SCHEME INFORMATION DOCUMENT (SID)

JM CORPORATE BOND FUND

(An open ended debt scheme predominantly investing in AA+ and above rated corporate bonds.
A relatively high interest rate risk and moderate credit risk.)

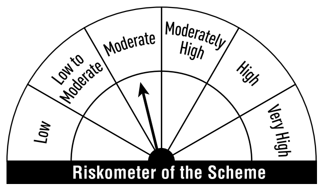
An offer for units @ Rs.10/- each during the New Fund Offer period and continuous offer for Units at NAV based prices thereafter.

This Product is suitable for investors who are seeking*

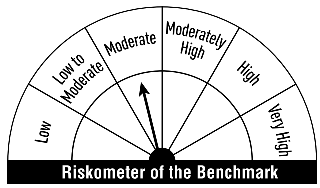
- Income over Short to Medium Term.
- To generate income / capital appreciation through investments predominantly in AA+ and above rated corporate bonds.

*Investors should consult their financial advisers if in doubt about whether the product is suitable for them. The product labelling assigned during the New Fund Offer is based on internal assessment of the Scheme Characteristics or model portfolio and the same may vary post NFO when actual investments are made

Riskometer



Investors understand that their principal will be at moderate risk



Investors understand that their principal will be at moderate risk

Potential Risk Class			
Credit Risk →	**Relatively Low (Class A)**	**Moderate (Class B)**	**Relatively High (Class C)**
Interest Rate Risk ↓			
Relatively Low (Class I)			
Moderate (Class II)			
Relatively High Class (Class III)		**B-III**	

New Fund Offer Opens	**New Fund Offer Closes**	**Scheme re-opens for continuous sale & repurchase not later than**
March 06, 2023	**March 20, 2023**	**April 04, 2023**

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

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

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

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

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

This Scheme Information Document is Dated February 20, 2023

NAME OF MUTUAL FUND:
JM Financial Mutual Fund

NAME OF ASSET MANAGEMENT COMPANY("AMC"):
JM Financial Asset Management Limited

Corporate Identity Number:
U65991MH1994PLC078879

NAME OF TRUSTEE COMPANY:
JM Financial Trustee Company Private Limited

Corporate Identity Number:
U65991MH1994PTC078880

ADDRESS AND WEBSITE OF THE AMC/ MF:
Corporate Office of the AMC
Office B, 8th Floor, Cnergy, Appasaheb Marathe Marg, Prabhadevi, Mumbai - 400025.
Tel. No. 022-6198 7777. Fax Nos. 022-6198 7704
Web site: http://www.JMFinancialmf.com
Email: investor@jmfl.com

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HIGHLIGHTS/SUMMARY OF THE SCHEME

Name of the Scheme	JM Corporate Bond Fund
Scheme code allocated by NSDL	JMFI/O/D/CBF/22/10/0015
Type of Scheme	An open ended debt scheme predominantly investing in AA+ and above rated corporate bonds. A relatively high interest rate risk and moderate credit risk.
Category of the Scheme	Corporate Bond Fund
Investment Objective	To generate income through investing predominantly in AA+ and above rated corporate bonds while maintaining the optimum balance of yield, safety and liquidity. Investors are required to read all the scheme related information set out in the offer documents carefully and also note that there can be no assurance that the investment objectives of the scheme will be realized. The scheme does not guarantee/ indicate any returns.
Liquidity	The Scheme will offer units for sale and repurchase at NAV based prices on all business days. Unitholders can subscribe to and get their units repurchased on all business days at NAV related prices (with exit load as mandated by AMC from time to time). As per SEBI Regulations, the Fund shall dispatch Redemption proceeds within 3 Business Days of receiving the valid Redemption request. A penal interest of 15% per annum or such other rate as may be prescribed by SEBI from time to time will be paid in case the redemption proceeds are not dispatched/remitted within 3 Business Days of the date of Redemption request. Please refer to section 'Redemption of units' for details.
Benchmark	CRISIL Corporate Bond Fund BIII Index. For further details on process of Benchmarking of Scheme, kindly refer to page no. 36
Transparency/NAV Disclosure	NAVs will be determined at the close of every business day and disclosed on the websites of the Fund/ AMFI. The AMC shall disclose the first NAV of the Scheme within 5 (five) Business Days from the date of allotment. The Fund shall disclose within ten days from the close of each month/half year (i.e. 31st March and 30th September), the complete statement of the Scheme's portfolio (alongwith ISIN) as on the last day of the month/half year for the Scheme on the websites of the Fund and AMFI in a user friendly and downloadable spreadsheet format. Please refer to section 'Periodic Disclosures' hereunder for further details
Loads	Entry Load: Not Applicable. Pursuant to SEBI circular no. SEBI/IMD/CIR No.4/168230/09 dated June 30, 2009, no entry load will be charged by the Scheme to the investor. Upfront commission shall be paid directly by the investor to the ARN Holder (AMFI registered Distributor) based on the investors' assessment of various factors including the service rendered by the ARN Holder. Exit Load: Nil. In respect of Systematic Transactions such as SIP, STP, SWP, Exit Load, if any, prevailing on the date of registration / enrolment shall be levied. The AMC reserves the right to modify / change the load structure on a prospective basis. For further details on load structure refer to the section 'Load and Transaction Charges' on Page no 93
Choice Of Investment Plans /Options	Please refer the point 'Investment Plan(s)/Option(s)' in this table.
Minimum Application Amount	Rs. 5000/- per Plan/Option and in multiples of any amount thereafter. Additional Investment Amount: Rs 1000/- and in multiples of any amount thereafter. However, there is no upper limit for investment. The minimum investment is applicable at the respective Plans/Options/ Sub-options level i.e. Growth, Income Distribution Cum Capital Withdrawal. The units will be allotted on the investment/switched-in amount after netting off the applicable Stamp Duty which is presently 0.005% of net investment amount.

Investment Plan(s)/ Option(s)

Currently available facilities							
Min. investment amount#	**Additional investment amount#**	**Plan**	**Options**	**Sub Options**	**Default Plan**	**Default Option**	**Default Sub Option**
Rs. 5000/- and in multiples of any amount thereafter	Rs. 1000/- and in multiples of any amount thereafter	Regular	Growth		Regular	Growth	
			Income Distribution Cum Capital Withdrawal	Reinvestment of Income Distribution Cum Capital Withdrawal/ Payout of Income Distribution Cum Capital Withdrawal[$$]			Reinvestment of Income Distribution Cum Capital Withdrawal
		(Direct)	Growth		(Direct)	Growth	
			Income Distribution Cum Capital Withdrawal	Reinvestment of Income Distribution Cum Capital Withdrawal/ Payout of Income Distribution Cum Capital Withdrawal[$$]			Reinvestment of Income Distribution Cum Capital Withdrawal

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

The investment will be treated as if made under "Direct Plan" if an Investor fails to mention the word "Regular" in the full Scheme name on the Transaction Slip and also does not mention the ARN Code of the Distributor &Employee Unique Identification Number (EUIN) of the employee/ relationship manager/ sales person of the distributor interacting with the investor clearly thereon. Similarly, the investment will be treated to have been made under "Direct" Plan if the word "Direct" is used in the Scheme name or elsewhere on the Transaction Slip indicating the intention of the Investor for investment under Direct Plan irrespective of the ARN Code of the Distributor or EUIN mentioned thereon.

Under the Income Distribution Cum Capital Withdrawal options set out above, the Trustees of the Fund reserve the right to declare Income Distribution Cum Capital Withdrawal in the respective Income Distribution Cum Capital Withdrawal option of the Scheme, subject to availability of distributable surplus. Payout of Income Distribution Cum Capital Withdrawal will be lower to the extent of statutory levies, as applicable.

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

The minimum investment/additional investment amount clause shall not be applicable in the case of investments by designated employees pursuant to SEBI Circular SEBI/HO/IMD/IMD-I/DOF5/P/CIR/2021/553 dated April 28, 2021 and circulars/clarifications issued thereunder. The above clause shall be read with all clause(s) related to minimum investment/additional investment amount mentioned elsewhere in this document.

The minimum investment is applicable at the respective Plans/Options/ Sub-options level i.e. Growth, Income Distribution Cum Capital Withdrawal etc. and will be at gross level taking into account permissible DD charges, stamp duty etc. as per the current practice.

ADDITIONAL PLANS

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

<table>
<tr><td>Default Option/ Sub-options</td><td>In case, the investor does not mention the name of the Plan/ Option/ Sub- option/or wherever there is an ambiguity in choice of Plan/ Option/ Sub-option opted for purchase/ switch application(s), the AMC/ Registrar may allot the units as per default Plans/ Options/ Sub- options mentioned elsewhere in this Document, if no clarification letter is provided by the investor by end of the day (EOD) on the transaction date.

However, in case of purchase application, the AMC/ Registrar at its discretion may allot the units based on the Plan/ Option/ Sub-option appearing on the payment instrument.

In case, an existing unit holder of a scheme makes an additional purchase in an existing folio held by him, where the scheme name is clearly mentioned but the name of the Plan/Option/Sub Option is not specified, the AMC may, at its discretion, allot units in the Plan/Option/Sub Option where he had made an investment in the past i.e. such Plan/Option/Sub Option of the Scheme will be treated as the Default Plan/Option/Sub Option, in the absence of specific instructions/ clarificatory letter/email from registered/acceptable id from the unit holder, received on the date of the additional investment. Such investment would be subject to the load structure and lock-in of the default Plan/Option.

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

Where units under a Scheme are held both in the Regular Plan(s) as well as the Surviving Plan and in the event of the investor not clearly mentioning the name of the Scheme/Plan/Option/ Sub-option/or wherever there is an ambiguity in choice of Scheme/Plan/Option/Sub-option opted for in the request for redemption/switch-out of all/specified amount/units, in the absence of clarificatory letter from the investor on the day of the transaction, the AMC/Registrar reserves the right to process the redemption/switch out request from the Regular Plan(s) or Surviving Plan if such redemption request can be processed in totality. In such case, the redemption will first be effected from the Regular Plan(s).</td></tr>
<tr><td>Default Plan</td><td>Following Default Plan will be applied wherever there is a need for the same.

In case of Direct Plan:
Investors subscribing under Direct Plan of the Scheme will have to indicate Direct Plan against the Scheme name in the application form/ transaction slip e.g. "JM Corporate Bond Fund (Direct)".

However, in the event of the Investor having failed to mention clearly, the following Default Plan will be captured for the investment under the scheme.

Treatment of applications under "Direct"/"Regular" Plan:
<table>
<tr><th>Scenario</th><th>Broker Code mentioned by the investor</th><th>Plan mentioned by the investor</th><th>Default Plan to be captured</th></tr>
<tr><td>1</td><td>Not mentioned</td><td>Not mentioned</td><td>Direct Plan</td></tr>
<tr><td>2</td><td>Not mentioned</td><td>Direct</td><td>Direct Plan</td></tr>
<tr><td>3</td><td>Not mentioned</td><td>Regular</td><td>Direct Plan</td></tr>
<tr><td>4</td><td>Mentioned</td><td>Direct</td><td>Direct Plan</td></tr>
<tr><td>5</td><td>Direct</td><td>Not mentioned</td><td>Direct Plan</td></tr>
<tr><td>6</td><td>Direct</td><td>Regular</td><td>Direct Plan</td></tr>
<tr><td>7</td><td>Mentioned</td><td>Regular</td><td>Regular Plan</td></tr>
<tr><td>8</td><td>Mentioned</td><td>Not Mentioned</td><td>Regular Plan</td></tr>
</table>
In cases of wrong/ invalid/ incomplete ARN codes mentioned on the application form, the application shall be processed under Regular Plan.

The AMC shall contact and obtain the correct ARN code within 30 calendar days of the receipt of the application form from the investor/ distributor. In case, the correct code is not received within 30 calendar days, the AMC shall reprocess the transaction under Direct Plan from the date of application without any exit load. Also, Employee Unique Identification No. (EUIN) remediation may be done by the distributor within the prescribed time frame i.e. within 30 calendar days of the transaction.</td></tr>
<tr><td>Minimum Redemption Amount</td><td>There is no minimum and maximum limit on the amount/units which can be redeemed/switched-out. The investor is free to redeem any or all units outstanding in his/her/their folio.</td></tr>
</table>

<table>
<tr><td>Asset Allocation Pattern</td><td>Under normal circumstances the Investment Pattern of the Scheme will be as follows.
<table>
<tr><th>Type of instrument</th><th>Minimum Allocation</th><th>Maximum Allocation</th><th>Risk profile</th></tr>
<tr><td>Corporate Bonds (AA+ and above rated)</td><td>80</td><td>100</td><td>Low to Medium</td></tr>
<tr><td>Government securities and Money Market Instruments (including units of mutual fund schemes)</td><td>0</td><td>20</td><td>Low</td></tr>
<tr><td>Units issued by REITs and InvITs</td><td>0</td><td>10</td><td>Medium to High</td></tr>
</table>
The scheme may invests in the units of mutual fund schemes in terms of SEBI (Mutual Funds) Regulations, 1996.
The Scheme may invest in debt instruments with special features and such investment will be made in accordance with SEBI Circular No. SEBI/HO/IMD/DF4/CIR/P/2021/032 dated March 10, 2021, as amended from time to time. In case of investments in debt securities with special features, the scheme will not invest more than 10% of its NAV of the debt portfolio in such instruments and not more than 5% of its NAV of the debt portfolio in such instruments issued by a single issuer.
The Scheme shall have exposure to corporate bonds with AA+ (or equivalent ratings) and above credit rating at least to the extent of 80% of the corpus of the Scheme.
The Scheme may also take exposure to:
Securitized debt up to 40% of the debt portfolio of the Scheme.
Derivatives up to 50% of the debt component.
The above limits shall be in line with the investment objective of the Scheme.
The Scheme intends to invest in debt instruments with structured obligations or credit enhancement. The investment in debt instruments with structured obligation or credit enhancement shall not exceed 10% of the debt portfolio of the scheme and the group exposure in such instruments shall not exceed 5% of the debt portfolio of the scheme.
The AMC may, from time to time, pending deployment of funds of the Scheme in securities in terms of the investment objective of the Scheme, invest the funds of the Scheme in short-term deposits of scheduled commercial banks subject to compliance with SEBI Circular SEBI/ IMD/CIR No.1/ 91171 /07 dated April 16,2007 as amended by SEBI Circular SEBI/ IMD/CIR No.7/129592/08 dated June 23, 2008, SEBI Circular No. SEBI/HO/IMD/DF4/CIR/P/2019/093 dated August 16, 2019 and SEBI Circular No. SEBI/HO/ IMD/DF2/ CIR/P/2019 /101 dated September 20, 2019.
In terms of SEBI Circular No. SEBI/HO/IMD/DF3/CIR/P/2020/229 dated November 06, 2020, all open ended debt schemes shall hold at least 10% of their net assets in liquid assets. For this purpose, 'liquid assets' shall include Cash, Government Securities, T-bills and Repo on Government Securities.
In case, the exposure in such liquid assets / securities falls below the threshold mandated above, the AMC shall ensure compliance with the above requirement before making any further investments. </td></tr>
<tr><td>Investment Strategy</td><td> The Scheme aims to generate income by predominantly investing in AA+ and above rated bonds.
The Scheme shall endeavor to develop a well – diversified portfolio of debt (including securitized debt) and other instruments. The Scheme may also invest in the schemes of Mutual Funds. The Scheme may also invest in the hybrid securities viz. units of REITS and INvITs for diversification and subject to necessary stipulations by SEBI from time to time.
Though every endeavor will be made to achieve the objective of the Scheme, the AMC/Sponsors/Trustee do not guarantee that the investment objective of the Scheme will be achieved. No guaranteed returns are being offered under the Scheme. </td></tr>
<tr><td>Income Distribution Cum Capital Withdrawal</td><td> Income Distribution Cum Capital Withdrawal shall be declared at the discretion of the Trustee subject to availability of distributable surplus as compiled in accordance with SEBI (MF) Regulations, 1996.
For further information on Income Distribution Cum Capital Withdrawal kindly refer to the para on Income Distribution Cum Capital Withdrawal under the head "Ongoing Offer" which appears later in this document. </td></tr>
<tr><td>Fund Managers</td><td> Primary Fund Manager - Mr. Gurvinder Singh Wasan
Secondary Fund Manager - Ms. Shalini Tibrewala </td></tr>
<tr><td>Tax benefits</td><td>Tax benefits to the unitholders under Section 112 of the I.T. Act.</td></tr>
<tr><td>Earnings of the fund</td><td>Earnings of the fund are exempt from Income Tax under Section 10(23D) of the I.T. Act.</td></tr>
<tr><td>Repatriation facility</td><td>NRIs and FPIs may invest in the Scheme on a full repatriation basis as per RBI notification no. FEMA 20/2000 dated May 3, 2000.</td></tr>
</table>

I. INTRODUCTION

A. RISK FACTORS

Standard Risk Factors:

- Mutual funds and securities investments are subject to market risks and there is no assurance or guarantee that the objectives of the Fund will be achieved.
- Investment in Mutual Fund Units involves investment risks such as trading volumes, settlement risk, liquidity risk, default risk including the possible loss of principal.
- As the price / value / interest rates of the securities in which the scheme invests fluctuates, the value of your investment in the scheme may go up or down.
- Past performance of the Sponsor/AMC/Mutual Fund does not guarantee future performance of the schemes.
- The name of the scheme does not in any manner indicate either the quality of the scheme or its future prospects and returns.
- The Sponsor is not responsible or liable for any loss resulting from the operation of the scheme beyond the initial contribution of 1 Lac made by it towards setting up the Fund.
- The schemes under this Scheme Information Document are not guaranteed or assured return schemes.

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

a. SCHEME SPECIFIC RISK FACTORS

Some of the specific risk factors related to the Scheme include, but are not limited to the following:

- Different types of fixed income securities in which the Scheme would invest as given in the Scheme Information Document carry different levels and types of risk. Investments in corporate debt carry a higher level of risk than investments in Government securities. Further, even among corporate debt, investment in AAA+ rated instruments are comparatively less risky than AA+ rated instruments. Accordingly, the Scheme risk may increase or decrease depending upon its investment pattern.
- Investments in Corporate Debt Securities are subject to the risk of an issuer's inability to meet interest and principal payments on its obligations and market perception of the creditworthiness of the issuer. Changes in financial conditions of an issuer, changes in economic and political conditions in general, or changes in economic or and political conditions specific to an issuer, all of which are factors that may have an adverse impact on an issuer's credit quality and security values.

b. RISK RELATED TO INVESTING IN DEBT / BONDS / MONEY MARKET INSTRUMENTS / UNITS OF LIQUID / MONEY MARKET / DEBT MUTUAL FUND SCHEMES:

a) Interest Rate Risk

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

b) Liquidity Or Marketability Risk

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

c) Credit Risk

Credit risk or default risk refers to the risk that an issuer of a fixed income security may default (i.e., will be unable to make timely principal and interest payments on the security). Because of this risk, debentures are sold at a yield spread above those offered on treasury securities which are sovereign obligations and generally considered to be free of credit risk. Normally, the value of a fixed income security will fluctuate depending upon the actual changes in the perceived level of credit risk as well as the actual event of default.

d) Reinvestment Risk

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

e) Rating Migration Risk:

Fixed income securities are exposed to rating migration risk, which could impact the price on account of change in the credit rating. For example: One notch downgrade of a AAA rated issuer to AA+ will have an adverse impact on the price of the security and vice-versa for an upgrade of a AA+ issuer.

f) Basis Risk (Interest - rate movement): During the life of a floating rate security or a swap, the underlying benchmark index may become less active and may not capture the actual movement in interest rates or at times the benchmark may cease to exist. These types of events may result in loss of value in the portfolio.

g) Pre-payment Risk: Certain fixed income securities give an issuer the right to call back its securities before their maturity date, in periods of declining interest rates. The possibility of such prepayment may force the fund to reinvest the proceeds of such investments in securities offering lower yields, resulting in lower interest income for the fund.

h) Spread Risk: In a floating rate security the coupon is expressed in terms of a spread or mark up over the benchmark rate. In the life of the security this spread may move adversely leading to loss in value of the portfolio. The yield of the underlying benchmark might not change, but the spread of the security over the underlying benchmark might increase leading to loss in value of the security.

Different types of securities in which the scheme would invest as given in the SID carry different levels and types of risk. Accordingly the scheme's risk may increase or decrease depending upon its investment pattern. E.g. corporate bonds carry a higher amount of risk than Government securities. Further even among corporate bonds, bonds, which are AA rated, are comparatively more risky than bonds, which are AAA rated.

i) Derivative Risks

The AMC, on behalf of the Scheme may use various derivative products, from time to time, in an attempt to protect the value of the portfolio and enhance Unit holders' interest. Derivative products are specialized instruments that require investment techniques and risk analysis different from those associated with stocks and bonds. The use of a derivative requires an understanding not only of the underlying instrument but of the derivative itself. Other risks include, the risk of mispricing or improper valuation and the inability of derivatives to correlate perfectly with underlying assets, rates and indices.

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

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

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

Risk factors

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

The fund pays the daily compounded rate. In practice however there can be a difference in the actual rate at which money is lent in the call market and the benchmark, which appears and is used.

c. SOME OF THE OTHER RISKS OF INVESTING IN DEBT AND MONEY MARKET SECURITIES ARE :

a) Securities, which are not quoted on the stock exchanges, are inherently illiquid in nature and carry a larger amount of liquidity risk, in comparison to securities that are listed on the exchanges or offer other exit options to the investor, including a put option. The AMC may choose to invest in unlisted securities that offer attractive yields. This may increase the risk of the portfolio.

b) The Scheme at times may receive large number of redemption requests, leading to an asset- liability mismatch and therefore, requiring the investment manager to make a distress sale of the securities leading to realignment of the portfolio and consequently resulting in investment in lower yield instruments.

c) Investment in unrated instruments may involve a risk of default or decline in market value higher than rated instruments due to adverse economic and issuer-specific developments. Such investments display increased price sensitivity to changing interest rates and to a deteriorating economic environment. The market values for unrated investments tends to be more volatile and such securities tend to be less liquid than rated debt securities.

d) Changes in government policy in general and changes in tax benefits applicable to Mutual Funds may impact the returns to investors in the Schemes.

d. RISKS ASSOCIATED WITH STOCK LENDING

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

e. RISKS ASSOCIATED WITH INVESTING IN STRUCTURED OBLIGATION (SO) & CREDIT ENHANCEMENT (CE) RATED SECURITIES:

The risks factors stated below for the Structured Obligations & Credit Enhancement are in addition to the risk factors associated with debt instruments.

Credit rating agencies assign CE rating to an instrument based on any identifiable credit enhancement for the debt instrument issued by an issuer. The credit enhancement could be in various forms and could include guarantee, shortfall undertaking, letter of comfort, etc. from another entity. This entity could be either related or non-related to the issuer like a bank, financial institution, etc. Credit enhancement could include additional security in form of pledge of shares listed on stock exchanges, etc. SO transactions are asset backed/mortgage backed securities, securitized paper backed by hypothecation of car loan receivables, securities backed by trade receivables, credit card receivables etc. Hence, for CE rated instruments evaluation of the credit enhancement provider, as well as the issuer is undertaken to determine the issuer rating. In case of SO rated issuer, the underlying loan pools or securitization, etc. is assessed to arrive at rating for the issuer.

Liquidity Risk:

SO rated securities are often complex structures, with a variety of credit enhancements. Debt securities lack a well-developed secondary market in India, and due to the credit enhanced nature of CE securities as well as structured nature of SO securities, the liquidity in the market for these instruments is adversely affected compared to similar rated debt instruments. Hence, lower liquidity of such instruments, could lead to inability of the scheme to sell such debt instruments and generate liquidity for the scheme or higher impact cost when such instruments are sold.

Credit Risk:

The credit risk of debt instruments which are CE rated is based on the combined strength of the issuer as well as the structure. Hence, any weakness in either the issuer or the structure could have an adverse credit impact on the debt instrument. The weakness in structure could arise due to inability of the investors to enforce the structure due to issues such as legal risk, inability to sell the underlying collateral or enforce guarantee, etc. In case of SO transactions, comingling risk and risk of servicer increases the overall risk for the securitized debt or assets backed transactions. Therefore apart from issuer level credit risk such debt instruments are also susceptible to structure related credit risk.

f. RISKS ASSOCIATED WITH INVESTING IN TRI PARTY REPO THROUGH CCIL (TREPS):

The Fund is a member of securities segment and Tri-party Repo trade settlement of the Clearing Corporation of India (CCIL). All transactions of the Fund in government securities and in Tri-party Repo trades are settled centrally through the infrastructure and settlement systems provided by CCIL; thus reducing the settlement and counterparty risks considerably for transactions in the said segments.

CCIL maintains prefunded resources in all the clearing segments to cover potential losses arising from the default member. In the event of a clearing member failing to honour his settlement obligations, the default Fund is utilized to complete the settlement. The sequence in which the above resources are used is known as the "Default Waterfall".

As per the waterfall mechanism, after the defaulter's margins and the defaulter's contribution to the default fund have been appropriated, CCIL's contribution is used to meet the losses. Post utilization of CCIL's contribution if there is a residual loss, it is appropriated from the default fund contributions of the non-defaulting members.

Thus the scheme is subject to risk of the initial margin and default fund contribution being invoked in the event of failure of any settlement obligations. In addition, the fund contribution is allowed to be used to meet the residual loss in case of default by the other clearing member (the defaulting member).

However, it may be noted that a member shall have the right to submit resignation from the membership of the Security segment if it has taken a loss through replenishment of its contribution to the default fund for the segments and a loss threshold as notified have been reached. The maximum contribution of a member towards replenishment of its contribution to the default fund in the 7 days (30 days in case of securities segment) period immediately after the afore-mentioned loss threshold having been reached shall not exceed 5 times of its contribution to the Default Fund based on the last re-computation of the Default Fund or specified amount, whichever is lower.

Further, it may be noted that, CCIL periodically prescribes a list of securities eligible for contributions as collateral by members. Presently, all Central Government securities and Treasury bills are accepted as collateral by CCIL. The risk factors may undergo change in case the CCIL notifies securities other than Government of India securities as eligible for contribution as collateral.

g. RISK ASSOCIATED WITH REPO IN CORPORATE DEBT:

Lending transactions:

The scheme may be exposed to counter party risk in case of repo lending transactions in the event of the counterparty failing to honour the repurchase agreement. However in repo lending transactions, the collateral may be sold and a loss is realized only if the sale price is less than the repo amount. The risk may be further mitigated through over-collateralization (the value of the collateral being more than the repo amount). Further, the liquidation of underlying securities in case of counterparty default would depend on liquidity of the securities and market conditions at that time. It is endeavoured to mitigate the risk by following an appropriate counterparty selection process, which include their credit profile evaluation and over-collateralization to cushion the impact of market risk on sale of underlying security.

Borrowing transactions:

In the event of the scheme being unable to pay back the money to the counterparty as contracted, the counter party may dispose of the assets (as they have sufficient margin). This risk is normally mitigated by better cash flow planning to take care of such repayments. Further, there is also a Credit Risk that the Counterparty may fail to return the security or Interest received on due date. It is endeavoured to mitigate the risk by following an appropriate counterparty selection process, which include their credit profile evaluation. Further, there is also a Credit Risk that the Counterparty may fail to return the security or Interest received on due date. It is endeavoured to mitigate the risk by following an appropriate counterparty selection process, which include their credit profile evaluation.

Redemption Risk

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

h. RISK FACTORS ASSOCIATED WITH INVESTMENTS IN REITS AND INVITS:

i. Liquidity Risk: This refers to the ease with which securities/instruments of REITs / InvITs can be sold. There is no assurance that an active secondary market will develop or be maintained. Hence, there could be times when trading in the units is infrequent. The subsequent valuation of illiquid units may reflect a discount from the market price of comparable securities/instruments for which a liquid market exists. As these products are new to the market they are likely to be exposed to liquidity risk.

ii. Reinvestment Risk: Investments in securities/instruments of REITs and InvITs may carry reinvestment risk as there could be repatriation of funds by the Trusts in form of buyback of units or dividend pay-outs, etc. Consequently, the proceeds may get invested in assets providing lower returns.

iii. Price Risk: Securities/Instruments of REITs and InvITs are volatile and prone to price fluctuations on a daily basis owing to market movements. The extent of fall or rise in the prices depends upon factors such as general market conditions, factors and forces affecting capital market, real estate and infrastructure sectors, level of interest rates, trading volumes, settlement periods and transfer procedures.

iv. Interest Rate Risk: Securities/Instruments of REITs and InvITs run interest rate risk. Generally, when interest rates rise, prices of units fall and when interest rates drop, such prices increase.

v. Credit Risk: Credit risk means that the issuer of a REIT/InvIT security / instrument may default on interest payment or even on paying back the principal amount on maturity. Securities / Instruments of REITs and InvITs are likely to have volatile cash flows as the repayment dates would not necessarily be pre-scheduled.

vi Regulatory/Legal Risk: REITs and InvITs being new asset classes, rights of unit holders such as right to information etc. may differ from existing capital market asset classes under Indian Law.

i. RISK FACTORS ASSOCIATED WITH INVESTING IN NON- CONVERTIBLE PREFERENCE SHARES:

- **Credit Risk** - Credit risk is the risk that an issuer will be unable to meet its obligation of payment of Income Distribution Cum Withdrawal and/ or redemption of principal amount on the due date. Further, for non-cumulative preference shares, issuer also has an option to not pay Income Distribution Cum Withdrawal on preference shares in case of inadequate profits in any year.
- **Liquidity Risk** - The preference shares generally have limited secondary market liquidity and thus we may be forced to hold the instrument till maturity.
- **Unsecured in nature -** Preference shares are unsecured in nature and rank lower than secured and unsecured debt in hierarchy of payments in case of liquidation. Thus, there is significant risk of capital erosion in case the company goes into liquidation.

j. RISK FACTORS ASSOCIATED WITH PROCESSING OF TRANSACTION THROUGH STOCK EXCHANGE MECHANISM:

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

k. RISK FACTORS ASSOCIATED WITH INVESTING IN SECURITISED DEBT:

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

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

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

Types of securitised debt vary and carry different levels and types of risks. Credit risk on securitised bonds depends upon the originator and varies depending on whether they are issued with recourse to originator or otherwise. Even within securitised debt, AAA rated securitised debt offers lesser risk of default than AA rated securitised debt. A structure with Recourse will have a lower credit risk than a structure without recourse.

Risk analysis on underlying asset classes in securitisation

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

(a) Commercial Vehicles

(b) Auto and Two wheeler pools

(c) Mortgage pools (residential housing loans)

(d) Personal Loan, credit card and other retail loans

(e) Corporate loans/receivables

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Interest Rate Risk

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

Limited liquidity & price risk

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

Limited recourse, delinquency and credit risk

Securitised transactions are normally backed by pool of receivables and credit enhancement as stipulated by the rating agency, which differ from issue to issue. The credit enhancement stipulated represents a limited loss cover to the Investors. These certificates represent an undivided beneficial interest in the underlying receivables and there is no obligation of either the Issuer or the Seller or the originator, or the parent or any associate of the seller, issuer and originator. No financial recourse is available to the certificate holders against the investors' representative. Delinquencies and credit losses may cause depletion of the amount available under the credit enhancement and thereby the investor payouts may get affected if the amount available in the credit enhancement facility is not enough to cover the shortfall. On persistent default of an obligor to repay his obligation, the servicer may repossess and sell the underlying asset. However many factors may affect, delay or prevent the repossession of such asset or the length of time required to realize the sale proceeds on such sales. In addition, the price at which such asset may be sold may be lower than the amount due from that obligor.

Risks due to possible prepayments: Weighted Tenor / Yield

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

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

Bankruptcy of the originator or seller

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

Bankruptcy of the investor's agent

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

Credit Rating of the Transaction / Certificate

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

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

Risk of Co-mingling

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

Risks due to possible prepayments and Charge Offs

In the event of prepayments, investors may be exposed to changes in tenor and yield. Also, any Charge Offs would result in the reduction in the tenor of the Pass Through Certificates (PTCs).

Bankruptcy of the Swap Bank

If the Swap Bank, becomes subject to bankruptcy proceedings then an Investor could experience losses or delays in the payments due under the Interest Rate Swap Agreement

Techniques Risk:

The Scheme may use techniques (including derivatives, futures and options, warrants, etc.) and instruments that may be permitted and/or that may become permissible under SEBI/RBI Regulations and/or Regulations and/or statutory modification or re-enactment thereof for efficient portfolio management and to attempt to hedge or reduce the risk of such fluctuation. However, these techniques and instruments, if imperfectly used, have the risk of the scheme incurring losses due to mismatches particularly in a volatile market. The Fund's ability to use these techniques may be limited by market conditions, regulatory limits and tax considerations (if any). The use of these techniques is dependent on the ability to predict movements in the prices of securities being hedged and movements in interest rates. There exists an imperfect correlation between the hedging instruments and the securities or market sectors being hedged. Besides, the fact that skills needed to use these instruments are different from those needed to select the Fund's/Scheme's securities. There is a possible absence of a liquid market for any particular instrument at any particular time even though the futures and options may be bought and sold on an organized stock exchange. The use of these techniques involves possible impediments to effective portfolio management or the ability to meet repurchase/redemption requests or other short-term obligations because of the percentage of the Scheme's assets segregated to cover its obligations.

Liquidity and Settlement Risks:

The liquidity of the Scheme's investments may be inherently restricted by trading volumes, transfer procedures and settlement periods. From time to time, the Scheme will invest in certain securities of certain companies, industries, sectors etc. based on certain investment parameters as adopted internally by AMC. While at all times the Trustees and the AMC will endeavor that excessive holding/investment in certain securities of industries, sectors, etc. by the Scheme be avoided, the assets invested by the Scheme in certain securities of industries, sectors, etc. may acquire a substantial portion of the Scheme's investment portfolio and collectively may constitute a risk associated with non-diversification and thus could affect the value of investments. The Scheme may have difficulty in disposing of certain securities because the security may be unlisted, due to greater price fluctuations there may be a thin trading market, different settlement periods and transfer procedures for a particular security at any given time. Settlement, if accomplished through physical delivery of stock certificates, is labour and paper intensive and may affect the liquidity. It should be noted that the Fund bears the risk of purchasing fraudulent or tainted papers. The secondary market for money market/debt securities does exist, but is generally not as liquid as the secondary market for other securities. Reduced liquidity in the secondary market may have an adverse impact on market price and the Scheme's ability to dispose of particular securities, when necessary, to meet the Scheme's liquidity needs or in response to a specific economic event, such as the deterioration in the creditworthiness of the issuer, etc. or during restructuring of the Scheme's investment portfolio. Furthermore, from time to time, the AMC, the Custodian, the Registrar, any Associate, any distributor, dealer, any company, corporate body, trust, any scheme/Mutual Fund managed by the AMC or by any other AMC may invest in the Scheme. While at all times the Trustees and the AMC will endeavor that excessive holding of Units in the Scheme among a few unit holders is avoided, however, the amounts invested by these aforesaid persons may acquire a substantial portion of the Scheme's outstanding Units and collectively may constitute a majority unit holder in the Scheme. Accordingly, redemption of Units held by such persons may have an adverse impact on the value of the redemption and may impact the ability of the unit holders to redeem their respective Units.

I. **RISK FACTORS WITH RESPECT TO IMPERFECT HEDGING USING INTEREST RATE FUTURES:**

An Interest Rate Futures is an agreement to buy or sell a debt instrument at a specified future date at a price that is fixed today. Interest Rate Futures are Exchange traded. These future contracts are cash settled.

1. Perfect Hedging means hedging the underlying using IRF contract of same underlying.

2. Imperfect hedging means the underlying being hedged and the IRF contract has correlation of closing prices of more than 90%. In case of imperfect hedging, the portfolio can be a mix of:

1) Corporate Bonds and Government securities or
2) Only Corporate debt securities or
3) Only government securities with different maturities

Risk associated with imperfect hedging includes:

Basis Risk: The risk arises when the price movements in derivative instrument used to hedge the underlying assets does not match the price movements of the underlying assets being hedged. Such difference may potentially amplify the gains or losses, thus adding risk to the position.

Price Risk: The risk of mispricing or improper valuation and the inability of derivatives to correlate perfectly with underlying assets, rates and indices.

Risk of mismatch between the instruments: The risk arises if there is a mismatch between the prices movements in derivative instrument used to hedge, compared to the price movement of the underlying assets being hedged. For example when IRF which has government security as underlying is used, to hedge a portfolio that contains corporate debt securities.

Correlation weakening and consequent risk of regulatory breach: SEBI Regulation mandates minimum correlation criterion of 0.9 (calculated on a 90 day basis) between the portfolio being hedged and the derivative instrument used for hedging. In cases where the correlation falls below 0.9, a rebalancing period of 5 working days has been permitted. Inability to satisfy this requirement to restore the correlation level to the stipulated level, within the stipulated period, due to difficulties in rebalancing would lead to a lapse of the exemption in gross exposure computation. The entire derivative exposure would then need to be included in gross exposure, which may result in gross exposure in excess of 100% of net asset value.

m. RISK FACTORS ASSOCIATED WITH SEGREGATED PORTFOLIO:

- Unit holders holding units of segregated portfolio may not be able to liquidate their holdings till recovery of money from the issuer.
- Security in the segregated portfolio may not realize any value.
- Listing of any units of segregated portfolio in recognized stock exchange does not necessarily guarantee their liquidity. There may not be active trading of units in the stock market. Further, trading price of units on the stock market may be significantly lower than the prevailing NAV.
- The trading price of units on the stock exchange may be significantly lower than the prevailing Net Asset Value (NAV) of the segregated portfolio.

n. RISK FACTORS ASSOCIATED WITH INVESTMENTS IN PERPETUAL DEBT INSTRUMENT (PDI):

Perpetual Debt instruments are issued by Banks, NBFCs and corporates to improve their capital profile. Some of the PDIs issued by Banks which are governed by the RBI guidelines for Basel III Capital Regulations are referred to as Additional Tier I (AT1 bonds). While there are no regulatory guidelines for issuance of PDIs by corporate bodies, NBFCs issue these bonds as per guidelines issued by RBI. The instruments are treated as perpetual in nature as there is no fixed maturity date. The key risks associated with these instruments are highlighted below:

Key Risk Factors:

- Risk on coupon servicing Banks

  As per the terms of the instruments, Banks have discretion at all times to cancel distributions/ payment of coupons. NBFCs While NBFCs have discretion at all times to cancel payment of coupon, coupon can also be deferred (instead of being cancelled), in case paying the coupon leads to breach of capital ratios.

- Corporates

  Corporates usually have discretion to defer the payment of coupon. However, the coupon is usually cumulative and any deferred coupon shall accrue interest at the original coupon rate of the PDI.

- Risk of write-down or conversion into equity

  Banks

  As per current RBI guidelines, banks have to maintain a Common Equity Tier-1 (CET-1) ratio of minimum 5.5% of Risk Weighted Assets (RWAs), failing which the AT-1 bonds can get written down. Further, AT-1 Bonds are liable to be written down or converted to common equity, at the discretion of RBI, in the event of Point of Non Viability Trigger (PONV). PONV is a point, determined by RBI, when a bank is deemed to have become non-viable unless there is a write off/conversion to equity of AT-1 Bonds or a public sector capital injection happens. The write off/conversion has to occur prior to public sector injection of capital. This risk is not applicable in case of NBFCs and Corporates

- Risk of instrument not being called by the Issuer

  Banks

  The issuing banks have an option to call back the instrument after minimum period of 5 years from the date of issuance and typically annually thereafter, subject to meeting the RBI guidelines. However, if the bank does not exercise the call on first call date, the Scheme may have to hold the instruments for a period beyond the first call exercise date.

NBFCs

The NBFC issuer has an option to call back the instrument after minimum period of 10 years from date of issuance and typically annually thereafter, subject to meeting the RBI guidelines. However, if the NBFC does not exercise the call option the Scheme may have to hold the instruments for a period beyond the first call exercise date.

Corporates

There is no minimum period for call date. However, if the corporate does not exercise the call option, the Scheme may have to hold the instruments for a period beyond the call exercise date.

B. RISK MITIGATION MEASURES FOLLOWED:

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

Credit Risk – Risk of investing in unsustainable / weak companies

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

Interest Rate Risk –

- Risk of bond prices falling as a result of rise in interest rates.
- Active duration management.
- Cap on Average Portfolio maturity depending upon the scheme objective and Strategy.
- Portfolio exposure spread over various maturities depending on the mandates of the respective schemes.

Liquidity Risk

- High impact cost at the time of buying/selling
- Focus on good quality paper having good liquidity in the market at the time of portfolio construction.
- Asset-Liability management

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

C. REQUIREMENT OF MINIMUM INVESTORS/ INVESTMENT IN THE SCHEME

(Applicability for an open-ended scheme)

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

D. REQUIREMENT OF MINIMUM AVERAGE ASSETS UNDER MANAGEMENT (AUM):

The Scheme shall maintain an average AUM of Rs. 20 crore on half yearly rolling basis. In case, the average AUM falls below Rs. 20 crore, the AMC shall scale up the AUM of such Scheme within a period of six months so as to maintain the average AUM of Rs. 20 crore on half yearly rolling basis, failing which the Scheme shall be wound up in accordance with the provisions of Regulation 39 (2) (c) of SEBI (Mutual Funds) Regulations, 1996 as amended from time to time.

E. SPECIAL CONSIDERATIONS, IF ANY

- Prospective investors in this Scheme should educate themselves or seek professional advice on:
- Legal requirements or restrictions relating to the acquisition, holding, disposal, or redemption of Units within their jurisdiction of nationality, residence, ordinary residence and domicile or under the laws of any jurisdiction to which they are subject; and

- Treatment of capital gains, and other tax consequences relevant to their acquisition, holding or disposal, whether by way of sale or redemption of Units.

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

II. Prospective investors should note that all financial investments carry inherent risks and no assurance or guarantee can be given that the objective of the Fund will be fully met. The NAV of the Units issued under this Scheme and the income from them can go up or down depending on the factors and forces affecting the capital markets, debt markets and money markets and the value of the underlying securities/ stocks within India/ abroad.

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

IV. Neither this Scheme Information Document nor the Units have been registered in any jurisdiction. The distribution of this Scheme Information Document in certain jurisdictions may be restricted or subject to registration requirements and, accordingly, persons who come into possession of this Scheme Information Document are required to keep themselves abreast of, and to observe, any such restrictions, as may be applicable. This Scheme Information Document does not constitute an offer or solicitation to any person within such jurisdiction. The Fund may compulsorily redeem any units held directly or beneficially in contraventions of these prohibitions. It is the responsibility of the person in possession of this Scheme Information Document and of the person wishing to apply for Units pursuant to this Scheme Information Document to be aware of and to observe, all applicable laws and Regulations of such relevant jurisdiction. Any changes in SEBI/ RBI regulations and other applicable laws/regulations could have an effect on such investments and valuation thereof from time to time.

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

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

VII. The Trustee, AMC, Fund, their directors or their employees shall not be liable for any of the tax consequences that may arise, in the event that the Scheme is wound up for the reasons and in the manner provided in SAI.

VIII. Redemption by the Unit holder either due to change in the fundamental attributes of the Scheme or due to any other reasons may entail tax consequences. The Trustee, AMC, Fund, their directors or their employees shall not be liable for any such tax consequences that may arise.

IX. Any dispute arising out of the Scheme shall be subject to the non-exclusive jurisdiction of the Courts in India. Statements in this SID are, except where otherwise stated, based on the law, practice currently in force in India and are subject to changes therein.

X. Investors are advised to rely upon only such information and/or representations as contained in this SID. Any subscription or redemption made by any person on the basis of statements or representations which are not contained in this SID or which are inconsistent with the information contained herein shall be solely at the risk of the Investor. The Investor is required to confirm the credentials of the individual/ firm he/she is entrusting his/her application form alongwith payment instructions for any transaction in the Scheme. The Fund/Trustee/ AMC shall not be responsible for any acts done by the intermediaries representing or purportedly representing such Investor.

If the units are held by any person in breach of the Regulations, law or requirements of any governmental, statutory authority including, without limitation, Exchange Control Regulations, the Fund may mandatorily redeem all the units of any Unit holder where the units are held by a Unit holder in breach of the same. The Trustee may further mandatorily redeem units of any Unit holder in the event it is found that the Unit holder has submitted information either in the application or otherwise that is false, misleading or incomplete.

The AMC and/or its Registrars & Transfer Agent (RTA) reserve the right to disclose/share Unit holder's details of folio(s) and transaction details thereunder with the following third parties:

a. RTA, Banks and/or authorised external third parties who are involved in transaction processing, dispatching etc., of the Unitholder's investment in the Scheme;

b. Distributor/s or sub-broker/s through whom the applications are received for the Scheme;

c. Any other organizations for compliance with any legal or regulatory requirements or to verify the identity of the Unitholders for complying with anti-money laundering requirements.

XI. If after due diligence the Trustee/AMC has reason to believe that any transaction is suspicious in nature as regards money laundering, the AMC shall report such transactions to competent authorities under PMLA and rules/guidelines issued thereunder by SEBI/RBI, furnish any such information in connection therewith to such authorities and take any other actions as may be required for the purposes of fulfilling its obligations under PMLA and rules/guidelines issued thereunder without obtaining prior approval of the Unitholder/any other person or information to the unitholder. In this connection the Trustee/ AMC reserves the right to reject any such application at its discretion.

XII. **Non – acceptance of subscriptions:**

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

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

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

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

a. No fresh purchases (including Systematic Investment Plans and Systematic Transfer Plans)/ additional purchases/switches in any Schemes of the Fund would be allowed. However, existing Unit Holder(s) will be allowed to redeem their units from the Schemes of the Fund. If an existing Unit Holder(s) subsequently becomes a U.S. Person or Resident of Canada, then such Unit Holder(s) will not be able to purchase any additional Units in any of the Scheme of the Fund.

b. For transaction on Stock Exchange platform, while transferring units from the broker account to investor account, if the investor has U.S./ Canadian address then the transactions would be rejected.

c. In case JM Financial Asset Management Ltd. (the "AMC")/JM Financial Mutual Fund subsequently identifies that the subscription amount is received from U.S. Person(s) or Resident(s) of Canada, the AMC/Fund at its discretion shall redeem all the units held by such person from the Scheme of the Fund at applicable Net Asset Value.

XIII. **Identification of Beneficial Ownership:**

In terms of SEBI Master Circular on Anti Money Laundering (AML) Standards/ Combating the Financing of Terrorism (CFT) dated July 4, 2018 and guidelines issued by SEBI from time to time, all the registered intermediaries are required to undertake Client Due Diligence ('CDD') measures wherein intermediaries are required to obtain sufficient information from their clients in order to identify and verify the identity of the persons who beneficially own or control the securities account.

In terms of the said SEBI Master Circular, beneficial owner is the individual who ultimately owns or controls the client and/or the person on whose behalf a transaction is being conducted. Also, the Prevention of Money Laundering Rules, 2005 (PMLR 2005) requires each intermediary to identify the beneficial owner and take all reasonable steps to verify his/her identity.

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

1. **Applicability:**

a. Details of beneficial ownership will have to be provided by all the categories of investors except the following:

1. Individuals
2. Company listed on a stock exchange
3. Majority owned subsidiary of the aforesaid company.

b. Information about the Beneficial Owner shall be provided by the investors to JM Financial Asset Management Limited (the "AMC")/its Registrar i.e. M/s. KFin Technologies Limited.

c. Proof of Identity of the Beneficial Owner such as Name/s, Address & PAN/Passport together with self attested copy* are required to be submitted to the AMC/its Registrar. (*Original to be shown for verification and immediate return)

d. In case of any change in the beneficial ownership, the investor is required to immediately intimate the AMC/its Registrar/KRA, as may be applicable, about such changes.

2. **Identification Process:**

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

a) For investors other than Individuals or Trusts:

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

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

a. More than 25% of shares or capital or profits of the juridical person, where the juridical person is a company;

b. More than 15% of the capital or profits of the juridical person, where the juridical person is a partnership; or

c. More than 15% of the property or capital or profits of the juridical person, where the juridical person is an unincorporated association or body of individuals.

2. In case of doubt under clause (1) above as to whether the person with the controlling ownership interest is the beneficial owner or where no natural person exerts control through ownership interests; the identity of the natural person exercising control over the juridical person through voting rights, agreement, arrangements or in any other manner shall be the beneficial owner.

3. Where no natural person is identified under clauses (1) and (2) above, the natural person who holds the position of senior managing official shall be considered as the beneficial owner.

b) For investor which is a Trust:

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

c) For Foreign investors:

Where the client is a foreign investors viz., Foreign Institutional Investors, Sub Accounts and Qualified Foreign Investors, Know Your Client (KYC) requirements specified by SEBI in its SEBI Circular No. CIR/MIRSD/11/2012 dated September 5, 2012 and CIR/ MIRSD/07/2013 dated September 12, 2013 shall be adopted.

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

XV. **Indicative yield/ portfolio**

The Mutual Fund/ AMC and its empanelled brokers/distributors have not given and shall not give any indicative portfolio and indicative yield in any communication, in any manner whatsoever. Investors are advised not to rely on any communication regarding indicative yield/ portfolio with regard to the Scheme.

XVI. **Creation of segregated portfolio:**

In case of a credit event at issuer level and to deal with liquidity risk, the AMC may create a segregated portfolio of debt and money market instruments including unrated or money market instruments of an issuer that does not have outstanding rated debt or money market instruments, under the Scheme in compliance with the SEBI Circular No. SEBI/HO/IMD/DF2/CIR/P/2018/160 dated December 28, 2018, read with SEBI Circular No. SEBI/HO/IMD/DF2/CIR/P/2019/127 dated November 07, 2019.

In this regard, the term 'segregated portfolio' shall mean a portfolio comprising of debt or money market instrument affected by a credit event, that has been segregated in a Fund scheme, the term 'main portfolio' shall mean the scheme portfolio excluding the segregated portfolio and the term 'total portfolio' shall mean the scheme portfolio including the securities affected by the credit event.

The AMC may create a segregated portfolio in a Fund scheme in case of a credit event at issuer level i.e. downgrade in credit rating by a SEBI registered Credit Rating Agency (CRA), as under:

a. Downgrade of a debt or money market instrument to 'below investment grade', or

b. Subsequent downgrades of the said instruments from 'below investment grade', or

c. Similar such downgrades of a loan rating.

In case of difference in rating by multiple CRAs, the most conservative rating shall be considered. Creation of segregated portfolio shall be based on issuer level credit events as detailed above and implemented at the ISIN level. Creation of segregated portfolio shall be optional and at the discretion of the AMC.

Further, the AMC shall seek approval of the Trustees prior to creation of the segregated portfolio.

As per SEBI circular no. SEBI/HO/IMD/DF4/CIR/P/2021/032 dated March 10, 2021, the following provisions are prescribed with regard to Segregated Portfolio pertaining to debt instruments with special features:

If the said instrument is to be written off or converted to equity pursuant to any proposal, the date of said proposal may be treated as the trigger date. However, if the said instruments are written off or converted to equity without proposal, the date of write off or conversion of debt instrument to equity may be treated as the trigger date.

On the said trigger date, the AMC may, at its option, create segregated portfolio in a mutual fund scheme subject to compliance with relevant provisions of SEBI Circular No. SEBI/HO/IMD/DF2/CIR/P/2018/160 dated December 28, 2018, SEBI Circular No. SEBI/HO/IMD/DF2/CIR/P/2019/127 dated November 07, 2019 issued with respect to 'Creation of segregation portfolio in mutual fund schemes' and any other relevant Regulations/Circulars/Guidelines issued in the future from time to time.

Further, AMCs/Valuation Agencies shall ensure that the financial stress of the issuer and the capabilities of issuer to repay the dues/borrowings are reflected in the valuation of the securities from the trigger date onwards.

Process for creation of segregated portfolio

The AMC shall decide on creation of segregated portfolio of the Scheme on the day of credit event. Segregation of portfolio in case of unrated debt or money market instruments will be done only in case of actual default of either the interest or principal amount by the issuer of such instruments. The AMC shall inform AMFI immediately about the actual default by the issuer.

Once the AMC decides to segregate portfolio, the AMC shall:

a. seek approval from the Board of Directors of the Trustee, prior to creation of the segregated portfolio.

b. immediately issue a press release disclosing its intention to segregate such debt and money market instrument and its impact on the investors of the Scheme. The AMC shall also disclose that the segregation shall be subject to Trustee approval. Additionally, the said press release shall be prominently disclosed on the website of the AMC.

c. ensure that till the time the Trustee approval is received, which in no case shall exceed 1 (one) business day from the day of credit event, the subscription and redemption in the concerned Scheme shall be suspended for processing with respect to creation of units an d payment on redemptions.

Once the Trustee approval is received by the AMC:

i. The segregated portfolio shall be effective from the day of credit event.

ii. The AMC shall issue a press release immediately with all relevant information pertaining to the segregated portfolio of the Scheme. The said information shall also be submitted to SEBI.

iii. An e-mail or SMS shall be sent to all unit holders of the concerned Scheme.

iv. The NAVs of both segregated and main portfolio shall be disclosed from the day of the credit event.

v. All existing investors in the Scheme as on the day of the credit event shall be allotted equal number of units in the segregated portfolio as held in the main portfolio. The AMC shall work out with the R&T viz. KFin Technologies Ltd., the mechanics of unit creation to represent the holding of segregated portfolio and the same shall appear in the account statement of the unit holders.

vi. No redemption and subscription shall be allowed in the segregated portfolio. However, in order to facilitate exit to unit holders in the segregated portfolio, the AMC shall enable listing of units of segregated portfolio on the recognized stock exchange within 3 working days of creation of segregated portfolio and also enable transfer of such units on receipt of transfer requests.

If the Trustee does not approve the proposal to create a segregated portfolio, the AMC shall issue a press release immediately informing investors about the same. Thereafter, the transactions shall be processed as usual at the applicable NAV.

Valuation and processing of subscriptions and redemptions:

Notwithstanding the decision to segregate the debt and money market instrument, the valuation process shall take into account the credit event and the portfolio shall be valued based on the principles of fair valuation (i.e. realizable value of the assets) in terms of the relevant provisions of SEBI MF Regulations, 1996 and circular(s) issued thereunder.

All subscription and redemption requests for which NAV of the day of credit event or subsequent day is applicable, will be processed as per the existing SEBI circular on applicability of NAV as under :

1. Upon receipt of Trustee approval to create a segregated portfolio -

- Investors redeeming their units will get redemption proceeds based on the NAV of main portfolio and will continue to hold the units of segregated portfolio.
- Investors subscribing to the Scheme will be allotted units only in the main portfolio based on its NAV.

2. In case the Trustee does not approve the proposal of segregated portfolio, subscription and redemption applications will be processed based on the NAV of total portfolio.

TER for the Segregated Portfolio:

- The AMC shall not charge investment and advisory fees on the segregated portfolio. However, TER (excluding the investment and advisory fees) can be charged, on a pro-rata basis only upon recovery of the investments in the segregated portfolio.
- The TER so levied shall not exceed the simple average of such expenses (excluding the investment and advisory fees) charged on daily basis on the main portfolio (in % terms) during the period for which the segregated portfolio was in existence.
- The legal charges related to recovery of the investments of the segregated portfolio may be charged to the segregated portfolio in proportion to the amount of recovery. However, the same shall be within the maximum TER limit as applicable to the main portfolio. The legal charges in excess of the TER limits, if any, shall be borne by the AMC.
- The costs related to segregated portfolio shall in no case be charged to the main portfolio.

Disclosures:

- A statement of holding indicating the units held by the investors in the segregated portfolio along with the NAV of both segregated portfolio and main portfolio as on the day of the credit event shall be communicated to the investors within 5 working days of creation of the segregated portfolio.

- Adequate disclosure of the segregated portfolio shall appear in all scheme related documents, in monthly and half-yearly portfolio disclosures and in the annual report of the Fund and the Scheme.
- The Net Asset Value (NAV) of the segregated portfolio shall also be declared on daily basis along with the NAV of the main portfolio.
- The information regarding number of segregated portfolios created in the Scheme shall appear prominently under the name of the Scheme at all relevant places such as SID, KIM-cum- Application Form, advertisement, AMC and AMFI websites, etc.
- The performance of the Scheme required to be disclosed at various places shall include the impact of creation of segregated portfolio and shall clearly reflect the fall in NAV to the extent of the portfolio segregated due to the credit event and the said fall in NAV along with recovery(ies), if any, shall be disclosed as a footnote to the performance table. Such information in the scheme related documents and Scheme performance shall be carried out for a period of at least 3 years after the investments in segregated portfolio are fully recovered/ written-off.
- The investors of the segregated portfolio shall be duly informed of the recovery proceedings of the investments of the segregated portfolio. Status update may be provided to the investors at the time of recovery and also at the time of writing-off of the segregated securities.

Monitoring by Trustee:

In order to ensure timely recovery of investments of the segregated portfolio, the Trustee shall ensure that:

- The AMC puts in sincere efforts to recover the investments of the segregated portfolio.
- Upon recovery of money, whether partial or full, it shall be immediately distributed to the investors in proportion to their holding in the segregated portfolio. Any recovery of amount of the security in the segregated portfolio even after the write off shall be distributed to the investors of the segregated portfolio.
- An Action Taken Report (ATR) on the efforts made by the AMC to recover the investments of the segregated portfolio is placed in every Trustee meeting till the investments are fully recovered/ written-off.
- The Trustee shall monitor the compliance of the above mentioned SEBI circular and disclose in the half-yearly trustee reports filed with SEBI, the compliance in respect of every segregated portfolio created.

  In order to avoid mis-use of segregated portfolio, the Trustee shall have a mechanism in place to negatively impact the performance incentives of Fund Managers, Chief Investment Officer (CIO), etc. involved in the investment process of securities under the segregated portfolio, mirroring the existing mechanism for performance incentives of the AMC, including claw back of such amount to the segregated portfolio of the Scheme.

Example of Segregated Portfolio :

The below table shows how a security affected by a credit event will be segregated and its impact on investors. Whether the distressed security is held in the original portfolio or the segregated portfolio, the value of the investors' holdings will remain the same on the date of the credit event.

Key assumptions:

Let us assume a Scheme consists of 4 Securities (A, B, C and D). It has two investors with total of 10,000 units (Investor 1 with 7,000 units, Investor 2 with 3,000 units).

Total Portfolio Value of Rs. 40 Lakhs (Each Security invested Rs. 10 Lakh). Current NAV: 40,00,000/10,000 = Rs. 400 Per Unit.

Suppose Security A is downgraded to below investment grade and consequently the value of the security falls from Rs. 10,00,000 to Rs. 4,00,000 and the AMC decides to segregate the security into a new portfolio, then the Investors will be allotted the same number of units in the segregated portfolio as they hold in the main portfolio. So, Investor 1 will get 7,000 Units and Investor 2 will get 3,000 units in the segregated portfolio.

With Segregation, the Portfolio Value is Rs. 34,00,000 (Now B, C and D Securities worth Rs. 30 Lakh and Security A has fallen from Rs .10,00,000 to Rs. 4,00,000).

	Main Portfolio (Security of B, C & D)	**Segregated Portfolio (Security A)**
Net Assets	Rs. 30,00,000	Rs. 4,00,000
Number of Units	10,000	10,000
NAV per Unit	Rs. 30,00,000/10,000 = Rs. 300	Rs. 4,00,000/ 10,000 = Rs. 40

With respect to Investors:

	Investor 1	**Investor 2**
Units held in Main portfolio (No. of Units)	7,000	3,000
NAV of Main Portfolio	Rs. 300 per Unit	Rs. 300 per Unit
Value of Holding in Main Portfolio (A) (Rs.)	21,00,000	9,00,000
Units Held in Segregated Portfolio	7,000	3,000
NAV of Segregated Portfolio	Rs. 40 Per unit	Rs. 40 Per unit
Value of Holding in Segregated Portfolio (B) (Rs.)	2,80,000	1,20,000
Total Value of Holdings (A) + (B) (Rs.)	23,80,000	10,20,000

In case if it does not segregate (Total Portfolio would be)

Net Assets of the Portfolio Rs. 34,00,000 (Rs. 4,00,000 in Security A and Rs. 10,00,000 in Security B and Rs. 10,00,000 in Security C and Rs. 10,00,000 in Security D)	No. of Units 10,000	NAV per unit Rs. 34,00,000/ 10,000= Rs. 340

	Investor 1	**Investor 2**
Units held in Original portfolio (No. of Units)	7,000	3,000
NAV of Original Portfolio	Rs. 340 Per Unit	Rs. 340 Per Unit
Value of Holding (Rs.)	23,80,000	10,20,000

Value of the Portfolio would be as follows at different stages/ scenarios:

Sr. No.	**Stage /Scenario**	**Portfolio**	**Value**
I	Before Credit Event	Security A	Rs. 10,00,000
		Security B	Rs. 10,00,000
		Security C	Rs. 10,00,000
		Security D	Rs. 10,00,000
		Total Portfolio Value (Security A, B, C & D)	Rs. 40,00,000
II	On Credit Event if Portfolio is not Segregated	Security A	Rs. 4,00,000
		Security B	Rs. 10,00,000
		Security C	Rs. 10,00,000
		Security D	Rs. 10,00,000
		Total Portfolio Value (Security A, B, C & D)	**Rs. 34,00,000**
III	On Credit Event if Portfolio is segregated	**Main Portfolio:**	
		Security B	Rs. 10,00,000
		Security C	Rs. 10,00,000
		Security D	Rs. 10,00,000
		Segregated Portfolio:	
		Security A	Rs. 4,00,000
		Total Portfolio Value (Security A, B, C & D)	**Rs. 34,00,000**

Investors may note the essential difference between a segregated portfolio and non-segregated portfolio as follows:

- Where the portfolio is not segregated, the transactions will continue to be processed at NAV based prices. There will be no change in the number of units remaining outstanding.
- Where the portfolio is segregated, equal number of units are created and allotted to reflect the holding for the portion of portfolio that is segregated.
- Once the portfolio is segregated, the transactions will be processed at NAV based prices of main portfolio
- Since the portfolio is segregated for distressed security, the additional units that are allotted cannot be redeemed. The units will be listed on the recognised stock exchange to facilitate exit to unit holders.
- Upon realisation of proceeds under the distressed security either in part or full, the proceeds will be paid accordingly. Based on the circumstances and developments, the AMC may decide to write off the residual value of the segregated portfolio.

The AMC / Fund shall adhere to such other requirements as may be prescribed by SEBI / AMFI in this regard.

F. SPECIAL FACILITIES

The Fund reserves the right to amend or terminate or introduce special facilities in this Scheme Information Document. Besides the facilities set out in detail under the head "New Fund Offer", the AMC will, during the period of continuous offer post NFO, offer Switch Facility, facilities for Systematic Investment /Systematic Transfer / Withdrawal Plan, Payout of Income Distribution cum Capital Withdrawal Option, Reinvestment of Income Distribution cum Capital Withdrawal Option and any such facility/ plan that may be introduced in the future.

G. DEFINITIONS -

I. **Applicable NAV**: NAV of the Business Day on which the application is received for purchase/switch-in/for repurchase/switch-out at the JM ISC(s) subject to the cut off times and will be inclusive of load, wherever applicable (except in the case of the income/ debt oriented schemes).

II. **AMC or Investment Manager:** JM Financial Asset Management Limited (the Investment Manager/Asset Management Company of the JM Financial Mutual Fund), a company incorporated and registered under the Companies Act, 1956 and includes its successors and assigns.

III. **Business / Working Day:** Business day is a day other than (a) Saturday and Sunday (b) a day on which banks or Reserve Bank of India in Mumbai are closed for business or clearing or when major banking transaction in Mumbai comes to halt due to any reason (c) a day on which the Bombay Stock Exchange and /or the National Stock Exchange are closed (d) a day which is a public and/or bank holiday at JM ISC where the application is received (e) a day on which sale and repurchase of units is suspended by the AMC (f) a day on which normal business could not be transacted due to storms, floods, bandh's, strikes, major system failure in Banks or Stock Exchange or AMC etc.(g) The AMC reserves the right to declare any day as Business Day or otherwise at any or all JM ISCs at any time/ day. (h) a day on which money markets are closed/not accessible for business; or (i) a day on which funds accompanying applications cannot be realized and / or are not available for utilisation for investments or investments cannot be liquidated and / or funds are not available for utilization for redemption / repurchase. All applications received on these non-business days will be processed on the next business day at Applicable NAV.

IV. **Calendar Year:** A Calendar Year shall be full 12 English Calendar months viz. 12 months commencing from 1st January and ending on 31st December.

V. **Credit Rating Agency:** means a body corporate which is engaged in, or proposes to be engaged in, the business of rating of securities offered by way of public or rights issue under the SEBI (Credit Rating Agencies) Regulations, 1999.

VI. **Credit Risk:** Risk of default in payment of principal or interest or both.

VII. **Custodian:** A person/ body corporate who has been granted a certificate of registration to carry on the business of custodian of securities under the Securities and Exchange Board of India (Custodian of Securities) Regulations 1996, which for the time being is HDFC Bank Limited, Mumbai.

VIII. **Day:** Any day (including Saturday, Sunday and holiday) as per English Calendar viz. 365 days in a year/ 366 days in a leap year

IX. **Debt Instruments**: Debt instruments includes all debt securities issued by entities such as banks, companies, public sector undertakings, municipal corporations, body corporates, central government securities, state development loans and UDAY bonds, recapitalization bonds, municipal bonds and G-Sec repos and any other instruments as permitted by regulators from time to time.

X. **Depository:** A body corporate as defined in the Depositories Act, 1996 (22 of 1996).

XI. **Derivative includes:** (i) a security derived from a debt instrument, share, loan whether secured or unsecured, risk instrument or contract for differences or any other form of security; (ii) a contract which derives its value from the prices, or index of prices, of underlying securities.

XII. **Income Distribution Cum Capital Withdrawal:** Income Distribution Cum Capital Withdrawal and Income Distribution will be interchangeably used in this SID. In case of Funds, it is the income distributed by the Fund on the units under its various schemes (including FOF) registered within India or abroad. It also refers to Income Distribution Cum Capital Withdrawal received on investments in equity related securities.

XIII. **Equity related instruments/equity related securities:** It would include convertible debentures, convertible preference shares, warrants carrying the right to obtain equity shares, equity derivatives and such other instrument as may be specified by the Board from time to time.

XIV. **FPI:** Foreign Portfolio Investors registered with SEBI under the Securities and Exchange Board of India (Foreign I Portfolio Investors) Regulations, 2014, as amended from time to time.

As stipulated by the SEBI (FPI) Regulations, 2014, Foreign Institutional Investors (FIIs), sub accounts and Qualified Foreign Investors (QFIs) are clubbed/merged into a single category, referred to as FPIs.

XV. **Financial Year:** A Financial Year shall be full 12 English Calendar months viz. 12 months commencing from 1st April and ending on 31st March.

XVI. **Government Securities:** Securities created and issued by the Central Government or a State Government for the purposes of raising a public loan and having one of the forms specified in clause (2) of section 2 of the Public Debt Act, 1944.

XVIII. **IDCW (Payout) Option** – Refers to the Income Distribution cum Capital Withdrawal Option – Payout Option

XIX. **IDCW (Reinvestment) Option** – Refers to the Income Distribution cum Capital Withdrawal Option – Reinvestment Option

XIX. **I.T. Act:** Income Tax Act, 1961 as amended from time to time.

XX. **IMA:** Investment Management Agreement dated 1st September, 1994 between JM Financial Trustee Company Private Limited and JM Financial Asset Management Limited as amended from time to time.

XXI. **Income Distribution:** Income Distribution Cum Capital Withdrawal and Income Distribution will be interchangeably used in this SID.

XXII. **Investor:** Any resident (person resident in India under the Foreign Exchange Management Act and under the Income Tax Act, 1961 including amendments thereto) or non-resident person (a person who is not a resident of India) whether an individual or not (legal entity), who is eligible to subscribe for units under the laws of his/her/ their state/country of incorporation, establishment, citizenship, residence or domicile and under the Income Tax Act, 1961 including amendments thereto from time to time and who has made an application for subscribing for units under the scheme and may also include Qualified Foreign Investors (QFI) (subject to the restrictions mentioned elsewhere in this document). Under normal circumstances, a Unitholder shall be deemed to be the investor.

XXIII. **JM Financial Mutual Fund or Fund:** JM Financial Mutual Fund, a mutual fund constituted as a Trust under the provisions of the Indian Trust Act, 1882, bearing SEBI Registration No. MF/015/94/8 dated 15th September 1994.

XXIV. **JM ISC:** Investor Service Center(s) of JM Financial Mutual Fund/Registrar & Transfer Agent and authorized web portals / Exchange platforms approved by JM Financial Mutual Fund from time to time/AMC's own site (as and when started) are authorized to receive all types of transactions during NFO & Post NFO period as mentioned in the Scheme Information Document.

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

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

XXV. **KIM:** Key information Memorandum of the Scheme of JM Corporate Bond Fund issued by JM Financial Mutual Fund.

XXVI. **Load:** A charge that may be levied as a percentage of NAV at the time of entry into the Scheme (since banned) or at the time of exiting from the Scheme.

XXVII. **Money market instruments:** Money market instruments include Commercial papers, commercial bills, treasury bills, Government securities having an unexpired maturity upto one year, call or notice money, certificate of deposit, usance bill and any other like instruments as specified by the Reserve Bank of India from time to time.

XXVIII. **NAV:** Net Asset Value of the Units of the Scheme calculated in the manner provided in this Scheme Information Document and in conformity with the SEBI Regulations as prescribed from time to time. The NAV will be computed and rounded off upto four decimal places.

XXIX. **NRI:** Non-Resident Indian.

XXX. **Permissible Investments or Investments:** Collective or group investments made on account of the Unitholders in accordance with the SEBI Regulations and amendments thereto.

XXXI. **Portfolio:** The portfolio of the Scheme of JM Financial Mutual Fund would include all permissible investments and cash / cash equivalent.

XXXII. **Rating:** means an opinion regarding securities, expressed in the form of standard symbols or in any other standardized manner, assigned by a Credit Rating Agency and used by the issuer of such securities, to comply with any requirement of the SEBI (Credit Rating Agencies) Regulations, 1999.

XXXIII. **RBI:** Reserve Bank of India established under the Reserve Bank of India Act, 1934, as amended from time to time.

XXXIV. **Registrar or Transfer Agent:** M/s. KFin Technologies Limited (KFin), Hyderabad, currently acting as Registrar and Transfer Agent to the Scheme(s) and/or any other Registrar and Transfer Agent appointed by the AMC from time to time.

XXXV **"REIT" or "Real Estate Investment Trust":** "REIT" or "Real Estate Investment Trust" shall have the meaning assigned in clause (zm) of sub-regulation 1 of regulation 2 of the Securities and Exchange Board of India (Real Estate Investment Trusts) Regulations, 2014.

As per SEBI (Real Estate Investment Trusts) Regulations, 2014, REIT is defined as: "REIT" or "Real Estate Investment Trust" shall mean a trust registered as such under these regulations.

XXXVI. **"InvIT" or "Infrastructure Investment Trust":** Shall have the meaning assigned in clause (za) of sub-regulation (1) of regulation 2 of the Securities and Exchange Board of India (Infrastructure Investment Trusts) Regulations, 2014.

XXXVII **Repo/Reverse Repo:** Sale/purchase of securities as may be allowed by RBI from time to time with simultaneous agreement to repurchase/ resell them respectively at a later date.

XXXVIII. **Repurchase /Redemption Price:** Price at which the Units can be bought back/ redeemed and will be calculated based on the applicable NAV.

XXXIX. **Retail Investors:** In line with SEBI circular SEBI/HO/IMD/DF2/CIR/P/2019/42 dated March 25, 2019, retail investors would mean individual investors from whom inflows into the Scheme would amount upto Rs. 2,00,000/- per transaction.

XL. **SAI:** Statement of Additional information for JM Financial Mutual Fund and its Schemes.

XLI. **Sales /Subscription Price:** Price at which the Units can be purchased and will be calculated based on the applicable NAV.

XLII. **Scheme:** JM Corporate Bond Fund being offered by JM Financial Mutual Fund. The Scheme includes two plans.

XLIII. **Scheme Information Document:** The document issued by JM Financial Mutual Fund, offering Units of JM Corporate Bond Fund.

XLIV. **SEBI or the Board:** The Securities and Exchange Board of India established under the Securities and Exchange Board of India Act, 1992.

XLV. **SEBI Act:** Securities and Exchange Board of India Act, 1992 as amended from time to time.

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

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

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

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

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

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

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

LIII. **Trust Property:** Includes Permissible investments and cash / cash equivalent or any part thereof which may be converted or varied from time to time.

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

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

INTERPRETATION

- For all purposes of this Scheme Information Document, except as otherwise expressly provided or unless the context otherwise requires

(a) the terms defined in this Scheme Information Document include the plural as well as the singular and

(b) pronouns having a masculine or feminine gender shall be deemed to include the other.

- Words and expressions used herein but defined in the SEBI Act, 1992 or the SEBI Regulations shall have the meanings respectively assigned to them therein.

H. DUE DILIGENCE BY THE ASSET MANAGEMENT COMPANY

It is confirmed that:

(i) the Scheme Information Document forwarded to SEBI is in accordance with the SEBI (Mutual Funds) Regulations, 1996 and the guidelines and directives issued by SEBI from time to time.

(ii) all legal requirements connected with the launching of the scheme as also the guidelines, instructions, etc., issued by the Government and any other competent authority in this behalf, have been duly complied with.

(iii) the disclosures made in the Scheme Information Document are true, fair and adequate to enable the investors to make a well informed decision regarding investment in the proposed scheme.

(iv) the intermediaries named in the Scheme Information Document and Statement of Additional Information are registered with SEBI and their registration is valid, as on date.

Place: Mumbai
Date: February 20, 2023

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

II. INFORMATION ABOUT THE SCHEME

A. TYPE & INVESTMENT OBJECTIVE OF THE SCHEME

a. **Type of the Scheme:** An open ended debt scheme predominantly investing in AA+ and above rated corporate bonds. A relatively high interest rate risk and moderate credit risk.

b. **Investment Objective:** To generate income through investing predominantly in AA+ and above rated corporate bonds while maintaining the optimum balance of yield, safety and liquidity.

Investors are required to read all the scheme related information set out in the offer document carefully and also note that there can be no assurance that the investment objectives of the scheme will be realized. The scheme does not guarantee/ indicate any returns.

B. HOW WILL THE SCHEME ALLOCATE ITS ASSETS?

ASSET ALLOCATION PATTERN

Under normal circumstances the Investment Pattern of the Scheme will be as follows.

Type of instrument	Minimum Allocation	Maximum Allocation	Risk profile
Corporate Bonds (AA+ and above rated)	80	100	Low to Medium
Government securities and Money Market Instruments (including units of mutual fund schemes)	0	20	Low
Units issued by REITs and InvITs	0	10	Medium to High

The scheme may invests in the units of mutual fund schemes in terms of SEBI (Mutual Funds) Regulations, 1996.

The Scheme may invest in debt instruments with special features and will be made in accordance with SEBI Circular No. SEBI/HO/IMD/ DF4/ CIR/P/2021/032 dated March 10, 2021, as amended from time to time. In case of investments in debt securities with special features, the scheme will not invest more than 10% of its NAV of the debt portfolio in such instruments and not more than 5% of its NAV of the debt portfolio in such instruments issued by a single issuer.

The Scheme shall have exposure to corporate bonds with AA+ (or equivalent ratings) and above credit rating at least to the extent of 80% of the corpus of the Scheme.

The Scheme may also take exposure to:

- Securitized debt up to 40% of the debt portfolio of the Scheme
- Derivatives up to 50% of the debt component

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

The Scheme intends to invest in debt instruments with structured obligations or credit enhancement. The investment in debt instruments with structured obligation or credit enhancement shall not exceed 10% of the debt portfolio of the scheme and the group exposure in such instruments shall not exceed 5% of the debt portfolio of the scheme.

The Scheme may invest upto 5% of the total assets in the schemes of Mutual Funds in accordance with the applicable extant SEBI (Mutual Funds) Regulations as amended from time to time.

The AMC will adhere to strict limits should it engage in Stock Lending:

1. Not more than 20% of the net assets of the Scheme can generally be deployed in Stock Lending.
2. Not more than 5% of the net assets of the Scheme can generally be deployed in Stock Lending to any single counter party.

The Scheme may undertake (i) repo / reverse repo transactions in Corporate Debt Securities; (ii) Credit Default Swaps, (iii) Short Selling and such other transactions in accordance with guidelines issued by SEBI from time to time. In addition to the instruments stated in the table above, the Scheme may enter into repos / reverse repos as may be permitted by RBI. From time to time, the Scheme may hold cash. A part of the net assets may be invested in the Tri-party Repos on Government securities or treasury bills (TREPS) or repo or in an alternative investment as may be provided by RBI to meet the liquidity requirements. The Scheme shall hold at least 10% of its net assets in liquid assets. For this purpose,'liquid assets' shall include Cash, Government Securities, T-bills and Repo on Government Securities. In case of reduction in exposure below the above limit,the AMC shall ensure that the above requirement is complied with before making any further investments.

The cumulative gross exposure through debt, derivative positions (including commodity and fixed income derivatives), repo transactions and credit default swaps in corporate debt securities, including debt securities issued by Real Estate Investment Trusts (REITs), Infrastructure Investment Trusts (InvITs), other permitted securities/assets and such other securities/assets as may be permitted by the Board from time to time, subject to regulatory approvals, if any, should not exceed 100% of the net assets of the scheme.

The AMC may, from time to time, pending deployment of funds of the Scheme in securities in terms of the investment objective of the Scheme, invest the funds of the Scheme in short-term deposits of scheduled commercial banks subject to compliance with SEBI Circular SEBI/ IMD/CIR No.1/ 91171 /07 dated April 16,2007 as amended by SEBI Circular SEBI/IMD/CIR No.7/129592/08 dated June 23,2008, SEBI Circular No. SEBI/HO/IMD/DF4/CIR/P/2019/093 dated August 16, 2019 and SEBI Circular No. SEBI/HO/ IMD/DF2/ CIR/P/2019 /101 dated September 20, 2019.

In terms of SEBI Circular No. SEBI/HO/IMD/DF3/CIR/P/2020/229 dated November 06, 2020, all open ended debt schemes shall hold at least 10% of their net assets in liquid assets. For this purpose, 'liquid assets' shall include Cash, Government Securities, T-bills and Repo on Government Securities.

In case, the exposure in such liquid assets / securities falls below the threshold mandated above, the AMC shall ensure compliance with the above requirement before making any further investments.

Exposure limits for participation in repo in corporate debt securities

The gross exposure of the scheme to repo transactions in corporate debt securities shall not be more than 10% of the net assets of the scheme or as permitted by extant SEBI regulation. Additionally, other restrictions on exposures to repo in corporate debt securities like tenor, rating category etc. would be applicable, as permitted by SEBI and RBI from time to time.

Changes in Investment pattern: Subject to the SEBI Regulations, the asset allocation pattern indicated above may change from time to time, keeping in view market conditions, market opportunities, applicable regulations and political and economic factors. It must be clearly understood that the percentages stated above are only indicative and not absolute and that they can vary substantially within the maximum and minimum allocation limits, depending upon the perception of the Investment Manager, the intention being at all times to seek to protect the interests of the Unitholders. Such changes in the investment pattern will be for short term and defensive considerations which would be rebalanced to either of the above asset allocations within 30 days from the date of deviation in terms of SEBI circular dated March 04, 2021.

Provided further and subject to the above, any change in the asset allocation affecting the investment profile of the Scheme shall be effected only in accordance with the provisions of sub regulation (15A) of Regulation 18 of the SEBI Regulation, as detailed later in this document. In the event of any deviation from the asset allocation stated above, the Fund Manager shall rebalance the portfolio within 30 days from the date of such deviation. If owing to adverse market conditions or with the view to protect the interest of the investors, the fund manager is not able to rebalance the asset allocation within the above mentioned period of 30 days, justification for the same shall be placed before the Investment Executive Committee including details of efforts taken to rebalance the portfolio and reasons for the same shall be recorded in writing.

Further, as per SEBI Circular no. SEBI/HO/IMD/IMD-II DOF3/P/CIR/2022/39 dated March 30, 2022, as may be amended from time to time, in the event of deviation from mandated asset allocation due to passive breaches (occurrence of instances not arising out of omission and commission of the AMC), the Fund Manager shall rebalance the portfolio of the Scheme within 30 Business Days. In case the portfolio of the Scheme is not rebalanced within the period of 30 Business Days, justification in writing, including details of efforts taken to rebalance the portfolio shall be placed before the Investment Committee of the AMC. The Investment Committee, if it so desires, can extend the timeline for rebalancing up to sixty (60) Business Days from the date of completion of mandated rebalancing period. The AMC shall comply with the requirements prescribed under SEBI Circular dated March 30, 2022, as may be amended from time to time.

In accordance with SEBI Circular No. CIR/IMD/DF/24/2012 dated November 19, 2012, SEBI Circular No. SEBI/HO/IMD/DF2/CIR/P/2016/35 dated February 15, 2016, SEBI Circular No. SEBI/HO/IMD/DF2/CIR/P/2016/68 dated August 10, 2016, & SEBI Circular No. SEBI/HO/IMD/DF2/CIR/P/2017/14 dated February 22, 2017, & SEBI Circular No. SEBI/HO/IMD/DF2/CIR /P/2019 /104 dated October 01, 2019, total exposure of debt schemes of mutual funds in a particular sector (excluding investments in Bank CDs, TREPS, G-Secs, TBills, short term deposits of scheduled commercial banks and AAA rated securities issued by Public Financial Institutions and Public Sector Banks) shall not exceed 20% of the net assets of the scheme;

Provided that an additional exposure to financial services sector (over and above the limit of 20%) not exceeding 10% of the net assets of the scheme shall be allowed only by way of increase in exposure to Housing Finance Companies (HFCs);.

Further, an additional exposure of 5% of the net assets of the scheme shall be allowed for investments in securitized debt instruments based on retail housing loan portfolio and/or affordable housing loan portfolio.

Provided further that the additional exposure to such securities issued by HFCs are rated AA and above and these HFCs are registered with National Housing Bank (NHB) and the total investment/ exposure in HFCs shall not exceed 20% of the net assets of the scheme.

DEBT MARKET IN INDIA:

The Indian Debt market comprises of the Money Market and the Long Term Debt Market.

Money market instruments are Commercial Papers (CPs), Certificates of Deposit (CDs), Treasury bills (T-bills), Repos, Inter-bank Call money deposit, Triparty Repos on Government Securities or treasury bill, etc. They are mostly discounted instruments that are issued at a discount to face value.

Money market instruments have a tenor of less than one year while debt market instruments typically have a tenor of more than one year.

Long Term Debt market in India comprises mainly of two segments viz., the Government securities market and the corporate securities market.

Government securities includes central, state and local issues. The main instruments in this market are Dated securities (Fixed or Floating) and Treasury bills (Discounted Papers). The Central Government securities are generally issued through auctions on the basis of 'Uniform price' method or 'Multiple price' method while State Govt. are through on-tap sales.

Corporate debt segment on the other hand includes bonds/debentures issued by private corporates, public sector units (PSUs) and development financial institutions (DFIs). The debentures are rated by a rating agency and based on the feedback from the market, the issue is priced accordingly. The bonds issued may be fixed or floating. The floating rate debt market has emerged as an active market in the rising interest rate scenario. Benchmarks range from Overnight rates or Treasury benchmarks.

Debt derivatives market comprises mainly of Interest Rate Swaps linked to Overnight benchmarks called MIBOR (Mumbai Inter Bank Offered Rate) and is an active market. Banks and corporate are major players here and Mutual Funds have also started hedging their exposures through these products.

Securitised Debts Instruments – Asset securitization is a process of transfer of risk whereby commercial or consumer receivables are pooled packaged and sold in the form of financial instruments. A typical process of asset securitisation involves sale of specific Receivables to a Special Purpose Vehicle (SPV) set up in the form of a trust or a company. The SPV in turn issues financial instruments to investors, which are rated by an independent credit rating agency. Bank, Corporates, Housing and Finance companies generally issue securitised instruments.

The underlying receivables generally comprise of loans of Commercial Vehicles, Auto and Two wheeler pools, Mortgage pools (residential housing loans), Personal Loan, credit card and Corporate receivables. The instrument, which is issued, includes loans or receivables maturing only after all receivables are realized. However depending on timing of underlying receivables, the average tenure of the securitized paper gives a better indication of the maturity of the instrument.

C. WHERE WILL THE SCHEME INVEST?

The Fund will invest in a portfolio comprising predominantly of debt instruments (including securitized debt) which are rated not below investment grade and money market instruments. The Scheme shall invest atleast 80% of total assets in AA+ and other rated corporate bond (including securitized debt).

The corpus of the Scheme will be invested in high quality debt, money market instruments as the case may be.

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

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

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

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

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

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

A] Government Debt -

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

B] Non-Government Debt

- Instruments issued by Government Agencies and other Statutory Bodies
- Government Guaranteed Bonds
- PSU Bonds
- Instruments issued by Public Sector Undertakings
- Commercial Paper
- PSU Bonds
- Fixed Coupon Bonds
- Floating Rate Bonds
- Zero Coupon Bonds
- Instruments issued by Banks and Development Financial
- Institutions
- Certificates of Deposit
- Promissory Notes
- Bonds
- Fixed Coupon Bonds
- Floating Rate Bonds
- Zero Coupon Bonds
- Instruments issued by Corporate Bodies
- Commercial Paper
- Non-Convertible Debentures and Bonds:

  Non-convertible debentures as well as bonds are securities issued by companies / institutions promoted / owned by the Central or State Governments and statutory bodies which may or may not carry a Central/State Government guarantee, public and private sector banks, all India Financial Institutions and Private Sector Companies. These instruments may be secured or unsecured against the assets of the Company and generally issued to meet the short term and long term fund requirements. The Scheme may also invest in the non-convertible part of convertible debt securities.

  Investments in debt instruments with special features will be made in accordance with SEBI Circular No. SEBI/HO/IMD/DF4/CIR/P/2021/032 dated March 10, 2021, as amended from time to time.
- Perpetual Bonds
- Fixed Coupon Debentures
- Floating Rate Debentures
- Zero Coupon Debentures

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

  In the money market, activity levels of the Government and Non-Government Debt vary from time to time. Instruments that comprise a major portion of money market activity include:
- Overnight Call
- TREPS (Tri Party Repo)
- Treasury Bills
- Government Securities with a residual maturity of < 1 year
- Commercial Paper
- Certificates of Deposit

  The Scheme may also invest in REITs and INvITs.
- The Scheme may invest in other schemes managed by the AMC or in the schemes of any other mutual funds, provided it is in conformity with the investment objectives of the Scheme and in terms of the prevailing SEBI (MF) Regulations. As per the SEBI (MF) Regulations, no investment management fees will be charged for such investments and the aggregate inter scheme investment made by all the schemes of JM Financial Mutual Fund or in the schemes of other mutual funds shall not exceed 5% of the net asset value of the JM Financial Mutual Fund.

- Investment in debt securities will usually be in instruments, which have been assessed as investment grade by at least one credit rating agency authorised to carry out such activity under the applicable regulations. Pursuant to SEBI Circular No. MFD/CIR/9/120/2000 dated November 24, 2000, the AMC may constitute committee(s) to approve proposals for investments in unrated debt instruments. The AMC Board and the Trustee shall approve the detailed parameters for such investments. The details of such investments would be communicated by the AMC to the Trustee in their periodical reports. It would also be clearly mentioned in the reports, how the parameters have been complied with. However, in case any unrated debt security does not fall under the parameters, the prior approval of Board of AMC and Trustee shall be sought. Investment in debt instruments shall generally have a low risk profile and those in money market instruments shall have an even lower risk profile. The maturity profile of debt instruments will be selected in accordance with the AMC's view regarding current market conditions, interest rate outlook and the stability of ratings.

  Investments in Debt and Money Market Instruments will be as per the limits specified in the asset allocation table of the Scheme, subject to permissible limits laid under SEBI (MF) Regulations.

  Investments in debt and money market instruments will be made through secondary market purchases, initial public offers, other public offers, placements and right offers (including renunciation). The securities could be listed, unlisted, privately placed, secured / unsecured, rated /unrated.

INVESTMENTS IN DERIVATIVES

In accordance with SEBI Circular Cir/ IMD/ DF/ 11/ 2010 dated August 18, 2010 read with SEBI circular SEBI/HO/IMD/IMD-I DOF2/P/CIR/2021/580 dated June 18, 2021, the following clauses shall be applicable.

1. The cumulative gross exposure through debt, derivative positions (including commodity and fixed income derivatives), repo transactions and credit default swaps in corporate debt securities including debt securities issued by Real Estate Investment Trusts (REITs), Infrastructure Investment Trusts (InvITs), other permitted securities/assets and such other securities/assets as may be permitted by the Board from time to time, subject to regulatory approvals, if any, should not exceed 100% of the net assets of the scheme.
2. The Scheme shall not write options or purchase instruments with embedded written options.
3. The total exposure related to option premium paid shall not exceed 20% of the net assets of the scheme.
4. Exposure due to hedging positions may not be included in the above mentioned limits subject to the following :

a. Hedging positions are the derivative positions that reduce possible losses on an existing position in securities and till the existing position remains.

b. Hedging positions shall not be taken for existing derivative positions. Exposure due to such positions shall be added and treated under limits mentioned in Point 1.

c. Any derivative instrument used to hedge has the same underlying security as the existing position being hedged.

d. The quantity of underlying associated with the derivative position taken for hedging purposes does not exceed the quantity of the existing position against which hedge has been taken.

5. a) Mutual Funds may enter into plain vanilla Interest Rate Swaps (IRS) for hedging purposes. The value of the notional principal in such cases must not exceed the value of respective existing assets being hedged by the scheme.

   b) In case of participation in IRS is through over the counter transactions, the counter party has to be an entity recognized as a market maker by RBI and exposure to a single counterparty in such transactions should not exceed 10% of the net assets of the scheme. However, if mutual funds are transacting in IRS through an electronic trading platform offered by the Clearing Corporation of India Ltd. (CCIL) and CCIL is the central counterparty for such transactions guaranteeing settlement, the single counterparty limit of 10% shall not be applicable.
6. Exposure due to derivative positions taken for hedging purposes in excess of the underlying position against which the hedging position has been taken, shall be treated under the limits mentioned in point 1.

   Definition of Exposure in case of Derivative Positions
7. Each position taken in derivatives shall have an associated exposure as defined under and will be computed as follows:

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

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

In addition to the existing provisions of SEBI circular No.IMD/DF/11/2010 dated August 18, 2010, the following are prescribed vide SEBI circular no. SEBI/HO/IMD/DF2/CIR/P/2017/109 dated September 27, 2017:

i. To reduce interest rate risk in a debt portfolio, mutual funds may hedge the portfolio or part of the portfolio (including one or more securities) on weighted average modified duration basis by using Interest Rate Futures (IRFs). The maximum extent of short position that may be taken in IRFs to hedge interest rate risk of the portfolio or part of the portfolio, is as per the formula given below:

$$\frac{\text{(Portfolio Modified Duration * Market Value of the Portfolio)}}{\text{(Futures Modified Duration * Futures Price / PAR)}}$$

ii. In case the IRF used for hedging the interest rate risk has different underlying security(s) than the existing position being hedged, it would result in imperfect hedging.

iii. Imperfect hedging using IRFs may be considered to be exempted from the gross exposure, upto maximum of 20% of the net assets of the scheme, subject to the following:

a) Exposure to IRFs is created only for hedging the interest rate risk based on the weighted average modified duration of the bond portfolio or part of the portfolio.

b) Mutual Funds are permitted to resort to imperfect hedging, without it being considered under the gross exposure limits, if and only if, the correlation between the portfolio or part of the portfolio (excluding the hedged portions, if any) and the IRF is atleast 0.9 at the time of initiation of hedge. In case of any subsequent deviation from the correlation criteria, the same may be rebalanced within 5 working days and if not rebalanced within the timeline, the derivative positions created for hedging shall be considered under the gross exposure computed in terms of Para 3 of SEBI circular dated August 18, 2010. The correlation should be calculated for a period of last 90 days.

Explanation: If the fund manager intends to do imperfect hedging upto 15% of the portfolio using IRFs on weighted average modified duration basis, either of the following conditions need to be complied with:

i. The correlation for past 90 days between the portfolio and the IRF is at least 0.9 or

ii. The correlation for past 90 days between the part of the portfolio (excluding the hedged portions, if any) i.e. at least 15% of the net asset of the scheme (including one or more securities) and the IRF is at least 0.9.

c) At no point of time, the net modified duration of part of the portfolio being hedged should be negative.

d) The portion of imperfect hedging in excess of 20% of the net assets of the scheme should be considered as creating exposure and shall be included in the computation of gross exposure in terms of Para 3 of SEBI circular dated August 18, 2010.

iv. The basic characteristics of the scheme should not be affected by hedging the portfolio or part of the portfolio (including one or more securities) based on the weighted average modified duration.

Explanation: In case of long term bond fund, after hedging the portfolio based on the modified duration of the portfolio, the net modified duration should not be less than the minimum modified duration of the portfolio as required to consider the fund as a long term bond fund.

v. The interest rate hedging of the portfolio should be in the interest of the investors.

Mutual Fund schemes may imperfectly hedge their portfolio or part of their portfolio using IRFs, subject to the following conditions:

i. Prior to commencement of imperfect hedging, existing schemes shall comply with the provisions of Regulation 18 (15A) of SEBI (Mutual Funds) Regulations, 1996 and all unit holders shall be given a time-period of at least 30 days to exercise the option to exit at prevailing NAV without charging of exit load.

The risks associated with imperfect hedging shall be disclosed and explained by suitable numerical examples in the offer documents and also needs to be communicated to the investors through public notice or any other form of correspondence.

ii. In case of new schemes, the risks associated with imperfect hedging shall be disclosed and explained by suitable numerical examples in the offer documents.

INVESTMENT IN SECURITISED DEBT:

A securitization transaction involves sale of receivables by the originator (a bank, non-banking finance company, housing finance company, or a manufacturing /service company) to a Special Purpose Vehicle (SPV), typically set up in the form of a trust. Investors are issued rated Pass Through Certificates (PTCs), the proceeds of which are paid as consideration to the originator. In this manner, the originator, by selling his loan receivables to an SPV, receives consideration from investors much before the maturity of the underlying loans. Investors are paid from the collections of the underlying loans from borrowers. Typically, the transaction is provided with a limited amount of credit enhancement (as stipulated by the rating agency for a target rating), which provides protection to investors against defaults by the underlying borrowers.

Generally available asset classes for securitization in India are:

- Commercial vehicles
- Auto and two wheeler pools
- Mortgage pools (residential housing loans)
- Personal loan, credit card and other retail loans
- Corporate loans / receivables

Investment / Risk Mitigation Strategy

1. **Risk profile of Securitised debt vis-à-vis risk appetite of the Scheme(s)**

   The risk profile of securitised debt is generally at par with the risk profile of other debt securities at the same level of credit rating. Securitised debt offers additional income (spread) over a debt security of similar rating and maturity, which enables the scheme to optimize its income without taking any additional credit risk. Securitised debt is generally less liquid, however, investment in securitised debt is made to maintain a diversified portfolio of debt securities that optimizes return without increasing the overall risk profile of the scheme

2. **Policy relating to originators based on nature of originator, track record, NPAs, losses in earlier securitised debt, etc**

   The originator is an entity (like banks, non-banking finance companies, corporates etc), which has initially provided the loan & is also generally responsible for servicing the loans. The schemes will invest in securitised debt of originators with at least investment grade credit rating and established track record. A detailed evaluation of originator is done before the investment is made in securitised debt of any originator on various parameters given below:

- **Track record**

  The investment in securitised debt is done based on origination and underwriting process and capabilities of the originator, overview of corporate structure, group to which they belong, experience of the company in the business & how long they have been in the business, financial condition of the company, credit rating, past performance of similar pools by the originator, etc.

- **Willingness to pay through credit enhancement facilities etc.**

  Credit enhancement is provided by the originator, as indicated by rating agencies, so as to adequately cover the defaults and acts as a risk mitigation measure. The size of the credit enhancement as indicated by rating agency depends on the originator's track record, past delinquencies, pattern of the portfolio & characteristics of the pool vis-a-vis of the portfolio, nature of the asset class.

- **Ability to pay**

  The quality of the origination impacts the performance of the underlying asset & thus originators with strong systems and processes in place can eliminate poor quality assets. A robust risk management system of the originator and availability of MIS reports on timely basis, results in creation of strong asset portfolio.

- **Business Risk Assessment**

  The business risk assessment of originator / underlying borrower also includes detailed credit assessment wherein following factors are also considered:

- Outlook for the economy (domestic and global)
- Outlook for the industry
- Company specific factors

  In addition, a detailed review and assessment of rating rationale is done along with interactions with the company as well as the rating agency. All investment in securitised debt is done after taking into account, the Critical Evaluation Parameters (for pool loan and single loan securitization transactions) regarding the originator / underlying issuer as mentioned below:

- Default track record / frequent alteration of redemption conditions / covenants
- High leverage ratios of the ultimate borrower (for single-sell downs) - both on a standalone basis as well on a consolidated level / group level
- Higher proportion of reschedulement of underlying assets of the pool or loan, as the case may be
- Higher proportion of overdue assets of the pool or the underlying loan, as the case may be
- Poor reputation in market
- Insufficient track record of servicing of the pool or the loan, as the case may be.

STOCK LENDING BY THE FUND

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

1. Not more than 20% of the net assets of the Scheme can generally be deployed in Stock Lending.
2. Not more than 5% of the net assets of the Scheme can generally be deployed in Stock Lending to any single counter party.

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

D. WHAT ARE THE INVESTMENT STRATEGIES?

Scheme Specific Investment Strategy

JM Corporate Bond Fund

The Scheme aims to generate income by predominantly investing in AA+ and above rated bonds.

The Scheme shall endeavor to develop a well – diversified portfolio of debt (including securitized debt) and other instruments. The Scheme may also invest in the schemes of Mutual Funds. The Scheme may also invest in the hybrid securities viz. units of REITS and INvITs for diversification and subject to necessary stipulations by SEBI from time to time.

Though every endeavor will be made to achieve the objective of the Scheme, the AMC/Sponsors/Trustee do not guarantee that the investment objective of the Scheme will be achieved. No guaranteed returns are being offered under the Scheme.

i. Scientific approach to investment

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

ii. Liquidity Management

The Fund Manager may invest in short term deposits of scheduled commercial banks pending deployment of funds in line with SEBI Circular no. SEBI/IMD/CIR No. 1/ 91171 /07 dated April 16, 2007, as amended by SEBI Circular SEBI/IMD/CIR No.7/129592/08 dated June 23, 2008, SEBI Circular No. SEBI/HO/IMD/DF4/CIR/P/2019/093 dated August 16, 2019 and SEBI Circular No. SEBI/HO/ IMD/DF2/ CIR/P/2019 /101 dated September 20, 2019, till suitable opportunities are present. The Scheme may also keep a portion in cash or near cash for meeting the expenses of the Scheme / redemption and Payout of Income Distribution Cum Capital Withdrawal / or current collections pending for deployment etc.

iii. Mode of Investment

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

iv. Procedure for taking investment decisions

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

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

v. Portfolio Turnover Policy

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

vi. Investment by AMC/Sponsor in the Scheme

The AMC and investment companies managed by the Sponsor(s), their associate companies and subsidiaries may invest either directly or indirectly in the Scheme. The 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 Scheme. Consequently in the event of repurchase of units held by such associates and Sponsor, there be an adverse impact on the units of the Scheme as the timing of such repurchase may impact the ability of other unitholders to repurchase their units. The AMC reserves the right to invest its own funds in the Scheme as may be decided by the AMC from time to time.

In accordance with Regulation 28(4) of SEBI (Mutual Funds) (Amendment) Regulations, 2014 the Sponsor or AMC shall invest not less than 1% of the amount raised in the NFO or fifty lakh rupees, whichever is less, in the growth option of the scheme and such investment shall not be redeemed unless the scheme is wound up.

In addition to investments as mandated under Regulation 28(4) of the Regulations as mentioned above, the AMC may invest in the Scheme during the NFO period as well as continuous offer period subject to the SEBI (MF) Regulations. The AMC shall not charge investment management fees on investment by the AMC in the Scheme 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.

vii. Policy on Investment in Derivatives and Hedging Products:

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

Fixed Income Derivatives

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

Interest Rate Swaps (IRS)

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

Forward Rate Agreement (FRA)

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

Basic structure of a Swap

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

The steps will be as follows :

- Assuming the swap is for Rs. 20 crore June 1, 2011 to December 1, 2011. The Scheme is a fixed rate receiver at 12% and the counterparty is a floating rate receiver at the overnight rate on a compounded basis (say NSE MIBOR).
- On June 1, 2011 the Scheme and the counterparty will exchange only a contract of having entered this swap. This documentation would be as per International Swap Dealers Association (ISDA). On a daily basis, the benchmark rate fixed by NSE will be tracked by them.
- On December 1, 2011 they will calculate the following –
- The Scheme is entitled to receive interest on Rs. 20 crore at 12% for 184 days i.e. Rs. 1.21 crore, (this amount is known at the time the swap was concluded) and will pay the compounded benchmark rate.
- The counterparty is entitled to receive daily compounded call rate for 184 days & pay 12% fixed.
- On December 1, 2011, if the total interest on the daily overnight compounded benchmark rate is higher than Rs. 1.21 crore, the Scheme will pay the difference to the counterparty. If the daily compounded benchmark rate is lower, then the counterparty will pay the Scheme the difference.
- Effectively the Scheme earns interest at the rate of 12% p.a. for six months without lending money for 6 months fixed, while the counterparty pays interest @ 12% p.a. for 6 months on Rs. 20 crore, without borrowing for 6 months fixed.
- The above example illustrates the benefits and risks of using derivatives for hedging and optimizing the investment portfolio. Swaps have their own drawbacks like credit risk, settlement risk, etc. However, these risks are substantially reduced as the amount involved is interest streams and not principal.

Valuation of Derivative Products:

a) The traded derivatives shall be valued at market price in conformity with the stipulations of sub clauses (i) to (v) of clause 1 of the Eighth Schedule to the SEBI Regulations, as amended from time to time.

b) The valuation of untraded derivatives shall be done in accordance with the valuation method for untraded investments prescribed in sub clauses (i) and (ii) of clause 2 of the Eighth Schedule to the SEBI Regulations as amended from time to time.

viii. **Inter Scheme investments.**

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

EXPOSURE TO DERIVATIVES

Debt Derivatives

The Scheme may use derivatives instruments like Interest Rate Swaps, Forward Rate Agreements or such other derivative instruments as may be introduced from time to time for the purposes that may be permitted by SEBI Mutual Fund Regulations from time to time.

Interest rate swap is a strategy in which one party exchanges a stream of interest for another party's stream. Interest rate swaps are normally 'fixed against floating', but can also be 'fixed against fixed' or 'floating against floating' rate swaps. Interest rate swaps will be used to take advantage of interest-rate fluctuations, by swapping fixed-rate obligations for floating rate obligations, or swapping floating rate obligations to fixed-rate obligations.

i) Advantages of Derivatives

The volatility in Indian debt markets has increased over last few months. Derivatives provide unique flexibility to the Scheme to hedge part of their portfolio. Some of the advantages of specific derivatives are as under:

ii) Interest Rate Swaps and Forward rate Agreements

Bond markets in India are not very liquid. Investors run the risk of illiquidity in such markets.

Investing for short-term periods for liquidity purposes has its own risks. Investors can benefit if the Fund remains in call market for the liquidity and at the same time take advantage of fixed rates by entering into a swap. It adds certainty to the returns without sacrificing liquidity.

The following is an illustration how derivatives work Basic Details: Fixed to floating swap

Notional Amount: Rs. 5 Crores Benchmark: NSE MIBOR

Deal Tenor: 3 months (say 91 days)

Documentation: International Securities Dealers Association (ISDA). Let us assume the fixed rate decided was 10%

At the end of three months, the following exchange will take place:

Counter party 1 pays: compounded call rate for three months, say 9.90% Counter party 2 pays fixed rate: 10%

In practice, however, the difference of the two amounts is settled. Counter party 2 will pay Rs. 5 Crores *0.10%* 91/365 = Rs. 12,465.75

Thus the trade off for the Fund will be the difference in call rate and the fixed rate payment and this can vary with the call rates in the market. Please note that the above example is given for illustration purposes only and the actual returns may vary depending on the terms of swap and market conditions.

Risk Factor: The risk arising out of uses of the above derivative strategy as under:

- Lack of opportunities available in the market.

- The risk of mispricing or improper valuation and the inability of derivatives to correlate perfectly with underlying assets, rates and indices.

Please note that the above example is given for illustration purposes only. Some assumptions have been made for the sake of simplicity. Additional risks could be on account of illiquidity and potential mis–pricing of the options.

iii) Interest Rate Futures:

IRF means a standardized interest rate derivative contract traded on a recognized stock exchange to buy or sell a notional security or any other interest bearing instrument or an index of such instruments or interest rates at a specified future date, at a price determined at the time of the contract.

Hedging using interest rate futures could be perfect or imperfect, subject to applicable regulations.

Currently, exchange traded Interest Rate Futures traded on exchange are standardized contracts based on 10-Year Government of India Security and 91 day Treasury bill. IRF contracts are cash settled.

IRFs give an opportunity in the fixed income market to hedge interest rate risk or rebalance the portfolio by using them. By locking into a price, the IRF contract can help to eliminate the interest rate risk. Thus, in order to protect against a fall in the value of the portfolio due to falling bond prices, one can take short position in IRF contracts.

Example:

Date: April 01, 2021

Spot price of the Government Security: Rs.108.83 Price of IRF– April contract: Rs. 108.90

On April 01, 2021, Fund buys 1000 units of the Government security from the spot market at Rs. 108.83. Subsequently, it is anticipated that the interest rate will rise in the near future. Therefore to hedge the exposure in underlying Government security, Fund sells April 2021 Interest Rate Futures contracts at Rs. 108.90.

On April 15, 2021 due to increase in interest rate:

Spot price of the Government Security: Rs. 107.24 Futures Price of IRF Contract: Rs.107.30

Loss in underlying market will be (107.24 – 108.83)*1000 = (Rs. 1,590) Profit in the Futures market will be (107.30 – 108.90)*1000 = Rs. 1,600 Illustration for Imperfect Hedging

Scenario 1 and 2

Assumption: Portfolio whose duration is 3 years, is being hedged with an IRF whose underlying securities duration is 10 years Portfolio Duration: 3 year

Market Value of Portfolio: Rs 100 cr

Imperfect Hedging cannot exceed 20% of Portfolio

Maximum extent of short position that may be taken in IRFs is as per below mentioned formula:

Portfolio (security) Modified Duration * Market Value of Portfolio (security) / (Futures Modified Duration * Futures Price/PAR)

Consider that we choose to hedge 20% of portfolio (3 * (0.2 * 100))/(10 * 100/100) = Rs 6 cr

So we must Sell Rs 6 cr of IRF with underlying duration of 10 years to hedge Rs 20 cr of Portfolio with duration of 3 years.

Scenario 1

If the yield curve moves in a way that the 3 year moves up by 10 bps and the 10 year moves up by 5bps, which means that the short end has moved up more than the long end

Amount of Security in Portfolio (LONG): Rs 20cr

If yields move up buy 10 bps then the price of the security with a modified duration of 3 years will move down by;

Formula: (Yield movement * Duration) * Portfolio Value ((0.001 * 3) * 20,00,00,000)= - 6,00,000

Underlying IRF (SHORT): Rs 6crs

If yields move up buy 5bps then the price of the security with a duration of 10 years will move down by;

Formula: (Yield movement * Duration) * Portfolio Value (-0.0005*10) * 6,00,00,000 = 3,00,000

Since we have sold the IRF, this movement is positive and hence the total loss will be reduced to:

-6,00,000 + 3,00,000= -3,00,000

Due to IRF, the overall impact on the portfolio due to interest rate movement has been reduced.

Scenario 2

If the yield curve moves in a way that the 3 year does not move and the 10 year moves down by 5 bps, which means that the yield curve has flattened.

If yield does not move then the price of the security with a duration of 3 years will remain flat:

Formula: (Yield movement * Duration) * Portfolio Value (0*3) * 20,00,00,000 = 0

Underlying IRF (SHORT): Rs 6cr

If yields moves down by 5bps then the price of the security with a duration of 10 years will move up by; (0.0005*10) * 6,00,00,000 = -3,00,000

In this scenario, the imperfect hedge created on the portfolio would create a loss on the total position. Risk associated with imperfect hedging:

Basis Risk: The risk arises when the price movements in derivative instrument used to hedge the underlying assets does not match the price movements of the underlying assets being hedged. Such difference may potentially amplify the gains or losses, thus adding risk to the position.

Price Risk: The risk of mispricing or improper valuation and the inability of derivatives to correlate perfectly with underlying assets, rates and indices.

Risk of mismatch between the instruments: The risk arises if there is a mismatch between the prices movements in derivative instrument used to hedge, compared to the price movement of the underlying assets being hedged. For example when IRF which has government security as underlying is used, to hedge a portfolio that contains corporate debt securities.

Correlation weakening and consequent risk of regulatory breach: SEBI Regulation mandates minimum correlation criterion of 0.9 (calculated on a 90 day basis) between the portfolio being hedged and the derivative instrument used for hedging. In cases where the correlation falls below 0.9, a rebalancing period of 5 working days has been permitted. Inability to satisfy this requirement to restore the correlation level to the stipulated level, within the stipulated period, due to difficulties in rebalancing would lead to a lapse of the exemption in gross exposure computation. The entire derivative exposure would then need to be included in gross exposure, which may result in gross exposure in excess of 100% of net asset value.

Valuation of Derivative Products:

- The traded derivatives shall be valued at market price in conformity with the valuation policy of the Mutual Fund.
- The valuation of untraded derivatives shall be done in accordance with the valuation method for untraded investments prescribed in sub clauses (i) and (ii) of clause 2 of the Eighth Schedule to the SEBI (Mutual Funds) Regulations, 1996 as amended from time to time.

For details on applicable limits pertaining to derivatives, please refer section **'What are the investment restrictions?'**

IMPORTANT

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

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

E. FUNDAMENTAL ATTRIBUTES

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

(i) Type of the Scheme: An open ended debt scheme predominantly investing in AA+ and above rated corporate bonds. A relatively high interest rate risk and moderate credit risk.

(ii) Investment Objective: To generate income through investing predominantly in AA+ and above rated corporate bonds while maintaining the optimum balance of yield, safety and liquidity.

Investors are required to read all the scheme related information set out in the offer documents carefully and also note that there can be no assurance that the investment objectives of the scheme will be realized. The scheme does not guarantee/ indicate any returns.

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

(iv) Terms of Issue

For Liquidity provisions such as listing, repurchase, redemption - Please refer the Section on 'Ongoing Offer Details'

(v) Aggregate fees and expenses charged to the Scheme – Kindly refer to Section IV under the head "Fees and expenses".

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

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

In accordance with Regulation 18(15A) of the SEBI (MF) Regulations, the Trustees shall ensure that no change in the fundamental attributes of the Scheme and the Plan(s) / Option(s) thereunder or the trust or fee and expenses payable or any other change which would modify the Scheme and the Plan(s) / Option(s) thereunder and affect the interests of Unitholders is carried out unless comments are taken from the Board by the Trustees for such changes and unless:

- A written communication about the proposed change is sent to each Unitholder and an advertisement is given in one English daily newspaper having nationwide circulation as well as in a newspaper published in the language of the region where the Head Office of the Fund is situated; and
- The Unitholders are given an option for a period of not less than 30 days to exit at the prevailing Net Asset Value without any exit load.

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

F. HOW WILL THE SCHEME BENCHMARK ITS PERFORMANCE ?

Benchmark index for the Scheme is CRISIL Corporate Bond Fund BIII Index.

The benchmark index is better representative of the constituents and the current positioning of the Scheme. Hence, the Benchmark Index is an appropriate Benchmark for the Scheme. The performance will be benchmarked to the Total Returns Variant of the Index.

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

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

In accordance with SEBI Circular No. SEBI/HO/MD/DF3/CIR/P/2018/04 dated January 4, 2018, benchmarking of performance of all Schemes of the Fund will be on basis of Total Return Index ("TRI").

G. WHO MANAGES THE SCHEME?

The Fund Managers for the Scheme are Mr. Gurvinder Singh Wasan and Ms. Shalini Tibrewala whose details are as set out below.

Mr. Gurvinder Singh Wasan - Senior Fund Manager and Credit Analyst (He has experience of over 18 years in fixed income markets)	M.Com, Chartered Accountant (CA) and CFA, Charter Holder Age: 42 years	He has an experience of over 19 years in the fixed income markets. His previous assignments include working as a Fund manager and a credit analyst with a mutual fund and as a structured finance manager with a rating agency and a bank. He has worked with ICICI Bank, CRISIL, and Principal Asset Management company over this period. He is the primary Fund Manager of JM Short Duration Fund, JM Medium to Long Duration Fund and JM Dynamic Bond Fund and secondary Fund Manager of JM Low Duration Fund. He is managing the debt portion of all the Equity Schemes of the Mutual Fund.
Ms. Shalini Tibrewala – Fund Manager (She has over 25 years of experience in the financial services sector).	B.Com, A.C.A., C.S. Age: 51 years	She has over 25 years of experience in the financial services sector. Prior to joining the AMC, she was working with a firm of Chartered Accountants. She is the primary Fund Manager for JM Liquid Fund, JM Overnight Fund and JM Low Duration Fund. She is the secondary Fund Manager of JM Short Duration Fund, JM Dynamic Bond Fund and JM Medium to Long Duration Fund.

The aggregate investments in the Scheme by the following categories are as follows:

Nil since this is a new Scheme which is being launched.

H. WHAT ARE THE INVESTMENT RESTRICTIONS?

The investment policies of the scheme comply with the rules, regulations and guidelines laid out in the SEBI Regulations. As per the Regulations, specifically the Seventh Schedule, the following investment limitations are presently applicable to the Scheme:

1. A mutual fund scheme shall not invest more than 10% of its NAV in debt instruments comprising money market instruments and non-money market instruments issued by a single issuer which are rated not below investment grade by a credit rating agency authorised to carry out such activity under the Act. Such investment limit may be extended to 12% of the NAV of the scheme with the prior approval of the Board of Trustees and Board of Directors of the asset management company:

   Provided that such limit shall not be applicable for investments in Government Securities, treasury bills and triparty repo on Government securities or treasury bills.

   Provided further that investments within such limit can be made in mortgaged backed securitised debt which are rated not below investment grade by a credit rating agency registered with the Board:

   Provided further that such limit shall not be applicable for investments in case of debt exchange traded funds or such other funds as may be specified by the Board from time to time.

   A mutual fund scheme shall not invest more than

   a. 10% of its NAV in debt and money market securities rated AAA; or

   b. 8% of its NAV in debt and money market securities rated AA; or

   c. 6% of its NAV in debt and money market securities rated A and below

   issued by a single issuer.

   The above investment limits may be extended by upto 2% of the NAV of the Scheme with prior approval of the Board of Trustees and Board of Directors of the AMC, subject to compliance with the overall 12% limit specified in clause 1 of Seventh Schedule of Mutual Fund Regulation:

   Provided that such limit shall not be applicable for investments in Government Securities, treasury bills and triparty repo on Government securities or treasury bills:

   Provided further that investment within such limit can be made in mortgaged backed securitised debt which are rated not below investment grade by a credit rating agency registered with the Board:

   Provided further that such limit shall not be applicable for investments in case of debt exchange traded funds or such other funds as may be specified by the Board from time to time.

1A. The Scheme shall not invest in unlisted debt instruments including commercial papers, except Government Securities and other money market instruments:

   Provided that the scheme may invest in unlisted non-convertible debentures up to a maximum of 10% of the debt portfolio of the scheme subject to such conditions as may be specified by the Board from time to time:

   Provided further that the Scheme shall comply with the norms under this clause within the time and in the manner as may be specified by the Board:

   Provided further that the norms for investments by the Scheme in unrated debt instruments shall be specified by the Board from time to time.

2. Mutual Funds/AMCs shall ensure that total exposure of debt schemes of mutual funds in a group (excluding investments in securities issued by Public Sector Units, Public Financial Institutions and Public Sector Banks) shall not exceed 20% of the net assets of the scheme. Such investment limit may be extended to 25% of the net assets of the scheme with the prior approval of the Board of Trustees.

   The investments by the scheme in debt and money market instruments of group companies of both the sponsor and the asset management company shall not exceed 10% of the net assets of the scheme. Such investment limit may be extended to 15% of the net assets of the scheme with the prior approval of the Board of Trustees.

   For this purpose, a group means a group as defined under regulation 2 (mm) of SEBI (Mutual Funds) Regulations, 1996 (Regulations) and shall include an entity, its subsidiaries, fellow subsidiaries, its holding company and its associates.

3. Transfers of investments from one scheme to another scheme in the same mutual fund shall be allowed only if,—

- 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;
- the securities so transferred shall be in conformity with the investment objective of the scheme to which such transfer has been made.
- Inter Scheme Transfers are effected in accordance with the guidelines specified by SEBI circular No. SEBI/HO/ IMD/DF4/CIR/P/2020/202 dated October 08, 2020 as amended from time to time.

4. A scheme may invest in another scheme under the same asset management company or any other mutual fund without charging any fees, provided that aggregate interscheme investment made by all schemes under the same management or in schemes under the management of any other asset management company shall not exceed 5% of the net asset value of the mutual fund.

   Provided that this clause shall not apply to any fund of funds scheme.

5. Every mutual fund shall buy and sell securities on the basis of deliveries and shall in all cases of purchases, take delivery of relevant securities and in all cases of sale, deliver the securities:

   Provided that a mutual fund may engage in short selling of securities in accordance with the framework relating to short selling and securities lending and borrowing specified by the Board:

   Provided further that a mutual fund may enter into derivatives transactions in a recognized stock exchange, subject to the framework specified by the Board.

   Provided further that sale of government security already contracted for purchase shall be permitted in accordance with the guidelines issued by the Reserve Bank of India in this regard.

6. Every mutual fund shall get the securities purchased or transferred in the name of the mutual fund on account of the concerned scheme, wherever investments are intended to be of long-term nature.

7. Pending deployment of funds of a scheme in terms of investment objectives of the scheme, a mutual fund may invest them in short term deposits of schedule commercial banks, subject to such Guidelines as may be specified by the Board.

8. No mutual fund [scheme] shall make any investment in,—

- any unlisted security of an associate or group company of the sponsor; or
- any security issued by way of private placement by an associate or group company of the sponsor; or
- the listed securities of group companies of the sponsor which is in excess of 25 per cent of the net assets.

   In accordance with SEBI Circular No. CIR/IMD/DF/24/2012 dated November 19, 2012, SEBI Circular No. SEBI/HO/IMD/DF2/CIR/P/2016/35 dated February 15, 2016, SEBI Circular No. SEBI/HO/IMD/DF2/CIR/P/2016/68 dated August 10, 2016, SEBI Circular No. SEBI/HO/IMD/DF2/CIR/P/2017/14 dated February 22, 2017 and SEBI Circular No. SEBI/HO/IMD/DF2/CIR/P/2019/104 dated October 01, 2019, total exposure of debt schemes of mutual funds in a particular sector (excluding investments in Bank CDs, TREPS, G-Secs, TBills, short term deposits of scheduled commercial banks and AAA rated securities issued by Public Financial Institutions and Public Sector Banks) shall not exceed 20% of the net assets of the Scheme;

   Provided that an additional exposure to financial services sector (over and above the limit of 20%) not exceeding 10% of the net assets of the Scheme shall be allowed only by way of increase in exposure to Housing Finance Companies (HFCs);.

   Further, an additional exposure of 5% of the net assets of the scheme shall be allowed for investments in securitized debt instruments based on retail housing loan portfolio and/or affordable housing loan portfolio.

   Provided further that the additional exposure to such securities issued by HFCs are rated AA and above and these HFCs are registered with National Housing Bank (NHB) and the total investment/exposure in HFCs shall not exceed 20% of the net assets of the Scheme.

9. No scheme of a mutual fund shall make any investment in any fund of funds scheme.

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

    The Scheme will comply with SEBI regulations and any other Regulations applicable to the investments of Funds from time to time.

    The Trustee may alter the above restrictions from time to time to the extent that changes in the Regulations may allow. All investment restrictions shall be applicable at the time of making investment.

11. All investments in unlisted NCDs shall be made not exceeding 10% of the debt portfolio of the Scheme subject to the condition that such unlisted NCDs have a simple structure (i.e. with fixed and uniform coupon, fixed maturity period, without any options, fully paid up upfront, without any credit enhancements or structured obligations) and are rated and secured with coupon payment frequency on monthly basis.
12. Investment by the Scheme in Commercial Papers would be made only in Commercial Papers which are listed or to be listed.
13. Investment in unrated debt and money market instruments, other than government securities, treasury bills, derivative products such as Interest Rate Swaps (IRS), Interest Rate Futures (IRF), etc. by the scheme shall be subject to the following:

i. Investments should only be made in such instruments, including bills rediscounting, usance bills, etc., that are generally not rated and for which separate investment norms or limits are not provided in SEBI (Mutual Fund) Regulations, 1996 and various circulars issued thereunder.
ii. Exposure of the scheme in such instruments, shall not exceed 5% of the net assets of the scheme.
iii. All such investments shall be made with the prior approval of the Board of AMC and the Board of Trustees.

The Fund can invest in securities that are rated by CRISIL and ICRA and other independent credit rating agencies. All investment restrictions shall be applicable at the time of making investments.

iv. The Scheme may invest in the units of REITs and InvITs subject to the following:
v. JM Financial Mutual Fund under all its Schemes shall not own more than 10% of units issued by a single issuer of REIT and InvIT; and
vi. The Scheme shall not invest –

a. more than 10% of its NAV in the units of REIT and InvIT; and
b. more than 5% of its NAV in the units of REIT and InvIT issued by a single issuer.

14. **Investments in debt instruments with special features shall be within the following investment limits as prescribed by SEBI circular no. SEBI/HO/IMD/DF4/CIR/P/2021/032 dated March 10, 2021:**

i. The Mutual Fund under all its schemes shall own not more than 10% of such instruments issued by a single issuer.
ii. The Scheme shall not invest –

a. more than 10% of its NAV of the debt portfolio of the scheme in such instruments; and
b. more than 5% of its NAV of the debt portfolio of the scheme in such instruments issued by a single issuer.

The above investment limit for a mutual fund scheme shall be within the overall limit for debt instruments issued by a single issuer, as specified at clause 1 of the Seventh Schedule of SEBI (Mutual Fund) Regulations, 1996, and other prudential limits with respect to the debt instruments.

I. HOW HAS THE SCHEME PERFORMED?

This Scheme is a new scheme and does not have any performance track record.

Scheme's Portfolio holdings: Nil

The Scheme's portfolio turnover ratio is : NA

J. COMPARISON WITH OTHER DEBT SCHEMES OF JM FINANCIAL MUTUAL FUND

<table>
<tr><th>Features of the Scheme</th><th>JM Low Duration Fund</th><th>JM Overnight Fund</th></tr>
<tr><td>Type of the Scheme</td><td>An open ended low duration debt scheme investing in instruments such that the Macaulay duration# of the portfolio is between 6 to 12 months. A relatively low interest rate risk and moderate credit risk.</td><td>An open ended debt scheme investing in overnight securities. A relatively low interest rate risk and relatively low credit risk.</td></tr>
<tr><td>Category of the Scheme</td><td>Low Duration Fund</td><td>Overnight Fund</td></tr>
<tr><td>Asset Allocation as per SID (in %)</td><td>Asset Allocation Pattern
<table>
<tr><td>Types of Instruments</td><td>Indicative Allocations
(% of Net Assets)</td><td>Risk Profile</td></tr>
<tr><td>Equity</td><td>NIL</td><td>Low</td></tr>
<tr><td>Debt</td><td rowspan="3">0-100%</td><td rowspan="3">Low</td></tr>
<tr><td>Money market and short term debt Inst. maturing within one year.</td></tr>
<tr><td>Debt, Money market and short term debt Inst. with residual maturity above one year.</td></tr>
<tr><td colspan="3">Exposure in securitized debt 0%-50% of net assets of this scheme with low risk profile.</td></tr>
</table></td><td>Asset Allocation Pattern
<table>
<tr><td>Types of Instruments</td><td colspan="2">Indicative Allocations
(% of Net Assets)</td><td>Risk Profile</td></tr>
<tr><td></td><td>Min</td><td>Max</td><td></td></tr>
<tr><td>Overnight securities or money market instruments* maturing on or before the next business day.</td><td>0</td><td>100</td><td>Low</td></tr>
<tr><td colspan="4">*instruments with residual maturity not greater than 1 business day, including money market instruments^, TREPS$/ reverse repo, debt instruments^^, including floating rate instruments, with overnight maturity.
^ Commercial papers, commercial bills, treasury bills, Government securities having an unexpired maturity upto one year, call or notice money, certificate of deposit, usance bill and any other like instruments as specified by the Reserve Bank of India from time to time.
^^Debt instruments would include all debt securities issued by entities such as banks, companies, public sector undertakings, municipal corporations, body corporates, central government securities, state development loans and UDAY bonds, recapitalization bonds, municipal bonds and G-Sec repos and any other instruments as permitted by regulators from time to time.
$or similar instruments as may be permitted by RBI/SEBI.</td></tr>
</table></td></tr>
<tr><td>Investment Objective</td><td>To generate stable long term returns with low risk strategy and capital appreciation/accretion besides preservation of capital through investments in Debt & Money Market instruments such that the Macaulay duration# of the portfolio is between 6 months - 12 months.
Investors are required to read all the scheme related information set out in the offer document carefully and also note that there can be no assurance that the investment objectives of the scheme will be realized. The scheme does not guarantee/ indicate any returns.</td><td>The Scheme aims to provide reasonable returns commensurate with low risk and providing a high level of liquidity, through investments made primarily in overnight securities having maturity of 1 business day.
Investors are required to read all the scheme related information set out in this document carefully and also note that there can be no assurance that the investment objectives of the Scheme will be realized. The Scheme do not guarantee/ indicate any returns.</td></tr>
<tr><td>Assets under Management as on January 31, 2023 (in Crores)</td><td>140.78</td><td>131.20</td></tr>
<tr><td>No. of folios as January 31, 2023</td><td>1818</td><td>11122</td></tr>
</table>

<table>
<tr><th>Features of the Scheme</th><th>JM Medium to Long Duration Fund</th><th>JM Dynamic Bond Fund</th></tr>
<tr><td>Type of the Scheme</td><td>An open ended medium term debt scheme investing in instruments such that the Macaulay duration# of the portfolio is between 4 years to 7 years. A relatively high interest rate risk and moderate credit risk.</td><td>An open ended dynamic debt scheme investing across duration. A relatively high interest rate risk and moderate credit risk.</td></tr>
<tr><td>Category of the Scheme</td><td>Medium to Long Duration Fund</td><td>Dynamic Bond</td></tr>
<tr><td>Asset Allocation as per SID (in %)</td><td>Asset Allocation Pattern
<table>
<tr><td>Types of Instruments</td><td>Indicative Allocations (% of Net Assets)</td><td>Risk Profile</td></tr>
<tr><td>Debt</td><td>0-100%</td><td>Low - Medium</td></tr>
<tr><td>Money Market and Debt Instruments maturing within one year</td><td>0-100%</td><td>Low</td></tr>
<tr><td colspan="3">The exposure in derivatives shall not exceed 50% of the net assets of the scheme.</td></tr>
</table></td><td>Asset Allocation Pattern
<table>
<tr><td>Types of Instruments</td><td>Indicative Allocations (% of Net Assets)</td><td>Risk Profile</td></tr>
<tr><td>Debt Instruments including Government Securities and Corporate Debt</td><td>0-100</td><td>Medium</td></tr>
<tr><td>Money Market Instruments</td><td>0-100</td><td>Low</td></tr>
<tr><td colspan="3">Exposure in securitized debt 0%-50% of net assets of this scheme with low risk profile.</td></tr>
</table></td></tr>
<tr><td>Investment Objective</td><td>To generate stable long term returns with low risk strategy and capital appreciation/accretion through investment in debt instruments and related securities besides preservation of capital.
Investors are required to read all the scheme related information set out in this document carefully and also note that there can be no assurance that the investment objectives of the scheme will be realized. The schemes do not guarantee/ indicate any returns.</td><td>The investment objective will be to actively manage a portfolio of good quality debt as well as Money Market Instruments so as to provide reasonable returns and liquidity to the Unit holders.
Investors are required to read all the Scheme related information set out in the offer documents carefully and also note that there can be no assurance that the investment objectives of the scheme will be realized. The scheme does not guarantee/ indicate any returns.</td></tr>
<tr><td>Assets under Management as on January 31, 2023 (in Crores)</td><td>20.39</td><td>43.99</td></tr>
<tr><td>No. of folios as January 31, 2023</td><td>2120</td><td>600</td></tr>
</table>

<table>
<tr><th>Features of the Scheme</th><th>JM Liquid Fund</th></tr>
<tr><td>Type of the Scheme</td><td>An Open-Ended Liquid Scheme. A relatively low interest rate risk and moderate credit risk.</td></tr>
<tr><td>Category of the Scheme</td><td>Liquid Fund</td></tr>
<tr><td>Asset Allocation as per SID (in %)</td><td>Asset Allocation Pattern
<table>
<tr><td>Types of Instruments</td><td>Indicative Allocations (% of Net Assets)</td><td>Risk Profile</td></tr>
<tr><td>Debt & Money Market Instruments with maturity up to 91 days.</td><td>0-100</td><td>Low</td></tr>
<tr><td colspan="3">Exposure in securitized debt 0%-50% of net assets of this scheme with low risk profile.</td></tr>
</table></td></tr>
<tr><td>Investment Objective</td><td>To provide income by way of dividend (dividend plans) and capital gains (growth plan) through investing in Debt and money market securities with maturity of upto 91 days only.
Investors are required to read all the scheme related information set out in this document carefully and also note that there can be no assurance that the investment objectives of the scheme will be realized. The scheme do not guarantee/ indicate any returns.</td></tr>
<tr><td>Assets under Management as on January 31, 2023 (in Crores)</td><td>1,769.44</td></tr>
<tr><td>No. of folios as on January 31, 2023</td><td>5144</td></tr>
</table>

<table>
<tr><td>Features of the Scheme</td><td>JM Short Duration Fund</td></tr>
<tr><td>Type of the Scheme</td><td>An open-ended short duration debt scheme investing in instruments such that the Macaulay duration # of the portfolio is between 1 year and 3 years. A moderate interest rate risk and moderate credit risk.</td></tr>
<tr><td>Category of the Scheme</td><td>Short Duration Fund</td></tr>
<tr><td>Asset Allocation as per SID (in %)</td><td>Asset Allocation Pattern
<table>
<tr><td>Types of Instruments</td><td>Indicative Allocations
(% of Net Assets)</td><td>Risk Profile</td></tr>
<tr><td>Debt and Money Market Instruments (including securitised debt)</td><td>0-100</td><td>Low to Medium</td></tr>
</table></td></tr>
<tr><td>Investment Objective</td><td>The Scheme will endeavor to generate stable returns with a low risk strategy while maintaining liquidity through a portfolio comprising of debt and money market instruments.
Investors are required to read all the scheme related information set out in the offer documents carefully and also note that there can be no assurance that the investment objectives of the scheme will be realized. The scheme does not guarantee/ indicate any returns.</td></tr>
<tr><td>Assets under Management as on January 31, 2023 (in Crores)</td><td>132.26</td></tr>
<tr><td>No. of folios as on January 31, 2023</td><td>519</td></tr>
</table>

Concept of Macaulay Duration: The Macaulay duration (named after Frederick Macaulay, an economist who developed the concept in 1938) is a measure of a bond's sensitivity to interest rate changes. Duration tells investors the length of time, in years, that it will take a bond's cash flows to repay the investor the price he or she has paid for the bond. Fixed income securities with higher duration have higher interest rate sensitivity i.e. the changes in price of higher duration bonds are higher as compared to lower duration ones. A zero coupon bond is one which does not pay any interest and all payments are received at maturity. For a zero coupon bond, the duration is same as residual maturity Formula: There is more than one way to calculate duration, but the Macaulay duration is the most common. The formula is:

$$Macaulay\ Duration = \frac{\sum_{t=1}^{n}\left(\frac{tC}{(1+y)^t} + \frac{nM}{(1+y)^n}\right)}{P}$$

where: t = period in which the coupon is received, C = periodic (usually semiannual) coupon payment, y = the periodic yield to maturity or required yield, n = number periods, M = maturity value (in `), P = market price of bond Notes: Duration is quoted in "years." If a bond has a semi-annual period, we convert duration to years before quoting it (a duration of 8 semi-annual periods is 4 years). Duration is a measure of interest-rate risk. Or, stated differently, duration is a measure of how sensitive the price of a fixed- income instrument is to interest-rate changes. When we say, "The duration of the bond is 4 years," we mean: "If the interest rate on the bond goes up by 1%, the bond's price will decline by 4%."

K. HOW IS THE SCHEME DIFFERENT FROM OTHER DEBT SCHEMES OF JM FINANCIAL MUTUAL FUND:

The AMC does not have any scheme in the "Corporate Bond Fund" category. Thus, the proposed new Scheme viz., JM Corporate Bond Fund is clearly differentiated from other existing debt schemes.

L. ADDITIONAL SCHEME RELATED DISCLOSURES

Sector Allocation: The Scheme is a new scheme and hence, the same is not applicable.

Illustration of impact of ratio on Scheme's returns

	Regular Plan			Direct Plan		
	Amount (Rs.)	Units	NAV	Amount (Rs.)	Units	NAV (Rs.)
Amount Invested on August 31, 2022 (A)	10,000.00	1000	10.0000	10,000.00	1000	10.0000
Value of above investment as on December 31, 2022 (before all expenses charged) (B)	10,800.00	1000	10.8000	10,800.00	1000	10.8000
Expenses charged during the year (other thanDistribution Ex-penses/Commission) (C)	50			50		
Distribution Expenses/Commission charged during theyear (D)	50			-		
Value of above investment as on December 31, 2022 (post all applicable expenses) E = (B - C - D)	10,700.00	1000	10.7000	10,750.00	1000	10.7500
Returns (%) (post all applicable expenses) (F) [F= (E-A)/A]	7.00			7.50		
Returns (%) (without considering any expenses) (G) [G=(B-A)/A]	8.00			8.00		

Please note that the above illustration is based on certain assumptions.

Notes:

- The purpose of the above illustration is to purely explain the impact of expense ratio charged to the Scheme and should not be construed as providing any kind of investment advice or guarantee of returns on investments.
- It is assumed that the expenses charged are evenly distributed throughout the year.
- The expenses of the Direct Plan under the Scheme will be lower to the extent of distribution expenses / commission
- Calculations are based on assumed NAVs, and actual returns on your investment may be more, or less.
- Any tax impact has not been considered in the above example. In view of the individual nature of the tax implications, each investor is advised to consult his or her own financial advisor and tax consultant.

III. UNITS AND OFFER

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

A. NEW FUND OFFER (NFO)

Certain details of this section will not be applicable, once the ongoing offer of the Scheme commences after the NFO, and the Units are available for continuous subscription and redemption.

New Fund Offer Period This is the period during which a new scheme sells its units to the investors.	NFO opens on: March 06, 2023 NFO closes on: March 20, 2023 Scheme re-opens for continuous sale & repurchase not later than: April 04, 2023 or within 5 business days from the date of allotment. The AMC/Trustee reserves the right to close the NFO of the Scheme before the above mentioned date. The AMC/Trustee reserves the right to extend the closing date of the New Fund Offer Period, subject to the condition that the New Fund Offer shall not be kept open for more than 15 days. Any such changes shall be announced by way of a newspaper advertisement in one vernacular daily of Mumbai and one English national daily.
New Fund Offer Price This is the price per unit that the investors have to pay to invest during the NFO	The NFO price will be Rs. 10/- per unit.
Minimum Application Amount	Rs. 5000/- and in multiples of any amount thereafter
Minimum Additional Application Amount:	Rs. 1000/- and in multiples of any amount thereafter. However, there is no upper limit for investment.
Minimum Target amount This is the minimum amount required to operate the scheme and if this is not collected during the NFO period, then all the investors would be refunded the amount invested without any return. However, if AMC fails to refund the amount within five Business days from the closure of NFO, interest as specified by SEBI (currently 15% p.a.) will be paid to the investors from the expiry of five Business days from the closure of NFO.	Rs. 20 Crores.
Maximum amount to be raised (if any) This is the maximum amount which can be collected during the NFO period, as decided by the AMC.	Not Applicable. The AMC reserves the right to specify maximum amount to be raised, at the time of New Fund Offer.
Listing	The Units of the Scheme will not be listed on any exchange, for the present.
Plans/ Options offered	Kindly refer para on 'Investment Plan(s)/Option(s)' appearing under '**Highlights/Summary of the Scheme'** heading of this document.
Income Distribution Cum Capital Withdrawal Policy	Kindly refer to the para on Income Distribution Cum Capital Withdrawal under the head "**Ongoing Offer**"

Allotment	The AMC shall issue to the investors, by way of mail/email, by the 15th of the immediately succeeding month, a CAS, containing details of the number of Units purchased & allotted mentioned as well as details of all other transactions effected by such investors across schemes of all mutual funds during the preceding month, including their holdings at the end of the said month and details of transaction charges paid to distributors, as applicable. For more details on CAS, please refer 'Consolidated Account Statements (CAS)' under heading Ongoing Offer Details. If an investor requests the AMC/Registrar in writing for the issue of an account statement, the account statement will be sent to the investor within 5 Business Days of receipt of request. Investors have the option of holding the Units in demat form in lieu of physical form. Investors opting to hold Units in demat form will be issued Units within 5 working days from the receipt of their request if found in order. Investors will have to provide their demat account details in the Application Form, if they wish to hold Units in demat form. In case investors do not provide their Demat account details or provide incomplete details or the details do not match with the records as per the Depository(ies), they will not receive their Units in Demat form. Such investors will not be able to trade on the Exchange till their Units are converted into Demat form. An investor who purchases Units through a broker/ clearing member will receive Units in his/ her/its account through his/her/its broker / clearing member's pool account. The AMC will credit the Units to the broker / clearing member's pool account, and they in turn will credit the Units to the investor's account. Credit of Units to the broker / clearing member's pool account by the AMC/its RTA shall discharge the AMC/its RTA of their obligation of allotment of Units to the investor. In case of purchase transactions, where there is a mismatch in the amounts on the Transaction Slip / Application Form and the payment instrument / credit received, the AMC may at its discretion allot the units for the lesser of the two amounts and refund / utilize the excess, if any, for any other transaction submitted by the same investor, subject to the fulfillment of other regulatory requirements for the fresh transaction. Pursuant to Association of Mutual Funds in India (AMFI) Best Practice Guidelines Circular No. 48/2014-15 dated June 24, 2014, the investors are hereby informed that in case of fresh/ additional purchases, if the name of the Scheme on the application form/transaction slip differs from the name on the Cheque/Demand Draft (payment instrument), then JM Financial Asset Management Limited (the "AMC") shall process the application and allot units at the applicable Net Asset Value of the Scheme mentioned in the application form/ transaction slip duly signed by the investor, given that the same constitutes a valid legal document between the investor and the AMC. The AMC reserves the right to call for other additional documents as may be required, for processing such transactions. The AMC also reserves the right to reject such transactions. The AMC, thereafter, shall not be responsible for any loss suffered by the investor due to the discrepancy in the Scheme name mentioned in the application form/transaction slip and Cheque/Demand Draft.
Who can invest This is an indicative list and investors are requested to consult their financial advisor to ascertain whether the Scheme is suitable to their risk profile.	• The following persons (subject to, wherever relevant, purchase of units of 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, association of persons or bodies of individuals whether incorporated or not and societies registered under the Societies Registration Act, 1860 (so long as the purchase of units is permitted under the respective constitutions), Co- Operative Societies registered under the Co-Operative Societies Act, 1912, One Person Company. • Religious and Charitable Trusts, Wakfs or endowments of private trusts (subject to receipt of necessary approvals as required) under the provisions of 11(5) of Income Tax Act, 1961 read with 17C of the Income Tax Rules, 1962 (subject to receipt of necessary approvals as "Public Securities", where required.

	• Trustee of private trusts authorized to invest in mutual fund scheme under the Trust Deed. • Partnership Firms & Limited Liability Partnerships (LLPs) in the name of the Firm or in the name of the partner authorised to invest as per the partnership deed or as per the consent letter signed by remaining partners of the Firm. • Proprietorship firm in the name of the proprietor. • Banks (including Co-operative Banks and Regional Rural Banks) and Financial Institutions and Investment Institutions. • NRIs/ persons of Indian origin residing abroad on full repatriation basis (subject to RBI approval, if any) or non-repatriation basis. Presently OCBs are not permitted to invest in mutual funds pursuant to RBI A.P.(DIR Series) Circular No. 14 dated September 16,2003. • Army/Air Force/Navy and other Para Military units and other eligible institutions. • Scientific and/or industrial research organisations. • International Multilateral Agencies approved by Government of India. • Non- Government Provident/Pension/Gratuity funds as and when permitted to invest. • Others who are permitted to invest in the Scheme as per their respective constitutions. • Mutual Funds/Alternative Investment Funds registered with SEBI. • Overseas Citizen of India (OCI) on repatriation basis or on non-repatriation basis. • Foreign Portfolio Investors (FPI) registered with SEBI on repatriation basis. • Multilateral Financial Institutions/Bilateral Development Corporation Agencies/Bodies Corporate incorporated outside India with the permission of Government of India/ Reserve Bank of India. • Such other category of investors as may be decided by the AMC from time to time in conformity with the applicable laws and SEBI (MF) Regulations. **Note:** 1 The AMC may reject any application received in case the application is found invalid/ incomplete or for any other reason in the AMC's sole discretion, subject to the Regulations. 2. Any scheme of JM Financial Mutual Fund or of any other Mutual Fund managed by any other AMC, including a Fund of Fund (subject to the conditions and limits prescribed in Regulations and/or by the Trustee, AMC or Sponsor) may subscribe to the units under the Scheme. The AMC/Trustee/Fund /Sponsor may subject to the limits prescribed by SEBI subscribe to units of this Scheme. The AMC will not be entitled to charge any fees on investments made by the AMC. 3. The AMC may accept an application from an unincorporated body of persons/ trusts. The AMC may also periodically add and review the persons eligible for making application for purchase of units under the Scheme. If a person who is a resident Indian at the time of subscription becomes a resident outside India subsequently, he/she shall have the option to either be paid repurchase value of Units, or continue into the Scheme if he/she so desires and is otherwise eligible. 4. Notwithstanding the aforesaid, the AMC reserves the right to close the unitholder account and to pay the repurchase value of Units, subsequent to his becoming a person resident outside India, should the reasons of cost, interest of other unitholders and any other circumstances make it necessary for the Fund to do so.

Who cannot invest	a. Any individual who is a foreign national or any other entity that is not an Indian resident under the Foreign Exchange Management Act, 1999, except where registered with SEBI as a FPI or FPI sub-account or except for NRIs or PIOs (who are not residents of the United States of America and Canada), unless such foreign national or other entity that is not an Indian resident has procured the relevant regulatory approvals from the Foreign Investment Promotion Board and / or the RBI, as applicable in the sole discretion and to the sole satisfaction of the AMC. b. Overseas Corporate Bodies ("OCBs"), i.e. firms and societies which are held directly or indirectly but ultimately to the extent of at least 60% by NRIs and trusts in which at least 60% of the beneficial interest is similarly held irrevocably by such persons without the prior approval of the RBI. c. NRIs and PIOs who are resident of the United States of America and Canada. d. NRIs residing in Non-Compliant Countries and Territories ("NCCTs") as determined by the Financial Action Task Force ("FATF"), from time to time. e. Any individual or entity subject to U.S. sanctions (OFAC) or other sanctions or persons resident in countries which are subject to U.S. sanctions (OFAC) or other sanctions. f. Any other person determined by the AMC or the Trustee as not being eligible to invest in the Scheme. The AMC reserves the right to include/exclude new/existing categories of investors to invest in the Scheme from time to time, subject to SEBI Regulations & other prevailing statutory regulations, if any.
Where can you submit the filled up applications.	**Registrar &Transfer Agent** M/s. KFin Technologies Limited, Karvy Selenium Tower B, Plot No 31 & 32, First Floor, Gachibowli, Financial District, Nanakramguda, Serilingampally, Hyderabad – 500 032. Tele :- 040 - 67161500-Email :- service_ jmf@kfintech.com, Website:- www.kfintech.com The duly completed application form can also be submitted at the official points of acceptance of the Registrar/branches of AMC. The details of the official points of acceptance and branches of AMC are on back cover page.
Special Products / facilities available during the NFO and thereafter	A. **Direct Plan** In accordance with Para D titled "Separate Option for direct investments" under Circular No. CIR/IMD/DF/21/2012 dated September 13, 2012 issued by Securities and Exchange Board of India (SEBI), a separate plan for direct investments (i.e. investments not routed through an AMFI Registration Number (ARN) Holder ("Distributor") (hereinafter referred to as "Direct Plan") is available as under: Direct Plan is only for investors who purchase/subscribe units in the Scheme directly with the Fund and is not available for investors who route their investments through a Distributor. **Plans / Options / Sub-options:** All Plans / Options / Sub-Options being offered under the Scheme ("Regular Plan") will also be available for subscription under the Direct Plan. Thus, there shall be 2 Plans available for subscription under the Scheme viz., Regular Plan and Direct Plan. Portfolio of the Scheme under the Regular Plan and Direct Plan will be common. The provisions pertaining to Minimum Subscription Criteria, Load and Additional Purchases will be applicable at Scheme (Portfolio) Level. **Scheme characteristics**: Scheme characteristics such as Investment Objective, Asset Allocation Pattern, Investment Strategy, risk factors, facilities offered and terms and conditions including load structure will be the same for the Regular Plan and the Direct Plan, except that:

	• No exit load shall be charged for any switch of investments between Regular Plan (whether the investments were made before or after the Effective Date) and Direct Plan within the same Scheme. The applicable exit load, if any, will be charged for redemptions/ switch outs of the Scheme (i.e. at portfolio level) before the completion of the stipulated load/ lock-in period. The stipulated load/ lock-in period will be reckoned from the date of allotment of units for a particular transaction in the Scheme (i.e. at portfolio level) till the date of redemption / switch out from that scheme, irrespective of the number of intra-scheme switches by the investor between the aforementioned two dates (e.g. switches between plans/sub-plans/options/sub-options within the Scheme having the same portfolio) • The extant provisions of applicability of load on redemptions/ switches from one Scheme to another will continue to be applicable. Direct Plan shall have a lower expense ratio excluding distribution expenses, commission, etc and no commission for distribution of Units will be paid / charged under Direct Plan. **Applicable NAV and allotment of units:** The provisions of applicability of NAV and allotment of units will be same for Regular and Direct plan. **Eligible investors / modes for applying:** All categories of investors (whether existing or new Unitholders), as permitted under the SID of the Scheme, are eligible to subscribe under Direct Plan. Investments under Direct Plan can be made through various modes offered by the Fund for investing directly with the Fund and all other Platform(s) where investors' applications for subscription of units are routed through SEBI registered Investment Advisors. **How to apply:** a. Investors subscribing under Direct Plan of the Scheme will have to indicate "Direct Plan" against the Scheme name in the application form/ transaction slip e.g. "JM Corporate Bond Fund (Direct)". b. Investors may also indicate "Direct" in the ARN column of the application form/ transaction slip. However, in case Distributor/ Sub- broker code is mentioned in the application form, but "Direct Plan" is indicated against the Scheme name or in any other place or in any manner whatsoever in the Application Form/ transaction slip, the Distributor/ Sub-broker code will be ignored and the application will be processed under Direct Plan. c. Further, where application is received for Regular Plan without Distributor code or "Direct" is mentioned in the ARN Column, the application will be processed under the Direct Plan. **Redemption requests:** Where Units under the Scheme are held under both Regular and Direct Plans and the redemption/ Switch request pertains to the Direct Plan, the same must clearly be mentioned on the request (along with the folio number). In the event of the investor not clearly mentioning the name of the Plan (Regular or Direct)/ Option/ Sub-option/or wherever there is an ambiguity in choice of Plan (Regular or Direct)/ Option/ Sub-option opted for in the request for redemption/switch-out of all/specified amount/units, in the absence of clarificatory letter from the investor on the day of the transaction, the AMC/ Registrar reserves the right to process the redemption/switch out request from the Regular Plan or Direct Plan if such redemption request can be processed in totality. In such case, the redemption will first be effected from the Regular Plan. E.g. If an investor has investment of Rs. 5 lakh in an Regular Plan and Rs. 10 lakh in the Direct Plan and a redemption request is received from him for redemption of Rs. 2 lakh without indicating which Plan the redemption is to be effected from, the AMC/ Registrar will effect the redemption from the Regular Plan. In the same example, if the redemption request was for Rs. 7 lakh, the redemption would be effected from the Direct Plan.

	However, in case it is not possible to effect the redemption from any one of the Plans in totality i.e. either from the Regular or from the Direct Plan, such redemption request will be treated as void ab-initio and rejected. E.g. If the redemption request in the above example is for Rs. 12 lakh, the AMC / Registrar will summarily reject the redemption request. Where units are held under any one i.e. under Regular or Direct Plan, the redemption will be processed from such Plan. **Tax consequences:** Switch / redemption may entail tax consequences. Investors should refer to the tax paras set out elsewhere in the document as well as consult their professional tax advisor before initiating such requests. B. **Exchange Platforms:** SEBI vide its Circular No. SEBI/IMD/CIR No. 11/183204/2209 dated November 13, 2009 had facilitated transactions in Mutual Fund schemes through the stock exchanges infrastructure. Also, vide Circular No. CIR/IMD/DF/17/2010 dated November 09, 2010, SEBI had permitted routing of Mutual Fund transactions through the clearing members of the registered stock exchanges and Depository Participants of registered Depositories. In view of this and in order to increase the network and enhance the level of service to the investors of JM Financial Mutual Fund, the Boards of JM Financial Asset Management Limited (the "AMC") and JM Financial Trustee Company Private Limited (the "Trustees") decided to offer an alternate platform to facilitate purchase (subscription) and redemption (repurchase) of units of all the eligible schemes of the Fund. This facility is offered in terms of the aforesaid SEBI circular and the guidelines issued by National Stock Exchange of India Ltd. (NSE) and BSE Ltd. (BSE) in this regard. **Following are the exchange platforms through which investors can subscribe/redeem the units of certain schemes:** 1. BSE StAR MF Platform introduced by BSE (Bombay Stock Exchange) . 2. NSE (National Stock Exchange) Mutual Fund Platform (i) NMF-TM (For Demat transactions being used by Trading Members of NSE) (ii) NMF-Distributors (For Non-Demat transactions being used by Non-trading Members / Mutual Fund Distributors) (i). **Features of the Exchange Platforms introduced by BSE & NSE:** The eligible/trading Members/Brokers and MFDs (Mutual Funds Distributors) are authorised to place the transactions on the Online Mutual Fund Platforms made available by these Stock and Commodity Exchanges of India. (ii) **Who can avail of this facility and is it available for all modes / options of investment?:** The AMC accepts all the permissible financial transactions as are offered by respective Exchange Platforms to any of set of categories of investors as mentioned elsewhere in the Scheme Offer Documents (SID) & Scheme Additional Information (SAI) . However, this facility is not available to Non Resident Indians/ Persons of Indian origin / Overseas Citizen of India from USA, Canada and other Persons / entities / foreign citizens etc. mentioned in the Scheme Information Document (SID) under "Who cannot invest" under the head "UNITS and OFFER".

	(iii). These Exchange Platforms are also declared as the Point of Acceptance by JM Financial Mutual Fund for the purpose of time-stamping the financial transactions in terms of relevant provisions of SEBI Regulations. Hence, these Exchange Platforms shall act as the Point of Acceptance only for the purpose of time – stamping of the transaction and reporting thereof to the RTA/Mutual Fund subject to the transfer to funds to the Scheme's Account of the Mutual Fund before the stipulated cut-off time. Accordingly, all the authorised offices of these Exchanges shall be considered as the Official Points of Acceptance (OPA) of the Mutual Fund in accordance with SEBI Circular No. SEBI/IMD/ CIR No.11/78450/06 dated October 11, 2006 and conditions stipulated in SEBI Circular dated November 13, 2009. (iv). These Exchange Platforms have been designed to provide a confirmation slip of the order(s) entered, which would be deemed to be the time of receipt of application for the purpose of determining the applicability of NAV. However, due to operational reasons, the Exchanges may set-up their own cut-off time which may be earlier to the SEBI stipulated cut-off for the day for smooth and timely movement of Funds & Transactions feeds to the RTA/JM Financial Mutual Fund for processing with applicable NAVs, on day to day basis. (v.)**Whom should the investor approach for transacting in units of the eligible schemes of the Mutual Fund?** The investor has to approach a trading member of NSE, BSE who is registered with Association of Mutual Funds in India (AMFI) as Mutual Fund Advisors and who is empanelled as a distributor with the AMC and also registered with NSE and BSE as Participants ("AMFI certified stock exchange brokers") for MFSS and BSE StAR Platform. **Transactions by Distributors in the Scheme of the Fund on behalf of their clients through the Exchange mechanism:** Pursuant to the above, the following guidelines shall be applicable for transactions executed in the Schemes of the fund through MF Distributors via the Exchange Mechanism offered by respective Exchanges: 1. MF Distributor registered with Association of Mutual Funds in India (AMFI) and who has been permitted by the Exchanges will be eligible to use their platform to purchase/redeem/ switch units of the eligible Scheme, on behalf of their clients, directly from the Fund through online - non-demat mode and/or demat mode. The BSE platform is currently also available for Systematic Investment Plans (SIPs). The platform will accept Systematic Transfer Plan (STP) and Systematic Withdrawal Plan (SWP) as and when it is started by BSE. 2. MF distributors shall not handle pay - out/pay - in of funds as well as units on behalf of the investor/ AMC. 'Pay - in' will be directly received from the investor's account by the respective Clearing Corporations of the Exchange concerned i.e. Indian Clearing Corporation Limited (ICCL) for BSE and National Securities Clearing Corporation (NSCCL) for NSE, through any of the payment authorized modes of Banking Channels . The'Pay - out' will be directly made to the investor by the Registrar/AMC, for non-demat mode. For demat mode, the pay- out for redemption will be directly made to the respective Clearing Corporation. The Investors will be able to purchase/redeem/switch the units in the aforesaid scheme in the following manner. The switch transactions will be split into 2 by treating switch-out as redemption and switch-in as the purchase. 3. i) **Purchase of units in Demat mode:** In case of purchase in demat mode, the units will be credited into the ICCL account for onward transfer to the investor's account. ii) Purchase of units in Non – Demat Mode: In case of non- demat mode, the Registrar will intimate the allotment details to the investor directly by emailing/issuing the physical statement of accounts or through the monthly Consolidated Account Statement (CAS). iii) Redemption of units in Demat mode: In case of redemption in demat mode, the investor has to approach his/her/their MF Distributor / Depository Participant (DP) registered with BSE platform and submit the Redemption Request Form (RRF) / Delivery Instruction Slip (DIS). The DP in turn will intimate the Exchange and the exchange shall intimate the RTA for further processing of the redemption request. iv) Redemption of units in Non - Demat mode: In case of non- demat mode, the redemption order will be placed on BSE platform and BSE shall communicate the same to the RTA for redemption proceeds.

	4. Switch transaction requests can be placed for units which are held in demat as well as in nondemat mode on BSE platform*. 5. In case of payment of redemption proceeds by the Fund/its Registrar to ICCL, the same shall be treated as valid discharge for the Fund/JM Financial Asset Management Limited ("JMF AMC") of its obligation of payment of redemption proceeds to the investor. For purchase of units in demat mode, crediting units into the Clearing Corporation's account shall discharge the Fund/ JMF AMC of its obligation to allot units to the investor 6. In case of Payout of Income Distribution cum Capital Withdrawal Option/ Reinvestment of Income Distribution cum Capital Withdrawal Option of units for demat and non-demat cases, the RTA shall process the same and remit/credit directly into the investor's/ beneficiary's accounts. 7. The investors are requested to note that the allotment of NAV will be based on the time stamping of transaction and receipt of Funds into the account of the respective schemes of the AMC from the Clearing Corporation within the overall guidelines of SEBI on the matter. Payment to the Clearing Corporation will not entitle the investor for the NAV until the same is transferred into the AMC's scheme account by the ICCL, before the cut – off time, including all purchase cases of JM Mid Cap Fund irrespective of the amount. The redemption request shall be accepted by the Exchange upto the cutoff time i.e. 3 p.m. (or such other timings as prescribed by SEBI from time to time) only, failing which the request shall be rejected/processed with the NAV applicable for the next permissible day. 8. The Exchange shall act as the Point of Acceptance only for the purpose of time – stamping of the transaction and reporting thereof but not for collection of funds from the investor and transfer to the AMC. 9. The Mutual Fund Distributors are permitted to handle the transactions of only their clients, through the above platform. 10. The facility of transacting in the Fund's Scheme through BSE StAR MF Platform is available through the BSE, subject to such operating guidelines, terms and conditions as may be prescribed by BSE/ SEBI and JMF AMC from time to time. For transacting units on the BSE platform, the registration of the mobile no. and/or email id of the investor is compulsory. Currently, BSE does not provide the facility of non-financial transactions. However, BSE is hereby authorised to accept the same as and when they start this facility. All the authorised offices of BSE and BSE StAR MF platform shall be considered as the Official Points of Acceptance (OPA) of the Fund in accordance with SEBI Circular No. SEBI/IMD/CIR No.11/78450/06 dated October 11, 2006 and conditions stipulated in SEBI Circular dated November 13, 2009. * The switch process note for demat mode is available on the website of the Fund. The Investors will be able to purchase/redeem/switch the units in the aforesaid scheme in the following manner. The switch transactions will be split into 2 by treating switch-out as redemption and switch-in as the purchase. **Option for holding the units:** Units shall be allotted in physical form or dematerialised form as per the request of the investor. Investors have an option to hold the units in physical or dematerialized form. International Security Identification Number (ISIN) in respect of each plans/options of the Scheme has been created and admitted in the National Securities Depository Ltd. ("NSDL") and Central Depository Services (India) Ltd. ("CDSL"). Investors will have to comply with Know Your Customer (KYC) norms as prescribed by BSE/ NSE/ CDSL/ NSDL and the Fund to participate in this facility. The Fund will not be in a position to accept any request for transactions or service requests in respect of units bought under this facility in demat mode. Investors should get in touch with Investor Service Centres (ISCs) of the Fund for further details.

	For any complaints or grievances against the Eligible Stock Broker with respect to the transactions done through the stock exchange infrastructure, the investor should contact either the concerned Eligible Stock Broker or the investor grievance cell of the respective stock exchange. The Trustee of the Fund reserves the right to change/modify the features of this facility or discontinue this facility at a later date. **Purchase of units on Exchange Platforms:** **a) Physical Form:** • The investor who chooses the physical mode is required to submit all requisite documents along with the purchase application to the Participants/Brokers/Trading Members (subject to applicable provisions of the Exchange). • The Participants/Brokers/Trading Members shall verify the application and documents for mandatory details and KYC compliance. • In case of non- demat mode, the Registrar will intimate the allotment details to the investor directly by emailing/issuing the physical statement of accounts or through the monthly Consolidated Account Statement (CAS). **b) Demat form:** • The investors who intend to deal in depository mode are required to have a demat account with CDSL/NSDL and have to provide their depository account details to the Participants/ Brokers/Trading Members. • The investor who chooses the depository mode is required to place an order for purchase of units (subject to applicable limits prescribed by the Exchange) with the Participants/ Brokers/Trading Members. • Under both the above modes, after completion of the verification, the purchase order will be entered in the Exchange system and an order confirmation slip will be issued to investor. • The investor will transfer the funds to the Participants/Brokers/Trading Members and the funds will be transferred to the respective Scheme's Account of JM Financial Mutual Fund via Clearing Corporation of the respective Exchange. • In case of purchase in demat mode, the units will be credited into the Demat Account of respective Clearing Corporation of the Exchange for onward transfer to the investor's account. • Allotment details will be provided by the Participants/Brokers/Trading Members to the investor. **Redemption of units:** **a. Non-Demat (Physical) Mode** • The investor who chooses the physical mode is required to submit the redemption application (subject to applicable provisions of the Exchange) to the Participants/Brokers/ Trading Members . • Redemption orders would be created either in terms of amount or quantity. • The redemption order will be entered in the Exchange system and an order confirmation slip generated from the Exchange System will be issued to investor by the Participants/ Brokers/Trading Members concerned. • The redemption order will be placed on Exchange platform and the Exchange in turn shall communicate the same to the RTA for processing and remitting the redemption proceeds. • The redemption proceeds will be credited to the Bank Account of the investor, as per the Bank account details recorded with the Mutual Fund.

	b. Demat form: • The investors who intend to deal in depository mode are required to have a demat account with CDSL/ NSDL and units converted from physical mode to demat mode prior to placing of redemption order • In case of redemption in demat mode, the investor is required to place an order for redemption (subject to applicable provisions prescribed by the Exchange) with his respective Participant/Broker/Clearing Member. The investor should provide Depository Instruction Slip (DIS) /the Redemption Request Form (RRF to his Depository Participant (DP) with the number of units to be credited to Clearing Corporation pool account for extinction and redemption. The DP in turn will intimate the Exchange and the exchange shall intimate the RTA for further processing of the redemption request. • The redemption order will be entered in the system and an order confirmation slip will be issued to investor. Redemption orders would be created in terms of units without any minimum limit and not in terms of amount. • The redemption proceeds will be credited to the Bank Account of the Investor, as per the Bank Account details recorded in his Demat Account with the Depository Participant. **Switching of Units** Switch transaction requests can be placed for units which are held in demat as well as in non-demat mode on BSE platform*. The above modes of operations may or may not be available with the Exchanges mentioned above, which may be verified before seeking to transact through the said modes about the current facilities being offered by the respective Exchanges. The investors may refer to the SAI for other applicable details. Investors shall receive redemption amount (if units are redeemed) and units (if units are purchased) through Participant/Broker/Clearing Member's Pool Account. The Mutual Fund/AMC/RTA would pay proceeds to the Participant/Broker/Clearing Member (in case of redemption) and Participant/Broker/Clearing member in turn to the respective investor and similarly units shall be credited by AMC/Mutual Fund/RTA into Pool Account of the Participant/ Broker/Clearing Member (in case of purchase) and Participant/Broker/Clearing member in turn to the respective investor's demat account. Payment of redemption proceeds to the Clearing Corporations/ Participants/ Brokers/Clearing members by AMC/Mutual Fund/RTA shall discharge AMC/Mutual Fund/Trustees/RTA of its obligation of payment to individual investor. Similarly, in case of purchase of units, crediting units into the Pool Accounts of the Clearing Corporations/Participants/Brokers/Clearing Member shall discharge AMC/ Mutual Fund/Trustees/RTA of its obligation to allot units to individual investor. In case of Payout of Income Distribution cum Capital Withdrawal Option / Reinvestment of Income Distribution cum Capital Withdrawal Option of units for demat and non-demat cases, the RTA shall process the same and remit/credit directly into the investor's/beneficiary's accounts. The investors are requested to note that the allotment of NAV will be based on the time stamping of transaction and receipt of Funds into the account of the respective schemes of the AMC from the Clearing Corporation within the overall guidelines of SEBI on the matter. Payment to the Clearing Corporation will not entitle the investor for the NAV until the same is transferred into the AMC's scheme account by the respective Clearing Corporations, before the cut – off time, including all purchase cases under this Scheme irrespective of the amount. The redemption request shall be accepted by the Exchange upto the cutoff time i.e. 3 p.m. (or such other timings as prescribed by SEBI from time to time) only, failing which the request shall be rejected/ processed with the NAV applicable for the next permissible day.

	Applications for purchase/redemption of units which are incomplete/invalid are liable to be rejected. Separate folios will be allotted for units held in physical and demat mode. In case of non-financial requests/applications such as change of address, change of bank details, etc. investors should approach Investor Service Centres (ISCs) of the Mutual Fund if units are held in physical mode and the respective Depository Participant(s) if units are held in demat mode. In case of KYC compliant investors, for any change of address, the investor shall submit the required documents to the respective KYC registration agency. The Mutual Fund Distributors are permitted to handle the transactions of only their clients, through the above platform. The facility of transacting in the Fund's Scheme through the Exchange Platforms is, subject to such operating guidelines, terms and conditions as may be prescribed by the respective Exchanges/ SEBI and JMF AMC/JM Financial Mutual Fund from time to time. **Grievance redressal** For any complaints or grievances against the Eligible Stock Broker with respect to the transactions done through the stock exchange infrastructure, the investor should contact either the concerned Eligible Stock Broker or the investor grievance cell of the respective stock exchange. The Trustee of the Mutual Fund reserves the right to change/modify the features of this facility or discontinue this facility at any point of time. **C. Facility of Online transactions through MF Utilities India Private Limited.** JM Financial Asset Management Limited (AMC) has entered into an Agreement with M/s. MF Utilities India Private Limited (MFUI), for the usage of MF Utilities- (MFU) platform - a shared services initiative of various Asset Management Companies, which acts as a transaction aggregator for transacting in multiple Schemes of various Mutual Funds with a single form/ request and a single payment instrument w.e.f. February 01, 2019. Investors are requested to note that, MFUI allots a Common Account Number (CAN), a single reference number for all investments in the Mutual Fund industry, for transacting in multiple schemes of various Mutual Funds through MFU platform and to map existing folios there-with, if any. Investors can create a CAN by submitting the CAN Registration Form (CRF) and necessary documents at the authorised MFUI Points of Service (POS). Additionally, the investor can create CAN online by furnishing the relevant information on the website of MFUI. The AMC and /or its Registrar and Transfer Agent (RTA) provides necessary details to MFUI as may be needed for providing the required services to investors/distributors through MFU platform. The investors are requested to visit the websites of MFUI or the AMC to download the relevant forms. Subscriptions and all other financial & non-financial transactions pertaining to Schemes of JM Financial Mutual Fund (JMFMF) can be done through MFU physically by submitting the documents at any of he existing and new authorized POS of MFUI as displayed on the website of MFUI. The payment mode for subscriptions can be through Net banking, PayEez or UPI. The MFUI website www.mfuonline.com, Mobile App "goMF" and authorised MFUI POS hosted and updated on www.mfuindia.com from time to time is considered as the Official Points of Acceptance for time stamping the transactions (OPAT) of the AMC. The online transaction portal of MFUI i.e. www.mfuonline.com, their Mobile App "goMF" and the POS of MFUI also act as the additional OPAT of the AMC. Applicability of NAV shall be based on time stamping of transaction at MFUI POS/ online subject to the sighting of funds into the Bank Account of JM Financial Mutual Fund(JMF MF) before the applicable cut-off timing as stipulated by SEBI. The uniform cut-off time as stipulated by Securities and Exchange Board of India (Mutual Funds) Regulations, 1996 from time to time and as mentioned in the Scheme Information Document/ Key Information Memorandum of the respective Scheme shall be applicable for transactions through MFU also.

	Investors should note that transactions through MFU shall be subject to terms and conditions as stipulated by MFUI /the Mutual Fund /the AMC/SEBI/AMFI from time to time and any applicable law being in force. For facilitating transactions through MFUI platform, the AMC/ JMF MF will be required to furnish and disclose certain information / details about the investor(s), which may include certain personal information including financial information, with MFUI and / or its authorised service providers. Investors transacting through MFUI platform shall be deemed to have consented and authorised the AMC/ JMF MF to furnish and disclose all such information to MFUI and/or its authorised service providers as may be required by MFUI from time to time. **Following procedure will be adopted for carrying out any request for updation of below mentioned non-commercial details:** 1. Bank Details 2. Email id 3. Mobile Number 4. Nomination A. **New Folios opened based on CAN:** The data provided by investors to MFUI will be replicated in the new folio/s opened by our Registrar & Transfer Agent ("RTA"), M/s KFin Technologies Pvt Ltd at the time of first purchase through MFU System. B. **Existing Folios:** The RTA has mapped all the folios of our Investors with their existing CANs allotted by MFUI based on the mapping criteria followed by MFUI and accordingly replicated its database for each mapped folios with the database available as per MFUI's records in respect of the CAN respectively. Similarly, the same process is adopted by MFU and RTA for all new CANs created for all existing investors who keep obtaining new CANs. In case of any issue, the Investors may approach to MFUI/RTA for redressal. **For Updation of non-commercial details in folios mapped with /created through MFU system.** i. **CAN Holders - Email id/Mobile No.:** The investor may update/change his Email id/Mobile Number in CAN records maintained by MFU as per the procedure set out by MFUI. The updation carried by MFUI will be replicated in RTA's records in all the folios mapped to the respective CANs. Investors may please note that there will be a cooling period of minimum 10 days for updation of Mobile Number and Email ids. ii. **For Non-CAN Holders - Email id/Mobile No.:** The existing procedure as per Addendum no. 25/2018-2019 dated November 30, 2018 will continue for updation of Email id and Mobile No. by KYC Compliant (through KRAs) investors in their folios, if they do not hold CAN for the first time and subsequently through written request to RTA . **Bank Details:** The Bank details along with the details of Default Bank as per CAN records maintained by MFUI will also be replicated in the existing /New Folio(s) of the Investors maintained by the RTA. For any change in the Bank Details, the CAN holder will have to get the same updated in MFUI records by submitting the required documentary evidence and the same will be updated by the RTA automatically for all folios mapped to the respective CANs. **Nomination:** Nomination as per CAN will be replicated in AMC's records maintained by its RTA. In the similar manner, any changes/updation in Nomination needs to be carried out in MFUI's records as per the procedure set out by them and the same will be updated by RTA automatically. In case of the investors desirous of having different nomination or percentage of entitlement for Nominees in their different folios, may update their nomination directly with the RTA for each folio as per their wish, by filling up a separate nomination form for each folio instead of updating the same in the CAN. For any queries or clarifications related to MFU, please contact the Customer Care of MFUI on +91 22 6134 4316 (during the business hours on all days except Saturday, Sunday and Public Holidays) or send an email to mfuthn@mfuindia.in

	D. Online Transactions – Through Electronic Platforms created by the RTA: (Website and Mobile App) **(i) Individual Investors:** The Individual investors are allowed to transact in the Schemes of the Fund through www.kfintech.com, an electronic platform provided by the RTA M/s. KFin Technologies Limited. Online transactions in the Schemes of the Fund can also be made via the website of JM Financial Mutual Fund i.e. www.jmfinancialmf.com. The investors may access the facility to transact in the Scheme of the Fund through mobile application of KFin i.e. 'KFinKart' as well. **(ii) Non-Individual Investors** The Corporates, LLPs, Banks, and other non – individual investors are allowed to transact in schemes of the Fund through "K-CORP CONNECT", an electronic platform provided by the RTA M/s. KFin Technologies Limited on www.kfintech.com. The above said facilities are available for Direct and Regular Plans of the Scheme which are available for fresh subscription. The permissible transactions are displayed online and may be updated from time to time. The above platforms are treated as the Official Points of Acceptance for the purpose of time stamping the transactions online. The uniform cut off time as prescribed under the SEBI (Mutual Funds) Regulations, 1996 and as mentioned in this document and KIM of the Scheme of the Fund will be applicable for transactions received through the above electronic platform and the time of receipt of transaction recorded on the server of KFin will be reckoned as the time of receipt of transaction for the purpose of determining applicability of NAV, subject to credit of funds to bank account of scheme, wherever applicable. Accordingly, the transactions are eligible for the same business day's NAV, subject to SEBI guidelines. However, for purchase transactions, the NAV will be allotted based on the receipt of funds into the Scheme's Account maintained by the Fund through the aggregator M/s. IndiaIdeas.com Ltd. (formerly known as M/s. Bill Desk) which will be dependent on their arrangement with the respective Banks. Normally, there is a time lag in the receipt of funds from the Payment Gateway/Aggregator Kindly check the same carefully from the officials of the AMC or from the website. The facility to transact in the Scheme of the Fund through KFin's electronic platform is available subject to such operating guidelines, terms and conditions as may be prescribed by the RTA M/s KFin Technologies Limited, JMF AMC/Mutual Fund and JM Financial Trustee Company Pvt. Ltd. from time to time and applicable laws for the time being in force. For operating guidelines, terms and conditions, registration form and further details, investors are requested to visit www.kfintech.com. **E. MFCentral a digital platform for Mutual Fund investors developed by qualified R&T Agents (QRTAs):** Based on the SEBI circular no SEBI/HO/IMD/IMD- II DOF3/P/CIR/2021/604 dated July 26, 2021, to comply with the requirements of RTA inter- operable Platform for enhancing investors' experience in Mutual Fund transactions / service requests, the Qualified R&T Agents (QRTAs), KFin Technologies Limited and Computer Age Management Services Limited (CAMS) have jointly developed MFCentral – A digital platform for Mutual Fund investors. MFCentral is created with an intent to be a one stop portal / mobile app for all Mutual fund investments and service-related needs that significantly reduces the need for submission of physical documents by enabling various digital / physical services to Mutual Fund investors across Fund Houses subject to applicable Terms & Conditions (T&C) of the Platform. MFCentral will be enabling various features and services in a phased manner. MFCentral may be accessed using https://mfcentral.com/ and a Mobile App in future.

With a view to comply with all provisions of the aforesaid circular and to increase digital penetration of Mutual funds, the Mutual Fund has designated MFCentral as its Official Point of Acceptance (DISC – Designated Investor Service Centre) w.e.f. September 23, 2021. Any registered user of MFCentral, requiring submission of physical document as per the requirements of MFCentral, may do so at any of the designated Investor Service Centres or Collection Centres of KFintech or CAMS.

F. Holding Units in Demat Form (Dematerialized form)

Pursuant to SEBI Circular no. CIR/IMD/DF/9/2011 dated May 19, 2011, an option to subscribe to the units of open ended, close ended, Interval schemes in dematerialized (demat) form shall be provided to the investors effective October 1, 2011.

Consequently, the Unit holders under the Scheme/ Plan(s) shall have an option to subscribe/ hold the Units in demat form in accordance with the provisions laid under the Scheme/ 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 (Depository Participants)

Provisions with respect to transaction in units held in Demat mode:

Units held in demat form are transferable subject to the provisions laid under the respective Scheme/Plan(s) and in accordance with provisions of Depositories Act, 1996 and the Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018 as may be amended from time to time.

Purchase of Units in Demat Mode

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.

Dematerialization of existing units

The existing units held in physical form can also be dematerialized by the Unitholders. In such a case, the investor is required to approach his DP and make a request in DRF (Dematerialization Request Form) in triplicate along with the Statement of Account for the units. The DP will acknowledge the DRF by returning one copy and will forward the other one to the RTA for dematerialization of units.

Redemption of Units in Demat Mode:

An existing investor who wants to redeem units held in his demat account under the Scheme has to approach his depository participant (DP) directly and submit duly filled and signed RRF Form (Redemption Request Form) which is available with the DPs e.g Banks/ Brokers etc . Normally, these RR Forms are also available on the websites of respective DPs. As the RRF may be different with respective DP's logo, the Investors are advised to use the RRF procured from their own DP to avoid rejections/delays by their own DP. The ISIN of the respective Option of the Scheme is printed on the Statement of Account issued to the Investors by RTA/Mutual Fund.

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 RTA i.e M/s KFin Technologies Pvt Ltd. The third copy will be retained by the DP for their own records.

	Based on the receipt of RRF, if found in order, the DP concerned generates Electronic Redemption Request 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). Based on the electronic flow of information to the RTA through NSDL/CDSL system for specified units having been blocked upto the cut of time, the RTA will process such redemption requests as per applicable NAVs and remit the redemption proceeds as per the internal service standards set by the Mutual Fund but within the maximum time frame stipulated by SEBI. **Switch of Units in Demat Mode** Switch transactions from one Scheme/Plan to another Scheme/Plan is not permitted for investors holding the units in Demat. The 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. 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.
The policy regarding reissue of Repurchased units, including the maximum extent, the manner of reissue, the entity (the scheme or the AMC) involved in the same.	Not Applicable
Restrictions, if any, on the right to freely retain or dispose off units being offered	**Non – acceptance of subscriptions:** The U.S. Securities and Exchange Commission (SEC) requires that a person falling under the definition of the term 'US Person' under the Securities Act of 1933 of U.S.A (an 'Act') and corporations or other entities organized under the U.S. laws shall not be permitted to make investments in securities not registered under the Act. Also, the Canadian Securities Administrator (CSA) mandates prior registration of the fund with CSA before marketing or selling to the residents of Canada. The investors are hereby informed that none of the Scheme of JM Financial Mutual Fund (the "Fund") is presently registered under the relevant laws, as applicable in the territorial jurisdiction of U.S. or in any provincial or territorial jurisdiction of Canada. Hence, the units made available under the SAI or SID of all the Scheme may not be directly or indirectly be offered for sale in any of the provincial or territorial jurisdiction in U.S. and/or Canada or to/ or for the benefits of the residents thereof. Accordingly, the persons, corporations and other entities organized under the applicable laws of the U.S. including Qualified Foreign Investors (QFI) registered in USA and Canada and residents of Canada as defined under the applicable laws of Canada will not be permitted to make any fresh purchases/ additional purchases/ switches in the Scheme in any manner whatsoever. **The above classes of investors are requested to note the following:** a. No fresh purchases (including Systematic Investment Plans and Systematic Transfer Plans)/ additional purchases/switches in any Scheme of the Fund would be allowed. However, existing Unit Holder(s) will be allowed to redeem their units from the Schemes of the Fund. If an existing Unit Holder(s) subsequently becomes a U.S. Person or Resident of Canada, then such Unit Holder(s) will not be able to purchase any additional Units in any of the Scheme of the Fund. b. For transaction on Stock Exchange platform, while transferring units from the broker account to investor account, if the investor has U.S./ Canadian address then the transactions would be rejected. c. In case JMF AMC/JM Financial Mutual Fund subsequently identifies that the subscription amount is received from U.S. Person(s) or Resident(s) of Canada, the AMC/Fund at its discretion shall redeem all the units held by such person from the Scheme of the Fund at applicable Net Asset Value.

B. Restriction on redemption in Mutual Funds:

In terms of circular SEBI/IMD/CIR No.5/126096/08 dated May 23, 2008, provision of restriction on redemption under any scheme of the mutual fund could be made only after the approval from the Board of Directors of the Asset Management Company (AMC) and the Trustees.

SEBI vide its circular no. SEBI/HO/IMD/DF2/CIR/P/2016/57 dated May 31, 2016 has laid down the criteria and the conditions in case AMC wishes to impose restrictions on redemptions.

Vide the said circular, SEBI has advised that:

1) Restriction may be imposed when there are circumstances leading to a systemic crisis or event that severely constricts market liquidity or the efficient functioning of markets such as:

i. Liquidity issues

ii. Market failures, exchange closures and/or iii Operational issues

2) Restriction on redemption may be imposed for a specified period of time not exceeding 10 working days in any 90 days period.

If restriction on redemption is imposed by JM Financial Asset Management Limited (JMF AMC) anytime in future, JMF AMC, in addition to the above requirements, will ensure the following:

Redemption requests upto Rs. 2 lakh shall not be subject to such restriction.

Where redemption requests are above Rs. 2 lakh, JMF AMC shall redeem the first Rs. 2 lakh without such restriction and remaining part over and above Rs. 2 lakh, shall be subject to restriction, as may be imposed.

C. Transfer of Units:

Units shall be freely transferable. In case, the units are with the depository held in Demat mode, such units will be transferable in accordance with the provisions of the Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996. Pursuant to SEBI circular no. CIR/IMD/DF/10/2010 dated August 18, 2010, units under the Scheme are freely transferable from one demat account to another demat account. In case, a person becomes a holder of Units by operation of law or upon enforcement/invocation of pledge, the AMC shall, subject to production of such satisfactory evidence and submission of such documents by the transferee, proceed to effect the transfer, if the intended transferee is otherwise eligible to hold the Units of the Scheme concerned. In case of physical mode of holding, the asset management company shall, on production of instrument of transfer together with relevant statement of accounts, register the transfer and return the statement of accounts to the transferee within thirty days from the date of such production

D. Pledge of Units:

Units under the Scheme may be offered as security by way of a pledge / charge in favour of scheduled banks, financial institutions, non-banking finance companies (NBFCs) or at the discretion of the AMC. The AMC and / or the Registrar will note and record the pledge of Units. The AMC shall mark a lien only upon receiving the duly completed form and documents, as it may require. Disbursement of the loans will be at the entire discretion of the bank / financial institution / NBFC etc and the Fund/AMC assumes no responsibility for that. The Pledgor will not be able to redeem Units that are pledged until the entity to which the Units are pledged provides a written authorization to the Mutual Fund that the pledge / lien charge may be removed. As long as the Units are pledged, the Pledgee will have complete authority to redeem such Units with or without Income Distribution Cum Capital Withdrawal /reinvested units thereon as per the arrangements between the pledger and pledgee

B. ONGOING OFFER DETAILS

Ongoing Offer Period This is the date from which the Scheme will reopen for subscriptions/redemptions after the closure of the NFO period.	The Scheme is an open ended Scheme. Units of the Scheme will be available for subscription and redemption on an ongoing basis on every business day at NAV based prices not later than five days from the date of allotment of units in the NFO. The Units of the Scheme will not be listed on any exchange, for the present.
Ongoing price for subscription (purchase)/ switch-in (from other schemes/plans of the fund) by investors. This is the price you need to pay for purchase/ switch-in.	At the applicable NAV. Purchase Price = Applicable NAV In accordance with the requirements specified by the SEBI circular no. SEBI/ IMD/CIR No.4/168230/09 dated June 30, 2009 no entry load will be charged for purchase / additional purchase/ switch-in accepted by the Fund with effect from August 01, 2009. Similarly, no entry load will be charged with respect to applications for registrations under systematic investment plans/ systematic transfer plans accepted by the Fund with effect from August 01, 2009.
Ongoing price for redemption (sale) / switch outs (to other schemes/plans of the Fund) by investors. This is the price you will receive for Redemptions /switch outs. Example: If the applicable NAV is Rs. 10, exit load is 0.5% then redemption price will be: Rs. 10* (1-0.005) = Rs. 9.9500.	At the applicable NAV subject to the deduction/ charge of exit loads as prescribed & applicable at the time of respective investments and government levies as applicable.
Cut off timing for subscriptions/ redemptions/ switches This is the time before which your application (complete in all respects) should reach the official points of acceptance.	**For purchase** To be time stamped by 3 p.m. (or such other timings as prescribed by SEBI from time to time) for Debt Schemes. **For redemption /switch in / switch out** : To be time stamped by 3.00 p.m. (or such other timings as prescribed by SEBI from time to time). Applicable Net Asset Value (NAV) for Purchase/ Switch-in, Installments under Systematic Investment Plan (SIP), and Systematic Transfer Plan (STP) irrespective of application amount across all the schemes of JM Financial Mutual Fund, the following provisions are effective: Where the application is received and time stamped upto the cut-off time of 3.00 p.m. on a business day at the official point of acceptance and funds for the entire amount of subscription/purchase/SIP/STP installments are available for utilization upto 3.00 p.m. on the same Business Day, NAV of the same Business Day shall be applicable. Where the application is received and time stamped upto the cut-off time of 3.00 p.m. on a business day at the official point of acceptance and funds for the entire amount of subscription/purchase/ SIP/STP are available for utilization after 3.00 p.m. on the same Business Day or on any subsequent Business day, NAV of such subsequent Business Day on which the Funds are available for utilization prior to 3.00 p.m. shall be applicable. Where the application is received and time stamped after the cut off time of 3.00 p.m. on a business day at the official point of acceptance and funds for the entire amount of subscription/purchase/SIP/STP installments are available for utilization upto 3.00 p.m. on the same Business Day, NAV of the subsequent Business Day shall be applicable. Redemption/ Switch out request can be submitted to the official point of acceptance on any business day till the cut off time as stipulated and revised by the SEBI from time to time which is currently 3.00 p.m. (IST). In respect of valid applications received up to 3.00 p.m. (IST) by the Fund, same day's closing NAV shall be applicable. In respect of valid applications received after 3.00 p.m. (IST) by the Fund, the closing NAV of the next business day shall be applicable.

	For Switch-in to the Scheme/ Plan from other Schemes of JM Financial Mutual Fund • Application for switch-in must be received before the applicable cut-off time. • Funds for the entire amount of subscription/purchase as per the switch- in request must be credited to the bank account of the respective switch-in liquid schemes before the cut-off time. The funds must be available for utilization before the cut-off time, by the respective switch-in schemes. For Redemptions including switch-outs • In respect of valid applications received upto 3.00 p.m. (or such other timings as prescribed by SEBI from time to time) on a Business Day by the Fund, same day's closing NAV shall be applicable. In respect of valid applications received after 3.00 p.m. (or such other timings as prescribed by SEBI from time to time) on a Business Day by the Fund, the closing NAV of the next Business Day shall be applicable. **Transactions through online facilities / electronic modes:** The time of transaction done through various online facilities / electronic modes offered by the AMC, for the purpose of determining the applicability of NAV, would be the time when the request for purchase / sale / switch of units is received in the servers of AMC/RTA. In case of transactions through online facilities / electronic modes, there may be a time lag of few days between the amount of subscription being debited to investor's bank account and the subsequent credit into the respective Scheme's bank account. This lag may impact the applicability of NAV for transactions where NAV is to be applied, based on actual realization of funds by the Scheme. Under no circumstances will JMF AMC or its bankers or its service providers be liable for any lag / delay in realization of funds and consequent pricing of units.
	The AMC has the right to amend cut off timings of transactions received through online channels within the cut off time stipulated by SEBI (MF) Regulations for the smooth and efficient functioning of the Scheme. **SIP/STP/Switch-in Transactions** The NAV for SIP & STP instalments will be allotted based on the credit of funds into the Scheme's account for the respective instalments before the cut off time i.e. 3.00 p.m. irrespective of the SIP/STP instalments' due dates opted by the investors as the same will only be meant for the purpose of initiating the SIP/STP transactions The NAVs for Switch-in transactions will be based on transfer of funds into the Bank Account of the target Scheme as per the redemption pay-out service standards of the switch-out scheme subject to the time stamping of the switch transactions upto the cut-off timings of 3.00 p.m. For faster realisation of the funds, the investors are requested to use electronic modes of payments. **Exchange Platforms & MFU:** The cut – off timing and applicability of Net Asset Value (NAV) shall be subject to the guidelines issued by SEBI in this regard from time to time. With respect to investors who transact through Stock Exchange Platforms (i.e. BSE and NSE) or MFU, the applicable NAV shall be reckoned on the basis of the time stamping as evidenced by confirmation slip given by Stock Exchange/MFU mechanism, and subject to receipt of funds by the AMC/ Fund before the cut – off time of the Scheme for purchase transactions. These platforms are authorized Point of Acceptance for the limited purpose of time-stamping the transactions.
Where can the applications for purchase/ redemption switches be submitted?	Applications for purchase/redemption/switches be submitted at any of the Designated Investor Service Centres mentioned in this Scheme Information Document or any other location designated as such by the AMC, at a later date. The details of official points of acceptance are set out on the back cover page.

Minimum amount for purchase/redemption/ switches	The table on minimum investment amounts for the schemes under this Scheme Information Document is set out elsewhere in the document. Minimum amount of Rs. 5,000/- per Plan / Option / Sub-Option and in multiples of any amount thereafter. in case of first time investments. For ongoing investments in the same scheme in an existing folio, the investment would be Rs. 1000/- and in multiples of any amount thereafter. However, there is no upper limit for investment. The minimum investment is applicable at the respective Plans /Options/ Sub- options level i.e. Growth, Income Distribution Cum Capital Withdrawal etc. and will be considered at gross level after taking into account permissible DD charges, stamp duty etc. as per the current practice. There is no minimum and maximum limit on the amount/units which can be redeemed/ switched-out. The investor is free to redeem any or all units outstanding in his/her/their folio. However, in case of switch transaction, the minimum investment provisions of the switch-in Scheme/Plan i.e. for fresh/additional purchase, shall continue to be applicable. In the event of failure to meet the requirement of switch-in Scheme/Plan, such switch requests will be treated as cancelled/ rejected. C-KYC has been made mandatory for all new investors, both individuals and non individuals..
Minimum balance to be maintained and consequences of non maintenance.	There is no minimum and maximum limit on the amount/units which can be redeemed/ switched-out. The investor is free to redeem any or all units outstanding in his/her/their folio.
Special Products available	SIP/ STP/ SWP (kindly refer to the provisions mentioned elsewhere in the document)
Accounts Statements/ Common Account Statement ("CAS")/ Half Yearly Account Statement	**For all financial transactions including purchases, redemptions, switches, systematic transactions during ongoing sales and repurchase.** The AMC shall issue to the investor whose application (other than SIP/ STP) has been accepted, an account statements specifying the number of units allotted. The first account statement under SIP/STP/SWP shall be issued within 5 Business Days of the initial investment/transfer. In case, an investor has provided his e-mail ID in the application form or any subsequent communication or procured from the KYC database by the RTA/AMC, in any of the folio(s) belonging to him/her, the AMC reserves the right to use such e-mail ID as a default mode of communication to the investor including sending of account statements / CAS for the new and existing investments for folio(s)/ investor(s) concerned. Similarly, S-CAS will be issued on monthly basis through the Depositories NSDL/CDSL in case the respective investors are maintaining Demat Account irrespective of whether the Units in question are held in Demat or physical form. In other cases, physical CAS will be issued on Mutual Fund Industry level by any of the mailing agencies approved by AMFI covering all the transactions of the previous month by the 15th of the succeeding month.

	For SIP / STP / SWP transactions; • For cases eligible for CAS (i.e. where valid PANs are updated), the concerned investor shall be issued CAS on monthly basis • For all SIP/STP/SWP folios not included in the CAS, the AMC shall issue account statement to the investors on a monthly basis, pursuant to any Financial Transaction in such folios, on or before 5 business days of succeeding month. • A soft copy of the Account Statement shall be mailed to the investors under SIP/STP/SWP to their e-mail address on a monthly basis. • In case of specific request received from investors, Funds shall provide the account statement (SIP/STP/ SWP) to the investors within 5 business days from the receipt of such request without any charges. In case investor is not sent CAS, the Fund shall dispatch the statement of accounts to the unit holders under STP/SWP once every quarter ending March, June, September and December within 10 business days of the end of the respective quarter. However, the first account statement under STP/ SWP shall be issued within 5 business days of the initial investment. However, if investor is sent CAS on monthly basis, quarterly account statement shall not be dispatched to him. However, in case of specific request received from investors, the Fund shall provide the account statement to the investors within 5 business days from the receipt of such request without any charges. Further, soft copy of the account statement shall be mailed to the investors under STP/SWP to their e-mail address on a monthly basis, if so mandated. **Consolidated Account Statement (CAS):** Pursuant to Regulation 36 of SEBI (Mutual Funds) Regulations, 1996 and amendments thereto, SEBI circular No. Cir/IMD/ DF/16/ 2011 dated September 8, 2011 read with SEBI Circular No. SEBI/HO/IMD/DF2/ CIR/P/2021/024 dated March 4, 2021, the investor whose transaction** has been accepted by the AMC 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 15th 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, Payout of Income Distribution cum Capital Withdrawal Option / Reinvestment of Income Distribution cum Capital Withdrawal Option, systematic investment plan, systematic withdrawal plan, systematic transfer plan. For Demat A/c Holders, S-CAS (Securities Consolidated Account Statement) would be dispatched / emailed on a monthly basis by the 15th of every month by the respective Depository i.e NSDL & CDSL. For other investors having valid and verified PAN, the CAS will be sent by one of the agencies appointed by AMFI eg. Currently Manipal Technologies Limited and Seshaasai Business Forms Pvt. Ltd. who are authorized to dispatched such CAS. Account Statement of non-CAS Unit Holders will also be dispatched / emailed by the Registrar. (iii) For the purpose of sending CAS, common investors across mutual funds shall be identified by their Permanent Account Number (PAN). The CAS shall not be sent to the Unit holders for the folio(s) not updated with PAN details. For folios without a valid PAN, the AMC may send account statements on a monthly basis on or before the 15th of the succeeding month. The Unit holders are therefore requested to ensure that the folio(s) are updated with their PAN. (iv) In case of a specific request received from the Unit holders, the AMC will dispatch the account statement to the investors within 5 Business Days from the receipt of such request. (v) In the event the account has more than one registered holder, the first named Unit holder shall receive the CAS/ account statement. (vi) Consolidation shall be done only for folios in which the unit holders and the order of holding in terms of first, second and third is similar. In case of folios pertaining to minors, the guardian's PAN shall be used for consolidation. (vii) 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 21st day of succeeding month, unless a specific request is made to receive in physical, to all such Unit holders in whose folios no transaction has taken place during that period. The statement of holding of the beneficiary account holder for units held in demat will be sent by the respective Depository Participants ("DPs") periodically. Investors are requested to note the following regarding dispatch of account statements: 1. The Consolidated Account Statement (CAS) for each calendar month is to be issued on or before 15th day of succeeding month, to the investors who have provided valid Permanent Account Number (PAN). Due to this regulatory change, AMC shall now cease to send physical account statement to the investors after every financial transaction including systematic transactions. Further, CAS will be sent via email where any of the folios consolidated has an email id or to the email id of the first unit holder as per KYC records.

	2. For folios not included in the Consolidated Account Statement (CAS), the AMC shall issue account statement to the investors on a monthly basis, pursuant to any financial transaction in such folios, on or before 5 business days of succeeding month. Pursuant to SEBI Circular No. CIR/MRD/DP/31/2014 dated November 12, 2014 regarding Consolidated Account Statements (CAS) for all the securities assets, the following provisions shallbe applicable. Investors are requested to note the changes regarding dispatch of Account Statements to the investors for the transactions done by them in any of the schemes of the Fund, on or after February 01, 2015. **1. Investors not holding units in Demat Account:** Based on the PAN of the investors, for each calendar month, Consolidated Account Statement (CAS) shall be dispatched/emailed by the Asset Management Companies (AMC)/Registrar & Transfer Agent (RTA) within 15th day of the succeeding month to the investors in whose folio transactions have taken place during that previous month. **2. Investors holding units in Demat Account:** Based on the PAN of the investors, for each calendar month, Consolidated Account Statement (CAS) shall be dispatched/emailed by the respective Depository within 15th day of the succeeding month to the investors, in whose folio transactions have taken place during that previous month. In case of no transactions by the investors during the period of six months, the CAS shall be dispatched by the respective Depository to the investors on half yearly basis, on or before 21st day of the succeeding month. In case of demat accounts with nil balance and no transactions in securities and in mutual fund folios, the respective Depository shall send the physical statement as per the applicable regulations. In case of statements which are currently being dispatched by email to the investors, the CAS shall continue to be sent through email. In case the investor does not wish to receive the CAS by email, option will be given to the investors to receive the same in physical form, at the address registered in the Depository system. In case no email id is provided, the statements will be sent in physical form. Investors are requested to note that in case of any transactions done in the folios which are not included in the CAS, the AMC shall issue a monthly account statement to the investors on or before 5 business days of the succeeding month. In case no email id is provided, the statements will be sent in physical form. Investors whose folio(s)/demat account(s) are not updated with PAN, shall not receive the CAS. Hence, investors are hereby requested to update their folio(s)/demat account(s) with the PAN. SEBI vide its circular no. SEBI/HO/IMD/DF2/CIR/P/2016/42 dated March 18, 2016 and circular no. SEBI/HO/IMD/DF2/CIR/P/2016/89 dated September 20, 2016, had advised Mutual Funds/AMCs to make additional disclosures in the CAS issued from October 01, 2016 to investors Consolidated Account Statement (CAS), issued to investors in accordance with Regulation 36(4) of SEBI (Mutual Funds) Regulations, 1996 and circulars thereof, at present provides information in terms of name of scheme/s where the investorhas invested, number of units held and its market value, among other details. To increase transparency of information to investors, it has been decided that:

	1. Each CAS issued to the investors shall also provide the total purchase value / cost of investment in each scheme. 2. Further, CAS issued for the half-year (ended September/ March) shall also provide: a. The amount of actual commission paid by AMCs/Mutual Funds (MFs) to distributors (in absolute terms) during the half-year period against the concerned investor's total investments in each MF scheme. The term 'commission' here refers to all direct monetary payments and other payments made in the form of gifts / rewards, trips, event sponsorships etc. by AMCs/MFs to distributors. Further, a mention may be made in such CAS indicating that the commission disclosed is gross commission and does not exclude costs incurred by distributors such as Goods & Services Tax (wherever applicable, as per existing rates), operating expenses, etc. b. The Scheme's average Total Expense Ratio (in percentage terms) for the half-year period for each scheme's applicable plan (regular or direct or both) where the concerned investor has actually invested in. 3. Such half-yearly CAS will be issued to all MF investors, excluding those investors who do not have any holdings in MF schemes and where no commission against their investment has been paid to distributors, during the concerned half-year period. **Half Yearly Account Statement:** Half-yearly CAS shall be issued to all MF investors, excluding those investors who do not have any holdings in MF schemes and where no commission against their investment has been paid to distributors, during the concerned half-year period by the 21st of the month following the half year end.
Income Distribution Cum Capital Withdrawal	The Income Distribution Cum Capital Withdrawal warrants shall be dispatched to the unitholders within 7 Working days of the Record Date. Income Distribution Cum Capital Withdrawal shall be declared at the discretion of the Trustee subject to availability of distributable surplus as compiled in accordance with SEBI (MF) Regulations, 1996. No Income Distribution Cum Capital Withdrawal under Income Distribution Cum Capital Withdrawal Option shall be distributed in cash even for those unitholders who have opted for payout where such Income Distribution Cum Capital Withdrawal on a single payout is less than Rs. 100/-. Consequently, such Income Distribution Cum Capital Withdrawal (less than Rs. 100/-) shall be compulsorily re-invested except in schemes where Reinvestment of Income Distribution cum Capital Withdrawal is not available. The Fund does not guarantee or assure declaration or payment of Income Distribution Cum Capital Withdrawal. Although, the Fund may have the intention to declare Income Distribution Cum Capital Withdrawal under the various Income Distribution Cum Capital Withdrawal options, such declaration of Income Distribution Cum Capital Withdrawal if any, is subject to the Scheme's performance, the availability of distributable surplus and other considerations keeping in view the interest of the unitholders in the Scheme, at the time of declaration of such Income Distribution Cum Capital Withdrawal. On payment of Income Distribution Cum Capital Withdrawal, the NAV will stand reduced by the amount of Income Distribution Cum Capital Withdrawal and statutory levies paid if any. Investors may like to note that the amounts can be distributed as Income Distribution Cum Capital Withdrawal out of investors capital (Equalization Reserve), which is part of the sale price that represents realized gains. **Exchange Platforms:** If the sub - option of Payout of Income Distribution cum Capital Withdrawal Option is chosen and the Income Distribution Cum Capital Withdrawal amount is less than Rs. 100, then the Income Distribution Cum Capital Withdrawal shall not be reinvested but will be paid out to the respective investors.

Equalization Reserve	When units are sold, and sale price (NAV) is higher than face value of the unit, a portion of sale price that represents realized gains is credited to an Equalization Reserve Account and which can be used to pay Income Distribution Cum Capital Withdrawal. Income Distribution Cum Capital Withdrawal can be distributed out of investors capital (Equalization Reserve), which is part of sale price that represents realized gains.
Redemption	The redemption or repurchase proceeds shall be dispatched to the unitholders within 3 business days from the date of redemption or repurchase. **Redemption/Switch Procedure in case of physical form:** The investors holding units in physical form may submit their redemption/ switch requests duly signed by all the holders (as per the mode of holding) at any of the Point of Acceptance (POA) Investor Service Centers (ISC) of Registrar & Transfer Agent viz., M/s KFin Technologies Ltd. or JM Financial Asset Management Ltd. latest by the cut off time as stipulated and revised by SEBI from time to time which is currently 3.00 p.m. 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 the Scheme. **Redemption / Switch Procedure in case units are held in dematerialized form:** **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 by their own DP. The ISIN of the Scheme/plan/ sub-plan 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 RTA. 4. Based on the receipt of RRF, if found in order, the DP concerned generates Electronic Redemption Request 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 the stipulated cut off time which is currently 3 pm every day by DPs shall get transmitted from NSDL / CDSL to respective Registrars of Mutual Fund by 4 - 6 pm. 6. All such Electronic Requests transmitted by NSDL / CDSL by 4 – 6 pm everyday are updated in the system at Registrar's end i.e. M/s KFin Technologies 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 3 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

	A Unit holder has in case of physical redemption request for redemption either in terms of Amount or in terms of the number of Units. In case, the redemption request indicates both amount in Rupees and number of Units, the lower of the two in value term will be considered. Where a Rupee amount is specified or deemed to be specified for redemption, the number of Units redeemed will be the equivalent to the amount sought redeemed plus the exit load & applicable Govt levies like STT divided by the redemption price (ie additionally subject to the levy of applicable STT and exit load). In case of difference/ ambiguity in the amount and units mentioned in any request for Redemption/ Switch, the minimum value (of units and amount) on rupee equivalent basis on the Transaction/ applicable NAV date will be considered by the AMC, provided the investor has not furnished any clarification in writing, duly signed on the date of transaction. In the event of investor not having filled in the Amount/ Units in the Transaction Slip, the AMC will redeem/ switch out all the outstanding units in case the Scheme, Plan, Option are clearly mentioned. In case, the investor has not mentioned the plans/ sub-plans etc. in the redemption request specifically where he is having holdings in various plans/ sub-plans etc. of the particular scheme, AMC will summarily reject such redemption request if the investor has not furnished any clarification in writing, duly signed on the date of transaction itself, during normal office hours. In case, an Investor fails to mention the complete name of the Scheme upto plan/ sub - plan level while making request for redemption/ switch-out, the AMC reserves the right to redeem/ switchout all/specified desired units/ value provided the investor is having holdings only in one scheme/ plan/option and the folio number is clearly mentioned or if he maintains one folio. Otherwise, such incompletely filled requests would be summarily rejected without processing. Investors are requested to note that in case of redemption/switch request, if the number of units or the amount to be redeemed/switched out to any other Scheme of JM Financial Mutual Fund, exceeds the number of outstanding units or value of outstanding units, respectively, then JM Financial Asset Management Limited (the "AMC") shall, at its discretion, redeem/switch out all the outstanding units, if no clarificatory letter is received from the respective investor on the date of the transaction and if the condition of minimum investment amount of switchin scheme is fulfilled. The number of Units so redeemed will be subtracted from the Unit holder's account and a monthly industry level Mutual Fund Consolidated Account Statement (CAS) containing the details will normally be dispatched / emailed to the Unitholders latest by 15th of subsequent month by NSDL/ CDSL in case of Demat Units or by AMFI's appointed Agencies (currently M/s. Manipal Technologies Ltd. or M/s. Seshaai Business Forms Pvt. Ltd.) for verified PAN cases and by the registrar (i.e. M/s. KFin Technologies Limited) for other cases either through email or physical copy. **FIFO Method of redemption/switch-out:** In case, 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. Unit holders 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. **Uniform process for processing of redemption/switch – out:** All switch funding shall be in line with redemption funding timelines adopted by the concerned scheme i.e. if a scheme follows T+2 payout for redemption, the switch out funding will also be made on T+2 and not earlier or later than T+2, where T is the day of valid transaction received before the stipulated cut off time.

Delay in payment of redemption / repurchase / Income Distribution Cum Capital Withdrawal proceeds	The Asset Management Company shall be liable to pay interest to the unitholders at such rate as may be specified by SEBI for the period of such delay (presently @ 15% per annum) if the delay is beyond the SEBI stipulated time which is 3 Business Days currently. In case the AMC delays in dispatching the Income Distribution Cum Capital Withdrawal proceeds beyond 7 working Days from the Record Date, it shall pay interest to the unitholders at such rate as may be specified by SEBI for the period of such delay (presently @ 15% per annum).
Updation of Email address and mobile number	Investors are requested to update their own email address and mobile number for speed and ease of communication in a convenient and cost- effective manner, and to help prevent fraudulent transactions. AMC may also procure the email id of the investor from KYC database being maintained by respective KRA (KYC Registration Agency).
Nomination for Mutual Fund Unitholders	Investors are requested to note that SEBI has vide its circular no. SEBI/HO/ IMD/IMD-II DOF3/P/CIR/2022/82 dated June 15, 2022 issued a circular on Nomination for Mutual Fund Unit Holders in order to bring uniformity in practices across all constituent in securities market. Investors subscribing to Mutual Fund units shall have the choice of: 1. Providing nomination in the format specified in Fourth Schedule of SEBI (Mutual Funds) Regulations, 1996 OR 2. Opting out of nomination through a signed Declaration form The unit holder, as per their choice, either submit the nomination form or opt out of nomination through physical or online mode. If the unit holder opts for physical mode, the nomination forms would require the wet signature of the holder. In case of online option, instead of wet signature(s) of all the unit holder(s), the process will have to complete with two-factor authentication (2FA).
Reversal of allotment due to non realisation	Where the units under the scheme are allotted to investors inadvertently for which the cheque(s) given by the said investors inadvertently for which the towards subscription of units are not realised thereafter or where the confirmation from the bankers is delayed or not received for non-realisation of cheque(s), the Fund reserves the right to reverse such units. If the Investor redeems such units before the reversal of units, the fund reserves the right to recover the amount from the investor – • out of subsequent redemption proceeds payable to investor. • by way of cheque or demand draft or pay order in favour of Scheme if investor has no other units in the folio.
Overwriting on application forms/transaction slips	In case of corrections/overwriting on key fields (as may be determined at the sole discretion of the AMC) of the application forms/transaction slips, the AMC reserves the right to reject the application forms/transaction slips in case the investor(s) have not countersigned in each place(s) where such corrections/overwriting have been made.
Folio(s) under Lien	If the units are under lien at the time of redemption from the Scheme, then the AMC reserves the right to pay the redemption amount to the person/ entity/bank/financial institution in whose favour the lien has been marked. An intimation of such payment will be sent to the investor. The AMC/its Trustees/its RTA/its employees/directors thereafter shall not be responsible for any claims made by the investor/third party on account of such payments.
Disclosure of Bank mandate	All cheques and bank drafts accompanying the application form should contain the application form number on its reverse. As per the directive issued by SEBI vide their letter IIMARP/MF/CIR/07/826/98 dated April 15, 1998, and SEBI/IMD/CIR No. 6/4213/04 dated March 1, 2004 it is mandatory for applicants to mention their bank account numbers in their applications for purchase or redemption of Units. This is to prevent fraudulent encashment of Income Distribution Cum Capital Withdrawal /redemption / refund cheques. The verification procedures for registration of bank mandates will henceforth be applicable at the time of fresh subscription/new folio creation with the Fund i.e. in case the fresh subscription cheque does not belong to the bank mandate mentioned in the application form, the AMC shall seek the additional documents and follow the procedures set out in the above mentioned addendum, before registering the bank mandate in the new folio.

OTM (One Time Mandate) Facility	The AMC, for facilitating better customer Service, has also added the Faciity of OTM as an additional payment mode. This facility enables the investors to register a one-time mandate. Whereby an Investor can instruct JM Financial Mutual Fund to honour investment instructions i.e. investments either through lump sum, additional investments or through SIP in any scheme of JMMF. This facility is offered under all schemes of JM Financial Mutual Fund. The salient features of the OTM facility are as under: 1. It is a one time registration wherein the investor of the scheme(s) of the Fund authorises his/her bank to debit their account upto a certain specified limit based per day, on request received from the fund, as and when the transaction is undertaken by the investor, without the need of submitting cheque or fund transfer letter with every transaction thereafter. 2. This facility is offered under all schemes of JM Financial Mutual Fund. 3. JM One Time Mandate cannot be utilized for Liquid (lumpsum purchase), ETF schemes, closed ended schemes, and during NFO period. 4. One Time Mandate is currently available for HUFs, Proprietory Firms and individual investors where they are sole holders. 5. Registration of One Time Mandate will take 30 days from the date of submission of form. 6. At any given point of time, the Investor can register 5 OTM in the respective Folios. 7. The Mutual Fund reserves the right to reject any application without assigning any reason thereof. The Mutual Fund reserves the right to withdraw this facility, modify the procedure, frequency etc. in accordance with the SEBI Regulations and any such change will be applicable on a prospective basis.
Refusal to accept fresh purchases	If it is observed that there are consecutive instances of cheque dishonor by the same unitholder/ investor on the grounds attributable to such unitholder/ investor, the AMC reserves the right, not to accept fresh purchase application(s) from such unit holder/ investor in the future.

Swing pricing due to market dislocation:

On declaration of 'market dislocation' by SEBI for specified period, the swing pricing framework shall be mandated for the Eligible Schemes fulfilling both the conditions mentioned below:

1. Have 'High' or 'Very High Risk' on the risk-o-meter in terms of SEBI circular no. SEBI/HO/IMD/DF3/CIR/P/2020/197 dated October 5, 2020 (as of the most recent period at the time of declaration of market dislocation); and
2. Classify themselves in the cells A-III, B-II, B-III, C-I, C-II and C-III of Potential Risk Class (PRC) Matrix in terms of SEBI circular no. SEBI/HO/IMD/IMD-II DOF3/P/CIR/2021/573 dated June 7, 2021.

   Investors may note that the following minimum swing factor shall be applicable for the Eligible Schemes and the NAV will be adjusted downward for swing factor:

Minimum swing factor			
Maximum Credit Risk of scheme →	**Class A (Credit Risk Value >=12)**	**Class B (Credit Risk Value >=10)**	**Class C (Credit Risk Value <10)**
Maximum Interest Rate Risk of the scheme →			
Class I: (Macaulay Duration <=1 year)	-	-	1.5%
Class II: (Macaulay Duration <=3 years)	-	1.25%	1.75%
Class III: Any Macaulay Duration	1%	1.5%	2%

Investors may further note the following aspects pertaining to swing pricing:

a) When swing pricing framework is triggered and swing factor is made applicable, both the incoming and outgoing investors shall get Net Asset Value (NAV) adjusted for swing factor.

b) Swing pricing shall be made applicable to all unitholders at unique investor level/PAN level with an exemption for redemptions upto ₹ 2 lacs per day per investor for each Eligible Scheme. Intra-scheme switches in the Eligible Scheme i.e. switches within an Eligible Scheme viz. from Regular Plan to Direct Plan and vice-versa or from Growth option to Income Distribution cum Capital Withdrawal option and vice versa, will be excluded from applicability of swing pricing.

Illustration :

Effect on the NAV for incoming and outgoing investors :

Illustration :

1) Applicability of swing pricing – Market dislocation as announced by SEBI or on AMFI's recommendation.
2) Specified period for applicability of swing pricing – As notified by SEBI.
3) Transactions covered including inter scheme switches (for applicability of swing factor):
a) Subscriptions including switch-ins
b) Redemptions including switch-outs
4) Unswung NAV – ₹ 10/- This is before applying swing factor.
5) Mandatory swing factor - 2%.
6) Consider a scheme having NAV of ₹ 10 and swing factor of 2%, the NAV shall be adjusted as below on issue of notification of market dislocation by SEBI:

   Swing NAV = unswung NAV * (1 – swing factor)

   = ₹ 10 * (1-0.02)

   = ₹ 10 * (0.98)

   = ₹ 9.8.

If there is any exit load applicable as per scheme provisions, the same will be applied on swung NAV.

The swing pricing framework is subject to the operational guidelines issued by SEBI/AMFI from time to time.

SPECIAL PRODUCTS / FACILITIES AVAILABLE

SYSTEMATIC PLANS

Systematic Plans Are Available To The Investors Through Systematic Investment Plan ("SIP")/ Systematic Transfer Plan ("STP") and Systematic Withdrawal Plan (SWP).

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

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

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

Default Option for all SIP/STP-Out/SWP

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

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

A. SYSTEMATIC INVESTMENT PLAN (SIP)

Under this facility, by investing a fixed amount at regular intervals, the Unitholders can take advantage of the benefits of Rupee Cost Averaging, at the same time investing a fixed amount regularly in a disciplined manner to build a good corpus to meet his future needs.

An Investor has the option to hold the units in demat or physical form under SIP.

The Scheme offers Systematic Investment Plans (SIP) to the willing investors as per the terms and conditions mentioned in the Scheme Offer Documents. The SIP Facility is subject to changes from time to time at the discretion of the AMC.

The features of the SIP on offer are as under:

JM Financial Mutual Fund under this Scheme offers following Systematic Investment Plans on Weekly, Fortnightly, Monthly and Quarterly Installment basis.

Minimum Number of installments & Frequency

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

Facility	Frequency	Permissible Dates	Period	Minimum Gap to start Instalment.	Minimum Amount	Minimum Number of installments	Minimum Discontinuation Notice period from Investor	Auto Cancellation Condition
SIP	Weekly	1st, 8th , 15th & 22nd of the month	Any period or Perpetual	30 calendar days	Rs. 500/- or more in multiples of Re 1/- for each instalment	12 or more but minimum 10 must be successful	15 Calendar days for physical request and 7 calendar days for the requests received on Online Portals.	In case, 5 consecutive instalments fail due to insufficient funds
					Rs. 1000/- or more in multiples of Re 1/- for each instalment	6 or more but minimum 5 must be successful		
	Fortnightly	1st and 15th of the month			Rs. 500/- or more in multiples of Re 1/- for each instalment	12 or more but minimum 10 must be successful		
					Rs. 1000/- or more in multiples of Re 1/- for each instalment	6 or more but minimum 5 must be successful		
	Monthly	Any date*			Rs. 500/- or more in multiples of Re 1/- for each instalment	12 or more but minimum 10 must be successful		
					Rs. 1000/- or more in multiples of Re 1/- for each instalment	6 or more but minimum 5 must be successful		
	Quarterly	1st of any calendar month and subsequently every quarter			Rs. 3000/- or more in multiples of Re 1/- for each instalment	2 or more where atleast 1st 2 Installments should be successful		In case, first 2 instalments fail due to insufficient funds.

*Any date from 1st to 28th of a month. In case, the SIP transaction date is a Non – Business day, the SIP will be processed on the immediate next business day.

Any date Systematic Investment Plan ("SIP") will be introduced in all the open ended scheme(s) of JM Financial Mutual Fund ("Mutual Fund"). Further, in case the date is not indicated for the aforesaid facility, the 5th of every month will be treated as the default date.

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

The Investors may please note that the above dates are merely meant for initiating the process for debiting the SIP Installment amounts into their specified Bank Account/s . The NAV for the allotment of units will be applied based on the receipt of the credit of the respective SIP Installment/s and availability of the same for utilization in the AMC's respective Scheme's Bank Account before the stipulated time in terms of SEBI Circular No. SEBI/HO/IMD/DF2 /CIR/P2020/175 dated September 17, 2020.

The Investor is required to make separate application for different opted due dates for each Option of the respective Scheme . In case, any of SIP due date/s fall/s on any Non-Business day/s, the AMC/RTA will arrange to initiate the process of realization of SIP Installments amount on the next Business Day/s. In the event of receipt of credit for any SIP instalment on a non-business day, the NAV of the next business day for non-liquid funds and the NAV of a calendar day prior to next business day for Liquid/Overnight fund will be applied as per SEBI guidelines.

Tenure (Period) of SIP:

An investor has the choice to opt for :

1. **Specified Period :** subject to the minimum number of installments as per above table.
2. **Perpetual SIP:** An investor who does not want to opt for any specific period, may opt for Perpetual SIP i.e. without mentioning any fixed period for his SIP. Perpetual SIP can be cancelled/discontinued at any time through the written signed request by the investor or on account of automatic discontinuation/cancellation in terms of provisions of the facility e.g. failure of 5 continuous installments for a particular monthly SIP date or failure of 2 continuous installments in case of Quarterly SIP Date if the Investor's Bank rejects the transaction due to to the reasons attributable to the investor or his Banker e.g. insufficient funds etc.

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

Type of SIPs :

Investment under SIP can be done through Regular SIP or Micro SIP or Corporate SIP

1. Regular SIP

JM Financial Mutual Fund offers two types of Systematic Investment Plans i.e. Normal SIP and Micro SIP

In case of Regular SIP, the investor will have to attach a Cheque/ Demand Draft towards initial investment i.e. first installment or lumpsum amount equal to or more than minimum scheme amount under an option of the scheme. Alternatively, the investor can make the payment of initial investor/Ist SIP Installment through any of the Electronic mode e.g. IMPS/NEFT/ RTGS etc. However, for subsequent installments, have to submit the Auto debit (NACH) form duly signed and filled in completely .

As an Investor-friendly measure and in order to simplify the procedure, an investor may subscribe to Special SIP for which he is not required to submit the cheque/ demand draft/remit towards initial investment i.e. first installment as is required under Regular SIP. The first installment in such a case will also be debited through Auto Debit (i.e. through NACH) process on the opted due date as mentioned in following para.

While all other terms and conditions of Regular SIP will be applicable for this SIP as well except for the following changes:

(i) No Cheque is required for initial investment i.e. first installment. Hence, it will work like Zero balance account of any Bank.

(ii) The process of credit realization for the first installment for such SIP will be initiated on the next opted due date out of any due dates mentioned in the above table as per the frequency selected by the investor e.g. any of the 6 SIP Dates (Any Date* from 1st to 28th of a month) and Ist of subsequent calendar month under Quarterly SIP) opted by the investor . However, there should be a gap of atleast 30 days after the submission of valid application form with other required documents, for initiating the process of debiting Investor's Account .

The SIP investment in such a case will be subject to the terms and conditions (including loads etc) as are applicable to the Regular SIP on the 1st SIP due (debit) date when the process of debiting his first installment will be initiated and not as applicable on the date of submission of valid SIP application with other required documents as in the Regular SIP. In other words, the 1st SIP Start date will be treated as the registration date for such SIP. Further, the same provision will be applied in case the cheque for initial investment/1st SIP fails but 2nd instalment is through.

(i) **Micro SIP:** Applicable for investors investing Rs. 50000/- per year on rolling basis through SIP. Investors are requested to go through the other details in subsequent paras under the title "Micro SIP"

(ii) **Corporate SIP**: Systematic Investment Plan for Corporate Employees

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

Micro Systematic Investment Plan (Micro SIP)

According to SEBI's letter dated June 19, 2009 to AMFI ,under Micro SIP, the investor is exempted to furnish the copy of PAN Card provided his total contribution through Micro SIP (including all schemes/options/dates etc) does not exceed Rs. 50,000/- during any financial year (April to March) or on a rolling period of 12 months. However, such investments are subject other operational guidelines.

- The investor under Micro SIP is required to submit an attested copy of any of 13 identification documents mentioned in the Key Information Memorandum. This facility is available to individual investors including Minors & NRIs and Sole Proprietorship firms. Other categories including PIOs, HUFs, non-individuals etc are not eligible. Micro SIP investors have to be KYC compliant (through SEBI appointed KRA) and should attach KYC form, proof of identity, address etc alongwith purchase application and cheque. Please refer to para on KYC process.
- Micro SIP will be subject to common KYC process through KRA (e.g. C-KYC , M/s CVL etc). This exemption will be applicable ONLY to investments by individuals (including NRIs but not PIOs), Minors and Sole proprietary firms. HUFs and other categories will not be eligible for Micro SIPs. The exemption is applicable to joint holders also.

The minimum investment criteria will not be applicable in case any Micro SIP application is found to be invalid/defective and the amount collected initially will remain in the folio and no refund to be made for the units already allotted . However, redemption will be permitted for the same based on the request by investor on the normal prescribed Redemption Transaction slip.

- RTA back-office will reject a Micro SIP application where it is found that the registration of the application will result in the aggregate of Micro SIP installments in a financial year exceeding Rs 50,000 or where there are deficiencies in supporting documents.

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

Default Option for SIP

The Investor is required to furnish all the stipulated details in the Application, SIP Mandate, NACH Forms etc . However, in case, any Investor fails to mention the " start date" and/ or "end date" for the SIP Installment , the 1st of the subsequent month, after completing 30 days from the date of registration of SIP, will be considered as the default SIP Installment date and the SIP will be treated to have been opted on Perpetual basis. However, the facility on Perpetual Basis will also be subject to the other applicable terms and conditions.

Modes of Subscription to SIP

The SIP can be subscribed through any of the following modes:

a. Auto Debit Facility (Through NACH Debit): It is available in RBI's all NACH locations (current and future) and covers all banks participating in the respective NACH clearing locations The Bank Account Holder/s has/have to sign the Authorization Request Form meant for Bank in case of Auto SIP in the same order as they maintain their bank account either offline or online.

To avail of the facility of Auto Debit (through NACH) for Regular SIP from the second SIP installment onwards and from 1st installment for Special SIP, the applicant is required submit a physical NACH Form duly signed by all the joint holders in the same order as they hold the Bank Account or through online. Through NACH form , the service provider of the AMC will arrange for the debit of Investor's stipulated Bank Account on the opted due dates of SIP chosen by him and credit the installment amount to the Bank Account of JM Financial Mutual Fund. The contribution through Auto Debit Facility (through any of the modes) will start from Ist/IInd installment onwards in case of Special & Regular SIP respectively as approx. 30 days' time is required for registration of Auto Debit Mandates with Investor's Bank.

b. Stock Exchange Platforms of BSE/NSE : The Investor can avail this facility through his Distributor/Investment Advisor.

i. XSIP/SIP Facility from BSE Exchange's Star Platform

ii. SIP Facility from NSE's MFSS (Mutual Fund Service System)/NMF (NSE Mutual Fund) Platform

Procedure for subscribing the SIP

The Investor has to submit an application under the Scheme alongwith SIP Mandate form & NACH form duly signed with other required documents in physical form or online. He is also required to deposit a cheque/DD towards initial purchase equivalent to the Initial Minimum Investment Amount per Option of the Scheme or equivalent to the Ist SIP Instalment for registering for the Regular SIP . Alternatively, the investor may deposit such initial investment/installment amount through any of the electronic modes e.g. NEFT/RGTS/IMPS/Direct Credit . However, in such a case, he is required to submit a copy of the cancelled cheque from the respective Bank Account in addition to other required documents.

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

The Auto Debit (NACH) form for debiting Investor's Account for SIP installments should be signed by all the joint holders of the Bank Account in the same order respectively as they hold the Bank Account concerned.

The Investor is advised to contact the nearest ISC (Investor Service Centre) for current list of Banks where NACH facility is available. The list of Banks for Auto Debit (through NACH) may be modified/updated/changed/removed at any time in future, entirely at the discretion of JM Financial Mutual Fund NPCI (National Payment Corporation Of India) without assigning any reason. The AMC may endeavour to provide appropriate prior notice to the respective investors in case of any such deletion in the list of Banks on best efforts basis. In case of removal of any Bank from the current list, the Auto SIP instructions for investors in Banks will stand automatically discontinued. The AMC/its Trustees, its Registrars and other service providers will not be responsible, if the transaction is delayed or not effected or the investor's Bank Account is debited in advance or on any date other than the specifically opted SIP date due to various cycles of NACH/Clearing or due to any other reason.

Documents required for subscription of SIP

To subscribe to investment through SIP, an Investor has to submit the following documents:

- Scheme Application cum SIP Registration Form
- Auto Debit (through NACH) Registration cum Mandate Form or OTM Form
- Copy of C-KYC/ KYC (through KRA)
- Copy of PAN Cards for all the joint holders (Exempted under Micro SIP) (duly linked with Aadhar from stipulated date)
- FATCA/CRS Declaration Form for all the joint holders
- A photo copy of the cheque/cancelled cheque from the same account from where future SIP installments are to be debited for MICR/IFSC Code verification.
- Locally Payable Cheque/DD/electronic transfer for Initial Investment cum 1st SIP Installment Amount (NOT REQUIRED FOR SPECIAL SIP CASES)

The investor should write the SIP Form No. /Folio No. and the first applicant's name on the reverse of the cheque/DD accompanying the SIP Form for Regular SIP

Terms and conditions for investments though Systematic Investment Plan ("SIP")

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

In order to treat an application as a valid SIP application, the investor should mandatorily abide by/comply with the following terms and conditions in addition to the above. Hence, the prospective Investor is advised to go through carefully before applying for the enrollment under the Systematic Plans.

Investors are requested to go through the para on Transaction charges elsewhere in this document. They may also refer to SAI (Statement of Additional Information) for details on third party payments.

1. The current cut off time and all other SEBI guidelines issued/modified from time to time will be applicable for the allotment/redemption of units for investments through SIP as well besides other applicable guidelines.
2. Initial Investment Amount may not be equal to subsequent SIP Installments (Excluding Special SIP), provided the Minimum Investment criteria of the Scheme/plan are met through the Initial Investments itself. However, all subsequent SIP Installments must be of the same Amount. The load structure & lock-in conditions for the Initial Investment & subsequent SIP will be as per the rates/terms applicable on the date of Initial Investment i.e the Registration Date in case of Regular SIP and Ist installment in case of Special SIP.
3. Under Regular SIP, the first investment has to be made through physical cheque/DD payable locally at the place of submission of the application. The cheque/DD has to be of any current/valid date and not a post dated one on the date of submission of such applications. The investor can alternatively make initial investment or the payment of Ist Installment at the time of initial application for SIP , through any of electronic modes like IMPS/NEFT/RTGS etc but he needs to attach a copy of cheque from the same Bank Account with the application
4. A Minimum of 30 days' time is required for the next installment of SIP through Auto Debit (NACH) to take place after the initial application for each set of separate SIP date/Option of the Scheme (if opted for multiple dates other than All SIP dates through single form). Similarly, the second SIP installment of the same opted SIP due date in case of monthly/quarterly frequency should not fall in the same calendar month.
5. In the event of any of the installment amount being different, the AMC will treat all SIP installments as normal/additional investments and such investments will be subject to normal load and other provision as applicable on the respective dates of SIP investments. In order to treat such installments as normal investments, the AMC reserves the right to revert and reprocess all previous SIP installments besides discontinuation of SIP for future installments or alternatively the AMC may recover/recall/reverse/withdraw the given exemptions/ benefits directly from investor or by redeeming the equivalent units from the respective folio. In addition, the AMC will also charge exit load as applicable on the normal investment based on the dates of respective SIP installments. In the event of non-fulfillment of minimum subscription criteria due to non-fulfillment of the other conditions or discontinuation of the SIP on the request by the investor, the AMC reserves the right to redeem/refund with current valuation on the date of review by the AMC.
6. The Investor is required to ensure that at no point , his five (5) consecutive SIP installments should ever fail due to the reasons attributable to him due to insufficiency of funds/other reasons or his Banker. In case of quarterly frequency, such failures should not be for first two installments. However, in case of any rejection by local clearing house/RBI citing reasons like 'Account closed' or 'non-existent account' or any such other similar reasons, the SIP for future period will be treated as cancelled/ discontinued after first such rejection itself, at the discretion of the AMC.
7. In the event of non-receipt of funds for the first investment/Ist SIP installment itself due to dishonour of the cheque/payment instrument , the SIP will automatically be treated as discontinued ab –initio and amount for subsequent installment will be refunded, if it is not possible to convert the Regular SIP to Special SIP as per the provisions of the Special SIP.
8. In order to be treated as a valid SIP application, minimum investment amount criteria as per the Scheme Information Document of the particular option of the scheme e.g Rs. 5,000/- should be received by the AMC as per details mentioned in the above table during the opted period.
9. The Clause on"Minimum Amount of subscription" as specified in the Scheme Information Document of the Scheme/Plan/Option will not be applicable for investments made through the first installment of Systematic Investment Plan but will be subject to the fulfillment of minimum investment criteria and minimum installment criteria, during the minimum permissible opted period through SIP (e.g. atleast through 5 out of the first 6 or 10 out of 12 weekly/fortnightly/monthly installments or 2 out of the first 2 installments in case of Quarterly). For example, the minimum investment amount for the Initial investment in the scheme is Rs.5,000/- for each Option of the Scheme. However, in case of SIP, an investor can invest with minimum installment amount of Rs.500/- or Rs. 1,000/- per month so as to meet the Minimum Investment Amount over the opted period. i.e. 10/5 months.
10. In case of a Regular SIP, the AMC will retain the initial investment made towards the 1st SIP installment as normal investment if the same meets the minimum investment criteria of the Scheme and will not refund even if it does not fulfill any of the criteria stipulated for a valid SIP. However, the investor may redeem/switch-out such invested amount , if he so wishes, by submitting redemption/switch-out requests as per normal procedure.
11. In case, any of SIP , if any due date fall on a Non-Business day, the process of realization on the next Business Day will be initiated. However, the units for all the installments will be allotted based on the NAV for the date of realization of respective installments and receipt of their credit into the Scheme's Bank Account maintained by the Fund before the stipulated cut-off time as per SEBI guidelines effective from 1st February, 2021.

12. The cheque/demand draft/payment instrument should be drawn in favour of the Scheme chosen (e.g. "JM Corporate Bond Fund") duly crossed as "A/C Payee Only" and payable locally i.e. drawn on any Bank, which is situated at or is a member of the Bankers Clearing House located at the place where the SIP application is submitted. In case of outstation cheques/payment instrument, if accepted by the AMC, the AMC shall credit the unit holder's account with the number of units at the applicable sale price on the day when clear funds are received by the Fund before the stipulated cut-off time of the respective Business Day.
13. Returned/Dishonoured cheques/NACH/Direct Credit failures will not be presented again for realization if the reasons for returns are attributable to the investor/s.
14. The list of banks for Auto Debit (through NACH) as mentioned above may be modified/updated/ changed/ removed at any time by NPCI. In case of removal of any city/bank from the current list, the Auto SIP instructions for investors in such locations/ banks will stand automatically discontinued. The AMC/Trustees, its Registrars and other service providers will not be responsible, if the transaction is delayed or not effected or the investor's bank account is debited in advance or after the specific SIP date due to various cycles of NACH/Clearing, due to any reason.
15. The investor may choose any of the above mentioned SIP dates Any Date* from 1st to 28th of a month in case of monthly SIP and 1st of the month in case of Quarterly SIP etc., subject to the applicable terms & conditions and submit a separate application and other documents for each date and each Option of the Scheme. Likewise, the Investor is required to specify clearly the frequency of SIP (i.e. Weekly/Fortnightly/ Monthly/Quarterly) in each such SIP application, failing which Monthly frequency will be taken as the default frequency. Separate set of complete application form (including separate KYC/PAN/Cheque etc) with required documents is required to be submitted for each SIP date for each Option of the Scheme . Any single application if received with multiple choices will be summarily rejected and the amount of initial investment refunded without any interest as and when detected, if the amount of the same is less than the minimum investment limit fixed for allotment of units in a particular Scheme/Plan/Option/sub-option. In case, the amount invested is equivalent or more than the amount required for meeting the minimum investment criteria, through 1st installment, the same would be construed as a normal investment for allotment of units in the Scheme and shall be redeemed only on the basis of the redemption request made by the investor.
16. In case, any particular SIP due date falls on a non-business day or falls during a book closure period, the immediate next business day will be considered for the purpose of initiating the process of realization of SIP Instalment's amount. However, the NAV of the Business Day will be applied when the funds are available into the respective Scheme's Bank Account maintained by JM Financial Mutual before the SEBI stipulated cut-off of the Scheme , irrespective of the SIP Installment amount , in terms of SEBI guidelines effective from 1st February, 2021
17. The Investment cum SIP Enrolment Form complete in all respects may be submitted at any of the ISCs (Investor Service Centres) of JM Financial Mutual Fund or its Registrar & Transfer Agent M/s KFin Technologies Ltd. In case of SIP through Auto Debit (i.e. NACH in specified cities/locations), an additional form known as the SIP Auto Debit Registration cum Mandate Form (through NACH) or is also required to be submitted at the time of opting for SIP. Alternatively, the investors may apply for SIP through any of the Online Channel Partners of the AMC or through any of the Exchange Platforms or the online platforms provided by JM Financial Mutual Fund or its Registrar i.e. M/s. KFin Technologies Limited by complying with the required procedure as stipulated by them .
18. By signing and submitting the required documents including NACH Form, the investor is deemed to have agreed to abide by the terms and conditions of the SIP Facility offered and the NACH facility of NPCI (National Payment Clearing Corporation)/Reserve Bank of India (RBI) in case of SIP through NACH. Kindly refer SAI for details on third party payments.
19. The AMC reserves the right to change the terms and conditions of this facility from time to time and the same would be applicable to the existing SIP investors as well to the extent applicable and not exempted from.
20. Conversion Of Regular SIP To Special SIP

    The AMC at its discretion can treat the investment made under Regular SIP as having been made under Special SIP if the 1st payment instrument bounces back as unpaid whereas payment for 2nd installment is received in the meantime. However, in such an event, all the provisions of Special SIP will be applicable including load structure as applicable on the date of 1st installment through Special SIP (i.e. 2nd installment through Regular SIP). Accordingly the AMC/its Registrar will re- register the period of subscription through Special SIP by curtailment/postponement of the opted period suitably.

Renewal/Continuation of existing SIP :

In case, the existing SIP investor under the Scheme is willing to continue/extend his/her/their existing SIP in the same Plan/Option of the Scheme for further period of 12 or more months, he/she/they may do by submitting a fresh Auto Debit (NACH) Form well before the expiry of last SIP due date to avoid break in SIP period and render it to be invalid. There is no need to submit any fresh Common Application Form for such renewals.

Termination/Discontinuation of SIP:

1. Auto termination :

a. In the event of an Investor not meeting any one or more of the above mentioned criteria, the SIP will stand terminated and the investor will be required to make a fresh SIP application if he is desirous of availing this facility in future again . The fresh application will be subject to the current terms and conditions of the Scheme/Plan/Option.

b. The SIP will also stand terminated if the funds for 5 continuous installments are not realised by the Scheme for the reasons attributable to the Investors or his Bankers in case of weekly/fortnightly/monthly and first 2 installments in case of Quarterly SIP.

c. The AMC at its Discretion may also treat the SIP as discontinued if the minimum number of SIP investments as per the minimum Investment criteria are not completed within the stipulated time-frame and may refund the amount after redeeming the outstanding units at current NAV suo moto

d. It is hereby clarified that any rejection by the Local Clearing House/ RBI/NPCI/respective Bank citing 'Account Closed' or 'non existent account' or other similar reasons, will lead to cancellation of the SIP for subsequent periods, after the first such rejection, at the discretion of the AMC. The Investor in such cases has to apply afresh.

e. In case , the funds for the Ist SIP Instalment are not realized and the condition of minimum investment amount is not made initially, then the SIP will be treated as discontinued as per the discretion of the AMC.

2. On request by the investor:

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

For discontinuation of SIP through NACH debit, the cancellation/discontinuation request signed by the unitholder/s should reach the AMC/ Registrar at least 15 Calendar days (7 days for online SIP) prior to the due date for next SIP installment, failing which the discontinuation request will be considered from the subsequent SIP installment onwards.

In view of the time required by respective Banks to complete the process of cancellation, the units towards such SIP installments will continue to be allotted for the subsequent installments after the receipt of cancellation/ discontinuation request or until the respective Banks confirm having noted the cancellation of debit instructions/stop transferring the funds to the Fund,. Thereafter, the SIP will be automatically discontinued for allotment of units for future instalments. Any credit received thereafter from the Bank towards the subsequent installments for any reasons, will be kept in abeyance for refund to unit holders at the earliest, without any interest/ accruals/ benefits or without allotting the units.

SIP Pause Facility:

SIP pause is a facility which facilitates the investors to pause his existing SIP for a temporary period. SIP can be paused for a minimum period of 1 month and upto a maximum period of 6 months during the opted period of pause in respect of each SIP due date.

Following are the broader terms and conditions for the SIP Pause Facility:

1) Under the SIP Pause Facility, the investor has an option to temporarily stop any of the existing ongoing SIP for a specified period of time ranging from 1 month to 6 months or upto the remaining period of respective SIP whichever is earlier.
2) The SIP shall re-start automatically from the immediate next eligible instalment after the completion of selected pause period.
3) The investor can submit the SIP Pause Form at any of the Official Points of Acceptance of JM Financial Mutual Fund or of its Registrar M/s KFin Technologies Ltd. or on its Online Portals.
4) The SIP Pause request form should be submitted at least 30 calendar days prior to the next SIP due date for implementation. However, online pause will be effected within 15 days on best efforts basis.
5) The SIP Pause form can be used for a single SIP due date for the respective folio(s). Separate forms are required in case of making a request for pause under multiple SIP frequencies/due dates/folios. The details like Folio No/Scheme/Plan/Option/ Frequency/SIP Due date/s /Period of pause etc should be clearly and completely filled in the form to avoid any ambiguity and consequent rejections.
6) Investors can avail this facility only once in the tenure of the existing SIP under a particular Option of the respective Scheme/Plan in a Folio for the respective SIP due date.
7) In case, the investor has more than one live SIP in a single folio in the same scheme with same SIP date / amount, then the first registered SIP would be paused.
8) SIP Pause facility will be available for SIPs registered under all frequencies through Offline and AMC's own web portals . However, this facility is not available for the SIPs registered/ sourced through MFU or any of the Exchange Platforms (i.e. NSE/BSE) or Online Portals of any of the Channel Partners/RIAs/Distributors.
9) Signature(s) of the investor/s on the Pause Form should be as per mode and order of holding in the respective folio. The form can be signed by any of the joint holder(s) in case the mode of holding/operations of the folio is 'Either or Survivor'. However, in case of joint holding, all the unit holders have to sign.
10) The investor/s agree(s) to indemnify and not hold the AMC/Trustees/Sponsors and their employees, the R&T agent and the other service providers, responsible in case his/her/their Bank is not able to effect/stop any of the payment instructions for any reason whatsoever.
11) In view of time required to effect the pause in SIP, the AMC will allot the units as per existing process in case the debit feeds are already triggered and shared with the service providers and funds for which are received
12) Investor cannot cancel the SIP Pause once registered.
13) The AMC reserves the right to terminate this facility or modify the terms & conditions of the SIP Pause facility at its discretion at any time.

B. SYSTEMATIC TRANSFER PLAN ("STP") / SYSTEMATIC WITHDRAWAL PLAN ("SWP")

In addition to SIP Facility, the Scheme also offers STP and SWP facilities which have been explained in detail below:

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

Minimum no. of installments & Frequency for STP

The investor may choose any or multiple dates/frequencies for meeting his investment goals from the following table . However, he is required to make a separate application for each such combination.

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

Facility	Frequency	Permissible Dates	Period	Minimum Gap to start Instalment.	Minimum Amount	Minimum Number of installments	Minimum Discontinuation Notice period from Investor	Auto Cancellation Condition
STP	Daily	Daily	Any period or Perpetual	7 Calendar Days for Offline and 5 Calender days for Online Registratration	Rs. 100/- each instalment. Further in multipes of Re 1/-	60	7 Calendar Days for Offline and 5 Calender days for Online cancellation request	In case 50 Installments during initial 90 days are not effected successfully.
	Weekly	1st, 8th, 15th, 22nd of the month			Rs. 500/- or more in multiple of Re 1/- upto Rs. 999/- for each Instalment	12 or more but minimum 10 must be effected		In case 5 consecutive STP - out installments fail.
					Rs. 1000/- each instalment. Further in multipes of Re 1/-	6 or more but minimum 5 must be effected.		
	Fortnightly	1st and 15th of the month			Rs. 500/- or more in multiple of Re 1/- upto Rs. 999/- for each Instalment	12 or more but minimum 10 must be effected		
					Rs. 1000/- each instalment. Further in multipes of Re 1/-	6 or more but minimum 5 must be effected		
	Monthly	1st, 5th,10th,15th, 20th & 25th			Rs. 500/- or more in multiple of Re 1/- upto Rs. 999/- for each Instalment	12 or more but minimum 10 must be effected		
					Rs. 1000/- each instalment. Further in multipes of Re 1/-	6 or more but minimum 5 must be effected		
	Quarterly	1st of any calendar month and subsequently every quarter			Rs. 3000/- each Instalment. Further in multipes of Re 1/-	2 or more where atleast 1st 2 Installments should be effected		In case, first 2 STP - out instalments fail.

Note: In case, the opted STP due date falls on a non-business day, the next business day shall be deemed to be the transaction day for that month/quarter .

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

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

Or In the event of failure of two consecutive STP installments, the STP request will stand terminated and the investor will have to make a fresh application for availing of this facility subject to the current term & conditions applicable for fresh STP cases. It is clarified that the condition of minimum number of installments as mentioned in the above table are required at a specified opted date and for a specific Option/ sub-option level . Separate application is required for each option/sub-option for respective due date(s).

In case, it is not possible for the AMC/Registrar to start the STP from the opted start date due to the insufficiency of time given by the investor, the AMC/Registrar will automatically process the first STP on the opted date from the next month after the opted starting month e.g. in case, the investor applies for STP on 18th January, 2022 for effecting Ist STP from 1st February, 2022, AMC/Registrar may process the same from 1st March, 2022 and so on. In such a case, the ending period will be extended automatically by another month.

STP Frequencies:

1. **Normal STP:** An investor may choose any of the due dates for effecting STP from the above table based on his/her/their choice for a Weekly/ Fortnightly/Monthly/Quarterly STP . The investor may choose multiple dates and multiple frequencies for any Options of any Scheme as per his perception/need/risk-diversification by submitting separate application form.

   The investor has the following options for Daily STP based on the needs and desire to diversify and benefit from the market volatility .

(i) Daily (Chhota) STP

In order to enable the investors to avail of the benefit of the daily volatility in the stock markets, a Daily STP (Chhota STP) facility is available to investors. An investor may opt for Daily STP of Rs. 100/- or in multiples of any amount in full rupee terms, on every Business Day against his other live investment made in lump sum/outstanding. Chhota STP works like a Daily SIP without involving transactions in Investor's Bank Account where realization may delay the allotment of NAV and hence, is more efficient in itself.

(ii) Combo SIP cum STP

Under Combo SIP cum STP investors may transfer on daily basis Rs. 1 00/- or in multiples of any amount in full rupee terms to an Opted Scheme, per Business Day, as under.

a) Out of Normal Investment: An investor against his existing or fresh lump sum investment may opt for this facility through daily STP where a transfer of Rs. 100 or any amount thereafter (in full rupee terms) on every Business Day will be effected by the AMC/its Registrar automatically during the opted period or till the out-scheme/ plan/option is able to transfer funds, whichever is earlier in any of Plan/ Option of the Scheme being an Open-ended Schemes.

b) Out of SIP Investment: An investor may choose to avail of this facility against his existing/fresh SIP Account in any of the Open-ended Schemes/ Plans/ Options where transfer of Rs. 100/- or in multiples of any amount (in full rupee terms) through daily STP would be effected on each Business Day of the Scheme. Through this mechanism of regular inflow & outflow, the investor may invest higher amount through SIP and benefit from the Daily Volatility of the Market through daily STP with smaller amounts of Rs. 100/- per day or more for better risk-adjusted returns. The investor can also choose multiple STP target Schemes/Plans/Options through this route as the amount of minimum investment per installment is very low.

In order to treat the Chhota STP/Combo SIP cum STP as valid one, the Investor is required to meet the minimum Investment amount of the targeted Options of the Scheme/Plan within 90 days of the Ist Installments of respective Chhota SIP/Combo SIP-cum-STP.

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

SYSTEMATIC WITHDRAWAL PLAN (SWP) :

In order help Investors to have uninterrupted inflow of funds from his existing investments regularly, the Scheme offers SWP as per following table:

Facility	Options	Frequency	Permissible Dates	Minimum Gap to start Instalment.	Minimum Amount	Minimum Number of installments	Minimum Discontinuation Notice period from Investor	Auto Cancellation Condition
SWP	Fixed Amount Withdrawal (FAW)	Monthly	1st,5th,10th, 15th, 20th & 25th	15 Calendar Days for Offline and 5 Calender Days for Online Registration	Rs. 1000/- each instalment. Further in multiples of Re 1/-	Not Applicable	15 Calendar Days for Offline and 5 Calender Days for Online cancellation request	In case, 5 consecutive SWP Installments fail
		Quarterly	1st of any calendar month and subsequently every quarter		Rs. 3000/- each instalment. Further in multiples of Re 1/-			In case, 2 consecutive SWP Installments fail
	Capital Appreciation Withdrawal (CAW)	Monthly	1st, 5th ,10th, 15th, 20th & 25th		Entire Capital Appreciation over previous due date with a minimum of Rs. 500/- each instalment.			In case, 5 consecutive SWP Installments fail
		Quarterly	1st of any calendar month and subsequently every quarter					In case, 2 consecutive SWP Installments fail

This condition will, however, not be applicable in case of CAW where the condition of minimum SWP instalments could not be met due to the capital appreciation amount being less than Rs. 500/- in case of monthly and quarterly options.

Under SWP, the Investor shall have an option to predetermine the withdrawal of funds from the Scheme. SWP facility is available on monthly and quarterly basis on the specified dates mentioned in the above table i.e. 1st, 5th, 10th, 15th, 20th and 25th of the month under monthly and 1st Business Day of the next month for quarterly SWP. However, the start of Ist installment of SWP is subject to the minimum gap of 15 calendar days prior to the next available chosen SWP due date. The next installment will after 1 and 3 month/s of completion of 1st installment in respect of Monthly & Quarterly SWP due date respectively.

In case, it is not possible for the AMC/Registrar to start the SWP from the opted start date due to the insufficiency of time given by the investor, the AMC/Registrar will automatically process the first SWP on the opted date from the next month after the opted starting month e.g. In case investor applies for SWP on 18th June, 2021 for effecting Ist SWP from 1st July , 2021, AMC / its Registrar may process the same from 1st of August, 2021. In such a case, the ending period will be extended automatically by another month.

The Scheme offers following two Options under the SWP facility out of which the Investors may choose as per his plan :

(a) Fixed Amount Withdrawal (FAW):

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

(b) Capital Appreciation Withdrawal (CAW):

Under Capital Appreciation Withdrawal facility, the investors will have the option to indicate automatic withdrawal of capital appreciation at varying time intervals over previous period, on monthly or quarterly basis with a minimum of Rs. 500/- each instalment.

Example: Mr. X has invested Rs. 10,000 in the Scheme and instructs the AMC for CAW withdrawal on monthly basis. If his investment turns to be Rs. 10,100 at the end of first month, the appreciated value of Rs. 500 or more would be automatically withdrawn from the Scheme and paid to him .

Minimum amount for withdrawal under SWP is fixed as under :

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

b. Capital Appreciation Withdrawal(CAW) Entire Capital Appreciation over the previous due date to current due date subject to a minimum of Rs. 500 under both monthly and quarterly options.

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

This facility is not available for investments under locked-in / encumbered/ lien investments. All withdrawals under SWP including FAW & CAW options shall be considered as redemption with no further specific request or documentation requiring to be submitted by the unit holders.

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

For the respective date of processing the SWP request, an updated Account Statement / CAS showing the amount withdrawn under SWP together with balance units (post accounting the SWP) in their account shall be mailed to the unit holders.

In case, the balance falls below the prescribed minimum balance (based on applicable NAV) due to redemptions or SWP, the AMC reserves the right to discontinue the SWP facility and / or close an investor's account if the investor fails to make fresh investment which is sufficient to bring the value of the account to the prescribed minimum (based on applicable NAV), in case of failure of 5 consequent SWP instalment in respect of monthly and 2 in case of quarterly SWP.

Perpetual STP/SWP

An investor who does not want to opt for any specific period, may opt for Perpetual STP/SWP i.e. without mentioning any fixed period for his STP/SWP. Perpetual STP/SWP can be cancelled/discontinued only on the written request of the investor or on account of automatic

discontinuation/cancellation in terms of provisions of the facility e.g. failure of 5 continuous installments for a particular monthly SIP date as set out above or insufficient balance in out-scheme etc.

Discontinuation/Termination/Cancellation of STP/SWP:

In order to start the STP/ SWP, the investor must have a minimum investment of Rs. 5,000/- or above in the particular Option of the Scheme i.e. as per the minimum investment subscription amount (whichever is higher) applicable for the Scheme/Plan/Option on the 1st opted STP/SWP date. However, the investor is not required to maintain the same balance after processing the 1st STP/SWP installment. The last installment may be equivalent to or less than the opted installment amount.

No single installment under STP/SWP can exceed the outstanding invested amount divided by the number of installment chosen subject to the fulfillment of minimum STP/SWP criteria for respective frequency. In case of multiple STP/SWP dates, the total number of installments will be taken into account while fixing up the maximum installment amount.

Each application must comply all the terms and conditions independently for each Option of the Scheme/Plan/Option, failing which the respective STP/SWP will be treated as invalid and will be subject to the rejection/cancellation/refund/auto redemption / revertal & reprocessing etc as per the discretion of the AMC. No two or more STP/SWP cases will be clubbed to determine the fulfillment of Minimum Investment Criteria.

Cancellation of STP/SWP on request by Investor

For discontinuation of STP/ SWP, the unitholder is required to intimate the AMC/ Registrar in writing through a signed request by all the joint-holders and such request should reach the AMC/RTA , at least 15 Calendar Days (2 business days in case of online cancellation) prior to the next installment for the respective due date. On such request, STP/ SWP will be terminated and the transfer/ withdrawal instructions given by the investor will be treated as cancelled.

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

Switching Options

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

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

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

Switch of Units in Demat Mode – Please refer to the provisions set out under the head "Ongoing Offer Details".

Internet Systematic Investment Plan ('ISIP') facility :

Existing and new investors can avail this facility through online mode on all the digital platforms available with JM Financial Mutual Fund.

The features, terms and conditions for availing ISIP facility are as follows:

a. ISIP facility will be available for the following frequency and dates:-

Frequency	Date
Fortnightly	1st and 15th
Weekly	1st, 8th, 15th, and 22nd
Monthly	Any Date*
Quarterly	1st

b. The Load Structure prevailing at the time of registration of I-SIP will be considered for each installment

c. I-SIP is available only with banks and service providers with whom JM Financial Mutual Fund has a tie up for auto debit. The list of Banks are available on the website of JM Financial Mutual Fund.

d. Registration of I-SIP facility should be completed at least 20 calendar days prior to the first I-SIP installment date.

e. Unique Registration Number (URN) will be allotted to the investors after registration of I-SIP through any digital platform. Investors are required to register the said URN with the bank which is provideding the folio as opted at the time of registration of I-SIP, within 10 calendar days from the date of URN allotment.

f. The Mutual Fund reserves the right to cancel the I-SIP registration if URN is not registered within10 calendar days from the date of URN allotment or in case the I-SIP instalment is debited from bank account other than the bank account, which is registered in the investor's folio.

g. At any point in time, Investor can discontinue I-SIP at least 10 days prior the Next cycle date

h. The investor/s agree(s) to indemnify and not hold the AMC/Trustees/Sponsors and their employees, the R&T agent and the other service providers, responsible in case his/her/their Bank is not able to discontinue the I-SIP and reverse feeds are not received by the AMC &/ RTA for any reason whatsoever.

i. In view of time required to effect the de-registration of I-SIP, the AMC will allot the units as per existing process in case the debit feeds are already triggered and shared with the service providers and funds for which are received.

j. SIP Pause facility is not available in I-SIP registration.

k. All other terms and conditions of Systematic Investment Plan including applicability of NAV will be applicable to I-SIP facility.

*Any date from 1st to 28th of a month. In case, the SIP transaction date is a Non – Business day, the SIP will be processed on the immediate next business day.

Any date Systematic Investment Plan ("SIP") will be introduced in all the open ended scheme(s) of JM Financial Mutual Fund ("Mutual Fund"). Further, in case the date is not indicated for the aforesaid facility, the 5th of every month will be treated as the default date.

C. PERIODIC DISCLOSURES

<table>
<tr><td>Net Asset Value
This is the value per unit of the scheme on a particular day. You can ascertain the value of your investments by multiplying the NAV with your unit balance.</td><td>The AMC shall disclose the first NAV of the Scheme within 5 (five) Business Days from the date of allotment.
The Fund shall declare the Net Asset Value of the Scheme on every business day on AMFI's website www.amfiindia.com by 11.00 p.m. and also under a separate head on the website of JM Financial Mutual Fund (the 'Fund') i.e. www.JMFinancialmf.com.
The Fund shall also send the latest available NAVs to the unitholders through SMS, upon receipt of a specific request.
To get the latest NAVs of any Options of the respective scheme, the investors may send SMS to "9028364444" in the format as prescribed on the website of JM Financial Mutual Fund.</td></tr>
<tr><td>Risk-o-meters</td><td>Any change in Risk-o-meter shall be communicated by way of Notice cum Addendum and by way of an e-mail or SMS to the unitholders.
The AMC will evaluate the Risk-o-meter of all its schemes on a monthly basis and disclose the Risk-o-meter along with portfolio disclosure on https://www.jmfinancialmf.com (website) and on AMFI's website, within 10 days from the close of each month.
The Fund shall disclose the risk level of schemes as on March 31 every year , along with number of times the risk level has changed over the year, in scheme wise Annual Reports and abridged summary, on the website of the Fund as well as that of AMFI. The risk-o-meter of the primary benchmark will also be disclosed in the disclosures as stipulated by SEBI.</td></tr>
<tr><td>Potential Risk Class</td><td>In terms of SEBI Circular No. SEBI/HO/IMD/IMD-II DOF3/P/CIR/2021/573 dated June 07, 2021, the potential risk class of the Scheme is.
<table>
<tr><th colspan="4">Potential Risk Class</th></tr>
<tr><th>Credit Risk →
Interest Rate Risk ↓</th><th>Relatively Low (Class A)</th><th>Moderate (Class B)</th><th>Relatively High (Class C)</th></tr>
<tr><td>Relatively Low (Class I)</td><td></td><td></td><td></td></tr>
<tr><td>Moderate (Class II)</td><td></td><td></td><td></td></tr>
<tr><td>Relatively High Class (Class III)</td><td></td><td>B-III</td><td></td></tr>
</table>
Any change in the positioning of the Scheme into a cell resulting in risk which is higher than the maximum risk specified for the chosen PRC cell, shall be considered as a fundamental attribute change of the Scheme and in case of any such change, the unitholders shall be informed through SMS and by providing a link on the website.</td></tr>
<tr><td>Fortnightly Portfolio*</td><td>The Mutual Fund shall disclose the portfolio for debt schemes on fortnightly basis within 5 days of every fortnight.</td></tr>
<tr><td>Monthly/Half yearly Disclosures: Portfolio*
This is a list of securities where the corpus of the scheme is currently invested. The market value of these investments is also stated in portfolio disclosures.</td><td>The Fund shall disclose within ten days from the close of each month/half year (i.e. 31st March and 30th September), the complete statement of the Scheme's portfolio (alongwith ISIN) as on the last day of the month/half year for all its schemes on the websites of the Fund and AMFI in a user friendly and downloadable spreadsheet format.
The Fund shall send email regarding the monthly and half-yearly portfolio within 10 days from the close of each month/half year (i.e. March 31st & September 30th) to the unitholders whose email addresses are registered with the Fund.
The Fund will publish an advertisement in the all India edition of atleast two daily newspapers, one each in English and Hindi, regarding the hosting of the half yearly statement of the Scheme's portfolio on the websites of the Fund and AMFI and also the modes through which unitholders can submit a request for a physical or electronic copy of the Scheme portfolio. The Fund shall provide a physical copy of the portfolio, without charging any cost, upon specific request from a unitholder.</td></tr>
</table>

Monthly Average Asset under Management (Monthly AAUM) Disclosure	The Fund shall disclose the Monthly AAUM under different categories of Schemes as specified by SEBI in the prescribed format on a monthly basis on its website viz. www.jmfinancialmf.com and forward to AMFI within 7 working days from the end of the month.
Half Yearly Results	The Fund and asset management company shall within one month from the close of each half year, that is on 31st March and on 30th September, host a soft copy of its unaudited / audited financial results on its website. The Fund shall give an advertisement disclosing the hosting of the financial results on the website in atleast one English daily newspaper having nationwide circulation and in a newspaper having wide circulation published in the regional language where the Corporate Office of the Fund is situated.
Annual Report	The Scheme wise annual report or Abridged Summary, in the format prescribed by SEBI, shall be hosted on the websites of the Fund and the AMFI. A link of the scheme wise annual report or abridged summary shall be displayed prominently on the website of the Fund. Annual report or Abridged Summary will also be sent by way of e-mail to the investor's registered email address. Investors who have not registered their email id, will have an option of receiving a physical copy of the Annual report or Abridged Summary thereof, without charging any cost, upon receipt of a specific request. The physical copy of the scheme wise annual report or abridged summary shall be made available to the investors at the registered office of the AMC. The Fund will publish an advertisement in the all India edition of atleast two daily newspapers, one each in English and Hindi, regarding the hosting of the scheme wise annual report on the websites of the Fund and AMFI and also the modes through which unitholders can submit a request for a physical or electronic copy of the scheme wise annual report or abridged summary thereof. The new subscribers to the units of the Fund can tick the 'opt-in' facility in the application form to receive the physical copy of the scheme – wise annual report or abridged summary thereof. For existing investors, an Option Form for opting-in to receive the physical copy of Annual Report/Abridged Summary is available on the website under'Downloads' section. However, in case the investor does not opt-in, it will be presumed that he/she has opted out from receiving the physical copy of the Annual Report or Abridged Summary.
Associate Transactions	Please refer to Statement of Additional Information (SAI).
Investor services	Mr. Pradyumna Khare – Head of Operations Address:- The Summit Business Park, 415, 4th Floor, Off Andheri - Kurla Road, Chakala, Below Western Express Highway Metro Station, Andheri East, Mumbai - 400 093, Maharashtra. • Telephone No: 022-61987777. Email: investor@jmfl.com and service_jmf@kfintech. Com

* The AMC shall provide a link to the investors on their registered email id for enabling the investors to directly view/download only the portfolio of the Schemes subscribed by the said investor.

V. 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 on the 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/ unit holders are responsible to pay their own taxes. Investors/ unit holders 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.

ii. TAXABILITY FOR THE UNIT HOLDERS

As per Finance Act, 2020, the income from the units of a Mutual Fund registered or set up as specified in section 10(23D) of the Act, received by a unit holder on or after 1st April, 2020, will be taxable in the hands of the unit holder under section 56 of the Act as the income from other sources. Further, the unit holder would be eligible to take the deduction of interest expenses incurred for the purpose of earning such income, to the extent of 20% of such income received from units and included in the total income of the unit holder for that year.

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 and 2 below)	Whether benefit of indexation of cost is available?
Resident unit holders	20% (see note 3 and 4 below)	Yes
Foreign Companies (listed schemes not sold on recognized stock exchange)	20%	Yes
Foreign Companies (unlisted schemes)	10%	No
Non-resident Indians (listed schemes not sold on recognized stock exchange)	20%	Yes
Non-resident Indians (unlisted schemes)	10%	No
Non-resident Indians (section 115E)	20% (for unspecified asset) 10% (for specified asset)	No (see note 5 below)
Overseas Financial Organisations (Section 115AB) and Foreign Institutional Investors, Foreign Portfolio Investors (115AD)	10% (see note 6 and 7 below)	No
Any other Non-residents (listed schemes not sold on recognized stock exchange)	20%	Yes
Any other Non-residents (unlisted schemes)	10%	No

Notes:

1. In case of companies, if income exceeds Rs. 1 crore but does not exceed Rs 10 crores, then the tax payable would be increased by a surcharge @ 7% in case of domestic companies (except such domestic company whose income is chargeable to tax under section 115BAA or 115BAB of the Income-Tax Act 1961)and @ 2% in case of foreign companies and if income exceeds Rs 10 crore then surcharge @ 12%. in case of domestic companies (except such domestic company whose income is chargeable to tax under section 115BAA or 115BAB of

the Income- Tax Act, 1961) and @ 5% in case of foreign companies would be applicable. For companies covered under section 115BAA or 115BAB surcharge @ 10% is applicable. In all cases, the tax payable (as increased by surcharge in case of companies referred to above) would be further increased by Health & Education Cess (4%).

2. In the case of Individuals, HUF, AOP, BOI and Artificial Juridical Person, the surcharge on long term capital gains referred to in section 111A, 112A and 115AD is applicable at the rate of 15% if the income exceeds INR 1 crore. If the income is between INR 50 lacs to INR 1 crore, the surcharge of 10% continues to apply. Further Finance Act 2022 has capped the rate of surcharge on long term capital gains referred to in section 112 at the rate of 15% if the income exceeds INR 1 crore. If the income is between INR 50 lacs to INR 1 crore, the surcharge of 10% continues to apply. The tax payable (as increased by surcharge would be further increased by Health & Education Cess (4%).

3. Long-term Capital Gains in respect of units of non equity oriented Mutual Funds held by resident unit holders for a period of more than 36 months will be chargeable under section 112 of the Act at the rate of 20% plus surcharge, as applicable and cess. Capital gains would be computed by the investor after taking into account cost of acquisition as adjusted by Cost Inflation Index [with effect from financial year 2017-18, the base year would be 01.04.2001] notified by the Central Government and expenditure incurred wholly and exclusively in connection with such transfer.

   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 Health & Education Cess.

4. Under the provisions of section 115E of the Act for non-resident Indians, income by way of long-term capital gains in respect of specified assets purchased in convertible foreign exchange as defined under the provisions of section 115C of the Act (which includes shares, debentures, deposits in an Indian Company and security issued by Central Government) is chargeable at the rate of 10% plus cess. Such long-term capital gains would be calculated without indexation of cost of acquisition. It may be possible for non-resident Indians to opt for computation of long term capital gains as per Section 112 where tax on listed schemes would be chargeable at 20% (after indexation) and on unlisted schemes would be chargeable at 10% (without indexation and without foreign exchange fluctuation adjustment).

5. Under section 115AB of the Act, income earned by way of long-term capital gains in respect of units purchased in foreign currency held for a period of more than 12 months by Overseas Financial Organisation will be chargeable to tax at the rate of 10%, plus applicable surcharge Health & Education Cess. The capital gain would be calculated without indexation of cost of acquisition.

6. Under the provisions of section 115AD of the Act, income by way of long-term capital gains in respect of securities (other than units referred to in section 115AB) of FPIs/FIIs will be chargeable at the rate of 10% plus surcharge, as may be applicable and cess. The capital gain would be calculated without indexation of cost of acquisition.

7. All non-resident investors such as Overseas Financial Organisations, FIIs, FPIs, NRIs, etc. are also eligible for claiming benefits under a Double Tax Avoidance Agreement / Treaty (DTAA) entered into by India with the country of which the concerned investor is a tax resident. As per circular no. 728 dated October 1995 by CBDT, in the case of a remittance to a country with which a 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. As per the Finance Act 2013, in order to claim the benefits under the DTAA, the taxpayer would have to provide a "certificate of his being resident"(commonly known as Tax Residency Certificate) from the government of the country in which he is a resident. In addition to the said certificate, the concerned non-resident is also required to provide certain information in Form 10F such as status, nationality, Tax Identification Number, period for which the assessee is a resident in the concerned country, address and a declaration that the certificate of him being a resident is obtained. If any information in Form 10F is already provided on the "certificate of residency, the same need not be provided again the form. These provisions should to be read with the provisions of Tax Deduction at Source explained in para F below.

8. With effect from 1st April, 2014, units held by all FIIs/FPIs would be classified as capital assets and accordingly, the gains/losses from the disposal of the said units would constitute capital gains/loss in their hands. These investors would not be considered to have business income as far as transactions in units are concerned.

   Exemption from Long Term capital gain:

   As per Finance Act, 2018 under Section 54EC (1) of the Act, taxable capital gains, arising on transfer of a long term capital asset being land or building or both, shall not be chargeable to tax to the extent such capital gains are invested in notified bonds by Central Government (redeemable after 3 years if investment is made on or after 1st April 2007 but before 1st April 2018 and redeemable after 5 years if investment is made on or after 1st April 2018) within six months from the date of the transfer of the said capital asset subject to an upper limit of Rs. 50 lakhs whether the said investment is made in the same year (of transfer) or the succeeding year.

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

   Under Section 54F(1) of the Act , 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 one residential house in India. To avail this deduction, the investor should not own more than one residential house in addition to the proposed new residential house for which deduction is sought to be claimed. If part of such net consideration is invested within the prescribed period in one 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 of short term capital asset, other than equity shares in a company or equity oriented units or units of business trust held for a period of not more than 36 months is added to the total income of the tax payer during the respective Financial Year.

Individuals

Total income including short-term capital gains is chargeable to tax as per the relevant slab rates for individuals (including non-resident individuals). In the case of Individuals (including non-resident individuals), as per Finance Act, 2019, where taxable income of the individual, HUF, AOP, BOI and Artificial Juridical Person exceeds Rs 50 lakhs but does not exceed Rs 1 crore, surcharge @ 10% would be applicable, where the taxable income of the individual exceeds Rs 1 crore but does not exceed Rs 2 crore, surcharge @ 15% would be applicable, where the taxable income exceeds Rs 2 crore but does not exceed Rs 5 crore, surcharge @ 25% shall be applicable and where the taxable income exceeds Rs 5 crore, surcharge @ 37% shall be applicable. The tax payable (as increased by surcharge referred to above) would be further increased by Health & Education Cess (4%).

Domestic Companies

In case of domestic companies, short term capital gain will be chargeable to tax at the applicable corporate tax rate (generally, 30%; tax rate of 25% would be applicable if total turnover or gross receipts during the financial year 2019-20 does not exceed Rs 400 crores). However, if company opts for concessional tax rate under section 115BAA and 115BAB respectively, tax rate @ 22% shall be applicable, subject to conditions mentioned therein.

In case of domestic companies, if income exceeds Rs. 1 crore but does not exceed Rs 10 crores, then the tax payable would be increased by a surcharge @ 7% (except such domestic company whose income is chargeable to tax under section 115BAA or 115BAB of the Income-Tax Act and if income exceeds Rs 10 crore then surcharge @ 12% (except such domestic company whose income is chargeable to tax under section 115BAA or 115BAB of the Income-Tax Act). For companies covered under section 115BAA or 115BAB surcharge @ 10% is applicable. In all cases, the tax payable (as increased by surcharge in case of companies referred to above) would be further increased by Health & Education Cess (4%).

FIIs, FPIs

In case of FIIs and FPIs, short term capital gain will be chargeable to tax at the flat rate of 30%. The rate of surcharge would depend on the legal status of the FII/FPI. The tax payable (as increased by surcharge) would be further increased by Health & Education Cess (4%).

Other foreign companies

In case of foreign companies, short term capital gain will be chargeable to tax at the flat rate of 40%. If income exceeds Rs. 1 crore but not more than Rs 10 crore, then the tax payable would be increased by a surcharge @ 2% and if income exceeds Rs 10 crore then surcharge @ 5% would be applicable. The tax payable (as increased by surcharge) would be further increased by Health & Education Cess (4%).

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

Under Finance Act 2017, as per 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 Securities Transaction Tax (STT) is charged on such sale by the Mutual Fund.

As per Finance Act, 2018, the exemption available under section 10(38) has been withdrawn prospectively by inserting section 112A in the Act. Accordingly, long term capital gains arising from transfer of such units exceeding INR 1,00,000 would be taxable at 10% under section 112A with effect from 1st April 2018.

No indexation benefit would be available in respect of such long term capital gains. However, gains made upto 31st January 2018 will be grandfathered. To give effect to the grandfathered provisions, the cost of acquisition will be deemed to be higher of:

a. Actual cost of acquisition; and

b. Lower of

- Fair market value (i.e. the highest price quoted on a recognized stock exchange on or near 31st January 2018 in case of listed asset or net asset value in case of unlisted units); and
- Full value of consideration received or accruing as a result of the transfer.

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, health & education cess as applicable, provided STT is charged on such sale by the Mutual Fund. In case of domestic company whose income is chargeable to tax under section 115BAB of the Income-Tax Act, 1961, tax rate @ 22% shall be applicable, subject to conditions mentioned therein.

In case of companies if income exceeds Rs. 1 crore but does not exceed Rs 10 crores, then the tax payable would be increased by a surcharge @ 7% in case of domestic companies(except such domestic company whose income is chargeable to tax under section 115BAA or 115BAB of the Income-Tax Act, 1961) and @ 2% in case of foreign companies and if income exceeds Rs 10 crore then surcharge @ 12% in case of domestic companies (except such domestic company whose income is chargeable to tax under section 115BAA or 115BAB of the Income-Tax Act, 1961) and @ 5% in case of foreign companies would be applicable. For companies covered under section 115BAA or 115BAB surcharge @ 10% is applicable, irrespective of the amount of income.

In the case of Individuals, HUF, AOP, BOI and Artificial Juridical Person, where taxable income of the individual exceeds Rs 50 lakhs but does not exceed Rs 1 crore, surcharge @ 10% would be applicable, where the taxable income of the individual exceeds Rs 1 crore, surcharge @ 15% would be applicable. In all cases, the tax payable (as increased by surcharge) would be further increased by Health & Education Cess (4%).

Further, Section 48 provides that no deduction shall be allowed in respect of STT paid for the purpose of computing Capital Gains. Short term capital gain not chargeable under the provisions of section 111A of the Act is taxed as explained in section B above.

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. However, as per the Finance Act, 2018, since long-term capital gains arising on sale of units of equity oriented fund would be taxable with effect from 1st April 2018, losses incurred post 1st April 2018 would be allowed to be set-off against taxable capital gains.

Unabsorbed long-term capital loss and short-term capital loss can be carried forward and set off against the income under the head Capital Gains in subsequent eight assessment years, except that loss arising from transfer of long term capital assets cannot be set-off against gain arising from transfer of short term capital assets.

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, Section 94(8) 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.

F. TAX DEDUCTION AT SOURCE

Tax Deducted at Source (TDS) is a system introduced by Income Tax Department, where the person responsible for making specified payments is liable to deduct a certain percentage of tax before making payment in full to the receiver of the payment. Hence, the TDS rates applicable while making payment and tax applicable on income in the hands of taxpayer may be different.

i. FROM INCOME IN RESPECT OF UNITS:

(a) To Resident Unitholders

Any person responsible for paying to a resident any dividend income in respect of units of Mutual Fund specified under clause (23D) of section 10 shall at the time of credit of such income to the account of the payee or at the time of payment thereof by any mode, whichever is earlier, deduct income-tax there on at the rate of 10 percent for amount or aggregate of amount of such income credited or paid exceeding 5,000 rupees per financial year.

(b) To Non- Resident Unitholders

Tax is required to be deducted at source at the rate of 20 percent (plus applicable surcharge & health and education cess) if the payee is a non-resident.

ii FROM CAPITAL GAINS

(a) In respect of Resident Unit holders:

No tax shall be required to be deducted by the Mutual Fund from income which is in the nature of capital gain.

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

As per the provisions of Section 195 of the Act, tax shall be deducted at source in respect of capital gains arising to non-resident unitholders. Rate at which tax needs to be deducted is specified in the below section based on the type of fund and investor.

A. Scheme other than Equity Oriented Fund:

Listed units of a Non-equity oriented schemes not sold on a recognized stock exchange

The rate at which tax needs to be withheld is summarized in the below table:

Category of Investor	Short Term Capital Gains TDS Rates (see note below)	Long Term Capital Gains TDS Rates (see note below)
Non-resident Indians (NRI) /	30%	20%
Any other non-residents	30%	20%
Foreign companies	40%	20%
FIIs and FPIs	NIL	NIL
Overseas Financial Organization	40% (corporate) 30% (non corporate)	10%

Unlisted units of a non-equity oriented schemes (U/S 115E/112)

Category of Investor	Short Term Capital Gains TDS Rates (see note below)	Long Term Capital Gains TDS Rates (see note below)
Non-resident Indians (NRI)	30%	10%
Any other non-residents [unlisted schemes)	30%	10%
Foreign companies	40%	10%
FIIs and FPIs	Nil	Nil
Overseas Financial Organisation	40% (corporate) 30% (non corporate)	10%

(Without indexation and exchange fluctuation)

B. Equity Oriented Fund

The TDS rates for equity oriented fund on which STT is paid are as follows:

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 in excess of INR 1 lac (see note 1 below)
Non-resident Indians	15%	10%
Foreign companies	15%	10%
FIIs and FPIs	NIL	NIL
Other Non residents	15%	10%
Overseas Financial Organisation	40% (corporate) 30% (non corporate)	10%

In addition to the above TDS rates, other applicable Surcharge& Cess (ie. Health & Education Cess etc) shall apply.

As per the provisions of section 196A which is specifically applicable in case of non-resident unitholders, the withholding tax rate of 20% (plus applicable surcharge and cess) on any income in respect of units of a Mutual Fund credited / paid to non-resident unitholders shall apply, as section 196A does not make reference to “rates in force” but provide the withholding tax rate of 20% (plus applicable surcharge and cess).

NOTE:

1. In case of companies if income exceeds Rs. 1 crore but does not exceed Rs 10 crores, then the tax payable would be increased by a surcharge 2% in case of foreign companies and if income exceeds Rs 10 crore then surcharge @ 5% in case of foreign companies would be applicable. In the case of Individuals, HUF, AOP, BOI, surcharge on long term capital gains referred to in section 111A, 112A and 115AD is applicable at the rate of 15% if the income exceeds INR 1 crore. If the income is between INR 50 lacs to INR 1 crore, the surcharge of 10% continues to apply. Further Finance Act 2022 has capped the rate of surcharge on long term capital gains referred to in section 112 at the rate of 15% if the income exceeds INR 1 crore. If the income is between INR 50 lacs to INR 1 crore, the surcharge of 10% continues to apply. The tax payable (as increased by surcharge would be further increased by Health & Education Cess (4%). No long term capital gains tax is payable on listed equity oriented funds if the gains does not exceed INR 1 lac.

2. Under section 2(29A) read with section 2(42A) of the Act, units of an equity Oriented Scheme held as a capital asset are treated as a longterm capital asset if they are held for a period of more than twelve months immediately preceding the date of their transfer. Units of non-equity oriented Schemes held as a capital asset are treated as a long-term capital asset if they are held for a period of more than thirty-six months immediately preceding the date of their transfer.

3. Relief as per Double Taxation Avoidance Agreements: As per circular no. 728 dated October 1995 by CBDT and section 90(2) of the Act, in the case of a remittance to a country with which a 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. As per the Finance Act 2013, in order to claim the benefits under the DTAA, the assessee would have to provide a "certificate of his being resident" (commonly known as 'Tax Residency Certificate') from the government of the country in which he is a resident. In addition to the said certificate, the concerned non resident is also required to provide certain information in Form 10F such as status, nationality, Tax Identification Number, period for which the assessee is a resident in the concerned country, address and a declaration that the certificate of him being a resident is obtained. If any information in Form 10F is already provided on the "certificate of residency, then the same need not be provided again in the form.

   Finance Act, 2021 amended Section 196D by providing that Foreign institutional investor can avail DTAA benefit if they provide tax residency certificate. Thus, deduction of TDS would be at rate lower of the rates mentioned in the agreement under DTAA or 20 %.

4. Higher tax to be withheld for non-furnishing of PAN by investor: However, where the unit holder, resident or non-resident, does not furnish its Permanent Account Number 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. However, with effect from 1 June 2016, this higher withholding tax rate of 20% may not apply for non-residents if the following details prescribed under Rule 37BC of the Income Tax Rules, 1962 are furnished by the recipient non-resident to the payer;

   - name, e-mail id, contact number;
   - address in the country or specified territory outside India of home country of the non-resident;
   - Tax Residency Certificate (TRC);
   - Tax Identification Number of the non-resident in the country or specified territory of his residence.

5. Higher tax to be withheld in case of those unitholders who are yet to link PAN and Aadhar

   This is only applicable to resident unitholders who have a PAN in India and are eligible to obtain Aadhar in India. As per Section 139AA of the Act read with Rule 114AAA of the Income Tax Rules Ordinance provide that where a person has failed to intimate / link Aadhaar with PAN on or before 31st March 2023, the PAN of such person shall become 'Inoperative' or 'Invalid' immediately after the said date. Once a person's PAN becomes inoperative, the person would be deemed to have not furnished, intimated or quoted PAN and accordingly be liable for consequences as per Section 206AA .

   As per Section 206AA, TDS will be deducted at higher of the following rates:

   a) at the rate specified in the relevant provision of this Act; or

   b) at the rates in force; or

   c) at the rate of 20%

   PAN will become operative once the same is linked with Aadhaar and the aforesaid provisions shall not apply for further transactions.

6. Further, a new section i.e. 206AB has been inserted vide Finance Act, 2021 providing for higher rate for TDS for the non-filers of income-tax return. TDS rate will be higher of the followings rates: i) twice the rate specified in the relevant provision of the Act; or ii) twice the rate or rates in force; or iii) the rate of five per cent. However, the said proposed provisions will not apply to a non-resident who does not have a permanent establishment in India.

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

Taxable Securities Transaction	Rate	Payable By
Purchase/ Sale of Equity Shares on recognised stock exchange (delivery based)	0.1%	Purchaser/ Seller
Purchase of a unit of an equity oriented fund, where –The transaction of such purchase is entered into in a recognised stock exchange; and The contract for the purchase of such share is settled by the actual delivery or transfer of such share.	NIL	Purchaser

Sale of an 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 share is settled by the actual delivery or transfer of such share.	0.001%	Seller
Sale of an equity share in a company or a unit of 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 share is settled otherwise than by the actual delivery or transfer	0.025%	Seller
Sale of unit of an equity oriented fund to the Mutual Fund itself	0.001%	Seller
Sale of an option in securities	0.05%	Seller
In case of sale of option in securities, where option is exercised	0.125%	Purchaser
Sale of a futures in securities	0.01%	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.

LEVY OF STAMP DUTY

Pursuant to Notification No. S.O. 1226(E) and G.S.R. 226(E) dated March 30, 2020 issued by Department of Revenue, Ministry of Finance,Government of India, read with Part I of Chapter IV of Notification dated February 21, 2019 issued by Legislative Department, Ministry of Law and Justice, Government of India on the Finance Act, 2019, a stamp duty @0.005% shall be levied on the applicable value of mutual fund transactions, with effect from July 1, 2020. Accordingly, pursuant to levy of stamp duty, the number of units allotted on purchase/ switchintransactions (including dividend) to the unitholders shall be reduced to that extent.

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

Finance Act, 2015 has ceased the applicability of wealth tax from 01-04-2015. Hence the same is not applicable.

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.

EXEMPTION FROM CAPITAL GAINS ON MERGER OF MUTUAL FUND SCHEMES

In order to facilitate consolidation of such schemes of mutual funds in the interest of the investors, Finance, 2015 has provided tax neutrality to unit holders upon consolidation or merger of mutual fund schemes provided that the consolidation is of two or more schemes of an equity oriented fund or two or more schemes of a fund other than equity oriented fund.

'Consolidating scheme' is defined as the scheme of a mutual fund which merges under the process of consolidation of the schemes of mutual fund in accordance with the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996 and 'consolidated scheme' as the scheme with which the consolidating scheme merges or which is formed as a result of such merger.

The cost of acquisition of the units of consolidated scheme shall be the cost of units in the consolidating scheme and period of holding of the units of the consolidated scheme shall include the period for which the units in consolidating schemes were held by the unit holder.

EXEMPTION FROM CAPITAL GAINS ON MERGER OF DIFFERENT PLANS IN A MUTUAL FUND SCHEME

Security Exchange Board of India (SEBI) has issued guidelines for consolidation of mutual fund plans within a scheme. In view of this, the tax exemption available on merger or consolidation of mutual fund schemes is extended to the merger or consolidation of different plans in a mutual fund scheme.

For this purpose, Section 47 was amended to provide that any transfer by a unit holder of a capital asset, being a unit or units, held by him in the consolidating plan of a mutual fund scheme, made in consideration of the allotment to him of a capital asset, being a unit or units, in the consolidated plan of that scheme of the mutual fund shall not be considered transfer for capital gain tax purposes and thereby shall not be chargeable to tax. In this regard, the cost of acquisition of the units in the consolidated plan of mutual fund scheme shall be the cost of units in consolidating plan of mutual fund scheme and period of holding of the units of consolidated plan of mutual fund scheme shall include the period for which the units in consolidating plan of mutual fund scheme were held by the unit holder.

D. COMPUTATION OF NAV

NET ASSET VALUE (NAV) AND VALUATION OF INVESTMENT

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

The NAVs of the Units of the Plans will be computed by dividing the net assets of the Scheme by the number of Units outstanding on the valuation date given as below:

$$\text{NAV(Rs.) per Unit} = \frac{\text{Market or Fair Value of the Scheme's Investments + Current Assets – Current Liabilities and Provisions}}{\text{No. of Units outstanding under Scheme/Plan}}$$

Notes:

1. The NAV of the Scheme will be calculated and disclosed at the close of every Business Day.
2. Separate NAV will be calculated and announced for each of Plans/Options.
3. The NAVs will be calculated upto 4 decimals and the units will be allotted upto 3 decimal places.

Illustration:

Assumptions - on the day of calculation of NAV:

Market or Fair Value of the Scheme's Investments = 10600

Current Assets = 250

Current Liabilities & provisions = 150

No of units outstanding in the plan = 1000

$$10.7000 = \frac{10600+250-150}{1000}$$

The Fund shall value its investments according to the valuation norms, as specified in Schedule VIII of the Regulations, or such norms as may be prescribed by SEBI from time to time.

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

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

NAV Information

The AMC shall update the NAVs on the website of Association of Mutual Funds in India -AMFI (www.amfiindia.com) by 11.00 p.m. or such other time as may be mandated by SEBI, on a daily basis. In case of any delay, the reasons for such delay will be explained to AMFI and, if so mandated, SEBI, by the next day. If the NAVs are not available before commencement of business hours on the following day due to any reason, the Fund shall issue a press release providing reasons and explaining when the Fund will be able to publish the NAVs.

IV. FEES AND EXPENSES

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

A. NEW FUND OFFER (NFO) EXPENSES

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

In accordance with the provisions of SEBI Circular no. SEBI/ IMD/CIR No. 1/64057/06 dated April 04, 2006 and SEBI/IMD/CIR No. 4/ 168230/09 dated June 30, 2009, NFO expenses will not be charged to the Scheme. Such expenses will be borne by the AMC.

B. ANNUAL SCHEME RECURRING EXPENSES

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

The aggregate of the Investment Management & Advisory Fee charged by JMF AMC and the Expenses will remain within the maximum permissible TER as per Regulation 52 of the Regulations, as amended from time to time.

Maximum Total Expense Ratio under Regulation 52 (6):

Name of the Scheme	TER Limits
JM Corporate Bond Fund	i. 2.00% on the first Rs. 500 crores of the daily net assets.
	ii. 1.75% on the next Rs. 250 crores of the daily net assets.
	iii. 1.50% on the next Rs. 1,250 crores of the daily net assets.
	iv. 1.35% on the next Rs. 3,000 crores of the daily net assets.
	v. 1.25% on the next Rs. 5,000 crores of the daily net assets.
	vi. Total expense ratio reduction of 0.05% for every increase of Rs. 5,000 crores of daily net assets or part thereof, on the next Rs. 40,000 crores of the daily net assets.
	vii. 0.80% on balance of the daily net assets. The aforesaid does not include Goods and Services Tax on Investment management and advisory fees.

As per the Regulations, the maximum recurring expenses excluding issue or redemption expenses, whether initially borne by the Fund or by the AMC but including investment management and advisory fee that can be charged to the Scheme shall be subject to a percentage limit of daily net assets as in the table below:

Particulars	**JM Corporate Bond Fund (% p.a. of daily net assets)**
Investment Management and Advisory Fees	Upto 2.00
Trustee Fees	
Audit Fees	
Custodian Fees	
Registrar & Transfer Agent Fees	
Marketing & Selling Expenses including Agents Commission	
Cost related to investor communications	
Cost of fund transfer from location to location	
Cost of providing account statements and Income Distribution Cum Capital Withdrawal redemption cheques and warrants	
Costs of statutory Advertisements	
Cost towards investor education & awareness (at least 2 bps)	
Brokerage & transaction cost over and above 12 bps and 5 Bps for cash and derivative market trades respectively.	
Goods and Services Tax on expenses other than investment and advisory fees	
Goods and Services Tax on brokerage and transaction cost	
Other Expenses^	
Maximum total expense ratio (TER) permissible under Regulation 52	Upto 2.00
Additional expenses under Regulation 52 (6A) (c)	Upto 0.05
Additional expenses for gross new inflows from specified cities* (more specifically elaborated below)	Upto 0.30
The aforesaid does not include Goods and Services Tax on investment management and advisory fees. The same is more specifically elaborated below.	

^ Any other expenses which are directly attributable to the Scheme, may be charged with the approval of the Trustee within the overall limits as specified in the Regulations except those expenses which are specifically prohibited.

**As permitted under the Regulation 52 of SEBI (MF) Regulations, 1996 and pursuant to SEBI circulars no. CIR/IMD/DF/21/2012 dated September 13, 2012, SEBI/HO/IMD/DF2/CIR/P/2018/16 dated February 02, 2018, SEBI/HO/IMD/DF2/CIR/P/2018/137 dated October 22, 2018, SEBI (Mutual Funds) Second Amendment Regulations, 2012 and SEBI (Mutual Funds) (Fourth Amendment) Regulations 2018.*

Subject to the overall ongoing fees and expenses which would be charged to the Scheme not exceeding the limit laid down under Regulation 52(6) [as reproduced above], the AMC will charge to the Scheme the Government levies in the form of any charges or applicable taxes including applicable surcharge either presently payable or which may be imposed in future. Wef 1st July 2017, the Government has imposed Goods and Services Tax of 18% on Management and Trustee Fees.

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

1. Additional TER of up to 30 basis points on daily net assets of the scheme as per regulation 52 of SEBI (Mutual Funds) Regulations, 1996 if the new inflows from beyond top 30 cities* received by JMF are at least (a) 30% of gross new inflows in the scheme or (b) 15% of the average assets under management (year to date) of the scheme, whichever is higher.

   In case the inflows from beyond top 30 cities is less than the higher of (a) or (b) above, then additional TER can be charged on pro rata basis.

   The additional TER on account of inflows from beyond top 30 cities so charged shall be clawed back in case the same is redeemed within a period of 1 year from the date of investment.

   The amount so charged shall be utilised for distribution expenses incurred for bringing inflows from such cities.

   * The top 30 cities shall mean top 30 cities based on Association of Mutual Funds in India (AMFI) data on 'AUM by Geography – Consolidated Data for Mutual Fund Industry' as at the end of the previous financial year.

2. Additional expenses, incurred towards different heads mentioned under sub-regulations (2) and (4) of Regulation 52, not exceeding 0.05 per cent of daily net assets of the scheme or as specified by SEBI.

   Provided that such additional expenses shall not be charged to the schemes where the exit load is not levied or applicable.

   The brokerage and transaction costs which are incurred for the purpose of execution of trade and is included in the cost of investment shall not exceed 0.12% in case of cash market transactions and 0.05% in case of derivative transactions.

Any payment towards brokerage and transaction cost, over and above the said 0.12% and 0.05% for cash market transactions and derivatives transactions respectively may be charged to the scheme within the maximum limit of Total Expense Ratio (TER) as prescribed under regulation 52 of the SEBI (Mutual Funds) Regulations, 1996.

Goods & Services Tax on exit load, if any, shall be paid out of the exit load proceeds and exit load net of Goods & Services Tax, if any, shall be credited back to the scheme.

The AMC shall annually set apart 2 basis points on daily net assets within the maximum limit of TER as per Regulation 52 of the Regulations, for investor education and awareness initiatives.

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

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

The AMC would update the current expense ratios on the website of the fund at least three working days prior to the effective date of change.

Further, the Actual Expense ratio will also be disclosed by the AMC at Fund's website which can be accessed at link www. jmfinancialmf. com/Downloads/Other Disclosures.

C. LOAD AND TRANSACTION CHARGES

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

Any imposition or enhancement in the load shall be applicable on prospective investments only.

Entry load is NIL for the scheme.

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

Exit Load - Nil.

D. WAIVER OF LOAD FOR DIRECT APPLICATIONS:

NO ENTRY LOAD: SEBI has mandated following in its circular No. SEBI/IMD/CIR No. 4/ 168230/09 dated June 30, 2009:

a. There shall be no entry load for the scheme.

b. The scheme application forms shall carry a suitable disclosure to the effect that the upfront commission to distributors will be paid by the investor directly to the distributor, based on his assessment of various factors including the service rendered by the distributor.

c. The distributors should disclose all the commissions (in the form of trail commission or any other mode) payable to them for the different competing schemes of various mutual funds from amongst which the scheme is being recommended to the investor.

Exit Load- Nil.

The exit load as imposed will be applicable for allotment of units for investment made through fresh purchases/switch-in/shift-in or through respective SIP/STP/SWP Installments out of the fresh registration effected during the period when above exit load rates are applicable. The exit load are subject to change at any time. Hence, all Investors are advised to check the current exit load from the nearest Investor Service Centres before investment.

In respect of Systematic Transactions such as SIP,STP, SWP, Exit Load, if any, prevailing on the date of registration / enrolment for SIP/STP/ SWP shall be levied for all the opted Installments.

It is clarified that applicable exit load, if any, will be charged for redemptions/ switch outs of the scheme (i.e. at portfolio level) before the completion of the stipulated load/lock-in period. The stipulated load/lock-in period will be reckoned from the date of allotment of units for a particular transaction in the scheme (i.e. at portfolio level) till the date of redemption/switch out from that scheme, irrespective of the number of intra-scheme switches by the investor between the aforementioned two dates (e.g switches between plans/sub-plans/options/ sub-options within the scheme having the same portfolio). However, Government levies eg. STT (wherever applicable) will continue to be deducted for every intra-scheme and inter-scheme redemption / switch-out transactions.

While determining the price of the units, the fund shall ensure that the repurchase price of an open ended scheme is not lower than 95 per cent of the Net Asset Value.

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

Load in case of Direct Plan:

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

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

Load exemptions, if any:

- No Exit Load will be charged for switches between the options / Plans under the Scheme.
- The AMC will not charge exit load for a Fund of Funds Scheme investing in the scheme.
- Any imposition or enhancement in the load shall be applicable on prospective investments only.
- For SIP, the load will be applicable for each of the SIP installments based on the rate applicable on the day of registration of SIP.

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

Change in Load Structure

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

a) The addendum detailing the changes shall be attached to Scheme Information Documents and Key Information Memorandum. The addendum will be circulated to all the distributors so that the same can be attached to all Scheme Information Documents and Key Information Memorandum already in stock. The addendum shall also be part of the newsletter sent to the Unitholders immediately after the changes.

b) Arrangements shall be made to display the changes/modifications in the Scheme Information Document in the form of a notice in all the JM ISCs' and distributors' offices.

c) The introduction of the exit load alongwith the details shall be stamped in the acknowledgement slip issued to the investors on submission of the application form and may also be disclosed in the statement of accounts issued after the introduction of such load.

d) The addendum detailing the changes in the Load Structure will be published by the AMC in 2 daily newspapers- one in regional language and the other in English language newspaper

e) The Fund shall arrange to display an addendum in the JM ISCs at least 1 (one) day before the change of the then prevalent load structure.

f) The AMC/ Fund will display the addendum on its website.

OTHER CHARGES TO BE PAID

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

The Securities of the Scheme will be held in demat (electronic) mode and accordingly the rules of the Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018 would apply. The service charges payable to the Depository Participant will form a part of the annual recurring expenses.

DEDUCTION OF TRANSACTION CHARGES FOR INVESTMENTS THROUGH DISTRIBUTORS / AGENTS:

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

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

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

Investors may note that distributors have an option to opt in or opt out of charging the transaction charge. Pursuant to SEBI circular no. Cir/ IMD/DF/21/2012 dated September 13, 2012, effective November 1, 2012 distributors have the option to either opt in or opt out of levying transaction charges, based on type of the product.

Transaction charges shall not be deducted for:

(a) Gross 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).

V. RIGHTS OF UNITHOLDERS

Please refer to SAI for details.

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

1) All disclosures regarding penalties and action(s) taken against foreign Sponsor(s) may be limited to the jurisdiction of the country where the principal activities (in terms of income / revenue) of the Sponsor(s) are carried out or where the headquarters of the Sponsor(s) is situated. Further, only top 10 monetary penalties during the last three years shall be disclosed.

   Not applicable

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

   The Sponsor of JM Financial Mutual Fund has contingent liability in respect of income tax demand and service tax demand disputed in appeal of Rs. 43.11 crore as on March 31, 2022 (last reported Rs. 45.64crore as on March 31, 2021).

   The Income Tax Authorities had ongoing dispute with the Sponsor relating to them treating the long term capital gain on sale of equity shares on termination of joint venture with Morgan Stanley as taxable under the head "Business Income" and not under the head "Capital Gains". The said matter is pending for disposal before the Income-tax Appellate Tribunal, Mumbai.

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

   Nil

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

   Nil

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

   N.A.

NOTWITHSTANDING ANYTHING CONTAINED IN THIS SCHEME INFORMATION DOCUMENT, THE PROVISIONS OF THE SEBI (MUTUAL FUNDS) REGULATIONS, 1996 AND THE GUIDELINES/CIRCULARS THERE UNDER SHALL BE APPLICABLE.

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Ahmedabad	702, Majestic. Nr. Swati Restaurant, Opp Lawgarden BRTS Stand, Ellisbridge, Ahmedabad 380006. Tel.: (079) 29915991
Bangalore	Mittal Tower Unit No. 1258-59, B Wing, 14th Floor, Near Trinity Metro Station, Bangalore. Tel.: (080) 40907317/19.
Chandigarh	Chandigarh Business Centre, Chamber No.8, 2nd floor, SCO 2441-42, Sector 22 C, Chandigarh - 160022. Tel: (0172) 4346431.
Chennai	Maalavika Centre No. 144/145, 4th Floor, Kodambakkam High Road, Nungambakkam, Chennai - 600034. Tel.: (044) 47657540.
Hyderabad	ABK OLBEE Plaza, 8-2-618/8 & 9, 2nd Floor, 204, Road No. 1, Banjara Hills, Hyderabad 500 034. Tel.: (040) 66664436 / 66780752.
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Mumbai (Andheri)	The Summit Business Park, 415, 4th Floor, Off Andheri - Kurla Road, Chakala, Below Western Express Highway Metro Station, Andheri East, Mumbai - 400 093, Maharashtra Tel: 022- 61987777.
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Point of acceptance of KFin Technologies Ltd. (RTA)

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		North		
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