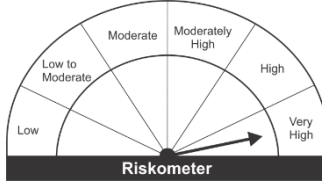
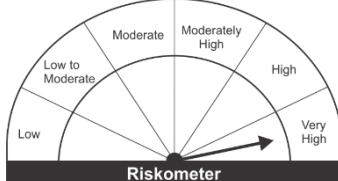


# SCHEME INFORMATION DOCUMENT (SID)

## JM Small Cap Fund

(An open ended equity scheme predominantly investing in small cap stocks)

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

This Product is suitable for investors who are seeking*	Riskometer of the Scheme#	Riskometer of the Benchmark# Nifty Smallcap 250 TRI
<ul style="list-style-type: none"> <li>Long term wealth creation</li> <li>An open ended equity scheme that aims for capital appreciation by investing predominantly in equity &amp; equity related securities of small cap stocks</li> </ul> <p><i>*Investors should consult their financial advisers if in doubt about whether the product is suitable for them.</i></p>	 <p><b>Investors understand that their principal will be at Very High Risk</b></p>	 <p><b>Benchmark riskometer is at Very High Risk</b></p>

#The product labelling assigned during the New Fund Offer is based on internal assessment of the Scheme Characteristics or model portfolio and the same may vary post NFO when actual investments are made.

New Fund Offer Opens	New Fund Offer Closes	Scheme re-opens for continuous sale & repurchase not later than
May 27, 2024	June 10, 2024	June 25, 2024

<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 <a href="http://www.JMFinancialmf.com">www.JMFinancialmf.com</a></p> <p><b>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 InvestorService Centre or log on to our website.</b></p> <p><b>The Scheme Information Document should be read in conjunction with the SAI and not in isolation.</b></p> <p>This Scheme Information Document is dated April 22, 2024</p>	<p><b>NAME OF MUTUAL FUND:</b> JM Financial Mutual Fund</p> <p><b>NAME OF ASSET MANAGEMENT COMPANY("AMC"):</b> JM Financial Asset Management Limited</p> <p><b>Corporate Identity Number:</b> U65991MH1994PLC078879</p> <p><b>NAME OF TRUSTEE COMPANY:</b> JM Financial Trustee Company Private Limited</p> <p><b>Corporate Identity Number:</b> U65991MH1994PTC078880</p> <p><b>ADDRESS AND WEBSITE OF THE AMC/ MF:</b> <b>Corporate Office of the AMC</b> Office B, 8th Floor, Energy, Appasaheb Marathe Marg, Prabhadevi, Mumbai - 400025. Tel. No. 022-6198 7777. Fax Nos. 022-6198 7704 <b>Web site:</b> <a href="http://www.JMFinancialmf.com">http://www.JMFinancialmf.com</a> <b>Email:</b> <a href="mailto:investor@jmfl.com">investor@jmfl.com</a></p> <p><b>Scheme Code</b> JMFI/O/E/SCF/23/11/0016</p>
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**HIGHLIGHTS/SUMMARY OF THE SCHEME**

<b>Name of the Scheme</b>	JM Small Cap Fund
<b>Scheme code allocated by NSDL</b>	JMFI/O/E/SCF/23/11/0016
<b>Type of Scheme</b>	An open ended equity scheme predominantly investing in small cap stocks.
<b>Category of the Scheme</b>	Small Cap Fund
<b>Investment Objective</b>	The primary objective of the Scheme is to generate long-term capital appreciation by investing predominantly in equity and equity related securities of small cap companies, as defined by SEBI. However, there is no assurance that the investment objective of the Scheme will be achieved. The Scheme does not guarantee/indicate any returns.
<b>Liquidity</b>	Being an open-ended scheme, the Mutual Fund shall provide for purchase/switch-in/redemption/switch-out of units of the Scheme, not later than 5 business days from the date of allotment on an on-going basis. On reopening of the scheme the units may be purchased / switched in or redeemed / switched out on every business day at NAV based prices on an ongoing basis, subject to provisions of exit load, if any.
<b>Benchmark (Tier 1)</b>	Nifty Smallcap 250 TRI
<b>Transparency/NAV Disclosure</b>	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 (along with ISIN) as on the last day of the month/half year for the Scheme on the websites of the Fund and AMFI in a user friendly and downloadable spreadsheet format. Please refer to section 'Periodic Disclosures' hereunder for further details.
<b>Loads</b>	<b>Entry Load:</b> Not Applicable. <b>Exit Load:</b> In respect of each purchase/ switch-in of Units, an Exit Load of 1.00% is payable if Units are redeemed/ switched-out within 180 days from the date of allotment. No Exit Load is payable if Units are redeemed / switched-out after 180 days from the date of allotment. No Entry / Exit Load shall be levied on units allotted on Reinvestment of Income Distribution cum Capital Withdrawal Option. 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.
<b>Choice of Plans /Options</b>	The Scheme offers two plans: - JM Small Cap Fund - Regular Plan - JM Small Cap Fund - Direct Plan Each Plan offers two options viz., Income Distribution cum Capital Withdrawal & Growth (IDCW) Option*. The Income Distribution cum Capital Withdrawal option will offer investors the facilities of: (a) Payout of Income Distribution cum Capital Withdrawal Option/IDCW (Payout), (b) Reinvestment of Income Distribution cum Capital Withdrawal Option/IDCW (Reinvestment). The options under the Scheme will have a common portfolio. *Amounts under IDCW option can be distributed out of investors capital (equalization reserve), which is part of sale price that represents realized gains. However, investors are requested to note that amount of distribution under IDCW option is not guaranteed and subject to availability of distributable surplus. For complete details kindly refer the section 'New Fund Offer' in this table.
<b>Minimum Application Amount</b>	Rs. 5000/- per Plan/Option and in multiple of Rs. 1 thereafter Additional Investment Amount: Rs 1000/- and in multiples of Rs. 1 thereafter. However, there is no upper limit for investment. 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.
<b>Listing</b>	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.
<b>Income Distribution Cum Capital Withdrawal ("IDCW")</b>	Income Distribution Cum Capital Withdrawal shall be declared at the discretion of the Trustee subject to availability of distributable surplus as compiled in accordance with SEBI (Mutual Funds) Regulations, 1996. For further information on IDCW, kindly refer to the para on IDCW under the head "Ongoing Offer".

<b>Fund Managers</b>	Primary Fund Manager: Mr. Asit Bhandarkar, Secondary Fund Manager: Mr. Chaitanya Choksi and Debt Portion: Mr. Gurvinder Singh Wasan
<b>Tax benefits</b>	Tax benefits to the unitholders under Section 112 of the I.T. Act.
<b>Earnings of the fund</b>	Earnings of the fund are exempt from Income Tax under Section 10(23D) of the I.T. Act.
<b>Repatriation facility</b>	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.
<b>Option to hold units in dematerialized (demat) form</b>	<p>Pursuant to para 10.4.2 of SEBI Master Circular no. SEBI/HO/IMD/IMDPoD- 1/P/CIR/2023/74 dated May 19, 2023; the unit holders of the scheme shall be provided an option to hold units in demat form in addition to physical form. The following shall be applicable:</p> <ol style="list-style-type: none"> <li>1. The unit holder opting to hold units in demat form must provide their demat account details in the specified section of the application form. Such unit holder should have a beneficiary account with the depository participant (DP) (registered with NSDL / CDSL) and shall be required to indicate in the application form the name of the DP, DP ID Number and the beneficiary account number. The unit holder must mandatorily provide latest client investor master or demat account statement along with the application form.</li> <li>2. Units held in demat form are transferable (except for Equity Linked Savings Scheme) in accordance with the provisions of SEBI (Depositories and Participants) Regulations, 1996 as may be amended from time to time. Transfer can be made only in favor of transferees who are capable of holding units and having a valid demat account.</li> <li>3. In case, the unit holder desires to hold the units in a demat/rematerialized form at a later date, the request for conversion of units held in non-demat form into Demat (electronic) form or vice-a-versa should be submitted along with a demat/remat request form to the DP directly and not to the AMC or the Registrar and Transfer Agent (RTA) of the Fund. The AMC shall then issue units in the desired form within two working days of the receipt of valid documents from the respective DP. The credit of the converted units shall be reflected in the transaction statement provided by the DP to its client. Similarly, request for redemption or any other non-financial request shall be submitted directly to the DP and not to the AMC/ RTA of the Fund.</li> <li>4. For the units held in demat form investors will receive an account statement from their respective DPs not from AMC / RTA of the Fund.</li> <li>5. Units will be credited in the demat account only based on fund realization.</li> <li>6. The facility of availing the units in demat / remat form is available subject to such processes, operating guidelines and terms &amp; conditions as may be prescribed by the DPs and the depositories from time to time.</li> <li>7. Presently, the option to hold units in demat form shall not be available for systematic transactions like Systematic Transfer Plan (STP), Systematic Withdrawal Plan (SWP) etc. Such investors shall be mandatorily allotted units in physical form.</li> <li>8. As per para 14.4.2 of SEBI Master Circular dated May 19, 2023 an option to hold units in demat form shall be available for SIP transactions. 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 e.g. units will be credited to investors demat account every Monday (or immediate next business day in case Monday happens to be a non business day) for realization status received in last week from Monday to Friday. If an investor has opted to hold units in demat form for SIP transactions, he will be able to redeem / transfer only those units which are credited to his demat account till the date of submission of redemption / transfer request. Accordingly, redemption / transfer request shall be liable to be rejected in case of non-availability of sufficient units in the investor's demat account as on date of submission of redemption / transfer request.</li> <li>9. Switch transactions will not be permitted for Demat cases till the same is converted into physical form.</li> </ol>
<b>Applications Supported By Blocked Amount (ASBA)</b>	<p>Investors also have an option to subscribe to units during the New Fund Offer period under the Applications Supported by Blocked Amount (ASBA) facility, which would entail blocking of funds in the investor's Bank account, rather than transfer of funds, on the basis of an authorization given to this effect at the time of submitting the ASBA application form. The AMC shall allot Units within 5 business days from the date of closure of the NFO period. Units will be allotted in multiples of 1 unit.</p> <p>For complete details on ASBA process refer Statement of Additional Information (SAI) made available on our website <a href="http://www.jmfinancialmf.com">www.jmfinancialmf.com</a></p>
<b>Transaction Charges</b>	<p>Pursuant to para no. 10.5 of SEBI Master Circular, the AMC shall deduct the Transaction Charges on purchase / subscription of Rs.10,000 and above received from first time mutual fund investors and investor other than first time mutual fund investors through the distributor/agent (who have opted-in to receive the transaction charges on basis of type of product) as under:</p> <p><b>First Time Mutual Fund Investor (across Mutual Funds):</b> Transaction charge of Rs.150/-for subscription of Rs. 10,000/-and above will be deducted from the subscription amount and paid to the distributor / agent of the first time investor. The balance of the subscription amount shall be invested and accordingly units allotted.</p> <p><b>Investor other than First Time Mutual Fund Investor:</b> Transaction charge of Rs.100/-per subscription of Rs.10,000/-and above will be deducted from the subscription amount and paid to the distributor/ agent of the investor. The balance of the subscription amount shall be invested and accordingly units allotted.</p> <p><b>Transaction charges shall not be deducted/applicable for:</b></p>

	<ul style="list-style-type: none"><li>-Purchases /subscriptions for an amount less than Rs.10,000/-;</li><li>-Transaction other than purchases / subscriptions relating to new inflows such as Switches, etc. or</li><li>-Transactions carried out through the Stock Exchange Platforms for Mutual Funds</li></ul> For further details on transaction charges refer to the section IV-C -'Load and Transaction Charges'.
<b>New Fund Offer Price</b> This is the price per unit that the investors have to pay to invest during the NFO.	The face value of each unit of the Scheme will be Rs.10/- per unit.

## I. INTRODUCTION

### ● RISK FACTORS

#### Standard Risk Factors

- 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 invest fluctuates, the value of your investment in the Scheme may go up or down. In addition to the factors that affect the value of individual investments in the Scheme, the NAV of the Scheme can be expected to fluctuate with movements in the broader equity and bond markets and may be influenced by factors affecting capital and money markets in general, such as, but not limited to, changes in interest rates, currency exchange rates, changes in Governmental policies, taxation, political, economic or other developments and increased volatility in the stock and bond markets.
- Past performance of the Sponsor/AMC/Mutual Fund does not guarantee future performance of the Scheme.
- The name of the Scheme does not in any manner indicate either the quality of the Scheme or its future prospects and returns.
- The Sponsor is not responsible or liable for any loss resulting from the operation of the scheme beyond the initial contribution of 1 Lac made by it towards setting up the Fund.
- The present Scheme is not a guaranteed or assured return Scheme.

### ● GENERAL RISK FACTORS

- Trading volumes, settlement periods and transfer procedures may restrict the liquidity of the investments made by the Scheme. Different segments of the Indian financial markets have different settlement periods and such periods may be extended significantly by unforeseen circumstances leading to delays in receipt of proceeds from sale of securities. The NAV of the Units of the Scheme can go up or down because of various factors that affect the capital markets in general.
- 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 restructuring of the Scheme. In view of the above, the Trustee has the right, in its sole discretion, to limit redemptions (including suspending redemptions) under certain circumstances.
- At times, due to the forces and factors affecting the capital market, the Scheme may not be able to invest in securities falling within its investment objective resulting in holding the monies collected by it in cash or cash equivalent or invest the same in other permissible securities / investments amounting to substantial reduction in the earning capability of the Scheme. The Scheme may retain certain investments in cash or cash equivalents for its day-to-day liquidity requirements.
- Securities, which are not quoted on the stock exchanges, are inherently illiquid in nature and carry a larger amount of liquidity risk, in comparison to securities that are listed on the exchanges or offer other exit options to the investor, including a put option. The AMC may choose to invest in unlisted securities that offer attractive returns. This may increase the risk of the portfolio.
- Investment strategy to be adopted by the Scheme may carry the risk of significant variance between the portfolio allocation of the Scheme and the Benchmark particularly over a short to medium term period.
- Performance of the Scheme may be affected by political, social, and economic developments, which may include changes in government policies, diplomatic conditions and taxation policies.

### ● SCHEME SPECIFIC RISK FACTORS:

#### a) Risk factors associated with investing in equities and equity related instruments

- Equity shares and equity related instruments are volatile and prone to price fluctuations on a daily basis. Investments in equity shares and equity related instruments involve a degree of risk and investors should not invest in the Scheme unless they can afford to take the risks.
- Securities, which are not quoted on the stock exchanges, are inherently illiquid in nature and carry a larger amount of liquidity risk, in comparison to securities that are listed on the exchanges. Investment in such securities may lead to increase in the scheme portfolio risk.
- While securities that are listed on the stock exchange carry lower liquidity risk, the ability to sell these investments is limited by the overall trading volume on the stock exchanges and may lead to the Scheme incurring losses till the security is finally sold.

#### b) Risk factors associated with investing in fixed income securities

- The Net Asset Value (NAV) of the Scheme, to the extent invested in Debt and Money Market instruments, will be affected by changes in the general level of interest rates. The NAV of the Scheme is expected to increase from a fall in interest rates while it would be adversely affected by an increase in the level of interest rates.
- Money market instruments, while fairly liquid, lack a well developed secondary market, which may restrict the selling ability of the Scheme and may lead to the Scheme incurring losses till the security is finally sold.
- Investments in money market instruments involve credit risk commensurate with short term rating of the issuers.
- Investment in Debt instruments are subject to varying degree of credit risk or default (i.e. the risk of an issuer's inability to meet interest or principal payments on its obligations) or any other issues, which may have their credit ratings downgraded. Changes in financial conditions of an issuer, changes in economic and political conditions in general, or changes in economic or and political conditions specific to an issuer, all of which are factors that may

have an adverse impact on an issuer's credit quality and security values. The Investment Manager will endeavour to manage credit risk through in-house credit analysis. This may increase the risk of the portfolio.

- The Investment Manager will endeavour to manage credit risk through in-house credit analysis.
- Government securities where a fixed return is offered run price-risk like any other fixed income security. Generally, when interest rates rise, prices of fixed income securities fall and when interest rates drop, the prices increase. The extent of fall or rise in the prices is a function of the existing coupon, days to maturity and the increase or decrease in the level of interest rates. The new level of interest rate is determined by the rates at which government raises new money and/or the price levels at which the market is already dealing in existing securities. The price-risk is not unique to Government Securities. It exists for all fixed income securities. However, Government Securities are unique in the sense that their credit risk generally remains zero. Therefore, their prices are influenced only by movement in interest rates in the financial system.
- Different types of fixed income securities in which the Scheme would invest as given in the Scheme Information Document carry different levels and types of risk. Accordingly, the Scheme risk may increase or decrease depending upon its investment pattern. e.g. corporate bonds carry a higher level of risk than Government securities. Further even among corporate bonds, AAA rated bonds are comparatively less risky than AA rated bonds.
- The AMC may, considering the overall level of risk of the portfolio, invest in lower rated / unrated securities offering higher yields as well as zero coupon securities that offer attractive yields. This may increase the absolute level of risk of the portfolio.
- As zero coupon securities do not provide periodic interest payments to the holder of the security, these securities are more sensitive to changes in interest rates and are subject to issuer default risk. Therefore, the interest rate risk of zero coupon securities is higher. The AMC may choose to invest in zero coupon securities that offer attractive yields. This may increase the risk of the portfolio. Zero coupon or deep discount bonds are debt obligations that do not entitle the holder to any periodic payment of interest prior to maturity or a specified date when the securities begin paying current interest and therefore, are generally issued and traded at a discount to their face values. The discount depends on the time remaining until maturity or the date when securities begin paying current interest. It also varies depending on the prevailing interest rates, liquidity of the security and the perceived credit risk of the Issuer. The market prices of zero coupon securities are generally more volatile than the market prices of securities that pay interest periodically.
- Scheme's performance may differ from the benchmark index to the extent of the investments held in the debt segment, as per the investment pattern indicated under normal circumstances.
- **Prepayment Risk:** Certain fixed income securities give an issuer the right to call back its securities before their maturity date, in periods of declining interest rates. The possibility of such prepayment may force the Scheme to reinvest the proceeds of such investments in securities offering lower yields, resulting in lower interest income for the Scheme.
- **Reinvestment Risk:** This risk refers to the interest rate levels at which cash flows received from the securities 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 may be lower than that originally assumed.
- **Settlement risk:** Different segments of Indian financial markets have different settlement periods and such periods may be extended significantly by unforeseen circumstances. Delays or other problems in settlement of transactions could result in temporary periods when the assets of the Scheme are uninvested and no return is earned thereon. The inability of the Scheme to make intended securities purchases, due to settlement problems, could cause the Scheme to miss certain investment opportunities. Similarly, the inability to sell securities held in the Scheme's portfolio, due to the absence of a well developed and liquid secondary market for debt securities, may result at times in potential losses to the Scheme in the event of a subsequent decline in the value of securities held in the Scheme's portfolio.
- The Scheme at times may receive large number of redemption requests, leading to an asset-liability mismatch and therefore, requiring the investment manager to make a distress sale of the securities leading to realignment of the portfolio and consequently resulting in investment in lower yield instruments.

#### c) Risk factors associated with investment in Tri-Party Repo:

The Fund is a member of securities segment and Triparty Repo trade settlement of the Clearing Corporation of India (CCIL). All transactions of the Fund in government securities and in Tri-party Repo trades are settled centrally through the infrastructure and settlement systems provided by CCIL; thus reducing the settlement and counterparty risks considerably for transactions in the said segments. The members are required to contribute an amount as communicated by CCIL from time to time to the default fund maintained by CCIL as a part of the default waterfall (a loss mitigating measure of CCIL in case of default by any member in settling transactions routed through CCIL).

As per the waterfall mechanism, after the defaulter's margins and the defaulter's contribution to the default fund have been appropriated, CCIL's contribution is used to meet the losses. Post utilization of CCIL's contribution if there is a residual loss, it is appropriated from the default fund contributions of the non-defaulting members. Thus the scheme is subject to risk of the initial margin and default fund contribution being invoked in the event of failure of any settlement obligations. In addition, the fund contribution is allowed to be used to meet the residual loss in case of default by the other clearing member (the defaulting member). CCIL shall maintain two separate Default Funds in respect of its Securities Segment, one with a view to meet losses arising out of any default by its members from outright and repo trades and the other for meeting losses arising out of any default by its members from Triparty Repo trades. The Fund is exposed to the extent of its contribution to the default fund of CCIL, in the event that the contribution of the Fund is called upon to absorb settlement/default losses of another member by CCIL, as a result the scheme may lose an amount equivalent to its contribution to the default fund.

#### d) Risk factors associated with investments in repo transactions in corporate debt:

The Scheme may be exposed to counter party risk in case of repo lending transactions in the event of the counterparty failing to honour the repurchase agreement. However, in repo transactions, the collateral may be sold, and a loss is realized only if the sale price is less than the repo amount. The risk is further mitigated through over-collateralization (the value of the collateral being more than the repo amount).

**e) Related To JM Small Cap Fund**

While small/micro/mid-cap stocks gives one an opportunity to go beyond the usual large blue chip stocks and present possible higher capital appreciation, it is important to note that small/micro/mid-cap stocks can be riskier and more volatile on a relative basis. Therefore, the risk levels of investing in small/micro/mid-cap stocks are more than investing in stocks of large well established companies. It should be noted that over a period of time, Micro, Small, Mid and Large cap stocks have demonstrated different levels of volatility and investment returns and it is important to note that generally, no one class consistently outperforms the others.

**f) Risk related to investing in debt / bonds / money market instruments / units of liquid / money market / debt mutual fund schemes:**

**i. 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.

**ii. 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.

**iii. 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.

**iv. 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.

**v. Rating Migration Risk:**

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

**vi. Basis Risk (Interest - rate movement):**

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

**vii. Pre-payment Risk:**

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

**viii. Spread Risk:**

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

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

**g) Some of the other risks of investing in debt and money market securities are :**

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

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

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

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



#### h) Risks Associated with investing IN Tri Party Repo Through CCIL (TREPS)

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

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

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

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

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

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

#### i) 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.

#### j) Risk relating to Derivatives

- i. The Scheme may use various derivative products as permitted by the Regulations. 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.
- ii. The AMC, on behalf of the Scheme may use various derivative products, from time to time, in an attempt to protect the value of the portfolio and enhance Unit holders' interest. Derivative products are specialized instruments that require investment techniques and risk analysis different from those associated with stocks and bonds. The use of a derivative requires an understanding not only of the underlying instrument but of the derivative itself. Other risks include, the risk of mispricing or improper valuation and the inability of derivatives to correlate perfectly with underlying assets, rates and indices.
- iii. 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.
  - **Credit Risk:** The credit risk in derivative transaction is the risk that the counter party will default on its obligations and is generally low, as there is no exchange of principal amounts in a derivative transaction.
  - **Market Risk:** Market movements may adversely affect the pricing and settlement derivatives.
  - **Illiquidity Risk:** This is the risk that a derivative cannot be sold or purchased quickly enough at a fair price, due to lack of liquidity in the market.

#### k) Risks associated with Securities Lending:

Securities Lending is lending of securities through an approved intermediary to a borrower under an agreement for a specified period with the condition that the borrower will return equivalent securities of the same type or class at the end of the specified period along with the corporate benefits accruing on the securities borrowed. The risks in lending portfolio securities, as with other extensions of credit, consist of the failure of another party, in this case the approved intermediary, to comply with the terms of agreement entered into between the lender of securities i.e. the Scheme and the approved intermediary. Such failure to comply can result in a 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 corporate benefits accruing to the lender from the securities deposited with the approved intermediary. The Mutual Fund may not be able to sell such lent securities, and this can lead to temporary illiquidity.

l) **Risks for writing covered call options for equity shares:**

- **Writing call options are highly specialized activities and entail higher than ordinary investment risks. In such investment strategy, the profits from call option writing are capped at the option premium, however the downside depends upon the increase in value of the underlying equity shares. Being a covered call, the downside risk is not unlimited, but limited to the extent of change in the price of underlying security held by the Fund.**
- **The Scheme may write covered call option only in case it has adequate number of underlying equity shares as per regulatory requirement. This would lead to setting aside a portion of investment in underlying equity shares. If covered call options are sold to the maximum extent allowed by regulatory authority, the scheme may not be able to sell the underlying equity shares immediately if the view changes to sell and exit the stock. The covered call options need to be unwound before the stock positions can be liquidated. This may lead to a loss of opportunity or can cause exit issues if the strike price at which the call option contracts have been written become illiquid. Hence, the scheme may not be able to sell the underlying equity shares, which can lead to temporary illiquidity of the underlying equity shares and result in loss of opportunity.**
- **The writing of covered call option would lead to loss of opportunity due to appreciation in value of the underlying equity shares. Hence, when the appreciation in equity share price is more than the option premium received the scheme would be at a loss.**
- **The total gross exposure related to option premium paid and received shall not exceed the regulatory limits of the net assets of the scheme.**

m) **Risk factors associated with Reits and Invits**

- **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 is a fluctuation in 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.
- **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 would be time when trading in the units could be 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 Income Distribution Cum Withdrawal pay-outs, etc. Consequently, the proceeds may get invested in assets providing lower returns.
- **Legal and Regulatory Risk:** The regulatory framework governing investments in securities/instruments of REITs and InvITs comprises a relatively new set of regulations and is therefore untested, interpretation and enforcement by regulators and courts involves uncertainties. Presently, it is difficult to forecast as to how any new laws, regulations or standards or future amendments will affect the issuers of REITs/InvITs and the sector as a whole. Furthermore, no assurance can be given that the regulatory system will not change in a way that will impair the ability of the Issuers to comply with the regulations, conduct the business, and compete effectively or make distributions.

n) **Risks associated with investing in securitised debt:**

The scheme may invest in domestic securitized debt such as asset backed securities (ABS) or mortgage backed securities (MBS). ABS means securitized debts wherein the underlying assets are receivables arising from personal loans, automobile loans, etc. MBS means securitized debts wherein the underlying assets are receivables arising from loans backed by mortgage of properties which can be residential or commercial in nature. ABS / MBS instruments reflect the undivided interest in the underlying of assets and do not represent the obligation of the issuer of ABS / MBS or the originator of the underlying receivables. The ABS / MBS holders have a limited recourse to the extent of credit enhancement provided. Securitised debt may suffer credit losses in the event of the delinquencies and credit losses in the underlying pool exceeding the credit enhancement provided. As compared to the normal corporate or sovereign debt, securitized debt is normally exposed to a higher level of reinvestment risk.

Pass through Certificate (PTC) (Pay through or other Participation Certificates) represents beneficial interest in an underlying pool of cash flows. These cash flows represent dues against single or multiple loans originated by the sellers of these loans. These loans are given by banks or financial institutions to corporates. PTCs may be backed, but not exclusively, by receivables of personal loans, car loans, two wheeler loans and other assets subject to applicable regulations.

How the risk profile of securitized debt fits into the risk appetite of the scheme

Securitised debt is a form of conversion of normally non-tradable loans to transferable securities. This is done by assigning the loans to a special purpose vehicle (a trust), which in turn issues Pass-Through-Certificates (PTCs). These PTCs are transferable securities with fixed income like characteristics. The risk of investing in securitized debt is similar to investing in debt securities. In addition, securitized debt may also carry

prepayment risk and has a relatively higher liquidity risk (the same are explained in the sections that follow). However, if the fund manager evaluates that the additional risks are suitably compensated by the higher returns, he may invest in securitized debt up to the limits specified in the asset allocation table. The investment shall be in securitized instruments that are top rated (AAA/ A1+) or its equivalent, by a recognised credit rating agency for the retail pool, and for single loan securitization, limits will be assigned as per the internal credit policy of the Fund.

**Policy relating to originators** The originator is the person who has initially given the loan. The originator is also usually responsible for servicing the loan (i.e. collecting the interest and principal payments). An analysis of the originator is especially important in case of retail loans as this affects the credit quality and servicing of the PTC. Originators may be : Banks, Non Banking Finance Companies etc. The fund manager's evaluation will be based on the track record of the originator, delinquencies in the pool and the seasoning of the pool. Other factors that will be considered are loan type, size of the loan, average original maturity of the pool, Loan to Value Ratio, geographical distribution, liquid facility, default rate distribution, credit enhancement facility and structure of the pool.

Risk associated with each kind of originator :

- (a) Prepayment risk : MBS and ABS are subject to prepayment risk. When the underlying loans are paid off by the borrower prior to their respective due dates, this is known as a prepayment. It could be triggered on account of various factors particularly in periods of declining interest rates. The possibility of such prepayment may require the scheme to reinvest the proceeds of such investments in securities offering lower yields, thereby
- (b) Interest rate risk : MBS carry interest rate risk. Home loan borrowers are provided the facility of refinancing their loans at the prevailing interest rates. A lowering of interest rates could induce a borrower to pay his loan off earlier than the scheduled tenure, whereas if the interest rates move upward, the borrower would tend to hold on to his loan for a longer period, thus increasing the maturity of the bond. The maturity of the bond could therefore shorten or lengthen, depending on the prevailing interest rates.
- (c) Credit risk / default risk : MBS and ABS also carry credit or default risk. MBS and structures carry built in credit enhancement in different forms. However, any delinquencies would result in reduction of the principal amount if the amount available in the credit enhancement facility is not enough to cover the shortfall. Historically, housing loans have had lower default rates than other forms of credit.
- (d) Price risk / liquidity risk : MBS and ABS are subject to prepayment risk. Limited volumes of trading in securitized paper in secondary market could restrict or affect the ability of the scheme to re-sell them. Thus these trades may take place at a discount, depending on the prevailing interest rates.

In case of securitization involving single loans or a small pool of loans, the credit risk of the underlying borrower is analyzed. In case of diversified pools of loans, the overall characteristic of the loans is analyzed to assess the credit risk. Securitization transactions may include some risk mitigants (to reduce credit risk). These may include interest subvention (difference in interest rates on the underlying loans and the PTC serving as margin against defaults), overcollateralization (issue of PTCs of lesser value than the underlying loans, thus even if some loans default, the PTC continues to remain protected), presence of an equity / subordinate tranche (issue of PTCs of differing seniority when it comes to repayment - the senior tranches get paid before the junior tranche) and / or guarantees.

Level of diversification with respect to the underlying assets and risk mitigation measures for less diversified investments: Currently, the following parameters are used while evaluating investment decision relating to a pool securitization transaction. These parameters may be revised the from time to time.

Characteristics/ Type Of Pool	Mortgage Loan	Commercial Vehicle and Construction Equipment	Car	Two Wheelers	Micro Finance Pools	Personal Loans	Single Sell Downs	Others
Approximate Average maturity (in Months)	Up to 10 Yrs	Up to 3 yrs	Up to 3 yrs	Up to 3 yrs	NA	NA		
Collateral margin (including cash, guarantees, excess interest spread, subordinate tranche)	>10%	>10%	>10%	>10%	NA	NA	Refer to Note a	Refer to Note b
Average Loan to Value Ratio	<90%	<80%	<80%	<80%	NA	NA		

Average seasoning of the Pool	>3 mths	>3 mths	>3 mths	>3 mths	NA	NA		
Maximum single exposure range	<1%	<1%	<1%	<1%	NA	NA		
Average single exposure range %	<1%	<1%	<1%	<1%	NA	NA		

#### Notes

- In case of securitization involving single loans or a small pool of loans, the credit risk of the borrower is analyzed. The investment limits applicable to the underlying borrower are applied to the single loan sell-down.
- Other investments will be decided on a case-to-case basis.

Minimum retention period of the debt by originator prior to securitization Issuance of securitized debt is governed by the Reserve Bank of India. RBI norms cover the "true sale" criteria including credit enhancement and liquidity enhancements. In addition, RBI has proposed minimum holding period of between nine and twelve months for assets before they can be securitized. The minimum holding period depends on the tenure of the securitization transaction. The Scheme will invest in securitized debt that is in compliance with the regulations.

Minimum retention percentage by originator of debts to be securitized RBI norms cover the "true sale" criteria including credit enhancement and liquidity enhancements, including maximum exposure by the originator in the PTCs. In addition, RBI has proposed minimum retention requirement of between five and ten percent of the book value of the loans by the originator. In the PTCs. In addition, RBI has proposed minimum retention requirement of between five and ten percent of the book value of the loans by the originator. The minimum retention requirement depends on the tenure and structure of the securitization transaction. The Scheme will invest in securitized debt that is in compliance with the regulations.

Mechanism to tackle conflict of interest when the mutual fund invests in securitised debt of an originator and the originator in turn invests makes investments in that particular scheme of the fund The key risk in securitized debt relates to the underlying borrowers and not the originator. In a securitization transaction, the originator is the seller of the debt(s) and the scheme is the buyer. However, the originator is also usually responsible for servicing the loan (i.e. collecting the interest and principal payments). As the originators may also invest in the scheme, the fund manager shall ensure that the investment decision is based on parameters as set by the Investment Committee (IC) of the AMC and IC shall review the same at regular interval.

The resources and mechanism of individual risk assessment with the AMC for monitoring investments in securitised debt The fund management team including the credit analyst has the experience to analyze securitized debt. In addition, credit research agencies provide analysis of individual instruments and pools. On an on-going basis (typically monthly) the servicer provides reports regarding the performance of the pool. These reports would form the base for ongoing evaluation where applicable. In addition, rating reports indicating rating changes would be monitored for changes in rating agency opinion of the credit risk

#### o) Risk factors associated with Segregated Portfolio

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

#### 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 analyzing 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

#### **C. REQUIREMENT OF MINIMUM INVESTORS/ INVESTMENT IN THE 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. SPECIAL CONSIDERATIONS, IF ANY**

- Prospective investors in this Scheme should educate themselves or seek professional advice on:
  - Legal requirements or restrictions relating to the acquisition, holding, disposal, or redemption of Units within their jurisdiction of nationality, residence, ordinary residence and domicile or under the laws of any jurisdiction to which they are subject; and
  - Treatment of capital gains, and other tax consequences relevant to their acquisition, holding or disposal, whether by way of sale or redemption of Units.
- I. Prospective investors should study this Scheme Information Document carefully in its entirety and consult their legal, tax and investment advisors to determine possible legal, tax, financial or other considerations of subscribing for, purchasing or holding Units before making a subscription for Units.
- II. Prospective investors should note that all financial investments carry inherent risks and no assurance or guarantee can be given that the objective of the Fund will be fully met. The NAV of the Units issued under this Scheme and the income from them can go up or down depending on the factors and forces affecting the capital markets, debt markets and money markets and the value of the underlying securities/ stocks within India/ abroad.
- III. Entities managed or sponsored by the associates of the Sponsors may either directly or indirectly invest in a substantial portion of the Scheme. If these entities decide to offer a substantial portion of such investment for repurchase, it may have an adverse impact on the NAV of Units.
- IV. Neither this Scheme Information Document nor the Units have been registered in any jurisdiction. The distribution of this Scheme Information Document in certain jurisdictions may be restricted or subject to registration requirements and, accordingly, persons who come into possession of this Scheme Information Document are required to keep themselves abreast of, and to observe, any such restrictions, as may be applicable. This Scheme Information Document does not constitute an offer or solicitation to any person within such jurisdiction. The Fund may compulsorily redeem any units held directly or beneficially in contraventions of these prohibitions. It is the responsibility of the person in possession of this Scheme Information Document and of the person wishing to apply for Units pursuant to this Scheme Information Document to be aware of and to observe, all applicable laws and Regulations of such relevant jurisdiction. Any changes in SEBI/RBI regulations and other applicable laws/regulations could have an effect on such investments and valuation thereof from time to time.
- V. No person has been authorized to issue any advertisement or to give any information or to make any representations other than that contained in this Scheme Information Document. Circulars in connection with this offering not authorized by JM Financial Mutual Fund and any information or representations not contained herein must not be relied upon as having been authorized by JM Financial Mutual Fund. Prospective investors should not construe the contents hereof as advice relating to legal, taxation or investment matters and are advised to consult their own professional advisors concerning the purchase, holding or disposal of Units under the Scheme.
- VI. Past performance of other Schemes of JM Financial Mutual Fund are not necessarily indicative of the future performance of the Scheme. The Sponsor is not responsible or liable for any loss resulting from the operation of the Scheme beyond the initial contribution made by it of an aggregate amount of Rupees One lac towards setting up of the Fund which has been invested in JM Large Cap Fund (earlier known as JM Equity Fund) and such other accretions and additions to the initial corpus made by the Sponsor.
- VII. The Trustee, AMC, Fund, their directors or their employees shall not be liable for any of the tax consequences that may arise, in the event that the Scheme is wound up for the reasons and in the manner provided in SAI.
- VIII. Redemption by the Unit holder either due to change in the fundamental attributes of the Scheme or due to any other reasons may entail tax

consequences. The Trustee, AMC, Fund, their directors or their employees shall not be liable for any such tax consequences that may arise.

- IX. Any dispute arising out of the Scheme shall be subject to the non-exclusive jurisdiction of the Courts in India. Statements in this SID are, except where otherwise stated, based on the law, practice currently in force in India and are subject to changes therein.
- X. Investors are advised to rely upon only such information and/or representations as contained in this SID. Any subscription or redemption made by any person on the basis of statements or representations which are not contained in this SID or which are inconsistent with the information contained herein shall be solely at the risk of the Investor. The Investor is required to confirm the credentials of the individual/firm he/she is entrusting his/her application form alongwith payment instructions for any transaction in the Scheme. The Fund/Trustee/ AMC shall not be responsible for any acts done by the intermediaries representing or purportedly representing such Investor.

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

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

- a. RTA, Banks and/or authorised external third parties who are involved in transaction processing, dispatching etc., of the Unitholder's investment in the Scheme;
- b. Distributor/s or sub-broker/s through whom the applications are received for the Scheme;
- c. Any other organizations for compliance with any legal or regulatory requirements or to verify the identity of the Unitholders for complying with anti-money laundering requirements.
- XI. If after due diligence the Trustee/AMC has reason to believe that any transaction is suspicious in nature as regards money laundering, the AMC shall report such transactions to competent authorities under PMLA and rules/guidelines issued thereunder by SEBI/RBI, furnish any such information in connection therewith to such authorities and take any other actions as may be required for the purposes of fulfilling its obligations under PMLA and rules/guidelines issued thereunder without obtaining prior approval of the Unitholder/any other person or information to the unitholder. In this connection the Trustee/ AMC reserves the right to reject any such application at its discretion.

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

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

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

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

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

- a. No fresh purchases (including Systematic Investment Plans and Systematic Transfer Plans)/ additional purchases/switches in any Schemes of the Fund would be allowed. However, existing Unit Holder(s) will be allowed to redeem their units from the Schemes of the Fund. If an existing Unit Holder(s) subsequently becomes a U.S. Person or Resident of Canada, then such Unit Holder(s) will not be able to purchase any additional Units in any of the Scheme of the Fund.
- b. For transaction on Stock Exchange platform, while transferring units from the broker account to investor account, if the investor has U.S./Canadian address then the transactions would be rejected.
- c. In case JM Financial Asset Management Ltd. (the "AMC")/JM Financial Mutual Fund subsequently identifies that the subscription amount is received from U.S. Person(s) or Resident(s) of Canada, the AMC/Fund at its discretion shall redeem all the units held by such person from the Scheme of the Fund at applicable Net Asset Value.

**XIII. Identification of Beneficial Ownership:**

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

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

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

**1. Applicability:**

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

1. Individuals

2. Company listed on a stock exchange

3. Majority owned subsidiary of the aforesaid company.

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

c. Proof of Identity of the Beneficial Owner such as Name/s, Address & PAN/Passport together with self attested copy\* are required to be submitted to the AMC/its Registrar.

(\*Original to be shown for verification and immediate return)

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

**2. Identification Process:**

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

**a) For investors other than Individuals or Trusts:**

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

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

a. More than 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 15% or more interest in the trust and any other natural person exercising ultimate effective control over the trust through a chain of control or ownership.

**c) For Foreign investors:**

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

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

**XV. Indicative yield/ portfolio**

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

**XVI. Creation of segregated portfolio:**

In case of a credit event at issuer level and to deal with liquidity risk, the AMC may create a segregated portfolio of debt and money market instruments including unrated or money market instruments of an issuer that does not have outstanding rated debt or money market instruments, under the Scheme in compliance with the Para-no 4.4 of SEBI Master 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 Fund scheme, the term 'main portfolio' shall mean the scheme portfolio excluding the segregated portfolio and the term 'total portfolio' shall mean the scheme portfolio including the securities affected by the credit event.

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

- a. Downgrade of a debt or money market instrument to 'below investment grade', or
- b. Subsequent downgrades of the said instruments from 'below investment grade', or
- c. Similar such downgrades of a loan rating.

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

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

Pursuant to para no 12.2 of SEBI Master Circular, the following provisions are prescribed with regard to Segregated Portfolio pertaining to debt instruments with special features:

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

On the said trigger date, the AMC may, at its option, create segregated portfolio in a mutual fund scheme subject to compliance with para no. 4.4 of SEBI Master Circular of 'Creation of segregation portfolio in mutual fund schemes' and any other relevant Regulations/Circulars/Guidelines issued in the future from time to time.

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

#### **Process for creation of segregated portfolio**

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

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

- a. seek approval from the Board of Directors of the Trustee, prior to creation of the segregated portfolio.
- b. immediately issue a press release disclosing its intention to segregate such debt and money market instrument and its impact on the investors of the Scheme. The AMC shall also disclose that the segregation shall be subject to Trustee approval. Additionally, the said press release shall be prominently disclosed on the website of the AMC.
- c. ensure that till the time the Trustee approval is received, which in no case shall exceed 1 (one) business day from the day of credit event, the subscription and redemption in the concerned Scheme shall be suspended for processing with respect to creation of units and payment on redemptions.

#### **Once the Trustee approval is received by the AMC:**

- i. The segregated portfolio shall be effective from the day of credit event.
- ii. The AMC shall issue a press release immediately with all relevant information pertaining to the segregated portfolio of the Scheme. The said information shall also be submitted to SEBI.
- iii. An e-mail or SMS shall be sent to all unit holders of the concerned Scheme.
- iv. The NAVs of both segregated and main portfolio shall be disclosed from the day of the credit event.
- v. All existing investors in the Scheme as on the day of the credit event shall be allotted equal number of units in the segregated portfolio as held in the main portfolio. The AMC shall work out with the R&T viz. KFin Technologies Ltd., the mechanics of unit creation to represent the holding of segregated portfolio and the same shall appear in the account statement of the unit holders.
- vi. No redemption and subscription shall be allowed in the segregated portfolio. However, in order to facilitate exit to unit holders in the segregated portfolio, the AMC shall enable listing of units of segregated portfolio on the recognized stock exchange within 10 working days of creation of segregated portfolio and also enable transfer of such units on receipt of transfer requests.

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

#### **Valuation and processing of subscriptions and redemptions:**

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

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

1. Upon receipt of Trustee approval to create a segregated portfolio -
  - Investors redeeming their units will get redemption proceeds based on the NAV of main portfolio and will continue to hold the units of segregated portfolio.



- Investors subscribing to the Scheme will be allotted units only in the main portfolio based on its NAV.
2. In case the Trustee does not approve the proposal of segregated portfolio, subscription and redemption applications will be processed based on the NAV of total portfolio.

**TER for the Segregated Portfolio:**

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

**Disclosures:**

- A statement of holding indicating the units held by the investors in the segregated portfolio along with the NAV of both segregated portfolio and main portfolio as on the day of the credit event shall be communicated to the investors within 5 working days of creation of the segregated portfolio.
- Adequate disclosure of the segregated portfolio shall appear in all scheme related documents, in monthly and half-yearly portfolio disclosures and in the annual report of the Fund and the Scheme.
- The Net Asset Value (NAV) of the segregated portfolio shall also be declared on daily basis along with the NAV of the main portfolio.
- The information regarding number of segregated portfolios created in the Scheme shall appear prominently under the name of the Scheme at all relevant places such as SID, KIM-cum- Application Form, advertisement, AMC and AMFI websites, etc.
- The performance of the Scheme required to be disclosed at various places shall include the impact of creation of segregated portfolio and shall clearly reflect the fall in NAV to the extent of the portfolio segregated due to the credit event and the said fall in NAV along with recovery(ies), if any, shall be disclosed as a footnote to the performance table. Such information in the scheme related documents and Scheme performance shall be carried out for a period of at least 3 years after the investments in segregated portfolio are fully recovered/ written-off.
- The investors of the segregated portfolio shall be duly informed of the recovery proceedings of the investments of the segregated portfolio. Status update may be provided to the investors at the time of recovery and also at the time of writing-off of the segregated securities.

**Monitoring by Trustee:**

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

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

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

**Example of Segregated Portfolio:**

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

**Key assumptions:**

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

Total Portfolio Value of Rs. 40 Lakhs (Each Security invested Rs. 10 Lakh). Current NAV:  $40,00,000/10,000 = \text{Rs. } 400$  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:**

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

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

Net Assets of the Portfolio Rs. 34,00,000 (Rs. 4,00,000 in Security A and Rs. 10,00,000 in Security B and Rs. 10,00,000 in Security C and Rs. 10,00,000 in Security D)	No. of Units 10,000	NAV per unit Rs. 34,00,000/ 10,000= Rs. 340
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	Investor 1	Investor 2
Units held in Original portfolio (No. of Units)	7,000	3,000
NAV of Original Portfolio	Rs. 340 Per Unit	Rs. 340 Per Unit
Value of Holding (Rs.)	23,80,000	10,20,000

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

Sr. No.	Stage /Scenario	Portfolio	Value
I	Before Credit Event	Security A	Rs. 10,00,000
		Security B	Rs. 10,00,000
		Security C	Rs. 10,00,000
		Security D	Rs. 10,00,000
		<b>Total Portfolio Value (Security A, B, C &amp; D)</b>	<b>Rs. 40,00,000</b>
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
		<b>Total Portfolio Value (Security A, B, C &amp; D)</b>	<b>Rs. 34,00,000</b>
III	On Credit Event if Portfolio is segregated	<b>Main Portfolio:</b>	
		Security B	Rs. 10,00,000
		Security C	Rs. 10,00,000
		Security D	Rs. 10,00,000
		<b>Segregated Portfolio:</b>	
		Security A	Rs. 4,00,000
		<b>Total Portfolio Value (Security A, B, C &amp; D)</b>	<b>Rs. 34,00,000</b>

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

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

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

## E. 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.

## F. DEFINITIONS -

- I. **Applicable NAV:** NAV of the Business Day on which the application is received for purchase/switch-in/for repurchase/switch-out at the JM ISC(s) subject to the cut off times and will be inclusive of load, wherever applicable (except in the case of the income/ debt oriented schemes).
- II. **AMC or Investment Manager:** JM Financial Asset Management Limited (the Investment Manager/Asset Management Company of the JM Financial Mutual Fund), a company incorporated and registered under the Companies Act, 1956 and includes its successors and assigns.
- III. **Business Day:** Business day is a day other than (a) Saturday and Sunday (b) a day on which banks or Reserve Bank of India in Mumbai are closed for business or clearing or when major banking transaction in Mumbai comes to halt due to any reason (c) a day on which the Bombay Stock Exchange and /or the National Stock Exchange are closed (d) a day which is a public and/or bank holiday at JM ISC where the application is received (e) a day on which sale and repurchase of units is suspended by the AMC (f) a day on which normal business could not be transacted due to storms, floods, bandh's, strikes, major system failure in Banks or Stock Exchange or AMC etc.  
  
(g) The AMC reserves the right to declare any day as Business Day or otherwise at any or all JM ISCs at any time/ day. (h) a day on which money markets are closed/not accessible for business; or (i) a day on which funds accompanying applications cannot be realized and / or are not available for utilisation for investments or investments cannot be liquidated and / or funds are not available for utilization for redemption / repurchase. All applications received on these non-business days will be processed on the next business day at Applicable NAV.
- IV. **Calendar Year:** A Calendar Year shall be full 12 English Calendar months viz. 12 months commencing from 1st January and ending on 31st December.
- V. **Credit Rating Agency:** means a body corporate which is engaged in, or proposes to be engaged in, the business of rating of securities offered by way of public or rights issue under the SEBI (Credit Rating Agencies) Regulations, 1999.
- VI. **Credit Risk:** Risk of default in payment of principal or interest or both.
- VII. **Creation Unit Size -** Creation Unit is a fixed number of Units of the Scheme, which can be Purchased from/ Redeemed directly with the Fund. For purchase: Minimum 2500 Units and in multiples of 1 (one) unit thereafter. For redemption: 2500 Units and in multiples of 1 Units thereafter The Creation Unit size may be changed by the AMC at their discretion and the notice of the same shall be published on AMC's website.
- VIII. **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.
- IX. **Day:** Any day (including Saturday, Sunday and holiday) as per English Calendar viz. 365 days in a year/ 366 days in a leap year.
- X. **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

- XI. **Depository:** A body corporate as defined in the Depositories Act, 1996 (22 of 1996).
- XII. **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.
- XIII. **Income Distribution Cum Capital Withdrawal:** Income Distribution Cum Capital Withdrawal and Income Distribution will be interchangeably used in this SID. In case of Funds, it is the income distributed by the Fund on the units under its various schemes (including FOF) registered within India or abroad. It also refers to Income Distribution Cum Capital Withdrawal received on investments in equity related securities.
- XIV. **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.
- XV. **FPI:** Foreign Portfolio Investors registered with SEBI under the Securities and Exchange Board of India (Foreign 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.
- XVI. **Financial Year:** A Financial Year shall be full 12 English Calendar months viz. 12 months commencing from 1st April and ending on 31st March.
- XVII. **Government Securities:** Securities created and issued by the Central Government or a State Government for the purposes of raising a public loan and having one of the forms specified in clause (2) of section 2 of the Public Debt Act, 1944.
- XVIII. **IDCW (Payout) Option** – Refers to the Income Distribution cum Capital Withdrawal Option – Payout Option
- XIX. **IDCW (Reinvestment) Option** – Refers to the Income Distribution cum Capital Withdrawal Option – Reinvestment Option
- XIX. **I.T. Act:** Income Tax Act, 1961 as amended from time to time.
- XX. **IMA:** Investment Management Agreement dated 1st September, 1994 between JM Financial Trustee Company Private Limited and JM Financial Asset Management Limited as amended from time to time.
- XXI. **Income Distribution:** Income Distribution Cum Capital Withdrawal and Income Distribution will be interchangeably used in this SID.
- XXII. **Investor:** Any resident (person resident in India under the Foreign Exchange Management Act and under the Income Tax Act, 1961 including amendments thereto) or non-resident person (a person who is not a resident of India) whether an individual or not (legal entity), who is eligible to subscribe for units under the laws of his/her/ their state/country of incorporation, establishment, citizenship, residence or domicile and under the Income Tax Act, 1961 including amendments thereto from time to time and who has made an application for subscribing for units under the scheme and may also include Qualified Foreign Investors (QFI) (subject to the restrictions mentioned elsewhere in this document). Under normal circumstances, a Unitholder shall be deemed to be the investor.
- XXIII. **JM Financial Mutual Fund or Fund:** JM Financial Mutual Fund, a mutual fund constituted as a Trust under the provisions of the Indian Trust Act, 1882, bearing SEBI Registration No. MF/015/94/8 dated 15th September 1994.
- XXIV. **JM ISC:** Investor Service Center(s) of JM Financial Mutual Fund/Registrar & Transfer Agent and authorized web portals / Exchange platforms approved by JM Financial Mutual Fund from time to time/AMC's own site (as and when started) are authorized to receive all types of transactions during NFO & Post NFO period as mentioned in the Scheme Information Document.
- The above mentioned collection center(s) will be treated as official points of acceptance for all financial transactions like subscription/redemption/switch etc. and the cut-off timing for various transactions as per the time stamping of the transactions shall be reckoned at these Official Points of Acceptance. However, Investor Service Centres located at Corporate Office of the AMC in Mumbai may act as the official point of acceptance for all financial transactions under all schemes.
- The AMC reserves the right to change the list of official points of acceptance of transactions from time to time. The list of the official points of acceptance of transactions has been put up on the web-site of the Fund for the information of the Investors.
- XXV. **KIM:** Key information Memorandum of the Scheme of JM Small Cap Fund issued by JM Financial Mutual Fund.
- XXVI. **Load:** A charge that may be levied as a percentage of NAV at the time of entry into the Scheme (since banned) or at the time of exiting from the Scheme.
- XXVII. **Money market instruments:** Money market instruments include Commercial papers, commercial bills, treasury bills, Government securities having an unexpired maturity upto one year, call or notice money, certificate of deposit, usance bill and any other like instruments as specified by the Reserve Bank of India from time to time.
- XXVIII. **Master Circular:** SEBI Master Circular No. SEBI /HO/IMD/ IMD-PoD-1/ P/ CIR / 2023/74 dated May 19, 2023.
- XXIX. **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.
- XXX. **NRI:** Non-Resident Indian.
- XXXI. **Permissible Investments or Investments:** Collective or group investments made on account of the Unitholders in accordance with the SEBI Regulations and amendments thereto.
- XXXII. **Portfolio:** The portfolio of the Scheme of JM Financial Mutual Fund would include all permissible investments and cash / cash equivalent.
- XXXIII. **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.
- XXXIV. **RBI:** Reserve Bank of India established under the Reserve Bank of India Act, 1934, as amended from time to time.
- XXXV. **Registrar or Transfer Agent:** M/s. KFin Technologies Limited (KFin), Hyderabad, currently acting as Registrar and Transfer Agent to the Scheme(s) and/or any other Registrar and Transfer Agent appointed by the AMC from time to time.
- XXXV. **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.
- XXXVI. **Repurchase /Redemption Price:** Price at which the Units can be bought back/ redeemed and will be calculated based on the applicable NAV.
- XXXVII. **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
- XXXVIII. **SAI:** Statement of Additional information for JM Financial Mutual Fund and its Schemes.
- XXXIX. **Sales /Subscription Price:** Price at which the Units can be purchased and will be calculated based on the applicable NAV.
- XL. **Scheme:** JM Small Cap Fund being offered by JM Financial Mutual Fund.
- XLI. **Scheme Information Document:** The document issued by JM Financial Mutual Fund, offering Units of JM Small Cap Fund.
- XLII. **SEBI or the Board:** The Securities and Exchange Board of India established under the Securities and Exchange Board of India Act, 1992.
- XLIII. **SEBI Act:** Securities and Exchange Board of India Act, 1992 as amended from time to time.
- XLIV. **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.
- XLV. **Securities:** Includes 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.
- XLVI. **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.
- XLVII. **Stock Exchange/Exchange:** BSE, NSE or any other recognized stock exchange in India, as may be approved by the Trustee.
- XLVIII. **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.
- XLIX. **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.
- L. **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.
- LI. **Trust Deed:** The registered Trust Deed dated 1st September, 1994 establishing the JM Financial Mutual Fund as amended from time to time.
- LII. **Trust Property:** Includes Permissible investments and cash / cash equivalent or any part thereof which may be converted or varied from time to time.
- LIII. **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.
- LIV. **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.

**G. 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.
- (v) there are no deviations from the SEBI (Mutual Funds) Regulations, 1996 or no subjective interpretations have been applied to the provisions of the regulations; and
- (vi) the contents of the Scheme Information Document including figures, data, yields, etc. have been checked and are factually correct.
- (vii) AMC has complied with the set of checklist applicable for Scheme Information Documents.

Place: Mumbai  
Date: April 22, 2024

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 equity scheme predominantly investing in small cap stocks.
- b. Investment Objective:** The primary objective of the Scheme is to generate long-term capital appreciation by investing predominantly in equity and equity related securities of small cap companies, as defined by SEBI. However, there is no assurance that the investment objective of the Scheme will be achieved. The Scheme does not guarantee/indicate any returns.
- Investors are required to read all the scheme related information set out in the offer document carefully and also note that there can be no assurance that the investment objectives of the scheme will be realized. The scheme does not guarantee/ indicate any returns.*

### B. HOW WILL THE SCHEME ALLOCATE ITS ASSETS?

#### ASSET ALLOCATION PATTERN

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

Type of instruments	Indicative Allocations (% of total assets)		Risk profile
	Minimum Allocation	Maximum Allocation	
Equity & Equity related instruments ^ of small cap companies\$	65	100	Very High
Equity and equity related instruments^ of other than small cap companies	0	35	Very High
Debt* & Money Market instruments^^	0	35	Low to Medium
Units issued by REITs and InvITs	0	10	Medium to High
Units of Mutual Fund Scheme	0	10	Medium to High

\$Small Cap companies are those companies which are classified as small cap companies by Securities and Exchange Board of India (SEBI) or Association of Mutual Funds in India (AMFI) in terms of market capitalisation. Small Cap Companies as defined by SEBI: 251st company onwards in terms of full market capitalization.

^^Money Market instruments includes commercial papers, commercial bills, treasury bills, Government securities having an unexpired maturity up to one year, call or notice money, certificate of deposit, usance bills, and any other like instruments as specified by the Reserve Bank of India from time to time and subject to regulatory approval.

\*Debt instruments may include securitised debt upto 20% of the debt portfolio of the scheme.

^The Scheme may invest upto 50% of equity assets in equity derivatives instruments as permitted under the SEBI (Mutual Funds) Regulations, 1996 from time to time. The Scheme may use equity derivatives for such purposes as maybe permitted under the SEBI (Mutual Funds) Regulations, 1996, including but not limited for the purpose of hedging and portfolio balancing, based on the opportunities available and subject to guidelines issued by SEBI from time to time. The scheme shall not invest in debt derivative instruments.

The Scheme may enter into repos/reverse repos as may be permitted by RBI other than repo in corporate debt securities. The Scheme does not intend to invest in repo in corporate debt securities. From time to time, the Scheme may hold cash. A part of the net assets may be invested in the Tri-party repo on Government Securities or treasury bills or repo or in an alternative investment as may be provided by RBI, subject to prior approval from SEBI, if any.

The Scheme may undertake Securities Lending transactions as per para 12.11.2.1 of SEBI Master Circular within following limits:

- i. Not more than 20% of the net assets can be deployed in Stock Lending
- ii. Not more than 5% of the net assets can be deployed in Stock Lending to any single intermediary.

The Scheme shall not engage in short selling. The Scheme will not participate in Credit Default Swaps (CDS) for Corporate Bonds. The Scheme will not invest in

- a. debt instruments with special features viz. subordination to equity (absorbs losses before equity capital) and /or convertible to equity upon trigger of a pre-specified event for loss absorption including Additional Tier I bonds and Tier 2 bonds issued under Basel III framework.
- b. debt instruments having Structured Obligations / Credit Enhancements.

The Scheme retains the valueability to invest across all the securities in the equity, debt, money markets instruments, units issued by REITs & InvITs and mutual fund units.

As per para 12.28.1.4 of SEBI Master Circular, the cumulative gross exposure through equity, debt, derivative positions, Real Estate Investment Trusts (REITs), Infrastructure Investment Trusts (InvITs), other permitted securities/assets and such other securities/assets as may be permitted by SEBI from time to time (subject to prior approval from SEBI, if any) will not exceed 100% of the net assets of the Scheme. However, with

reference to para no.12.25.3 of SEBI Master Circular cash or cash equivalents with residual maturity of less than 91 days may be treated as not creating any exposure.

Pursuant to para 12.25.3 of SEBI Master Circular and AMFI dated November 03, 2021, Cash or cash equivalents with residual maturity of less than 91 days may be treated as not creating any exposure. Cash Equivalent shall consist of the following securities having residual maturity of less than 91 days:

1. Government securities
2. T- Bills and
3. Repo on Government Securities

According to Para 4.5.2 of SEBI Master circular, pending deployment of funds of the Scheme in securities in terms of investment objective of the Scheme, the Mutual Fund may invest the funds of the Scheme in short term deposits of scheduled commercial banks subject to restrictions laid down under the SEBI Regulations from time to time.

It may be noted that AMC has to adhere to the asset allocation pattern indicated in the Scheme Information Document under normal circumstances.

Apart from the Investment Restrictions prescribed under the SEBI (MF) Regulations, there are internal risk parameters for limiting exposure in the interest of Unitholders. Such parameters are prescribed from time to time to respond to the dynamic market conditions and market opportunities.

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

#### **Portfolio Rebalancing in case of passive deviation from asset allocation:**

In accordance with para 2.9 of SEBI Master circular, as amended from time to time, the scheme shall rebalance the portfolio in case of any deviation to the asset allocation mentioned in the Scheme Information Document (SID) due to passive breaches. In the event of deviation from mandated asset allocation mentioned in the Scheme Information Document (SID) due to passive breaches (occurrence of instances not arising out of omission and commission of AMCs), the portfolio shall be rebalanced within a period of thirty (30) business days. In case the portfolio of scheme is not rebalanced within the above mandated timelines, justification in writing, including details of efforts taken to rebalance the portfolio shall be placed before Investment Committee. The Investment Committee, if so desires, can extend the timelines up to sixty (60) business days from the date of completion of mandated rebalancing period. In case the portfolio of scheme is not rebalanced within the aforementioned mandated plus extended timelines, AMCs shall:

- i. not be permitted to launch any new scheme till the time the portfolio is rebalanced.
- ii. not to levy exit load, if any, on the investors exiting such scheme(s).

#### **Portfolio rebalancing in case of deviation from asset allocation under Defensive consideration:**

The scheme shall ensure adherence to the above asset allocation under normal circumstances. However, due to market conditions, the AMC may invest beyond the range set out in the asset allocation. Such deviations shall normally be for a short term and defensive considerations as per para 1.14.1.2 (b) of SEBI Master circular and the fund manager will rebalance the portfolio within 30 calendar days from the date of deviation. However, at all times the AMC shall ensure that the portfolio would adhere to the overall investment objective 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 Debts Instruments** – Asset securitization is a process of transfer of risk whereby commercial or consumer receivables are pooled packaged and sold in the form of financial instruments. A typical process of asset securitisation involves sale of specific Receivables to a Special Purpose Vehicle (SPV) set up in the form of a trust or a company. The SPV in turn issues financial instruments to investors, which are rated by an independent credit rating agency. Bank, Corporates, Housing and Finance companies generally issue 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 Scheme shall invest in the following securities as per the limits specified in the asset allocation table of Scheme, subject to SEBI (MF) Regulations.

The Scheme may invest its funds in the following securities:

1. Equity and equity related securities are such instruments like Convertible bonds and debentures and warrants carrying the right to obtain equity shares and derivative instruments.
2. ADRs/ GDRs issued by Indian companies, subject to guidelines issued by RBI/ SEBI.
3. Money market instruments permitted by SEBI/RBI.
4. Open-ended Liquid Schemes registered with SEBI or schemes that invest predominantly in money market instruments / securities.
5. Commercial Paper (CP), Certificate of Deposits (CD), Treasury Bills, Bills Rediscounting, Tri-party Repo on government securities or T-bills / Reverse Repo (including repo in corporate bonds).
6. Corporate Bonds include all debt instruments issued by entities such as Banks, Public Sector Undertakings, Government Agencies and other Statutory Bodies, Municipal Corporations, body corporate, companies, trusts/ Special Purpose Vehicles etc and would exclude investments in Government Securities issued by Central and State Government.
7. Investment in Government securities issued by Central and/or State Government to the extent of SEBI prescribed limits. Such securities may be:
  - (i) Supported by the ability to borrow from the Treasury or
  - (ii) Supported by Sovereign guarantee or the State Government or
  - (iii) Supported by Government of India/ State Government in some other way
8. Securities issued by any government agencies, quasi-government or statutory bodies, Public Sector Undertakings, which may or may not be guaranteed or supported by the Central Government or any state government (including but not limited to coupon bearing bonds, zero coupon bonds and treasury bills).
9. Non-convertible securities as well as nonconvertible portion of convertible securities, such as debentures, coupon bearing bonds, zero coupon bonds, deep discount bonds, Mibor-linked or other floating rate instruments, premium notes and other debt securities or obligations of public sector undertakings, banks, financial institutions, corporations, companies and other bodies corporate as may be permitted by SEBI/ RBI from time to time.
10. Securitized debt, pass through obligations, various types of securitization issuances including but not limited to Asset Backed Securitization, Mortgage Backed Securitization, single loan securitization and other domestic securitization instruments, as may be permitted by SEBI/ RBI from time to time.
11. Derivatives like Stock/ Index Futures, Stock/ Index Options (Including covered calls), and such other derivative instruments permitted by RBI/ SEBI.
12. Deposits with banks and other bodies corporate as may be permitted by SEBI from time to time.
13. Any other debt and money market instruments that may be available from time to time.
14. The Fund may also enter into "Repo" hedging or such other transactions as may be allowed to Mutual Funds from time to time. Investments in Tri-Party Repo on Government Securities or T-bills would be as per the RBI circular dated July 24, 2018. Investments in Repo in corporate debt securities would be in line with para 12.18 of SEBI Master, and shall be made basis the policy approved by the JM Financial Asset Management Limited and JM Financial Trustee Private limited. The significant features are as follows:
  - i. As specified in the para 12.18 of SEBI Master Circular, the base of eligible securities for mutual funds to participate in repo in corporate debt securities is from AAA rated to AA and above rated corporate debt securities.
  - ii. Category of counterparty & Credit rating of counterparty: JM Financial Mutual Fund schemes shall enter in lending via Repo only with Investment Grade counterparties.
  - iii. The Gross exposure of the scheme to repo transactions in corporate debt securities shall not be more than 10% of the net asset of the scheme.

All investment restrictions stated above shall be applicable at the time of making an investment. Further, any new circular issued by RBI or SEBI on Repo would be applicable from time to time.

15. Mutual fund scheme shall not invest in unlisted debt instruments including commercial papers (CPs), other than (a) government securities, (b) other money market instruments and (c) derivative products such as Interest Rate Swaps (IRS), Interest Rate Futures (IRF), etc. which are used by mutual funds for hedging.
16. The Scheme shall not invest in "sensitive Commodities".
17. The schemes may also enter into repurchase and reverse repurchase obligations in all securities (including Repos in corporate bonds) held by them as per the guidelines and regulations applicable to such transactions.
18. Any other instruments / securities, which in the opinion of the fund manager would suit the investment objective of the scheme subject to compliance with extant Regulations.

The securities mentioned above could be listed, unlisted, publicly offered, privately placed, secured, unsecured, rated or unrated and of varying maturity. The securities may be acquired through public offerings (IPOs), secondary market operations, private placement, rights offers or negotiated deals.

#### **D. WHAT ARE THE INVESTMENT STRATEGIES?**

The objective of the Scheme is to provide long term capital appreciation by investing in a diversified portfolio of small-cap companies across sectors. Companies whose Market capitalization falls below the market capitalization of Top 250 companies are classified as small cap companies as per current SEBI classification norms. These norms are subject to change from time to time. The scheme aims to invest in companies that have the potential to become Midcap & Large Cap companies over a long term horizon. These companies are in the initial phase of growth & if able to successfully scale up their business could generate significant capital appreciation.

The Scheme will invest at least 65% in small cap companies. The Scheme may also seek participation in other equity and equity related securities to achieve optimal portfolio construction.

The Scheme will focus on bottom up approach to find stocks with high growth potential. The Scheme will consider the below criteria's for company selection:

- Companies with reasonable growth outlook & ability to scale the business over multi year period
- Strong Balance Sheet & Cash Flow
- Quality Management & good corporate governance practices
- Efficient Capital Allocation
- Reasonable Valuations

Subject to the Regulations and the applicable guidelines, the Scheme may, engage in Stock Lending activities.

#### **Risk control measures**

Investments made by the Scheme would be in accordance with the investment objective of the Scheme and the provisions of the SEBI (MF) Regulations. Since investing requires disciplined risk management, the AMC would incorporate adequate safeguards for controlling risks in the portfolio construction process. While allocating and choosing securities, the Investment Manager will aim to diversify by gaining broad exposure to different industries and companies in order to reduce risk.

#### **Risk Mitigation measures for investments in equity / equity related instruments**

- The Scheme aims to maintain a well-diversified equity portfolio comprising stocks across various sectors of the economy. This shall aid in managing concentration risk and sector specific risks.
- The Scheme will maintain a portfolio diversified across a large number companies. Exposure to individual companies would be in accordance with the risk management and regulatory limits. This diversified portfolio would aid in managing volatility and also improve liquidity of the portfolio.
- The will strive to mitigate risk through a judicious mix of Debt and Money Market Instruments and equity/ equity related instruments.

#### **Risk Mitigation measures for investments in debt instruments**

The investments in debt and Money Market instruments would be undertaken after assessing the associated credit risk, interest rate risk and liquidity risk. The AMC shall undertake credit evaluation of each investment opportunity and invest in rated papers of companies having a sound background, strong fundamentals and quality of management and financial strength. In addition, the Scheme would endeavor to invest in instruments with a relatively higher liquidity, and will seek to manage the duration of the debt assets on proactive basis to manage interest rate risk and to optimize returns.

The scheme may also use various derivatives and hedging products from time to time, as would be available and permitted by SEBI/RBI for the purpose of hedging and portfolio rebalancing.

The above risk control measures shall be implemented by the AMC on best effort basis however there can be no guarantee that such measures can completely mitigate the risks involved in Scheme.

#### **Portfolio turnover**

Portfolio turnover is defined as lesser of purchases and sales as a percentage of the average corpus of the Scheme during a specified period of

time. Portfolio turnover would depend upon the market conditions such as volatility of the market and inflows/outflows in the scheme. The Scheme is an open ended Scheme with subscriptions and redemptions expected on a daily basis. Hence, it will be difficult to estimate the portfolio turnover with any reasonable amount of accuracy.

### Trading In Derivatives

The Scheme intend to use derivatives for the purposes, which may be permitted by SEBI Mutual Fund Regulations from time to time, which will include hedging & portfolio balancing. Hedging does not mean maximisation of returns but only reduction of systematic or market risk inherent in the investment. SEBI has vide its Circular SEBI/MFD/CIR No.03/158/03 dated June 10, 2003, specified the guidelines pertaining to trading by Mutual Fund in Exchange Traded Derivatives. The following information provides a basic idea as to the nature of the derivative instruments proposed to be used by the scheme and the benefits and risks attached therewith.

### Equity Derivatives

The Scheme(s) may use various equity derivatives 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. Accordingly, the Scheme(s) may use derivative instruments like futures & options stock indices, future & options on individual securities or such other derivative instruments as may be introduced from time to time as permitted under the SEBI (Mutual Funds) Regulations, 1996. The following information provides a basic idea as to the nature of the derivative instruments proposed to be used by the Scheme(s) and the benefits and risks attached therewith. Please note that the examples have been given for illustration purposes only.

#### Index Futures

##### Benefits

Investment in stock index futures can give exposure to the index without directly buying the individual stocks. Appreciation in index stocks can be effectively captured through investment in Stock Index Futures. The Fund can sell futures to hedge against market movements effectively without actually selling the stocks it holds. The stock index futures are instruments designed to give exposure to the equity market indices. The Bombay Stock Exchange and the National Stock Exchange trade in index futures of 1, 2 and 3-month maturities. The pricing of an index future is the function of the underlying index and interest rates.

##### Illustration

Spot Index: 1790

1 month Nifty Future Price on day 1: 1800. Fund buys 100 lots. Each lot has a nominal value equivalent to 200 Units of the underlying index.

##### Situation 1:

Let us say that on the date of settlement, the future price = closing spot price = 1810

Profits for the Fund =  $(1810 - 1800) * 100 \text{ lots} * 200 = \text{Rs. } 200,000$

##### Situation 2

Let us say that on the date of settlement, the future price = Closing spot price = 1795

Loss for the Fund =  $(1795 - 1800) * 100 \text{ lots} * 200 = (\text{Rs. } 100,000)$

The net impact for the Fund will be in terms of the difference between the closing price of the index and cost price (ignoring margins for the sake of simplicity). Thus, it is clear from the example that the profit or loss for the Fund will be the difference of the closing price (which can be higher or lower than the purchase price) and the purchase price.

##### Risk:

- The risks associated with index futures are similar to the one with equity investments. Additional risks could be on account of illiquidity and hence mispricing of the future at the time of purchase.
- The strategy of taking a long position in index futures increases the exposure to the market. The long position is positively correlated with the market. However, there is no assurance that the stocks in the portfolio and the index behave in the same manner and thus this strategy may not provide gains perfectly aligned to the movement in the index.
- The long position will have as much loss / gain as in the underlying index. e.g. if the index appreciates by 10%, the index future value rises by 10%. However, this is true only for futures contracts held till maturity. In the event that a futures contract is closed out before its expiry, the quoted price of the futures contract may be different from the gain/ loss due to the movement of the underlying index. This is called the basis risk.
- While futures markets are typically more liquid than the underlying cash market, there can be no assurance that ready liquidity would exist at all points in time, for the Scheme to purchase or close out a specific futures contract.

#### Buying Options

##### Benefits of buying a call option

Buying a call option on a stock or index gives the owner the right, but not the obligation, to buy the underlying stock / index at the designated strike price. Here the downside risks are limited to the premium paid to purchase the option.

### *Illustration*

If the Fund buys a 1 month call option on Reliance at a strike price of Rs. 500, the current market price being say Rs.505. The Fund will have to pay a premium of say Rs. 25 to buy this call. If the stock price goes below Rs. 500 during the tenure of the call, the Fund avoids the loss it would have incurred had it straightaway bought the stock instead of the call option. The Fund gives up the premium of Rs. 25 that has to be paid in order to protect the Fund from this probable downside. If the stock goes above Rs. 500, it can exercise its right and own Reliance at a cost price of Rs. 500, thereby participating in the upside of the stock.

### *Risk:*

- The strategy of taking a long position in index call option increases the exposure to the market. The long position is positively correlated with the market. However, there is no assurance that the stocks in the portfolio and the index behave in the same manner and thus this strategy may not provide gains perfectly aligned to the movement in the index.
- The risk/downside, if the market falls/remains flat is only limited to the option premium paid.

While option markets are typically less liquid than the underlying cash market, hence there can be no assurance that ready liquidity would exist at all points in time, for the Scheme to purchase or close out a specific contract.

### *Benefits of buying a put option*

Buying a put option on a stock originally held by the buyer gives him / her right, but not the obligation, to sell the underlying stock at the designated strike price. Here the downside risks are limited to the premium paid to purchase the option.

### *Illustration*

If the Fund owns Reliance and also buys a three-month put option on Reliance at a strike of Rs.500, the current market price being say Rs. 505. The Fund will have to pay a premium of say Rs.35 to buy this put. If the stock price goes below Rs. 500 during the tenure of the put, the Fund can still exercise the put and sell the stock at Rs. 500, avoiding therefore any downside on the stock below Rs. 500. The Fund gives up the fixed premium of Rs. 35 that has to be paid in order to protect the Fund from this probable downside. If the stock goes above Rs. 500, say to Rs. 515, it will not exercise its option. The Fund will participate in the upside of the stock, since it can now sell the stock at the prevailing market price of Rs. 515.

### *Risk:*

- There can be no assurance that ready liquidity would exist at all points in time, for the scheme to purchase or close out a specific options contract.
- The hedging strategy using Put Options is a perfect hedge on the expiration date of the put option. On other days, there may be (temporary) imperfect correlation between the share price and the put option.

Some strategies that employ stock /index futures and their objectives

### Arbitrage strategies

The arbitrage strategies the fund may adopt could be as under. The list is not exhaustive and the fund could use similar strategies and any other strategies as available in the markets that are permitted by regulator.

**Index / Stock spot - Index / Stock Futures:** The pricing of the futures is derived from underlying Nifty spot or the underlying stock. It is the cost of carry that binds the value of the futures to the underlying portfolio. When the two go out of sync, there are opportunities. The cost of carry binds the futures price to the price of the underlying asset. The price of the futures at any given instance should typically be more than the level of Nifty at that point. Theoretically, the fair value of the futures is equal to the price of the underlying plus the cost of carry i.e. the interest rate prevailing for an equivalent credit risk, in this case is the Clearing Corporation of the Exchange. Cash and carry trades at times provide higher than the prevailing interest rates. There is an opportunity to exploit by selling the overpriced futures and buying the underlying portfolio. It may also happen that the Index / Stock Future may be at a discount. In such cases, the Scheme may buy the future and sell the stock after borrowing the same. The Scheme shall enter into a combination of the transactions simultaneously. If the Scheme has to unwind the positions prior to the expiry on account of redemptions or any other reason, the returns would depend on the spread between the spot and futures price at which the position is unwound. If the price differential between the spot and futures position of the subsequent month maturity is attractive near the expiry date, then the scheme may rollover the futures position and continue with the position in the spot market.

Rollover means unwinding the short position in the futures of the near month and simultaneously shorting the futures of the subsequent month. The Scheme shall endeavor to deploy its assets through transactions in the above pattern, which may involve Index Futures with Stock Futures or Futures of the same stock with different expiry months.

**Cash Future Arbitrage:** This strategy is employed when the price of the future is trading at a premium to the price of its underlying in spot market. The Scheme shall buy the stock in spot market and endeavour to simultaneously sell the future at a premium on a quantity neutral basis.

Buying the stock in spot market and selling the futures results into a hedge where the Scheme has locked in a spread and is not affected by the price movement of cash market and futures market. The arbitrage position can be continued till expiry of the future contracts. The future contracts are settled based on the last half an hour's weighted average trade of the spot Market. Thus there is a convergence between the spot price and the futures market on expiry. This convergence helps the Scheme to generate the arbitrage return locked in earlier.

On or before the date of expiry, if the price differential between the spot and futures position of the subsequent month maturity remains attractive, the scheme may rollover the futures position and hold onto the position in the spot market. In case such an opportunity is not available, the scheme would liquidate the spot position and settle the futures position.

Simultaneously. Rolling over of the futures transaction means unwinding the short position in the futures of the current month and simultaneously shorting futures of the subsequent month maturity, and holding onto the spot position.

#### **Corporate Action / Event Driven Strategies:**

- i. **Dividend Arbitrage:** At the time of declaration of dividend, the stock futures / options market can provide a profitable opportunity. Generally, the stock prices decline by the dividend amount when the stock becomes ex-dividend.
- ii. **Buy-Back/ Open offers Arbitrage:** Companies that are targets for buy-backs/ open offers, provide opportunities depending on the difference between the traded price and the buyback open offer price. The scheme will take a long position in a stock for which the buyback/open offer price is expected to be higher than the traded price. Depending on the probability of the open offer and acceptance of shares, the scheme may take a certain short position in the future of the same stock.
- iii. **Merger Arbitrage:** When the Company announces any merger, amalgamation, hive off, demerger, etc, there could be opportunities due to price differential in the cash and the derivative market.
- iv. **Delisting Arbitrage:** When a company intends to delist from the stock exchanges, it goes for a Reverse Book Building process and offers an exit price to all existing shareholders. The scheme can take a long position in a stock in case the traded price is below the expected exit price.

#### **Arbitrage**

1. **Selling spot and buying futures :** In case the Scheme holds the stock of a company "A" Rs. 100 while in the futures market it trades at a discount to the spot price say at Rs. 98, then the Scheme may sell the stock and buy the futures.

On the date of expiry of the stock future, the Scheme may reverse the transactions (i.e. buying at spot & selling futures) and earn a risk-free Rs. 2 (2% absolute) on its holdings without any dilution of the view of the fund manager on the underlying stock.

Further, the Scheme can still benefit from any movement of the price in the upward direction, i.e. if on the date of expiry of the futures, the stock trades at Rs. 110 which would be the price of the futures too, the Scheme will have a benefit of Rs 10 whereby the Scheme gets the 10% upside movement together with the 2% benefit on the arbitrage and thus getting a total return of 12%. The corresponding return in case of holding the stock would have been 10%.

Note: The same strategy can be replicated with a basket of Nifty 50 stocks (Synthetic Nifty) and the Nifty future index.

2. **Buying spot and Selling future :** Where the stock of a company "A" is trading in the spot market at Rs. 100 while it trades at Rs. 102 in the futures market, then the Scheme may buy the stock at spot and sell in the futures market thereby earning Rs. 2.

Buying the stock in cash market and selling the futures results into a hedge where the Scheme has locked in a spread and is not affected by the price movement of cash market and futures market. The arbitrage position can be continued till expiry of the future contracts when there is a convergence between the cash market and the futures market. This convergence enables the Scheme to generate the arbitrage return locked in earlier.

**Risk:** On the date of expiry, when the arbitrage is to be unwound, it is not necessary for the stock price and its future contract to coincide. There could be a discrepancy in their prices even a minute before the market closes. Thus, there is a possibility that the arbitrage strategy gets unwound at different prices.

**B. Buying/ Selling Stock future:** When the Scheme wants to initiate a long position in a stock whose spot price is at say, Rs.100 and futures is at 98, then the Scheme may just buy the futures contract instead of the spot thereby benefiting from a lower cost.

In case the Scheme has a bearish view on a stock which is trading in the spot market at Rs.98 and the futures market at say Rs. 100, the Scheme may subject to regulations, initiate a short position in the futures contract. In case the prices align with the view and the price depreciates to say Rs. 90, the Scheme can square up the short position thereby earning a profit of Rs.10 vis a vis a fall in stock price of Rs 8.

**Risk:** There is risk of not being able to correctly forecast future market trends or the value of assets, indices or other financial or economic factors in establishing derivative positions for the Scheme. 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. The risk of loss in trading futures contracts can be substantial, because of the low margin deposits required, the extremely high degree of leverage involved in futures pricing and the potential high volatility of the futures markets. Investments in index futures face the same risk as the investments in a portfolio of shares representing an index. The extent of loss is the same as in the underlying stocks.

**(c) Hedging:** The Scheme may use exchange-traded derivatives to hedge the equity portfolio. Both index and stock futures and options may be used to hedge the stocks in the portfolio.

**Risk:** This may involve a basis risk where the instrument used as a hedge does not match the movement in the instrument/underlying asset being hedged. The risk may be inter-related also e.g. interest rate movements can affect equity prices, which could influence specific issuer/industry assets.

**(d) Alpha Strategy:** The Scheme will seek to generate alpha by superior stock selection and removing market risks by selling appropriate index. For example, one can seek to generate positive alpha by buying a bank stock and selling Bank Nifty future.

**Risk:** Execution of these strategies depends upon the ability of the fund manager to identify and execute based on such opportunities. These involve significant uncertainties 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.

#### Writing Options

Benefits of writing an option with underlying stock holding (Covered call writing strategy). The covered call strategy can be followed by the Fund Manager in order to hedge risk thereby resulting in better risk adjusted returns of the Scheme. The strategy offers the following benefits:

- a) Hedge against market risk - Since the fund manager sells a call option on a stock already owned by the mutual fund scheme, the downside from fall in the stock price would be lower to the extent of the premium earned from the call option.
- b) Generating additional returns in the form of option premium in a range bound market. Thus, a covered call strategy involves gains for unit holders in case the strategy plays out in the right direction.

#### Illustration

Illustration - Covered Call strategy using stock call options:

Suppose a fund manager buys equity stock of XYZ Ltd. For Rs. 1000 and simultaneously sells a call option on the same stock at a strike price of Rs. 1100. The scheme earns a premium of say, Rs. 50. Here, the fund manager does not think that the stock price will exceed Rs. 1100. Scenario 1: Stock price exceeds Rs. 1100

The call option will get exercised and the fund manager will sell the stock to settle his obligation on the call at Rs.1100 (earning Rs. 100, a return of 10% on the stock purchase price). Also, the scheme has earned a premium of Rs. 50

Net Gain - Rs. 150 (100+50)

Scenario 2: Stock prices stays below Rs. 1100

The call option will not get exercised and will expire worthless. The premium earned on call option will generate alpha for the scheme.

Net Gain - Rs. 50

Writing of call option (under the covered call strategy) can be undertaken subject to the following conditions:

1. The Scheme may write call options only under a covered call strategy for constituent stocks of NIFTY 50 and BSE SENSEX.

2. The total notional value (taking into account strike price as well as premium value) of call options written by the Scheme shall not exceed 15% of the total market value of equity shares held in the Scheme. In case of any passive breaches, the Scheme shall have 7 trading days to rebalance the portfolio. During the rebalancing period, no additional call options can be written in the Scheme.
3. The total number of shares underlying the call options written shall not exceed 30% of the unencumbered shares of a particular company held in the Scheme. The unencumbered shares in a scheme shall mean shares that are not part of Securities Lending and Borrowing Mechanism (SLBM), margin or any other kind of encumbrances.
4. In no case, the Scheme shall write a call option without holding the underlying equity shares. A call option can be written only on shares which are not hedged using other derivative contracts.
5. The premium received shall be within the requirements prescribed in terms of para 12.25.8 of SEBI Master Circular the total gross exposure related to option premium paid and received must not exceed 20% of the net assets of the Scheme.
6. The call option written shall be marked to market daily and the respective gains or losses factored into the daily NAV of the respective scheme(s) until the position is closed or expired.

The securities mentioned above and such other securities that the scheme is permitted to invest in, could be listed / unlisted, privately placed, secured / unsecured, rated / unrated of any maturity. The securities may be acquired through Initial Public of market operations, private placements, rights offers (including renunciation) or negotiated deals.

## 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 equity scheme predominantly investing in small cap stocks.
  - (ii) **Investment Objective:** The primary objective of the Scheme is to generate long-term capital appreciation by investing predominantly in equity and equity related securities of small cap companies, as defined by SEBI. However, there can be no assurance that the investment objectives of the Scheme will be realized. The Scheme does not guarantee/indicate any returns.
  - (iii) **Investment pattern** – As set out under the head ‘HOW WILL THE SCHEME ALLOCATE ITS ASSETS’
  - (iv) **Terms of Issue**
- For Liquidity provisions such as listing, repurchase, redemption - Please refer the Section on ‘Ongoing Offer Details’
- (v) **Aggregate fees and expenses charged to the Scheme** – Kindly refer to Section IV under the head “Fees and expenses”.
  - (vi) **Any safety net or guarantee provided** - No guarantee has been provided.

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

In accordance with Regulation 18(15A) of the SEBI (MF) Regulations 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. written communication about the proposed change is sent to each unitholder and an advertisement is given in one English daily newspaper having nationwide circulation as well as in a newspaper published in the language of the region where the Head Office of the 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 at least 30 days.
- d. 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 Nifty Smallcap 250 TRI.

The composition of the aforesaid benchmark is such that it is most suited for comparing performance of the scheme.

Also, as required under Para 1.9 of SEBI Master circular No. SEBI/HO/IMD/IMD-PoD1/P/CIR/2023/74 dated May 19, 2023, the benchmark has been selected from amongst those notified by AMFI as the first-tier benchmark to be adopted by mutual funds and which are reflective of the category of the scheme.

Further, pursuant to SEBI circular on benchmark, association of mutual funds in india (amfi), in consultation with amfi valuation committee, has published the list of benchmark as 1st tier benchmarks for mutual fund schemes and the same is also made available on its website <https://www.amfiindia.com/research-information/other-data> and <https://www.amfiindia.com/importantupdates>

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. 6.14 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?

**Primary Fund Manager:** Mr. Asit Bhandarkar, **Secondary Fund Manager:** Mr. Chaitanya Choksi and **Debt Portion:** Mr. Gurvinder Singh Wasan

The details of the Fund Managers are as mentioned below:

Name & Designation	Qualification & Age	Brief Experience	Other Schemes Managed
Mr. Asit Bhandarkar - Senior Fund Manager - Equity	B.Com., MMS Age : 45 years	He has 20 years of experience in equity research and fund management. His last assignment was as Fund Manager with Lotus India Asset Management Company Pvt. Ltd. Prior to that, for more than 2 years, he was with SBI Funds Management Pvt. Ltd. As a Junior Fund Manager. He started his career on the broking side as an equity analyst and has worked with firms like Jet Age Securities and Sushil Finance Consultants for almost 2 years.	<b>Primary Fund Manager:</b> JM Arbitrage Fund; JM Equity Hybrid Fund; and JM Focused Fund <b>Secondary Fund Manager:</b> JM ELSS Tax Saver Fund; JM Value Fund; and JM Large Cap Fund
Mr. Chaitanya Choksi - Fund Manager – Equity	MMS(Finance), CFA Age: 46 Years	Mr. Chaitanya Choksi has around 23 years of work experience in the field of equity research and capital markets. Mr. Choksi is associated with JM Financial Asset Management Limited since 2008. Prior to joining the AMC, he has worked with Lotus India Asset Management Company Pvt. Ltd., Chanrai Finance Private Limited, IL &FS Investsmart and UTI Investment Advisory Services Ltd.	<b>Primary Fund Manager</b> JM ELSS Tax Saver Fund <b>Secondary Fund Manager:</b> JM Flexicap Fund JM Arbitrage Fund JM Focused Fund JM Midcap Fund; and JM Equity Hybrid Fund
Mr. Gurvinder Singh Wasan - Senior Fund Manager and Credit Analyst - Debt	M.Com, Chartered Accountant (CA) and CFA Charter Holder Age: 43 years	He has an experience of over 20 years in the fixed income markets. His previous assignments include working as a Fund manager and a credit analyst with a mutual fund and as a structured finance manager with a rating agency and a bank. He has worked with ICICI Bank, CRISIL, and Principal Asset Management company over this period.	<b>Primary Fund Manager:</b> JM Short Duration Fund JM Dynamic Bond Fun; JM Medium to Long Duration Fund JM Low Duration Fund JM Liquid Fund and JM Overnight Fund  <b>Debt portion of all the Equity Schemes of the Mutual Fund.</b>

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

Since this is a new Scheme the captioned data is not available.

## H. WHAT ARE THE INVESTMENT RESTRICTIONS?

The investment policies of the mutual fund comply with the rules, regulations and guidelines laid out in the SEBI Regulations. As per the Regulations, specifically the Seventh Schedule, the following investment limitations will be applicable to the Scheme.

- The scheme shall not invest more than 10 per cent of its NAV in the equity shares or equity related instruments of any company.
- The Mutual Fund under all its schemes should not own more than 10 per cent of any company's paid-up capital carrying voting rights. Provided that investment in an asset management company or the trustee company of a mutual fund shall be governed by clause (a) of sub-regulation (1) of regulation 7B of the Regulations.
- 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.
- A mutual fund scheme shall not invest more than
  - 10% of its NAV in debt and money market securities rated AAA; or
  - 8% of its NAV in debt and money market securities rated AA; or
  - 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 up to 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 MF Regulation. Provided that such limit shall not be applicable for investments in Government Securities, treasury bills and triparty repo on Government securities or treasury bills:

Provided further that investment within such limit can be made in mortgaged backed securitised debt which are rated not below investment grade by a credit rating agency registered with the SEBI. As per para 12.15.1 of SEBI Master Circular with respect to investment in securitized debt (mortgage backed securities / asset backed securities), restrictions at the originator level will not be applicable.

5. A mutual fund scheme shall not invest in unlisted debt instruments including commercial papers, except Government Securities and other money market instruments.
6. Provided that Mutual Fund Schemes 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 SEBI vide Para 12.1.1 of SEBI Master circular as amended from time to time. Provided further that for investments by mutual fund schemes in unrated debt instruments maybe made subject to such conditions as may be specified by SEBI vide para 12.1.5. SEBI Master circular as amended from time to time. 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 mutual fund schemes shall be subject to the following:
  - a. Investments should only be made in such instruments, including bills re-discounting, usance bills, etc., that are generally not rated and for which separate investment norms or limits are not provided in SEBI Regulations and various circulars issued thereunder.
  - b. Exposure of mutual fund schemes in such instruments, shall not exceed 5% of the net assets of the schemes.
  - c. All such investments shall be made with the prior approval of the Board of AMC and the Board of Trustees.
7. The Scheme will not invest in fixed income instruments having structured obligations / credit enhancements or debt instruments with special features viz. subordination to equity (absorbs losses before equity capital) and /or convertible to equity upon trigger of a prespecified event for loss absorption including Additional Tier I bonds and Tier 2 bonds issued under Basel III framework.
8. The Scheme shall not invest in unrated debt and money market instruments. For this purpose, unrated debt securities shall exclude instruments such as tri-party repo on government securities or treasury bills, Reverse Repo, short term deposit, treasury bills, government securities and such instruments to which rating is not applicable.
9. Transfer of investments from one scheme to another scheme in the same Mutual Fund, shall be allowed only if,-
  - i. such transfers are done at the prevailing market price for quoted instruments on spot basis. Explanation: "Spot basis" shall have the same meaning as specified by stock exchange for spot transactions.
  - ii. the securities so transferred shall be in conformity with the investment objective of the scheme to which such transfer has been made.

Further, provisions of para 12.30 of SEBI Master circular and such other guidelines, shall also be complied with for such transfers.

10. A scheme may invest in another scheme under the same AMC 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.
11. The Mutual Fund will buy and sell securities on the basis of deliveries and shall in all cases of purchase, take delivery of relevant securities and in all cases of sale, deliver the securities. Provided that a mutual fund may enter into derivatives transactions in a recognised stock exchange, subject to the framework specified by SEBI. Provided further that sale of government security already contracted for purchase shall be permitted in accordance with the guidelines issued by RBI in this regard.
12. The 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 a long term nature.
13. In terms of Para 12.16 of SEBI Master circular No. SEBI/HO/IMD/IMD-PoD-1/P/CIR/2023/74 dated May 19, 2023, pending deployment of funds of the Scheme in securities in terms of the investment objective of the Scheme, the Mutual Fund may invest the funds of the Scheme in short term deposits of scheduled commercial banks subject to restrictions laid down under the SEBI Regulations from time to time. The following provisions shall be complied with:
  - a) Short Term for parking of funds by Mutual Fund shall be treated as period not exceeding 91 days
  - b) Such short term deposits shall be held in the name of the concerned scheme.
  - c) No mutual fund scheme shall park more than 15% of the net assets in Short term deposit(s) of all the scheduled commercial banks put together. However, it may be raised to 20% with prior approval of the trustees. Also, parking of funds in short term deposits of associate and sponsor scheduled commercial banks together shall not exceed 20% of total deployment by the mutual fund in short term deposits.
  - d) No mutual fund scheme shall park more than 10% of the net assets in short term deposit(s), with any one scheduled commercial bank including its subsidiaries.

- e) Trustee/AMC shall ensure that no funds of a scheme may be parked in short term deposit of a bank which has invested in that scheme. Trustee/AMC shall also ensure that the bank in which a scheme has short term deposit do not invest in the said scheme until the scheme has short term deposit with such bank.
- f) AMC shall not charge any investment management and advisory fees for parking of funds in short term deposits of scheduled commercial banks.
14. A scheme shall not make any investments 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% of the net assets.
15. The Mutual Fund/AMC shall make investment out of the NFO proceeds only on or after the closure of the NFO period. However, in terms of Para 1.10.3 of SEBI Master circular SEBI/HO/IMD/IMD-PoD-1/P/CIR/2023/74 dated May 19, 2023, the Mutual Fund/AMC can however deploy the NFO proceeds in tri-party repo on government securities or treasury bills before the closure of NFO period. However, AMC shall not charge any investment management and advisory fees on funds deployed in tri-party repo on government securities or treasury bills during the NFO period. The appreciation received from investment in triparty repo on government securities or treasury bills shall be passed on to investors. Further, in case the minimum subscription amount is not garnered by the Scheme during the NFO period, the interest earned upon investment of NFO proceeds in tri-party repo on government securities or treasury bills shall be returned to investors, in proportion of their investments, along-with the refund of the subscription amount.
16. The scheme shall not make any investment in any fund of funds scheme.
17. The Scheme may invest in the units of REITs and InvITs subject to the following:
- No mutual fund under all its schemes shall own more than 10% of units issued by a single issuer of REIT and InvIT; and
  - A mutual fund scheme shall not invest -
    - more than 10% of its NAV in the units of REIT and InvIT; and
    - more than 5% of its NAV in the units of REIT and InvIT issued by a single issuer
- Provided that the limits mentioned in (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.
18. The Scheme will not participate in debt derivatives, Credit Default Swaps (CDS) for corporate bonds and repo in corporate debt securities.
19. Save as otherwise expressly provided under SEBI Regulations, the mutual fund shall not advance any loans for any purpose.
20. The mutual fund having an aggregate of securities, which are worth Rs.10 crore or more, as on the latest balance sheet date, shall subject to such instructions as may be issued from time to time by the Board, settle their transactions entered on or after January 15, 1998 only through dematerialised securities.
21. The mutual fund shall not borrow except to meet temporary liquidity needs of the mutual fund for the purpose of repurchase, redemption of units or payment of interest or distribution of amounts to the unit holders. Provided that the mutual fund shall not borrow more than 20% of the net asset of the scheme and the duration of such a borrowing shall not exceed a period of six months.
22. SEBI has permitted Mutual Funds to participate in derivatives trading subject to observance of guidelines issued by it in this behalf. Accordingly, Mutual Funds may use various derivative products from time to time, as would be available and permitted by SEBI. The Mutual Fund would comply with para no. 7.5 of SEBI Master Circular. The position limits for Mutual Funds and its schemes shall be under:
- Position limit for Mutual Funds in index options contracts:
    - The Mutual Fund position limit in all index options contracts on a particular underlying index shall be Rs. 500 crore or 15% of the total open interest of the market in index options, whichever is higher, per Stock Exchange.
    - This limit would be applicable on open positions in all options contracts on a particular underlying index.
  - Position limit for Mutual Funds in index futures contracts:
    - The Mutual Fund position limit in all index futures contracts on a particular underlying index shall be Rs.500 crore or 15% of the total open interest of the market in index futures, whichever is higher, per Stock Exchange.
    - This limit would be applicable on open positions in all futures contracts on a particular underlying index.

(iii) Additional position limit for hedging:

In addition to the position limits at point (i) and (ii) above, Mutual Funds may take exposure in equity index derivatives subject to the following limits:

- Short positions in index derivatives (short futures, short calls and long puts) shall not exceed (in notional value) the Mutual Fund's holding of stocks.
- Long positions in index derivatives (long futures, long calls and short puts) shall not exceed (in notional value) the Mutual Fund's holding of cash, government securities, T-Bills and similar instruments.

(iv) Position limit for Mutual Funds for stock based derivative contracts:

- The combined futures and options position limit shall be 20% of the applicable Market Wide Position Limit (MWPL)
- The MWPL and client level position limits however, would remain the same as prescribed.

(v) Position limit for each scheme of a Mutual Fund:

The scheme-wise position limit requirements shall be:

- For stock option and stock futures contracts, the gross open position across all derivative contracts on a particular underlying stock of a scheme of a mutual fund shall not exceed the higher of:
  - 1% of the free float market capitalization (in terms of number of shares). Or
  - 5% of the open interest in the derivative contracts on a particular underlying stock (in terms of number of contracts).
- This position limits shall be applicable on the combined position in all derivative contracts on an underlying stock at a Stock Exchange.
- For index based contracts, Mutual Funds shall disclose the total open interest held by its scheme or all schemes put together in a particular underlying index, if such open interest equals to or exceeds 15% of the open interest of all derivative contracts on that underlying index

23. Pursuant to para 12.24 and para 12.25 of SEBI Master Circular dated May 19, 2023 the following norms for investment in derivatives shall be applicable.

- The cumulative gross exposure through equity, debt and derivative positions should not exceed 100% of the net assets of the scheme.
- The scheme shall not write options or purchase instruments with embedded written options.
- The total exposure related to option premium paid must not exceed 20% of the net assets of the scheme.
- Cash or cash equivalents with residual maturity of less than 91 days may be treated as not creating any exposure.
- Exposure due to hedging positions may not be included in the above mentioned limits subject to the following:
  - i. Hedging positions are the derivative positions that reduce possible losses on an existing position in securities and till the existing position remains.
  - ii. Hedging positions cannot be taken for existing derivative positions. Exposure due to such positions shall have to be added and treated under limits mentioned in point 1 above.
  - iii. Any derivative instrument used to hedge has the same underlying security as the existing position being hedged.
  - iv. 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.
- 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 above.
- As per Para 12.25.5 and 12.25.6 of SEBI Master Circular dated May 19, 2023:
  - (a) The Scheme 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.
- Definition of Exposure in case of Derivative Positions:

Each position taken in derivatives shall have an associated exposure as defined under. Exposure is the maximum possible loss that may occur on a position. However, certain derivative positions may theoretically have unlimited possible loss. Exposure in derivative positions shall 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 scheme shall comply with the requirements stated in para 12.25.11 of SEBI Master Circular no. SEBI/HO/IMD/IMD-PoD-1/P/CIR/2023/74 dated May 19, 2023 as amended from time to time.

All investment restrictions shall be applicable at the time of making investment. Apart from the investment restrictions prescribed under the SEBI Regulations, internal risk parameters for limiting exposure to a particular scrip or sector may be prescribed from time to time to respond to the dynamic market conditions and market opportunities. The AMC / Trustee may alter the above investment restrictions from time to time to the extent that changes in the SEBI Regulations may allow and as deemed fit in the general interest of the unit holders.

#### I. HOW HAS THE SCHEME PERFORMED?

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

#### J. ADDITIONAL SCHEME RELATED DISCLOSURES

Scheme's portfolio holdings (top 10 holdings by issuer and fund allocation towards various sectors) – Not available

The Portfolio Turnover Ratio of the Scheme – Not available

*Since the captioned scheme is a newly launched scheme; the above details are not available.*

#### K. INVESTMENT BY THE AMC:

The AMC, Trustee, Sponsor, or their associates may invest in the Scheme during the 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. The AMC shall based on the risk value assigned to the scheme, in terms of para 17.4 of SEBI Master Circular No. SEBI/HO/IMD/IMD-PoD-1/P/CIR/2023/74 dated May 19, 2023, shall invest minimum amount as a percentage of assets under management ('AUM') as per provisions of para 6.9 and 6.10 of SEBI Master circular SEBI/HO/IMD/IMD-PoD-1/P/CIR/2023/74 dated May 19, 2023 as amended from time to time.

During the NFO, 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 as per the example mentioned below:

Allotment value (prior to AMC investment)	INR Crs	1,000
Riskometer / Risk value disclosed in the NFO SID	-	Very High
Minimum % of AuM to be invested	%	0.13%
<b>Amount to be invested by AMC</b>	<b>INR Crs.</b>	<b>1.3</b>
Final allotment value	INR Crs.	1001.3

#### L. Investment by the Designated Employees of AMC in the Scheme:

Pursuant to para 6.10 of SEBI Master circular SEBI/HO/IMD/IMD-PoD-1/P/CIR/2023/74 dated May 19, 2023 pertaining to 'Alignment of interest of Designated Employees of AMC's with the Unitholders of the Mutual Fund Schemes', investors are requested to note that a part of compensation of the Designated Employees of AMC, as defined by SEBI, shall be mandatorily invested in units of the schemes in which they have a role/oversight effective October 01, 2021. Further, investors are requested to note that such mandatory investment in units of the scheme shall be made on the day of payment of salary and in proportion to the AUM of the schemes in which such Designated Employee has a role/oversight. AMC shall ensure compliance with the provisions of the said circular and further, the disclosure of such investment shall be made at monthly aggregate level showing the total investment across all relevant employees in scheme on website of AMC ([www.jmfinancialmf.com](http://www.jmfinancialmf.com)). Further, in accordance with the said regulatory requirement, the minimum application amount and minimum redemption amount as specified for the scheme will not be applicable for investment made in scheme in compliance with the aforesaid guidelines.

**M. HOW IS THE SCHEME DIFFERENT FROM OTHER SCHEMES OF JM FINANCIAL MUTUAL FUND:**

The AMC currently does not have any scheme in the “Small Cap” category. Thus, the scheme viz., JM Small Cap Fund is clearly differentiated from other existing Equity/Hybrid schemes of JM Financial Mutual Fund.

<b>Features of the Scheme</b>	<b>JM Arbitrage Fund</b>	<b>JM Focused Fund</b>																															
<b>Type of the Scheme</b>	An open ended scheme investing arbitrage opportunities	An open-ended equity scheme investing in maximum of 30 stocks of large cap, mid cap and small cap companies																															
<b>Category of the Scheme</b>	Arbitrage Fund	Focused Fund																															
<b>Asset Allocation as per SID (in %)</b>	<b>Asset Allocation Pattern</b>																																
	<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 and Equity related instruments including Equity Derivatives including stock futures and stock options#</td> <td>65%-100%</td> <td colspan="2">Medium – High</td> </tr> <tr> <td>Money market instruments/Debt*/ Fixed Income Derivatives (including units of mutual fund schemes)</td> <td>0%-35%</td> <td colspan="2">Low - Medium</td> </tr> </tbody> </table> <p>#The notional value exposure in derivatives securities would be reckoned for the purposes of the specified limits. Including securitized debt upto a maximum of 30% of net assets of this scheme. Debt instruments will include Government securities, corporate debentures, bonds, promissory notes, money market instruments, pass-through obligations, asset backed securities / securitized debt and other possible similar instruments</p>	Types of Instruments	Indicative Allocations (%) of Net Assets	Risk Profile		Min	Max	Equity and Equity related instruments including Equity Derivatives including stock futures and stock options#	65%-100%	Medium – High		Money market instruments/Debt*/ Fixed Income Derivatives (including units of mutual fund schemes)	0%-35%	Low - Medium		<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>Equity and Equity related securities*</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> </tbody> </table> <p>*Subject to overall limit of 30 stocks.</p>	Types of Instruments	Indicative Allocations (%) of Net Assets		Risk Profile	Min	Max	Equity and Equity related securities*	65%	100%	Very High	Debt and Money market instruments	0	35%	Low to Medium	Units issued by REITs and INVITs	0	10%
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Units issued by REITs and INVITs	0	10%	Very High																														
<b>Investment Objective</b>	<p>The investment objective of the Scheme is to generate income through arbitrage opportunities emerging out of mispricing between the cash market and the derivatives market and through deployment of surplus cash in fixed income instruments.</p> <p>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 carefully</p>	<p>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.</p> <p>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 carefully.</p>																															
<b>Assets under Management as on</b>	118.56	88.96																															

<b>March 31, 2024 (in Crores)</b>		
<b>No. of folios as on March 31, 2024</b>	1137	7699
<b>Features of the Scheme</b>	<b>JM ELSS Tax Saver Fund</b>	<b>JM Aggressive Hybrid Fund</b>
<b>Type of the Scheme</b>	An open ended equity linked saving scheme with a statutory lock in of 3 years and tax benefit	An open ended hybrid scheme investing predominantly in equity and equity related instruments.

<b>Category of the Scheme</b>	<b>ELSS</b>	<b>Aggressive Hybrid Fund</b>																		
<b>Asset Allocation as per SID (in %)</b>	<p><b>Asset Allocation Pattern</b></p> <table border="1"> <thead> <tr> <th>Types of Instruments</th> <th>Indicative Allocations (%) of Net Assets</th> <th>Risk Profile</th> </tr> </thead> <tbody> <tr> <td>Equity and Equity related securities</td> <td>80%-100%</td> <td>Medium – High</td> </tr> <tr> <td>Money market instruments/ Debt</td> <td>65%-80%</td> <td>Low - Medium</td> </tr> </tbody> </table>	Types of Instruments	Indicative Allocations (%) of Net Assets	Risk Profile	Equity and Equity related securities	80%-100%	Medium – High	Money market instruments/ Debt	65%-80%	Low - Medium	<p><b>Asset Allocation Pattern</b></p> <table border="1"> <thead> <tr> <th>Types of Instruments</th> <th>Indicative Allocations (%) of Net Assets</th> <th>Risk Profile</th> </tr> </thead> <tbody> <tr> <td>Equity and Equity related instruments</td> <td>65% - 80%</td> <td>Medium to High</td> </tr> <tr> <td>Debt Securities (including Fixed income derivatives and securitized debt*) and money market instruments</td> <td>20% - 35%</td> <td>Low to Medium</td> </tr> </tbody> </table> <p>* Allocation in securitized debt will not exceed 10% of the net assets</p>	Types of Instruments	Indicative Allocations (%) of Net Assets	Risk Profile	Equity and Equity related instruments	65% - 80%	Medium to High	Debt Securities (including Fixed income derivatives and securitized debt*) and money market instruments	20% - 35%	Low to Medium
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<b>Investment Objective</b>	<p>The investment objective of the Scheme is to generate income through arbitrage opportunities emerging out of mispricing between the cash market and the derivatives market and through deployment of surplus cash in fixed income instruments.</p> <p>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 carefully.</p>	<p>The investment objective of the Scheme is to provide steady current income as well as long term growth of capital.</p> <p>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 carefully.</p>																		
<b>Assets under Management as on March 31, 2024 (in Crores)</b>	127.83	222.76																		
<b>No. of folios as on March 31, 2024</b>	19579	8240																		

Features of the Scheme	JM Value Fund	JM Large Cap Fund																					
<b>Type of the Scheme</b>	An open ended equity scheme following a value investment strategy.	An open ended equity scheme predominantly investing in large cap stocks																					
<b>Category of the Scheme</b>	Value Fund	Large Cap Fund																					
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<b>Investment Objective</b>	<p>JM Value Fund is an open-ended diversified equity scheme which aims to provide long term capital growth by investing primarily in a well-diversified portfolio of undervalued securities.</p> <p>However, there can be no assurance that the investment objectives of the Scheme will be realized. The Scheme does not guarantee/ indicate any returns. Investors are required to read all the scheme related information carefully</p>	<p>The investment objective of the scheme is to provide optimum capital growth and appreciation. 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 carefully.</p>																					
<b>Assets under Management as on March 31, 2024 (in Crores)</b>	580.51	118.71																					
<b>No. of folios as on March 31, 2024</b>	58026	11149																					

Features of the Scheme	JM Midcap Fund
<b>Type of the Scheme</b>	An open ended Equity Scheme predominantly investing in mid cap stocks
<b>Category of the Scheme</b>	Midcap Fund

<b>Asset Allocation as per SID (in %)</b>	<b>Asset Allocation Pattern</b>		
	Types of Instruments	Indicative Allocations (%) of Net Assets	Risk Profile
	Equity and Equity Related Instruments of Mid Cap companies**	65%-100%	High
	Equity and Equity Related Instruments other than above	0% - 35%	High
	Debt Securities and money market instruments (including TREPS)	0% - 35%	Low to Medium
	Units issued by REITs and InvITs	0% - 10%	Medium to High
	<p>** Investment universe of “Mid Cap”:</p> <ul style="list-style-type: none"> <li>• The investment universe of “Mid Cap” shall comprise companies as defined by SEBI from time to time.</li> <li>• In terms of para no 2.6 of SEBI Master Circular, the universe of “Mid Cap” shall consist of 101st to 250th company in terms of full market capitalization The Scheme may invest upto 5% of the total assets in the schemes of Mutual Funds in accordance with the applicable extant SEBI (Mutual Funds) Regulations as amended from time to time. The Scheme may invest upto 50% of its total assets in Derivatives.</li> </ul>		
<b>Investment Objective</b>	To provide long-term capital appreciation/income by investing predominantly in Mid-Cap companies. There is no assurance that the investment objective of the Scheme will be realized.		
<b>Assets under Management as on March 31, 2024 (in Crores)</b>	825.47		
<b>No. of folios as on March 31, 2024</b>	32837		

<b>Features of the Scheme</b>	<b>JM Flexicap Fund</b>		
<b>Type of the Scheme</b>	An open ended dynamic equity scheme investing across large cap, mid cap, small cap stocks.		
<b>Category of the Scheme</b>	Flexi Cap Fund		
<b>Asset Allocation as per SID (in %)</b>	<b>Asset Allocation Pattern</b>		
	Types of Instruments	Indicative Allocations (%) of Net Assets	Risk Profile
	Equity and Equity related securities	65%-100%	Medium to High
	Money market instruments/ Debt	0%-35%	Low to Medium
	*excluding foreign securitized debt.		
<b>Investment Objective</b>	JM Flexicap Fund is an open-ended diversified equity fund which aims to provide capital appreciation by investing primarily in equity and equity related securities of various market capitalisation.		



	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.
<b>Assets under Management as on March 31, 2024 (in Crores)</b>	1773.87
<b>No. of folios as on March 31, 2024</b>	97220

### III. UNITS AND OFFER

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

#### A. NEW FUND OFFER (NFO)

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

<b>New Fund Offer Period</b> This is the period during which a new scheme sells its units to the investors.	NFO opens on: May 27, 2024 NFO closes on: June 10, 2024 Scheme re-opens for continuous sale & repurchase not later than: June 25, 2024 or within 5 days from extended closure of the Scheme as applicable The AMC/Trustee reserves the right to close the NFO of the Scheme before the above mentioned date. The AMC/Trustee reserves the right to extend the closing date of the New Fund Offer Period, subject to the condition that the New Fund Offer shall not be kept open for more than 15 days. Any modification to the NFO period shall be announced by way of an addendum uploaded on the website of AMC i.e. <a href="http://www.JMFinancialmf.com">www.JMFinancialmf.com</a>
<b>New Fund Offer Price</b> This is the price per unit that the investors have to pay to invest during the NFO	The NFO price will be Rs. 10/- per unit.
<b>Minimum Application amount</b>	Rs. 5000/- per Plan/Option and in multiples of any amount thereafter.
<b>Minimum Additional Application Amount:</b>	Rs.1,000/- & any amount thereafter.
<b>Minimum Target amount</b> This is the minimum amount required to operate the scheme and if this is not collected during the NFO period, then all the investors would be refunded the amount invested without any return. However, if AMC fails to refund the amount within five Business days from the closure of NFO, interest as specified by SEBI (currently 15% p.a.) will be paid to the investors from the expiry of five Business days from the closure of NFO.	Rs. 10 Crores.
<b>Maximum amount to be raised (if any)</b> This is the maximum amount which can be collected during the NFO period, as decided by the AMC.	Not Applicable. The AMC reserves the right to specify maximum amount to be raised, at the time of New Fund Offer.
<b>Listing</b>	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.

<p><b>Plans/ Options offered</b></p>	<p>The Scheme offers two plans:</p> <ul style="list-style-type: none"> <li>- JM Small Cap Fund - Regular Plan</li> <li>- JM Small Cap Fund - Direct Plan</li> </ul> <p>Each Plan offers two options viz., Income Distribution cum Capital Withdrawal &amp; Growth (IDCW) Option*.</p> <p>The Income Distribution cum Capital Withdrawal option will offer investors the facilities of: (a) Payout of Income Distribution cum Capital Withdrawal Option/IDCW (Payout), (b) Reinvestment of Income Distribution cum Capital Withdrawal Option/IDCW (Reinvestment). The options under the Scheme will have a common portfolio.</p> <p>*Amounts under IDCW option can be distributed out of investors capital (equalization reserve), which is part of sale price that represents realized gains. However, investors are requested to note that amount of distribution under IDCW option is not guaranteed and subject to availability of distributable surplus.</p> <p>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 &amp; Employee Unique Identification Number (EUIIN) 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 EUIIN 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>Investors are requested to note that pursuant to AMFI best practices guidelines circular No.111 /2023-24 dated February 02, 2024, on 'Treatment of Transactions received with invalid ARNs'. Transactions received from Invalid ARN such ARN validity period expired, ARN cancelled /terminated, ARN suspended, ARN Holder deceased, Nomenclature change, as required pursuant to SEBI (Investment Advisers) Regulations, 2013, not complied by the MFD, MFD is debarred by SEBI, ARN not present in AMFI ARN database, ARN not empaneled with an AMC will be processed in the "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. 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><b>ADDITIONAL PLANS</b></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>
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<b>Default Option/ Sub-options</b>	<p>In case, an existing unit holder of the 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 mentioned elsewhere in this Document, if no clarification letter is provided by the investor by end of the day (EOD) on the transaction date.</p> <p>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 respective 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/Suboption 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>																																				
<b>Default Plan</b>	<p><b>Following Default Plan will be applied wherever there is a need for the same.</b></p> <p><b>In case of Direct Plan:</b></p> <p>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 Value Fund (Direct)". 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><b>Treatment of applications under "Direct"/"Regular" Plan:</b></p> <table border="1" data-bbox="564 1116 1506 1453"> <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
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<b>Income Distribution Cum Capital Withdrawal Policy</b>	Kindly refer to the para on Income Distribution Cum Capital Withdrawal under the head "Ongoing Offer"																																				

<b>Allotment</b>	<p>Full allotment will be made to all valid applications received during the NFO Period. Allotment of Units, shall be completed not later than 5 Business Days from the closure of the NFO Period.</p> <p>The AMC shall send each investor whose application has been accepted, by way of an email and/or an SMS to such investor's registered email address and/or mobile number, as the case may be, a confirmation specifying the number of Units allotted, within 5 Business Days from the date of closure of the initial subscription list. An account statement stating the number of Units purchased and allotted will also be sent through ordinary post or courier and/or electronic mail to each Unit Holder not later than Business 5 Days after closure of NFO.</p> <p>Further, the AMC shall issue to such investors, by way of mail/email, by the 15th of the immediately succeeding month, a CAS, containing details of the transaction mentioned above as well as details of all other transactions effected by such investors across schemes of all mutual funds during the preceding month, including their holdings at the end of the said month and details of transaction charges paid to distributors, as applicable. For more details on CAS, please refer 'Consolidated Account Statements (CAS)' under the 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. 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>
<b>Refund</b>	<p>In the event of failure to collect the minimum subscription amount of Rs. 10 crores in the Scheme, the Fund will be liable to refund the subscription amount to applicants. Also, refund of subscription money to applicants whose applications are invalid for any reason whatsoever will start immediately after the allotment process is completed.</p> <p>The Fund will complete all refunds within 5 Business Days from the date of closure of subscription list. If the amount is refunded by the Fund after 5 Business Days, interest as specified by SEBI (currently 15% per annum) will be paid by the AMC. Refund orders will be marked "A/c. Payee only" and drawn in the name of the applicant in the case of a sole applicant and in the name of the</p>

	<p>first applicant in all other cases. All refund cheques will be mailed by registered post or as per the applicable rules. Alternatively the Fund/ AMC may refund the applicable money through electronic mode e.g Direct Credit/RTGS/NEFT etc.</p>
<p><b>Policy on Unclaimed Redemption and Income Distribution Cum Capital Withdrawal Amount</b></p>	<p>Pursuant to para no 14.3 of SEBI Master Circular, the unclaimed redemption amount and Income Distribution Cum Capital Withdrawal amounts (the funds) may be deployed by the Fund in money market instruments and separate plan of Liquid Scheme / Money Market Mutual Fund scheme floated by Mutual Funds specifically for deployment of the unclaimed amounts only.</p> <p>Investors who claim the unclaimed amounts during a period of three years from the due date shall be paid initial unclaimed amount along-with the income earned on its deployment. Investors, who claim these amounts after 3 years, shall be paid initial unclaimed amount along-with the income earned on its deployment till the end of the third year. After the third year, the income earned on such unclaimed amounts shall be used for the purpose of investor education.</p> <p>JMF AMC will make a continuous effort to remind the investors through letters/ emails/ other modes to take their unclaimed amounts. The details of such unclaimed redemption/Income Distribution Cum Capital Withdrawal amounts are made available to investors upon them providing proper credentials, on the website of Fund and AMFI along with the information on the process of claiming the unclaimed amount and the necessary forms / documents required for the same. Further, the information on unclaimed amount along-with its prevailing value (based on income earned on deployment of such unclaimed amount), will be separately disclosed to investors through the periodic statement of accounts / Consolidated Account Statement sent to the investors. Further, the investment management fee charged by the AMC for managing the said unclaimed amounts shall not exceed 50 basis points.</p>
<p><b>Who can invest</b></p> <p>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.</p>	<ul style="list-style-type: none"> <li>• 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.</li> <li>• Resident adult individuals, either singly or jointly (not exceeding three).</li> <li>• Parents/Lawful Guardian on behalf of Minors.</li> <li>• Hindu Undivided Family (HUF), in the name of Karta.</li> <li>• 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.</li> <li>• 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).</li> <li>• Trustee of private trusts authorized to invest in mutual fund scheme under the Trust Deed.</li> <li>• Partnership Firms &amp; 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.</li> <li>• Proprietorship firm in the name of the proprietor.</li> <li>• Banks (including Co-operative Banks and Regional Rural Banks) and Financial Institutions and Investment Institutions.</li> <li>• 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.</li> <li>• Army/Air Force/Navy and other Para Military units and other eligible institutions.</li> <li>• Scientific and/or industrial research organisations.</li> <li>• International Multilateral Agencies approved by Government of India.</li> <li>• Non- Government Provident/Pension/Gratuity funds as and when permitted to invest.</li> <li>• Others who are permitted to invest in the Scheme as per their respective constitutions.</li> <li>• Mutual Funds/Alternative Investment Funds registered with SEBI.</li> <li>• Overseas Citizen of India (OCI) on repatriation basis or on non-repatriation basis.</li> </ul>

	<ul style="list-style-type: none"> <li>• Foreign Portfolio Investors (FPI) registered with SEBI on repatriation basis.</li> <li>• Multilateral Financial Institutions/Bilateral Development Corporation Agencies/Bodies Corporate incorporated outside India with the permission of Government of India/ Reserve Bank of India.</li> <li>• 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.</li> </ul> <p><b>Note:</b></p> <ol style="list-style-type: none"> <li>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.</li> <li>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.</li> <li>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.</li> <li>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.</li> <li>5. Investment in units of Mutual Funds in the name of minor through guardian will be in line with the SEBI Circular SEBI/HO/IMD/POD-II/CIR/P/2023/0069 dated May 12, 2023.</li> </ol>
<b>Who cannot invest</b>	<ol style="list-style-type: none"> <li>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.</li> <li>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.</li> <li>c. NRIs and PIOs who are resident of the United States of America and Canada.</li> <li>d. NRIs residing in Non-Compliant Countries and Territories ("NCCTs") as determined by the Financial Action Task Force ("FATF"), from time to time.</li> <li>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.</li> <li>f. Any other person determined by the AMC or the Trustee as not being eligible to invest in the Scheme.</li> </ol> <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 &amp; other prevailing statutory regulations, if any.</p>
<b>Where can you submit the filled up applications.</b>	<p>Offices of JM Financial Asset Management Company Ltd. or designated ISCs (Investor Service Centers) of RTA (Registrar and Transfer Agent) i.e. M/s. KFin Technologies Limited.</p> <p><b>Registrar &amp; Transfer Agent</b></p> <p>M/s. KFin Technologies Limited, Karvy Selenium Tower B, Plot No 31 &amp; 32, First Floor, Gachibowli, Financial District, Nanakramguda, Serilingampally, Hyderabad – 500 032.</p> <p>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 of the Registrar/branches of AMC. The details of the official points of acceptance and branches of AMC are on back cover page.</p> <p>As per the directives issued by SEBI it is mandatory for an investor to declare his/her bank account number. To safeguard the interest of Unitholders from loss or theft of their refund orders/redemption cheques, investors are requested to provide their bank details in the</p>

	<p>Application Form. The Bank Account details as mentioned with the Depository should be mentioned. If depository account details furnished in the application form are invalid or not confirmed in the depository system, the application may be rejected.</p>
<b>Listing</b>	<p>Units of the Scheme are not proposed to be listed on any Stock Exchange. However, the Fund may at its sole discretion list the units under the Scheme on one or more Stock Exchanges at a later date, and thereupon the Fund will make a suitable public announcement to that effect.</p>
<b>How to apply</b>	<p>Application form and Key Information Memorandum may be obtained from the offices of AMC or Investor Services Centers of the Registrar or distributors or downloaded from <a href="http://www.JMFinancialmf.com">www.JMFinancialmf.com</a>. The list of the Investor Service Centres (ISCs)/Official Points of Acceptance (OPAs) of the Mutual Fund are also provided on the website of the AMC <a href="http://www.JMFinancialmf.com">www.JMFinancialmf.com</a>. Investors are also advised to refer to Statement of Additional Information before submitting the application form. All cheques and drafts should be crossed "Account Payee Only" and drawn in favor of the scheme viz: JM Small Cap Fund or in the name of JM Financial Mutual Fund. Any application may be accepted or rejected at the sole and absolute discretion of the Trustee.</p> <p>Please refer to the SAI and Application form for the instructions.</p> <p>All trading Member of Bombay Stock Exchange (BSE) and National Stock Exchange (NSE), who are registered with AMFI as Mutual Fund Advisors offering the facility of purchase and redemption of units of JM Financial Mutual Funds through stock Exchanges platforms are the official Acceptance points for fresh applications as the NFO of the scheme is offered through the stock exchange platforms.</p> <p>Further pursuant to para no.16.3 of SEBI Master Circular it has been decided to allow investors to directly access infrastructure of the recognised stock exchanges to purchase mutual fund units directly from Mutual Fund/ Asset Management Companies. SEBI circular has advised recognised stock exchanges, clearing corporations and depositories to make necessary amendment to their existing byelaws, rules and/or regulations, wherever required Ongoing price for subscription (purchase).</p> <p>Further, Investors may also apply through ASBA facility, during the NFO period of the Scheme.</p>
<b>Special Products / facilities available during the NFO and thereafter</b>	<p><b>A. Direct Plan</b></p> <p>In accordance with Para D titled "Separate Option for direct investments" under Circular No. CIR/IMD/DF/21/2012 dated September 13, 2012 issued by Securities and Exchange Board of India (SEBI), a separate plan for direct investments (i.e. investments not routed through an AMFI Registration Number (ARN) Holder ("Distributor") (hereinafter referred to as "Direct Plan") whether the investments were made before or after the Effective Date is available as under:</p> <p>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> <p>The provisions pertaining to Minimum Subscription Criteria, Load and Additional Purchases will be applicable at Scheme (Portfolio) Level.</p> <p>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:</p> <ul style="list-style-type: none"> <li>• 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</li> </ul>

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:

- 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. "I JM Small Cap Fund (Direct)".
- 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.
- 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).

#### **1. 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?:**

AMC accepts all the permissible financial transactions as are offered by respective Exchange Platforms to any of set of categories of investors as mentioned elsewhere in the Scheme Offer Documents (SID) & Scheme Additional Information (SAI) . However, this facility is not available to Non Resident Indians/ Persons of Indian origin / Overseas Citizen of India from USA, Canada and other Persons / entities / foreign citizens etc. mentioned in the Scheme Information Document (SID) under “Who cannot invest” under the head “UNITS and OFFER”.

These Exchange Platforms are also declared as the Point of Acceptance by JM Financial Mutual Fund for the purpose of time-stamping the financial transactions in terms of relevant provisions of SEBI Regulations. Hence, these Exchange Platforms shall act as the Point of Acceptance only for the purpose of time – stamping of the transaction and reporting thereof to the RTA/Mutual Fund subject to the transfer to funds to the Scheme’s Account of the Mutual Fund before the stipulated cut-off time. Accordingly, all the authorised offices of these Exchanges shall be considered as the Official Points of Acceptance (OPA) of the Mutual Fund in accordance with para-no 16.2.4.8 (a) of SEBI Master Circular.

These Exchange Platforms have been designed to provide a confirmation slip of the order(s) entered, which would be deemed to be the time of receipt of application for the purpose of determining the applicability of NAV. However, due to operational reasons, the Exchanges may set-up their own cut-off time which may be earlier to the SEBI stipulated cut-off for the day for smooth and timely movement of Funds & Transactions feeds to the RTA/JM Financial Mutual Fund for processing with applicable NAVs, on day to day basis.

**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.

	<p>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.</p> <p>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).</p> <p>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.</p> <p>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.</p> <p>4. Switch transaction requests can be placed for units which are held in demat as well as in non-demat mode on BSE platform*.</p> <p>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.</p> <p>6. In case of Payout of Income Distribution cum Capital Withdrawal Option/ Reinvestment of Income Distribution cum Capital Withdrawal Option of units for demat and non-demat cases, the RTA shall process the same and remit/credit directly into the investor's/beneficiary's accounts.</p> <p>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 Value 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.</p> <p>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.</p> <p>9. The Mutual Fund Distributors are permitted to handle the transactions of only their clients, through the above platform.</p> <p>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.</p> <p>For transacting units on the BSE platform, the registration of the mobile no. and/or email id of the investor is compulsory.</p> <p>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.</p> <p>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.</p> <p>* The switch process note for demat mode is available on the website of the Fund</p> <p>Option for holding the units:</p> <ul style="list-style-type: none"> <li>• Units shall be allotted in physical form or dematerialised form as per the request of the investor.</li> <li>• Investors have an option to hold the units in physical or dematerialized form.</li> <li>• 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").</li> </ul> <p>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.</p> <p>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.</p>
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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. 41.

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.

	<p>b) <b>Dematerialised form:</b></p> <ul style="list-style-type: none"> <li>• The investors who intend to deal in depository mode are required to have a demat account with CDSL/NSDL.</li> <li>• 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.</li> <li>• The investor should provide their depository account details to the Participants.</li> <li>• The purchase order will be entered in the Stock Exchange system and an order confirmation slip will be issued to investor.</li> <li>• The investor will transfer the funds to the Participants.</li> <li>• Allotment details will be provided by the Participants to the investor.</li> </ul> <p><b>Redemption of units on Exchange Platform:</b></p> <p>a) Physical Form:</p> <ul style="list-style-type: none"> <li>○ 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.</li> <li>○ 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.</li> <li>○ The redemption proceeds will be credited to the bank account of the investor, as per the bank account details recorded with the Fund.</li> </ul> <p>b) <b>Dematerialised form:</b></p> <ul style="list-style-type: none"> <li>○ 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.</li> <li>○ 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.</li> <li>○ 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.</li> <li>○ The redemption proceeds will be credited to the bank account of the investor, as per the bank account details recorded with the Depository Participant.</li> </ul> <p>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.</p> <p>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.</p> <p>Applications for purchase/redemption of units which are incomplete/invalid are liable to be rejected.</p>
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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. 49 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](http://www.mfuonline.com), Mobile App “goMF” and authorised MFUI POS hosted and updated on [www.mfuindia.com](http://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](http://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 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@mfindia.com](mailto:clientservices@mfindia.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](http://www.kfintech.com), an electronic platform provided by M/s. KFin Technologies Limited. 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](http://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 Limited on [www.kfintech.com](http://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](http://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 interoperable Platform for enhancing investors' experience in Mutual Fund transactions / service requests, the Qualified R&T Agents (QRTAs), KFin Technologies Limited and Computer Age Management Services Limited (CAMS) have jointly developed MFCentral – A digital platform for Mutual Fund investors.

MFCentral is created with an intent to be a one stop portal / mobile app for all Mutual fund investments and service-related needs that significantly reduces the need for submission of physical documents by enabling various digital / physical services to Mutual Fund investors across Fund Houses subject to applicable Terms & Conditions (T&C) of the Platform. MFCentral will be enabling various features and services in a phased manner. MFCentral may be accessed using <https://mfcentral.com/> and a Mobile App in future.

With a view to comply with all provisions of the aforesaid circular and to increase digital penetration of Mutual funds, the Mutual Fund has designated MFCentral as its Official Point of Acceptance (DISC – Designated Investor Service Centre) w.e.f. September 23, 2021.

Any registered user of MFCentral, requiring submission of physical document as per the requirements of MFCentral, may do so at any of the designated Investor Service Centres or Collection Centres of KFinTech or CAMS.

**F. 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



	<p>(electronic) form or vice-versa should be submitted along with a Demat/ Remat Request Form to their DPs.</p> <p><b>Provisions with respect to transaction in units held in Demat mode:</b></p> <p>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.</p> <p><b>Purchase of Units in Demat Mode</b></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><b>Dematerialization of existing units</b></p> <p>The existing units held in physical form can also be dematerialized by the Unitholders. In such a case, the investor is required to approach his DP and make a request in DRF (Dematerialization Request Form) in triplicate along with the Statement of Account for the units. The DP will acknowledge the DRF by returning one copy and will forward the other one to the RTA for dematerialization of units.</p> <p><b>Redemption of Units in Demat Mode:</b></p> <p>An existing investor who wants to redeem units held in his demat account under the Scheme has to approach his depository participant (DP) directly and submit duly filled and signed RRF Form (Redemption Request Form) which is available with the DPs e.g Banks/ Brokers etc . Normally, these RR Forms are also available on the websites of respective DPs. As the RRF may be different with respective DP's logo, the Investors are advised to use the RRF procured from their own DP to avoid rejections/delays by their own DP. The ISIN of the respective Option of the Scheme is printed on the Statement of Account issued to the Investors by RTA/ Mutual Fund.</p>
<p><b>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.</b></p>	<p>Not Applicable</p>
<p><b>Restrictions, if any, on the right to freely retain or dispose off units being offered</b></p>	<p><b>Non – acceptance of subscriptions:</b></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><b>The above classes of investors are requested to note the following:</b></p> <ol style="list-style-type: none"> <li>a. No fresh purchases (including Systematic Investment Plans and Systematic Transfer Plans)/ additional purchases/switches in any Scheme of the Fund would be allowed. However, existing Unit Holder(s) will be allowed to redeem their units from the Schemes of the Fund. If an existing Unit Holder(s) subsequently becomes a U.S. Person or Resident of Canada, then such Unit Holder(s) will not be able to purchase any additional Units in any of the Scheme of the Fund.</li> <li>b. For transaction on Stock Exchange platform, while transferring units from the broker</li> </ol>

account to investor account, if the investor has U.S./Canadian address then the transactions would be rejected.

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

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

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.

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.

Vide the said circular, SEBI has advised that:

- 1) Restriction may be imposed when there are circumstances leading to a systemic crisis or event that severely constricts market liquidity or the efficient functioning of markets such as:
  - i. Liquidity issues
  - ii. Market failures, exchange closures and/or
  - iii Operational issues
- 2) Restriction on redemption may be imposed for a specified period of time not exceeding 10 working days in any 90 days period.

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

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

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

**C. Transfer of Units**

Units shall be freely transferable. In case, the units are with the depository held in Demat mode, such units will be transferable in accordance with the provisions of the Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996. Pursuant to para no 14.4.4 of SEBI Master Circular dated August 18, 2010, units under the Scheme are freely transferable from one demat account to another demat account. In case, a person becomes a holder of Units by operation of law or upon enforcement/invoke of pledge, the AMC shall, subject to production of such satisfactory evidence and submission of such documents by the transferee, proceed to effect the transfer, if the intended transferee is otherwise eligible to hold the Units of the Scheme concerned. In case of physical mode of holding, the asset management company shall, on production of instrument of transfer together with relevant statement of accounts, register the transfer and return the statement of accounts to the transferee within thirty days from the date of such production.

**D. Pledge or Hypothecation of Units**

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

**D. ONGOING OFFER DETAILS**

<p><b>Ongoing Offer Period</b> This is the date from which the Scheme will reopen for subscriptions/redemptions after the closure of the NFO period.</p>	<p>The Scheme is an open ended Scheme. Units of the Scheme will be available for subscription and redemption on an ongoing basis on every business day at NAV based prices not later than five days from the date of allotment of units in the NFO.</p>
<p><b>Ongoing price for subscription (purchase) by investors.</b> This is the price you need to pay for purchase.</p>	<p>At the applicable NAV. Purchase Price = Applicable NAV In accordance with 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><b>Ongoing price for redemption (sale) by investors.</b> This is the price you will receive for Redemptions.</p>	<p>At the applicable NAV subject to the deduction/ charge of exit loads as prescribed &amp; applicable at the time of respective investments and government levies as applicable e.g. STT (Securities Transaction Tax) etc.</p>
<p><b>Cut off timing for subscriptions/ redemptions</b> This is the time before which your application (complete in all respects) should reach the official points of acceptance.</p>	<p>Applicable Net Asset Value (NAV) for Purchase/ Switch-in, Installments under Systematic Investment Plan (SIP), and Systematic Transfer Plan (STP) irrespective of application amount across all the schemes of JM Financial Mutual Fund, the following provisions are effective:</p> <p>Where the application is received and time stamped upto the cut-off time of 3.00 p.m. on a business day at the official point of acceptance and funds for the entire amount of subscription/purchase/SIP/ STP installments are available for utilization upto 3.00 p.m. on the same Business Day, NAV of the same Business Day shall be applicable.</p> <p>Where the application is received and time stamped upto the cut-off time of 3.00 p.m. on a business day at the official point of acceptance and funds for the entire amount of subscription/purchase/ SIP/STP are available for utilization after 3.00 p.m. on the same Business Day or on any subsequent Business day, NAV of such subsequent Business Day on which the Funds are available for utilization prior to 3.00 p.m. shall be applicable.</p> <p>Where the application is received and time stamped after the cut off time of 3.00 p.m. on a business day at the official point of acceptance and funds for the entire amount of subscription/purchase/SIP/STP installments are available for utilization upto 3.00 p.m. on the same Business Day, NAV of the subsequent Business Day shall be applicable.</p> <p>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.</p> <p><b>SIP/STP/Switch-in Transactions</b></p> <ol style="list-style-type: none"> <li>1. The NAV for SIP &amp; 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</li> <li>2. 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.</li> </ol> <p>For faster realisation of the funds, the investors are requested to use electronic modes of payments.</p> <p>It is clarified that the cut off timings will also be applicable to investments made through "sweep" mode.</p>

	<p><b>Transactions through online facilities / electronic modes:</b></p> <p>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.</p> <p>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.</p> <p>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> <p><b>Exchange Platforms &amp; MFU:</b></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><b>Where can the applications for purchase/ redemption be submitted?</b></p>	<p>Applications for purchase/redemption 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><b>Minimum amount for purchase/redemption/ switches</b></p>	<p>The table on minimum investment amounts for the Scheme 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 (i.e. Income/Distribution) etc. and will be considered at gross level 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, during post NFO period, 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>C-KYC has been made mandatory for all new investors, both individuals and non individuals</p>
<p><b>Minimum balance to be maintained and consequences of non-maintenance.</b></p>	<p>There is no minimum balance requirement.</p>
<p><b>Special Products available</b></p>	<p>SIP/STP/SWP (kindly refer to the provisions given hereunder on pages provided elsewhere in the document)</p>

**Accounts Statements/ Common Account Statement ("CAS")/ Half Yearly Account Statement.**
**For all financial transactions including purchases, redemptions, switches, systematic transactions during ongoing sales and repurchase.**

The AMC shall issue to the investor whose application has been accepted, an account statements specifying the number of units allotted. The first account statement under shall be issued within 5 Business Days who subscribe to the units when the scheme is open for continuous subscription after NFO as per the applicable guidelines.

In case, an investor has provided his e-mail ID in the application form or any subsequent communication or procured from the KYC database by the RTA/AMC, in any of the folio(s) belonging to him/her, the AMC reserves the right to use such e-mail ID as a default mode of communication to the investor including sending of account statements / CAS for the new and existing investments for folio(s)/ investor(s) concerned. Similarly, S-CAS will be issued on monthly basis through the Depositories NSDL/CDSL in case the respective investors are maintaining Demat Account irrespective of whether the Units in question are held in Demat or physical form. In other cases, physical CAS will be issued on Mutual Fund Industry level by any of the mailing agencies approved by AMFI covering all the transactions of the previous month by the 15th of the succeeding month.

- For cases eligible for CAS (i.e. where valid PANs are updated), the concerned investor shall be issued CAS on monthly basis
- A soft copy of the Account Statement shall be mailed to the investors under to their e-mail address on a monthly basis.
- In case of specific request received from investors, Funds shall provide the account statement to the investors within 5 business days from the receipt of such request without any charges.

In case investor is not sent CAS, the Fund shall dispatch the statement of accounts to the unit holders under once every quarter ending March, June, September and December within 10 business days of the end of the respective quarter. However, the first account statement under shall be issued within 5 business days of the initial investment. However, if investor is sent CAS on monthly basis, quarterly account statement shall not be dispatched to him.

However, in case of specific request received from investors, the Fund shall provide the account statement to the investors within 5 business days from the receipt of such request without any charges. Further, soft copy of the account statement shall be mailed to the investors under to their e-mail address on a monthly basis, if so mandated.

**Consolidated Account Statement (CAS) :**

Pursuant to para-No. 14.4.1 and 14.4.3 of SEBI Master Circular:

- (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).

\*\*The word 'transaction' shall include purchase, redemption, switch, Payout of Income Distribution cum Capital Withdrawal Option / Reinvestment of Income Distribution cum Capital Withdrawal Option, systematic investment plan, systematic withdrawal plan, systematic transfer plan.

For Demat A/c Holders, S-CAS (Securities Consolidated Account Statement) would be dispatched / emailed on a monthly basis by the 15th of every month by the respective Depository i.e NSDL & CDSL. For other investors having valid and verified PAN, the CAS will be sent by one of the agencies appointed by AMFI eg. Currently Manipal Technologies Limited and Seshasai Business Forms Pvt. Ltd. who are authorized to dispatch 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 valid PAN, the AMC may send account statements on a monthly basis on or before the 15th of the succeeding month. The Unit holders are therefore requested to ensure that the folio(s) are updated with their PAN.
- (iv) In case of a specific request received from the Unit holders, the AMC will dispatch the account statement to the investors within 5 Business Days from the receipt of such request.
- (v) In the event the account has more than one registered holder, the first named Unit holder shall receive the CAS/ account statement.
- (vi) Consolidation shall be done only for folios in which the unit holders and the order of holding in terms of first, second and third is similar. In case of folios pertaining to minors, the guardian's PAN shall be used for consolidation.
- (vii) Further, the CAS detailing holding across all schemes of all mutual funds at the end of every six months (i.e. September/ March), shall be sent by ordinary post / e-mail (in case e-mail address is provided by the investor), on or before 21st day of succeeding month, unless a specific request is made to receive in physical, to all such Unit holders in whose folios no transaction has taken place during that period.

The statement of holding of the beneficiary account holder for units held in demat will be sent by the respective Depository Participants ("DPs") periodically.

Investors are requested to note the following regarding dispatch of account statements:

1. The Consolidated Account Statement (CAS) for each calendar month is to be issued on or before 15th day of succeeding month, to the investors who have provided valid Permanent Account Number (PAN). Due to this regulatory change, AMC shall now cease to send physical account statement to the investors after every financial transaction including systematic transactions. Further, CAS will be sent via email where any of the folios consolidated has an email id or to the email id of the first unit holder as per KYC records.
  2. For folios not included in the Consolidated Account Statement (CAS), the AMC shall issue account statement to the investors on a monthly basis, pursuant to any financial transaction in such folios, on or before 5 business days of succeeding month.
- Pursuant to SEBI Circular No. CIR/MRD/DP/31/2014 dated November 12, 2014 regarding Consolidated Account Statements (CAS) for all the securities assets, the following provisions 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.

**Investors holding units in Demat Account:**

Based on the PAN of the investors, for each calendar month, Consolidated Account Statement (CAS) shall be dispatched/emailed by the respective Depository within 15th day of the succeeding month to the investors, in whose folio transactions have taken place during that previous month.

In case of no transactions by the investors during the period of six months, the CAS shall be dispatched by the respective Depository to the investors on half yearly basis, on or before 21st day of the succeeding month.

In case of demat accounts with nil balance and no transactions in securities and in mutual fund folios, the respective Depository shall send the physical statement as per the applicable regulations.

In case of statements which are currently being dispatched by email to the investors, the CAS shall continue to be sent through email. In case the investor does not wish to receive the CAS by email, option will be given to the investors to receive the same in physical form, at

the address registered in the Depository system. In case no email id is provided, the statements will be sent in physical form.

Investors are requested to note that in case of any transactions done in the folios which are not included in the CAS, the AMC shall issue a monthly account statement to the investors on or before 5 business days of the succeeding month. In case no email id is provided, the statements will be sent in physical form.

Investors whose folio(s)/demat account(s) are not updated with PAN, shall not receive the CAS. Hence, investors are hereby requested to update their folio(s)/demat account(s) with the PAN.

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.
3. Such half-yearly CAS will be issued to all MF investors, excluding those investors who do not have any holdings in MF schemes and where no commission against their investment has been paid to distributors, during the concerned half-year period.

**Half Yearly Account Statement:**

Half-yearly CAS shall be issued to all MF investors, excluding those investors who do not have any holdings in MF schemes and where no commission against their investment has been paid to distributors, during the concerned half-year period by the 21st of the month following the half year end.

<b>Income Distribution Cum Capital Withdrawal</b>	<p>The Scheme will declare IDCW at a daily frequency, subject to availability of distributable surplus. IDCW declared on daily basis will be compulsorily with payout option in the Scheme. Payout will be done on weekly basis.</p> <p>The Income Distribution Cum Capital Withdrawal warrants shall be dispatched to the unitholders within 7 Working days of the Record Date.</p> <p>The IDCW will be paid to only those Unitholders whose names appear on the register of Unitholders of the Scheme / Option at the close of the business hours on the record date. Pursuant to 11.4 of SEBI Master Circular, The Fund is required to dispatch IDCW payments within seven working days from the record date. In case the AMC fails to dispatch the IDCW payments within the stipulated time of seven working days, it shall be liable to pay interest to the unit holders at 15% p.a. or such other rate as may be prescribed by SEBI from time to time.</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 statutory levies paid if any.</p> <p>Investors may like to note that the amounts can be distributed as Income Distribution Cum Capital Withdrawal out of investors capital (Equalization Reserve), which is part of the sale price that represents realized gains.</p> <p><b>Exchange Platforms:</b></p> <p>If the sub - option of Payout of Income Distribution cum Capital Withdrawal Option is chosen and the Income Distribution Cum Capital Withdrawal amount is less than Rs. 100, then the Income Distribution Cum Capital Withdrawal shall not be reinvested but will be paid out to the respective investors.</p>
<b>Equalization Reserve</b>	<p>When units are sold, and sale price (NAV) is higher than face value of the unit, a portion of sale price that represents realized gains is credited to an Equalization Reserve Account and which can be used to pay Income Distribution Cum Capital Withdrawal. Income Distribution Cum Capital Withdrawal can be distributed out of investors capital (Equalization Reserve), which is part of sale price that represents realized gains.</p>
<b>Redemption</b>	<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><b>Redemption/Switch Procedure in case of physical form:</b></p> <p>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 &amp; 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> <p><b>Redemption / Switch Procedure in case units are held in dematerialized form:</b></p> <p>The investors who hold units in demat form and wish to redeem their units will have to take following steps:</p> <ol style="list-style-type: none"> <li>1. Investors will have to approach their DP (Depository Participants) where Demat Account is being held.</li> <li>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.</li> <li>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.</li> <li>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</li> </ol>



NSDL/CDSL system immediately. After this, the investor will not be able to transfer the blocked units to anyone (i.e. cannot transfer to anyone).

5. The Electronic Requests generated up to the stipulated cut off time which is currently 3 pm every day by DPs shall get transmitted from NSDL / CDSL to respective Registrars of Mutual Fund by 4 - 6 pm.

6. All such Electronic Requests transmitted by NSDL / CDSL by 4 – 6 pm everyday are updated in the system at Registrar's end i.e. M/s KFin Technologies Ltd. for further processing.

7. Registrar shall verify and process the requests subject to finding the same in order by

- a) Nullifying the units by confirming Electronic Repurchase Request,
- b) Applying NAV based on Date and Time of raising Electronic request by DP's for Redemption Request,
- c) Remitting Redemption proceeds to investor's bank account (as recorded in demat account) within 3 business days and
- d) Dispatching an SOA (Statement of Account/Consolidated Account Statement) to the registered address of investor.

8. After the above process is completed, the Registrar will update the respective Depository (i.e. NSDL/ CDSL) about the processing of redemption to enable their DPs to issue Fortnightly/ Monthly Transaction Statement.

A Unit holder has in case of physical redemption request for redemption either in terms of Amount or in terms of the number of Units. In case, the redemption request indicates both amount in Rupees and number of Units, the lower of the two in value term will be considered. Where a Rupee amount is specified or deemed to be specified for redemption, the number of Units redeemed will be the equivalent to the amount sought redeemed plus the exit load & applicable Govt levies like STT divided by the redemption price (ie additionally subject to the levy of applicable STT and exit load).

In case of difference/ ambiguity in the amount and units mentioned in any request for Redemption/ Switch, the minimum value (of units and amount) on rupee equivalent basis on the Transaction/ applicable NAV date will be considered by the AMC, provided the investor has not furnished any clarification in writing, duly signed on the date of transaction. In the event of investor not having filled in the Amount/ Units in the Transaction Slip, the AMC will redeem/ switch out all the outstanding units in case the Scheme, Plan, Option are clearly mentioned.

In case, the investor has not mentioned the plans/ sub-plans etc. in the redemption request specifically where he is having holdings in various plans/ sub-plans etc. of the particular scheme, AMC will summarily reject such redemption request if the investor has not furnished any clarification in writing, duly signed on the date of transaction itself, during normal office hours.

In case, an Investor fails to mention the complete name of the Scheme upto plan/ sub - plan level while making request for redemption/ switch-out, the AMC reserves the right to redeem/ 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.

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.

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 Limited) for other cases either through email or physical copy.

	<p><b>FIFO Method of redemption/switch-out</b></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><b>Uniform process for processing of redemption/switch – out for all the Schemes of the Mutual Fund.</b></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+2 payout for redemption, the switch out funding will also be made on T+2 and not earlier or later than T+2, where T is the day of valid transaction received before the stipulated cut off time.</p>
<p><b>Delay in payment of redemption / repurchase / Income Distribution Cum Capital Withdrawal proceeds</b></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><b>Income Distribution Cum Capital Withdrawal proceeds</b></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><b>Updation of Email address and mobile number</b></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>
<p><b>Nomination for Mutual Fund Unitholders</b></p>	<p>Pursuant to para-No.17.16 of Master Circular for nomination of mutual fund. Investors subscribing to Mutual Fund units shall have the choice of:</p> <ol style="list-style-type: none"> <li>1. Providing nomination in the format specified in Fourth Schedule of SEBI (Mutual Funds) Regulations, 1996 OR</li> <li>2. Select opt out in the NFO application form Post NFO nomination details will be updated based on the BENPOS feeds. Opting out of nomination through a signed Declaration form.</li> </ol> <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"> <li>a. Using e-Sign facility recognized under Information Technology Act, 2000; or</li> <li>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.</li> </ol>
<p><b>Minor through a Guardian.</b></p>	<p>Payment for investment by minor in any mode shall be accepted from the bank account of the minor, parent or legal guardian of the minor, or from a joint account of the minor with parent or legal guardian Irrespective of the source of payment for subscription, all redemption proceeds shall be credited only in the verified bank account of the minor, i.e. the account the minor may hold with the parent/ legal guardian after completing all KYC formalities.</p> <p>The above provisions are in line with the SEBI circular no. SEBI/HO/IMD/POD - II/CIR/P/2023/0069 dated May 12, 2023)</p>

	<p>Mutual Fund will send an intimation to Unit holders advising the minor (on attaining majority) to submit an application form along with prescribed documents to change the status of the account from 'minor' to 'major'.</p> <p>All transactions / standing instructions / systematic transactions etc. will be suspended i.e. the Folio will be frozen for operation by the guardian from the date of beneficiary child completing 18 years of age, till the status of the minor is changed to major. Upon the minor attaining the status of major, the minor whose name the investment was made, shall be required to provide all the KYC details, updated bank account details including cancelled original cheque leaf of the new bank account.</p> <p>No investments (lumpsum/SIP/ switch in/ STP in etc.) in the scheme would be allowed once the minor attains majority i.e. 18 years of age.</p> <p><b>Email ID &amp; Mobile Number</b></p> <p>Investors should provide their own email address and mobile number to enable AMC for speed and ease of communication in a convenient and cost-effective manner, and to help prevent fraudulent transactions.</p>
<p><b>Reversal of allotment due to non realisation</b></p>	<p>Where the units under the scheme are allotted to investors inadvertently for which the cheque(s) given by the said investors 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"> <li>• out of subsequent redemption proceeds payable to investor.</li> <li>• by way of cheque or demand draft or pay order in favour of Scheme if investor has no other units in the folio.</li> </ul>
<p><b>Disclosure of Bank mandate</b></p>	<p>All cheques and bank drafts accompanying the application form should contain the application form number on its reverse.</p> <p>Pursuant to para-No.14.11 and 14.12 of Master Circular it is mandatory for applicants to mention their bank account numbers in their PAN and 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>
<p><b>Overwriting on application forms/transactionslips</b></p>	<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>
<p><b>Folio(s) under Lien</b></p>	<p>The Units of the Scheme held in the dematerialised form will be fully and freely transferable (subject to lock-in period, if any and subject to lien, if any marked on the units) in accordance with the provisions of SEBI (Depositories and Participants) Regulations, 1996 as may be amended from time to time and as stated in SEBI Circular No. CIR/IMD/DF/10/2010 dated August 18, 2010. Further, for the procedure of release of lien, the investors shall contact their respective DP.</p>

<b>Two- Factor Authentication</b>	Pursuant to para no 16.5.1.4 of SEBI Master Circular , Two Factor Authentication for subscription in units of Mutual Funds has been implemented to safeguard the interests of unitholders. In case of subscription and redemption of units, Two-Factor Authentication (for online transactions) and signature method (for offline transactions) shall be used for authentication. One of the Factors for such Two-Factor Authentication for non-demat transaction shall be a One-Time Password sent to the unit holder at his/her email/ phone number registered with the AMC/RTA. In case of demat transaction, process of Two-Factor authentication as laid down by the Depositories shall be followed. It is also clarified that in case of mandates/systematic transactions the requirement of Two- Factor Authentication shall be applicable only at the time of registration of mandate/systematic transactions.
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## SPECIAL PRODUCTS / FACILITIES AVAILABLE

### SYSTEMATIC PLANS

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

All the terms and conditions (including the provisions of load structure & lock-in period) applicable on the date of registration i.e. date of initial investment will also be applicable for all future SIP/STP/SWP installments as well i.e. Registration concept except for special SIP where the terms and conditions (including load & lock-in period) applicable on the date of first installment would be applicable for all future installments. All applicants are deemed to have accepted the terms and conditions upon submitting the valid application form with other requisites for investment under Systematic Plans.

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

#### Default Option for all SIP/STP-Out/SWP

In case, the Investor does not mention the start date or end date under the SIP/STP-out/SWP, the 1st of the subsequent month, after completing 30 days from the date of registration, will be considered as the default SIP/STP-out/SWP date and the SIP/STP-out/SWP will be treated to have been opted on Perpetual basis. However, the facility on Perpetual Basis will also be subject to the other applicable terms and conditions. An investor wishing to avail of the Systematic Investment Plan will have to mandatorily abide by the following conditions in order to be treated as a valid investment.

#### A. SYSTEMATIC INVESTMENT PLAN (SIP)

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

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

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

#### The features of the SIP on offer are as under:

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

#### Minimum Number of installments & Frequency

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

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. 100 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.

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 :

- Specified Period** : subject to the minimum number of installments as per above table.
- 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.

#### 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 :

- This facility will allow investors to opt for Top-up SIP, in physical mode only.
- 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.
- Existing unitholders can opt for Top UP facility by cancelling the existing active SIP and re- registering their SIP with the Top Up Facility.
- 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).
- 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).
- 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.
- 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.
- 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

- In case TOP-UP frequency is not indicated, it will be considered as Yearly by Default.
- The initial investment under the SIP Top-up will be subject to minimum SIP investment requirement applicable from time to time.
- 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:

SIP Tenure: 10 Jan 2023 to 10 Dec 2028; Monthly SIP Instalment: Rs. 2000/-				
TopUp Amount: Rs.1000/- ; Top-Up Frequency: Yearly				
Installment No(s)	From Date	To Date	Monthly SIP Instalment	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:**

#### **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:

- No Cheque is required for initial investment i.e. first installment. Hence, it will work like Zero balance account of any Bank.
- The process of credit realization for the first installment for such SIP will be initiated on the next opted due date out of any due dates mentioned in the above table as per the frequency selected by the investor e.g. any of the 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.
- IV. 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.
- V. 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.
- VI. 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.

#### 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 SIPCASES)

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 60).
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 Balanced Advantage 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 clearfunds are received by the Fund before the stipulated cut-off time of the respective Business Day.
13. Returned/Dishonoured cheques/NACH/Direct Credit failures will not be presented again for realization if the reasons for returns are attributable to the investor/s.
14. The list of banks for Auto Debit (through NACH) as mentioned above may be modified/updated/ changed/ removed at any time by NPCI. In case of removal of any city/bank from the current list, the Auto SIP instructions for investors in such locations/ banks will stand automatically discontinued. The AMC/Trustees, its Registrars and other service providers will not be responsible, if the transaction is delayed or not effected or the investor's bank account is debited in advance or after the specific SIP date due to various cycles of NACH/Clearing, due to any reason.
15. The investor may choose any of the above mentioned SIP dates (Any Date\* from 1st to 28th of a month) in case of monthly SIP and 1st of the month in case of Quarterly SIP etc., subject to the applicable terms & conditions and submit a separate application and other documents for each date and each Option of the Scheme. Likewise, the Investor is required to specify clearly the frequency of SIP (i.e. Weekly/Fortnightly/Monthly/Quarterly) in each such SIP application, failing which Monthly frequency will be taken as the default frequency. Separate set of complete application form (including separate KYC/PAN/Cheque etc) with required documents is required to be submitted for each SIP date for each Option of the Scheme. Any single application if received with multiple choices will be summarily rejected and the amount of initial investment refunded without any interest as and when detected, if the amount of the same is less than the minimum investment limit fixed for allotment of units in a particular Scheme/Plan/Option/sub-option. In case, the amount invested is equivalent or more than the amount required for meeting the minimum investment criteria, through 1st installment, the same would be construed as a normal investment for allotment of units in the Scheme and shall be redeemed only on the basis of the redemption request made by the investor.
16. In case, any particular SIP due date falls on a non-business day or falls during a book closure period, the immediate next business day will be considered for the purpose of initiating the process of realization of SIP Instalment's amount. However, the NAV of the Business Day will be applied when the funds are available into the respective Scheme's Bank Account maintained by JM Financial Mutual before the SEBI stipulated cut-off of the Scheme, irrespective of the SIP Installment amount, in terms of SEBI guidelines effective from 1st February, 2021.
17. The Investment cum SIP Enrolment Form complete in all respects may be submitted at any of the ISCs (Investor Service Centres) of JM Financial Mutual Fund or its Registrar & Transfer Agent M/s KFin Technologies Ltd. In case of SIP through Auto Debit (i.e. NACH in specified cities/locations), an additional form known as the SIP Auto Debit Registration cum Mandate Form (through NACH) or is also required to be submitted at the time of opting for SIP. Alternatively, the investors may apply for SIP through any of the Online Channel Partners of the AMC or through any of the Exchange Platforms or the online platforms provided by JM Financial Mutual Fund or its Registrar i.e. M/s. KFin Technologies Limited by complying with the required procedure as stipulated by them.
18. By signing and submitting the required documents including NACH Form, the investor is deemed to have agreed to abide by the terms and conditions of the SIP Facility offered and the NACH facility of NPCI (National Payment Clearing Corporation)/Reserve Bank of India (RBI) in case of SIP through NACH. Kindly refer SAI for details on third party payments.
19. The AMC reserves the right to change the terms and conditions of this facility from time to time and the same would be applicable to the existing SIP investors as well to the extent applicable and not exempted from.
20. Conversion of Regular SIP To Special SIP: The AMC at its discretion can treat the investment made under Regular SIP as having been made under Special SIP if the 1st payment instrument bounces back as unpaid whereas payment for 2nd installment is received in the meantime. However, in such an event, all the provisions of Special SIP will be applicable including load structure as applicable on the date

of 1st installment through Special SIP (i.e. 2nd installment through Regular SIP). Accordingly the AMC/its Registrar will re-register the period of subscription through Special SIP by curtailment/postponement of the opted period suitably.

**Renewal/Continuation of existing SIP :**

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

**Termination/Discontinuation of SIP:**

**1. Auto termination :**

- a. In the event of an Investor not meeting any one or more of the above mentioned criteria, the SIP will stand terminated and the investor will be required to make a fresh SIP application if he is desirous of availing this facility in future again. The fresh application will be subject to the current terms and conditions of the Scheme/Plan/Option.
- b. The SIP will also stand terminated if the funds for 5 continuous installments are not realised by the Scheme for the reasons attributable to the Investors or his Bankers, in case of weekly/fortnightly/monthly and first 2 installments in case of Quarterly SIP.
- c. The AMC at its Discretion may also treat the SIP as discontinued if the minimum number of SIP investments as per the minimum Investment criteria are not completed within the stipulated time-frame and may refund the amount after redeeming the outstanding units at current NAV suo moto
- d. It is hereby clarified that any rejection by the Local Clearing House/ RBI/NPCI/respective Bank citing 'Account Closed' or 'non existent account' or other similar reasons, will lead to cancellation of the SIP for subsequent periods, after the first such rejection, at the discretion of the AMC. The Investor in such cases has to apply afresh.
- e. In case, the funds for the 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 unit holder/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.
- 12) 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.

#### A. 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 3 calendar days for Online cancellation request	In case 50 Installments during initial 90 days are not effected successfully.
					Rs. 1000/- or more in multiples of Re 1/- for each instalment	6 or more but minimum 5 must be successful		
	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.
					Rs. 1000/- each instalment. Further in multiples of Re 1/-	6 or more but minimum 5 must be effected.		
	Fortnightly				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.
					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		In case 3 consecutive STP - out installments fail.
					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 installments 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.

1. In case the end period is not specified, the default STP end period will be considered as perpetual.
2. Daily STP is eligible for cycle dates of 1st to 28th as under:
3. 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.
4. 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.
5. STP will cease if there are 3 consecutive failures.
6. 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.
7. 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 trans-ferree scheme.

### STP frequencies

1. **STP:** An investor may choose any of the due dates for effecting STP from the above table based on his/her/their choice for a Weekly/ Fortnightly/Monthly/Quarterly STP . The investor may choose multiple dates and multiple frequencies for any Options of any Schemes 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 followingtable:

Facility	Options	Fre- quency	Permissible Dates	Minimum Gap to start Instalment.	Minimum Amount	Mini- mum Number of install- ments	Mini m um Discontinu- ation Notice period from Investor	Auto Cancell- ation Condition
SWP	Fixed Amount With- drawal (FAW)	Monthly	1st,5th, 15th, 10th, 20th & 25th	15 Calen- dar Days for Offline and 5 calendar days for Online Registra- tion	Rs. 1000/- each instal- ment. Further in multi- ples of Re 1/-	Not Ap- plicable	15 Calen- dar Days for Offline and 5 calendar days for On- line cancella- tion request	In case, 5 con- secutive SWP Installments fail
		Quar-terly	1st of any calendar month and subse- quently every quarter		Rs. 3000/- each instal- ment. Further in multi- ples of Re 1/-			In case, 2 con- secutive SWP Installments fail
	Capital Appre- ciation With- drawal (CAW)	Month-ly	1st, 5th ,10th, 15th,20th & 25th		Rs. 1000/- each instal- ment. Further in multi- ples of Re 1/-			In case, 5 con- secutive SWP Installments fail
		Quarterly	1st of any calendar month and subs- quently every quarter		Entire Capital Apprecia- tion over preivous due date with a			In case, 2 con- secutive 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 :**

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

Unit holders 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 Unit holders 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, exit load, 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 newinvestors 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* from 1st to 28th of a month
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><b>Net Asset Value</b></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 AMC shall disclose the first NAV of the Scheme within 5 (five) Business Days from the date of allotment.</p> <p>The Fund shall declare the Net Asset Value of the Scheme on every business day on AMFI's website <a href="http://www.amfiindia.com">www.amfiindia.com</a> by 11.00 p.m. and also under a separate head on the website of JM Financial Mutual Fund (the 'Fund') i.e. <a href="http://www.JMFinancialmf.com">www.JMFinancialmf.com</a>.</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>
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<b>Risk-o-meter</b>	<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 on a monthly basis and disclose the Risk-o-meter along with portfolio disclosure on <a href="https://www.jmfinancialmf.com">https://www.jmfinancialmf.com</a> (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>
<b>Scheme Summary Document</b>	<p>The AMC will provide on its website a standalone scheme document for all the Schemes which contains all the details of the Scheme including but not limited to Scheme features, Fund Manager details, investment details, investment objective, expense ratios, portfolio details, etc. Scheme summary document will be uploaded on the websites of AMC, AMFI and stock exchanges in 3 data formats i.e. PDF, Spreadsheet and a machine-readable format)</p>
<b>Monthly/Half yearly Disclosures*</b> : Portfolio This is a list of securities where the corpus of the scheme is currently invested. The market value of these investments is also stated in portfolio disclosures.	<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 &amp; 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 re-quest 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>
<b>Monthly Average Asset under Management (Monthly AAUM) Disclosure</b>	<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. <a href="http://www.jmfinancialmf.com">www.jmfinancialmf.com</a> and forward to AMFI within 7 working days from the end of the month.</p>
<b>Half Yearly Results</b>	<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>
<b>Annual Report</b>	<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>
<b>Associate Transactions</b>	Please refer to Statement of Additional Information (SAI).
<b>Investor services</b>	<p>Mr. Pradyumna Khare - Head of Operations</p> <p>Address:- The Summit Business Park, 415, 4th Floor, Off Andheri - Kurla Road, Chakala, Below Western Express Highway Metro Station, Andheri East, Mumbai - 400 093,</p> <p>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.

#### IV. 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

Category of Investor	Rate at which tax is payable (see note 1 and 2 below)	Whether benefit of indexation of cost is available?
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 core	-
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 core	-
Foreign company	Between 1 – 10 crore	2%
Foreign company	Above 10 crore	5%
Firm including LLPs	Below 1 core	-
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 core	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.

2. 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.
3. 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).
4. 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.
5. 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.
6. All non-resident investors such as Overseas Financial Organisations, FII, 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.

7. With effect from 1st April, 2014, units held by all FIs/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.
8. 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%).

### FIs, FPIs

In case of FIs 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 FI/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:

- Actual cost of acquisition; and
- 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 Funds<sup>1</sup>

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

### Note:

- 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 1October 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 1 0%.
- 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%
FII's and FPI's	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%
FII's and FPI's	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%
FII's and FPI's	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 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 nonresident 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 31<sup>st</sup> 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 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 following rates: i) twice the rate specified in the relevant provision of the Act; or ii) twice the rate 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/ switch-in 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.

### **C. 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 Funds) Regulations 1996/ Guidelines/ Directives issued by SEBI from time to time.

The NAVs of the Units of the Plans will be computed by dividing the net assets of the Scheme by the number of Units outstanding on the valuation date given as below:

$$\text{NAV(Rs.) per Unit} = \frac{\text{Market or Fair Value of the Scheme's Investments} + \text{Current Assets} - \text{Current Liabilities and Provisions}}{\text{No. of Units outstanding under Scheme/Plan}}$$

Notes:

1. The NAV of the Scheme will be calculated and disclosed at the close of every Business Day.
2. The NAVs will be calculated upto 4 decimals and the units will be allotted upto 3 decimal places.

**Illustration:**

Assumptions - on the day of calculation of NAV:

Market or Fair Value of the Scheme's Investments = 10600

Current Assets = 250

Current Liabilities & provisions = 150

No of units outstanding in the plan = 1000

$$10.7000 = \frac{10600+250-150}{1000}$$

The Fund shall value its investments according to the valuation norms, as specified in Schedule VIII of the Regulations, or such norms as may be prescribed by SEBI from time to time.

Account balances of Units will be calculated upto three decimal places. NAV will be calculated upto 4 decimal places.

The provisions of applicability of NAV and allotment of units in case of Direct Plan will be as are currently applicable for the Regular Plan.

**NAV Information**

The AMC shall update the NAVs on the website of Association of Mutual Funds in India -AMFI ([www.amfiindia.com](http://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.

**VII. FEES AND EXPENSES**

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

**A. NEW FUND OFFER (NFO) EXPENSES**

These expenses are incurred for the purpose of various activities related to the NFO like sales and distribution fees paid marketing and advertising, registrar expenses, printing and stationary, bank charges etc. The NFO Expenses shall be borne by the AMC. The entire amount subscribed by the investor subject to deduction of transaction charges, if any, in the scheme during the New Fund Offer will be available to the scheme for investments.

**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 Small Cap Fund	i. 2.25% on the first Rs. 500 crores of the daily net assets.
	ii. 2.00% on the next Rs. 250 crores of the daily net assets.
	iii. 1.75% on the next Rs. 1,250 crores of the daily net assets.
	iv. 1.60% on the next Rs. 3,000 crores of the daily net assets
	v. 1.50% 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. 1.05% on balance of the assets.

As per the Regulations, the maximum recurring expenses excluding issue or redemption expenses, whether initially borne by the Fund or by the AMC but including investment management and advisory fee that can be charged to the Scheme shall be subject to a percentage limit of daily net assets as in the table below:

Particulars	% of daily Net Assets (Regular Plan)
Investment Management and Advisory Fees	Upto 2.25
Trustee Fees	
Audit Fees	
Custodian Fees	
Registrar & Transfer Agent Fees	
Marketing & Selling Expenses including Agents Commission	
Costs related to investor communications	
Cost of fund transfer from location to location	
Cost of providing account statements and Income Distribution Cum Capital Withdrawal redemption cheques and warrants	
Costs of statutory Advertisements	
Cost towards investor education & awareness (at least 2 bps)	
Brokerage & transaction cost over and above 12 bps and 5 Bps for cash and derivative market trades respectively@	
Goods and Services Tax on expenses other than investment and advisory fees	
Goods and Services Tax on brokerage and transaction cost	
Other Expenses^	Upto 2.25
Maximum total expense ratio (TER) permissible under Regulation 52 (6) (c)	Upto 0.05
Additional expenses under Regulation 52 (6A) ( c )**	
The aforesaid does not include Goods and Services Tax on investment management and advisory fees. The same is more specifically elaborated below	

^Any other expenses which are directly attributable to the Scheme, may be charged with the approval of the Trustee within the overall limits as specified in the Regulations except those expenses which are specifically prohibited. Further, the Direct Plan shall have a lower expense ratio excluding distribution expenses, commission etc. since no commission shall be paid from this plan. Further, all fees and expenses charged in the Direct Plan (in percentage terms) under various heads including the Investment Management and Advisory Fee shall not exceed the fees and expenses charged under such heads in the Regular Plan.

- (a) additional expenses under Regulation 52(6A)(c) at 0.05% of daily net assets of the scheme ;  
 \*\* In accordance with para 10.1.7 of SEBI Master circular no. SEBI/HO/IMD/IMD-PoD- 1/P/CIR/2023/74 dated May 19, 2023, AMC shall not charge any additional expense of upto 0.05% as per Regulation 52(6A)(c), if exit load is not being levied under the Scheme.
- (b) The AMC may charge GST on investment management and advisory service fees ('AMC fees') which shall be borne by the Scheme in addition to the total expense ratio mentioned in table above. AMC may charge GST on expenses other than investment and advisory fees of the Scheme, if any within the maximum limit of TER as per the Regulation under 52(6) and (6A). Further, GST on brokerage and transaction costs which are incurred for the purpose of execution of trade, will be within the limit of expenses as per the Regulation 52(6) and (6A).
- (c) @Brokerage and transaction costs which are incurred for the purpose of execution of trade up to 0.12 per cent of trade value in case of cash market transactions and 0.05 per cent of trade value in case of derivatives transactions.  
 It is clarified that the brokerage and transaction cost incurred for the purpose of execution of trade over and above the said 0.12 percent and 0.05 percent 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.
- (d) The AMC shall not charge additional expenses for gross new inflows from specified cities regulation 52(6A)(b).  
 Note: Pursuant to the directions received from SEBI vide its letter no. SEBI/HO/IMD-SEC-3/P/OW/2023/5823/1 dated February 24, 2023 read along with AMFI communication dated March 02, 2023; w.e.f March 01, 2023 no additional expense shall be charged on the new inflows received on or after March 01, 2023 from specified cities as per Regulation 52 (6A) (b) till any further guidance is received from SEBI in this regard.

The total expenses charged to the scheme shall be the maximum limit of TER as prescribed under regulation 52.

Investors should note that the total recurring expenses of the scheme excluding issue or redemption expenses, whether initially borne by the Mutual Fund or by the AMC, but including the investment management and advisory fee, shall not exceed the limits as prescribed under Regulation 52 of the SEBI Regulations. The AMC will charge the Scheme such actual expenses incurred, subject to the statutory limit prescribed in the Regulations.

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](http://www.jmfinancialmf.com).

These estimates have been made in good faith as per the information available to the Investment Manager based on past experience and are subject to change inter-se. Types of expenses charged shall be as per SEBI (Mutual Funds) Regulations, 1996. The purpose of the above table is to assist the investor in understanding the various costs and expenses that an investor in the scheme will bear directly or indirectly.

#### 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, 2021 (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](http://www.JMFinancialmf.in)) or may call at (toll free no.) or your distributor.

Any imposition or enhancement in the load shall be applicable on prospective investments only.

##### Entry Load: Not Applicable.

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.

##### Exit Load:

In respect of each purchase/ switch-in of Units, an Exit Load of 1.00% is payable if Units are redeemed/ switched-out within 180 days from the date of allotment.

No Exit Load is payable if Units are redeemed / switched-out after 180 days from the date of allotment.

No Entry / Exit Load shall be levied on units allotted on Reinvestment of Income Distribution cum Capital Withdrawal Option.

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.

As required under the Regulations, the fund shall ensure that the repurchase price of an open ended scheme is not lower than 95% of the Net Asset Value.

**D. WAIVER OF LOAD FOR DIRECT APPLICATIONS:**

Not Applicable

**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 Securities of the Scheme will be held in demat (electronic) mode and accordingly the rules of the Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018 would apply. The service charges payable to the Depository Participant will form a part of the annual recurring expenses.

**DEDUCTION OF TRANSACTION CHARGES FOR INVESTMENTS THROUGH DISTRIBUTORS / AGENTS:**

SEBI vide its Circular No. Cir/ IMD/ DF/13/ 2011 dated August 22, 2011, SEBI has permitted Asset Management Companies (AMCs) to deduct transaction charges per subscription of Rs. 10,000/- and above and the same be paid to the distributors of the Mutual Fund products.

In accordance with the said circular, the AMC shall deduct the Transaction Charges on purchase / subscription received from first time mutual fund investors and investor other than first time mutual fund investors through the distributor/ agent (who have opted to receive the transaction charges) as under:

Description	First Time Mutual Fund Investor (across Mutual Funds)	Investor other than First Time Mutual Fund Investor
Lump sum subscription of Rs. 10,000 and above	Transaction charges will be Rs. 150/-	Transaction charges will be Rs. 100/-
In case of investments through Systematic Investment Plan (SIP), if the total commitment (i.e. amount per SIP installment x No. of installments) amounts to Rs. 10,000/- or more.	Transaction charges will be Rs. 150/- or Rs. 100/- as may be applicable as mentioned above. The Transaction Charges shall be deducted in 4 equal installments, from the 2nd to the 5th installment.	

Investors may note that distributors have an option to opt in or opt out of charging the transaction charge. Pursuant to 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).

**VIII. RIGHTS OF UNITHOLDERS**

Please refer to SAI for details.

**IX. 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). There is no change in the contingent liability as on December 31, 2023 in respect of income tax and service tax matters.

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 ITAT has ruled the appeals in favour of JM Financial Ltd (Sponsor).

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 ("JMFL", the 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 JMFL, asking them to ensure compliance with SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018. JMFL took necessary corrective action and accordingly, the matter stands closed.
  - b. SEBI had issued a show cause notice dated November 15, 2022 to JM Financial Asset Management Limited (The AMC) and JM Financial Trustee Company Private Limited (Trustee Company), in respect of transactions executed by certain employees of the AMC in the schemes of JM Financial Mutual Fund, which was responded to by the AMC and Trustee Company. The AMC has provided its response/additional documents sought by the Adjudicating Officer on November 20, 2023, post the hearing held.
  - c. SEBI has issued a show cause notice ("SCN") dated May 25, 2023 in the matter of voluntary delisting offer by one of the clients of JM Financial Limited to certain entities, including JMFL. Pursuant to the SCN, JMFL has been called upon to show cause as to why an enquiry should not be held against it in terms of Rule 4 of the SEBI (Procedure of Holding Inquiry and Imposing Penalties) Rules, 1995 read with Section 15-I of SEBI Act, 1992 for alleged violation of applicable provisions of the SEBI (Delisting of Equity Shares) Regulations, 2021 and SEBI (Merchant Bankers) Regulations, 1992. JMFL has submitted its response to the SCN vide its letter dated September 20, 2023.
  - d. SEBI conducted an inspection of the merchant banking operations of JMFL and issued an administrative warning letter dated June 2, 2023 to JMFL in relation to its certain observations. JMFL, 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.
  - e. In the matter of an IPO by one of the clients of JMFL, SEBI issued an administrative warning letter dated August 22, 2023 to JMFL for non-reporting of bid upload failure by a Self-Certified Syndicate Bank. JMFL took necessary corrective action and accordingly, the matter stands closed.
  - f. In the matter of buy-back of equity shares by one of the clients of JMFL, SEBI issued an administrative warning letter dated November 22, 2023 to JMFL in relation to the calculation of entitlement ratio for the general category of shareholders while preparing Letter of Offer. JMFL took necessary corrective action and accordingly, the matter stands closed.
  - g. SEBI has issued an Interim Ex Parte Order ("Order") dated March 7, 2024, in the matter of public issue of certain debt securities, barring JMFL from taking any new mandate for acting as a lead manager for any public issue of debt securities. As regards the existing mandates, the Order states that JMFL can continue to act as a lead manager for public issue of debt securities for a period of 60 days from the date of the said Order. JMFL has filed its reply to SEBI in the said matter.
  - h. 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

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 Trustee Company Private Limited (Trustees to JM Financial Mutual Fund) have ensured that JM Small Cap Fund approved by them is a new product offered by JM Financial Mutual Fund and is not a minor modification of the existing scheme/fund/product.

## Point of acceptance of KFin Technologies Ltd. (RTA)

Zone	Branch	Address	Contact Name	Number
<b>East</b>				
Assam	Guwahati	Ganapati Enclave, 4th Floor, Opposite Bora service, Ullubari, Guwahati, Assam 781007. Tel: 8811036746.	Parth Das	9435173219
Bihar	Patna	Flat No.- 102, 2BHK Maa Bhawani Shardalay, Exhibition Road, Patna-800001. Tel: 0612-4323066.	Shankar Kumar	8092549402
	Begusarai	Sri Ram Market, Kali Asthan Chowk, Matihani Road, Begusarai, Bihar - 851101 Tel.: 7518801807/9693344717	Deepak Kumar Jaiswal	9304387790
Jharkhand	Bokaro	City Centre, Plot No. He-07, Sector-IV, Bokaro Steel City, Bokaro 827004. Tel: 7542979444.	Pranab Bhattacharyya	9934314986
	Ranchi	Room no 103, 1st Floor, Commerce Tower, Beside Mahabir Tower, Main Road, Ranchi -834001. Tel.: 0651-2331320	Pranab Bhattacharyya	9934314986
Orissa	Bhubaneswar	A/181 Back Side of Shivam Honda Show Room, Saheed Nagar - Bhubaneswar 751007. Tel: 0674-2548981.	Ratul Majumder	9007005094
	Cuttack	Shop No-45, 2nd Floor, Netaji Subas Bose Arcade, (Big Bazar Building) Adjusent To Reliance Trends, Dargha Bazar, Cuttack 753001. Tel: 0671-2203077.	Ratul Majumder	9007005094
	Rourkela	2nd Floor, Main Road, Udit Nagar, Sundargarh, Rourekla 769012. Tel.: 0661-2500005	Pranab Bhattacharyya	9934314986
West Bengal	Kolkata	2/1, Russel Street, 4thFloor, Kankaria, Centre, Kolkata 70001, WB. Tel: 033 66285900.	Rohit Dey	9038638491
<b>North</b>				
Haryana	Ambala	6349, 2nd Floor, Nicholson Road, Adjacent Kos Hospitalambala Cant, Ambala 133001. Tel: 7518801804.	Arvind	8091600021
	Faridabad	A-2B 2nd Floor, Neelam Bata Road, Peer ki Mazar, Nehru Groundnit, Faridabad 121001. Tel: 7518801812.	Shubh	9891309050
	Gurgaon	No: 212A, 2nd Floor, Vipul Agora, M. G. Road, Gurgaon 122001. Tel: 7518801817.	Shubh	9891309050
Himachal Pradesh	Shimla	1St Floor, Hills View Complex, Near Tara Hall, Shimla 171001.		
New Delhi	New Delhi	305 New Delhi House, 27 Barakhamba Road, New Delhi 110001. Tel: 011- 43681700.	Amit Jain	9871866622
Punjab	Amritsar	SCO 5, 2nd Floor, District Shopping Complex, Ranjit Avenue, Amritsar 143001. Tel: 0183-5053802.	Rajeev Kumar Bajaj	9796406060
	Jalandhar	Office No 7, 3rd Floor, City Square building, E-H197 Civil Line, Next to Kalyan Jewellers, Jalandhar 144001. Tel: 0181-5094410.	Rajeev Kumar Bajaj	9796406060
	Ludhiana	SCO 122, Second floor, Above HDFC Mutual fund, Feroze Gandhi Market, Ludhiana 141001. Tel: 0161-4670278.	Sheesh Pal Panwar	9876669990
	Patiala	B- 17/423, Lower Mall Patiala, Opp. Modi College, Patiala 147001. Tel: 0175-5004349.	Sheesh Pal Panwar	9876669990
Rajasthan	Ajmer	302, 3rd Floor, Ajmer Auto Building, Opposite City Power House, Jaipur Road, Ajmer 305001. Tel: 0145-5120725.	Amit Jain	9871866622
	Jaipur	Office no 101, 1st Floor, Okay Plus Tower, Next to Kalyan Jewellers, Government Hostel Circle, Ajmer Road, Jaipur 302001. Tel: 01414167715/17.	Amit Jain	9871866622
	Jodhpur	Shop No. 6, Gang Tower, G Floor, Opposite Arora Moter Service Centre, Near Bombay Moter Circle, Jodhpur 342003. Tel: 7737014590.	Dharminder Swarnkar	9414221097
	Udaipur	Shop No. 202, 2nd Floor, Business Centre, 1C Madhuvan, Opp. G P O Chetak Circle, Udaipur 313001. Tel: 0294 2429370.	Dharminder Swarnkar	9414221097
	Kota	D-8 Shri Ram Complex, Opposite Multi Purpose School, Gumanpur, Kota 324007. Tel : 0744-5100964.	Dharminder Swarnkar	9414221097
Union Territory	Chandigarh	First Floor, SCO 2469-70, Sec. 22-C, Chandigarh 160022. Tel: 1725101342.	Sheesh Pal Panwar	9876669990
	Pondicherry	No 122(10b), Muthumariamman, Koil street,-Pondicherry 605001. Tel.: 0413-4300710	Sundari	0427 4020300
Uttar Pradesh	Agra	House No. 17/2/4, 2nd Floor, Deepak Wasan Plaza, Behind Hotel Holiday INN, Sanjay Place, Agra 282002. Tel: 7518801801.	Saurabh	8400123123
	Allahabad	Meena Bazar, 2nd Floor 10 S.P. Marg Civil Lines, Subhash Chauraha, Prayagraj, Allahabad 211001. Tel: 7518801803.	Anuj	9839065084
	Aligarh	1st Floor Sevti Complex, Near Jain Temple, Samad Road Aligarh-202001. Tel.: 7518801802	Saurabh	8400123123
	Bareilly	1st Floor, rear side a -Square Building, 54-Civil Lines, Ayub Khan Chauraha, Bareilly 243001. Tel: 7518801806.	Sunil	9451912319
	Ghaziabad	FF - 31, Konark Building, Rajnagar, Ghaziabad 201001. Tel: 7518801813.	Shubh	9891309050
	Gorakhpur	Shop No 8 & 9, 4th Floor, Cross Road The Mall, Bank Road, Gorakhpur - 273001. Tel: 7518801816.	Umesh	9792940256
	Kanpur	15/46 B Ground Floor, Opp : Muir Mills, Civil Lines, Kanpur 208001. Tel: 7518801824.	Saurabh	8400123123
	Lucknow	1st Floor, A. A. Complex, 5 Park Road, Hazratganj Thaper House, Lucknow 226001. Tel: 0522-4061893.	Saurabh	8400123123
	Meerut	Shop No:- 111, First Floor, Shivam Plaza, Near Canara Bank, Opposite Eves Petrol Pump, Meerut-25001, Uttar Pradesh, India. Tel: 0121-4330878.	Uday	8950051400
	Moradabad	Chadha Complex, G. M. D. Road, Near Tadi Khana Chowk, Moradabad 244001. Tel: 7518801837.	Sunil	9451912319
	Noida	F-21, 2nd Floor, Near Kalyan Jewellers, Sector-18, Noida 201301. Tel: 7518801840.	Shubh	9891309050
Varanasi	D. 64 / 52, G - 4, Arihant Complex, Second Floor, Madhopur, Shivpurva Sagra, Near Petrol Pump, Varanasi -221010. Uttar Pradesh. Tel.: 7518801856.	Manoj	9450819473	
Uttaranchal	Dehradun	Shop No-809/799, Street No-2 A, Rajendra Nagar, Near Sheesha Lounge, Kaulagarh Road, Dehradun-248001. Tel: 7518801810.	Sunil	9451912319
<b>South</b>				
Andhra Pradesh	Guntur	2nd Shatter, 1st Floor, Hno. 6-14-48, 14/2 Lane, Arundal Pet, Guntur 522002. Tel: 0863-2339094.	K. Bala Krishna	9885995544
	Tirupathi	Shop No:18-1-421/f1, City Center, K. T. Road, Airtel Backside office, Tirupathi 517501. Tel: 9885995544 / 0877-2255797.	K. Bala Krishna	9885995544
	Vijayawada	HNo26-23, 1st Floor, Sundarammastreet, GandhiNagar, Krishna, Vijayawada 520010. Tel: 0866-6604032/39/40.	Satish Deshabaina	9959120147
	Visakhapatnam	DNO : 48-10-40, Ground Floor, Surya Ratna Arcade, Srinagar, Opp Roadto Lalitha Jeweller Showroom, Beside Taj Hotel Ladge, Visakhapatnam 530016. Tel: 0891-2714125.	K. Bala Krishna	9885995544



Zone	Branch	Address	Contact Name	Number
Karnataka	Bangalore	No 35, Puttanna Road, Basavanagudi, Bangalore 560004. Tel: 080-26602852.	Raghunath	9611131412
	Belgaum	Premises No.101, CTS NO.1893, Shree Guru Darshani Tower, Anandwadi, Hindwadi, Belgaum 590011. Tel: 0831 2402544.	Prashanth A	9611657824
	Hubli	R R Mahalaxmi Mansion, Above Indusind Bank, 2nd Floor, Desai Cross, Pinto Road, Hubballi 580029. Tel: 0836-2252444.	Prashanth A	9611657824
	Mangalore	Shop No - 305, Marian Paradise Plaza, 3rd Floor, Bunts Hostel Road, Mangalore - 575003, Dakshina Kannada, Karnataka Tel: 0824-2496289.	Prashanth A	9611657824
	Mysore	No 2924, 2nd Floor, 1st Main, 5th Cross, Saraswathi Puram, Mysore 570009. Tel: 0821-2438006.	Prashanth A	9611657824
Kerala	Cochin	Ali Arcade 1st Floor, Kizhavana Road, Panampilly Nagar, Near Atlantis Junction, Ernakulam 682036. Tel: 0484 - 4025059.	Sudheesh KA	9633072271
	Trivandrum	1st Floor, Marvel Building, Opp SI Electricals, Uppalam Road, Statue Po, Trivandrum 695001. Tel: 0471-4012377.	Sudheesh KA	9633072271
Tamil Nadu	Chennai	9th Floor, Capital Towers, 180, Kodambakkam High Road, Nungambakkam, Chennai – 600034. Tel: 044-42028512.	Mihir Kumar Nath	9840109615
	Coimbatore	3rd Floor, Jaya Enclave, 1057 Avinashi Road, Coimbatore 641018. Tel: 0422 - 4388011.	Sundari	0427 4020300
	Erode	Address No 38/1, Ground Floor, Sathy Road, (Vctv Main Road), Sorna Krishna Complex, Erode 638003	Sundari	0427 4020300
	Madurai	No. G-16/17, AR Plaza, 1st Floor, North Veli Street, Madurai 625001. Tel: 0452-2605856.	Nagarajan	9786326553
	Salem	No.6 NS Complex, Omalur main road, Salem 636009. Tel: 0427-4020300.	Sundari	0427 4020300
	Trichy	No 23C/1 E V R road, Near Vekkaliyamma Kalyana Mandapam, Putthur, Trichy 620017. Tel: 0431-4020227.	Sundari	0427 4020300
Telangana	Hyderabad	No:303, Vamsee Estates, Opp: Bigbazaar, Ameerpet, Hyderabad 500016. Tel: 040-44857874 / 75 / 76.	Satish Deshabaina	9959120147
<b>West</b>				
Chatisgarh	Bhilai	Office No. 2, 1st Floor, Plot No. 9/6, Nehru Nagar [East], Bhilai 490020. Tel: 0788-2289499 / 2295332.	K N Reddy	9300051444
	Raipur	Office No S-13, Second Floor, Reheja Tower, Fafadih Chowk, Jail Road, Raipur 492001. Tel: 0771-4912611.	K N Reddy	9300051444
Goa	Panjim	H. No: T-9, T-10, Affran plaza, 3rd Floor, Near Don Bosco High School, Panjim 403001. Tel: 0832-2426874.	Prashanth A	9611657824
Gujarat	Ahmedabad	Office No. 401, on 4th Floor, ABC-I, Off. C.G. Road, Ahmedabad 380009. Tel: 9081903021/9824327979.	Mehul Barevadya	9824327979
	Anand	B-42 Vaibhav Commercial Center, Nr TVS Down Town Show Room, Grid Char Rasta, Anand 380001. Tel: 9081903038.	Mehul Barevadya	9824327979
	Baroda	1st Floor, 125 Kanha Capital, Opp. Express Hotel, R C Dutt Road, Alkapuri, Vadodara 390007. Tel: 0265-2353506.	Rakesh Bakshi	8000403762
	Bhavnagar	303 Sterling Point, Waghawadi Road - Bhavnagar 364001. Tel.: 278-2223149.	Karthick Kalyan	8019592566
	Gandhi Nagar	138 - Suyesh solitaire, Nr. Podar International School, Kudasana, Gandhinagar - 382421, Gujarat Tel.: 079 23244955	Karthick Kalyan	8019592566
	Gandhidham	Shop # 12 Shree Ambica Arcade Plot # 300, Ward 12. Opp. CG High School, Near HDFC Bank, Gandhidham 370201. Tel.: 9081903027	Purvi Bhensdadiya	9725444799
	Jamnagar	131 Madhav Plaza, Opp SBI Bank, Nr Lal Bunglow, Jamnagar 361008. Tel: 0288 3065810.	Purvi Bhensdadiya	9725444799
	Mehsana	FF-21 Someshwar Shopping Mall, Modhera Char Rasta, Mehsana 384002. Tel.: 02762-242950	Mehul Barevadya	9824327979
	Navsari	103 1st Floor, E Landmark Mall, Near Sayaji Library, Navsari Gujarat, Navsari 396445. Tel: 9081903040.	Rakesh Bakshi	8000403762
	Rajkot	302 Metro Plaza, Near Moti Tanki Chowk, Rajkot, Gujarat 360001. Tel: 9081903025.	Purvi Bhensdadiya	9725444799
	Surat	Ground Floor, Empire State building, Near Udhna Darwaja, Ring Road, Surat 395002. Tel: 9081903041.	Rakesh Bakshi	8000403762
	Valsad	406 Dreamland Arcade, Opp. Jade Blue, Tithal Road, Valsad 396001. Tel: 02632-258481.	Rakesh Bakshi	8000403762
Madhya Pradesh	Bhopal	SF-13 Gurukripa Plaza, Plot No. 48A, Opposite City Hospital, zone-2, M P Nagar, Bhopal 462011. Tel: 0755 4077948/3512936.	Vishwas Dage	9713041958
	Gwalior	City Centre, Near Axis Bank, Gwalior 474011. Tel: 7518801818.	Saurabh	8400123123
	Jabalpur	2nd Floor, 290/1 (615-New), Near Bhavartal Garden, Jabalpur - 482001. Tel.: 0761-4923301	Vishwas Dage	9713041958
	Indore	101, Diamond Trade Center, 3-4 Diamond Colony, New Palasia, Above khurana Bakery, Indore. Tel: 0731-4266828/4218902.	Prashant patil	9977713382
Maharashtra	Aurangabad	Shop no B 38, Motiwala Trade Center, Nirala Bazar, Aurangabad 431001. Tel: 0240-2343414.	Satyajeet Chavan	9890918183
	Kolhapur	605/1/4 E Ward Shahupuri 2nd Lane, Laxmi Niwas, Near Sultane Chambers, Kolhapur 416001. Tel: 0231 2653656.	Akash Pawar	9595689091
	Mumbai	6/8 Ground Floor, Crossley House, Near BSE, Next Union Bank, Fort, Mumbai - 400001. Tel: 0121-022-66235353.	Prashant Ramakant Purav	9004089492
	Borivali	Gomati Smuti, Ground Floor, Jambli Gully, Near Railway Station, Borivali, Mumbai - 400 092.	ARUN SINGH	9673606377
	Thane	Room No. 302, 3rd Floor, Ganga Prasad, Near RBL Bank Ltd, Ram Maruti Cross Road, Naupada, Thane West, Mumbai – 400602.	AMIT KARANGUTKAR	022-25303013
	Nagpur	Plot No. 2, Block No. B / 1 & 2, Shree Apratment, Khare Town, Mata Mandir Road, Dharampeth, Nagpur 440010. Tel: 0712-3513750.	Prashant patil	9977713382
	Nasik	S-9 Second Floor, Suyojit Sankul, Sharanpur Road, Nasik 422002. Tel: 0253-6608999.	Satyajeet Chavan	9890918183
	Pune	Office # 207-210, Second Floor, Kamla Arcade, JM Road. Opposite Balgandharva, Shivaji Nagar, Pune 411005. Tel: 2046033615.	Mohammed Murad Shakir	9823020792
	Vashi	Vashi Plaza, Shop no. 324,C Wing, 1st Floor, Sector 17,Vashi Mumbai,400705. Tel.: 022 27802684	Prashant Ramakant Purav	9004089492
	Solapur	Shop No 106, Krishna Complex, 477 Dakshin Kasaba Datta Chowk, Solapur-413007. Tel : 0217-2300021 / 2300318.	Satish Deshabaina	0217-2300021 / 2300318
	Ghatkopar	11/Platinum Mall, Jawahar Road, Ghatkopar (East), Mumbai 400077.	Akash Pawar	9595689091
	Ahmednagar	Shop no. 2, Plot No. 17, S.no 322, Near Ganesh Colony, Savedi, Ahmednagar - 414001	Prashant Patil	9977713382

JM Financial Asset Management Limited (ISC) / (OPA)	
<b>Ahmedabad</b>	702, Majestic. Nr. Swati Restaurant, Opp Lawgarden BRTS Stand, Ellisbridge, Ahmedabad 380006. Tel.: (079) 29915991
<b>Bangalore</b>	Mittal Tower Unit No. 1258-59, B Wing, 14th Floor, Near Trinity Metro Station, Bangalore. Tel.: (080) 40907317/19.
<b>Chandigarh</b>	Chandigarh Business Centre, Chamber No.8, 2nd floor, SCO 2441-42, Sector 22 C, Chandigarh - 160022. Tel: (0172) 4346431.
<b>Chennai</b>	Maalavika Centre No. 144/145, 4th Floor, Kodambakkam High Road, Nungambakkam, Chennai - 600034. Tel.: (044) 35005128.
<b>Hyderabad</b>	ABK OLBEE Plaza, 8-2-618/8 & 9, 2nd Floor, 204, Road No. 1, Banjara Hills, Hyderabad 500 034. Tel.: (040) 66664436 / 66780752.
<b>Jaipur</b>	343, 3rd Floor, Ganapati Plaza, MI Road, Jaipur - 302 001. Tel.: (0141) 4002188.
<b>Kolkata</b>	Krishna Kunj, 7th floor, 10C, Hungerford Street, Kolkata 700017. Tel.: (033) 40062958/59/65/67.
<b>Lucknow</b>	Office No 207 B, 2nd Floor, Saran Chambers 2, 5 Park Road, Near Civil Hospital, Hazaratganj, Lucknow 226001. Tel.: (0522) 4578998.
<b>Mumbai (Prabhadevi)</b>	Office B, 8th Floor, Cnergy, Appasaheb Marathe Marg, Prabhadevi, Mumbai 400 025. Tel: 022- 61987777.
<b>Mumbai (Andheri)</b>	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.
<b>New Delhi</b>	601, 6th floor, Suryakiran Building, 19 K G Marg, Connaught Place, New Delhi - 110 001. Tel.: (011) 43616160.
<b>Pune</b>	Office no 13, 3rd Floor, Aditya Centeegra, Final Plot 314, CTS 930, Mouje Bhamburda, Fergusson College Rd, Shivaji Nagar, Pune - 411005. Tel - (020) 25511127.
<b>Vadodara</b>	Emerald One Unit No. A 126, 1st Floor, Windward Business Park, Jetalpur Road, Vadodara. Tel: 0265-2993727.
<b>Indore</b>	Gold Arcade, Office No. 207, 3 New Palasia, Street No 1, Opposite Virndavan Restaurant, Near Janjeerwala Square, Indore-452001. Tel.: 0731-3600912.

Web transactions through			
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<a href="http://www.angeltrade.com">www.angeltrade.com</a>	<a href="http://www.finity.in">www.finity.in</a>	<a href="http://www.kotaksecurities.com">www.kotaksecurities.com</a>	<a href="http://www.sqrll.in">www.sqrll.in</a>
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<a href="http://www.barclays.in">www.barclays.in</a>	<a href="http://www.hdfcbank.com">www.hdfcbank.com</a>	<a href="http://www.kotak.com">www.kotak.com</a>	<a href="http://www.sbicapsec.com">www.sbicapsec.com</a>
<a href="http://www.bajajcapital.com">www.bajajcapital.com</a>	<a href="http://www.ifastfinancial.co.in">www.ifastfinancial.co.in</a>	<a href="http://www.mahindrafinance.com">www.mahindrafinance.com</a>	<a href="http://www.sharekhan.com">www.sharekhan.com</a>
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Exchange & Industry Platforms - Point of Acceptance		
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### JM Financial Asset Management Limited

**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



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\*Investors can also invest in the Schemes of Mutual Fund by logging in on the website of the Mutual Fund.

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