall be taken as a value determined as per the prescribed valuation method. If any installment is fallen due, during the period of interest default, the amount of provision should be installment amount or above provision amount, whichever is higher.

(v) Reclassification of assets :

Upon reclassification of assets as 'performing assets' :

1. In case an issuer has fully cleared all the arrears of interest, the interest provisions can be written back in full.
2. The asset will be reclassified as performing on clearance of all interest arrears and if the debt is regularly serviced over the next two quarters.
3. In case the issuer has fully cleared all the arrears of interest, the interest not credited on accrual basis would be credited at the time of receipt.
4. The provision made for the principal amount can be written back in the following manner :
 - 100% of the asset provided for in the books will be written back at the end of the 2nd quarter where the provision of principal was made due to the interest defaults only.
 - 50% of the asset provided for in the books will be written back at the end of the 2nd quarter and 25% after every subsequent quarter where both installments and interest were in default earlier.
5. An asset is reclassified, as 'standard asset' only when both overdue interest and overdue installments are paid in full and there is satisfactory performance for a subsequent period of 6 months.

(vi) Receipt of past dues:

When the fund has received income / principal amount after their classifications as NPAs ;

- For the next 2 quarters, income should be recognized on cash basis and thereafter on accrual basis. The asset will be continued to be classified as NPA for these two quarters.
- During this period of two quarters although the asset is classified as NPA no provision needs to be made for the principal if the same is not due and outstanding.
- If part payment is received towards principal, the asset continues to be classified as NPA and provisions are continued as per the norms set at (iv) above. Any excess provision will be written back.

(vii) Classification of Deep Discount Bonds as NPAs :

Investments in Deep Discount Bonds can be classified as NPAs, if any two of the following conditions are satisfied:

- If the rating of the Bond comes down to grade 'BB' or below.
- If the company is defaulting in their commitments in respect of other assets, if available.
- Full Net worth erosion.
- Provision should be made as per the norms set at (iv) above as soon as the asset is classified as NPA.
- Full provision can be made if the rating comes down to grade 'D'

(viii) Reschedulement of an asset :

In case any company defaults either interest or principal amount and the Fund has accepted a reschedulement of the schedule of payments, then the following practice may be adhered to:

- (a) In case it is a first reschedulement and only interest is in default, the status of the asset namely, 'NPA' may be continued and existing provisions should not be written back.
This practice should be continued for two quarters of regular servicing of the debt. Thereafter, this be classified as 'performing asset' and the interest provided may be written back.
- (b) If the reschedulement is done due to default in interest and principal amount, the asset should be continued as non performing for a period of 4 quarters, even though the asset is continued to be serviced during these 4 quarters regularly. Thereafter, this can be classified as 'performing asset' and all the interest provided till such date should be written back.
- (c) If the reschedulement is done for a second/third time or thereafter, the characteristic of NPA should be continued for eight quarters of regular servicing of the debt. The provision should be written back only after it is reclassified as 'performing asset'.

To provide appropriate details of the Schemewise deployment of the assets of the Fund, certain accounting policies and standards in accordance with the appropriate guidance notes issued by the Institute of Chartered Accountants of India may be adopted by AMC and amended from time to time.

The Trustee / AMC may alter these above stated accounting policies and standards from time to time, and also to the extent the guidance notes issued by the Institute of Chartered Accountants of India, and the SEBI Regulations, change, so as to permit the Scheme to give a true and fair view of its state of affairs. As such the accounting policies and standards, and the preparation of the annual report and annual statement of account of the Scheme will be in accordance with SEBI Regulations including Schedule IX and XI thereof.

VI. TAX & LEGAL INFORMATION

A. Taxation on investing in Mutual Funds

TAX BENEFITS

The following tax benefits are available to investors and the Fund under the present taxation laws. The information set forth below is based on the advice of the Fund's tax advisor and is included for general information purposes only and therefore for all tax related matters, investors should consult their own tax advisors. The information set forth below reflects the law and practice as of date of this Offer 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 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.

i. TAX BENEFITS TO THE MUTUAL FUND

JM Financial Mutual Fund is a Mutual Fund registered with the Securities and Exchange Board of India and hence the entire income of the Fund will be exempt from income-tax in accordance with the provisions of Section 10(23D) of the Income-tax Act, 1961 (the Act). The Fund is entitled to receive all income without any deduction of tax at source under the provisions of Section 196(iv), of the Act.

On income distribution, if any, made by the Fund, to its unitholders of a Debt Fund, income distribution tax will be payable under Section 115R of the Act at the following rates:

- At 25 percent (plus applicable surcharge and an additional surcharge by way of Education Cess of 2 percent and Secondary and Higher Education Cess of 1 percent on the amount of tax plus surcharge) on income distributed to Individuals or a HUF's by a Money Market Mutual Fund and a Liquid Fund.
- At 30 percent (plus applicable surcharge and an additional surcharge by way of Education Cess of 2 percent and Secondary and Higher Education Cess of 1 percent on the amount of tax plus surcharge) on income distributed to any other person by a Money Market Mutual Fund and a Liquid Fund.
- At 12.5 percent (plus applicable surcharge and an additional surcharge by way of Education Cess of 2 percent and Secondary and Higher Education Cess of 1 percent on the amount of tax plus surcharge) on income distributed to individuals and HUFs by a fund other than a money market mutual fund or a liquid fund and
- At 30 percent (plus applicable surcharge and an additional surcharge by way of Education Cess of 2 percent and Secondary and Higher Education Cess of 1 percent on the amount of tax plus surcharge) on income distributed by other funds to persons other than individuals and HUFs, for instance, corporates.

An equity oriented fund is not required to pay any Income Distribution Tax u/s 115R of the Act.

ii. TAX BENEFITS TO THE UNITHOLDERS

INCOME TAX: As per Section 10(35) of the Act, any income other than capital gain received in respect of units of a mutual fund specified under Section 10(23D) will be exempt from income-tax in the hands of the unitholders.

A. LONG TERM CAPITAL GAINS TAX ON TRANSFER OF UNITS OF OTHER THAN EQUITY ORIENTED FUND:

Long-term capital gains on sale of units of Mutual Funds other than equity oriented funds are not exempt from income tax under Section 10(38) of the Act in the hands of unit holders. While computing the gains, in some cases, the benefit of indexation of cost of acquisition is available. In some cases, the investor has the option to pay tax on indexed gains or unindexed gains whichever is more beneficial. The provisions for taxation of long-term capital gains for different categories of assessee are explained hereunder:

Category of Investor	Rate at which tax is payable (see note 1 below)	Whether benefit of indexation of cost is available?
Resident unitholders	20% (see note 2 below) Or 10% provided the long term capital gains are computed without substituting indexed cost in place of cost of acquisition	Yes
Foreign Companies	20% (see note 3 below)	No
Non-resident Indians	20%	No (see note 4 below)
Overseas Financial Organisations (Section 115AB) and Foreign Institutional Investors (115AD)	10%	No

NOTES:

1. In case of companies, if income exceeds Rs. 1 crore, then the tax payable would be increased by a surcharge (5% in case of domestic companies and 2% in case of foreign companies). In all cases, the tax payable (as increased by surcharge in case of companies referred to above) would be further increased by Education Cess (2%) and Secondary & Higher Education Cess (1%).
2. In the case of Resident Individuals and HUFs, where taxable income as reduced by long term capital gains is below the exemption limit, the long term capital gains will be reduced to the extent of the shortfall and only the balance long term capital gains will be charged at the flat rate of 20% and Education Cess and Secondary and Higher Education Cess.
3. It may be possible for foreign companies to opt for computation of long term capital gains as per Section 112, which provides for 10% tax on long term capital gains computed without indexation of cost. However, this issue is not free from doubt as there have been several judicial and appellate decisions where it has been held that a non resident is not entitled to the benefit of paying tax at 10% on unindexed gains.
4. For non-resident Indians, under Section 115E of the Act, long-term capital gains would be calculated without indexation of cost of acquisition. However, such units should have been acquired or purchased with or subscribed to in convertible foreign exchange. It may be possible for non-resident Indians to opt for computation of long term capital gains as per Section 112, which provides for 10% tax on long term capital gains computed without indexation of cost. In such case, the non-resident Indian would have to forego all the benefits of concessional rate of tax available to non-resident Indians under Chapter XII-A of the Act. However, this issue is not free from doubt as there have been several judicial and appellate decisions where it has been held that a non resident is not entitled to the benefit of paying tax at 10% on unindexed gains.

Exemption from Long Term capital gain:

Under Section 54EC of the Act and subject to the conditions specified therein, taxable capital gains, arising on transfer of a long term capital asset, shall not be chargeable to tax to the extent such capital gains are invested in certain notified bonds within six months from the date of transfer subject to an upper limit of Rs. 50 lakhs per year per tax payer. Under Section 54F of the Act and subject to the conditions specified therein, in the case of an individual or a HUF, capital gains (subject to the exemption of long-term capital gains provided for in section 10(38) of the Act, discussed elsewhere in this Statement) arising on transfer of a long term capital asset (not being a residential house) are not chargeable to tax if the entire net consideration received on such transfer is invested within the prescribed period in a residential house. If part of such net consideration is invested within the prescribed period in a residential house, then such gains would not be chargeable to tax on a proportionate basis. For this purpose, net consideration means full value of the consideration received or accruing as a result of the transfer of the capital asset as reduced by any expenditure incurred wholly and exclusively in connection with such transfer.

B. SHORT TERM CAPITAL GAINS ON TRANSFER OF UNITS OF OTHER THAN EQUITY ORIENTED FUND:

Short term capital gains in respect of units held for a period of not more than 12 months is added to the total income of the tax payer.

Total income including short-term capital gains is chargeable to tax as per the relevant slab rates. However, in case of Foreign Institutional Investors and domestic companies, short term capital gain will be chargeable to tax at the flat rate of 30% plus applicable surcharge and education cess and secondary and higher education cess. In case of foreign companies, the tax rate would be 40%. In case of companies, the tax would be further increased by a surcharge (5% in case of domestic companies and 2% in case of foreign companies). In all cases, the tax payable (as increased by surcharge in case of companies referred to above) would be further increased by Education Cess (2%) and Secondary & Higher Education Cess (1%).

C. LONG TERM CAPITAL GAINS TAX ON TRANSFER OF UNITS OF EQUITY ORIENTED FUNDS

Under Section 10(38) of the Act, long term capital gains arising on sale of units of equity oriented funds are exempt from income

tax in the hands of Unit holders, provided STT is charged on such sale by the Mutual Fund.

D. SHORT TERM CAPITAL GAINS ON TRANSFER OF UNITS OF EQUITY ORIENTED FUNDS

Section 111A of the Act provides that short-term capital gains arising on sale of units of equity oriented funds are chargeable to income tax at a concessional rate of 15% plus applicable surcharge, education cess and secondary and higher education cess as applicable, provided STT is charged on such sale by the Mutual Fund. Further, Section 48 provides that no deduction shall be allowed in respect of STT paid for the purpose of computing Capital Gains.

E. CAPITAL LOSSES:

Losses under the head “Capital Gains” cannot be set off against income under any other head. Further within the head “Capital Gains”, long term capital losses cannot be adjusted against short term capital gains. However, short term capital losses can be adjusted against long term capital gains. Long term capital loss arising on transfer of units of an equity oriented fund on which STT is paid, cannot be set-off against any other capital gains. Consequently, such loss shall lapse in the year in which it is incurred.

Unabsorbed short-term capital loss can be carried forward and set off against the income under the head Capital Gains in subsequent eight assessment years.

According to Section 94(7) of the Income Tax Act, if any person buys or acquires units within a period of three months prior to the record date fixed for declaration of dividend or distribution of income and sells or transfers the same within a period of nine months from such record date, then losses arising from such sale to the extent of income received or receivable on such units, which are exempt under the Income Tax Act, will be ignored for the purpose of computing his income chargeable to tax.

Further, Sub-section (8) of Section 94 provides that, where additional units have been issued to any person without any payment, on the basis of existing units held by such person then the loss on sale of original units shall be ignored for the purpose of computing income chargeable to tax, if the original units were acquired within three months prior to the record date fixed for receipt of additional units and sold within nine months from such record date. However, the loss so ignored shall be considered as cost of acquisition of such additional units held on the date of sale by such person.

TAX DEDUCTION AT SOURCE

FROM INCOME IN RESPECT OF UNITS:

Since income distributed by mutual funds is not taxable in the hands of the unit holders, there is no requirement of withholding any tax at source from such income distributed by mutual funds.

FROM CAPITAL GAINS ON TRANSFER OF UNITS OF OTHER THAN EQUITY ORIENTED FUND

(a) In respect of Resident Unit holders:

As per section 194K, no tax is required to be deducted at source on capital gains arising to any resident Unit holder. In this connection, reference may also be made to circular no. 715 dated August 8, 1995 issued by the Central Board for Direct Taxes (CBDT).

(b) In respect of Non- Resident Unit holders:

As per the provisions of Section 195 of the Act, tax is required to be deducted at source from the redemption proceeds paid to investors. Under Section 195 of the Act, tax shall be deducted at source in respect of capital gains as under:

Category of Investor	Rate at which tax is deductible on short term capital gains (see note 1 below)	Rate at which tax is deductible on long term capital gains (see note 1 below)
Foreign companies	40%	20%
FIs	NIL	NIL
Overseas Financial Organisation	30%	10%
Other non-residents	30%	20%

NOTE:

1. In case of companies, if income exceeds Rs. 1 crore, then the tax payable would be increased by a surcharge (5% in case of domestic companies and 2% in case of foreign companies. In all cases, the tax payable (as increased by surcharge in case of companies referred to above) would be further increased by Education Cess (2%) and Secondary & Higher Education Cess (1%)).

As per circular no. 728 dated October 1995 by CBDT, in the case of a remittance to a country with which a Double Taxation Avoidance Agreement (DTAA) is in force, the tax should be deducted at the rate provided in the Finance Act of the relevant year or at the rate provided in DTAA whichever is more beneficial to the assessee.

However, where the unit holder, resident or non-resident, does not furnish its PAN to the mutual fund, then tax will be withheld at the rate of 20% even if the DTAA or the Act provide for a lower rate.

FROM CAPITAL GAINS ON TRANSFER OF UNITS OF EQUITY ORIENTED FUND

(a) In respect of Resident Unit holders :

No tax is required to be deducted at source on capital gains arising to any resident Unit holder (under section 194K) vide circular no. 715 dated August 8, 1995 issued by the Central Board for Direct Taxes (CBDT).

(b) In respect of Non- Resident Unit holders:

As per the provisions of Section 195 of the Act, tax is required to be deducted at source from the redemption proceeds paid to investors. This withholding is in addition to and independent of the securities transaction tax payable, if any, by the investor. Under Section 195 of the I.T. Act, tax shall be deducted at source in respect of capital gains as under:

Category of Investor	Rate at which tax is deductible on short term capital gains (see note 1 below)	Rate at which tax is deductible on long term capital gains (see note 1 below)
Foreign companies	15%	NIL
FII's	NIL	NIL
Other non-residents	15%	NIL

NOTE:

1. In case of companies, if income exceeds Rs. 1 crore, then the tax payable would be increased by a surcharge (5% in case of domestic companies and 2% in case of foreign companies. In all cases, the tax payable (as increased by surcharge in case of companies referred to above) would be further increased by Education Cess (2%) and Secondary & Higher Education Cess (1%).

As per circular no. 728 dated October 1995 by CBDT, in the case of a remittance to a country with which a Double Taxation Avoidance Agreement (DTAA) is in force, the tax should be deducted at the rate provided in the Finance Act of the relevant year or at the rate provided in DTAA whichever is more beneficial to the assessee.

However, with effect from 1st April, 2010, where the unit holder, resident or non-resident, does not furnish its PAN to the mutual fund, then tax will be withheld at the rate of 20% even if the DTAA or the Act provides for a lower rate,

SECURITIES TRANSACTION TAX

IN RESPECT OF UNITS OF OTHER THAN EQUITY ORIENTED FUNDS

Securities Transaction Tax ("STT") is not applicable on transactions of purchase or sale of units of a non equity oriented mutual fund.

IN RESPECT OF UNITS OF EQUITY ORIENTED FUNDS

STT is applicable on transactions of purchase or sale of units of an equity oriented fund entered into on a recognized stock exchange or on sale of units of an equity oriented fund to the Fund. The STT rates as applicable are given in the following table:

Taxable Securities Transaction	Rates	Payable by
Delivery based purchase of an Equity Share in Company or Unit of an Equity Oriented Fund	0.125% (reduced to 0.10% w.e.f. 1st July, 2012)	Purchaser
Delivery based sale of an Equity Share in Company or Unit of an Equity Oriented Fund.	0.125% (reduced to 0.10% w.e.f. 1st July, 2012)	Seller
Sale of a unit of an equity oriented fund, where the transaction of such sale is entered into in a recognised stock exchange and the contract for the sale of such unit is settled otherwise than by the actual delivery or transfer of such unit.	0.025%	Seller
Sale of unit of an equity oriented fund to the Mutual Fund itself.	0.25%	Seller

The Fund is responsible for collecting the STT from every person who sells the Unit to it at the rate mentioned above. The STT collected by the Fund during any month will have to be deposited with the Central Government by the seventh day of the month immediately following the said month.

INVESTMENTS BY CHARITABLE AND RELIGIOUS TRUSTS

Units of a Fund Scheme referred to in section 10(23D) of the Act constitute an eligible avenue for investment by charitable or religious trusts per rule 17C of the Income Tax Rules, 1962, read with clause (xii) of sub-section (5) of Section 11 of the Income

Tax Act, 1961.

WEALTH TAX

Units held under the Schemes of the Fund are not treated as assets as defined under Section 2(ea) of the Wealth Tax Act, 1957 and therefore would not be liable to wealth tax.

GIFT TAX

The Gift-tax Act, 1958, has ceased to apply to gifts made on or after 1 October 1998. Gift of units purchased under the Scheme would therefore be exempt from Gift Tax. However if any Individual or an Hindu Undivided Family receives a gift of units of any mutual fund whose market value exceeds Rs. 50,000/- and such gift is received from a person other than relative as defined in section 56 of the Act, then the value of such gift would be considered as the income of the recipient and would be added to the normal income of such person for income tax purpose.

B. Legal Information

"ON BEHALF OF MINOR" ACCOUNTS:

Where the account/folio (account) is opened on behalf of a minor:

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

Minor Attaining Majority – Status Change:

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

The standing instruction shall be terminated within 30 days from the date of receiving the instruction.

- d) List of standard documents required to change the account status from minor to major:

- Services Request form, duly filled and containing details like name of major, folio numbers, etc.
- New Bank mandate where account has been changed from minor to major,
- Signature attestation of the major by a manager of a scheduled bank / Bank Certificate / Letter,
- KYC acknowledgement of the major.

Change in Guardian:

When there is a change in guardian either due to mutual consent or demise of existing guardian, following documents should be submitted to the AMC/ the Registrar prior to registering the new guardian:

- a) Request letter from the new guardian,
- b) No Objection Letter (NoC) or Consent Letter from existing guardian or Court Order for new guardian, in case the existing guardian is alive.
- c) Notarized copy or attested copy of the Death Certificate of the deceased guardian, where applicable. The attestation may also be done by a special executive magistrate, AMC authorised official or manager of a scheduled bank.
- d) The new guardian must be a natural guardian (i.e. father or mother) or a court appointed legal guardian.
 - Information on the relationship/status of the guardian as father, mother or legal guardian should be specified in the application form.
 - In case of natural guardian, a document evidencing the relationship if the same is not available as part of the documents submitted as per sub clause c of clause 1 of this notice – cum – addendum
 - In case of court appointed legal guardian, supporting documentary evidence should be submitted.
- e) Bank attestation attesting the signature of the new guardian in a bank account of the minor where the new guardian is registered as the guardian.
- f) KYC of the new guardian.

NOMINATION FACILITY**APPOINTMENT OF BENEFICIARY**

The Mutual Fund is formed as a Trust under the provisions of the Indian Trusts Act, 1882 and the provisions for appointment of beneficiary(s) with regard to Mutual Funds would be as per Section 56, Section 58 and Section 69 (regarding the right of the beneficiary to transfer possession) of the Indian Trusts Act, 1882. The acceptance of such nomination/appointment of beneficiary would be at the entire discretion of the Fund taking into consideration the provisions of the Indian Trusts Act, 1882 and the Mutual Fund assumes no responsibility. Therefore, the unitholder(s) would be liable for the loss resulting from a fraudulent nomination/appointment of beneficiary based on the unitholder(s) (single holder or joint-holders) instructions, that the Fund reasonably believed as genuine. Every unitholder(s) shall appoint upto at least one person as nominee(s)/Beneficiary(s) under the Scheme to receive the benefits (as allocated) hereunder the Scheme in the event of the death of the individual unitholder(s). The nominee(s)/beneficiary(s) can be nominated by the individual unitholder to receive the benefits under the Scheme upon his/her death, as provided in the foregoing clause(s) on nomination. When units are held jointly and joint names have been inserted, in the event of death of the first or any other holder, the person next in the order as stated in the application form, (unless changed) shall be the only person(s) recognized by the Fund as having any title or interest in the benefits under the Scheme, to the extent provided in the clause(s) on mode of holding. However, in case of joint holdings with a minor as the first holder, the units will be vested in the legal heirs of the minor and not to the joint holder(s), in the event of death of the minor. The nominee(s)/beneficiary(s) nominated can receive the benefits under the scheme, to the extent provided in the foregoing clause(s) on nomination only on simultaneous death of all the joint holders. A nominee/beneficiary shall have the option either to be paid repurchase value of Units, or to continue in the Scheme if he/she so desires and is otherwise eligible, by issuance of account statement in his/her name is he/she has become entitled to hold the Units in consequence of the death of a sole holder or all holders or the person next in the order as stated in the prescribed form (in case of joint holders), insolvency, or by operation of law, pledge or winding up etc., upon producing evidence to the satisfaction of the Fund, and/or after complying with all the formalities in connection with the claim, The Fund will be discharged of all liabilities on payments and settlements made to such nominee/beneficiary and obtaining receipt thereof. Subject to specified conditions, every appointment of a nominee(s)/beneficiary(s) to be made under the Scheme shall be in writing and signed by the unitholder(s) and shall remain in full force and effect until the death of the nominee/beneficiary/unitholder(s) or until the same is revoked in writing by the unitholder(s) (by whom the same was made) and a fresh appointment is made in the manner aforesaid. Unitholder(s) have the option to revoke or change the nominee(s)/beneficiary(s) by filling an appropriate form made available. The new appointment of the nominee(s)/beneficiary(s) shall take effect on the date the appropriate form for appointment of the nominee(s)/beneficiary(s) is submitted to

the collection centre whether or not the unitholder(s) is/are alive on the date of acknowledgement of the change in nominee(s)/beneficiary(s) without prejudice to the Fund or AMC or Trustee on account of any payment or transmission of Units having been made before the acknowledgement of the change or on account of any delay in payment or transmission of units having been made due to non-production of evidence to the satisfaction of the Fund and/or non-compliance with all the formalities in connection with the claim. To provide maximum benefits to the unitholders and the nominee(s)/beneficiary(s), the Trustee / AMC may alter the above stated provisions/norms for appointment of beneficiary(s) from time to time to the extent deemed necessary, and also in conformity with the guidelines and Notifications issued by SEBI/ GOI/any other regulatory body from time to time and/or any statutory modifications or re-enactment thereof.

Every individual investor should make Nominations.

Multiple nomination facility in all the schemes of the fund

The Multiple Nomination Facility has been provided to enable Unitholders to nominate more than one person, subject to a maximum of three, in whom the Units held by the Unitholder shall vest in the event of the demise of the Unitholder. Accordingly, multiple nominees can be made per folio. Existing and new investors can make a fresh nomination which will supersede all existing nominations in the folio by filing a fresh nomination form.

Physical:

Nomination can also be in favour of the Central Government, State Government, a local authority, any person designated by virtue of his office or a religious or charitable trust.

The Nominee shall not be a Trust (other than a Religious or Charitable Trust), Society, Body Corporate, Partnership Firm, Karta of a Hindu Undivided Family or a Power of Attorney holder. A Non-Resident Indian can be a Nominee subject to the Exchange Control Regulations of RBI, in force, from time to time.

Nomination in respect of the units stands rescinded upon the transfer of units.

Transfer of units in favour of a Nominee shall be valid discharge by the Asset Management Company against the legal heir.

Since the units of the Scheme will also be held in electronic mode in the Depository (DP) Account of the unitholders, the nomination details provided by the unit-holder to the depository will be applicable to the units of the Scheme. Such nomination including any variation, cancellation or substitution of Nominee(s) shall be governed by the rules and bye-laws of the Depository. Payment to the nominee of the sums shall discharge the Fund of all liability towards the estate of the deceased unit holder and his/her legal successors/legal heirs.

In case of multiple nominations under physical mode of SOA, it is mandatory for unitholders to indicate the percentage allocation in favour of the nominees in the nomination forms/ requests letter in whole numbers such that it totals to 100%, so that the AMC can execute its obligations to the unitholders. If the percentage allocation is not mentioned or is left blank, the AMC shall apply the default option of equal distribution among all the nominees as designated by the deceased Unitholder. In case of nominees where allocation is not defined, the allocation by default will be 34%, 33% and 33% respectively for each nominee in the sequential order.

Nomination can be changed anytime by the account holder(s) by simply filling up the nomination once again and submitting it to the Investor Service Centers.

Demat:

In case the investors provide both their Demat Account details and Nomination details in the application form, the nomination details as available with the Depository Participant Shall be Considered.

Nomination can be made only by the individuals holding beneficiary (DP) accounts either singly or jointly. Non-individuals including society, body corporate, partnership firms, Karta of HUF, holder of power of attorney can not nominate. Only an individual including NRI can be a nominee. However nomination of NRI is subject to exchange control regulations in force from time to time. Society, trust, body corporate, partnership firm, Karta of HUF or Power of Attorney holder cannot be appointed as a Nominee.

Minor can also be appointed as a nominee. However the guardian will sign on behalf of the nominee and in addition to the name and photograph of the nominee, the name and address and the photograph of the guardian must be submitted to DP. Only one nomination can be made for each depository account.

The nomination form duly filled in should be submitted to the Depository Participant (DP) either at the time of account opening or later. The account holder, nominee and two witness must sign the form and the name, address and photograph of the nominee must be submitted. If the nomination was not made at the time of account opening, it can be made subsequently by submitting the nomination form.

Nomination can be changed anytime by the account holder(s) by simply filling up the nomination once again and submitting it to the DP.

In case nomination has been made for DP account with joint holders, in case of death of any of the joint holder(s), the securities will be transmitted to the surviving holder(s). Only in the event of death of all the joint holders, the securities will be transmitted to the nominee.

In case nomination is not made by the sole holder of DP account, the securities would be transmitted to the account of legal heir(s), as may be determined by an order of the competent court. However in case where the value of securities to be transmitted is less than Rs.1,00,000/- the DP may process the request based on the submissions of necessary letter of indemnity, surety, affidavits and NOC documents.

The cancellation of nomination can be made only by those individuals who hold units on their own behalf singly or jointly and who made the original nomination.

On cancellation of the nomination, the nomination shall stand rescinded and the Asset Management Company shall not be under any obligation to transfer the units in favour of the Nominee.

Nomination facility

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

TRANSMISSION

If Units are held in a single name by the Unitholder, Units shall be transmitted in favour of the nominee where the Unitholder has appointed a nominee upon production of death certificate or any other documents to the satisfaction of the AMC / Registrar.

If the Unitholder has not appointed a nominee or in the case where the nominee dies before the Unitholder, the Units shall be transmitted in favour of or as otherwise directed by the Unitholder's personal representative(s) on production of the death certificate and / or any other documents to the satisfaction of the AMC / Registrar. If Units are held by more than one registered Unitholder, then, upon death of one of the Unitholders, the Units shall be transmitted in favour of the remaining Holder(s) (in the order in which the names appear in the register of Unitholders with the Registrar) on production of a death certificate and / or any other documents to the satisfaction of the AMC / Registrar and to the nominee only upon death of all the Unitholders. However, in case of joint holdings with a minor as the first holder, the units will be vested in the legal heirs of the minor and not to the joint holder(s), in the event of death of the minor.

Set out below is the list of the documents required for transmission under various situations:

a. Transmission to surviving unit holders in case of death of one or more unitholders:

- Letter from surviving unitholders to the Fund / AMC / RTA requesting for transmission of units,
- Death Certificate in original or photocopy duly notarized or attested by gazette officer or a bank manager,
- Bank Account Details of the new first unit holder as per specified format along with attestation by a bank branch manager or cancelled cheque bearing the account details and account holders name.
- KYC of the surviving unit holders, if not already available.

b. Transmission to registered nominee/s in case of death of Sole or All unit holders:

- Letter from claimant nominee/s to the Fund / AMC / RTA requesting for transmission of units,
- Death Certificate/s in original or photocopy duly notarized or attested by gazette officer or a bank manager,
- Bank Account Details of the new first unit holder as per specified format along with attestation by a bank branch manager or cancelled cheque bearing the account details and account holders name.

- KYC of the claimant/s,
 - If the transmission amount is Rs One Lakh or more:
 - Indemnity duly signed and executed by the nominee/s in the specified format.
- c. Transmission to claimant/s, where nominee is not registered, in case of death of Sole or All unit holders:**
- Letter from claimant/s to the Fund / AMC / RTA requesting for transmission of units,
 - Death Certificate/s in original or photocopy duly notarized or attested by gazette officer or a bank manager,
 - Bank Account Details of the new first unit holder as per specified format along with attestation by a bank branch manager or cancelled cheque bearing the account details and account holders name.
 - KYC of the claimant/s,
 - Indemnity Bond from legal heir/s as per specified format.
 - Individual affidavits from legal heir/s as per specified format
 - If the transmission amount is below Rs. One Lakh any appropriate document evidencing relationship of the claimant/s with the deceased unitholder/s.
 - If the transmission amount is Rs One Lakh or more any one of the documents mentioned below:
 - a. Notarised copy of Probated Will, or
 - b. Legal Heir Certificate or Succession Certificate or Claimant's Certificate issued by a competent court, or
 - c. Letter of Administration, in case of Intestate Succession.
- d. Transmission in case of HUF, due to death of Karta:** HUF, being a Hindu Undivided Family, the property of the family is managed by the Karta and HUF does not come to an end in the event of death of the Karta. In such a case, the members of the HUF will appoint the new Karta who needs to submit following documents for transmission:
- Letter Requesting for change of Karta,
 - Death Certificate in original or photocopy duly notarized or attested by gazette officer or a bank manager,
 - Duly certified Bank certificate stating that the signature and details of new Karta have been appended in the bank account
 - of the HUF as per specified format
 - KYC of the new Karta and KYC of HUF, if not already available.
 - Indemnity bond signed by all the surviving coparceners and new Karta as per specified format.
 - In case of no surviving co-parceners and the transmission amount is Rs One Lakh or more OR where there is an objection from any surviving members of the HUF, transmission shall be effected only on the basis of any of the following mandatory documents:
 - a. Notarized copy of Settlement Deed, or
 - b. Notarized copy of Deed of Partition, or
 - c. Notarized copy of Decree of the relevant competent Court
- e. Clarifications**
- It is clarified that PAN card copy or another proof of identity of claimant/s is not required separately if KYC acknowledgement issued by CVL is made available.
 - Where the units are to be transmitted to a claimant who is a minor, various documents like KYC, PAN, Bank details, indemnity should be of the guardian of the nominee.
- f. Additional risk mitigation measures:**

While the list of documents mentioned in sub-clauses a to d above shall be taken in all cases, the AMC/ the Registrar may seek additional documents if the amount involved in transmission exceeds Rs One Lakh on a case to case basis. The AMC/ the Registrar may also ask additional documents depending on circumstances of each cases.

MANDATORY REQUIREMENTS

FURNISHING BANK MANDATE AND PAN

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.

In accordance with Circular dated April 27, 2007 issued by the Securities and Exchange Board of India ("SEBI"), Permanent Account Number ("PAN") issued by the Income Tax authorities will be used as the sole identification number for all investors (existing and prospective) transacting in the securities market, including mutual funds, irrespective of the amount of transaction, with effect from July 02, 2007. SEBI vide its Circular dated June 25, 2007 had further clarified that until December 31, 2007, the existing and potential investors not having PAN, should apply for PAN immediately and applications for investment should be accompanied with the evidence of having applied for PAN. In view of the above, with effect from January 1, 2008 it is mandatory for all existing and prospective investors (including joint holders, guardians of minors, NRIs etc.) to enclose a verified copy of PAN proof along with the application for any transaction in the schemes of JM Financial Mutual Fund. The verification of the PAN from the original PAN card/ letter can be done by any of the following under his/her signature, rubber stamp and date

- any ARN holder if the PAN proof is self-attested by Investor
- Bank Manager,
- notary,
- officials of JM Financial Mutual/ Investor Service Centres of Karvy Computershare Pvt. Ltd.
- Investors transacting through approved Web Portals are also required to get their PAN verified by their Web Portals.

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

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

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

PREVENTION OF MONEY LAUNDERING

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

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

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

SPECIAL CASE:

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

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

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

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

KYC PROCESS

Pursuant to SEBI Circular No. MIRSD/ Cir-26/ 2011 dated December 23, 2011, SEBI (KYC Registration Agency) Regulations, 2011 and SEBI Circular No. MIRSD/SE/Cir-21/2011 dated October 5, 2011, in-order to implement uniform KYC norms and eliminate

duplication of KYC across SEBI registered intermediaries in the securities market, KYC registration is centralized through KYC Registration Agencies (KRA) registered with SEBI. Thus each investor has to undergo KYC process only once in the securities market and the details would be shared with other intermediaries.

- 1- New investors are requested to use the revised common KYC Application Form with specified documents as set out in the form and carry out the KYC process including In-Person Verification (IPV) with any SEBI registered intermediaries including mutual funds. The revised common KYC Application Forms are also available on our website www.jmfinancialmf.com.
- 2- The Mutual Fund shall perform the initial KYC of its new investors and may undertake enhanced KYC measures commensurate with the risk profile of its investors. The Mutual Fund shall upload the details of the investors on the system of the KYC Registration Agency (KRA). KRA shall send a letter to the investor within 10 working days of the receipt of the initial/updated KYC documents from the Mutual Fund, confirming the details thereof.
- 3- It is mandatory for intermediaries including mutual funds to carry out In-Person Verification (IPV) of its new investors from the Effective Date. The IPV carried out by any SEBI registered intermediary can be relied upon by the Mutual Fund. The AMC or NISM/AMFI certified distributors who are KYD compliant are authorized to undertake the IPV for Mutual Fund investors. Further, in case of any applications received directly (i.e. without being routed through the distributors) from the investors, the Mutual Fund may rely upon the IPV (on the KYC Application Form) performed by scheduled commercial banks.
- 4- Once the investor has done KYC as per the revised process with a SEBI registered intermediary, the investor need not undergo the same process again with another intermediary including mutual funds. However, the Mutual Fund reserves the right to carry out fresh KYC of the investor.
- 5- The AMC reserves the right to reject application forms for transactions in units of the Mutual Fund not accompanied by letter/ acknowledgement issued by KRA. The KYC compliance status will be validated with the records of the KRA before allotting units.
- 6- Existing KYC compliant investors of the Mutual Fund, who have completed the KYC process prior to January 01, 2012, can continue to invest as per the practice prevalent prior to the effective date. However it will not be applicable for investments in securities market. These investors, if they wish to deal with any SEBI registered intermediary other than mutual funds, will have to follow the new KYC procedure.

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

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

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

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

- Individual (including NRI / PIO) & Non Individual investors will have to produce Proof of identity, Proof of Address and other mandatory documents as set out in the KYC Application Form.

- NRIs/PIOs, in addition to the certified true copy of the passport will also be required to furnish certified true copy of the overseas address and permanent address. If any of the documents (including attestations/ certifications) towards proof of identity or address is in a foreign language, they have to be translated to English for submission. The documents can be attested, by the Consulate office or overseas branches of scheduled commercial banks registered in India. A PIO, in addition, will also be required to submit a certified true copy of the PIO Card.

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

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

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

An existing investor can inform the Mutual Fund to update the KYC Acknowledgement against all the folios/accounts held by him with the respective Mutual Fund. However, each of the holders in these folios/accounts should be KYC Compliant. Applications Forms / Transaction Slips not accompanied by KYC Acknowledgement / Confirmation letter are liable to be rejected by the Mutual Fund and no transactions, other than redemption, will be permitted. Investors are advised to complete KYC process through KRA at the earliest.

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

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

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

DISTRIBUTION OF INCOME

Dividend Option shall offer investors the facilities of : (a) Dividend Payout and (b) Dividend Reinvestment.

Under dividend reinvestment, dividends declared will be reinvested into the Plan / Scheme.

Dividends when declared shall be paid out or reinvested as per the choice indicated in the scheme's application form. An investor of record for the purpose of dividend is an investor who is a Unitholder as of the date when dividend is declared. The Mutual Fund reserves the right to introduce new investment options at a later date or to alter, modify or amend in any manner, any one or all of the existing options with the prior approval of the Trustee.

The Fund does not guarantee or assure declaration or payment of dividend. Although, the Trustee has the intention to declare dividend under the dividend options, such declaration of dividend, if any, is subject to the Scheme's performance and the availability of distributable surplus in the Scheme at the time of declaration of such dividend. Under the Growth option, the earnings will be retained and reflected in the NAV and not distributed.

Declaration of dividends will be subject to availability of distributable profits, as computed in accordance with SEBI (Mutual Funds) Regulations, 1996. All distribution of earnings will be out of distributable surplus and at the discretion of the Trustee. Such distribution may be by way of bonus units or by way of dividend.

Under the dividend option, dividends shall be declared at the discretion of the Trustee subject to the availability of distributable

surplus. Investors have the choice of dividend payout or dividend reinvestment. In case an investor fails to select his preference, he shall be deemed to have opted for the dividend reinvestment option. However, in case the dividend payable to any unitholder is below Rs. 100/- then the same will be automatically reinvested.

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

ISSUE OF BONUS UNITS

The Trustee may launch a “bonus” plan in a Scheme at a future date to issue bonus units to the unitholders. The bonus units would be issued to all Unitholders whose names appear in the register of members as on the record date fixed for the purpose. After the allotment of units, fresh account/transaction statements will be sent to all Unitholders.

TRANSFER

If units are gifted or in case of change of joint holding or otherwise when unit certificates are held, or if a unitholder wants to sell the units in the market, by operation of law or otherwise upon enforcement of a pledge/charge, then the Trustee / AMC shall effect the transfer, so long as the intended transferee is otherwise eligible to hold the units. The instrument of transfer used for transfer of the units (in case of unit certificates) shall be the same transfer instruments (Form 7B) used for company shares. Appropriate documentation for this may be obtained from the select JM ISCs.

It is expressly understood that the investor/unitholder is aware of the relevant statutes, tax related provisions etc. pertaining to transfer and he undertakes to abide by the same and shall pay all relevant applicable duties, tax, stamp duty cess, etc. The investor/unitholder should not make any transfer etc. contrary to the relevant statutes, tax related provisions etc.

For effecting the transfer, unitholders can request the Fund by writing to the Registrar along with the Account Statement/unit certificate, gift deed instrument and any other documents. The AMC shall on production of instrument of transfer together with relevant unit certificate(s), account statement, etc. register the transfer and return the unit certificate(s) / Account Statement to the transferee within 30 days from the date of such production.

PLEDGE OF UNITS

The Units of the Scheme under this Offer Document may be offered as security by way of a pledge in favour of scheduled banks, financial institutions, NBFC, or any other body approved by the AMC. The AMC and / or the Registrar will note and record such Pledged Units. However, disbursement of such loans will be entirely at the discretion of the bank/financial institution/NBFC/any other regulatory body concerned and the Fund / Trustee / AMC assumes no responsibility thereof. Appropriate documentation for this may be obtained from the select JM ISCs.

REJECTION OF APPLICATION AND REFUND OF APPLICATION MONEYS

The Trustee / AMC reserve the right to reject any application not in accordance with the terms of the Fund, without assigning any reason.

Refund in case of NFO: The AMC shall refund the application money to the applicants if the Mutual Fund fails to receive the minimum subscription amount sought to be raised under the Scheme or if the mutual fund receives monies in excess of the subscription amount sought to be retained by it. The refunds shall be dispatched within 5 business days of closure of subscription list.

In case an application is rejected, the application money received will be refunded to the applicant, within 5 business days of the date of closure of the NFO. No interest will be paid on application monies refunded.

In the event of failure to refund the amounts within the period specified above, the AMC shall be liable to pay interest to the applicants at a rate of fifteen per cent per annum.

Cases other than NFO: In case the purchase application is rejected, because of any reason, the AMC shall refund the application amount in terms of SEBI guidelines. In case of purchase/ switches 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.

WINDING UP

The Scheme may be wound up if: -

- i. There are changes in the capital markets, fiscal laws or legal system, or any other event or series of events occurs, which in the opinion of the Trustee, requires the Scheme to be wound up; or
- ii. Seventy five per cent of the Unitholders of the Scheme pass a resolution that the Scheme be; wound up;
- iii. SEBI directs the Scheme to be wound up in the interests of the Unitholders.

Where a Scheme is to be wound up upon happening of the events specified above, the Trustee shall give notice of the circumstances leading to the winding up of the Scheme:

- a) to SEBI; and
- b) in two daily newspapers having circulation all over India and also in a vernacular newspaper circulating at the place where the mutual fund is established.

In addition to above for JM Tax Gain Fund following provision will be applicable :

- I At the end of the 10th year of the date of allotment of units; or
- II. If ninety percent or more of the units under any series are repurchased before completion of ten years, the concerned Series, at the discretion of the Trustee, may be wound even before the stipulated period of ten years and redeem the outstanding units may be redeemed at the final repurchase price to be fixed by the Trustee.

PROCEDURE AND MANNER OF WINDING UP

- i. The Trustee shall call a meeting of the Unitholders to consider and pass necessary resolutions by simple majority of the Unitholders present and voting at the meeting for authorizing the Trustee or any other person to take steps for winding up the Scheme:

Provided that a meeting of the Unitholders shall not be necessary if the Scheme is wound up at the end of the maturity period of the Scheme.

- a) The Trustee or the person authorised as above, shall dispose of the assets of the Scheme concerned in the best interests of the Unitholders of the Scheme.
- b) The proceeds of the sale realized made in pursuance of the above, shall in the first instance be utilised towards discharge of such liabilities as are properly due under the Scheme and after making appropriate provision for meeting the expenses connected with such winding up, the balance shall be paid to the Unitholders in proportion to their respective interest in the assets of the Scheme as on the date when the decision for the winding up was taken.
- ii. On the completion of the winding up, the Trustee shall forward to SEBI and the Unitholders, a report on the winding up containing particulars such as circumstances leading to the winding up, the steps taken for disposal of assets of the fund before winding up, expenses of the fund for winding up, net assets available for distribution to the Unitholders and a certificate from the Auditors of the Fund.
- iii) Notwithstanding anything contained herein, the provisions of SEBI Regulations in respect of disclosures of half-yearly reports and annual reports shall continue to apply, until winding up is complete or the Scheme ceases to exist. After the receipt of report referred to above under "Procedure and Manner of Winding up" if SEBI is satisfied that all measures for winding up of the Scheme have been complied with, the Scheme shall cease to exist.

C. General Information

PROCEDURE FOR TAKING INVESTMENT DECISIONS

The investment policy of the AMC has been recommended for approval by the Investment Advisory Committee ("IAC") and approved by the Boards of the AMC and Trustee. The IAC is operational at the AMC level and has majority representation from the independent Directors. At the strategic level, the broad investment philosophy of the AMC and the authorized exposure limits are spelt out in the Investment Policy of the AMC.

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.

The performances of the schemes of the Mutual Fund are reviewed by the Investment Advisory Committee as well as the Boards of the AMC and Trustee Company periodically. Monthly reports on the performance of the schemes with appropriate benchmark indices and performance of peers, are also sent to the Directors of the AMC and Trustee Company. 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.

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 compliance of the relevant guidelines of SEBI, in this regard.

BORROWING BY THE MUTUAL FUND

Under the SEBI Regulations, the Fund is allowed to borrow to meet temporary liquidity requirements of its Scheme for the purpose of repurchase or redemption of Units or the payment of interest or dividend to the Unitholders. Further, as per the SEBI Regulations, the Mutual Fund shall not borrow more than 20% of the Net Assets of the respective plans/ Scheme and the duration of such borrowing shall not exceed a period of six months. The limit of 20% may be revised by the Fund to the extent permitted under the Regulations

The Fund may raise such borrowings, after approval by the Trustee, from the Sponsor or any of its associate / group companies or banks in India or any other entity, at market related rates prevailing at the time and applicable to similar borrowings. The security for such borrowings, if required, will be as determined by the Trustee. Such borrowings, if raised, may result in a cost, which would be dealt with in consultation with the Trustee and included in the annual recurring charges charged to the scheme.

DISCLOSURES TO THE INVESTORS

The Trustee shall make such disclosures to the investors as are essential in order to keep them informed about any information which may have an adverse bearing on their investments.

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 Schemes as the timing of such repurchase may impact the ability of other unit holders 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 and in accordance with SEBI Circular no. SEBI/IMD/ CIR No. 10/22701/03 dated December 12, 2003 regarding minimum number of investors in the Scheme/ Plan.

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 assets of the Mutual Fund.

INTER SCHEME TRANSFER

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.

STOCK LENDING

In case the Scheme undertakes stock lending under the Regulations, the Scheme 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 will have 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.

MAILING OF ANNUAL REPORT OR ABRIDGED SUMMARY

Pursuant to SEBI Circular No. Cir/ IMD/ DF/ 16/ 2011 dated September 8, 2011, the following provision with respect to sending annual report of scheme(s) of the Mutual Fund or abridged annual report will be applicable.

The scheme wise annual report or an abridged summary hereinafter shall be sent by the AMC as under:

(i) by email to the unitholders whose e-mail address is available with the AMC

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

The physical copy of the schemewise annual report or abridged summary shall be made available to the investors at the registered office of the AMC. A link of the scheme annual report or abridged summary shall be displayed prominently on the website of the Mutual Fund.

PORTFOLIO DISCLOSURE

The Fund shall disclose the full portfolio of the Plans / Scheme for the respective Unitholders before the expiry of one month from the close of each half year (i.e. 31st March and 30th September) in the prescribed format as per SEBI circular MFD/ CIR/9/120/ 2000 dated 24th November 2000, in one national English daily newspaper and in a newspaper in the language of the region where the Head Office of the Fund is situated or send a copy to all the Unitholders.

MOBILE / E-MAIL COMMUNICATION

Unitholders can obtain financial and non-financial information about their transactions eg. sale, purchase, dividend declarations, etc. through "SMS Alerts." This facility is offered free of cost to all unitholders whose mobile numbers are registered with Fund / who register themselves for the facility by writing to the Registrar and Transfer Agent, mentioning their folio numbers and mobile numbers. Account Statements / Annual Reports, etc. can be sent to each Unit holder by courier / post / e-mail. . 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 Asset Management Company ("AMC") reserves the right to use such e-mail ID as a default mode of communication to the investor including despatching Abridged Annual Reports and sending of account statements 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. Unit holders who have provided the email id will be required to download and print the documents after receiving e-mail from the Mutual Fund. Should the Unit holder experience any difficulty in accessing the electronically delivered documents / SMS alerts, the Unit holder shall promptly advise the Mutual Fund to enable the Mutual Fund to make the delivery through alternate means. In case of non-receipt of any such intimation of difficulty within 24 hours from receiving the e-mail / SMS alert, it will be regarded as receipt of e-mail / SMS alert by the Unit holder. It is deemed that the Unit holder is aware of all security risks including possible third party interception of SMS alert / e-mail and contents of the SMS alerts / documents becoming known to third parties. The monthly / quarterly factsheets shall be displayed at the website of the Mutual Fund. The Unit holders can request for a copy of the Newsletter/Fact Sheet by post / e-mail. The AMC would arrange to dispatch these documents to the Unit holder concerned. Also refer para on 'Mailing of Annual Report or Abridged Summary' and 'Statement of Accounts/ Consolidated Account Statement (CAS)', appearing in this document.

UNCLAIMED REDEMPTION / DIVIDEND AMOUNT

The unclaimed Redemption amount and dividend amounts may be deployed by the Fund in call money market or money market instruments only and the investors who claim these amounts during a period of three years from the due date shall be paid at the prevailing NAV. After a period of three years, this amount will be transferred to a pool account and the investors can claim the amount at NAV of the pool account prevailing at the end of the third year. The income earned on such funds will be used for the purpose of investor education. The AMC will make a continuous effort to remind the investors through letters to take their unclaimed amounts. The details of such unclaimed redemption/dividend amounts, if any, are being disclosed in the Abridged schemewise Annual Report sent to the unitholders. Further, the investment management fee charged by the AMC for managing unclaimed amounts shall not exceed 50 basis points.

ALLOTMENT

Allotment will be done within 5 business days from date of closure of subscription period during New Fund Offer. Account Statement/ Allotment advice/ refund warrants (if any) will be mailed within 5 business days from the date of closure of the subscription list.

Allotment is assured to all applicants provided the applications are received during business hours (and the cheque accompanying the application form is realized), are complete in all respects and in order. An offer to purchase units is not binding on, and may be rejected by AMC, until it has been confirmed through an Account/Transaction Statement and payment has been received. The Unitholder will be assigned an account number where the number of units allotted to a unitholder or repurchased by a unitholder will be reflected and a statement/advice to this effect will be issued to the unitholder. An Account or Transaction Statement reflecting the unit balance of the unitholder will be mailed to the unitholder by ordinary post, after every financial transaction is effected. In the interest of investors, the Mutual Fund shall provide Account Statements to those unit holders who have not transacted during the last six months prior to the date of generation of account statements. The account statements in such cases will be generated and issued along with the Portfolio Statement or Annual Report of the scheme. The account statement will reflect the latest closing balance and value of the units prior to the date of generation of the account statement. Further, soft copy of the account statements shall be mailed to the investors' e-mail address, instead of physical statement, if so

mandated. The Account Statement is a computer generated statement and is a non-transferable document which will indicate the details of transactions under the scheme.

UNIT CERTIFICATE

Normally no unit certificates will be issued under the Scheme. However, if the unitholder so desires, the AMC shall issue a unit certificate to the unitholder within 6 weeks of the receipt of request for the certificate. The incidental cost of stamp duty paid for issuing the unit certificate may be recovered from the unitholder or may be charged to the Scheme as per annual recurring expenses.

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, has been 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 in 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.

STATEMENT OF ACCOUNTS/ 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.

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

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

In case of investment through New Fund offers ("NFOs"), investors will receive the allotment confirmation from the AMC within the stipulated time.

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

Deduction of transaction charges for investments through distributors/agents:

Vide SEBI Circular No. Cir/ IMD/ DF/13/ 2011 dated August 22, 2011, it 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, JM Financial Asset Management Pvt. Ltd. (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:

- (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), etc.
- (c) purchases/ subscriptions made directly with the Fund (i.e. not through any distributor/agent).
- (d) Transactions, wherein the concerned distributor has not opted-in for transaction charges.
- (e) Transactions done through Stock Exchange platform.

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

REDEMPTION/SWITCH OUT OF UNITS

Minimum redemption from existing Unit Accounts would be Rs. 500 or 50 units. Any redemption in excess thereof may be in multiples of any amount/ fraction of units, subject to keeping minimum balance of 500 units or Rs. 5000/- whichever is less.

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 (whichever is less) while processing redemption/switch requests, the entire outstanding units will be redeemed, at the discretion of AMC.

A Unitholder has the option to request for redemption either in Rupees or in number of Units. If the redemption request indicates both amount in Rupees and number of Units, the lower of the two values will be considered. Where a Rupee amount is specified or deemed to be specified for redemption, the number of Units redeemed will be the amount redeemed divided by the redemption price. Alternatively, a Unitholder can request closure of his account, in which case the entire unit balance lying to the credit of his account will be redeemed.

The Fund reserves the right to redeem the entire amount lying to the credit of the Unitholder’s account if:

- after redemption, the amount lying to the credit of the Unitholder’s account falls below the minimum balance as above; or
- the redemption request amount exceeds the balance lying to the credit of the Unitholder.

The number of Units so redeemed will be subtracted from the Unitholder’s account and a statement to this effect will normally be dispatched within three Business Days from the date on which the redemption request is effected.

If an investor has purchased Units on more than one business day, the Units purchased prior in time (i.e. those Units which have been held for the longest period of time), will be deemed to have been redeemed first, i.e. on first in first out basis. 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.

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

Further, all switch funding shall be in line with redemption funding timelines adopted by the concerned scheme i.e. if a scheme follows T+3 payout for redemption, the switch out funding will also be made on T+3 and not earlier or later than T+3, where T

is the day of transaction.

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

A. Units held in Physical form

a. For All schemes (other than JM Arbitrage Advantage Fund/JM Interval Fund)

The investors holding units in physical form may submit their redemption/ switch requests duly signed by all the holders (as per the mode of holding) at any of the Investor Service Centers (ISC) of Registrar & Transfer Agent M/s Karvy Computershare Pvt Ltd or JM Financial Asset Management Private Limited latest by 3.00 pm on any business day. Such cases will be eligible for NAV of the business day on which the redemption requests are time-stamped upto the cut-off time at the ISC for all schemes other than liquid schemes. NAV of the calendar day prior to next business day would be applied for redemption cases under Liquid Schemes if transactions are time-stamped upto the cut-off time.

b. For JM Arbitrage Fund :

The investors may submit their redemption/ switch requests on any business day. These redemption/ switch requests will be kept in abeyance. All valid redemption/switch requests received upto 3.00 pm on or before the Friday preceding the Settlement Day (Interval Date) of the future & option market which is normally the last Thursday of the month, will be processed on the Interval Date.

c. For JM Interval Fund

The investors may submit their redemption/ switch requests during the Stipulated Transaction Period i.e. 2 business days prior to the Interval Date and upto 3.00 pm on the Interval Date. The interval date is the 91st day from the last interval date.

B. Units held in Dematerialised (Demat) form

a. 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 the Fortnightly/ Monthly Transaction Statement.

b. JM Interval Fund:

As the window for redemption in JM Interval Fund is open for only 3 business days during the Stipulated Transaction Period, the

investors holding units in Demat form may take following steps:

- i. Get the Units rematerialized into physical mode by applying to their respective DPs, well in time as the process for re-matting takes 10-15 business days.
- ii. In the event, the investors have not applied for re-materialisation, they may take following steps:
 - a. apply for redemption on or before the start of Stipulated Transaction Period (STP) in the manner as mentioned above.
 - b. Contact the Relationship Manager/Staff of the AMC and submit a physical redemption request during the STP for time-stamping in addition to taking the steps as at (a) above and follow up with the DP and the AMC.

c. Switch transactions for Demat Holders

Switch transactions from one scheme/plan to another scheme/ plan is not permitted for investors holding the units in Demat. Investors desirous of switching their units need to follow the procedure of rematerialisation of their demat holdings and after that they may apply for switch through physical mode.

REDEMPTION/MATURITY PAYMENTS

All redemption payments would be in favour of the Unitholder's registered name with bank mandate wherever applicable. The Fund will endeavour to dispatch the redemption cheque/draft within 10 Business Days from the date of receipt of valid form for redemption. In case the bank mandate given by the unitholder corresponds with banks with which the Fund / AMC has tie-up facilities / arrangements, the redemption amount will be automatically credited to the unitholder's bank account unless the unitholder has given some other specific payment instructions.

The Redemption Price may be published in a daily newspaper either through an advertisement or by way of a press release on a daily basis. It will be available, however, at the office of the AMC on all business days.

SUSPENSION OF PURCHASE, REDEMPTION AND SWITCHING OF UNITS

Repurchase and redemption of Units in any or all the schemes may be suspended temporarily or indefinitely when any of the following conditions exist:

- i. BSE/NSE stops functioning or trading is restricted;
- ii. Period of extreme volatility in the stock market, which in the opinion of the AMC is prejudicial to the interest of the Unitholders;
- iii. A complete breakdown or dislocation of business in the major financial markets or breakdown in the means of communication used for the valuation of investments in the Scheme, without which the value of the securities held in the Scheme cannot be accurately calculated;
- iv. In the event of any force majeure or disaster that affects the normal functioning of the AMC or the ISC;
- v. Declaration of war or occurrence of insurrection, civil commotion or any other source or sustained financial political or industrial emergency or disturbance;
- vi. SEBI / any other regulatory/ Judicial authority by order so permits; or
- vii. On a requisition made by three-fourths of the Unitholders.
- viii. Any other such reason as decided by the AMC/ Trustee in order to protect the interest of existing investors.

The AMC reserves the right in its sole discretion to withdraw the facility of repurchase of Units temporarily or indefinitely, if the AMC, views that changing the size of the corpus further may prove detrimental to the existing Unitholders of the Scheme.

However, the suspension of repurchase/ switch either temporarily or indefinitely will be made applicable only after approval of the Boards of the AMC and Trustee. The approval from the Boards of the AMC and Trustee giving details of circumstances and justification for the proposed suspension will also be informed to SEBI in advance. An offer to purchase units is not binding on and may be rejected by AMC, unless it has been confirmed in writing by AMC, and payment has been received.

The AMC may restrict or refuse an application for investments if it perceives that the same may have a potentially detrimental effect to the interests of the Scheme, in particular a pattern of investments that may coincide with the market timing strategy that may be detrimental to the Scheme.

POSSIBLE DEFERRAL OF REDEMPTION/REPURCHASE REQUESTS

The Fund will endeavour to ensure that the Scheme has sufficient liquidity to enable the repurchase cheques to be collected/

dispatched within the deadline stated in the foregoing clause. However where the Scheme is obliged to arrange for the disposal of the underlying securities/ borrow, in order to satisfy redemption/repurchase requests, unitholders may experience some delays in receiving repurchase cheques, reflecting the time involved in settling the underlying sales of securities/borrowing. However the Fund will ensure that the collection/dispatch of repurchase cheques is not delayed beyond ten business days (when the Fund is open for business) from the date of receipt of the repurchase request in accordance with Regulation 53(b) of the Regulations.

AMOUNT SET-OFF

The AMC reserves the right to debit / set-off dividend amounts, redemption amounts or any other amounts payable under the Scheme against redemption proceeds which have been paid by the Fund / AMC in lieu of units created without realization of the subscription amounts and/or against any excess payments made to such investor under the Scheme or under any other scheme of the Fund managed by the AMC in the same folio or any other folio in the Fund. In case of redemption amounts/ excess payments made by cheques and/or by way of direct credit or by any payment instrument/mechanism, the set-off would be done by the AMC / Fund whether the cheques have been encashed or not.

Further to the provisions of Section 138 of the Negotiable Instruments Act, 1881, where a cheque/payment instrument drawn and given to the Fund by an unitholder / investor towards subscription amounts under this Scheme or under any other scheme of the Fund is returned by the bank unpaid and units are created without the realization of the subscription amounts, the AMC / Fund shall reserve the right to debit / set-off dividend amounts, redemption amounts or any other amounts payable under the Scheme or under any Scheme of the Fund managed by the AMC in the same folio or any other folio in the Fund, in lieu of the loss suffered by the AMC/ the Fund due to interest paid on borrowed funds / excess withdrawal of the amount and the resultant difference in NAV arising out of reversal of units so created due to non-realization of the subscription cheque/ payment instrument.

In addition to the above and further to the provisions of Section 138 of the Negotiable Instruments Act, 1881, where a cheque/ payment instrument drawn and given to the Fund by an unitholder / investor towards subscription amounts under this Scheme or under any other scheme of the Fund is returned by the bank unpaid and units are created without the realization of the subscription amounts, the AMC / Fund shall reserve the right to debit / set-off brokerage amounts, incentive amounts or any other amounts payable under the Scheme or under any Scheme of the Fund managed by the AMC in the same folio or any other folio in the Fund to the broker / distributor who has mobilized the subscription of such defaulting unitholder / investor, in lieu of the loss suffered by it due to interest paid on borrowed funds / excess withdrawal of the amount and the resultant difference in NAV arising out of reversal of units so created due to non-realization of the subscription cheque.

ALL THE FOREGOING IS WITHOUT PREJUDICE TO THE LEGAL RIGHTS AVAILABLE TO THE AMC/FUND UNDER THE NEGOTIABLE INSTRUMENTS ACT, 1881 AND ANY OTHER STATUTORY ENACTMENT IN FORCE FROM TIME TO TIME.

CLOSURE OF UNITHOLDER'S ACCOUNT

The AMC at its sole discretion may close a unitholder's account if the value of units (represented by the units in the unitholder's account if such repurchase were to take place, valued at the applicable NAV related price) of any part of repurchase and/or Systematic Withdrawal/Switch Plan, falls below the minimum investment/balance required for each scheme (or such other amount as the AMC may decide from time to time) or where the units are not held by a unitholder in terms of SEBI guidelines.

INVESTOR SERVICING

Response Time

Following will be the response time for the Fund with regard to various investor services, provided the Unitholder furnishes the Fund with all the required correct and complete supporting legal documents.

Initial Offer Activity	Response Time
Mailing/Despatch of Account Statement/ Allotment Advice/ Communication through SMS/ E-mail.	Within 5 business days from date of closure of subscription list.
Ongoing Activity	From date of receipt of request
Despatch of Account Statement. Communication through SMS/ E-mail.	The Fund will endeavour to sent confirmation specifying the number of units allotted within 5 business days.

Consolidated Account Statement detailing transactions taken place during the month	10th of the succeeding month.
Redemption proceeds	The Fund will endeavour to dispatch the redemption cheque / draft within 10 business days from the date on which the redemption transaction is effected.
Address change for Non-KYC cases.	Within 10 business days
Ownership Transfer/Transmission	Within 30 business days

These response times will be effective from the date of receipt of documents, complete in all respects at the office of the Registrar and Transfer Agents.

The Fund will strive to provide quality services to its investors by:

1. extensively using technological tools in rendering unitholder service i.e. The Fund will endeavour to send the Account Statements (on account of financial and/or non-financial transactions) e.g., allotment of units in lieu of distribution of periodic dividend, besides periodic information etc. by way of e-mail, which is speedier. Other financial transactions (subscription of units) may also be conveyed to the unitholders by way of e-mail, wherever requested, subject to such safeguards the Fund may deem necessary.
2. providing unitholder service through its centers. Unitholders' enquiries and transactions during business hours will be entertained at the AMC's centres. Unitholders/investors can also write/e-mail/contact them at the AMC's Corporate Office at Mumbai. The AMC already has its service centres at various locations to handle unitholder enquiries and transactions, besides providing a high degree of convenience to the unitholders.
3. making available an Investor Relations personnel of the AMC on any business day between normal official hours of the AMC for personal meeting with any unitholder, to attend to any query related to investment needs of a unitholder, resolve any unitholder service related queries through the Registrar and to provide such other services that the unitholder desires.

SIGNATURE VERIFICATION/ INDEMNITY

The AMC may insist on signature verification by a bank manager or a notary public or a magistrate or any other party acceptable to the Fund, in the following transactions :

- Redemption of Rs.10,000,000/- or more from an individual/joint holder account
- If the redemption cheque is payable to other than the unitholder, the sponsor or its affiliates/associates.
- To make a dividend sweep from a folio/account with joint holders to a folio/account with only one holder or different joint holders.
- To change ownership of a folio/account.
- To change bank account information designated under an existing plan
- To have a redemption cheque mailed to an address other than the addresses on the folio/account or to the address on the folio/account if it has been changed within the preceding month
- To switch among folios with different ownership
- To change or introduce nomination/appointment of beneficiary, if the ownership of the folio/account has been changed within the preceding month.

ASSOCIATE TRANSACTIONS

Brokerage paid to associates/related parties/group companies of sponsor/AMC

Period - April 2011 to March 2012

Name of associate/related parties/group companies of sponsor/AMC	Nature of Association/ Nature of Relation	Value of Transaction (Rs. in cr. & % of total value of transaction of the fund)		Brokerage (Rs. in cr. & % of total brokerage paid by the fund)	
		Amount (In. Cr.)	%	Amount (In. Cr.)	%
JM Financial Institutional Securities Private Limited	Associate	105.42	1.22	0.12	4.64
JM Financial Services Private Limited	Associate	9,804.91	8.64	0.66	8.88

Period - April 2010 to March 2011

Name of associate/related parties/group companies of sponsor/AMC	Nature of Association/ Nature of Relation	Value of Transaction (Rs. in cr. & % of total value of transaction of the fund)		Brokerage (Rs. in cr. & % of total brokerage paid by the fund)	
		Amount (In. Cr.)	%	Amount (In. Cr.)	%
JM Financial Institutional Securities Private Limited	Associate	294.30	1.65	0.44	5.87
JM Financial Services Private Limited	Associate	164.77	0.92	0.03	0.46

Period - April 2009 to March 2010

Name of associate/related parties/group companies of sponsor/AMC	Nature of Association/ Nature of Relation	Value of Transaction (Rs. in cr. & % of total value of transaction of the fund)		Brokerage (Rs. in cr. & % of total brokerage paid by the fund)	
		Amount (In. Cr.)	%	Amount (In. Cr.)	%
JM Financial Institutional Securities Private Limited	Associate	912.65	2.60	1.42	8.89
JM Financial Securities Private Limited	Associate	4.96	0.01	-	-
JM Financial Services Private Limited	Associate	918.20	2.61	0.29	1.81

0.00* represents amount less than Rs.100,000/- wherever applicable, 0.00** represent % less than 0.01% wherever applicable

The above transactions have been executed and completed during normal course of business of JM Financial Mutual Fund. These transactions have not impacted the performance of the schemes other than the normal market related impact.

Subscription in issues lead managed by associate companies

Bank of India	Binani Zinc Limited
Corporation Bank	Escorts Financial Services Limited
Essar Oil Limited	Fortis Financial Services Limited
GIC Housing Finance Limited	Hindustan Petroleum Corporation Limited
ICICI Banking Corporation Limited	IDBI
L & T (Bond Issue)	Rajinder Pipes Limited
Shriyam Securities & Finance Limited	Simbhaoli Securities & Finance Limited
Suashish Diamond Limited	The Sandesh Limited

Cadilla Healthcare Ltd	PNB Gilts Ltd
Hughes Software Ltd	HCL Technologies Ltd
Aztec Software Technology Services Ltd.	Balaji Telefilms Ltd
Indian Oil Corporation	Steel Authority of India Ltd.
Bharti Televentures Ltd.	Maruti Udyog Ltd.
UCO Bank	Vijaya Bank
Indraprastha Gas	T.V. Today Network Ltd.
IPCL	ONGC
NDTV	Tata Consultancy Services Ltd.
Punjab National Bank	Shingar Cinema
Shoppers Stop	IDFC
Bank of Baroda	Suzlon Energy
GVK Power & Infrastructure Limited	Entertainment Networks (India) Limited
Reliance Petroleum Limited	Development Credit Bank Limited
Parsvnath Developers Limited	Idea Cellular Limited
MindTree Consulting Limited	Global Broadcast News Limited
Apollo Tyres Ltd.	Omaxe Ltd.
Koutons Retail India Ltd.	Mudra Port & Special Economic Zone Ltd.
Edelweiss Capital Limited	Adani Power Ltd.
Housing Development Finance Limited	ILFS Transportation Networks Ltd.
Oil India Limited	Pipapav Shipyard Limited
Rural Electrification Corporation Ltd.	Nitesh Estate Ltd.
Satluj Jal Vidhyut Nigam	Standard Chartered Bank PLC - IDR
Dewan Housing Finance Corporation	Claris Lifesciences Ltd.
Dhanlakshmi Bank	Power Finance Corporation Limited.
L&T Finance Holding Limited	Tree House Education and Accessories Limited

JM Financial Consultants Pvt. Ltd. (earlier known as JM Morgan Stanley Private Limited), as an advisor to the New Fund Offer for JM Emerging Leaders Fund, was paid a fixed fee of Rs. 20 Lacs and additional performance fee of 0.40% of the amount mobilized for executing the transaction.

JM Financial Mutual Fund has made the following investments in Companies which hold/ have held units in excess of 5% of the net assets of any schemes of JM Financial Mutual Fund.

Name Of Company (Investor)	Scheme in which Investment is made by the company	Scheme in which Investment is made by the company	Aggregate investment by scheme in securities of the company during the specified period (Rs. in lakhs)	Aggregate Investment Outstanding as on 31st May, 2012. At Mkt value (Rs. in Lakhs)
Bank Of Baroda	JM High Liquidity Fund	JM High Liquidity Fund	17,170.94	4,973.00
		JM Financial Services Fund	136.25	-
		JM Arbitrage Advantage Fund	95.06	-
		JM Emerging Leaders Fund	300.71	-
		JM Equity Fund	544.99	-
		JM Money Manager Fund-Super Plan	2,433.98	2,487.25
		JM Money Manager Fund-Super Plus Plan	4,939.89	-
		JM Tax Gain Fund	150.46	114.54
		JM Multistrategy Fund	2,395.49	1,023.72
Hindalco Industries Limited	JM Floater Fund - Short Term Plan	JM Core 11 Fund	404.30	463.68
		JM High Liquidity Fund	9,837.74	-
		JM Arbitrage Advantage Fund	74.50	74.66
		JM Emerging Leaders Fund	250.76	-
		JM Equity Fund	220.92	94.94
		JM Tax Gain Fund	29.97	-
		JM Multistrategy Fund	2,351.76	490.40
		JM Nifty Plus Fund	10.17	-
Larsen & Toubro Ltd.	JM Money Manager Fund-Super Plus Plan	JM Basic Fund	529.65	1,471.28
		JM Core 11 Fund	567.85	482.58
		JM Arbitrage Advantage Fund	48.97	-
		JM Balanced Fund	19.78	20.52
		JM Emerging Leaders Fund	501.19	-
		JM Equity Fund	232.61	225.84
		JM MIP Fund	27.48	24.51
		JM Tax Gain Fund	245.75	265.70
		JM Multistrategy Fund	1,239.09	1,516.57
		JM Nifty Plus Fund	0.36	-
Maruti Suzuki India Limited	JM High Liquidity Fund	JM Basic Fund	1,040.11	958.70
		JM Balanced Fund	32.42	35.76
		JM Equity Fund	150.38	56.59
		JM Tax Gain Fund	90.67	77.29
		JM Multistrategy Fund	845.05	478.81
		JM Nifty Plus Fund	1.18	-
State Bank of Bikaner & Jaipur (Subsidiary of State Bank of India)		JM High Liquidity Fund	105,391.68	9,990.57
		JM Floater Fund - Short Term Plan	2,509.92	2,494.75
		JM Income Fund	349.18	-
		JM Short Term Fund	10,029.05	2,485.69
		JM Money Manager Fund-Regular Plan	6,283.69	-

Name Of Company (Investor)	Scheme in which Investment is made by the company	Scheme in which Investment is made by the company	Aggregate investment by scheme in securities of the company during the specified period (Rs. in lakhs)	Aggregate Investment Outstanding as on 31st May, 2012. At Mkt value (Rs. in Lakhs)
		JM Money Manager Fund-Super Plan	21,874.57	-
		JM Money Manager Fund-Super Plus Plan	20,868.10	-
State Bank Of Hyderabad (Subsidiary of State Bank Of India)		JM High Liquidity Fund	24,598.07	2,442.69
		JM Money Manager Fund-Regular Plan	1,926.50	-
		JM Money Manager Fund-Super Plan	9,707.79	-
State Bank Of Patiala (Subsidiary of State Bank Of India)		JM High Liquidity Fund	49,438.65	9,943.01
		JM Floater Fund - Long Term Plan	98.27	-
		JM Money Manager Fund-Super Plan	3,435.81	2,481.98
		JM Money Manager Fund-Super Plus Plan	26,232.21	-
State Bank of Travancore (Subsidiary of State Bank Of India)		JM High Liquidity Fund	62,076.00	-
		JM Money Manager Fund-Regular Plan	4,941.16	-
		JM Money Manager Fund-Super Plan	4,954.08	-
		JM Money Manager Fund-Super Plus Plan	7,341.81	-
IDBI Home Finance Limited (Subsidiary of IDBI Bank Ltd)		JM High Liquidity Fund	4,441.05	-
		JM Money Manager Fund-Super Plus Plan	2,956.68	-
Shriram Transport Finance Co. Limited	JM Short Term Fund	JM Income Fund	220.71	65.96
	JM Floater Fund - Short Term Plan	JM MIP Fund	67.55	65.94
		JM Short Term Fund	408.37	-
State Bank Of Mysore (Subsidiary of State Bank of India)		JM High Liquidity Fund	45,727.16	7,478.65
		JM Floater Fund - Long Term Plan	24.86	-
		JM MIP Fund	24.27	-
		JM Short Term Fund	499.13	-
		JM Money Manager Fund-Regular Plan	319.92	-
		JM Money Manager Fund-Super Plan	9,626.33	-
		JM Money Manager Fund-Super Plus Plan	14,848.24	2,492.16
		JM Fixed Maturity Fund Series XIX-PLAN A	2,667.02	-
		JM Fixed Maturity Fund Series XIX-PLAN D	1.92	-
		JM Fixed Maturity Fund Series XX-PLAN C	49.23	-
Tata Steel Limited	JM High Liquidity Fund	JM Basic Fund	4,366.13	659.48

Name Of Company (Investor)	Scheme in which Investment is made by the company	Scheme in which Investment is made by the company	Aggregate investment by scheme in securities of the company during the specified period (Rs. in lakhs)	Aggregate Investment Outstanding as on 31st May, 2012. At Mkt value (Rs. in Lakhs)
		JM Core 11 Fund	2,624.27	465.71
		JM Agri & Infra Fund	747.35	-
		JM Financial Services Fund	49.33	-
		JM Telecom Fund	11.03	-
		JM Balanced Fund	31.68	-
		JM Contra Fund	1,109.93	-
		JM Equity Fund	309.87	99.70
		JM HI FI Fund	40.13	-
		JM Small & Mid-Cap Fund	119.55	-
		JM Money Manager Fund-Super Plus Plan	5,288.50	-
		JM Tax Gain Fund	319.80	-
		JM Multistrategy Fund	2,809.32	-
		JM Nifty Plus Fund	6.35	-
		JM Large Cap Fund	25.01	-
		JM Mid Cap Fund	21.76	-
L&T Finance Limited (Subsidiary of Larsen & Tou-bro Limited)		JM High Liquidity Fund	72,913.39	-
		JM Money Manager Fund-Super Plan	998.23	-
		JM Money Manager Fund-Super Plus Plan	9,952.63	-
L&T Infrastruc-ture Finance Company Limited (Subsidiary of Larsen & Tou-bro Limited)		JM High Liquidity Fund	17,370.59	-
			-	-
IDBI Limited	JM High Liquidity Fund	JM High Liquidity Fund	93,646.44	-
		JM Financial Services Fund	50.01	-
		JM HI FI Fund	50.03	-
		JM Interval Fund - Quarterly Plan 1	147.17	-
		JM Short Term Fund	2,895.79	-
		JM Money Manager Fund-Regular Plan	5,768.58	-
		JM Money Manager Fund-Super Plan	7,616.01	-
		JM Money Manager Fund-Super Plus Plan	31,731.78	5,483.08
		JM Fixed Maturity Fund Series XIX-Plan A	2,728.82	-
NABARD	JM High Liquidity Fund	JM High Liquidity Fund	19,954.72	-
Punjab Na-tional Bank	JM Money Man-ager Fund-Super Plus Plan	JM High Liquidity Fund	322,790.58	14,924.42
		JM Financial Services Fund	136.13	-
		JM Arbitrage Advantage Fund	180.27	-
		JM Balanced Fund	45.13	38.53

Name Of Company (Investor)	Scheme in which Investment is made by the company	Scheme in which Investment is made by the company	Aggregate investment by scheme in securities of the company during the specified period (Rs. in lakhs)	Aggregate Investment Outstanding as on 31st May, 2012. At Mkt value (Rs. in Lakhs)
		JM Equity Fund	722.17	164.75
		JM Floater Fund - Short Term Plan	1,448.49	-
		JM Interval Fund - Quarterly Plan 1	928.30	-
		JM Short Term Fund	14,381.53	-
		JM Money Manager Fund-Regular Plan	17,623.03	-
		JM Money Manager Fund-Super Plan	25,134.03	-
		JM Money Manager Fund-Super Plus Plan	92,733.77	12,441.10
		JM Nifty Plus Fund	0.99	-
		JM Fixed Maturity Fund Series XVIII - 15 Monthly Plan 1	468.94	-
		JM Fixed Maturity Fund Series XIX-PLAN A	2,728.82	-
Oriental Bank Of Commerce	JM Money Manager Fund-Super Plus Plan	JM High Liquidity Fund	167,343.06	4,975.24
		JM Floater Fund - Short Term Plan	2,447.00	-
		JM Money Manager Fund-Regular Plan	4,892.22	2,481.56
		JM Money Manager Fund-Super Plan	6,429.13	2,489.56
		JM Money Manager Fund-Super Plus Plan	16,703.59	-
		JM Fixed Maturity Fund Series XIX-PLAN C	1,819.26	-
State Bank Of India	JM High Liquidity Fund	JM Basic Fund	1,122.13	834.04
		JM High Liquidity Fund	63,335.85	-
		JM Financial Services Fund	281.32	-
		JM Telecom Fund	19.46	-
		JM Contra Fund	290.27	-
		JM Equity Fund	1,032.16	129.53
		JM Small & Mid-Cap Fund	79.87	-
		JM Money Manager Fund-Super Plan	5,874.88	-
		JM Money Manager Fund-Super Plus Plan	2,876.75	-
		JM Multistrategy Fund	3,223.75	586.80
		JM Nifty Plus Fund	4.49	-
		JM Large Cap Fund	25.06	-
		JM Mid Cap Fund	14.92	-
Export Import Bank Of India	JM Short Term Fund	JM High Liquidity Fund	37,257.52	-
		JM Interval Fund - Quarterly Plan 1	294.30	-
		JM Money Manager Fund-Super Plus Plan	5,927.93	-

Name Of Company (Investor)	Scheme in which Investment is made by the company	Scheme in which Investment is made by the company	Aggregate investment by scheme in securities of the company during the specified period (Rs. in lakhs)	Aggregate Investment Outstanding as on 31st May, 2012. At Mkt value (Rs. in Lakhs)
Sun Pharmaceuticals Limited	JM Short Term Fund	JM Balanced Fund	25.07	26.56
		JM Nifty Plus Fund	1.15	-
SBI Cards & Payment Services Limited (subsidiary of State Bank Of India)		JM High Liquidity Fund	20,871.34	-
		JM Money Manager Fund-Super Plus Plan	4,959.79	-
State Bank of Indore (subsidiary of State Bank Of India)		JM High Liquidity Fund	2,485.90	-
		JM Money Manager Fund-Super Plus Plan	2,480.06	-
SBI Global Factors Limited (Subsidiary of State Bank Of India)		JM High Liquidity Fund	83,181.45	-
		JM Short Term Fund	798.99	-
		JM Money Manager Fund-Regular Plan	2,496.84	-
		JM Money Manager Fund-Super Plan	5,696.58	-
		JM Money Manager Fund-Super Plus Plan	5,988.34	-
Mahindra & Mahindra Financial Services Limited (Subsidiary of Mahindra & Mahindra Limited)		JM Basic Fund	175.33	701.76
		JM Balanced Fund	24.96	23.97
		JM Tax Gain Fund	101.77	97.69
		JM Multistrategy Fund	498.79	644.59
PNB Housing Finance Limited (Subsidiary of Punjab National Bank)		JM High Liquidity Fund	7,449.49	-
			-	-
Asian Paints Limited	JM Money Manager Fund-Super Plus Plan	JM Basic Fund	752.50	549.95
		JM Contra Fund	258.68	-
		JM Equity Fund	188.13	118.52
		JM Small & Mid-Cap Fund	79.27	-
		JM Multistrategy Fund	1,607.79	427.49
Tata Power Company Limited	JM High Liquidity Fund	JM Mid Cap Fund	29.01	-
		JM Equity Fund	50.55	84.84
Shriram Equipment Finance Company Limited		JM Nifty Plus Fund	1.39	-
		JM Short Term Fund	988.27	-

Name Of Company (Investor)	Scheme in which Investment is made by the company	Scheme in which Investment is made by the company	Aggregate investment by scheme in securities of the company during the specified period (Rs. in lakhs)	Aggregate Investment Outstanding as on 31st May, 2012. At Mkt value (Rs. in Lakhs)
(Subsidiary of Shriram Transport Finance Company Limited)		JM Money Manager Fund-Super Plan	1,482.40	-
		JM Fixed Maturity Fund Series XIX-PLAN C	2,191.80	-
Mahindra & Mahindra Limited	JM Short Term Fund	JM Basic Fund	449.95	826.32
		JM Core 11 Fund	202.82	461.45
		JM Equity Fund	165.87	93.43
		JM Tax Gain Fund	190.49	172.61
		JM Multistrategy Fund	847.75	602.57
		JM Nifty Plus Fund	0.79	-
L&T Finance Holdings Limited (Subsidiary of Larsen & Toubro Limited)		JM Basic Fund	1,749.07	597.14
		JM Multistrategy Fund	90.31	71.93

Investments by the schemes in the above companies have been made to achieve the investment objectives of the relevant schemes and considering Long Term Prospects And/Or Yield On Investments. Derivative Positions and CBLO have not been considered for investment purpose.

Brokerage and incentive paid to associate companies towards procurement of subscription of Units:

Period - April 2011 to March 2012

Name of associate/related parties/ group companies of sponsor/AMC	Nature of Association/ Nature of Relation	Business given(Rs. in cr. & % of total Business received by the fund)		Commission paid (Rs. in cr. & % of total commission paid by the fund)	
		Amount (In. Cr.)	%	Amount (In. Cr.)	%
Web Trust co in (India) Pvt Ltd	Relative of an employee is a director of the distributor company	0.28	0.00**	0.00*	0.01
M. A. Lalith Kumar	The distributor is a relative of an employee	0.02	0.00**	0.00*	0.00**
Kavita Arun Ilkar	The distributor is an employee	0.00*	0.00**	-	-
Sharika Kher	The distributor is a relative of an employee	11.87	0.01	0.01	0.08

Period - April 2010 to March 2011

Name of associate/related parties/ group companies of sponsor/AMC	Nature of Association/ Nature of Relation	Business given(Rs. in cr. & % of total Business received by the fund)		Commission paid (Rs. in cr. & % of total commission paid by the fund)	
		Amount (In. Cr.)	%	Amount (In. Cr.)	%
JM Financial Services Private Limited	Associate	23,026.08	15.20	1.33	10.35
JM Financial Securities Private Limited	Associate	3,148.55	2.08	0.00*	0.01

Web Trust co in (India) Pvt Ltd	Relative of an employee is a director of the distributor company	2.80	0.00**	0.01	0.07
M. A. Lalith Kumar	The distributor is a relative of an employee	0.01	0.00**	0.00*	0.00**
KAVITA ARUN ILKAR	The distributor is employee	0.00*	0.00**	-	-

Period - April 2009 to March 2010

Name of associate/related parties/ group companies of sponsor/AMC	Nature of Association/Nature of Relation	Business given(Rs. in cr. & % of total Business received by the fund)		Commission paid (Rs. in cr. & % of total commission paid by the fund)	
		Amount (In. Cr.)	%	Amount (In. Cr.)	%
JM Financial Services Private Limited	Associate	16,934.45	14.15	1.33	6.64
JM Financial Securities Private Limited	Associate	1,041.74	0.87	0.00*	0.00
Web Trust co. in (India) Private Limited	Relative of an employee of the AMC is a director of the distributor company	0.46	0.00	0.00*	0.00
M. A. Lalith Kumar	The distributor is a relative of an employee of the AMC	0.03	0.00	0.00*	0.00

0.00* represents amount less than Rs.100,000/- wherever applicable

0.00 represent less than 0.01% wherever applicable**

Dealing with Associate Companies

The AMC may, from time to time, for the purpose of conducting its normal business, use the services (including Brokerage services and securities transactions) of the Sponsor, subsidiaries and associates of its Sponsor.

The AMC may utilise the services of Sponsor, group companies and any other subsidiary or associate company of the Sponsor established or to be established at a later date. The AMC will conduct its business with the aforesaid companies on commercial terms and on arms-length basis and at mutually agreed terms and conditions to the extent permitted under the SEBI Regulations, after evaluation of the competitiveness of the pricing offered by the Sponsor, associate companies and the services to be provided by them.

DOCUMENTS AVAILABLE FOR INSPECTION

The following documents will be available for inspection at the office of the Mutual Fund at 502, 5th Floor, 'A' Wing, Laxmi Towers, Bandra Kurla Complex, Mumbai - 400051. during business hours on any day (excluding Saturdays, Sundays and public holidays):

- Memorandum and Articles of Association of the AMC
- Investment Management Agreement
- Trust Deed and amendments thereto, if any
- Mutual Fund Registration Certificate
- Agreement between the Mutual Fund and the Custodian
- Agreement with Registrar and Share Transfer Agents
- Consent of Auditors to act in the said capacity
- Consent of Legal Advisors to act in the said capacity
- Securities and Exchange Board of India (Mutual Funds) Regulations, 1996 and amendments from time to time thereto.
- Indian Trusts Act, 1882.

INVESTOR COMPLAINTS REDRESSAL MECHANISM

Describe briefly the investors' complaints history for the last three fiscal years of existing schemes and the redressal mechanism thereof. The SAI should include data updated every two months on the number of complaints received, redressed and pending with the Mutual Fund.

The number of Complaints received from the Investors and redressed during 01.04.2010 to 31.05.2012.

Scheme	Received	Redressed	Pending
JM - Arbitrage Advantage Fund	40	40	0
JM - Housing, Infrastructure & Financial Services Fund	28	29	0
JM Agri & Infra Fund	591	594	1
JM Balanced Fund	20	20	0
JM Basic Fund	1351	1355	2
JM Contra Fund	455	458	0
JM Core 11 Fund - Series 1	317	318	0
JM Emerging Leaders Fund	341	344	2
JM Equity & Derivative Fund	4	4	0
JM Equity Fund	145	148	0
JM Equity Tax Saver Fund-Series-1	156	156	0
JM Financial Services Sector Fund	59	60	0
JM Fixed Maturity Fund Series XI 13 Months Plan 2	1	1	0
JM FIXED MATURITY FUND SERIES XI YEARLY PLAN	1	1	0
JM FIXED MATURITY FUND SERIES XIX PLAN A	3	3	0
JM FIXED MATURITY FUND SERIES XIX PLAN C	7	7	0
JM FIXED MATURITY FUND SERIES XIII 18 MONTHS PLAN1	1	1	0
JM FIXED MATURITY FUND SERIES XVIII 15 MONTHS PLAN 1	4	4	0
JM Floater Fund Long Term	5	5	0
JM Floater Fund Short Term Plan	8	8	0
JM G-Sec Fund (Regular Plan)	5	5	0
JM High Liquidity Fund	38	38	0
JM High Liquidity Fund - Premium Plan	1	1	0
JM Income Fund	20	20	0
JM Interval Fund - Quarterly Plan 1	1	1	0
JM Large Cap Fund	11	11	0
JM Mid Cap Fund	49	50	0
JM MIP Fund	22	22	0
JM Money Manager Fund	88	88	0
JM Multi Strategy Fund	242	241	2
JM Nifty Plus Fund	11	11	0
JM Short Term Fund	12	12	0
JM Small & Mid Cap Fund	133	134	0
JM Tax Gain Fund	206	206	0
JM Telecom Sector Fund	15	15	0
Total:	4391	4411	7

Notwithstanding anything contained in this Statement of Additional Information, the provisions of the SEBI (Mutual Funds) Regulations, 1996 and the guidelines thereunder shall be applicable.

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
- **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, Thiruvankatasamy 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.

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