

**NOTICE-CUM-ADDENDUM**

**I. THIS ADDENDUM SETS OUT THE CHANGES TO BE MADE IN STATEMENT OF ADDITIONAL INFORMATION (SAI), COMBINED SCHEME INFORMATION DOCUMENT (SID) AND COMBINED KEY INFORMATION MEMORANDUM (KIM) OF ALL THE SCHEMES OF JM FINANCIAL MUTUAL FUND (THE "FUND")**

**a. Restriction on redemption in Mutual Funds:**

Presently, in terms of circular SEBI/IMD/CIR No.5/126096/08 dated May 23, 2008, facility of restriction on redemption under any scheme of the mutual fund can be made only after the approval from the Board of Directors of the Asset Management Company (AMC) and the Trustees. The provisions are general in nature and do not specifically spell out the circumstances in which restriction on redemption may be applied; leading to discretionary disclosures and practices in the industry.

SEBI vide its circular no. SEBI/HO/IMD/DF2/CIR/P/2016/57 dated May 31, 2016 has now laid down the criteria and the conditions in case AMC's wish 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 impact 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) in future, JMF AMC, in addition to the above requirements, will ensure the following:

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

**b. Implementation of NACH (National Automated Clearing House) in place of ECS (Electronic Clearing System)**

The investors of JM Financial Mutual Fund were given the option to opt for investments through Systematic Investment Plan (SIP) through the auto debit facility of Electronic Clearing System (ECS). The ECS has now been replaced and National Automated Clearing House (NACH) facility has been introduced in place of ECS. All investors are therefore required to submit the NACH form for new SIP cases as also at the time of renewal. The NACH form is available on the website of JMF AMC.

**c. Non-acceptance of Post Dated Cheques (PDC):**

Investors of all the Schemes of JM Financial Mutual Fund may note that the payment facility for SIPs through post dated cheques is being withdrawn with immediate effect.

The points mentioned above shall form an integral part of the SAI, SID and KIM of all the schemes of the Fund.

All other terms and conditions of the SAI, SID and KIM of all the schemes of the Fund remain unchanged.

**II. Notice is hereby given** that the Trustees of JM Financial Mutual Fund have approved the declaration of dividend under the below mentioned Dividend Option of JM Balanced Fund (the "Scheme") and fixed Thursday, June 16, 2016 as the record date for this purpose in accordance with SEBI Circular No. SEBI/IMD/CIR No. 1/64057/06 dated April 4, 2006. All unitholders whose names appear on the register of unitholders under the below mentioned Dividend Option of the Scheme, as at the close of business hours on the said record date, shall be eligible to receive dividend.

Scheme / Option Name	Face Value per unit (Rs.)	NAV per unit (Rs.) as on June 10, 2016	Dividend upto (Rs.)
JM Balanced Fund - (Direct) - Quarterly Dividend Option	10	27.8940	2.25 per unit

However, the final dividend rate will be declared based on the availability of distributable surplus in the Dividend Option of the Scheme on the record date.

**After payment of dividend, the per unit NAV of the Dividend Option of the Scheme will fall to the extent of the payout and statutory levies (if applicable).**

**Bhanu Katoch**

Chief Executive Officer

Place : Mumbai

JM Financial Asset Management Limited

Date : June 11, 2016

(Investment Manager to JM Financial Mutual Fund)

**For further details, please contact :**

JM Financial Asset Management Limited

(Formerly known as JM Financial Asset Management Private Ltd.),

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

REF No. D-4/2016-17