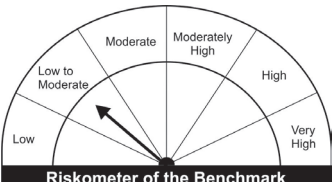
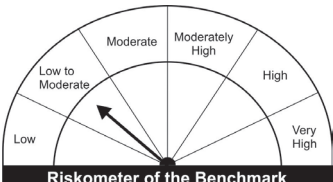


SCHEME INFORMATION DOCUMENT (SID)

JM LIQUID FUND

(An Open-Ended Liquid Scheme. A relatively low interest rate risk and moderate credit risk.)
Continuous offer for Units at NAV based prices

<p>This Product is suitable for investors who are seeking*</p> <ul style="list-style-type: none"> • Regular Income over Short Term. • Investment in debt and money market securities with maturity of upto 91 days only. <p><small>*Investors should consult their financial advisers if in doubt about whether the product is suitable for them.</small></p>	<p>Scheme Riskometer</p>  <p>Riskometer of the Benchmark Investors understand that their principal will be at low to moderate risk</p>	<p>Benchmark Riskometer</p>  <p>Riskometer of the Benchmark Investors understand that their principal will be at low to moderate risk</p>
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Potential Risk Class			
Credit Risk →	Relatively Low (Class A)	Moderate (Class B)	Relatively High (Class C)
Interest Rate Risk ↓			
Relatively Low (Class I)		B-I	
Moderate (Class II)			
Relatively High Class (Class III)			

<p>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.</p> <p>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.</p> <p>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</p> <p>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.</p> <p>The Scheme Information Document should be read in conjunction with the SAI and not in isolation.</p> <p>This Scheme Information Document is Dated October 31, 2023</p>	<p>NAME OF MUTUAL FUND: JM Financial Mutual Fund</p> <p>NAME OF ASSET MANAGEMENT COMPANY("AMC"): JM Financial Asset Management Limited Corporate Identity Number: U65991MH1994PLC078879</p> <p>NAME OF TRUSTEE COMPANY: JM Financial Trustee Company Private Limited Corporate Identity Number: U65991MH1994PTC078880</p> <p>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</p>
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HIGHLIGHTS/SUMMARY OF THE SCHEME

Name of the Scheme	JM Liquid Fund																
SEBI Scheme Code	JMFI/O/D/LIF/97/02/0004																
Type of Scheme	An Open-Ended Liquid Scheme. A relatively low interest rate risk and moderate credit risk.																
Category of the Scheme	Liquid Fund																
Investment Objective	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 does not guarantee/ indicate any returns.																
Liquidity	The Scheme will offer units for sale and repurchase at NAV based prices on all business days. The Scheme being offered is open-ended scheme and will offer Units for Sale / Switch-in and Redemption /Switch-out, on every Business Day at NAV based prices subject to applicable loads. As per the SEBI (Mutual Funds) Regulations, 1996, the Fund shall despatch redemption proceeds within 3 Business Days of receiving the valid Redemption request. A penal interest of 15% p.a. or such other rate as may be prescribed by SEBI from time to time, will be paid in case the payment of redemption proceeds is not made within 3 Business Days from the date of redemption. Please refer to section 'Redemption of units' for details.																
Benchmark	CRISIL Liquid Debt B-I Index. For further details on process of Benchmarking of Scheme, kindly refer to page no. 31.																
Transparency/NAV Disclosure	NAVs will be determined at the close of every business day and disclosed on the websites of the Fund/ AMFI. 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. In case NAV of Corporate Debt Market Development Fund ('CDMDF') units is not available by 9:30 p.m. of same Business Day, NAV declaration timing for Mutual Fund Schemes holding units of CDMDF shall be 10 a.m. on next business day instead of 11 p.m. on same Business Day. Please refer to section 'Periodic Disclosures' hereunder for further details																
Loads	<p>Entry Load: Not Applicable Exit Load:</p> <table border="1"> <thead> <tr> <th>Investor's exit upon subscription</th> <th>Revised Exit Load Structure</th> </tr> </thead> <tbody> <tr> <td>Day 1</td> <td>0.0070%</td> </tr> <tr> <td>Day 2</td> <td>0.0065%</td> </tr> <tr> <td>Day 3</td> <td>0.0060%</td> </tr> <tr> <td>Day 4</td> <td>0.0055%</td> </tr> <tr> <td>Day 5</td> <td>0.0050%</td> </tr> <tr> <td>Day 6</td> <td>0.0045%</td> </tr> <tr> <td>Day 7 Onwards</td> <td>0.0000%</td> </tr> </tbody> </table> <p>The above exit load is applicable for allotment of units for investment made through fresh purchase / switch-in from other Schemes or for SIP/STP/SWP instalments falling due on or after the above mentioned effective date, irrespective of the date of registration. The aforesaid requirement to levy exit load shall not be applicable to any investments made in JM Liquid Fund prior to October 20, 2019. For further details on load structure refer to the section 'Load and Transaction Charges' on Page no 85.</p>	Investor's exit upon subscription	Revised Exit Load Structure	Day 1	0.0070%	Day 2	0.0065%	Day 3	0.0060%	Day 4	0.0055%	Day 5	0.0050%	Day 6	0.0045%	Day 7 Onwards	0.0000%
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Day 7 Onwards	0.0000%																
Choice Of Investment Plans /Options	Please refer the point ' Investment Plan(s)/Option(s) ' in this table.																

Minimum Application Amount	<p>Rs. 1000/- per Plan/Option and in multiple of Rs. 1 thereafter Additional Investment Amount: Rs 100/- and in multiples of Rs. 1 thereafter. However, there is no upper limit for investment.</p> <p>The minimum investment is applicable at the respective Plans/Sub-plans/Options/ Sub-options level i.e. Growth, Income Distribution cum Capital Withdrawal (IDCW).</p> <p>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.</p>																																	
Investment Plan(s)/ Option(s)	<p>The Scheme offers two plans: - JM Liquid Fund - Regular Plan - JM Liquid Fund - Direct Plan Each Plan offers two options viz., Income Distribution cum Capital Withdrawal & Growth Option.</p> <table border="1" data-bbox="411 506 1495 903"> <thead> <tr> <th>Min. investment amt.#</th> <th>Additional investment Amount#</th> <th>Plans</th> <th>Options</th> <th>Sub Options</th> <th>Default Plan</th> <th>Default Option</th> <th>Default Sub Option</th> </tr> </thead> <tbody> <tr> <td rowspan="8">Rs. 1000/- and in multiples of Rs. 1 thereafter</td> <td rowspan="8">Rs. 100/- and in multiples of Rs. 1 thereafter</td> <td rowspan="4">Regular</td> <td>Daily IDCW</td> <td>Reinvestment</td> <td rowspan="8">Direct</td> <td rowspan="4">Daily IDCW</td> <td rowspan="4">Reinvestment</td> </tr> <tr> <td>Weekly IDCW</td> <td>Reinvestment/ Payout⁵⁵</td> </tr> <tr> <td>Quarterly IDCW</td> <td></td> </tr> <tr> <td>Growth</td> <td></td> </tr> <tr> <td rowspan="4">(Direct)</td> <td>Daily IDCW</td> <td>Reinvestment</td> <td rowspan="4">Daily IDCW</td> <td rowspan="4">Reinvestment</td> </tr> <tr> <td>Weekly IDCW</td> <td>Reinvestment/ Payout⁵⁵</td> </tr> <tr> <td>Quarterly IDCW</td> <td></td> </tr> <tr> <td>Growth</td> <td></td> </tr> </tbody> </table> <p># The minimum investment/additional investment/redemption investment clause shall not be applicable in the case of investments by designated employees pursuant to Para-no 6.10 of SEBI Master Circular and circulars/clarifications issued thereunder.</p> <p>The above clause shall be read with all clause(s) related to minimum investment/additional investment/redemption investment mentioned elsewhere in this document.</p> <p>The Scheme had Bonus option earlier which is currently not available for fresh subscription.</p> <p>⁵⁵ No Income Distribution cum Capital Withdrawal under Income Distribution cum Capital Withdrawal / IDCW 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.</p> <p>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.</p> <p>As per AMFI Best Practices Guidelines Circular No. 107 / 2023-24 if any purchase or switch transactions are received from / under the ARN of a non-empanelled MFD, such transaction shall be processed under Direct Plan.</p> <p>Under these options, the Trustees of the Fund reserve the right to declare Income Distribution cum Capital Withdrawal (income distribution) /IDCW in the respective Income Distribution cum Capital Withdrawal (income distribution) /IDCW options of the Scheme, subject to availability of distributable surplus. IDCW payout will be lower to the extent of statutory levies, as applicable.</p> <p>The Trustees to JM Financial Mutual Fund reserves the right to change/modify the above provisions at a later date.</p> <p>It is clarified that the minimum investment is applicable at the respective Options/ Sub-options level i.e. Growth, Income Distribution cum Capital Withdrawal and will be considered after taking into account permissible DD charges, stamp duty.</p> <p>ADDITIONAL PLANS</p> <p>The Trustees may permit introduction of one or more plans that may be envisaged at a later date under the scheme in terms of Para-no 2.3 of SEBI Master Circular 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.</p>	Min. investment amt.#	Additional investment Amount#	Plans	Options	Sub Options	Default Plan	Default Option	Default Sub Option	Rs. 1000/- and in multiples of Rs. 1 thereafter	Rs. 100/- and in multiples of Rs. 1 thereafter	Regular	Daily IDCW	Reinvestment	Direct	Daily IDCW	Reinvestment	Weekly IDCW	Reinvestment/ Payout ⁵⁵	Quarterly IDCW		Growth		(Direct)	Daily IDCW	Reinvestment	Daily IDCW	Reinvestment	Weekly IDCW	Reinvestment/ Payout ⁵⁵	Quarterly IDCW		Growth	
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			Growth																															
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			Weekly IDCW	Reinvestment/ Payout ⁵⁵																														
			Quarterly IDCW																															
			Growth																															

Default Option/ Sub-options	<p>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.</p>
	<p>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, if no clarification letter is provided by the investor on the transaction date by EOD. 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.</p> <p>In case, there is complete ambiguity regarding the default Scheme/Plans/ Options/ Sub-options, the application will be treated as invalid and will be summarily rejected.</p> <p>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).</p> <p>E.g. If an investor has investment of Rs. 5 lakh in an Regular Plan and Rs. 10 lakh in the Surviving 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 Surviving Plan.</p> <p>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 Surviving Plans, such redemption request will be treated as void ab initio and rejected.</p> <p>E.g. If the redemption request in the above example is for Rs. 12 lakh, the AMC / Registrar will summarily reject the redemption request.</p> <p>Where units are held under any one i.e. under Regular or Surviving Plan, the redemption will be processed from such Plan.</p> <p>Default Option for all SIP/STP-Out/SWP</p> <p>In case, the Investor does not mention the start date or end date under the SIP/STP-out/SWP, the 1st of the subsequent month, after completing 30 days from the date of registration, will be considered as the default SIP/STP-out/SWP start date and the SIP/STP-out/SWP will be treated to have been opted on Perpetual basis. However, the facility on Perpetual Basis will also be subject to the other applicable terms and conditions set out elsewhere in this document.</p>

Default Plan	<p>Following Default Plan will be applied wherever there is a need for the same.</p> <p>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 Liquid Fund (Direct)”.</p> <p>However, in the event of the Investor having failed to mention the plan clearly, the following Default Plan will be captured for the investment under the scheme.</p> <p>Treatment of applications under “Direct”/“Regular” Plan:</p> <table border="1" data-bbox="411 389 1474 687"> <thead> <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> </thead> <tbody> <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> </tbody> </table> <p>In cases of wrong/ invalid/ incomplete ARN codes mentioned on the application form, the application shall be processed under Direct Plan.</p> <p>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. (EUIIN) remediation may be done by the distributor within the prescribed time frame i.e. within 30 calendar days of the transaction.</p>	Scenario	Broker Code mentioned by the investor	Plan mentioned by the investor	Default Plan to be captured	1	Not mentioned	Not mentioned	Direct Plan	2	Not mentioned	Direct	Direct Plan	3	Not mentioned	Regular	Direct Plan	4	Mentioned	Direct	Direct Plan	5	Direct	Not mentioned	Direct Plan	6	Direct	Regular	Direct Plan	7	Mentioned	Regular	Regular Plan	8	Mentioned	Not Mentioned	Regular Plan
Scenario	Broker Code mentioned by the investor	Plan mentioned by the investor	Default Plan to be captured																																		
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6	Direct	Regular	Direct Plan																																		
7	Mentioned	Regular	Regular Plan																																		
8	Mentioned	Not Mentioned	Regular Plan																																		
Minimum Redemption Amount	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.																																				
Income Distribution cum Capital Withdrawal (Income Distribution)	Income Distribution cum Capital Withdrawal (Income Distribution) /IDCW 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 (Income Distribution) /IDCW kindly refer to the para on Income Distribution cum Capital Withdrawal (Income Distribution)/IDCW under the head “Ongoing Offer” which appears later in this document.																																				
Fund Manager	Primary Fund Manager: Ms. Shalini Tibrewala and Secondary Fund Manager: Ms. Naghma Khoja																																				
Tax benefits	Tax benefits to the unitholders under Section 112 of the I.T. Act.																																				
Earnings of the fund	Earnings of the fund are exempt from Income Tax under Section 10(23D) of the I.T. Act.																																				
Repatriation facility	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.																																				

Pursuant to para-no. 2.5 of SEBI Master Circular, fresh subscriptions (including SIPs/Switches) shall be accepted under only one Plan of JM Liquid Fund and not in any other plans (suspended plans).

The suspended plans are as follows.

Schemes	Plans	Options	Suspended w.e.f
JM Liquid Fund	Institutional Plan	Daily Income Distribution cum Capital Withdrawal	October 1, 2012
		Weekly Income Distribution cum Capital Withdrawal	
		Growth	
	Super Institutional Plan	Daily Income Distribution cum Capital Withdrawal	
		Weekly Income Distribution cum Capital Withdrawal	
		Growth	

Any subscriptions received under the suspended plans of the aforesaid schemes, will be processed under their surviving plans. Only redemptions/ switch outs will be permitted in the suspended plans. Subscriptions received under the suspended plans or in case of any ambiguity in transaction slip / absence of any clarificatory letter, the transactions will be processed under the Surviving Plan only.

The surviving plan of the Scheme is JM Liquid Fund.

The suspended plans mentioned in the table above will continue till the existing investors remain invested in the plan.

All Systematic Investment Plans (SIPs), Systematic Transfer Plans (STPs), Income Distribution cum Capital Withdrawal Reinvestment Facilities

of the Suspended Plans will automatically stand discontinued. However, the investor may opt for investment in Surviving Plan or any other scheme of JM Financial Mutual Fund by registering for fresh SIPs/STPs/ Income Distribution cum Capital Withdrawal Reinvestment.

With respect to re-investment of Income Distribution cum Capital Withdrawal in the aforesaid schemes the following is applicable:

1. Income Distribution cum Capital Withdrawal accrued (if any) under any Income Distribution cum Capital Withdrawal /IDCW Option (Income Distribution cum Capital Withdrawal /IDCW Re-investment being its sub – option) of the suspended plans shall be re- invested in the corresponding options under the surviving plans of the Scheme, if such Income Distribution cum Capital Withdrawal per folio, per occasion is upto Rs. 2000/-. In such scenario, the same folio number will have units in two plans, i.e. units created till October 31, 2012 in suspended plan and units created from November 01, 2012 in the surviving plan. Investors are requested to mention the specific plan/ option while submitting any transaction requests.

In case, such Income Distribution cum Capital Withdrawal is more than Rs. 2000/- per folio, per occasion, the same shall be considered for Payout of Income Distribution cum Capital Withdrawal/IDCW.

2. For the above re-investment of Income Distribution cum Capital Withdrawal in surviving plan, the minimum investment amount criteria/ lock – in period/load structure applicable for purchases/switch – in under the surviving plan shall not apply. However, the minimum redemption amount/units criteria under the surviving plans shall apply.

I. INTRODUCTION

A. RISK FACTORS

Standard Risk Factors:

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

A Unitholder in JM Financial Mutual Fund's scheme - JM Liquid 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:

Other Risk Factors:

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) 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.

e) SECURITIES 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.

f) 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.

g) DERIVATIVE RISKS

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

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

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

POLICY AND SPECIAL CONSIDERATION ON INVESTMENT IN DERIVATIVES AND HEDGING PRODUCTS

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

Fixed Income Derivatives

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

Interest Rate Swaps (IRS)

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

Forward Rate Agreement (FRA)

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

Basic structure of a Swap

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

The steps will be as follows :

- Assuming the swap is for Rs. 20 crore June 1, 2011 to December 1, 2011. The Scheme is a fixed rate receiver at 12% and the counterparty is a floating rate receiver at the overnight rate on a compounded basis (say NSE MIBOR).
- On June 1, 2011 the Scheme and the counterparty will exchange only a contract of having entered this swap. This documentation would be as per International Swap Dealers Association (ISDA). On a daily basis, the benchmark rate fixed by NSE will be tracked by them.

- On December 1, 2011 they will calculate the following –
- The Scheme is entitled to receive interest on Rs. 20 crore at 12% for 184 days i.e. Rs. 1.21 crore, (this amount is known at the time the swap was concluded) and will pay the compounded benchmark rate.
- The counterparty is entitled to receive daily compounded call rate for 184 days & pay 12% fixed.
- On December 1, 2011, if the total interest on the daily overnight compounded benchmark rate is higher than Rs. 1.21 crore, the Scheme will pay the difference to the counterparty. If the daily compounded benchmark rate is lower, then the counterparty will pay the Scheme the difference.
- Effectively the Scheme earns interest at the rate of 12% p.a. for six months without lending money for 6 months fixed, while the counterparty pays interest @ 12% p.a. for 6 months on Rs. 20 crore, without borrowing for 6 months fixed.

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

Valuation of Derivative Products:

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

Risk factors

- **Credit Risk:** The credit risk is the risk that the counter party will default 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.

h) 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).

i) RISKS 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.

j) RISKS ASSOCIATED WITH BACKSTOP FACILITY IN FORM OF INVESTMENT IN CORPORATE DEBT MARKET DEVELOPMENT FUND (CDMDF):

CDMDF is set up as a scheme of the Trust registered as an Alternative Investment Fund ('AIF') in accordance with the SEBI (Alternative Investment Funds) Regulations, 2012 ("AIF Regulations"). The objective of the CDMDF is to help to develop the corporate debt market by providing backstop facility to instill confidence amongst the market participants in the corporate debt/bond market during times of market dislocation and to enhance the secondary market liquidity. In times of market dislocation, CDMDF shall purchase and hold eligible corporate debt securities from the participating investors (i.e., specified debt-oriented MF schemes to begin with) and sell as markets recover. The CDMDF will thus act as a key enabler for facilitating liquidity in the corporate debt market and to respond quickly in times of market dislocation. The trigger and period for which the backstop facility will be open shall be as decided by SEBI. Thus this backstop facility will help fund managers of the aforementioned Schemes to better generate liquidity during market dislocation to help the schemes fulfill liquidity obligations under stress situation.

In accordance with the requirement of regulation 43A of SEBI (Mutual Funds) Regulations, 1996 read with SEBI circular no. SEBI/HO/IMD/PoD2/P/CIR/2023/129 dated July 27, 2023 on Investment by Mutual Fund Schemes in units of Corporate Debt Market Development Fund, the aforementioned schemes shall invest 25 bps of its AUM as on December 31, 2022 in the units of the Corporate Debt Market Development Fund ('CDMDF'). An incremental contribution to CDMDF shall be made every six months to ensure 25 bps of scheme AUM is invested in units of CDMDF. However, if AUM decreases there shall be no return or redemption from CDMDF. Contribution made to CDMDF, including the appreciations on the same, if any, shall be locked-in till winding up of the CDMDF.

We would further like to bring to the notice of the investors that investments in CDMDF units shall not be considered as violation while considering maturity restriction as applicable for various purposes (including applicable Investment limits) and the calculations of Potential Risk Class (PRC) Matrix, Risk-o-meter, Stress testing and Duration for various purposes shall be done after excluding investments in units of CDMDF.

Investors are requested to read details disclosure on investment of the schemes in the CDMD as listed in sub-section "C. How will the Scheme allocate its assets? And sub-section D. Where will the Scheme Invest" in Section "Section II- Information about the scheme".

k) INVESTMENT EXPOSURE OF THE FUND WITH REFERENCE TO SECURITISED DEBT AND RISK FACTORS SPECIFIC TO INVESTMENTS IN SECURITISED PAPERS

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.

Risk Management framework to mitigate liquidity risk is summarised as below:

- a. **Diversified portfolio** – The portfolio held is well diversified in terms of issuer, group and sector, in line with regulatory guidelines and internal Risk Metrics.
- b. **Potential Risk Class** – Defines the maximum potential risk a fund may take based on the credit rating and duration of the debt securities
- c. **Liquid assets** – Based on the profile of the investors and concentration of distributors, the following type of liquid assets are maintained to address potential Liquidity requirement over a 30-day period.
 - i. Liquid assets to address 95 percentile Redemption at Risk (maintained in the form of Cash, Government Securities, T-bills and Repo on Government Securities).
 - ii. Liquid assets to address 95 percentile Conditional Redemption at Risk (maintained in the form of above assets and highest rated debt securities).
- d. **Asset Liability Management** – ALM to address potential Liquidity requirement over a 90-day period, based on the putative liabilities vis-à-vis secondary market liquidity of the portfolio.
- e. **Borrowing** – A fund may borrow up to 20% of AUM (or such higher limits as may be allowed by the regulator from time to time) to meet redemption requirements.
- f. **Stress testing** – Addresses the asset side risk from an interest Rate, Credit and Liquidity Risk perspective at an aggregate portfolio level in terms of its impact on NAV. This helps in raising timely alerts to take necessary action to address the situation.
- g. **Swing Pricing** – The swing pricing framework ensures that the impact cost of high redemption is passed on the investors exiting the scheme, while incoming investors in such time benefit due to lower NAV.

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). 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

- I. Prospective investors in this Scheme should educate themselves or seek professional advice on:
 1. Legal requirements or restrictions relating to the acquisition, holding, disposal, or redemption of Units within their jurisdiction of nationality, residence, ordinary residence and domicile or under the laws of any jurisdiction to which they are subject; and
 2. Treatment of capital gains, and other tax consequences relevant to their acquisition, holding or disposal, whether by way of sale or redemption of Units.
- II. 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.
- III. 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.
- IV. 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.
- V. 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.
- VI. 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.
- VII. 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.
- VIII. 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.
- IX. 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.

- X. 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.
- XI. 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.
- XII. 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:
- RTA, Banks and/or authorised external third parties who are involved in transaction processing, dispatching etc., of the Unitholder's investment in the Scheme;
 - Distributor/s or sub-broker/s through whom the applications are received for the Scheme;
 - 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.
- XIII. 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.

XIV. 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:

- 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.
- 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.
- 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.

XV. Identification of Beneficial Ownership:

In terms of SEBI Master Circular on Anti Money Laundering (AML) Standards/ Combating the Financing of Terrorism (CFT) dated February 03, 2023 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 Ltd..

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, read with SEBI circular no SEBI/HO/MIRSD/MIRSDSECFATF/P/ CIR/2023/091 dated July 16, 2023 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 10% 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 10% 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.

XVI. 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.

XVII. Indicative yield/ portfolio

The 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.

XVIII 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 Para-no 4.4 of SEBI Master Circular ("SEBI Circular").

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 mutual fund scheme(s).

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 i.e. main portfolio and all segregated portfolio(s).

The AMC may create a segregated portfolio in a mutual 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, or
- d) Actual default of either the interest or principal amount in case of unrated debt or money market instruments.

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.

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 Company, prior to creation of the segregated portfolio.
- b) immediately issue a press release disclosing its intention to segregate such debt and money market instruments 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 and payment on redemptions.

Once the approval of the Trustees is received by the AMC:

- a) The segregated portfolio shall be effective from the day of credit event.
- b) 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.
- c) An e-mail or SMS shall be sent to all unit holders of the concerned Scheme.
- d) The NAVs of both segregated and main portfolio shall be disclosed from the day of the credit event.
- e) 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.
- f) 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 business days of creation of segregated portfolio and also enable transfer of such units on receipt of transfer requests.

In case the Trustees do 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 instruments, 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:

- a) 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.
- b) In case the Trustees do 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 Mutual 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 Trustees:

In order to ensure timely recovery of investments of the segregated portfolio, the Trustees 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 Trustees 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 Trustees 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: $40,00,000/10,000 = \text{Rs. } 400$ 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:

	Particulars	Investor 1	Investor 2
A	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 (Rs.)	21,00,000	9,00,000
B	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 (Rs.)	2,80,000	1,20,000
C	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	No. of Units	NAV per unit (Rs.)
(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)	10,000	34,00,000/10,000= Rs. 340

Particulars	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:

	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 of the total portfolio. 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.

XIX Investment in Corporate Debt Market Development Fund (“CDMDF”) by certain debt schemes of the Fund:

Investors are requested to note that as per the requirement of regulation 43A of SEBI (Mutual Funds) Regulations, 1996, SEBI circular no. SEBI/HO/IMD/PoD2/P/CIR/2023/128 dated July 27, 2023 on framework for CDMDF and SEBI circular no. SEBI/HO/IMD/PoD2/P/CIR/2023/129 dated July 27, 2023 on investment by mutual fund schemes and Asset Management Companies (AMCs) in units of CDMDF, the captioned scheme of the Mutual Fund and JM Financial Asset Management Limited (the “AMC”) shall invest such percentage of net assets in the units of the CDMDF.

Investors are requested to note that CDMDF is set up as a scheme of the Trust registered as an Alternative Investment Fund (‘AIF’) in accordance with the SEBI (Alternative Investment Funds) Regulations, 2012 (“AIF Regulations”). The objective of the CDMDF is to help to develop the corporate debt market by providing backstop facility at the time of market dislocation to benefit the wider corporate debt market. The primary motive to set up a back stop facility is to instill confidence amongst the participants in the corporate debt/bond market during times of market dislocation and to enhance the secondary market liquidity. Further, in times of market dislocation, the aforesaid specified debt-oriented schemes of the Mutual Fund shall have access to sell corporate debt securities held in the portfolio and CDMDF shall purchase listed corporate debt securities from the said schemes. The trigger and period for which the backstop facility will be open shall be as decided by SEBI.

The relevant disclosures about investment in CDMDF are also made in the applicable sections of this SID.

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 /IDCW (Payout), Reinvestment of Income Distribution cum Capital Withdrawal Option /(IDCW (Reinvestment) 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 ISCs managed by JM Financial & its Registrar M/s KFin Technologies Ltd. subject to the cut off times as applicable from time to time in line with regulatory guidelines and will be exclusive of exit load, wherever applicable.
- 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. **Bonus Unit:** ‘Bonus Unit’ means a fully paid up unit issued by capitalising a part of the amount available as distributable surplus.
- IV. **Business Day/Working Days:** 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.
- V. **Calendar Year:** A Calendar Year shall be full 12 English Calendar months viz. 12 months commencing from 1st January and ending on 31st December.
- VI. **CDMDF - Corporate Debt Market Development Fund**
- VII. **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.
- VIII. **Credit Risk:** Risk of default in payment of principal or interest or both.
- IX. **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.
- X. **Day:** Any day (including Saturday, Sunday and holiday) as per English Calendar viz. 365 days in a year/ 366 days in a leap year.
- XI. **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
- XII. **Depository:** A body corporate as defined in the Depositories Act, 1996 (22 of 1996).

- XIII. **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.
- XIV. **Income Distribution cum Capital Withdrawal /Income Distribution:** 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.
- XV. **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.
- XVI. **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.
- XVII. **Financial Year:** A Financial Year shall be full 12 English Calendar months viz. 12 months commencing from 1st April and ending on 31st March.
- XVIII. **Government Securities:** Securities created and issued by the Central Government or a State Government for the purposes of raising a public loan and having one of the forms specified in clause (2) of section 2 of the Public Debt Act, 1944.
- XIX **IDCW (Payout) Option** – Refers to the Income Distribution cum Capital Withdrawal Option – Payout Option
- XX **IDCW (Reinvestment) Option** – Refers to the Income Distribution cum Capital Withdrawal Option – Reinvestment Option
- XXI. **I.T. Act:** Income Tax Act, 1961 as amended from time to time.
- XXII. **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.
- XXIII **Income Distribution:** Income Distribution cum Capital Withdrawal and Income Distribution will be interchangeably used in this SID.
- XXIV. **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.
- XXV. **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.
- XXVI. **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.
- XXVII. **KIM:** Key information Memorandum of the Scheme of JM Liquid Fund issued by JM Financial Mutual Fund.
- XXVIII. **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.
- XXIX. **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.
- XXX. **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.
- XXXI. **Master Circular:** SEBI Master Circular No. SEBI /HO/IMD/ IMD-PoD-1/ P/ CIR / 2023/74 dated May 19, 2023.
- XXXII. **NRI:** Non-Resident Indian.
- XXXIII. **Permissible Investments or Investments:** Collective or group investments made on account of the Unitholders in accordance with the SEBI Regulations and amendments thereto.

- XXXIV. **Portfolio:** The portfolio of the Scheme of JM Financial Mutual Fund would include all permissible investments and cash / cash equivalent.
- XXXV. **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.
- XXXVI. **RBI:** Reserve Bank of India established under the Reserve Bank of India Act, 1934, as amended from time to time.
- XXXVII. **Registrar or Transfer Agent:** M/s. KFin Technologies Ltd. (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.
- XXXVIII. **“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.
- XXXIX. **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.
- XL. **Repurchase /Redemption Price:** Price at which the Units can be bought back/ redeemed and will be calculated based on the applicable NAV.
- XLI. **Retail Investors:** Pursuant to para no 10.1.3 of SEBI Master Circular, retail investors would mean individual investors from whom inflows into the Scheme would amount upto Rs. 2,00,000/- per transaction
- XLII. **SAI:** Statement of Additional information for JM Financial Mutual Fund and its Schemes.
- XLIII. **Sales /Subscription Price:** Price at which the Units can be purchased and will be calculated based on the applicable NAV.
- XLIV. **Scheme:** JM Liquid Fund being offered by JM Financial Mutual Fund. The Scheme includes two plans.
- XLV. **Scheme Information Document:** The document issued by JM Financial Mutual Fund, offering Units of JM Liquid Fund.
- XLVI. **SEBI or the Board:** The Securities and Exchange Board of India established under the Securities and Exchange Board of India Act, 1992.
- XLVII. **SEBI Act:** Securities and Exchange Board of India Act, 1992 as amended from time to time.
- XLVIII. **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.
- XLIX. **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.
- L. **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.
- LI. **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.
- LII. **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.
- LIII. **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.
- LIV. **Trust Deed:** The registered Trust Deed dated 1st September, 1994 establishing the JM Financial Mutual Fund as amended from time to time.
- LV. **Trust Property:** Includes Permissible investments and cash / cash equivalent or any part thereof which may be converted or varied from time to time.
- LVI. **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.
- LVII. **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: October 31, 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 Liquid Scheme. A relatively low interest rate risk and moderate credit risk

b. Investment Objective: 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.

B. HOW WILL THE SCHEME ALLOCATE ITS ASSETS?

ASSET ALLOCATION PATTERN

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

Instruments	Indicative Allocations (% of total assets)		Risk Profile
	Min	Max	
Debt & Money Market Instruments with maturity up to 91 days.	0	100	Low

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

Exposure in securitized debt 0%-50% of net assets of this scheme with low risk profile.

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 para-no. 12.16 of SEBI Master Circular.

The AMC may from time to time, pending investment in terms of investment objective of the Scheme, for a short term period on defensive consideration invest upto 100% of the funds available in overnight interbank call/notice money and/or repos and/ or TREPS, the primary motive being to protect the Net Asset Value of the Scheme and protect unitholders interest so also to earn reasonable returns on liquid funds maintained for redemption/ repurchase of units.

Portfolio of "Liquid Schemes"

Pursuant to para no12.6 of SEBI Master Circular, issued guidelines for Investments by Liquid Schemes and plans.

The 'liquid fund schemes and plans' shall:

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

Explanation:

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

Investment in securities having special features:

The Scheme will not invest in securities having special features in terms of para no 12.2 of SEBI Master Circular.

Investment in the units of CDMDF:

In accordance with the requirement of regulation 43A of SEBI (Mutual Funds) Regulations, 1996 read with SEBI circular no. SEBI/HO/IMD/PoD2/P/CIR/2023/129 dated July 27, 2023 on Investment by Mutual Fund Schemes and AMCs in units of Corporate Debt Market Development Fund, scheme shall invest 25 bps of its AUM as on December 31, 2022 in the units of the Corporate Debt Market Development Fund ('CDMDF') within 10 working days from the request of CDMDF. Further, an incremental contribution to CDMDF shall be made every six months within 10 working days from the end of half year starting from December 2023 to ensure 25 bps of scheme AUM is invested in units of CDMDF. However, if AUM decreases there shall be no return or redemption from CDMDF. Contribution made to CDMDF, including the appreciations on the same, if any, shall be locked-in till winding up of the CDMDF.

However, in case of winding up of contributing Scheme, inter-scheme transfers within the same Mutual Fund or across Mutual Funds may be undertaken.

Further, investments in CDMDF units shall not be considered as violation while considering maturity restriction as applicable for various purposes (including applicable Investment limits) and the calculations of Potential Risk Class (PRC) Matrix, Risk-o-meter, Stress testing and Duration for various purposes shall be done after excluding investments in units of CDMDF.

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 in accordance to para-no. 2.9 of SEBI Master Circular.

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.

Pursuant to para-no. 2.9 of SEBI Master Circular, 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. In case the portfolio of the Scheme is not rebalanced within aforementioned mandated plus extended timelines, AMC shall adhere to the requirements as laid down in Para-no. 2.9 of SEBI Master Circular. However, at all times, the portfolio will adhere to the overall investment objective of the scheme. 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.

Securitized Debt 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 securitized 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 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
- 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

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

INVESTMENTS IN CDMDF

In accordance with the requirement of regulation 43A of SEBI (Mutual Funds) Regulations, 1996 read with SEBI circular no. SEBI/HO/IMD/PoD2/P/CIR/2023/129 dated July 27, 2023 on Investment by Mutual Fund Schemes and AMCs in units of Corporate Debt Market Development Fund, scheme shall invest 25 bps of its AUM.

CDMDF Framework-

CDMDF shall comply with the Guarantee Scheme for Corporate Debt (GSCD) as notified by Ministry of Finance vide notification no. G.S.R. 559(E) dated July 26, 2023 and SEBI circular no. SEBI/HO/IMD/PoD2/P/CIR/2023/128 dated July 27, 2023 and circulars / guidelines/ Letters issued by SEBI and AMFI from time to time, which includes the framework for corporate debt market development fund. The framework will inclusive of following points-

- The CDMDF shall deal only in following securities during normal times:
 - Low duration Government Securities
 - Treasury bills
 - Tri-party Repo on G-sec
 - Guaranteed corporate bond repo with maturity not exceeding 7 days
- The fees and expenses of CDMDF shall be as follows:
 - During Normal times: (0.15% + tax) of the Portfolio Value charged on daily pro-rata basis.
 - During Market stress: (0.20% + tax) of the Portfolio Value charged on daily pro-rata basis.
 - "Portfolio Value" means the aggregate amount of portfolio of investments including cash balance without netting off of leverage undertaken by the CDMDF.
- Corporate debt securities to be bought by CDMDF during market dislocation includes listed money market instruments. The long term rating of issuers shall be considered for the money market instruments. However, if there is no long term rating available for the same issuer, then based on credit rating mapping of CRAs between short term and long term ratings, the most conservative long term rating shall be taken for a given short term rating.
- CDMDF shall follow the Fair Pricing document, while purchase of corporate debt securities during market dislocation as specified in SEBI circular no. SEBI/HO/IMD/PoD2/P/CIR/2023/128 dated July 27, 2023 and circulars / guidelines/ Letters issued by SEBI and AMFI from time to time
- CDMDF shall follow the loss waterfall accounting and guidelines w.r.t. purchase allocation and trade settlement of corporate debt securities bought by CDMDF, specified in SEBI circular no. SEBI/HO/IMD/PoD2/P/CIR/2023/128 dated July 27, 2023 and circulars / guidelines/ Letters issued by SEBI and AMFI from time to time.

INVESTMENTS IN DERIVATIVES

Pursuant to para-no. 12.25 of SEBI Master Circular, the following clauses shall be applicable.

1. The cumulative gross exposure through equity, debt, derivative positions (including commodity and fixed income derivatives), repo transactions and credit default swaps in corporate debt securities, 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 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.

Pursuant to para no. 12.25 of SEBI Master Circular pertaining to norms for investment and disclosure by mutual funds in derivatives, the following is prescribed in para 12.25.9 of SEBI Master Circular pertaining to hedging of interest rate risk:

- 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:

$$\frac{(\text{Portfolio Modified Duration} * \text{Market Value of the Portfolio})}{(\text{Futures Modified Duration} * \text{Futures Price} / \text{PAR})}$$
- 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 paragraph 12.24.1 of the SEBI Master Circular. 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 paragraph 12.24.1 of the SEBI Master Circular.
- 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.

INVESTMENTS IN ADRS / GDRS/ OVERSEAS SECURITIES :

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

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

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

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

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

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

Exposure to foreign securities:

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

STOCK LENDING BY THE FUND

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

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

D. WHAT IS THE INVESTMENT STRATEGY?

Scheme Specific Investment Strategy

JM Liquid Fund

Securities will be selected by the fund manager based on a continuous study of the trends in the economy, liquidity and interest rates, management capabilities, credit rating and other relevant investment criteria.

A constant watch will be kept on various liquidity indicators in the economy, inflation rate movement, cash flows etc. so as to ascertain the expected changes in interest rates in the short/medium term and accordingly funds would be invested to optimize returns.

Being a cash management product, the primary aim of the fund will be to invest in securities which have superior liquidity. The Scheme will have an appropriate mix of money market securities and fixed income securities depending on the prevailing market outlook to generate reasonable return with low risk and high level of liquidity.

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 Para-no 12.16 of SEBI Master Circular, 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 Income Distribution cum Capital Withdrawal payout / 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.

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.

The AMC may invest in the Scheme at any time during the NFO and continuous offer period subject to the SEBI Regulations & circulars issued by SEBI and to the extent permitted by its Board of Directors from time to time. As per the existing SEBI Regulations, the AMC will not charge investment management and advisory fee on the investment made by it in the Scheme.

Further, the AMC shall based on the risk value assigned to the scheme, shall invest minimum amount as a percentage of assets under management of the scheme, Pursuant to para-No. 6.9.2 of SEBI Master Circular.

During the NFO period, AMC's investment shall be made during the allotment of units and shall be calculated as a percentage of the final allotment value excluding AMC's investment.

Investment by the AMC in the in units of Corporate Debt Market Development Fund:

Pursuant to regulation 43A of SEBI (Mutual Funds) Regulations, 1996 and SEBI circular no. SEBI/HO/IMD/PoD2/P/CIR/2023/129 dated July 27, 2023 on Investment by Mutual Fund Schemes and AMCs in units of Corporate Debt Market Development Fund, AMC shall make a one-time contribution equivalent to 2 bps of the AUM of the specified debt oriented schemes as on December 31, 2022 in the units of the Corporate Debt Market Development Fund ('CDMDF') within 10 working days of request from CDMDF. Contribution made to CDMDF, including the appreciations on the same, if any, shall be locked-in till winding up of the CDMDF.

In case of delay in contribution by the Scheme and AMC, the AMC shall be liable to pay interest at fifteen percent (15%) per annum for the period of delay.

vi. 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.

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 liquid scheme. A relatively low interest rate risk and moderate credit risk.
- ii) **Investment Objective:** 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.

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

(iii) Terms of Issue

Purchase / Redemption of Units

The Scheme will offer units for sale and repurchase at NAV based prices on all business days on an ongoing basis. The Fund will endeavour to remit the redemption proceeds/ dispatch the redemption cheque / draft within 3 business days of receiving the valid redemption request.

Illustration of the calculation of sale and repurchase price of the units of the Fund:

If the applicable NAV is Rs. 10 and the exit load is 2%, then the redemption price will be: $Rs. 10 \times (1 - 0.02) = Rs. 9.8000$.

- 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 and Para 1.14 of SEBI Master circular for Mutual Fund and as amended from time to time, the Trustee 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 Unit holders is carried out unless;

- a. SEBI has reviewed and provided its comment on the proposal.
 - b. a written communication about the proposed change is sent to each unitholder and an advertisement iiss given in one English daily newspaper having nationwide circulation as well as in a newspaper published in the language of the region where the Head Office of the mutual fund is situated; and
 - c. the unitholders are given an option to exit at the prevailing Net Asset Value without any exit load for a period of atleast 30 days.
- In addition to the conditions specified above, for effecting any change in the fundamental attributes of the scheme, trustees shall take comments of the SEBI and any change suggested by SEBI would be incorporated before carrying such proposed change(s).

F. HOW WILL THE SCHEME BENCHMARK ITS PERFORMANCE ?

Benchmark index for the Scheme is CRISIL Liquid Debt B-I Index.

Pursuant to para-no 1.8 of SEBI Master Circular, 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.

Pursuant to para-no.6.13 of SEBI Master Circular, benchmarking of performance of all Schemes of the Fund will be on basis of Total Return Index ("TRI").

G. WHO MANAGES THE SCHEME?

Details of the Fund Managers of the Scheme are mentioned below.

Ms. Shalini Tibrewala (Managing this Scheme since December 1997 and has over 25 years of experience in the financial services sector).	B.Com, A.C.A., C.S. Age: 52 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 Overnight Fund and JM Low Duration Fund. She is the secondary Fund Manager of JM Short Duration Fund, JM Medium to Long Duration Fund and JM Dynamic Bond Fund.
Ms. Naghma Khoja - (Managing this fund since October 21, 2021)	B. com, CA CFA® Charterholder Age: 30 years	Ms. Naghma Khoja has more than 6 years of experience in the asset management industry. Before joining JM Financial Asset Management Limited, she was associated with Karvy Capital Limited in the Portfolio Management team. She is the secondary Fund Manager for JM Overnight Fund.

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

Category	Value of investment in Scheme as on September 30, 2023
i AMC's Board of Directors	NIL
ii Concerned scheme's Fund Manager(s)	7,85,69,274.51
iii Other key managerial personnel	17,23,377.58

The details mentioned above does not include the investment made by designated employees pursuant to para-no. 6.10 of SEBI Master Circular, as amended from time to time.

H. WHAT ARE THE INVESTMENT RESTRICTIONS?

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

- 1 A mutual fund scheme shall not invest more than 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 the Board may specify traded funds or such other funds as 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.

2. 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.

3. 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.

4. 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.
5. 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.

6. 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.

7. 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.
8. 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.
9. 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.

Pursuant to para-no. 12.9 of SEBI Master Circular, 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.

10. No scheme of a mutual fund shall make any investment in any fund of funds scheme.
11. 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.

12. 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.
13. Investment by the Scheme in Commercial Papers would be made only in Commercial Papers which are listed or to be listed.
14. 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.

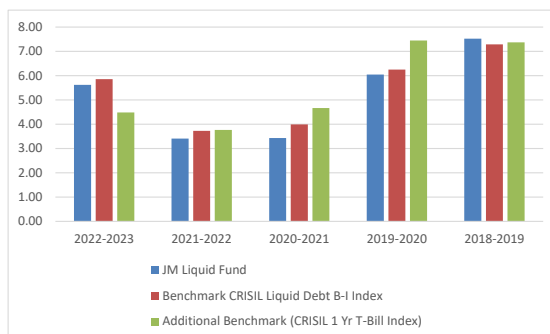
I. HOW HAS THE SCHEME PERFORMED?

Following are the Performance of Schemes as on September 30, 2023.

JM Liquid Fund

Compounded Annualised Returns	Scheme Returns %	CRISIL Liquid Debt B-I Index	Additional Benchmark (CRISIL 1 Yr T-Bill Index)
7 Days	7.25	6.95	8.47
15 Days	6.99	6.97	7.13
1 Month	6.88	6.92	6.61
Returns for the last 1 year	6.79	7.00	6.73
Returns for the last 3 years	4.68	4.97	4.59
Returns for the last 5 years	5.15	5.43	5.75
Returns since allotment	7.41	NA	6.40
Direct Plan - 7 Days	7.34	6.95	8.47
Direct Plan - 15 Days	7.09	6.97	7.13
Direct Plan - 1 Month	6.98	6.92	6.61
Direct Plan - Returns for the last 1 year	6.90	7.00	6.73
Direct Plan - Returns for the last 3 years	4.78	4.97	4.59
Direct Plan - Returns for the last 5 years	5.24	5.43	5.75
Returns for Direct Plan since allotment	6.82	6.77	6.38

Absolute Returns for each financial year for the last 5 years



J. ADDITIONAL SCHEME RELATED DISCLOSURES

Scheme's portfolio holdings (top 10 holdings by issuer and fund allocation towards various sectors) as on Sept. 30, 2023:

Holdings by issuer	Weightage To Nav %	Rating	Fund Allocation towards various Sectors	% to NAV
Bank of Baroda	9.15	IND A1+	Financial Services	70.04
Indian Bank	7.37	CRISIL A1+	Sovereign	21.15
SIDBI	7.34	CARE A1+	Power	4.44
Canara Bank	7.31	CRISIL A1+	Cash	4.37
91 Days T-Bill	4.43	SOV		
182 Days T-Bill	4.05	SOV		
Axis Bank	3.68	CRISIL A1+		
Federal Bank	3.68	CRISIL A1+		
Punjab National Bank	3.68	CARE A1+		
ICICI Bank	3.67	CARE A1+		

Investors can view the scheme's latest monthly portfolio holding on the website of the fund i.e. www.jmfinancialmf.com.

The Scheme's portfolio turnover ratio is : NA

K. COMPARISON WITH OTHER EQUITY/HYBRID SCHEMES OF JM FINANCIAL MUTUAL FUND

The AMC currently does not have any scheme in the "Liquid" category. Thus, the scheme viz., JM Liquid Fund is clearly differentiated from other existing Debt schemes of JM Financial Mutual Fund.

Features of the Scheme	JM Low Duration Fund	JM Overnight Fund																																
Type of the Scheme	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.	An open ended debt scheme investing in overnight securities. A relatively low interest rate risk and relatively low credit risk.																																
Category of the Scheme	Low Duration Fund	Overnight Fund																																
Asset Allocation as per SID (in %)	<p>Asset Allocation Pattern</p> <table border="1"> <thead> <tr> <th rowspan="2">Types of Instruments</th> <th rowspan="2">Indicative Allocations (% of Net Assets)</th> <th colspan="2">Risk Profile</th> </tr> <tr> <th>Min</th> <th>Max</th> </tr> </thead> <tbody> <tr> <td>Equity</td> <td>NIL</td> <td></td> <td>Low</td> </tr> <tr> <td>Debt</td> <td rowspan="3">0-100%</td> <td></td> <td rowspan="3">Low</td> </tr> <tr> <td>Money market and short term debt Inst. maturing within one year.</td> <td></td> </tr> <tr> <td>Debt, Money market and short term debt Inst. with residual maturity above one year.</td> <td></td> </tr> <tr> <td colspan="4">Exposure in securitized debt 0%-50% of net assets of this scheme with low risk profile.</td> </tr> </tbody> </table>	Types of Instruments	Indicative Allocations (% of Net Assets)	Risk Profile		Min	Max	Equity	NIL		Low	Debt	0-100%		Low	Money market and short term debt Inst. maturing within one year.		Debt, Money market and short term debt Inst. with residual maturity above one year.		Exposure in securitized debt 0%-50% of net assets of this scheme with low risk profile.				<p>Asset Allocation Pattern</p> <table border="1"> <thead> <tr> <th rowspan="2">Types of Instruments</th> <th colspan="2">Indicative Allocations (% of Net Assets)</th> <th rowspan="2">Risk Profile</th> </tr> <tr> <th>Min</th> <th>Max</th> </tr> </thead> <tbody> <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> </tbody> </table> <p>*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.</p> <p>[^] 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.</p> <p>^{^^}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.</p> <p>^{\$/}or similar instruments as may be permitted by RBI/SEBI.</p>	Types of Instruments	Indicative Allocations (% of Net Assets)		Risk Profile	Min	Max	Overnight securities or money market instruments* maturing on or before the next business day.	0	100	Low
Types of Instruments	Indicative Allocations (% of Net Assets)			Risk Profile																														
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Overnight securities or money market instruments* maturing on or before the next business day.	0	100	Low																															
Investment Objective	<p>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.</p> <p>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.</p>	<p>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.</p> <p>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.</p>																																

Assets under Management as on September 30, 2023 (in Crores)	188.59	545.73
No. of folios as on September 30, 2023	2612	14563

Features of the Scheme	JM Medium to Long Duration Fund	JM Dynamic Bond Fund																								
Type of the Scheme	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.	An open ended dynamic debt scheme investing across duration. A relatively high interest rate risk and moderate credit risk.																								
Category of the Scheme	Medium to Long Duration Fund	Dynamic Bond																								
Asset Allocation as per SID (in %)	Asset Allocation Pattern <table border="1" data-bbox="406 614 909 967"> <thead> <tr> <th>Types of Instruments</th> <th>Indicative Allocations (% of Net Assets)</th> <th>Risk Profile</th> </tr> </thead> <tbody> <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> </tbody> </table>	Types of Instruments	Indicative Allocations (% of Net Assets)	Risk Profile	Debt	0-100%	Low - Medium	Money Market and Debt Instruments maturing within one year	0-100%	Low	The exposure in derivatives shall not exceed 50% of the net assets of the scheme.			Asset Allocation Pattern <table border="1" data-bbox="949 614 1484 967"> <thead> <tr> <th>Types of Instruments</th> <th>Indicative Allocations (% of Net Assets)</th> <th>Risk Profile</th> </tr> </thead> <tbody> <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> </tbody> </table>	Types of Instruments	Indicative Allocations (% of Net Assets)	Risk Profile	Debt Instruments including Government Securities and Corporate Debt	0-100	Medium	Money Market Instruments	0-100	Low	Exposure in securitized debt 0%-50% of net assets of this scheme with low risk profile.		
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Exposure in securitized debt 0%-50% of net assets of this scheme with low risk profile.																										
Investment Objective	<p>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.</p> <p>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.</p>	<p>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.</p> <p>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.</p>																								
Assets under Management as on September 30, 2023 (in Crores)	22.59	43.87																								
No. of folios as on September 30, 2023	2068	555																								

Features of the Scheme	JM Short Duration Fund			
Type of the Scheme	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. # Please refer to the page number 44 of this Document on which the concept of Macaulay's Duration has been explained.			
Category of the Scheme	Short Duration Fund			
Asset Allocation as per SID (in %)	Instruments	Minimum Allocation	Maximum Allocation	Risk
	Debt and Money Market Instruments (including securitised debt)*#	0	100	Low to Medium
Investment Objective	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 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.			
Assets under Management as on September 30, 2023 (in Crores)	122.16			
No. of folios as on September 30, 2023	727			

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:

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

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%."

III. UNITS AND OFFER

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

A. NEW FUND OFFER (NFO)

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

Plans/ Options offered	Kindly refer para on '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	<p>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.</p> <p>For more details on CAS, please refer 'Consolidated Account Statements (CAS)' under heading Ongoing Offer Details.</p> <p>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.</p> <p>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.</p> <p>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.</p> <p>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.</p> <p>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.</p> <p>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.</p> <p>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.</p>
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.

	<p>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. Unitholders in whose case there has been a change of status from Resident to Non Resident will not have a right to claim growth in capital and/or income distribution.</p>
Who cannot invest	<p>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.</p> <p>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.</p> <p>c. NRIs and PIOs who are resident of the United States of America and Canada.</p> <p>d. NRIs residing in Non-Compliant Countries and Territories (“NCCTs”) as determined by the Financial Action Task Force (“FATF”), from time to time.</p> <p>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.</p> <p>f. Any other person determined by the AMC or the Trustee as not being eligible to invest in the Scheme.</p> <p>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.</p>
Where can you submit the filled up applications.	<p>Registrar & Transfer Agent M/s. KFin Technologies Ltd., 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</p> <p>The duly completed application form can also be submitted at the official points of acceptance managed by the AMC/ Registrar mentioned above. The details of the official points of acceptance are on back cover page.</p>
How to apply	Please refer to the SAI and Application form for the instructions.
Listing	At present, the Units of the Scheme are not proposed to be listed on any stock exchange. However, the AMC / Trustee may at their sole discretion list the Units under the Scheme on one or more stock exchanges at a later date.
Special Products / facilities available during the NFO and thereafter	<p>A. Direct Plan Pursuant to para-no. 2.5 of SEBI Master Circular 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”) with effect from January 1, 2013 (the “Effective Date”) 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.</p> <p>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, from the Effective Date, 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.</p>

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 Liquid 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 the word "Direct" is mentioned in the ARN Column, the application will be processed under the Direct Plan.

Existing Investments:

(a) Investors wishing to transfer their accumulated unit balance held under Regular Plan (through lumpsum / systematic investments made with or without Distributor code) to Direct Plan will have to switch /redeem their investments (subject to applicable Exit Load, if any) and apply under Direct Plan.

(b) Investors who have invested without Distributor code and have opted for Reinvestment of Income Distribution cum Capital Withdrawal facility under Regular Plan may note that the Income Distribution cum Capital Withdrawal will continue to be reinvested in the Regular Plan only.

Investments through systematic routes:

(a) In case of Systematic Investment Plan ("SIP") / Systematic Transfer Plan ("STP") etc. registered prior to the Effective Date without any distributor code under the Regular Plan, installments falling on or after the Effective Date will automatically be processed under the Direct Plan only.

(b) Investors who had registered for SIP facility prior to the Effective Date with distributor code shall continue under the Regular Plan. However if the investor wishes that their future installments be invested into the Direct Plan, he shall make a written request to the Fund in this behalf. The Fund will take at least 15 Business days to process such requests. Intervening installments will continue in the Regular Plan.

In case of (a) and (b) above, the terms and conditions of the existing registered enrolment such as tenure , amount of the SIP etc. shall continue to apply.

(c) In case of Systematic Transfer Facilities which were registered with a Distributor Code under the Regular Plan prior to the Effective Date, the future installments under the said Facilities shall continue as under the Regular Plan

In case such investors wish to invest under the Direct Plan through these facilities, they would have to cancel their existing enrolments and register afresh for such facilities.

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:

Pursuant to Para-no 16.2 of SEBI Master Circular had facilitated transactions in mutual fund schemes through stock exchange infrastructure and also permitted to be transacted through registered stock brokers of recognized stock exchanges and such stock brokers will be eligible to be considered as official points of acceptance.

Pursuant to Para-no 16.2.7 and 16.2.10 of SEBI Master Circular, mutual fund Distributor registered with Association of Mutual Funds in India (AMFI) and who has been permitted by the concerned recognised stock exchange, (MF distributor) shall be eligible to use recognised stock exchanges' infrastructure to purchases and redeem mutual fund units directly from Mutual Fund/Assets Management Companies on behalf of their clients.

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
- 3 NMF-TM (For Demat transactions being used by Trading Members of NSE)
- 4 NMF-Distributors (For Non-Demat transactions being used by Non-trading Members / Mutual Fund Distributors)

- **Features of the MFSS introduced by NSE:**

- MFSS is an online order collection system provided by NSE to its eligible members for placing subscription 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.

2. 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.

Basic points to be noted by the investors:

i) 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 eligible schemes, to the existing and new investors. The list of 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 available for investment by NRIs, subject to submission of Foreign Inward Remittance Certificate (FIRC) to the intermediaries/ Market participants involved in the transactions(s) for onward transmission to the Registrar M/s KFin Technologies Ltd. / JM Financial Mutual Fund through BSE StAR MF platform (BSE StAR MF). 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" in "UNITS and OFFER".
- This facility is not available to Societies/Trusts/Overseas Corporate Bodies (OCBs)/ Partnership Firms, etc.
- Reinvestment of Income Distribution cum Capital Withdrawal Option/IDCW (Reinvestment) 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.

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, 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 Stock Exchange mechanism:

Pursuant to para-no. 16.2.7 of SEBI Master Circular, has permitted Mutual Fund Distributors (MF Distributors) to use National Stock Exchange (NSE) and Bombay Stock Exchange (BSE), recognized stock exchange infrastructure for transacting units directly from Mutual Fund/ Asset Management Companies on behalf of their clients.

Pursuant to the above, the following guidelines shall be applicable for transactions executed in the Schemes of the Fund through MF Distributors via the Stock Exchange Mechanism offered by BSE:

1. MF Distributor registered with Association of Mutual Funds in India (AMFI) and who has been permitted by Bombay Stock Exchange ("the Exchange"), will be eligible to use "BSE StAR MF" 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 Indian Clearing Corporation Limited (ICCL) of BSE, in its name through any of the payment modes i.e. Cheque/Demand Draft (DD), RTGS/NEFT, Netbanking, OTM (One Time NACH Debit Mandate) or any other mode of authorized 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 ICCL.
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 non-demat 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 / IDCW(Payout)/ Reinvestment of Income Distribution cum Capital Withdrawal Option / IDCW(Reinvestment) 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 Liquid 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 para-no 16.2.4.8 (a) of SEBI Master Circular.

* The switch process note for demat mode is available on the website of the Fund

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.

3. Features of the NSE Mutual Fund Platform II (NMF- II)

The Scheme will also be available on the other platform of NSE known as NSE Mutual Fund Platform II (NMF- II) for the following financial and all the types of non- financial transactions through demat and/or non demat mode:

- Fresh Purchase (FP)
- Additional Purchases (AP)
- Redemptions
- Switch transactions (Units held in the non-demat mode)
- Systematic Investment Plan (SIP)
- Systematic Withdrawal Plan (SWP)
- Systematic Transfer Plan (STP) (Units held in the non- demat mode)
- New Fund Purchase (NFO)

For Switch/ SWP/ STP etc., the investor can place request with the same Mutual Fund Distributor through whom the respective units were purchased earlier.

The facility provided by NSE Mutual Fund Platform (NMF II) can be availed by:

- Resident Investors (RIs)
- Non-Resident Investors (NRIs).
- Hindu undivided Family (HUFs).
- Person of Indian Origin (PIO)

For investment by the NRI Investor through NSE, the Foreign Inward Remittance Certificate (FIRC) is mandatory at the time of each investment.

Investment can be made through valid ARN Holder (i.e. AMFI registered distributor) or through Registered Investment Advisors (RIA) holding valid SEBI registration number.

For investors who can not avail the above facility kindly refer to "Who cannot invest" under "New Fund Offer" in "Units and Offer" section on page no. 40.

Option for holding the units:

Units shall be allotted in physical or dematerialised form as per the request of the investor. However, the demat facility will be started for the Fund at a later date once the Fund sorts out logistic issues for the transfer of Demat Units.

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").

Kindly refer SAI for other Details.

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 (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.

Redemption of units on Exchange Platform:

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 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.

Investors shall receive redemption amount (if units are redeemed) and units (if units are purchased) through broker/clearing member's pool account. The 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/ 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/Fund shall discharge AMC/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/Fund of its obligation to allot units 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 contact details, email details, change of bank details, etc. investors should approach Investor Service Centres (ISCs) of the 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, any change of address investor shall submit required document to the respective KYC registration agency.

For provisions relating to redemptions in case of direct plan, kindly refer to page no. 44 of this document.

C. Facilitating transactions in the Scheme of the Fund 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 will allot 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) shall provide 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 the 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 will be considered as the Official Points of Acceptance for 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 will be in addition to the existing OPAT of the AMC.

Applicability of NAV shall be based on time stamping of transaction at MFUI POS/ online and transfer / sighting of funds into the Bank Account of JMFMF 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.

Investors should note that transactions through MFU shall be subject to terms and conditions as stipulated by MFUI /the Fund /the AMC from time to time and any applicable law being in force.

For facilitating transactions through MFUI platform, the AMC/ JMFMF 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/ JMFMF 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 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. 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 or vice-versas.

(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/Nomination opt out as per CAN will be replicated in AMC's records maintained by its RTA. Same way, 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, the investors desirous of having different nomination or percentage of entitlement for Nominees, they need not update any Nomination details in CAN and instead may update their nomination with the RTA for each folio as per their wish by filling up a separate nomination form for each folio.

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 clientservices@mfuindia.com.

D. Online Transactions – Through Electronic Platform (Website and Mobile App)

The investors are allowed to transact in the Scheme of the Fund through www.kfintech.com, an electronic platform provided by M/s. KFin Technologies Ltd. Online transaction in the Scheme of the Fund can also be made from 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.

Further all Corporates, LLPs, Banks, and other non – individual investors are allowed to transact in schemes of the Fund through "K-CORP", an electronic platform provided by M/s. KFin Technologies Ltd. on www.kfintech.com. The said facility is available for Direct and Regular Plans of the Scheme which are available for fresh subscription.

The said facility is available for the Scheme of the Fund (i.e. Direct and Regular Plans) which are available for fresh subscription. The permissible transactions are displayed online and may be updated from time to time.

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.

The transactions are eligible for the same business day's NAV, subject to SEBI guidelines. However, for other transactions, the NAV will be allotted based on the receipt of funds through the aggregator M/s. Indialdeas.com Ltd. (formerly known as M/s. Bill Desk) Razerpay which will be dependent on their arrangement with the respective Banks. Kindly check the same carefully from the officials of the AMC or from the website.

Accordingly, the above platforms will be treated as the Point of Acceptance.

The facility to transact in the Scheme of the Fund through KFin's electronic platforms is available subject to such operating guidelines, terms and conditions as may be prescribed by KFin, JMF AMC 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)

Pursuant to para-No. 16.6 of Master Circular 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 Ltd. 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).

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. Option to hold Units in dematerialized (demat) form

Pursuant to Para-no 14.4.2 of SEBI Master Circular, Mutual Funds/AMC are advised to invariably provide an option to the investors to mention demat account details in the subscription form, in case they desire to hold units in demat form while subscribing to any scheme.

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.

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

Units held in demat form will be 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.

An existing investor who wants to redeem units held in his demat account under the Scheme has to approach his depository participant (DP) directly.

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

	<p>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 Fund, shall be subject to minimum investment criteria.</p> <p>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.</p> <p>Investors also have an option of holding the units in demat form for SIP. However, the units will be allotted, based on the applicable NAV as per the SID and will be credited to investors' demat account on weekly basis upon realization of funds. For example, units will be credited to investors' demat account every Monday, for realization status received from Monday to Friday in the previous week.</p>
<p>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.</p>	<p>Not Applicable</p>
<p>Restrictions, if any, on the right to freely retain or dispose off units being offered</p>	<p>A. Non – acceptance of subscriptions:</p> <p>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.</p> <p>Also, the Canadian Securities Administrator (CSA) mandates prior registration of the fund with CSA before marketing or selling to the residents of Canada.</p> <p>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.</p> <p>The above classes of investors are requested to note the following:</p> <ol style="list-style-type: none"> 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. 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. 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. <p>B. Restriction on redemption in Mutual Funds:</p> <p>Pursuant to para-No. 1.2 of SEBI Master Circular, 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.</p> <p>Pursuant to para-No 1.12 of Master Circular has laid down the criteria and the conditions in case AMC wishes to impose restrictions on redemptions.</p> <p>Vide the said circular, SEBI has advised that:</p>

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| | <ol style="list-style-type: none">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:<ol style="list-style-type: none">i. Liquidity issuesii. Market failures, exchange closures and/oriii Operational issues2) Restriction on redemption may be imposed for a specified period of time not exceeding 10 working days in any 90 days period.<p>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:</p><ol style="list-style-type: none">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. |
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B. ONGOING OFFER DETAILS

<p>Ongoing Offer Period</p> <p>This is the date from which the Scheme will reopen for subscriptions/redemptions after the closure of the NFO period.</p>	<p>The Scheme will be on offer for Sale/ Switch-in and Redemption/ Switch-out of Units on every Business Day. Units of the Scheme would be available at applicable NAV on any Business Day, from any of the ISCs.</p>
<p>Ongoing price for subscription (purchase)/ switch-in (from other schemes/plans of the fund) by investors.</p> <p>This is the price you need to pay for purchase/ switch-in.</p>	<p>At the applicable NAV. Purchase Price = Applicable NAV</p> <p>In accordance with the para-no 10.4 of SEBI Master Circular 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.</p>
<p>Ongoing price for redemption (sale) / switch outs (to other schemes/plans of the Fund) by investors.</p> <p>This is the price you will receive for Redemptions / switch outs.</p> <p>Example: If the applicable NAV is Rs. 10, exit load is 2% then redemption price will be: $Rs. 10 * (1-0.02) = Rs. 9.8000$</p>	<p>At the applicable NAV subject to the deduction/ charge of exit loads as prescribed & applicable at the time of respective investments and government levies as applicable e.g. STT (Securities Transaction Tax) etc.</p> <p>Redemption/ Switch out request can be submitted to the official point of acceptance on any business day till 3.00 pm. (or such other timings as prescribed by SEBI from time to time.) In respect of valid applications received up to 3 p.m. (or such other timings as prescribed by SEBI from time to time.) by the Fund, same day's closing NAV shall be applicable. In respect of valid applications received after 3 p.m. (or such other timings as prescribed by SEBI from time to time.) by the Fund, the closing NAV of the next business day shall be applicable.</p>
<p>Cut off timing for subscriptions/ redemptions/ switches</p> <p>This is the time before which your application (complete in all respects) should reach the official points of acceptance.</p>	<p>i. For purchase</p> <ul style="list-style-type: none"> • In respect of valid application received upto 1.30 p.m. (or such other timings as prescribed by SEBI from time to time) on a day at the official point(s) of acceptance and funds for the entire amount of subscription/purchase as per the application are credited to the bank account of the respective Plans before the cut-off time i.e. available for utilization before the cut-off time - the closing NAV of the day immediately preceding the day of receipt of application shall be applicable; • In respect of valid application received after 1.30 p.m. (or such other timings as prescribed by SEBI from time to time) on a day at the official point(s) of acceptance and funds for the entire amount of subscription/purchase as per the application are credited to the bank account of the respective Plans on the same day i.e. available for utilization on the same day - the closing NAV of the day immediately preceding the next Business Day shall be applicable; and • Irrespective of the time of receipt of application at the official point(s) of acceptance, where the funds for the entire amount of subscription/ purchase as per the application are not credited to the bank account of the respective Plans before the cut-off time i.e. not available for utilization before the cut-off time - the closing NAV of the day immediately preceding the day on which the funds are available for utilization shall be applicable. <p>For Switch -in to the Schemes/Plans from other Schemes of JM Financial Mutual Fund:</p> <ul style="list-style-type: none"> • 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. <p>2. For Redemptions including switch-outs</p> <p>a. 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 which is followed by a Business Day, same Business Day's closing NAV shall be applicable.</p>

- b. 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 which is followed by a Non-Business day, the closing NAV of the day immediately preceding the next Business Day shall be applicable.
- c. 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 (irrespective of whether followed by a Business Day / Non-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 up to 5-7 banking 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.

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.

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.

Transactions through online facilities / electronic modes:

The time of transaction done through various online facilities / electronic modes offered by the Online Channel Partners of 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/receipt 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.

	<p>Exchange Platforms & MFU:</p> <p>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/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.</p>
<p>Where can the applications for purchase/redemption switches be submitted?</p>	<p>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.</p>
<p>Minimum amount for purchase/redemption/switches</p>	<p>The table on minimum investment amounts for the schemes under this Scheme Information Document is set out elsewhere in the document.</p> <p>Minimum amount of Rs. 1,000/- per Plan / Option / Sub-Option and in multiples of Rs. 1 thereafter. in case of first time investments. For ongoing investments in the same scheme in an existing folio, the investment would be Rs. 100/- and in multiples of Rs. 1 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 /(IDCW) (i.e. Income/ Distribution) etc. and will be considered at gross level after taking into account permissible DD charges, stamp duty etc. as per the current practice.</p> <p>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.</p> <p>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.</p>
<p>Minimum balance to be maintained and consequences of non maintenance.</p>	<p>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</p> <p>The AMC/Its RTA may at its discretion redeem/switch-out all the balance units outstanding in the particular Option of the Scheme if the redemption / switch out request amount exceeds the balance lying to the credit of the Unitholder.</p>
<p>Special Products available</p>	<p>SIP/ STP/ SWP (kindly refer to the provisions given hereunder on pages 66-75.</p>
<p>Accounts Statements/ Common Account Statement (“CAS”)/ Half Yearly Account Statement</p>	<p>For all financial transactions including purchases, redemptions, switches, systematic transactions during ongoing sales and repurchase.</p> <p>The AMC shall issue to the investor whose application (other than SIP/ STP) has been accepted, an account statement/CAS specifying the number of units allotted. The first account statement under SIP/STP/SWP shall be issued within 5 Business Days of the initial investment/transfer.</p> <p>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.</p>

Consolidated Account Statement (CAS):

Pursuant to para-no. 14.4.1 and 14.4.3 of SEBI Master Circular, 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/IDCW (Payout) /Reinvestment of Income Distribution cum Capital Withdrawal Option /IDCW (Reinvestment) systematic investment plan, systematic withdrawal plan, systematic transfer plan and bonus transactions.

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 Sessaasai 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 irrespective of whether any or 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 shall be applicable. Further, 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 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.

Pursuant to para-no. 14.3.3.4 of SEBI Master Circular, 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 investor has 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.

	<p>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.</p> <p>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.</p>						
<p>Income Distribution cum Capital Withdrawal (Income Distribution)</p>	<p>The Income Distribution cum Capital Withdrawal (Income Distribution) warrants shall be dispatched to the unitholders within 7 working days of the Record Date.</p> <p>Income Distribution cum Capital Withdrawal (Income Distribution) /IDCW 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 Daily IDCW 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 /IDCW (Reinvestment) is not available.</p> <p>The Fund does not guarantee or assure declaration or payment of Income Distribution cum Capital Withdrawal (Income distribution). Although, the Fund may have the intention to declare Income Distribution cum Capital Withdrawal (income distribution) under the various Income Distribution cum Capital Withdrawal (income distribution) 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 (income distribution).</p> <table border="1" data-bbox="630 987 1380 1118"> <thead> <tr> <th>Frequency of Income Distribution cum Capital Withdrawal</th> <th>Record Date</th> </tr> </thead> <tbody> <tr> <td>Daily</td> <td>On all calendar days</td> </tr> <tr> <td>Weekly</td> <td>Monday</td> </tr> </tbody> </table> <p>The Date of payment of Income Distribution cum Capital Withdrawal will be the immediate following Business day after the ExIncome Distribution cum Capital Withdrawal NAV date for Debt/Liquid/Overnight Schemes.</p> <p>On payment of Income Distribution cum Capital Withdrawal, the NAV will stand reduced by the amount of Income Distribution cum Capital Withdrawal and Income Distribution cum Capital Withdrawal statutory levies tax paid if any.</p> <p>Investors may like to note that the amounts can be distributed as Income Distribution cum Capital Withdrawal (income) out of investors capital (Equalization Reserve), which is part of the sale price that represents realized gains.</p> <p>Exchange Platforms: If the sub - option of Payout of Income Distribution cum Capital Withdrawal Option / IDCW (Payout) 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.</p>	Frequency of Income Distribution cum Capital Withdrawal	Record Date	Daily	On all calendar days	Weekly	Monday
Frequency of Income Distribution cum Capital Withdrawal	Record Date						
Daily	On all calendar days						
Weekly	Monday						
<p>Redemption</p>	<p>The redemption or repurchase proceeds shall be dispatched to the unitholders within 3 business days from the date of redemption or repurchase, except for the circumstances as specified by AMFI.</p> <p>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.</p>						

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 i.e M/s KFin Technologies Ltd. The third copy will be retained by the DP for their own records.
4. Based on the receipt of RRF, if found in order, the DP concerned generates Electronic Redemption 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.

	<p>In case, an Investor fails to mention the complete name of the Scheme upto plan/ sub - plan level while making request for redemption/ switch-out, the AMC reserves the right to redeem/ switch-out all/specified desired units/ value provided the investor is having holdings only in one scheme/plan/option and the folio number is clearly mentioned or if he maintains one folio. Otherwise, such incompletely filled requests would be summarily rejected without processing.</p> <p>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 switch-in scheme is fulfilled.</p> <p>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. Seshai Business Forms Pvt. Ltd.) for verified PAN cases and by the registrar (i.e. M/s. KFin Technologies Ltd.) for other cases either through email or physical copy.</p> <p>FIFO Method of redemption/switch-out</p> <p>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.</p> <p>Uniform process for processing of redemption/switch – out for all the Schemes of the Mutual Fund</p> <p>All switch funding shall be in line with redemption funding timelines adopted by the concerned scheme i.e. if a scheme follows T+1 payout for redemption, the switch out funding will also be made on T+1 and not earlier or later than T+1, where T is the day of valid transaction received before the stipulated cut off time.</p> <p>Redemption/switch – out requests in the Bonus Options:</p> <p>In case an investor holds units in both the Bonus sub-options i.e. Bonus Units and Principal Units and in the event of the investor not clearly mentioning the name of the sub-option or wherever there is an ambiguity in choice of sub-option opted for in the request for redemption/ switch-out and/or 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 Principal Units.</p>
<p>Delay in payment of redemption / repurchase / Income Distribution cum Capital Withdrawal proceeds</p>	<p>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.</p> <p>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)</p>
<p>Updation of Email address and mobile number</p>	<p>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).</p>

Nomination for Mutual Fund Unitholders	<p>Pursuant to para-no.17.16 of Master Circular for nomination of mutual fund.</p> <p>Investors subscribing to Mutual Fund units shall have the choice of:</p> <ol style="list-style-type: none"> 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. <p>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), AMCs shall validate the forms:</p> <ol style="list-style-type: none"> a. Using e-Sign facility recognized under Information Technology Act, 2000; or b. Through two factor authentication (2FA) in which one of the factor shall be a One-Time Password sent to the unit holder at his/her email/phone number registered with the AMC .
Reversal of allotment due to non realisation	<p>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.</p> <p>If the Investor redeems such units before the reversal of units, the fund reserves the right to recover the amount from the investor –</p> <ul style="list-style-type: none"> • 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	<p>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.</p>
Folio(s) under Lien	<p>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.</p>
Disclosure of Bank mandate	<p>All cheques and bank drafts accompanying the application form should contain the application form number on its reverse. Pursuant to para-no.14.11 and 14.12 of Master Circular it is mandatory for applicants to mention their PAN and 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.</p> <p>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.</p>
Refusal to accept fresh purchases	<p>If it is observed that there are consecutive instances of cheque dishonour by the same unitholder/ investor on the grounds attributable to such unitholder/ investor, the AMC reserves the right, not to accept fresh purchase application(s) from such unit holder/ investor in the future.</p>

Swing pricing framework :

Pursuant to para no 4.10.3 of SEBI Master Circular introduced swing pricing framework for open ended debt mutual fund schemes (except overnight funds, Gilt funds and Gilt with 10-year maturity funds).

Swing pricing refers to a process for adjusting a scheme's Net Asset Value (NAV) to effectively pass on transaction costs stemming from significant net capital activity (i.e. flows into or out of the fund) to the investors associated with that activity during the life of a fund, excluding ramp-up period or termination. Swing pricing is an anti-dilution adjustment that seeks to protect investors in a scheme from performance dilution as a result of significant outflows from the scheme, particularly during market dislocation.

The swing pricing framework will be made applicable only for scenarios related to net outflows from the Eligible Schemes.

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 para no 17.4 of SEBI Master Circular (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 para no 17.5 of SEBI Master Circular.

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%

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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 :

- 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:

$$\text{Swing NAV} = \text{unswung NAV} * (1 - \text{swing factor})$$

$$= ₹ 10 * (1 - 0.02)$$

$$= ₹ 10 * (0.98)$$

$$= ₹ 9.8.$$

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.

Systematic Investment Plan (SIP) Top-Up Facility :

It is a facility wherein an investor who is enrolling for SIP has an option to increase the amount of the SIP instalment by a fixed amount at pre-defined intervals. Thus, an investor can progressively start increasing the amount invested, allowing them to gradually increase the investment corpus in a systematic manner

Salient Features of TOP UP SIP :

1. This facility will allow investors to opt for Top-up SIP, in physical mode only.
2. New investors can opt for it at the time of initiating the SIP. Existing unitholders can opt for it at the time of SIP renewal.
3. Existing unitholders can opt for Top UP facility by cancelling the existing active SIP and re-registering their SIP with the Top Up Facility.
4. Investor can opt for an amount-based Cap whereby they can choose the amount from which the topups will cease (even though the SIP will continue at this final amount until the expiry date).
5. The amount of each such SIP instalment cannot exceed the Daily One Time Mandate (OTM) limit for purchases from all modes (lump sum as well as SIP).
6. The minimum amount for JM Financial Mutual Fund TOP-UP facility is Rs. 100/- and in multiples of Rs. 100/- for all schemes; except JM Tax Gain Fund the minimum amount is Rs. 500 and in multiples of Rs. 500 thereafter.
7. Investor shall have the option of choosing any date of the month as the SIP date except the dates 29th, 30th and 31st. If SIP date is not mentioned, default date would be considered as 5th of every month. If the SIP date falls on a non-business day or a bank holiday, the SIP debit will be processed on the following business day.
8. The following frequency options are available for Top-up:

SIP Frequency	Top-up Frequency
Weekly	Quarterly, Half Yearly and Yearly
Fortnightly	Quarterly, Half Yearly and Yearly
Monthly	Quarterly, Half Yearly and Yearly
Quarterly	Yearly

9. In case TOP-UP frequency is not indicated, it will be considered as Yearly by Default.
10. The initial investment under the SIP Top-up will be subject to minimum SIP investment requirement applicable from time to time.
11. Investors/unit holders subscribing for the Top-up facility are required to submit the request at least 30 days prior to the SIP date. In case the request is not received at least 30 days prior to the SIP date, the Top-up will be applicable from the next effective SIP instalment.
12. SIP Top-up will not be allowed in case of Micro Investments. If such Investors apply for Top UP SIP, the normal SIP will continue but Top UP request will not be considered and will be summarily rejected. Investors will have to complete their KYC KRA with PAN and apply for the same.

13. In case an investor wishes to change the Top-Up amount, he/she must provide a cancellation for the existing SIP and register fresh SIP.
14. Only TOP-UP cannot be discontinued during the SIP tenure.
15. Once the SIP Top-Up upper limit is reached, the Top-Up will be discontinued. However, the Normal SIP will continue at this upper limit for the remaining SIP enrolment period. Please see the illustration below to know how to calculate SIP Top-Up amount:

Installment No(s)	From Date	To Date	Monthly SIP Installment	SIP Top-Up Amount
1 to 12	10-Jan-23	10-Dec-23	2000	NA
13 to 24	10-Jan-24	10-Dec-24	3000	1000
25 to 36	10-Jan-25	10-Dec-25	4000	1000
37 to 48	10-Jan-26	10-Dec-26	5000	1000
49 to 60	10-Jan-27	10-Dec-27	6000	1000

The features and other terms & conditions of the SIP 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.

Frequency under SIP Facility	Permissible Dates	Minimum amount	Minimum number of installments
Daily	Any Day of the month*	Rs. 100 and in multiples of Rs.1/-	30 Installments
Weekly		Rs. 100 and in multiples of Re.1/- thereafter	24 Installments
Fortnightly		Rs. 250 and in multiples of Re.1/- thereafter	12 Installments
Monthly		Rs. 100 and in multiples of Re.1/- thereafter	12 Installments
Quarterly		Rs. 250 and in multiples of Re.1/- thereafter	4 Installments

*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.

Further, investors are required to note the following :

- a) In case the end period is not specified, the default SIP end period will be considered as perpetual.
- b) Daily SIP and any day SIP is eligible for cycle dates of 1st to 28th as under:
 - i. For the dates from 1st to 28th:
 - If the chosen date is a business day, the SIP shall be processed on that specified date.
 - In case, the chosen date is a non-business day, the SIP shall be processed on the next business date.
 - ii. For the dates from 29th to 31st:
 - If the above date is available in that month and is a business day, the SIP shall be processed on that specified date.
 - In case, the chosen date is available in that month but it is a non-business day, the SIP shall be processed on the next business date.
 - If the chosen SIP date itself is not available in that month, the SIP shall be processed on the previous business day.

For example, if 29th is not available in the month of February, the SIP shall be triggered on last business day of the month.

For example, if 31st is not available in any of the months, then the SIP shall be triggered on 30th of that month, if it is a business day, otherwise the last business day of that month shall be considered for the processing of SIP.
 - iii. Any day SIP will be applicable only for registrations under NACH and ISIP Online mode.
 - iv. SIP will cease if there are 3 consecutive SIP failures.

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 para no. 8.4.6.2 of SEBI Master Circular.

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 As per the latest circular number NPCI/2023-24/NACH/008 dated August 18,2023 from NPCI, the maximum end period for any New SIPs registered through the OTMs will be up to 30 years in line with the OTM or the maximum period of the SIP is not more than 30 years, with effect from October 01, 2023. Existing SIPs will not get impacted on the above conditions.

An investor who does not want to opt for any specific period, may opt a period of 30 years for his SIP for his SIP. 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 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/1st 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:

- a. No Cheque is required for initial investment i.e. first installment. Hence, it will work like Zero balance account of any Bank.
- b. 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 any of the SIP Dates (Any Date* from 1st to 28th of a month) in case of Monthly SIP and 1st 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.

- I. 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.
- II. 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.

- III. 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 for the 30 years. However, the facility for 30 years SIP 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 1st/1nd 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 1st 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:

- I. Scheme Application cum SIP Registration Form
- II. Auto Debit (through NACH) Registration cum Mandate Form

- III. Copy of C-KYC/ KYC (through KRA)
- IV. Copy of PAN Cards for all the joint holders (Exempted under Micro SIP) (duly linked with Aadhar from stipulated date)
- V. FATCA/CRS Declaration Form for all the joint holders
- VI. 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.
- VII. 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 through 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 1st 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 1st 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 three (3) 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/1st 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. 1,000/- 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. For details please refer the table No (page 65).
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 Liquid 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 Installment'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 Ltd. 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 1st 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	Any Day of the month*	Any period or Perpetual	7 Calendar Days for Offline and 5 calendar days for Online Registration	Rs. 100/- each instalment. Further in multiples of Re 1/-	60	15 Calendar Days for Offline and 5 Calendar Days for Online cancellation request	In case 50 Installments during initial 90 days are not effected successfully.
	Weekly				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 3 consecutive STP - out installments fail.
	Fortnightly				Rs. 1000/- each instalment. Further in multiples of Re 1/-	6 or more but minimum 5 must be effected.		
					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 multiples of Re 1/-	6 or more but minimum 5 must be effected		
	Monthly				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 multiples of Re 1/-	6 or more but minimum 5 must be effected		
Quarterly	Rs. 3000/- each Instalment. Further in multiples 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 .

*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.

- In case the end period is not specified, the default STP end period will be considered as perpetual.
- Daily STP is eligible for cycle dates of 1st to 28th as under:
- For the dates from 1st to 28th:
 - If the chosen date is a business day, the STP shall be processed on that specified date.
 - In case, the chosen date is a non-business day, the STP shall be processed on the next business date.
- For the dates from 29th to 31st:
 - If the above date is available in that month and is a business day, the STP shall be processed on that specified date.
 - In case, the chosen date is available in that month but it is a non-business day, the STP shall be processed on the next business date.
 - If the chosen SIP & STP date itself is not available in that month, the STP shall be processed on the previous business day.

For example, if 29th is not available in the month of February, the STP shall be triggered on last business day of the month.
For example, if 31st is not available in any of the months, then the STP shall be triggered on 30th of that month, if it is a business day, otherwise the last business day of that month shall be considered for the processing of STP.
- STP will cease if there are 3 consecutive failures.
- STP will be automatically terminated if all the units are liquidated or withdrawn from the Transferor Scheme or pledged or upon receipt of intimation of death of the unit holder.
- Further, in case of a last STP, where the balance amount is less than the STP amount, the entire amount will be transferred to the transferee scheme.

STP frequencies

- 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 date, any day and multiple frequencies for any Options of any Scheme as per his perception/need/risk-diversification by submitting separate application forms.

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. 100/- 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 1st 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 1st Chhota STP/1st 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 Calendar days for Online Registratration	Rs. 1000/- each instalment. Further in multiples of Re 1/-	Not Applicable	15 Calendar Days for Offline and 5 Calendar 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 preivous 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 1st 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 1st 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. 10,500 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 options 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 respect 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:-

AMC has introduced Internet Systematic Investment Plan ('I-SIP') facility in all the existing Schemes of the Mutual Fund. 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 provided in 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 within 10 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

<p>Net Asset Value</p> <p>This is the value per unit of the scheme on a particular day. You can ascertain the value of your investments by multiplying the NAV with your unit balance.</p>	<p>The 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.</p> <p>In case NAV of Corporate Debt Market Development Fund ('CDMDF') units is not available by 9:30 p.m. of same Business Day, NAV declaration timing for Mutual Fund Schemes holding units of CDMDF shall be 10 a.m. on next business day instead of 11 p.m. on same Business Day.</p> <p>The Fund shall also send the latest available NAVs to the unitholders through SMS, upon receipt of a specific request.</p> <p>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.</p>																					
<p>Risk-o-meters</p>	<p>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.</p> <p>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.</p> <p>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.</p> <p>The risk-o-meter of the primary benchmark will also be disclosed in the disclosures as stipulated by SEBI.</p>																					
<p>Potential Risk Class</p>	<p>Pursuant to para no 17.5 of SEBI Master Circular, the potential risk class of the Scheme is:</p> <table border="1" data-bbox="683 1044 1495 1292"> <thead> <tr> <th colspan="4">Potential Risk Class</th> </tr> </thead> <tbody> <tr> <td>Credit Risk →</td> <td rowspan="2">Relatively Low (Class A)</td> <td rowspan="2">Moderate (Class B)</td> <td rowspan="2">Relatively High (Class C)</td> </tr> <tr> <td>Interest Rate Risk ↓</td> </tr> <tr> <td>Relatively Low (Class I)</td> <td></td> <td>B-I</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></td> <td></td> </tr> </tbody> </table> <p>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.</p>	Potential Risk Class				Credit Risk →	Relatively Low (Class A)	Moderate (Class B)	Relatively High (Class C)	Interest Rate Risk ↓	Relatively Low (Class I)		B-I		Moderate (Class II)				Relatively High Class (Class III)			
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Credit Risk →	Relatively Low (Class A)	Moderate (Class B)	Relatively High (Class C)																			
Interest Rate Risk ↓																						
Relatively Low (Class I)		B-I																				
Moderate (Class II)																						
Relatively High Class (Class III)																						
<p>Fortnightly Portfolio*</p>	<p>The Fund shall disclose the portfolio for debt schemes on fortnightly basis within 5 days of every fortnight.</p>																					

<p>Monthly/Half yearly Disclosures: Portfolio*</p> <p>This is a list of securities where the corpus of the scheme is currently invested. The market value of these investments is also stated in portfolio disclosures.</p>	<p>The 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.</p> <p>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.</p> <p>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.</p>
<p>Monthly Average Asset under Management (Monthly AAUM) Disclosure</p>	<p>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. www.jmfinancialmf.com and forward to AMFI within 7 working days from the end of the month.</p>
<p>Half Yearly Results</p>	<p>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.</p> <p>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.</p>
<p>Annual Report</p>	<p>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.</p> <p>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.</p> <p>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.</p> <p>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.</p> <p>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.</p> <p>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.</p> <p>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.</p>
<p>Associate Transactions</p>	<p>Please refer to Statement of Additional Information (SAI).</p>
<p>Investor services</p>	<p>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 Email:- investor@jmfl.com and service_jmf@kfintech.com</p>

* 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.

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 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. Surcharge for different assesses are as follows:

Particulars	Income band	surcharge
Domestic company	Below 1 crore	-
Domestic company	Between 1 – 10 crore	7%
Domestic company	Above 10 crore	12%
Domestic company (opting for 115BAA and 115BAB)	-	10%

Foreign company	Below 1 crore	-
Foreign company	Between 1 – 10 crore	2%
Foreign company	Above 10 crore	5%
Firm including LLPs	Below 1 crore	-
Firm including LLPs	Above 1 crore	12%
Individual/ HUF/ AOP/ BOI*	Below 50 lacs	-
Individual/ HUF/ AOP/ BOI*	Between 50 lacs- 1 crore	10%
Individual/ HUF/ AOP/ BOI*	Between 1 crore - 2 crore	15%
Individual/ HUF/ AOP/ BOI*	Between 2 crore - 5 crore	25%
Individual/ HUF/ AOP/ BOI*	Above 5 crore	37%

The Finance Act, 2023 has capped the rate of surcharge for individuals and HUFs taxed under new regime at 25%. Accordingly, short-term capital gains of non-residents (not covered under section 111A) would be liable to maximum rate of surcharge of 25%, provided they are liable to be taxed under new regime.

- 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.

- 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).
- 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.
- 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/FILs 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.
- All non-resident investors such as Overseas Financial Organisations, FILs, 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.
- With effect from 1st April, 2014, units held by all FILs/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.
- As per Finance Act, 2023, the capital gains from sale of non-equity oriented fund with investment of less than or equal to 35% in equity instruments would be charged as short term capital gains regardless of period of holding. This would be applicable for investments in non-equity oriented funds made by the assessee on or after 1st April 2023.

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 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.

The Finance Act, 2023 provides that for working out the exemption under these sections, the investment in residential property shall be capped at INR 10 crores.

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). Further the rate of surcharge would be as mentioned in Note 1 above.

The Finance Act, 2020 has introduced alternate tax structure wherein resident individuals & HUF have an option to either continue with existing tax rates or exercise the option of alternative tax rates which is given below. While the rates under the existing structure continue to be same, the Finance Act, 2023 has made changes in the tax slabs under the alternate tax regime (new regime):

Income slabs (Rs.)	Existing Tax Rate
Upto 2,50,000	Nil
From 250,001 to 500,000	5%
From 500,001 to 1,000,000	20%
Above 1,000,000	30%

Income Tax Slabs (Rs.)	Alternate Tax Rate
Upto 3,00,000	Nil
From 300,001 to 600,000	5%
From 600,001 to 900,000	10%
From 900,001 to 1,200,000	15%
From 1,200,001 to 1,500,000	20%
Above 1,500,000	30%

Further, the Finance Act, 2023 to enhanced the rebate limit to INR 700,000 i.e. taxpayer opting for new regime shall not be required to pay tax if the total income is less than or equal to INR 700,000. Further, the Finance Act, 2023 to reduce the highest rate of surcharge from 37% to 25% under the new tax regime (highest effective tax rate under new tax regime will be 39%).

Further, the Finance Act, 2023 also stated that the new tax regime will be treated as default tax regime. Thus, if the unit holders don't provide any confirmation on selection of tax regime, taxes may be withheld under new regime.

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 2021-22 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%).

FII, 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.

Equity oriented Funds¹

Tax implications on distributed income (hereinafter referred to as either 'dividend' or 'capital gains') by Mutual Funds:

Particulars	Resident Investors	Non-Resident Investors	Mutual Fund
Dividend:			
TDS	10% (if dividend income exceeds INR 5,000 in a financial year)	20% ² + applicable Surcharge + 4% Cess ³	Nil (refer Note A below)
Tax rates	<p>Individual / HUF:</p> <p>Income tax rate applicable to the Unit holders as per their income slabs</p> <p>Domestic Company:</p> <p>30% + Surcharge as applicable + 4% Cess³ 25%⁴ + Surcharge as applicable + 4% Cess³</p> <p>22%⁵ + 10% Surcharge & + 4% Cess³ 15%⁵ + 1 0% Surcharge⁵ + 4% Cess³</p>	20%+ applicable Surcharge + 4% Cess ³	Nil (refer Note A below)
Capital Gains^{2,6}:			
Long Term (period of holding more than 12 months)	10% without indexation ⁷ + applicable Surcharge + 4% Cess ³	10% without indexation and foreign currency fluctuation benefits ⁷ + applicable Surcharge + 4% Cess ³	Nil
Short Term (period of holding less than or equal to 12 months)	15% + applicable Surcharge + 4% Cess ³	15% + applicable Surcharge + 4% Cess ³	Nil

Note:

A. The levy of tax on distributed income payable by Mutual Funds has been abolished w.e.f. April 1, 2020 and instead tax on income from mutual fund units in the hands of the unit holders at their applicable rates has been adopted.

1 Equity Oriented Funds will also attract Securities Transaction Tax at applicable rates.

2 As per the provisions of section 196A which is specifically applicable in case of non-resident unitholders, a 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 provides the withholding tax rate of 20% (plus applicable surcharge and cess).

As per the provisions of section 196D of the Act which is specifically applicable in case of FPI/FII, the withholding tax rate of 20% (plus applicable surcharge and cess) on any income in respect of securities referred to in section 115AD (1)(a) credited / paid to FII shall apply. The Finance Act, 2021 inserted a proviso to section 196D(1) of the Act to grant relevant tax treaty benefits with effect from 1 April 2021 at the time of withholding tax on income with respect to securities of FPIs, subject to furnishing of tax residency certificate and such other documents as may be required. As per section 196D (2) of the Act, no TDS shall be made in respect of income by way of capital gain arising from the transfer of securities referred to in section 115AD of the Act.

3 Health and education Cess shall be applicable at 4% on aggregate of base tax and surcharge.

4 The Finance Act, 2023 provide that in case of domestic company, the rate of income-tax shall be 25% if its total turnover or gross receipts in the financial year 2021-22 does not exceed Rs. 400 crores.

- 5 The corporate tax rates for domestic companies (not claiming specified incentives and deductions) at the rate of 22% under section 115BAA and domestic manufacturing companies (not claiming specified incentives and deductions) set-up and registered on or after 1 October 2019 at the rate of 15% under section 115BAB. The tax computed in case of domestic companies whose income is chargeable to tax under section 115BAA or section 115BAB shall be increased by a surcharge at the rate of 10%.
- 6 Short term/ long term capital gain tax will be deducted at the time of redemption of units in case of NRI investors only. However, as per section 196A of the Act the withholding tax of 20% (plus applicable surcharge and cess) is applicable on any income in respect of units of mutual fund in case of non-residents. Hence, based on language provided in said section, it seems that apart from any income distributed to NRI, withholding tax at 20% may be applicable on capital gains notwithstanding that such capital gains are taxable at a rate lower than 20%.
- 7 Section 112A provides that long term capital gains arising from transfer of a long term capital asset being a unit of an equity oriented fund shall be taxed at 10% (without indexation and foreign currency fluctuation benefit) of such capital gains exceeding one lakh rupees. The concessional rate of 10% shall be available only if STT has been paid on transfer in case of units of equity-oriented mutual funds.

D. CAPITAL GAIN ON TRANSFER OF MARKET LINKED DEBENTURES (MLDs):

In order to rationalize the provisions, the Finance Act, 2023 inserted a new section 50AA in order to determine the taxability of MLDs with effect from AY 2024-25. The gain on sale of MLDs are proposed to be taxed as short-term capital gains and accordingly chargeable to tax at applicable slab rates to the taxpayer. As of now, there are no specific provisions for withholding tax on capital gains on sale of MLDs for resident individuals. However, taxes may be withheld of non-residents at the highest applicable rate of tax.

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%
FIs 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%
FIs 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%
FIs 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:

- 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.
- 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 long term 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.
- 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.
7. As per Notification No. 03/2022 dt 16th July 2022 issued by CBDT, it was mandatory for non-residents to furnish Form 10F electronically in order to avail the beneficial provisions of tax treaty. However, relaxation of furnishing manual Form 10F upto 31st March 2023 was granted vide notification no F. No. DGIT(S)-ADG(S)-3/e-Filing Notification/Forms/2022/9227 dated 12th December 2022 and the same was extended upto 30th September 2023 vide notification no. F. No. DGIT(S)-ADG(S)-3/e-Filing Notification/Forms/2023/13420 issued on 28th March 2023.

Effective 1st October 2023, Form 10F is required to be furnished in electronic mode only, wherever required. The tax authorities have now enabled a facility to electronically file Form 10F where non-residents do not have a PAN in India and are not required to obtain PAN 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	0.062%	Seller
In case of sale of option in securities, where option is exercised	0.125%	Purchaser
Sale of a futures in securities	0.012%	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.

As per the Finance Act 2023, with effect from 1st April 2023, the rate of STT on sale of options is hiked up to 0.0625% and on sale of futures is hiked up to 0.0125%.

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/ switchin transactions (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. 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 will be same for Regular and Direct plan.

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.

The allotment of NAV for SIP cases will be as under:

- On the due date/Next business date (In case of due date being a Non Business Day) if the amount of one or more SIP installment/s for a particular PAN is less than Rs 2 lacs per day per scheme.
- Based on the date and time of realisation & sighting of Funds in scheme's account, if the total amount for all SIP Installments is Rs 2 lacs and above per scheme per Investor (PAN) per day.

IV. FEES AND EXPENSES

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

A. NEW FUND OFFER (NFO) EXPENSES

Since the Scheme referred to in this document is already launched hence provision of NFO expenses is not applicable.

B. ANNUAL SCHEME RECURRING EXPENSES

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

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.

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:

Name of the Scheme	TER Limits
JM Liquid 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 assets.

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:

- 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.

- 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.

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

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.

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 than Distribution Expenses/Commission) (C)	50			50		
Distribution Expenses/Commission charged during the year (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.

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 and exit load is NIL for the scheme.

Pursuant to para-no. 10.4.1 and 14.4.3 of SEBI Master Circular, there will be no entry load charged to the schemes of the Mutual Fund.

The investors are requested to note that pursuant to para no 4.5 of SEBI Master Circular, Mutual Funds are required to levy exit load on investors who exit from the Liquid Funds within 7 days of their investment. With effect from October 20, 2019#, the exit load structure of JM Liquid Fund will be as under in line with the above mentioned circular as communicated by AMFI vide their email dated October 16, 2019.

Investor's exit upon subscription	Revised Exit Load Structure
Day 1	0.0070%
Day 2	0.0065%
Day 3	0.0060%
Day 4	0.0055%
Day 5	0.0050%
Day 6	0.0045%
Day 7 Onwards	0.0000%

The above exit load is applicable for allotment of units for investment made through fresh purchase / switch-in from other Schemes or for SIP/STP/SWP instalments falling due on or after the above mentioned effective date, irrespective of the date of registration.

#The aforesaid requirement to levy exit load shall not be applicable to any investments made in JM Liquid Fund prior to October 20, 2019.

D. WAIVER OF LOAD FOR DIRECT APPLICATIONS:

NO ENTRY LOAD: SEBI has mandated following pursuant to para no 10.4 of SEBI Master Circular:

- There shall be no entry load for all fund scheme.
- 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.
- 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

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/incurred cost in the form of a bid and ask spread and brokerage, as charged by his broker, for buying/ selling of units. Additionally investor will also have to bear applicable statutory levies.

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:

- o No Exit Load will be charged for switches between the options / Plans under the Scheme.
- o The AMC will not charge exit load for a Fund of Funds Scheme investing in the scheme.
- o Any imposition or enhancement in the load shall be applicable on prospective investments only.
- o 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:

Pursuant to para-no. 10.5.1 of SEBI Master Circular, 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 para-no. 10.5.1(f) of SEBI Master Circular 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 Rs.47.67 crore as on March 31, 2023 (last reported Rs. 43.11 crore as on March 31, 2022).

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.
 - a. In the matter of a proposed initial public offer ("IPO") by one of the clients of JM Financial Limited (Sponsor), there was non-disclosure of certain facts related to the promoters of the issuer company in the Draft Red Herring Prospectus ("DRHP"). SEBI issued an administrative warning letter dated July 21, 2022 to the concerned promoters of the issuer company and the Book Running Lead Managers to the IPO, including JM Financial Limited, asking them to ensure compliance with SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018. JM Financial Limited took necessary corrective action and accordingly, the matter stands closed.
 - b. SEBI conducted an inspection of the merchant banking operations of JM Financial Limited and issued an administrative warning letter dated June 2, 2023 to JM Financial Limited in relation to its certain observations. JM Financial Limited, vide its letter dated August 7, 2023, has submitted the details of corrective steps/action taken for the observations made in SEBI letter and accordingly, the matter stands closed.
 - c. In the matter of an IPO by one of the clients of JM Financial Limited, SEBI issued an administrative warning letter dated August 22, 2023 to JM Financial Limited for non-reporting of bid upload failure by a Self-Certified Syndicate Bank. JM Financial Limited took necessary corrective action and accordingly, the matter stands closed.
- 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.

JM Financial Asset Management Limited (ISC) / (OPA)	
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) 35005128.
Hyderabad	ABK OLBEE Plaza, 8-2-618/8 & 9, 2nd Floor, 204, Road No. 1, Banjara Hills, Hyderabad 500 034. Tel.: (040) 66664436 / 66780752.
Jaipur	343, 3rd Floor, Ganapati Plaza, MI Road, Jaipur - 302 001. Tel.: (0141) 4002188.
Kolkata	Krishna Kunj, 7th floor, 10C, Hungerford Street, Kolkata 700017. Tel.: (033) 40062958/59/65/67.
Lucknow	Office No 207 B, 2nd Floor, Saran Chambers 2, 5 Park Road, Near Civil Hospital, Hazaratganj, Lucknow 226001. Tel.: (0522) 4578998.
Mumbai (Prabhadevi)	Office B, 8th Floor, Cnergy, Appasaheb Marathe Marg, Prabhadevi, Mumbai 400 025. Tel: 022- 61987777.
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.
New Delhi	601, 6th floor, Suryakiran Building, 19 K G Marg, Connaught Place, New Delhi - 110 001. Tel.: (011) 43616160.
Pune	Office no 13, 3rd Floor, Aditya Centeegra, Final Plot 314, CTS 930, Mouje Bhamburda, Fergusson College Rd, Shivaji Nagar, Pune - 411005. Tele - (020) 25511127.
Vadodara	Emerald One Unit No. A 126, 1st Floor, Windward Business Park, Jetalpur Road, Vadodara. Tel: 0265-2993727.

Point of acceptance of KFin Technologies Ltd. (RTA)

Zone	Branch	Address	Contact Name	Number
East				
Assam	Guwahati	KFin Technologies Ltd, Ganapati Enclave, 4th Floor, Opposite Bora service, Ullubari, Guwahati, Assam 781007. Tel: 8811036746. Email: mfsguwahati@Kfintech.com.	Parth Das	9435173219
Bihar	Patna	KFin Technologies Ltd, 3A 3rd Floor, Anand Tower, Exhibition Road, Opp ICICI Bank, Patna 800001. Tel: 0612-4323066. Email: mfspatna@Kfintech.com.	Shankar Kumar	8092549402
	Begusarai	KFin Technologies Limited, Sri Ram Market, Kali Asthan Chowk, Matihani Road, Begusarai, Bihar - 851101 Tel.: 7518801807/9693344717.	Deepak Kumar Jaiswal	9304387790
Jharkhand	Bokaro	KFin Technologies Ltd, City Centre, Plot No. He-07, Sector-IV, Bokaro Steel City, Bokaro 827004. Tel: 7542979444. Email: mfsbokaro@Kfintech.com.	Pranab Bhattacharyya	9934314986
	Ranchi	KFIN Technologies Limited, Room no 103, 1st Floor, Commerce Tower, Beside Mahabir Tower, Main Road, Ranchi -834001 Email: mfsranchi@Kfintech.com. Tel.: 0651-2331320	Pranab Bhattacharyya	9934314986
Orissa	Bhubaneswar	KFin Technologies Ltd, A/181 Back Side of Shivam Honda Show Room, Saheed Nagar - Bhubaneswar 751007. Tel: 0674-2548981. Email: bhubaneswarmfd@Kfintech.com.	Ratul Majumder	9007005094
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