

JM FINANCIAL MUTUAL FUND

ADDENDUM

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

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 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") have decided to offer an alternate platform to facilitate purchase (subscription) and redemption (repurchase) of units of all the eligible schemes of the Mutual Fund. This facility which is effective March 10, 2014 is offered in terms of the aforesaid SEBI circular and the guidelines issued by National Stock Exchange of India Ltd. (NSE) and BSE Ltd. (BSE) in this regard.

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

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

This facility is currently available only in the following open ended schemes of the Mutual Fund:

Sr. No.	Name of the Eligible Scheme	Sr. No.	Name of the Eligible Scheme
1	JM Balanced Fund	10	JM G-Sec Fund
2	JM Basic Fund	11	JM Income Fund
3	JM Core 11 Fund	12	JM Floater Long Term Fund
4	JM Equity Fund	13	JM MIP Fund
5	JM Multi Strategy Fund	14	JM Money Manager Fund – Regular Plan
6	JM Tax Gain Fund	15	JM Money Manager Fund – Super Plan
7	JM Arbitrage Advantage Fund*	16	JM Money Manager Fund – Super Plus Plan
8	JM Floater Short Term Fund	17	JM Short Term Fund
9	JM High Liquidity Fund		

* The scheme shall be available on the aforesaid platform with effect from March 24, 2014.

Features of the MFSS introduced by NSE:

- MFSS is an online order collection system provided by NSE to its eligible members for placing orders or redemption orders on the MFSS, based on orders received from the investors.
- MFSS has been designed to provide a confirmation slip of the order(s) entered, which would be deemed to be the time of receipt of application for the purpose of determining the applicability of NAV.
- MFSS facility shall be subject to such operating guidelines as may be issued by NSE from time to time.

Features of the BSE STAR MF introduced by BSE:

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

1) Basic points to be noted by the investors:

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

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

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

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

iii) What is the window period for transactions?:

- MFSS and BSE STAR MF is an electronic platform introduced by NSE and BSE for transacting in units of Mutual Funds.
- The units of eligible schemes are not listed on NSE and BSE and the same cannot be traded on the Stock Exchange.
- The window for purchase/redemption of units on the NSE and BSE will be available between 9 a.m. and 3 p.m. or such other timings as may be decided from time to time by the Exchange.

iv) With whom should the investor register for availing this facility?:

- The AMC has currently entered into an arrangement with NSE and BSE for facilitating transactions in the said schemes of the Mutual Fund through the Participants (i.e. Clearing members and AMFI certified stock brokers or any other permitted entities).
- Interested investors are required to register themselves with Participants and open a trading account with them by complying with KYC requirements.
- The Participants shall be considered as Official Point of Acceptance (OPA) of the Mutual Fund in accordance with SEBI Circular No. SEBI/IMD/CIR No.11/78450/06 dated October 11, 2006 and conditions stipulated in SEBI Circular dated November 13, 2009 for stock brokers viz. AMFI / NISM certification, code of conduct prescribed by SEBI for Intermediaries of Mutual Fund, shall be applicable for such Clearing members and Depository participants as well.

v) 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 aforesaid schemes have been created and admitted in the National Securities Depository Ltd. ("NSDL") and Central Depository Services (India) Ltd. ("CDSL").

vi) 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).

2) Investors will be able to purchase/redeem units in the aforesaid schemes in the following manner:

i) Purchase of units:

a) Physical Form:

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

b) Dematerialised form:

- The investors who intend to deal in depository mode are required to have a demat account with CDSL/NSDL.
- The investor who chooses the depository mode is required to place an order for purchase of units (subject to applicable limits prescribed by BSE/NSE) with the Participants.
- The investor should provide their depository account details to the Participants.
- The purchase order will be entered in the Stock Exchange system and an order confirmation slip will be issued to investor.
- The investor will transfer the funds to the Participants.
- Allotment details will be provided by the Participants to the investor.

ii) Redemption of units:

a) Physical Form:

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

b) Dematerialised form:

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

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

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

- Applications for purchase/redemption of units which are incomplete/invalid are liable to be rejected.
- In case of units held in demat form, the redemption request can be given only in number of units and subject to the provision pertaining to minimum repurchase amount.
- Separate folios will be allotted for units held in physical and demat mode. In case of non-financial requests/applications such as change of address, change of bank details, etc. investors should approach Investor Service Centres (ISCs) of the Mutual Fund if units are held in physical mode and the respective Depository Participant(s) if units are held in demat mode. In case of KYC compliant investors, the non-financial requests/applications shall be submitted by the investors to their respective Reg-Registration Agencies (KRAs).
- An account statement/Consolidated Account Statement (CAS) will be issued by the Mutual Fund to investors who purchase/ redeem their units under this facility in physical mode. In case of investors who intend to show the credit/debit in demat mode, a demat statement will be sent by Depository Participant detailing the units/debit of units to their account.
- The cut – off timing and applicability of Net Asset Value (NAV) shall be subject to the guidelines issued by SEBI in this regard. With respect to investors who transact through stock exchange, applicable NAV shall be reckoned on the basis of the time stamping as evidenced by confirmation slip given by stock exchange mechanism and subject to receipt of funds by AMC/Mutual Fund before the cut – off time of the respective schemes.
- Investors will have to comply with Know Your Customer (KYC) norms as prescribed by BSE/NSE/ CDSL/ NSDL and the Mutual Fund to participate in this facility.
- As per the normal practice, if in the sub - option of Dividend payout, the dividend amount is less than Rs. 100, then the dividend is compulsorily re-invested. Investors are hereby informed that under this facility, dividend shall not be reinvested but will be paid out to the respective investors.
- The Mutual Fund will not be in a position to accept any request for transactions or service requests in respect of units bought under this facility in demat mode.
- In case of availing this facility for the New Fund Offers (NFOs), the units will be allotted directly to the investors by the Registrar and Transfer Agent (RTA). Also, NFO refunds will be made directly to the bank account of the investors by the RTA.
- Investors should get in touch with Investor Service Centres (ISCs) of the Mutual Fund for further details.

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

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

This addendum forms an integral part of the SAI, SID and KIM of the aforesaid schemes of the Mutual Fund.

All other terms and conditions of the SID and KIM remain unchanged and shall apply to transactions routed through these platforms.

Bhanu Katoch
Chief Executive Officer

Date : Mumbai
Date : March 07, 2014

JM Financial Asset Management Limited
(Investment Manager to JM Financial Mutual Fund)

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