NOTICE-CUM-ADDENDUM

JM FINANCIAL
MUTUAL FUND

THIS NOTICE - CUM - ADDENDUM SETS OUT THE CHANGES TO BE MADE IN THE SCHEME INFORMATION DOCUMENT ("SID") AND KEY INFORMATION MEMORANDUM ("KIM") OF JM CORE 11 FUND ("SCHEME") WITH EFFECT FROM APRIL 1, 2022 ("EFFECTIVE DATE")

Notice is hereby given that the Trustees of JM Financial Mutual Fund have approved the changes in the fundamental attributes of the Scheme in accordance with SEBI circular Nos. SEBI/HO/IMD/DF3/CIR/P/2017/114 dated October 06, 2017 and SEBI/HO/IMD/DF3/CIR/P/2017/126 dated December 04, 2017 ("Circulars") as also inclusion of certain other provisions.

The fundamental changes relate to change in the name of the Scheme, type of Scheme, Investment Objective of the Scheme, Investment Strategy of the Scheme, Asset allocation of the Scheme, Scheme specific risk factors and the Benchmark of the Scheme.

Consequently, the relevant sections of the SID/ KIM of the above mentioned Scheme stands amended as under:

<table>
<tr><th>Particulars</th><th>Current Provisions</th><th>Proposed Provisions</th></tr>
<tr><td>Name of Scheme</td><td>JM Core 11 Fund</td><td>JM Focused Fund</td></tr>
<tr><td>Type of the scheme</td><td>An open ended equity scheme investing in maximum 11 Multi Cap stocks</td><td>An open-ended equity scheme investing in maximum of 30 stocks of large cap, mid cap and small cap companies.</td></tr>
<tr><td>Investment Objective</td><td>The investment objective of the Scheme is to provide long term growth by investing predominantly in a concentrated portfolio of equity and equity related securities.
There can be no assurance that the investment objective of the scheme will be realized. The scheme does not guarantee/ indicate any returns. Investors are required to read all the scheme related information set out in this document carefully.</td><td>The investment objective of the Scheme is to generate long-term capital appreciation/income by investing in equity and equity related instruments across market capitalization of up to 30 companies.
However there can be no assurance that the investment objective of the Scheme will be realized. The Scheme does not guarantee/ indicate any returns. Investors are required to read all the scheme related information set out in this document carefully.</td></tr>
<tr><td>Investment Strategy</td><td>The Mutual Fund may invest in any of the following securities or a combination of the following securities subject to the Regulations and the investment objective and the terms of the scheme set out elsewhere in the Scheme Information Document.
The corpus of the Scheme will be invested in equity, equity related instruments, derivatives such as futures and options and fixed income securities.
Besides the above, the following will be the broad investment strategies.
1. The primary investment objective of the scheme is to generate returns by investing predominantly in a concentrated portfolio of equity/ equity related instruments of companies. The Scheme will have a concentrated portfolio with not more than 11 stocks in the portfolio with each stock being invested to the extent of 9.09% of the NAV of the Scheme. The Scheme will have no market capitalization or sector restrictions. The portfolio will be rebalanced on a fortnightly basis so as to prevent any one stock going above the targeted concentration range. To prevent stagnancy of the portfolio, the portfolio will be reviewed on a half yearly basis whereby some stocks would be replaced.
2. 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.
3. Liquidity Management
The Fund Manager may invest in short term deposits of scheduled commercial banks pending deployment of funds in line with SEBI Circular no. SEBI/IMD/CIR No. 1/ 91171 /07 dated April 16, 2007, as amended by SEBI Circular SEBI/IMD/CIR No.7/129592/08 dated June 23, 2008, SEBI Circular No. SEBI/HO/IMD/DF4/CIR/P/2019/093 dated August 16, 2019 and SEBI Circular No. SEBI/HO/ IMD/DF2/ CIR/P/2019 /101 dated September 20, 2019, till suitable opportunities are present. The Scheme may also keep a portion in cash or near cash for meeting the expenses of the Scheme / redemption and payout of Income Distribution cum Capital Withdrawal / or current collections pending for deployment etc.
4. 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.
5. 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.
6. Portfolio Turnover Policy
The Schemes will invest with a long-term outlook on the equity market; however, as and when trading opportunities arise in the market where, in the opinion of the fund manager there is an opportunity to enhance the total return of the portfolio, the Schemes may take trading exposure which may result in high portfolio turnover.</td><td>The Scheme will aim to generate long-term capital appreciation by investing predominantly in a concentrated portfolio of equity and equity related securities up to a maximum of 30 stocks across market capitalization. The Scheme shall follow an active investment style and it will seek to invest in companies with structural demand drivers, strong competitive position, quality management, robust delivery track-record, strong balance sheet which is likely to help achieve higher growth over medium to long term. The Scheme would take concentrated exposure in not more than 30 high conviction stocks, in sectors depending on the growth opportunities present in the Indian economy. While making investment decisions, besides other factors, the impact of the prevailing economic environment over the medium to long-term prospects of the companies will also be taken into consideration. The AMC will endeavour to meet the investment objective of the Scheme while maintaining a balance between safety, liquidity and return on investments.
Besides the above, the following will be the broad investment strategies.
1. The primary investment objective of the scheme is to generate returns by investing predominantly in a concentrated portfolio of equity/ equity related instruments of companies. The Scheme will have a concentrated portfolio with not more than 30 stocks in the portfolio. The Scheme will have no market capitalization or sector restrictions. The portfolio will be rebalanced on a fortnightly basis so as to prevent any one stock going above the targeted concentration range. To prevent stagnancy of the portfolio, the portfolio will be reviewed on a half yearly basis whereby some stocks would be replaced.
2. 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.
3. Liquidity Management
The Fund Manager may invest in short term deposits of scheduled commercial banks pending deployment of funds in line with SEBI Circular no. SEBI/IMD/CIR No. 1/ 91171 /07 dated April 16, 2007, as amended by SEBI Circular SEBI/IMD/CIR No.7/129592/08 dated June 23, 2008, SEBI Circular No. SEBI/HO/IMD/DF4/CIR/P/2019/093 dated August 16, 2019 and SEBI Circular No. SEBI/ HO/ IMD/DF2/ CIR/P/2019 /101 dated September 20, 2019, till suitable opportunities are present. The Scheme may also keep a portion in cash or near cash for meeting the expenses of the Scheme / redemption and payout of Income Distribution cum Capital Withdrawal / or current collections pending for deployment etc.
4. 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.
5. 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.
6. Portfolio Turnover Policy
The Schemes will invest with a long-term outlook on the equity market; however, as and when trading opportunities arise in the market where, in the opinion of the fund manager there is an opportunity to enhance the total return of the portfolio, the Schemes may take trading exposure which may result in high portfolio turnover.</td></tr>
<tr><td>Scheme Specific Risk Factors</td><td>Apart from the risk factors mentioned above, the investors in JM Core 11 Fund should note that the Scheme is designed for investment in only 11 stocks at any point of time and as such the performance of these stocks would have a direct bearing on the performance of Scheme. Unitholders should also note that as there will be concentration of investments in only 11 stocks, the Scheme carries the risk of non-diversification. Therefore, the NAV of this Scheme would be dependent upon the performance and market price movement of such companies in the Scheme and will be more volatile compared to the NAV of a scheme with more diversified portfolio.</td><td>Apart from the risk factors mentioned above, the investors in JM Focused Fund should note that the Scheme is designed for investment concentrated portfolio of 30 stocks and as such the performance of these stocks would have a direct bearing on the performance of Scheme. Unitholders should also note that as there will be concentration of investments, the Scheme carries the risk of much lesser diversification. Therefore, the NAV of this Scheme would be dependent upon the performance and market price movement of such companies in the Scheme and will be more volatile compared to the NAV of a scheme with more diversified portfolio.</td></tr>
<tr><td>Risk Factors associated with Investments in REITs and InvITs</td><td>No Provision</td><td>Liquidity Risk: This refers to the ease with which securities/instruments of REITs / InvITs can be sold. There is no assurance that an active secondary market will develop or be maintained. Hence, there could be times when trading in the units is infrequent. The subsequent valuation of illiquid units may reflect a discount from the market price of comparable securities/instruments for which a liquid market exists. As these products are new to the market they are likely to be exposed to liquidity risk.
Reinvestment Risk: Investments in securities/instruments of REITs and InvITs may carry reinvestment risk as there could be repatriation of funds by the Trusts in form of buyback of units or dividend pay-outs, etc. Consequently, the proceeds may get invested in assets providing lower returns.
Price Risk: Securities/Instruments of REITs and InvITs are volatile and prone to price fluctuations on a daily basis owing to market movements. The extent of fall or rise in the prices depends upon factors such as general market conditions, factors and forces affecting capital market, real estate and infrastructure sectors, level of interest rates, trading volumes, settlement periods and transfer procedures.
Interest Rate Risk: Securities/Instruments of REITs and InvITs run interest rate risk. Generally, when interest rates rise, prices of units fall and when interest rates drop, such prices increase.
Credit Risk: Credit risk means that the issuer of a REIT/InvIT security / instrument may default on interest payment or even on paying back the principal amount on maturity. Securities / Instruments of REITs and InvITs are likely to have volatile cash flows as the repayment dates would not necessarily be pre-scheduled.
Regulatory/Legal Risk: REITs and InvITs being new asset classes, rights of unit holders such as right to information etc. may differ from existing capital market asset classes under Indian Law.</td></tr>
<tr><td>Risks associated with segregated portfolio</td><td>No provision</td><td>• 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.</td></tr>
<tr><td>Risk Factors associated with Exchange Traded Funds</td><td>No Provision</td><td>a) Absence of Prior Active Market: Although the units of ETFs are listed on the Stock Exchange for trading, there can be no assurance that an active secondary market will develop or be maintained.
b) Lack of Market Liquidity: Trading in units of ETFs on the Stock Ex-change on which it is listed may be halted because of market conditions or for reasons that, in the view of the concerned Stock Exchange or Market Regulator, trading in the ETF Units is inadvisable. In addition, trading in the units of ETFs is subject to trading halts caused by extraordinary market volatility pursuant to 'circuit breaker' rules. There can be no assurance that the requirements of the concerned Stock Exchange necessary to maintain the listing of the units of ETFs will continue to be met or will remain un-changed.
c) Units of Exchange Traded Funds May Trade at Prices Other than NAV: Units of Exchange Traded Funds may trade above or below their NAV. The NAV of Units of Exchange Traded Funds may fluctuate with changes in the market value of a Scheme's holdings. The trading prices of units of ETF will fluctuate in accordance with changes in their NAVs as well as market supply and demand. However, given that ETFs can be created / redeemed in Creation Units, directly with the fund, large discounts or premiums to the NAVs will not sustain due to arbitrage possibility available.</td></tr>
<tr><td>Asset Allocation</td><td><table><tr><th>Type of Instrument</th><th>Maximum Exposure %</th><th>Risk Profile</th></tr><tr><td>Equity and equity related securities#</td><td>65-100</td><td>Medium – High</td></tr><tr><td>Money Market Instruments / Debt</td><td>0-35</td><td>Low - Medium</td></tr></table>The Scheme will not invest in securitized debt and foreign securities.
Exposure to derivatives would be capped at 50 % of equity portfolio of the Scheme. The AMC intends to invest in derivative instruments in accordance with the SEBI Regulations, as and when opportunities arise in the derivatives markets. The investment in derivatives will be broadly in line with the investment objective of the Scheme.
All the above limits shall be in line with the investment objective of the Scheme.
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. The Trustee may, from time to time, pending deployment of funds of the Scheme in securities in terms of the investment objective of the Scheme, invest the funds of the Scheme in short-term deposits of scheduled commercial banks subject to compliance with SEBI Circular SEBI/IMD/CIR No.1/ 91171 /07 dated April 16, 2007 as amended by SEBI Circular SEBI/IMD/CIR No.7/129592/08 dated June 23, 2008.</td><td><table><tr><th rowspan="2">Asset Allocation</th><th colspan="2">Indicative allocations (% to Net Asset)</th><th rowspan="2">Risk Profile</th></tr><tr><th>Min</th><th>Max</th></tr><tr><td>Equity and Equity related instruments*</td><td>65%</td><td>100%</td><td>Very High</td></tr><tr><td>Debt and Money market instruments</td><td>0</td><td>35%</td><td>Low to Medium</td></tr><tr><td>Units issued by REITs and INVITs</td><td>0</td><td>10%</td><td>Very High</td></tr></table>*Subject to overall limit of 30 stocks.
The scheme may invest in another scheme under the same asset management company or any other mutual fund without charging any fees, provided that aggregate inter-scheme 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.
The Scheme shall not invest in debt instruments having special features/ perpetual bonds as per SEBI circular no. SEBI/HO/IMD/DF4/ CIR/P/2021/032 dated March 10, 2021.
The Scheme may invest in Derivatives upto 50% of its assets in equity and debt portfolios each.
Subject to the SEBI Regulations as applicable from time to time, the Scheme may, if the Trustees permit, participate in securities lending. The maximum exposure of the Scheme to a single intermediary in the stock lending programme at any point of time would be limited to 5% of the market value of its equity portfolio or up to such limits as may be specified by SEBI. The Scheme will not lend more than 20% of its corpus.
The Scheme shall not invest in Short Selling, Foreign Securities, repo instruments, credit default swaps, structured obligation and securitized debt.
The cumulative gross exposure through equity, debt, derivative positions (including fixed income derivatives), repo transactions, Real Estate Investment Trusts (REITs), Infrastructure Investment Trusts (InvITs), other permitted securities/assets and such other securities/ assets as may be permitted by the Board from time to time, subject to regulatory approvals, if any, should not exceed 100% of the net assets of the scheme.
The Trustee may, from time to time, pending deployment of funds of the Scheme in securities in terms of the investment objective of the Scheme, invest the funds of the Scheme in short-term deposits of scheduled commercial banks subject to compliance with SEBI Circular SEBI/IMD/CIR No.1/ 91171 /07 dated April 16, 2007 as amended by SEBI Circular SEBI/IMD/CIR No.7/129592/08 dated June 23, 2008, SEBI Circular No. SEBI/HO/IMD/DF4/CIR/P/2019/093 dated August 16, 2019 and SEBI Circular No. SEBI/HO/ IMD/DF2/ CIR/P/2019 /101 dated September 20, 2019.</td></tr>
<tr><td>Changes in Investment Pattern</td><td>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
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.</td><td>The term Investment pattern is defined as the tentative portfolio break-up of Equity, Debt, Money Market Instruments, other permitted securities and such other securities as may be permitted by SEBI from time to time with minimum and maximum asset allocation, while retaining the option to alter the asset allocation for a short term period on defensive considerations which would be rebalanced within 30 days from the date of deviation. Under normal circumstances, the investment pattern outlined in section B of "II. Information about the Scheme" shall always prevail. However, it is to be noted that the investment pattern mentioned above is only indicative and may be changed by the Investment Manager for defensive considerations subject to portfolio rebalancing clause and in accordance with change in Regulations from time to time, under the following circumstances:
1. During extreme volatility / ill-liquidity in the capital market/securities market.
2. In case of natural calamity, strikes, riots, bandhs etc., affecting the valuation of security.
3. Declaration of war or occurrence of insurgency, or any other serious or sustained financial, political or industrial emergency or disturbance, resulting in liquidity crunch.
4. During the time, the Fund receives bulk repurchase and/or bulk investment.
A review will be made as and when such variation takes place, and, if the variation is beyond 10%, the reasons thereof will be recorded. The variation from the stated asset allocation shall be periodically monitored and such variation will be brought down to the specified asset allocation levels as soon as normalcy is restored. A report of such variations will be made to the Board of the AMC and the Trustees on a regular basis.</td></tr>
</table>

To be continued

Particulars	Current Provisions	Proposed Provisions
Investment in securities having special features	No Provision	The Scheme will not invest in securities having special features in terms of SEBI Circular dated March 10, 2021
Definition	**ETF /Exchange Traded Fund:** No Provision **"InvIT" or 'Infrastructure Investment Trust':** No Provision	**ETF /Exchange Traded Fund:** means a mutual fund scheme that invests in securities in the same proportion as an index of securities and the units of exchange traded fund are mandatorily listed and traded on exchange platform. **"InvIT" or 'Infrastructure Investment Trust':** "InvIT" or 'Infrastructure Investment Trust' shall have the meaning assigned in clause (za) of sub-regulation 1 of regulation 2 of the Securities and Exchange Board of India (Infrastructure Investment Trusts) Regulations, 2014. "InvIT" or 'Infrastructure Investment Trust' shall mean the trust registered as such under these regulations;
Benchmark	S&P BSE Sensex TRI.	S&P BSE 500 TRI
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 the 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 investment within such limit can be made in mortgaged backed securitised debt which are rated not below investment grade by a credit rating agency registered with the Board: Provided further that such limit shall not be applicable for investments in case of debt exchange traded funds or such other funds as may be specified by the Board from time to time. 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. No mutual fund under all its schemes should own more than ten per cent of any company's paid up capital carrying voting rights. 5. Transfers of investments from one scheme to another scheme in the same mutual fund shall be allowed only if,— a. such transfers are done at the prevailing market price for quoted instruments on spot basis. Explanation.—"Spot basis" shall have same meaning as specified by stock exchange for spot transactions; b. the securities so transferred shall be in conformity with the investment objective of the scheme to which such transfer has been made. 6. 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 inter scheme 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. 7. 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. 8. 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. 9. Pending deployment of funds of a scheme in terms of investment objective 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. 10. 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. 11. In accordance with SEBI Circular No. CIR/IMD/DF/24/2012 dated November 19, 2012, SEBI Circular No. SEBI/HO/IMD/DF2/CIR/P/2016/35 dated February 15, 2016, SEBI Circular No. SEBI/HO/IMD/DF2/CIR/P/2016/68 dated August 10, 2016, SEBI Circular No. SEBI/HO/IMD/DF2/CIR/P/2017/14 dated February 22, 2017 and SEBI Circular No. SEBI/HO/IMD/DF2/CIR/P/2019/104 dated October 01, 2019, total exposure of debt schemes of mutual funds in a particular sector (excluding investments in Bank CDs, TREPS, G-Secs, TBills, short term deposits of scheduled commercial banks and AAA rated securities issued by Public Financial Institutions and Public Sector Banks) shall not exceed 20% of the net assets of the Scheme; Provided that an additional exposure to financial services sector (over and above the limit of 20%) not exceeding 10% of the net assets of the Scheme shall be allowed only by way of increase in exposure to Housing Finance Companies (HFCs);. Further, an additional exposure of 5% of the net assets of the scheme shall be allowed for investments in securitized debt instruments based on retail housing loan portfolio and/or affordable housing loan portfolio. Provided further that the additional exposure to such securities issued by HFCs are rated AA and above and these HFCs are registered with National Housing Bank (NHB) and the total investment/ exposure in HFCs shall not exceed 20% of the net assets of the Scheme. 12. No scheme of a mutual fund shall make any investment in any fund of funds scheme. 13. No mutual fund scheme shall invest more than 10 per cent of its NAV in the equity shares or equity related instruments of any company. Provided that, the limit of 10 per cent shall not be applicable for investments in case of index fund or sector or industry specific scheme. 14. All investments by a mutual fund scheme in equity shares and equity related instruments shall only be made provided such securities are listed or to be listed. 15. 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. 16. 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. 17. Investment by the Scheme in Commercial Papers would be made only in Commercial Papers which are listed or to be listed. 18. 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: a. 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. b. Exposure of the scheme in such instruments, shall not exceed 5% of the net assets of the scheme. c. 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. The Trustee may alter the above restrictions from time to time to the extent that changes in the Regulations may allow or as deemed fit in the general interest of the unit holders. The Trustee /AMC may alter the above stated limitations from time to time, and also to the extent the SEBI (MF) Regulations change, so as to permit the Scheme to make their investments in the full spectrum of permitted investments in order to achieve their investment objective.	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 the 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 investment within such limit can be made in mortgaged backed securitised debt which are rated not below investment grade by a credit rating agency registered with the Board: Provided further that such limit shall not be applicable for investments in case of debt exchange traded funds or such other funds as may be specified by the Board from time to time. 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. No mutual fund under all its schemes should own more than ten per cent of any company's paid up capital carrying voting rights. 5. Transfers of investments from one scheme to another scheme in the same mutual fund shall be allowed only if,— a. such transfers are done at the prevailing market price for quoted instruments on spot basis. Explanation.—"Spot basis" shall have same meaning as specified by stock exchange for spot transactions; b. the securities so transferred shall be in conformity with the investment objective of the scheme to which such transfer has been made. 6. 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 inter scheme 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. 7. 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. 8. 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. 9. Pending deployment of funds of a scheme in terms of investment objective 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. 10. 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. 11. In accordance with SEBI Circular No. CIR/IMD/DF/24/2012 dated November 19, 2012, SEBI Circular No. SEBI/HO/IMD/DF2/CIR/P/2016/35 dated February 15, 2016, SEBI Circular No. SEBI/HO/IMD/DF2/CIR/P/2016/68 dated August 10, 2016, SEBI Circular No. SEBI/HO/IMD/DF2/CIR/P/2017/14 dated February 22, 2017 and SEBI Circular No. SEBI/HO/IMD/DF2/CIR/P/2019/104 dated October 01, 2019, total exposure of debt schemes of mutual funds in a particular sector (excluding investments in Bank CDs, TREPS, G-Secs, TBills, short term deposits of scheduled commercial banks and AAA rated securities issued by Public Financial Institutions and Public Sector Banks) shall not exceed 20% of the net assets of the Scheme; Provided that an additional exposure to financial services sector (over and above the limit of 20%) not exceeding 10% of the net assets of the Scheme shall be allowed only by way of increase in exposure to Housing Finance Companies (HFCs);. Further, an additional exposure of 5% of the net assets of the scheme shall be allowed for investments in securitized debt instruments based on retail housing loan portfolio and/or affordable housing loan portfolio. Provided further that the additional exposure to such securities issued by HFCs are rated AA and above and these HFCs are registered with National Housing Bank (NHB) and the total investment/ exposure in HFCs shall not exceed 20% of the net assets of the Scheme. 12. No scheme of a mutual fund shall make any investment in any fund of funds scheme. 13. No mutual fund scheme shall invest more than 10 per cent of its NAV in the equity shares or equity related instruments of any company. Provided that, the limit of 10 per cent shall not be applicable for investments in case of index fund or exchange traded fund or sector or industry specific scheme. 14. All investments by a mutual fund scheme in equity shares and equity related instruments shall only be made provided such securities are listed or to be listed. 15. 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. 16. 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. 17. Investment by the Scheme in Commercial Papers would be made only in Commercial Papers which are listed or to be listed. 18. 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: a. 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. b. Exposure of the scheme in such instruments, shall not exceed 5% of the net assets of the scheme. c. All such investments shall be made with the prior approval of the Board of AMC and the Board of Trustees. 19. A mutual fund may invest in the units of REITs and InvITs subject to the following: (a) No mutual fund under all its schemes shall own more than 10% of units issued by a single issuer of REIT and InvIT; and (b) A mutual fund scheme shall not invest – i.) more than 10% of its NAV in the units of REIT and InvIT; and ii.) more than 5% of its NAV in the units of REIT and InvIT issued by a single issuer. Provided that the limits mentioned in sub-clauses (i) and (ii) above shall not be applicable for investments in case of index fund or sector or industry specific scheme pertaining to REIT and InvIT. 20. A mutual fund scheme may invest in exchange traded commodity derivatives subject to such investment restrictions as may be specified by the Board from time to time. 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. The Trustee may alter the above restrictions from time to time to the extent that changes in the Regulations may allow or as deemed fit in the general interest of the unit holders. The Trustee /AMC may alter the above stated limitations from time to time, and also to the extent the SEBI (MF) Regulations change, so as to permit the Scheme to make their investments in the full spectrum of permitted investments in order to achieve their investment objective.
Where will the Scheme Invest	The Fund may invest in any of the following securities or a combination of the following securities subject to the Regulations and the investment objectives and the terms of the scheme set out elsewhere in the Scheme Information Document. The corpus of the Scheme will be invested in equity, equity related instruments, derivatives such as futures and options and fixed income securities. Subject to the Regulations, the corpus of the Scheme can be invested in any (but not exclusively) of the following securities: • Equity and equity related securities including convertible bonds and debentures and warrants carrying the right to obtain equity shares ; • Derivative instruments like Interest Rate Swaps, Forward Rate Agreements, Stock Index Futures and such other derivative instruments permitted by SEBI and RBI; • 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, Notes, Strips, etc.; • Obligations of banks (both public and private sector) and development financial institutions;	The Fund may invest in any of the following securities or a combination of the following securities subject to the Regulations and the investment objectives and the terms of the scheme set out elsewhere in the Scheme Information Document. The corpus of the Scheme will be invested in equity, equity related instruments, derivatives such as futures and options and fixed income securities. Subject to the Regulations, the corpus of the Scheme can be invested in any (but not exclusively) of the following securities: • Equity and equity related securities including convertible bonds and debentures and warrants carrying the right to obtain equity shares ; • Derivative instruments like Interest Rate Swaps, Forward Rate Agreements, Stock Index Futures and such other derivative instruments permitted by SEBI and RBI; • 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, 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);

To be continued

<table>
<tr><th>Particulars</th><th>Current Provisions</th><th>Proposed Provisions</th></tr>
<tr><td></td><td>• 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;
• 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.
The securities mentioned above and such other securities, the Scheme is permitted to invest, could be listed, unlisted, IPO's, secondary market operations, privately placed, rights offers or negotiated deals, secured, unsecured, rated or unrated and of any maturity. However the sectors/stocks in the Scheme may undergo a change in line with market conditions. The Fund can invest in securities that are rated by CRISIL, ICRA and other independent credit rating agencies.
• Investment in overseas securities shall be made in accordance with the requirements stipulated by SEBI and RBI from time to time.</td><td>• Commercial Paper (CPs);
• Securitised Debt;
• The non-convertible part of convertible securities;
• Any other domestic fixed income securities including Structured Obligations;
• Pass through, Pay through or other Participation Certificates representing interest in a pool of assets including receivables;
• Units issued by REITS/InVITs
• Equity Exchange Traded Funds
• Any other like instruments as may be permitted by RBI/SEBI/ such other regulatory authority from time to time.
The securities mentioned above and such other securities, the Scheme is permitted to invest, could be listed, unlisted, IPO's, secondary market operations, privately placed, rights offers or negotiated deals, secured, unsecured, rated or unrated and of any maturity. However the sectors/stocks in the Scheme may undergo a change in line with market conditions. The Fund can invest in securities that are rated by CRISIL, ICRA and other independent credit rating agencies.
• Investment in overseas securities shall be made in accordance with the requirements stipulated by SEBI and RBI from time to time.</td></tr>
<tr><td>Creation of segregated portfolio</td><td>No Provision</td><td>In case of a credit event at issuer level and to deal with liquidity risk, the AMC may create a segregated portfolio of debt and money market instruments including unrated or money market instruments of an issuer that does not have outstanding rated debt or money market instruments, under the Scheme in compliance with the SEBI Circular No. SEBI/HO/IMD/DF2/CIR/P/2018/160 dated December 28, 2018, read with SEBI Circular No. SEBI/HO/IMD/DF2/CIR/P/2019/127 dated November 07, 2019 ("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 Pvt. 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 10 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 = 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).
<table>
<tr><th></th><th>Main Portfolio (Security of B, C & D)</th><th>Segregated Portfolio (Security A)</th></tr>
<tr><td>Net Assets</td><td>Rs. 30,00,000</td><td>Rs. 4,00,000</td></tr>
<tr><td>Number of Units</td><td>10,000</td><td>10,000</td></tr>
<tr><td>NAV per Unit</td><td>Rs. 30,00,000/10,000 = Rs. 300</td><td>Rs. 4,00,000/ 10,000= Rs. 40</td></tr>
</table>
With respect to Investors:
<table>
<tr><th></th><th>Particulars</th><th>Investor 1</th><th>Investor 2</th></tr>
<tr><td>A</td><td>Units held in Main portfolio (No. of Units)</td><td>7,000</td><td>3,000</td></tr>
<tr><td></td><td>NAV of Main Portfolio</td><td>Rs. 300 per Unit</td><td>Rs. 300 per Unit</td></tr>
<tr><td></td><td>Value of Holding in Main Portfolio (Rs.)</td><td>21,00,000</td><td>9,00,000</td></tr>
<tr><td>B</td><td>Units Held in Segregated Portfolio</td><td>7,000</td><td>3,000</td></tr>
<tr><td></td><td>NAV of Segregated Portfolio</td><td>Rs. 40 Per unit</td><td>Rs. 40 Per unit</td></tr>
<tr><td></td><td>Value of Holding in Segregated Portfolio (Rs.)</td><td>2,80,000</td><td>1,20,000</td></tr>
<tr><td>C</td><td>Total Value of Holdings (A) + (B) (Rs.)</td><td>23,80,000</td><td>10,20,000</td></tr>
</table>
</td></tr>
</table>

To be continued

Particulars	Current Provisions	Proposed Provisions
		Value of the Portfolio would be as follows at different stages/ scenarios:

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.

Securities and Exchange Board of India (SEBI) vide its email dated February 21, 2022 has confirmed having taken note of the changes in the fundamental attributes of JM Core 11 Fund of JM Financial Mutual Fund.

All other features of the above Scheme remain unchanged. The above changes will be effective from April 1, 2022.

As per the SEBI Regulations, the above changes are construed as changes in the fundamental attributes of the Scheme. Hence, an exit option is being provided to the unitholders of the above mentioned Scheme, as per Regulation 18(15A) of SEBI (Mutual Funds) Regulations, 1996.

Accordingly, the unitholders in the above Scheme, who do not consent to the above proposal, are being provided with an exit option to redeem/switch out their units at the prevailing NAV without imposition of any exit load. The option to exit without payment of exit load will be valid from March 2, 2022 up to and including March 31, 2022 (up to 3.00 p.m.).

The option to exit is available to all unitholders in the above Scheme, except for those unitholders who have:

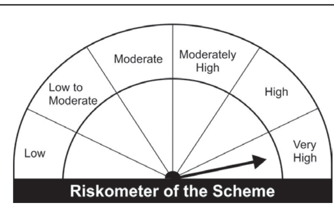
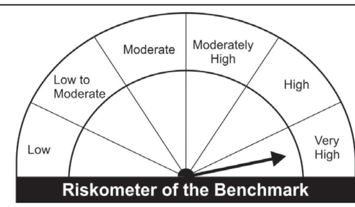
i) pledged their units, unless they procure a release of their pledges prior to March 31, 2022 and/ or

ii) whose units are marked under lien/ injunction in accordance with the instructions of any Court of law/ Income Tax Authority/ other Regulatory Authority.

Unit holders in the above Scheme as on February 24, 2022, have been informed by individual communication along with this notice – cum - addendum to the Scheme Information Document detailing the proposed changes to the Scheme. Unitholder in the above Scheme, after February 24, 2022, will also be kept informed of the details of the proposed changes in the said Scheme. Such of those unit holders who do not receive the communication latest by March 1, 2022, may contact the Registrar of JM Financial Mutual Fund, M/s. KFin Technologies Private Limited ("KFin"), Karvy Selenium Tower B, Plot No 31 & 32, 1st Floor, Gachibowli, Financial District, Nanakramguda, Serilingampally, Hyderabad – 500 032.

Redemption/switch out requests may be made by filling up the normal transaction slip and submitting the same to any of the Investor Service Centers of KFin or at any of the Investor Service Centers ("ISCs") of JM Financial Asset Management Limited on or before 3.00 p.m. on March 31, 2022. If a unitholder wishes to opt for the exit option set forth above, then he/she may redeem/switch out the units of the Scheme held by them at the applicable Net Asset Value without any exit load upto 3.00 p.m. on March 31, 2022. Redemption proceeds will be mailed/remitted within 10 business days of receipt of valid redemption request to the unitholders who exercise their exit option.

In case, a unitholder wishes to redeem/switch out of the respective Scheme, he/she is required to provide copy of the PAN, KYC completion status and FATCA/CRS declaration form along with the transaction slip, in case he/she has not provided the same to us earlier. In case, the PAN, KYC completion status and the FATCA/CRS declaration form is not provided along with the transaction slip, the redemption/switch request will be rejected.

This Product is suitable for investors who are seeking*	Scheme Risk-o-meter	Benchmark Risk-o-meter: S&P BSE 500 TRI
• Capital Appreciation over Long Term • Investment predominantly in a concentrated portfolio of Equity & Equity related securities. *Investors should consult their financial advisers if in doubt about whether the product is suitable for them.	 **Investors understand that their principal will be at very high risk**	 **Investors understand that their principal will be at very high risk**

Investment Objective of the Scheme: JM Core 11 Fund: The investment objective of the Scheme is to provide long term growth by investing predominantly in a concentrated portfolio of equity and equity related securities.

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

Place : Mumbai
Date : February 25, 2022

For further details, please contact : JM Financial Asset Management Limited (Formerly known as JM Financial Asset Management Private Ltd.),
Registered Office: 7th Floor, Cnergy, Appasaheb Marathe Marg, Prabhadevi, Mumbai - 400025. **Corporate Office**: Office B, 8th Floor, Cnergy, Appasaheb Marathe Marg, Prabhadevi, Mumbai-400025.
Corporate Identity Number: U65991MH1994PLC078879. • Tel. No.: (022) 6198 7777 • Fax No.: (022) 6198 7704. • E-mail: investor@jmfl.com • Website : www.jmfinancialmf.com

Mutual Fund investments are subject to market risks, read all scheme related documents carefully. **REF No. 41/2021-22**