STATEMENT OF ADDITIONAL INFORMATION (SAI)

NAME OF MUTUAL FUND	:	JM FINANCIAL MUTUAL FUND
NAME OF ASSET MANAGEMENT COMPANY	:	JM FINANCIAL ASSET MANAGEMENT LIMITED
NAME OF TRUSTEE COMPANY	:	JM FINANCIAL TRUSTEE COMPANY PRIVATE LIMITED

INVESTMENT MANAGER:

JM FINANCIAL ASSET MANAGEMENT LIMITED (Formerly known as JM Financial Asset Management Private Ltd.)

Corporate Office : Office B, 8th Floor, Cnergy, Appasaheb Marathe Marg, Prabhadevi, Mumbai - 400 025.
Corporate Identity Number: U65991MH1994PLC078879
Tel. No.: 022-6198 7777. Fax Nos.: 022- 6198 7704/3379 7704. E-mail: investor@jmfl.com,
Website: www.jmfinancialmf.com

Registered office : 7th Floor, Cnergy, Appasaheb Marathe Marg, Prabhadevi, Mumbai 400 025, India

TRUSTEE:

JM FINANCIAL TRUSTEE COMPANY PRIVATE LIMITED

Corporate Identity Number: U65991MH1994PTC078880

Registered Office : 141, Maker Chambers III, Nariman Point, Mumbai - 400 021.

This Statement of Additional Information (SAI) contains details of JM Financial Mutual Fund, its constitution, and certain tax, legal and general information. It is incorporated by reference (is legally a part of the Scheme Information Document). Capitalised terms not defined herein shall have the meaning ascribed to them in the relevant Scheme Information Document.

This SAI is dated December 29, 2021

I. INFORMATION ABOUT SPONSOR, AMC AND TRUSTEE COMPANIES

A. CONSTITUTION OF THE MUTUAL FUND

JM Financial Mutual Fund (formerly known as JM Mutual Fund and hereinafter referred as the "Mutual Fund") has been constituted as a Trust on 1st September, 1994 in accordance with the provisions of the Indian Trusts Act, 1882 (2 of 1882). JM Financial Mutual Fund had been constituted as a Trust with J.M. Financial and Investment Consultancy Services Private Limited ("JMFICS") and JM Financial Limited (formerly known as J.M. Share and Stock Brokers Limited and referred to as "JMF") as the Settlors and JM Financial Trustee Company Private Limited (formerly, known as J.M. Trustee Company Private Limited and hereinafter referred as "the Trustee") as the Trustee. The Trust Deed has been registered under the Indian Registration Act, 1908. The Fund was registered with SEBI vide Registration No. MF/015/94/8 dated September 15, 1994.

JM Financial Mutual Fund was promoted by the JM Financial Group, which has over 25 years of association with the Indian securities market, both as Investment Banker and Stock Brokers.

The main objective of JM Financial Mutual Fund is to formulate and devise various collective schemes of savings and investments for the general public and to provide them with reasonable income/ returns and ensure liquidity of investments for the unit holders.

B. SPONSOR

JM Financial Limited is a sole sponsor of JM Financial Mutual Fund

JM Financial Mutual Fund had been constituted as a Trust. The Trustee has appointed JM Financial Asset Management Limited (formerly known as J.M. Capital Management Private Limited and referred to as "the AMC") as the Investment Manager. JMFICS and JMF who were the Sponsor and the Co-Sponsor of JM Financial Mutual Fund had made an initial contribution of Rs. One lac each towards JM Financial Mutual Fund, which has been invested in JM Equity Fund.

Consequent to the change in the shareholding of the AMC in October 2007 and by virtue of being the only shareholder holding more than 40% of the equity share capital of the AMC, JMF has become the sole Sponsor of JM Financial Mutual Fund.

Financial Performance of the Sponsor (past three years): (Rs. In Crs)

Particulars	FY 2020-21	FY 2019-20	FY 2018-19
Net Worth	3,502.86	2,573.28	2,481.96
Total Income	374.41	303.07	271.88
Profit after tax	175.23	127.31	111.30

Note: Figures for Financial Year 2020-21, 2019-20 and 2018-19 as per Ind AS.

C. THE TRUSTEE

JM Financial Trustee Company Pvt. Ltd. is registered under the Companies Act, 1956 and was incorporated on 9th June 1994. The Sponsors have executed a Trust Deed on 1st September 1994 appointing JM Financial Trustee Company Pvt. Ltd. as Trustee Company of JM Financial Mutual Fund. The Settlor has executed a Supplemental Trust Deed on April 3, 2012 to bring the Trust Deed in line with the changes in the Regulations and reflect the changes in the names of the entities, constitution of the Mutual Fund, etc.

The following is a summary of the substantial provisions of the Trust Deed which may be of material interest to the Unit holders:

- The investments to be under the control and custody of the Trustee and to be held in trust for the Unit holders who are to have beneficial interest in the Trust Property.
- The Trustee to appoint AMC to frame from time to time one or more schemes for issue of units to the public. The AMC to function under the overall superintendence of the Trustee.
- The Trustee is authorised and directed by the Settlors to enter into, on behalf of the Fund, a Custodian Agreement with a party registered with SEBI with respect to custody of securities. The Trustee is responsible for supervision of the activities of the Custodian.
- The power and duties of the Trustee as provided in the Trust Deed are more particularly described under the heading "Rights and Obligations of the Trustee".
- The Trust declared may be terminated or dissolved in accordance with SEBI Regulation by the Settlors and thereupon the Mutual Fund to be liquidated in the manner provided in the Trust Deed.
- No amendments to the Trust Deed has been carried out without the prior approval of SEBI and Unit holders' approval would be obtained where it affects the interests of the Unit holders.

  An amendment to the Trust Deed has been carried out to inter-alia incorporate the following provisions as required under the Regulations:
- Each Director shall file with JM Financial Mutual Fund, details of his transactions or dealings in securities of such value on a quarterly basis or as may be specified under the SEBI Regulations from time to time.
- The minimum number of Directors in the Trustee shall be four or such number of Directors as may be prescribed under the SEBI Regulations from time to time.

In specific circumstances where the consent of the Unit holders is required to be obtained, the AMC shall obtain this consent by the holding of a postal ballot, administered by the AMC, or in such other manner as may be prescribed by SEBI, from time to time.

On a regular basis, activity report forwarded by the AMC will be discussed at the Board meeting of the Trustee. The Board meeting of the Trustee shall be held at least once in every two months and at least six such meetings shall be held in every year or at such frequency as may be prescribed under the SEBI Regulation or the Trust Deed. The quorum for a Board meeting of the Trustee shall not be constituted unless such numbers of independent directors as may be prescribed by SEBI from time to time are present at the meeting. As already disclosed hereinabove, necessary amendments are proposed to be carried out in the Trust Deed for incorporation of clauses 20, 21 & 22 of the Third Schedule to the Regulation. The supervisory role of the Trustee will also include reviewing the internal auditors/compliance officer's reports on a regular basis.

Details of Trustee Directors:

Name	Age/Qualification	Brief Experience
Ms. Dipti Neelakantan (Chairperson)	63 Years B.Com, FCS	Ms. Dipti Neelakantan has more than 38 years of professional experience in the financial and capital markets. She recently retired as Managing Director & part of the Firm Management at JM Financial Group. She has been a director of various companies in JM Financial Group and will now be the Associate Director of JM Financial Trustee Company Private Limited. Her bouquet of experience covers various capacities, locations and disciplines spanning across corporate governance, risk management, financial structuring, end to end delivery of capital market transactions, mergers and acquisition advisory, non-banking financial activities, active engagement for regulatory approvals, syndication, compliance, stock broking, fund management, sales and distribution of financial products. She has been actively engaged with various policy makers including SEBI and RBI for development of regulatory framework and continuous reforms in financial and capital markets. She has been a member of various committees of SEBI. She is also a member of FICCI's Capital Market Committee and CII's National Committee on Financial Markets, CII's Economic Affairs Council.
Mr. Prashant Choksi (Associate Director)	66 years B.Com, LLB, FCS	He has over 37 years of rich experience spread across various organizations such as HDFC Ltd. and JM Financial group of companies.
Ms. Madhu Dubhashi (Independent Director)	BA(Hons)Economics, PGDBA from IIM(Ahmedabad) Age: 70 years	Ms. Dubhashi currently holds the position of an independent director in various companies. Ms. Dubhashi has been working since June, 1973. Ms. Dubhashi was the CEO of Global Data Services of India Ltd. (GDS) (now merged with CRISIL). Ms. Dubhashi had joined INNOVEN Business Consultancy as Principal Consultant. She has also worked with J M Financial and Investment Consultancy Services Ltd., with the Merchant Banking Division of Standard Chartered Bank and prior to that with ICICI Ltd. Ms. Dubhashi has addressed seminars at various training institutes. She has written articles in various reputed business journals and written papers on "Non-Voting Shares" and "Buy-Back of Shares".
Mr. Vivek Jetley (Independent Director)	Masters in Business Management (Finance), FCMA, CS, Age: 63 years	Mr. Vivek Jetley is the Founder & CEO of Urbana Health Pte. Ltd. which provides healthcare consulting, advisory and investment services in SE Asia and India. Earlier, he was the CEO & MD of Max India. He has held senior positions in Parkway Health (now IHH Berhard) and Avenue Capital Group
Mr. Dhaval Vussonji (Independent Director)	43 Years B.Com. Bombay University C.A., Institute of Chartered Accountants of India LL.B. Bombay University Advocate, Bar Council of Maharashtra Solicitor, High Court, Bombay	Mr. Dhaval Vussonji is a practicing Advocate and Solicitor. Mr. Vussonji is qualified as a Bachelor of Commerce and a Chartered Accountant. Mr. Dhaval Vussonji is the founder of Dhaval Vussonji & Associates. Mr. Vussonji extensively practices in the areas of Real Estate, Corporate Debt Restructuring, infrastructure, Corporate Commercial & EPC Contracts, Banking & Finance, Insolvency & Bankruptcy, International Commercial Arbitration, Litigation, Private Equity Investments.

Mr. P. Krishnamurthy (Independent Director)	73 Years C.A., Institute of Chartered Accountants of India	Mr. P Krishnamurthy has over 50 years of experience in corporate management, financial advisory and investment management roles. Over the course of his career he has held senior management positions in leading multinational firms and large Indian Industrial groups. For a period of about 10 years, Mr. Krishnamurthy was engaged in the fields of financial services, investment banking services and related areas. With his extensive background and experience, in 2010 Mr. P Krishnamurthy founded his advisory firm, P Krishnamurthy & Associates (PKA), to take up long term advisory engagements which inter-alia focused on corporate and M&A strategy. In addition to his engagements under PKA, Mr. Krishnamurthy has in the past served as a director on several companies and is currently serving on the Boards of 2 companies.

Rights, Responsibilities And Duties Of The Trustee

Pursuant to the Trust Deed constituting JM Financial Mutual Fund and Regulation 18 of the SEBI Regulations, the Trustee has several rights and obligations. These inter-alia include:

1. The Trustee and the AMC shall with the prior approval of SEBI enter into an Investment Management Agreement (IMA).
2. The IMA shall contain such clauses as are mentioned in the Fourth Schedule of the SEBI Regulations and such other clauses as are necessary for the purpose of making investments.
3. The Trustee shall have a right to obtain from the AMC such information as is considered necessary by the Trustee.
4. The Trustee shall ensure before the launch of any scheme that the AMC has;
   - (a) systems in place for its back office, dealing room and accounting;
   - (b) appointed all key personnel including fund manager(s) for the scheme(s) and submitted their bio-data which shall contain the educational qualifications, past experience in the securities market with the Trustee, within 15 days of their appointment;
   - (c) appointed auditors to audit its accounts;
   - (d) appointed a compliance officer who shall be responsible for monitoring the compliance of the Act, rules and regulations, notifications, guidelines instructions etc issued by SEBI or the Central Government and for redressal of investors' grievances.;
   - (e) appointed registrars and laid down parameters for their supervision;
   - (f) prepared a compliance manual and designed internal control mechanisms including internal audit systems;
   - (g) specified norms for empanelment of brokers and marketing agents.
   - (h) obtained, wherever required under these regulations, prior in principle approval from the recognised stock exchange(s) where units are proposed to be listed.
   - (4A) The compliance officer appointed under clause (d) of sub-regulation (4) shall immediately and independently report to the Board any non-compliance observed by him.
5. The Trustee shall ensure that the AMC has been diligent in empanelling the brokers, in monitoring securities transactions with brokers and avoiding undue concentration of business with any broker.
6. The Trustee shall ensure that the AMC has not given any undue or unfair advantage to any associates or dealt with any of the associates of the AMC in any manner detrimental to interest of the Unit holders.
7. The Trustee shall ensure that the transactions entered into by the AMC are in accordance with the SEBI Regulations and the Scheme.
8. The Trustee shall ensure that the AMC has been managing the mutual fund schemes independently of other activities and have taken adequate steps to ensure that the interest of investors of one scheme are not being compromised with those of any other scheme or of other activities of the AMC.
9. The Trustee shall ensure that all the activities of the AMC are in accordance with the provisions of the SEBI Regulations.
10. Where the Trustee has reason to believe that the conduct of business of the mutual fund is not in accordance with the SEBI Regulations and the Scheme they shall forthwith take such remedial steps as are necessary by them and shall immediately inform SEBI of the violation and the action taken by them.
11. Each trustee shall file the details of his transactions of dealing in securities with the Mutual Fund within the time and manner as may be specified by the Board from time to time.
12. The Trustee shall be accountable for, and be the Custodian of, the Funds and property of the respective schemes and shall hold the same in trust for the benefit of the Unit holders in accordance with the SEBI Regulations and the provisions of the Trust Deed.
13. The Trustee shall take steps to ensure that the transactions of the Fund are in accordance with the provisions of the Trust Deed.
14. The Trustee shall be responsible for the calculation of any income due to be paid to the Fund and also of any income received in the

Fund for the holders of the units of any scheme in accordance with the SEBI Regulations and the Trust Deed.

15. The Trustee shall obtain the consent of the Unit holders
    a. whenever required to do so by SEBI in the interest of the Unit holders; or
    b. whenever required to do so on the requisition made by three-fourths of the unit holders of any scheme; or
    c. when the majority of the Directors of the Trustee decide to wind up or prematurely redeem the Units;

(15A). The Trustee shall ensure that no change in the fundamental attributes of any scheme or the trust or fees and expenses payable or any other change which would modify the Scheme and affects the interest of Unit holders, shall be carried out unless,
    i. a written communication about the proposed change is sent to each Unit holder 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
    ii. the Unit holders are given an option to exit at the Applicable NAV without any exit Load.

16. The Trustee shall call for the details of transactions in securities by the key personnel of the AMC in his own name or on behalf of the AMC and shall report to SEBI, as and when required.

17. The Trustee shall quarterly review all transactions carried out between the Fund, AMC and its associates.

18. The Trustees shall on a quarterly basis review the networth of the asset management company to ensure compliance with the threshold provided in clause (f) of sub-regulation (1) of regulation 21 on a continuous basis.

19. The Trustee shall periodically review all service contracts such as custody arrangements, transfer agency of the securities and satisfy itself that such contracts are executed in the interest of the Unit holders.

20. The Trustee shall ensure that there is no conflict of interest between the manner of deployment of its networth by the AMC and the interest of the Unit holders.

21. The Trustee shall periodically review the investor complaints received and the redressal of the same by the AMC.

22. The Trustees shall abide by the Code of Conduct as specified in PART-A of the Fifth Schedule.

23. The Trustee shall furnish to SEBI on a half yearly basis,
    (a) a report on the activities of the mutual fund;
    (b) a certificate stating that the Trustee has satisfied itself that there have been no instances of self dealing or front running by any of the Trustee, directors and key personnel of the AMC;
    (c) a certificate to the effect that the asset management company has been managing the schemes independently of any other activities and in case any activities of the nature referred to in clause (b) of regulation 24 have been undertaken by the asset management company and has taken adequate steps to ensure that the interests of the unitholders are protected.

24. The independent Directors of the Trustee referred to in sub-regulation (5) of Regulation 16 of the SEBI Regulations shall give their comments on the report received from the AMC regarding the investments by the mutual fund in the securities of group companies of the Sponsor.

25. The Trustee shall exercise due diligence as under:

A. General Due Diligence:

    i. The Trustee shall be discerning in the appointment of the directors on the Board of the AMC.
    ii. The Trustee shall review the desirability of continuance of the AMC if substantial irregularities are observed in any of the schemes and shall not allow the AMC to float new schemes.
    iii. The Trustee shall ensure that the Trust Property is properly protected, held and administered by proper persons and by a proper number of such persons.
    iv. The Trustee shall ensure that all service providers are holding appropriate registrations from SEBI or concerned regulatory authority.
    v. The Trustee shall arrange for test checks of service contracts.
    vi. The Trustee shall immediately report to SEBI of any special developments in the Fund.

B. Specific Due Diligence:

The Trustee shall:

    i. obtain internal audit reports at regular intervals from independent auditors appointed by the Trustee
    ii. obtain compliance certificates at regular intervals from the AMC.
    iii. hold meetings of the Directors of the Trustee more frequently.
    iv. consider the reports of the independent auditor and compliance reports of the AMC at the meetings of the Trustee for appropriate action.

v. maintain records of the decisions of the Trustee at its meetings and of the minutes of the meetings.

vi. prescribe and adhere to a code of ethics by the Trustee, AMC and its personnel.

vii. communicate in writing to the AMC of the deficiencies and checking on the rectification of deficiencies.

26. Notwithstanding anything contained in sub-regulations (1) to (25) mentioned above, the Trustee shall not be held liable for acts done in good faith if they have exercised adequate due diligence honestly.

27. The independent directors of the Trustee or AMC shall pay specific attention to the following, as may be applicable, namely:

i. The IMA and the compensation paid under the agreement.

ii. Service contracts with associates - whether the AMC has charged higher fees than outside contractors for the same services.

iii. Selection of the AMC's independent directors

iv. Securities transactions involving associates to the extent such transactions are permitted.

v. Selecting and nominating individuals to fill independent directors' vacancies.

vi. Code of ethics must be designed to prevent fraudulent, deceptive or manipulative practices by insiders in connection with personal securities transactions.

vii. The reasonableness of fees paid to Sponsors, the AMC and any others for services provided.

viii. Principal underwriting contracts and their renewals.

ix. Any service contract with the associates of the AMC

Trustee's Supervisory Role

The supervisory role of the Trustee is discharged by the Board of Directors of the Trustee company through internal and external reporting system;

Internal Reporting: The compliance officer reports on a regular basis to the Trustee on the compliance of mandatory regulatory requirements.

External Reporting: In terms of Regulation 18(4)(f) of the SEBI Regulations, the Trustee will ensure that before the launch of any scheme, the AMC has prepared a compliance manual and desired internal control mechanism including internal audit systems. Further, SEBI vide their letter No. MFD/CIR/No.010/024/2000 dated January 17, 2000 made it mandatory for the Trustee to constitute an audit committee of the Trustee, which is to be chaired by an independent Trustee. In compliance of the above SEBI Regulations, the Trustee has constituted an audit committee and appointed an independent internal auditor for conducting internal audit of the books and records of the Mutual Fund. The internal auditors submit their report directly to the Trustee under this external reporting system.

The Board of Trustee had 6 board meetings during the year 2020-2021.

D. Asset Management Company

JM Financial Asset Management Ltd. (formerly known as JM Financial Asset Management Private Ltd.) ("AMC") is a public limited company incorporated under the Companies Act, 1956 on 9th June, 1994., having its registered office at 7th Floor, Cnergy, Appasaheb Marathe Marg, Prabhadevi, Mumbai 400 025, India. JM Financial Asset Management Ltd. (formerly known as JM Financial Asset Management Private Ltd.) has been appointed as the Asset Management Company of JM Financial Mutual Fund by the Trustee vide Investment Management Agreement (IMA) dated 1st September, 1994, executed between JM Financial Trustee Company Pvt. Ltd and JM Financial Asset Management Ltd. Supplemental IMA has been executed on March 25, 2013 between JM Financial Trustee Company Pvt. Ltd and JM Financial Asset Management Ltd.

The AMC has received approval from SEBI for undertaking Portfolio Management and has been granted a Certificate of registration by SEBI under the SEBI (Portfolio Managers) Regulations, 1993. The SEBI Registration No. for Portfolio Management is INP000002759.
The AMC is acting as Investment Manager to Category II Alternative Investment Funds (AIF) in accordance with Regulation 24 (b) of SEBI (Mutual Funds) regulations.
The AMC certifies that there is no conflict of interest between the aforesaid Portfolio Management activities, AIF activities and the activities of the Mutual Fund.

Shareholding Pattern of JM Financial Asset Management Ltd.
Equity Share Capital

Sr. No.	Name of the Shareholder	% of Shareholding
1	JM Financial Ltd.	59.54
2	JM Financial Limited with Mr. Manish Sheth	0.00
3	JM Financial Limited with Mr. Vishal Kampani	0.00
4	J. M .Financial & Investment Consultancy Services Pvt Ltd	28.41
5	Mr. Nimesh N. Kampani	5.86
6	J.M. Assets Management Private Limited	5.63
7	Ms. Aruna N. Kampani	0.56
	Total	**100.00**

Details of AMC Directors:

Name	Age/Qualification	Brief Experience
Mr. V. P. Shetty	B.Com, CAIIB Age: 74 years	Mr. V. P. Shetty has had an illustrious Banking career spanning almost four decades. He has worked in various positions in 4 major Public Sector banks. He has worked as Chairman and Managing Director in UCO Bank, Canara Bank and IDBI Bank. He was also Chairman of Indian Banks' Association. Mr. Shetty is an authority in Commercial Banking, Mergers & Acquisitions in Banking, Corporate Governance and Turnaround Management especially in Public Sector. Mr. Shetty was also the Recipient of "Banker of the Year – 2003" Award from the Business Standard Group in recognition of successful turnaround of UCO Bank. Mr. Shetty has also served on the Boards of Life Insurance Corporation of India, Export-Import Bank of India, Infrastructure Development Finance Company Ltd., National Insurance Company Ltd., and General Insurance Corporation of India. He was a Member of the Governing Council of Banking Codes & Standards Board of India (BCSBI). Mr. V. P. Shetty is the Chairman of JM Financial Asset Reconstruction Co. Ltd., JM Financial Asset Management Ltd., JM Financial Home Loans Ltd. and JM Financial Products Ltd. Mr. Shetty is also a Director of JM Financial Credit Solutions Ltd. He is a B. Com graduate and a Certified Associate of Indian Institute of Bankers (CAIIB).
Mr. Rajendra Chitale (Independent Director)	B.Com. FCA Age: 60 years	Mr. Chitale, an eminent Chartered Accountant and a Law Graduate, is the Managing Partner of M/s. Chitale & Co., a leading boutique international structuring, tax and legal advisory firm and of M. P. Chitale & Co., a reputed accounting firm. He has served as a member of the Insurance Advisory Committee of the Insurance and Regulatory Development Authority of India, the Company Law Advisory Committee, Government of India, the Takeover Panel of the Securities & Exchange Board of India, the Advisory Committee on Regulations of the Competition Commission of India, and the Maharashtra Board for Restructuring of State Enterprises, Government of Maharashtra. He has served on the Board of Life Insurance Corporation of India, Unit Trust of India, Small Industries Development Bank of India, National Stock Exchange of India Ltd., National Securities Clearing Corporation Limited and SBI Capital Markets Ltd. He is on the Board of several large corporates.
Mr. Darius Pandole, (Associate Director)	B.A. (Harvard Univ), MBA (Univ of Chicago) Age: 55 years	Mr. Pandole joined JM Financial Investment Managers Ltd.(now JM Financial Ltd.), in August 2016. He has around 25 years of private equity experience in India. Prior to the JM Financial Investment Managers Limited, Mr. Pandole was a partner at New Silk Route Advisors (NSR) for close to 9 years. He was a member of the early team at NSR that managed the US$ 1.4 billion private equity fund. At NSR, Mr. Pandole worked on a number of investments and divestments across sectors, including participating on the board of directors of investee companies. Prior to NSR, Mr. Pandole worked at IDFC PE Ltd., which he joined in February 2003. He was the Executive Director, and later COO of this asset management company that managed the India Development Fund, an infrastructure focused private equity fund. The India Development Fund was the largest domestic private equity fund in India at that time and Mr. Pandole was part of the start-up team responsible for raising and managing this fund. This fund had been amongst the best performing funds in India during this timeframe. In February 1999, Mr. Pandole co-founded and served as managing director of IndAsia Fund Advisors Pvt. Ltd., the Indian advisor to the AMP-IndAsia India Fund – a private equity fund established in partnership with AMP of Australia. Upon his return from the U.S. in 1993, Mr. Pandole managed the operations of his family owned soft drinks business, Duke and Sons Limited, which was a market leader in western India. Mr. Pandole serves as an associate director on the board of JM Financial Asset Management Ltd., that acts as fund manager for JM Financial Mutual Fund. Mr. Pandole holds a B.A. degree from Harvard University and an MBA from the University of Chicago.

Mr. Parthiv Kilachand (Independent Director)	Sc.B "Electrical Engineering" & A.B. "Engineering & Economics" from Brown University Age: 54 years	Mr. Parthiv T. Kilachand is the co-owner, co-founder and Chairman of Connell Brothers Co. (India) Pvt. Ltd., a company which distributes specialty chemicals and ingredients in India and a joint venture with Wilbur-Ellis Co. from USA. He has been involved with Polychem Limited, a listed company, in various capacities from November 1, 1988 and is actively involved in the management of the Company. as Managing Director of Polychem Limited till date. He co-founded a Company International Distillers India Ltd which manufactures alcoholic beverages in India in JV with IDV (now Diageo). He is also on the Board of many other companies. Mr. Kilachand has studied at Eton College, UK and Brown University USA.

Duties and Obligations Of The AMC

Under SEBI (Mutual Funds) Regulations, 1996 and the IMA, the AMC has interalia the following duties and responsibilities:

(1) The AMC shall take all reasonable steps and exercise due diligence to ensure that the investment of funds pertaining to any scheme is not contrary to the provisions of these regulations and the Trust Deed.

(2) The AMC shall exercise due diligence and care in all its investments decisions as would be exercised by other persons engaged in the same business.

(2A) The asset management company shall obtain, wherever required under these regulations, prior in-principle approval from the recognized stock exchange(s) where units are proposed to be listed.

(3) The AMC shall be responsible for the acts of commissions or omissions by its employees or their persons whose services have been procured by the AMC.

(4) The AMC shall submit to the Trustee quarterly reports of each year on its activities and the compliance with these regulations.

(5) The Trustee at the request of the AMC may terminate the assignment of the AMC at any time:

Provided that such termination shall become effective only after the Trustee has accepted the termination of assignment and communicated their decision in writing to the AMC.

(6) Notwithstanding anything contained in any contract or agreement or termination, the AMC or its directors or other officers shall not be absolved of liability to the mutual fund for their acts of commission or omissions, while holding such position or office.

(6A) The Chief Executive Officer (whatever his designation may be) of the AMC shall ensure that the Fund complies with all the provisions of the Regulations and the guidelines or circulars issued in relation thereto from time to time and that the investments made by the fund managers are in the interest of the Unit holders and shall also be responsible for the overall risk management function of the Mutual Fund.

(6B) The fund manager (whatever his designation may be) shall ensure that the funds of the Schemes are invested to achieve the objectives of the Scheme and in the interest of the Unit holders.

(7) (a) The AMC shall not through any broker associated with the Sponsor, purchase or sell securities, which is average of 5% or more of the aggregate purchases and sale or securities made by the mutual fund in all its schemes.

Provided that for the purpose of this clause, aggregate purchase and sale of securities shall exclude sale and distribution of units issued by the mutual fund. Provided further that the aforesaid limit of 5% shall apply for a block of any three months

(b) The AMC shall not purchase or sell securities through any broker (other than a broker referred to in clause 7(a) above) which is average of 5% or more of the aggregate purchases and sale of securities made by the mutual fund in all its schemes, unless the AMC has recorded in writing the justification for exceeding the limit of 5% and reports of all such investments are sent to the trustees on a quarterly basis.

Provided that the aforesaid limit shall apply for a block of three months.

(8) The AMC shall not utilise the services of the Sponsor or any of its associates, employees or their relatives, for the purpose of any securities transaction and distribution and sale of securities:

Provided that the AMC may utilise such services if disclosure to that effect is made to the Unit Holders and the brokerage or commission paid is also disclosed in the half yearly annual accounts of the mutual fund.

Provided further that the mutual fund shall disclose at the time of declaring half-yearly and yearly results:

(i) any underwriting obligations undertaken by the schemes of the mutual funds with respect to issue of securities of associate companies.

(ii) Devolvement, if any;

(iii) Subscription by the Schemes in the issues lead managed by associate companies.

(iv) Subscription to any issue of equity or debt on private placement basis where the Sponsor or its associate companies have acted as arranger or manager.

(9) The AMC shall file with the Trustee the details of transactions in securities by the key personnel of the AMC in their own name or on behalf of the AMC and shall also report to SEBI, as and when required by SEBI.

(10) In case the AMC enters into any securities transactions with any of its associates a report to that effect shall be sent to the Trustee at its next meeting.

(11) In case any company has invested more than 5 per cent of the net asset value of a scheme, the investment made by that scheme or by any other scheme of the same mutual fund in that company or its subsidiaries shall be brought to the notice of the Trustee by the AMC and be disclosed in the half yearly and annual accounts of the respective schemes with justification for such investment provided the latter investment has been made within one year of the date of the former investment calculated on either side.

(12) The AMC shall file with the Trustee and SEBI : (a) detailed bio-data of all its directors alongwith their interest in other companies within fifteen days of their appointment; (b) any change in the interests of directors every six months; and (c) a quarterly report to the Trustee giving details and adequate justification about the purchase and sale of the securities of the group companies of the Sponsor or the AMC as the case may be, by the mutual fund during the said quarter.

(13) Each director of the AMC shall file the details of his transactions of dealing in securities with the Trustee on a quarterly basis in accordance with the guidelines issued by SEBI.

(14) The AMC shall not appoint any person as key personnel who has been found guilty of any economic offence or involved in violation of securities laws.

(15) The AMC shall appoint registrars and share transfer agents who are registered with SEBI. Provided if the work relating to the transfer of units is processed in-house, the charges at competitive market rates may be debited to the scheme and for rates higher than the competitive market rates, prior approval of the Trustee shall be obtained and reasons for charging higher rates shall be disclosed in the annual accounts.

(16) The AMC shall abide by the Code of Conduct as specified in the Fifth Schedule of the Regulations.

(17) The asset management company shall not invest in any of its scheme, unless full disclosure of its intention to invest has been made in the offer documents, in case of schemes launched after the notification of Securities and Exchange Board of India (Mutual Funds) (Amendment) Regulations, 2011:

Provided that an asset management company shall not be entitled to charge any fee on its investment in that scheme

(18) The asset management company shall not carry out its operations including trading desk, unit holder servicing and investment operations outside the territory of India:

Provided that the asset management company having any of its operations outside India shall wind up and bring them within the territory of India within a period of one year from the date of notification of Securities and Exchange Board of India (Mutual Funds) (Amendment) Regulations, 2011:

Provided further that the Board may grant a further period of one year if it is satisfied that there was sufficient cause for not winding up of the operation outside India within that period.

(19) The asset management company shall compute and carry out valuation of investments made by its scheme(s) in accordance with the investment valuation norms specified in Eighth Schedule, and shall publish the same.

(20) The asset management company and the sponsor of the mutual fund shall be liable to compensate the affected investors and/or the scheme for any unfair treatment to any investor as a result of inappropriate valuation.

(21) The asset management company shall report and disclose all the transactions in debt and money market securities, including inter scheme transfers, as may be specified by the Board.

(22) The asset management company shall, -

(a) not act as a trustee of any mutual fund;

(b) not undertake any business activities other than in the nature of management and advisory services provided to pooled assets including offshore funds, insurance funds, pension funds, provident funds, if any of such activities are not in conflict with the activities of the mutual fund:

Provided that the asset management company may itself or through its subsidiaries undertake such activities, as permitted under clause (b), if, -

(i) it satisfies the Board that bank and securities accounts are segregated activity wise;

(ii) it meets with the capital adequacy requirements, if any, separately for each such activity and obtain separate approval, if necessary under the relevant regulations;

(iii) it ensures that there is no material conflict of interest across different activities;

(iv) the absence of conflict of interest shall be disclosed to the trustees and unit holders in scheme information document and

statement of additional information;

(v) there are unavoidable conflict of interest situations, it shall satisfy itself that disclosures are made of source of conflict, potential 'material risk or damage' to investor interests and detailed parameters for the same;

(vi) it appoints separate fund manager for each separate fund managed by it unless the investment objectives and asset allocation are same and the portfolio is replicated across all the funds managed by the fund manager, within a period of six months from the date of notification of Securities and Exchange Board of India (Mutual Funds) (Amendment) Regulations, 2011;

(vii) it ensures fair treatment of investors across different products that shall include, but not limited to, simultaneous buy and sell in the same equity security only through market mechanism and a written trade order management system; and

(viii) it ensures independence to key personnel handling the relevant conflict of interest is provided through removal of direct link between remuneration to relevant asset management company personnel and revenues generated by that activity:

Provided further that the asset management company may, itself or through its subsidiaries, undertake portfolio management services and advisory services for other than broad based fund till further directions, as may be specified by the Board, subject to compliance with the following additional conditions:-

(i) it satisfies the Board that key personnel of the asset management company, the system, back office, bank and securities accounts are segregated activity wise and there exist system to prohibit access to inside information of various activities;

(ii) it meets with the capital adequacy requirements, if any, separately for each of such activities and obtain separate approval, if necessary under the relevant regulations.

Explanation: For the purpose of this, the term 'broad based fund' shall mean the fund which has at least twenty investors and no single investor account for more than twenty five percent of corpus of the fund.

Information on Key Personnel:

Name/Designation	Age/Qualification	Brief Experience
Mr. Amitabh Mohanty (Chief Executive Officer)	Age: 49 years Qualification: PGDM (IIM Ahmedabad), BE Electrical (Honours) (IIT Roorkee)	He has more than 24 years of experience as a fixed income Fund Manager across a wide range of fixed income asset classes and product categories ranging from Sovereign to structured debt and other high yielding assets including real estate and mezzanine finance. Prior to joining JM Financial Asset Management Limited, Mr. Amitabh Mohanty was the Executive Director & CEO of Karvy Capital Limited. He has also worked as Head – Debt Strategies of Reliance Capital Limited and Chief Investment Officer & Head Investments – Fixed Income of Reliance Capital Asset Management Limited. Prior to the above, he had worked at Alliance Capital Asset Management Limited and SBI Funds Management Limited.
Mr. Satish Ramanathan - Chief Investment Officer- Equity	B-Tech, MBA, CFA Age: 55 years	Mr. Ramanathan brings with him rich and varied experience of around 3 decades and joins the AMC from Tattva Capital which was his entrepreneurial endeavor. He started his career with TATA Economic Consultancy Services in 1992 and has subsequently worked with ICICI Securities, Franklin Templeton AMC and Sundaram AMC. He is the primary Fund Manager for JM Lage Cap Fund, JM Flexicap Fund and JM Value Fund.
Mr. Prashant Pimple - Chief Investment Officer - Debt	B.Com, MMS(Fin), CTM (ACTM) Age: 44 years	Mr. Prashant Pimple has around 20 years of experience in the field of investment and investment related work and before joining JM Financial Asset Management Limited, he was associated with Nippon India Mutual Fund, Fidelity Fund Management India, ICICI Bank, Bank of Bahrain and Kuwait, Saraswat Co-op Bank Ltd and Small Industrial Development Bank of India (SIDBI). He is the Primary Fund Manager for JM Dynamic Debt Fund and JM Income Fund. He is the Secondary Fund Manager for JM Liquid Fund, JM Overnight Fund and JM Low Duration Fund.
Mr. Asit Bhandarkar - Fund Manager - Equity	B.Com., MMS Age : 43 years	He has 19 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. He is the primary Fund Manager for JM Arbitrage Fund, JM Equity Hybrid Fund and JM Core 11 Fund. He is the secondary Fund Manager for JM Value Fund, JM Tax Gain Fund and JM Large Cap Fund.
Ms. Shalini Tibrewala - Fund Manager – Debt	B.Com, A.C.A., C.S. Age: 50 years	She has over 23 years of experience in the financial services sector. She has been with the Fund for 22 years. Prior to joining the AMC, she was working with a firm of Chartered Accountants. She is the primary Fund Manager for JM Liquid Fund, JM Overnight Fund and JM Low Duration Fund. She is the secondary Fund Manager For JM Dynamic Debt Fund and JM Income Fund.
Mr. Chaitanya Choksi - Fund Manager - Equity	MMS(Finance), CFA Age: 44 years	Mr. Chaitanya Choksi has around 19 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. He is the primary Fund Manager for JM Tax Gain Fund. He is the secondary Fund Manager for JM Arbitrage Fund, JM Core 11 Fund, JM Flexicap Fund and JM Equity Hybrid Fund.
Ms. Naghma Khoja - Fund Manager – Debt	B. com, CA CFA® Charterholder Age: 28 years	Ms. Naghma Khoja has more than 5 years of experience in the asset management industry. Before joining JM Financial Asset Management Limited, she was associated with Karvy Capital Limited in the Portfolio Management team. She is the secondary Fund Manager for JM Liquid Fund.
Mr. Bhavin Hemani - Equity Dealer	B.Com., CFA (ICFAI) Age: 42 years	Mr. Hemani has more than 18 years in Financial Markets. Prior to joining the AMC, he has worked with Grishma Securities Pvt. Ltd. as a equity and derivative dealer.
Ms. Pranjal Chogle - Dealer - Debt	Master of Financial Analysis Program by The Institute of Chartered Financial Analysts of India University, Tripura Age – 49 years	Ms. Pranjal Chogle is associated with JM Financial Asset Management Limited since 24 years in the Debt Fund Management team and is responsible for document and data management and liaison between front office and back office.

Ms. Diana D'sa - (Head - Legal, Compliance & Secretarial)	B.Sc., LL.B Age : 52 years	Compliance Officer: JM Financial Trustee Company Private Limited She has 30 years of work experience and started her career with the investment banking division of JM Financial & Investment Consultancy Services Pvt. Ltd (JM FICS). She was part of the Compliance team at JM FICS and later moved to the Compliance Department of JM Morgan Stanley Pvt. Ltd. She joined JM Financial Asset Management Limited in 2004 and has been handling the legal, compliance and secretarial functions and is currently responsible to the Trustees for the Compliance function. She is also the Principal Officer for JM Financial Mutual Fund under Prevention of Money Laundering Act, 2002. She has also been designated as the compliance officer under the SEBI (Portfolio Managers) Regulations, 2020.
Mr. Harish C. Kukreja - Head - Investor Services, Banking & Settlement	B. Com.(Hons), M. Com from Delhi University, MBA (Finance) from FMS, Delhi University, CAIIB (Part I & II (UTI) from Indian Institute of Bankers, Mumbai) Age : 62 years	He has over 38 years of work experience of which 32 years have been in the Mutual Fund industry in the fields of Investor Services, Banking & Settlement operations, Sales promotions, Marketing & publicity, Investment Monitoring & NPA Recoveries, Merger & Acquisitions, Demerger & Hiving – off, Rescheduling & Financial Restructuring, DRT & BIFR cases etc. and 5 years with Canara Bank in various areas of operations including Branch Banking, Loans & Advances, Foreign Exchange, Inspection (Internal Audit), HRD, etc. Prior to the current assignment in JM Financial AMC in 2004, he was with UTI Asset Management Private Limited (formerly known as Unit Trust of India) and had handled various projects including the PAN Card project for Central Board of Direct Taxes in UTI Technology Services Ltd. at the time of initial setting up and launch of the Project in more than 512 locations across India.
Mr. Vikram Shetty - Chief Financial Officer (CFO)	B.Com., M.Com. Age : 63 years	He has over 36 years of work experience with the JM Financial Group. Prior to moving to JM Financial Asset Management Ltd. in 2006, he was with JM Morgan Stanley Fixed Income Securities Pvt. Ltd. as Head of Finance and Operations for about 4 years. Prior to that, he was part of the Finance & Accounts team at JM Morgan Stanley Pvt. Ltd. (Investment Banking Arm) for about 4 years and with JM Financial & Investment Consultancy Services Pvt. Ltd. for about 15 years, overseeing the integral part of finance functions.
Mr. Aket V Dingal (SVP - IT)	Masters in Business Administration , Systems; Bachelor in Business Administration, Diploma in Computer Technology Age: 44 Years	Mr. Aket Dingal has more than 20 years of experience in Information Technology. He is associated with JM Financial Asset Management Limited (the "AMC") since June 2006. Prior to joining the AMC, he has worked with Credit Information Bureau (India) Limited as Senior Manager – Information Technology, Zenta Limited and SBI Funds Management Private Limited. Currently, he is responsible for handling Information Technology and Information Security at the AMC.
Mr. Suvendu Rakshit National Head – Sales (Retail)	48 years B.Com (Hons), PGDBM (Marketing)	Mr. Suvendu Rakshit has over two decades of experience in the field of financial services sector. His last assignment was with Lotus India Asset Management Company Pvt. Ltd. Prior to that he was with ABN Amro, HDFC & Sundaram Mutual Fund in various areas of Sales & Distribution.
Mr. Jitesh Sood National Head – Banking Sales	45 years B.Com, MBA	Mr. Jitesh Sood has 21 years of experience in Business Development and Sales in BFSI. Before joining JM Financial Asset Management Limited in 2007, he has worked with various banks including ICICI Bank and Kotak Mahindra Bank and has also been a Private Banker with ING Private Banking.

E. Service providers

Custodian

The Custodian for the schemes of the Fund is

HDFC Bank Ltd

Lodha – I Think Techno Campus, Buliding Alpha, Custody Department, 8th Floor, Opp Crompton Greaves, Kanjurmarg (E), Mumbai – 400 042.

The Custodian is registered with SEBI under registration No. IN/CUS/ 001 dated February 2, 1998.

Registrar & Transfer agent

Presently, **KFin Technologies Private Limited**, located at Karvy Selenium Tower B, Plot No. 31 & 32, First Floor, Gachibowli, Financial District, Nanakramguda, Serilingampally, Hyderabad – 500 032 has been appointed as the Registrar and Transfer Agent for the Fund. The Registrar is registered with SEBI vide registration no. INR000000221.

The AMC and the Trustee have satisfied themselves that the Registrars can provide the services required and have adequate facilities and system capabilities to discharge the responsibility with regard to processing of applications and dispatching of unit certificates to Unit holders within the time limit prescribed in the SEBI Regulations and also has sufficient capacity to handle investor complaints. The Registrar will be paid fees in accordance with the Agreement executed with them.

Statutory auditor

S.R. BATLIBOI & CO. LLP, Chartered Accountants, 12th Floor, The Ruby, 29, Senapati Bapat Marg, Dadar (West), Mumbai – 400 028, India.

Fund Accountant

Fund Accounting is handled in-house by the AMC.

Collecting Bankers

HDFC Bank Ltd

Lodha – I Think Techno Campus,
Buliding Alpha, Custody Department,
8th Floor, Opp Crompton Greaves,
Kanjurmarg (E), Mumbai – 400 042.

SEBI Reg No:- INBI00000063

During the New Fund Offer period, applications will be accepted during the normal working hours at the corporate office of the AMC and at the branches of the AMC. Post the NFO, the official points of acceptance of transactions for the Scheme will be the Investor Service Centres (ISCs) of JM Financial Mutual Fund and selected ISCs of KFin Technologies Private Limited, the Registrar and Transfer Agent of the Fund. In addition to the above ISCs, the corporate office of the AMC shall also be a designated official point of acceptance of transactions. The cut-off time applicable to the Scheme shall be reckoned at these locations at counters specified for this purpose. The AMC reserves the right to change the list of official points of acceptance of transactions from time to time. Applications can also be accepted online through authorized web portals. A list of the official points of acceptance of transactions has been put up on the website of the Fund.

F. Condensed Financial Information (CFI) for all the schemes launched by MF during the last three fiscal years (excluding redeemed schemes) in the format given below:

Historical Per Unit Statistics	**Mention all the options (2020-2021)**					
JM Overnight Fund	**Regular**			**Direct**		
	Daily Dividend	**Weekly Dividend**	**Growth**	**Daily Dividend**	**Weekly Dividend**	**Growth**
Date of Allotment	December 03, 2019					
NAV at the beginning of the year	1000.0000	1000.0000	1014.5942	1000.0000	1000.0000	1014.8160
Dividends (Rs.)	29.14330311	29.431629	Nil	30.2362667	30.121166	Nil
NAV at the end of the year (as on March 31)	1000.0000	1000.0903	1044.9891	1000.0000	1000.0848	1045.9490
Annualized return (%)			3.00			3.07
Net Assets at end of the period (Rs.)	51778	51820	6532034	76869	56860	685243095
Ratio of Recurring Expenses to Net Assets (%) (Annualized)	0.12%	0.12%	0.12%	0.05%	0.05%	0.05%

Face Value of the units is Rs.1000.0000 per unit.

II. HOW TO APPLY?

Where to submit application forms

Duly completed application forms for purchase of units under the Scheme along with full payment may be submitted on any business day to any of the official points of acceptance notified by the AMC.

Mode of Payment

Domestic Unit holders

Payment may be made for a minimum amount of Rs. 5,000/- by cheque/draft or such other amount as may be specified in the Scheme Information Document (SID), drawn locally on any bank which is a member of the Bankers Clearing House located at the place where the application form is submitted. Cheques/drafts must be drawn in favour of scheme and crossed Account Payee only.

The application will be duly acknowledged by the AMC/Bankers. The bankers to the New Fund Offer or their respective designated branches or any authorised collection agents / investor service centre who receive the application form, shall stamp and return the "Acknowledgment Slip" thereby acknowledging receipt of the application form. The investors are requested to preserve the acknowledgment slip duly stamped by the collecting bank / investor service centre etc. This shall be subject to final verification and scrutiny by the bankers / Trustee / AMC that the cheque / demand draft and application form are in order / valid.

Investors residing in centres, where the JM Financial Mutual Fund does not have any collection arrangement, are authorized to make payment by DDs/RTGS/NEFT/ Transfer. The AMC will, in the normal course, not reimburse the DD charges.

However the AMC reserves the right to allot units equivalent up to the permissible DD charges by adding the same to the investment made by the investor, if so claimed by the investor in the application form.

In the event that the total investment including permissible DD charges is not sufficient to allot minimum number of units in the Scheme, the AMC reserves the right to refund the amount represented by the investment made, without any interest. In the event of inadvertent allotment, the AMC reserves the right to revert the transaction and refund the investment amount without any interest.

DD charges would be borne by the Asset Management Company (AMC) only in respect of investors having address in locations where the AMC does not have a branch / ISC (Investor Service Center) or other collection facilities subject to DD being payable and deposited at any of the collection centers of JM Financial Mutual Fund/ Registrar & Transfer Agent / Authorised Collection Banks (during NFO) subject to the following terms and conditions :

An investor should clearly indicate the residential status in the application form.

Eligibility for DD charges is as under:

A - The DD charges will be payable only for equity schemes during NFO and Post-NFO.

B - The DD should be issued by the bank located in the place of address of the investor.

C - DD charges as levied by State Bank of India would be treated as permissible DD charges.

D - For individuals (For NFO and ongoing subscriptions)

The permissible DD charges for individual investors are not restricted by the number of applications or the amount invested.

E - For Non–individuals:

i) - During NFO;

In respect of non-individual investors, during the NFO, of any Equity Schemes (if clearly specified thereon) the DD charges will be borne by the AMC as follows :

1. Only one application is eligible for benefit of DD charges.
2. Irrespective of the amount of investment, permissible DD charges will not exceed the permissible DD charges as per SBI rates and as calculated for an investment of Rs.10 lacs or actual investment whichever is lower, subject to SBI rates.
3. In case of multiple applications during the NFO period, the DD charges will be paid only for one of the applications having the highest investment amount subject to the above limits.

ii) For Ongoing Subscriptions :

1. Only one application per business day per Scheme/Plan/Option is eligible for benefit of DD charges.
2. Irrespective of the amount of investment, permissible DD charges will not exceed the permissible DD charges as per SBI rates and as calculated for an investment of Rs.10 lacs or actual investment whichever is lower, subject to SBI rates.
3. In case of multiple applications in the same Scheme/Plan/Option, on a particular transaction day, the DD charges will be paid only for one of the applications having the highest investment amount subject to the above limits.

The AMC will, in the normal course, not reimburse the DD charges. However, the AMC reserves the right to allot equivalent units upto the permissible DD charges by adding the same to the investment made by the investor, if so claimed by the investor in the application form, subject to the provisions of the scheme i.e. in multiples of permissible units. In the event of inadvertent allotment, the AMC reserves the right to revert & reprocess the transactions without DD charges or refund the investment amount without any interest. In case of DD charges being claimed, under tax saving schemes, investor may consult his/her Tax Consultant to determine the investment amount on which tax exemption

can be availed.

Note: Returned cheques will not be presented again for collection, and the accompanying application forms shall not be considered for allotment. In the normal course, stockinvests / outstation cheques / outstation drafts are liable to be rejected. However, if the AMC accepts valid application with outstation cheque/ demand draft not payable at par at a place where the application is received, closing NAV of the day on which outstation cheque/demand draft is credited shall be applicable.

Modes of Payments and Despatch

AMCs may also use instruments or payment channels such as RTGS, NEFT, IMPS, direct credit, etc. or any other mode allowed by Reserve Bank of India from time to time, for payments including refunds to unitholders in addition to the cheque, demand draft or dividend warrants.

Further, AMCs may also use modes of despatch such as speed post, courier etc. for payments including refunds to unitholders in addition to the registered post with acknowledgement due.

Gift Facility

The unit holders have the option to gift the units (by way of transfer of units to the donee), to the extent provided in the Regulations and can write to the AMC requesting for the Gift Form. The Fund may, subject to compliance with such requirement as it deems necessary, may stipulate certain conditions and arrange to transfer the Units, on account of a gift made by the unit holder out of his Unit balance as per the provisions of applicable law. Gift in favour of Non-Residents will also be subject to permission, general or specific, under Foreign Exchange Management Act. All payments and settlements made to such donee and a receipt thereof shall be a valid discharge by the Fund. The Fund would not be liable for the loss resulting from a fraudulent transfer by way of gift to a donee, based on the unit holders instructions, that it reasonably believed as genuine. However, unit holders may note that such a transfer by way of gift may attract stamp duty.

Applications via electronic mode

Subject to the investor fulfilling certain terms and conditions stipulated by the AMC as under, the AMC, Mutual Fund or any other agent or representative of the AMC, Mutual Fund, Registrar may accept transactions through any electronic mode ("web/ electronic transactions") as permitted by SEBI or other regulatory authorities;

1. The acceptance of the web/electronic transactions will be solely at the risk of the transmitter of the web/ electronic transactions and the recipient shall not in any way be liable or responsible for any loss, damage caused to the transmitter directly or indirectly, as a result of the transmitter sending or purporting to send such transactions.
2. The recipient will also not be liable in the case where the transaction sent or purported to be sent is not processed on account of the fact that it was not received by the recipient.
3. The transmitter's request to the recipient to act on any web/electronic transmission is for the transmitter's convenience and the recipient is not obliged or bound to act on the same.
4. The transmitter acknowledges that fax/web/electronic transactions is not a secure means of giving instructions/ transactions requests and that the transmitter is aware of the risks involved including those arising out of such transmission.
5. The transmitter authorizes the recipient to accept and act on any web/ electronic transmission which the recipient believes in good faith to be given by the transmitter and the recipient shall be entitled to treat any such web/ electronic transaction as if the same was given to the recipient under the transmitter's original signature.
6. The transmitter agrees that security procedures adopted by the recipient may include signature verification, telephone call backs which may be recorded by tape recording device and the transmitter consents to such recording and agrees to co-operate with the recipient to enable confirmation of such web/ electronic transaction requests.
7. The transmitter accepts that the web/ electronic transactions shall not be considered until time stamped, as a valid transaction request in the Scheme in line with SEBI regulations.
8. In consideration of the recipient from time to time accepting and at its sole discretion acting on any web/electronic transaction request received / purporting to be received from the transmitter, the transmitter agrees to indemnify and keep indemnified the AMC, its Directors, employees, agents, representatives of the AMC, JM Financial Mutual Fund and the Trustees from and against all actions, claims, demands, liabilities, obligations, losses, damages, costs and expenses of whatever nature (whether actual or contingent), directly or indirectly suffered or incurred, sustained by or threatened against the indemnified parties whatsoever, arising from or in connection with or any way relating to the indemnified parties in good faith accepting and acting on web/ electronic transaction requests including relying upon such electronic transaction requests including relying upon such web/ electronic transaction request purporting to come from the transmitter even though it may not come from the transmitter.

   The AMC reserves the right to discontinue the facility at any point of time.

A. Online Transactions – Through Electronic Platforms created by the RTA: (Website and Mobile App)

(i) Individual Investors: The Individual investors are allowed to transact in the Schemes of the Fund through www.kfintech.com, an electronic platform provided by the RTA M/s. KFin Technologies Private Limited. Online transactions in the Schemes of the Fund can also be made via the website of JM Financial Mutual Fund i.e. www.jmfinancialmf.com. The investors may access the facility to transact in the Scheme of the Fund through mobile application of KFin i.e. 'KFinKart' as well.

(ii) Non-Individual Investors

The Corporates, LLPs, Banks, and other non – individual investors are allowed to transact in schemes of the Fund through "KORP CONNECT", an electronic platform provided by the RTA M/s. KFin Technologies Private Limited on www.kfintech.com.

The above said facilities are available for Direct and Regular Plans of the Scheme which are available for fresh subscription. The permissible transactions are displayed online and may be updated from time to time.

The above platforms are treated as the Official Points of Acceptance for the purpose of time stamping the transactions online.

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.

Accordingly, the transactions are eligible for the same business day's NAV, subject to SEBI guidelines. However, for purchase transactions, the NAV will be allotted based on the receipt of funds into the Scheme's Account maintained by the Fund through the aggregator M/s. Indiaideas.com Ltd. (formerly known as M/s. Bill Desk) which will be dependent on their arrangement with the respective Banks. Normally, there is a time lag in the receipt of funds from the Payment Gateway/Aggregator. Kindly check the same carefully from the officials of the AMC or from the website.

The facility to transact in the Scheme of the Fund through KFin's electronic platform is available subject to such operating guidelines, terms and conditions as may be prescribed by the RTA M/s KFin Technologies Private Limited, JMF AMC/Mutual Fund 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.

B. MFCentral a digital platform for Mutual Fund investors developed by qualified R&T Agents (QRTAs)

Based on the SEBI circular no SEBI/HO/IMD/IMD- II DOF3/P/CIR/2021/604 dated July 26, 2021, to comply with the requirements of RTA inter-operable Platform for enhancing investors' experience in Mutual Fund transactions / service requests, the Qualified R&T Agents (QRTAs), KFin Technologies Private 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.

C. National Automated Clearing House (NACH)/Electronic Fund Transfer (EFT)

The RBI offers the facility of NACH / EFT for facilitating better customer service by direct credit of dividend or repurchase amount to a unit holder's bank account through electronic credit, which avoids loss of dividend or repurchase warrant in transit or fraudulent encashment. The Fund will endeavour to offer this optional facility for payment of dividend/repurchase proceeds to the unit holders residing in any of the cities where such a facility is available. The maximum amount of repurchase in cases of NACH/EFT should be such as may be decided by the processing agency and the AMC reserves the right to change this amount depending upon the relevant guidelines from the RBI from time to time. In order to avail the above facility, the unit holder may be required to give a written request to the Registrar. The Registrar will send a separate advice to the unit holder informing them of the direct credit to their account in the case of unit holder opting for the NACH/EFT facility. The AMC may seek certain declaration/additional information to offer facility of NACH/ETF. There is no commitment from the Fund that this facility will be made available to the unit holders for payment of dividend/repurchase proceeds. However, the Fund will endeavour to arrange the facility provided there is sufficient demand for the facility from unit holders at any centre, as required by the authorities and the investor's data matches with that of the Bank. The repurchase warrants will be mailed to the unit holder where such a facility is not available or if the facility is discontinued by the Fund, for any reason. The AMC is not responsible & shall not reimburse any charges that may be levied by the bank of the investor, who has opted for this facility.

It is further clarified that credits through NACH / EFT / NEFT instructions from a third party will not be permitted.

D. Exchange Platforms:

SEBI vide its Circular No. SEBI/IMD/CIR No. 11/183204/2209 dated November 13, 2009 had facilitated transactions in Mutual Fund schemes through the stock exchanges infrastructure. Also, vide Circular No. CIR/IMD/DF/17/2010 dated November 09, 2010, SEBI had permitted routing of Mutual Fund transactions through the clearing members of the registered stock exchanges and Depository Participants of registered Depositories.

SEBI vide its Circulars No. CIR/MRD/DSA/32/2013 dated October 4, 2013 and CIR/MRD/ DSA/33/2014 dated December 9, 2014, permitted Mutual Fund Distributors (MF Distributors) to use, recognized stock exchange infrastructure for transacting units directly from Mutual Fund/ Asset Management Companies on behalf of their clients.

In view of this and in order to increase the network and enhance the level of service to the investors of JM Financial Mutual Fund, the Boards of JM Financial Asset Management Limited (the"AMC") and JM Financial Trustee Company Private Limited (the "Trustees") decided to offer an alternate platform to facilitate purchase (subscription) and redemption (repurchase) of units of all the eligible schemes of the Mutual Fund. This facility is offered in terms of the aforesaid SEBI circulars and the guidelines issued by National Stock Exchange of India Ltd. (NSE), Bombay Stock Exchange Ltd. (BSE) and ICEX in this regard.

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

(i) NMF-TM (For Demat transactions being used by Trading Members of NSE)

(ii) NMF-Distributors (For Non-Demat transactions being used by Non-trading Members / Mutual Fund Distributors)

3 ICEX Platform introduced by ICEX (Indian Commodity Exchange)

1. Features of the Exchange Platforms introduced by BSE, NSE & ICEX :

(i) The eligible/trading Members/Brokers and MFDs (Mutual Funds Distributors) are authorised to place the transactions on the Online Mutual Fund Platforms made available by these Stock and Commodity Exchanges of India.

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

The 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".

(iii) These Exchange Platforms are also declared as the Point of Acceptance by JM Financial Mutual Fund for the purpose of timestamping 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 SEBI Circular No. SEBI/IMD/ CIR No.11/78450/06 dated October 11, 2006 and conditions stipulated in SEBI Circular dated November 13, 2009.

(iv) 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.

(v) **Whom should the investor approach for transacting in units of the eligible schemes of the Mutual Fund?**

The investor has to approach a Broker/Trading member of the Exchange concerned , who is holding a valid ARN Code issued by Association of Mutual Funds in India (AMFI) as Mutual Fund Advisors and also registered with the respective Exchange as Participants ("AMFI certified stock exchange brokers") and any of the Other Distributors holding valid ARN Code from AMFI and who is empanelled as a distributor with JM Financial Mutual Fund.

Transactions by Distributors in the Scheme of the Fund on behalf of their clients through the Exchange mechanism:

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

1. MF Distributor registered with Association of Mutual Funds in India (AMFI) and who has been permitted by the Exchanges will be eligible to use their 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.
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 the respective Clearing Corporations of the Exchange concerned i.e. Indian Clearing Corporation Limited (ICCL) for BSE, National Securities Clearing Corporation (NSCCL) for NSE and Metropolitan Clearing Corporation of India Ltd. (MCCIL) for ICEX, through any of the payment authorized modes of 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 respective Clearing Corporation.

The Investors will be able to purchase/redeem/switch the units in the aforesaid scheme in the following manner. The switch transactions will be split into 2 by treating switch-out as redemption and switch-in as the purchase.

Purchase of Units:

a) Non-Demat (Physical) Form:

- The investor who chooses the physical mode is required to submit all requisite documents along with the purchase application to the Participants/Brokers/Trading Members (subject to applicable provisions of the Exchange)
- The Participants/Brokers/Trading Members shall verify the application and documents for mandatory details and KYC compliance.
- 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).

b) Demat form:

- The investors who intend to deal in depository mode are required to have a demat account with CDSL/NSDL and have to provide their depository account details to the Participants/Brokers/Trading Members .
- The investor who chooses the depository mode is required to place an order for purchase of units (subject to applicable limits prescribed by the Exchange) with the Participants/Brokers/Trading Members.
- Under both the above modes, after completion of the verification, the purchase order will be entered in the Exchange system and an order confirmation slip will be issued to investor.
- The investor will transfer the funds to the Participants/Brokers/Trading Members and the funds will be transferred to the respective Scheme's Account of JM Financial Mutual Fund via Clearing Corporation of the respective Exchange.
- In case of purchase in demat mode, the units will be credited into the Demat Account of respective Clearing Corporation of the Exchange for onward transfer to the investor's account.
- Allotment details will be provided by the Participants/Brokers/Trading Members to the investor.

Redemption of units:

a) Non-Demat (Physical) Mode

- The investor who chooses the physical mode is required to submit the redemption application (subject to applicable provisions of the Exchange) to the Participants/Brokers/Trading Members .
- Redemption orders would be created either in terms of amount or quantity.
- The redemption order will be entered in the Exchange system and an order confirmation slip generated from the Exchange System will be issued to investor by the Participants/Brokers/Trading Members concerned.
- The redemption order will be placed on Exchange platform and the Exchange in turn shall communicate the same to the RTA for processing and remitting the redemption proceeds.
- The redemption proceeds will be credited to the Bank Account of the investor, as per the Bank account details recorded with the Mutual Fund.

b) Demat form:

- The investors who intend to deal in depository mode are required to have a demat account with CDSL/ NSDL and units converted from physical mode to demat mode prior to placing of redemption order.
- In case of redemption in demat mode, the investor is required to place an order for redemption (subject to applicable provisions prescribed by the Exchange) with his respective Participant/Broker/Clearing Member. The investor should provide Depository Instruction Slip (DIS) /the Redemption Request Form (RRF to his Depository Participant (DP) with the number of units to be credited to Clearing Corporation pool account for extinction and redemption. The DP in turn will intimate the Exchange and the exchange shall intimate the RTA for further processing of the redemption request.
- The redemption order will be entered in the system and an order confirmation slip will be issued to investor. Redemption orders would be created in terms of units without any minimum limit and not in terms of amount.
- The redemption proceeds will be credited to the Bank Account of the Investor, as per the Bank Account details recorded in his Demat Account with the Depository Participant.

Switching of Units

The above modes of operations may or may not be available with the Exchanges mentioned above, which may be verified before seeking to transact through the said modes about the current facilities being offered by the respective Exchanges.

Investors shall receive redemption amount (if units are redeemed) and units (if units are purchased) through Participant/Broker/Clearing Member's Pool Account. The Mutual Fund/AMC/RTA would pay proceeds to the Participant/Broker/Clearing Member (in case of redemption) and Participant/Broker/Clearing member in turn to the respective investor and similarly units shall be credited by AMC/Mutual Fund/RTA into Pool Account of the Participant/Broker/Clearing Member (in case of purchase) and Participant/Broker/Clearing member in turn to the respective investor's demat account.

Payment of redemption proceeds to the Clearing Corporations/ Participants/ Brokers/Clearing members by AMC/Mutual Fund/RTA shall discharge AMC/Mutual Fund/Trustees/RTA of its obligation of payment to individual investor. Similarly, in case of purchase of units, crediting units into the Pool Accounts of the Clearing Corporations/Participants/Brokers/Clearing Member shall discharge AMC/ Mutual Fund/Trustees/ RTA of its obligation to allot units to individual investor.

In case of Payout of Income Distribution cum Capital Withdrawal Option (i.e. Dividend Payout) / Reinvestment of Income Distribution cum Capital Withdrawal Option (i.e. Dividend Reinvestment) of units for demat and non-demat cases, the RTA shall process the same and remit/ credit directly into the investor's/beneficiary's accounts.

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 respective Clearing Corporations, before the cut – off time, including all purchase cases under this Scheme 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.

Applications for purchase/redemption of units which are incomplete/invalid are liable to be rejected.

Separate folios will be allotted for units held in physical and demat mode. In case of non- financial requests/applications such as change of address, change of bank details, etc. investors should approach Investor Service Centres (ISCs) of the Mutual Fund if units are held in physical mode and the respective Depository Participant(s) if units are held in demat mode. In case of KYC compliant investors, the non- financial requests/applications shall be submitted by the investors to their respective KYC Registration Agencies (KRAs).

The Mutual Fund Distributors are permitted to handle the transactions of only their clients, through the above platform.

The facility of transacting in the Fund's Scheme through the Exchange Platforms is, subject to such operating guidelines, terms and conditions as may be prescribed by the respective Exchanges/SEBI and JMF AMC/JM Financial Mutual Fund from time to time.

Grievance redressal

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

The Trustee of the Mutual Fund reserves the right to change/modify the features of this facility or discontinue this facility at any point of time.

D. Transaction through MFU portal

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 allots 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) provides 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 with cheque favouring "MFU Escrow Account" 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. Alternatively, the investor may effect financial and permissible non-financial transactions through their website www.mfuonline.com or their Mobile App "goMF".

The MFUI website www.mfuonline.com, Mobile App "goMF" and authorised MFUI POS hosted and updated on www.mfuindia.com from time to time is considered as the Official Points of Acceptance for time stamping the transactions (OPAT) of the AMC. The online transaction portal of MFUI i.e. www.mfuonline.com, their Mobile App "goMF" and the POS of MFUI also acts as the additional OPAT of the AMC.

Applicability of NAV shall be based on time stamping of transaction at MFUI POS/ online subject to the sighting of funds into the Bank Account of JM Financial Mutual Fund (JMF MF) 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 respective Scheme shall be applicable for transactions through MFU also.

Investors should note that transactions through MFU shall be subject to terms and conditions as stipulated by MFUI /the Mutual Fund /the AMC/SEBI/AMFI 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 Private Limited 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. Similarly, the same process is adopted by MFU and RTA for all new CANs created for all existing investors who keep obtaining new CANs. 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.

(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. In the similar manner, 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 of the investors desirous of having different nomination or percentage of entitlement for Nominees, in their different folios may update their nomination directly with the RTA for each folio as per their wish by filling up a separate nomination form for each folio instead of updating the same in the CAN.

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 mfuthn@mfuindia.in

Employee Unique Identification No. (EUIN)

In accordance with the SEBI Circular No. CIR/IMD/DF/21/2012 dated September 13, 2012 and AMFI Circular No. 135/BP/33/2012-13 dated December 31, 2012, all the Asset Management Companies / Mutual Funds are directed to capture the Employee Unique Identification Number (EUIN) i.e. unique identity number of the employee/relationship manager/sales person of the distributor (Sales Person) who interacts with the investors for the purpose of selling the mutual fund products, in addition to the AMFI Registration Number (ARN) of the distributor.

In order to ensure compliance with the above, in case transactions are routed through the distributor, investors are requested to mention the valid ARN code, Sub – Broker code and the EUIN on the transaction slip(s)/application form(s). The AMC has made the necessary provisions in the transaction slip(s)/application form(s) i.e. separate spaces for Sub – Broker ARN Code and EUIN, in addition to the Distributor ARN code, have been provided.

From 01.10.2013, EUIN has been made mandatory for both "Advisory" and "Non- Advisory" (i.e for execution only) transactions. The EUIN remediation may be done by the distributor within the prescribed time frame.

All the investors are requested to use the updated transaction slip(s)/applications forms(s).

Treatment of financial transactions received through distributors whose AMFI registration/ARN has been suspended temporarily or terminated permanently.

Investors are requested to note that pursuant to the AMFI Best Practices Guidelines Circular No.81 / 2019-20 on "Standard Process for treatment of business received through suspended distributors", in case of breach of Code of Conduct by a mutual fund distributor, the ARN of such distributor may be suspended temporarily and the person is debarred from marketing or selling any mutual fund schemes during the period of suspension and is not eligible to receive any commission or incentive, etc. for the period of suspension.

During the period of suspension, no commission shall be accrued or payable to the distributor whose ARN is suspended. i.e, during the period of suspension, commission on the business canvassed prior to the date of suspension shall stand forfeited. The above rule shall apply irrespective of whether the suspended distributor is the main ARN holder or a sub- distributor.

All Purchase and Switch transactions, including SIP/STP registered prior to the date of suspension and fresh SIP/ STP registrations received under the ARN code of a suspended distributor during the period of suspension, shall be processed under "Direct" Plan" and shall be continued under Direct Plan perpetually*, with a suitable intimation to the unitholder/s mentioning that the distributor has been suspended from doing mutual fund distribution.

*Note: If the AMC receives a written request instruction from the unitholderls to shift back to Regular Plan under the ARN of the suspended distributor post the revocation of suspension of ARN, the same shall be honoured.

All Purchase and Switch transactions including SIP/STP transactions received through the stock exchange platforms through a distributor whose ARN is suspended shall be rejected, since the money and units pertaining to such transactions move through the Broker Pool account

All the provisions mentioned above shall apply mutatis mutandis to all Purchase/Switch/ SIP/STP transactions received under the ARN code of a distributor who has been permanently debarred from marketing or selling any mutual fund schemes (i.e., whose AMFI registration/ARN has been permanently terminated).

In such cases where the ARN has been permanently terminated, the unitholders may be advised about the option to switch their existing investments under Regular Plan to Direct Plan (with capital gain tax implications) or the option to continue their existing investments under Regular Plan under ARN of another distributor of their choice.

ASBA FACILITY

Additional mode of payment through Applications Supported by Blocked Amount (hereinafter referred to as "ASBA") in Mutual Funds for investing in New Fund offer (NFO)

In terms of SEBI circulars No. SEBI/IMD/CIR No 18 / 198647 /2010 and Cir / IMD / DF / 6 / 2010 dated March 15, 2010 and July 28, 2010 respectively, the Mutual Fund will extend ASBA facility to NFO of the Mutual Fund.

Investors will be provided ASBA facility for all NFOs launched on or after October 01, 2010. ASBA means "Application Supported by Blocked Amount". ASBA is an application containing an authorization to block the application money in the bank account, for applying during the NFO. An ASBA investor shall submit an ASBA physically or electronically through the internet banking system to the Self Certified Syndicate Bank (SCSB) with whom the bank account to be blocked, is maintained. Self Certified Syndicate Bank has the same meaning as given to it in clause (zi) of sub-regulation (1) of regulation 2 of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009. SCSB is a bank which is recognized as a bank capable of providing ASBA services to its customers. Names of such banks would appear on the website of SEBI.

The SCSB shall then block the application money in the bank account specified in the ASBA, on the basis of an authorization to this effect given by the account holder. The application money shall remain blocked in the bank account till the allotment of the issue or till withdrawal/ rejection of the application, as the case may be. ASBA facility will be available to all categories of investors and will co-exist with the existing process, wherein cheques/ demand drafts are used as a mode of payment.

TRANSFERABILITY OF UNITS

In accordance with SEBI Circular No. CIR/IMD/DF/10/2010 dated August 18, 2010 on transferability of mutual fund units, investors/unit holders of the schemes of JM Financial Mutual Fund are requested to note that units held in demat form shall be freely transferable under the depository system, except in case of units held in Equity Linked Savings Scheme (ELSS), during the lock-in period.

RESTRICTION ON ACCEPTANCE OF THIRD PARTY PAYMENTS.

Any application accompanied with third party payment for subscription to units of Scheme(s) will be rejected without any recourse to the applicant or investor.

It is clarified that Third Party Payment would mean a payment is from a bank account other than that of the beneficiary investor. In case of payments received from a bank account which is jointly held, the first holder of the mutual fund subscription has to be one of the joint holders of the bank account, from which such payment is made.

Exceptions to Third Party Payments

Subject to the submission of requisite documentation and declarations, the following third party payments will be accepted by the AMC / Mutual Fund.

- Payments from Parents/ Grand-Parents/ related persons, on behalf of a minor, in consideration of natural love and affection or as gift, for a value not exceeding Rs. 50,000/- (for each regular purchase or per SIP installment). However, this restriction will not be applicable for payment made by a guardian, whose name is registered in the records of Mutual Fund, in that folio.
- Payments made by employer on behalf of employees under SIPs or lumpsum/ one time subscription, through payroll deductions or deductions of expense reimbursements subject to submission of requisite & valid documentation/declarations .
- Payment by Corporate to its Agent/Distributor/Dealer (similar arrangement with principal-agent relationship), on account of commission/ incentive payable for sale of its goods/services, in the form of the Mutual Fund Units through Systematic Investment Plans or lump sum / one-time subscription, subject to compliance with SEBI Regulations and Guidelines issued by AMFI, from time to time.
- Custodian on behalf of an FPI or a Client.

Investments made through the exceptional cases mentioned above, are required to comply with the following.

a) Mandatory KYC Acknowledgement Letter of the Investor as well as of the person making the payment i.e. the third party should accompany the application form.

b) Declaration from the Investor and the person making the payment i.e. the third party, giving the details of the bank account from which the payment is made and the relationship with the beneficiary.

Important Note: The declarations mentioned above should accompany each purchase application.

In order to enable verification of the source of funds, the investors are required to ensure the following requirements while subscribing to the units of the Schemes of the Mutual Fund:

a) At the time of his / her / their purchase, investors to provide the details of his / her / their pay-in bank account (i.e. account from which a subscription payment is made) and his / her / their pay-out bank account (i.e. account into which redemption / dividend proceeds are to be paid).

b) In case, an investor has multiple accounts, the investor to register them with the AMC in accordance with the procedure set out in para 2 below.

c) The investor to submit any one of the following documents to establish that the payment is made from the bank account of the first unit holder:

   i. Cancelled cheque leaf depicting name of the first unit holder or

ii. In case, the name of the first holder / applicants is not printed on payment cheque, a copy of Bank Pass Book / Bank Statement or

iii. A Certificate, in original, on letter head from the banker certifying that the investor maintains a bank account with the bank and mentioning the details like bank account number and branch address.

d) If the subscription is settled with pre-funded instruments such as Pay Order, Demand Draft, Banker's cheque, etc., investors are requested to provide a Certificate from the Issuing banker stating the Account holder's name and the Account number which has been debited for issue of the pre-funded instrument. The bank account number mentioned in the certificate must be the account which is registered with the Fund or the first named applicant / investor should be one of the holders of the said bank account.

Note: A pre-funded instrument issued by the Bank against Cash shall not be accepted by the AMC / Mutual Fund for investments of Rs. 50,000/- or more. This also should be accompanied by a certificate from the banker giving name, address and PAN (if available) of the person who has requested for the demand draft.

e) If payment is made by RTGS, NEFT, NACH, bank transfer, etc., investors should submit a copy of the instruction to the bank stating the account number debited along with the purchase application. An investor must attach a Certificate, in original, on letter head from the banker certifying account holder's name and account number which has been debited for issue of the instruments. The bank account number mentioned in the certificate must be the account which is registered with the Fund or the first named applicant / investor should be one of the holders of the said bank account.

f) In case, the payment is made by online transfer of funds, the copy of transfer confirmation, showing the details of date of payment, debit and credit accounts and amount of transfer, is attached.

g) The AMC will accept payments through net banking or debit cards for subscription of units of the Schemes of JM Financial Mutual Fund (as and when these facilities are activated). However, in case the payment is not made from a registered bank account or from an account not belonging to the first named unit holder, the AMC/ R&TA shall reject the transaction with due intimation to the investor.

In case, the details and additional documents, where necessary, as mentioned above are not submitted with each subscription application, the application will be deemed to be through a "Third Party" payment and is liable to be rejected without any recourse to the applicant / investor. In case, the funds are transferred to the Mutual Fund prior to rejection of the subscription, additional documents / details with respect to the investor and the payment, may be sought prior to initiating a refund.

SAFE MODE OF WRITING CHEQUE:

To avoid fraud and misuse of payment instruments, investors are advised to make the payment instrument (cheque, demand draft, pay order, etc) favouring

"XYZ Scheme A/c First Investor name" or

"XYZ Scheme A/c Permanent Account Number" or

"XYZ Scheme A/c Folio number".

Clarifications pertaining to Third Party Payments:

1) As an exception to the Third Party Payments, JM Financial Asset Management Limited (The "AMC") is open to accepting payments made by the employer on behalf of the employee, provided valid supporting documents are submitted.

2) If subscription to the units in one or more of the schemes of JMF MF is made by the investor vide Demand Draft (DD), subject to the debit in his/her account, any one of the following documents submitted will be considered as valid by JMF MF:

   a) A Bank Manager's Certificate will be considered as proof, provided the details of Account Holder's Name, Bank Account Number and PAN, as per bank records, are provided.

   b) An Acknowledgement from the bank specifying the debit details, bank account details and name of the investor as an account holder.

   c) A copy of the Passbook/Bank Statement for proof of debit transaction for the issue of DD.

3) If subscription to the units in one or more schemes of JMF MF is made by the investor vide DD, provided it is issued against cash, then a Banker's Certificate, mentioning the details of the Issuance of DD along with the Investor's Name, Bank Account Number and PAN as per Bank records, if available, must be submitted.

   Provided in both the above cases i.e. Point No. 2 and 3, the Bank Account Number of the investor must be the same as the bank account mandate registered with JM Financial Mutual Fund or the bank details mentioned in the application form.

REGISTRATION OF MULTIPLE BANK ACCOUNTS

To mitigate the risk related to simultaneous change of bank mandate and redemption on multiple occasions, the Mutual Fund has introduced the facility to register "Multiple Bank Accounts". Individuals and HUFs can register up to five (5) bank accounts and non individuals can register up to ten (10) bank accounts in a folio, such registrations are applicable for all schemes in that folio.

Investors can contact the nearest Investor Service Centre (ISC) of the Mutual Fund/ the Registrar of the Mutual Fund viz M/s KFin Technologies Private Limited or visit the website of the Mutual Fund www.jmfinancialmf.com for the Multiple Bank Accounts Registration Form ("Registration Form").

For registration of multiple bank accounts, the investors can submit any one of the following documents along with Part A of the registration form. In case, a copy of any document has been submitted, the investor should bring the original to the ISC of the Mutual Fund / the Registrar

for verification:

a. Cancelled cheque leaf, or

b. Bank Statement / Pass Book Page with account number, account holders' name and address.

The registered bank accounts mentioned above will be used to identify subscriptions payments and any one of the registered bank accounts can be used towards redemption or dividend payments. In case, any of the registered bank accounts is closed / altered, instructions to delete / alter it should be intimated by using the designated form which can be downloaded from the website mentioned above. Requests received on a plain paper are liable to be rejected. The bank accounts will be registered or any subsequent addition / change / deletion in the registered bank accounts would be effected within a period of 10 calendar days, subject to the documents being in order. The process of validation would include notifying the investor about the request made for registration of new bank accounts, through letter, email, sms, phone etc. as may be deemed appropriate. In case a redemption request is received before the change of bank details have been validated and registered, the redemption request would be sent to the currently registered (old) bank account.

REGISTRATION OF A DEFAULT BANK ACCOUNT:

Part B of the Registration Form may be used by the unit holders to specify any one bank account out of the registered multiple bank accounts, as the 'Default Bank Account', for the credit of redemption and dividend proceeds. The Default Bank Account will be used for payments of redemption requests in case no other registered bank account or a non-registered bank account is specified in the redemption request for receiving redemption proceeds.

In case, the 'Default Bank Account' is not specified, the Mutual Fund shall treat the following as default bank accounts.

a. In case of existing investors, the existing bank mandate, till the investor gives a separate request to change the same to any of the other registered bank accounts.

b. In case of new investors, the bank account mentioned on the purchase application form, used for opening the folio, till the investor gives a separate request to change the same to any of other registered bank account.

After furnishing the details of new/additional bank Account(s) in the form 'Multiple Bank Accounts Registration Form', investors are required to provide the details of the default bank account in Box 'B' of the form for future redemptions.

In case, the investor does not specify the default Bank account, the earlier existing Bank account or first of the accounts mentioned in the aforesaid form shall be treated as the default Bank account for all payments, if no specific request for payment into a particular Bank Account is made at the time of redemption.

Deletion of Registered Bank Accounts:

Part C of the Registration Form can be used by the investors to delete a registered bank account. Investor will not be allowed to delete a default bank account unless he/she registers another registered account as a default account.

Redemption payments will be sent only to a bank account that is already registered and validated in the folio, at the time of redemption transaction processing.

Consequent to introduction of "Multiple Bank Accounts Facility", the existing facility of redemption requests accompanied with request for change of bank mandate, will not be processed simultaneously. The two requests will be handled and executed separately for all existing and new customers, irrespective of customer category.

In case, the unit holder(s) provide a new and unregistered bank mandate with a redemption request (with or without necessary supporting documents) such bank account will not be considered for payment of redemption proceeds and redemption proceeds will be sent to the existing registered bank account only.

CHANGE OF BANK DETAILS AND ADDRESS

A. CHANGE OF BANK DETAILS:

Investors can update the bank account details by submitting either Multiple Bank Account Registration Form or a standalone separate Change of Bank Mandate form, available with Investor Service Centers. In other words, forms like common transaction forms, or any other form containing redemption request having the facility to change the bank mandate or update a new bank mandate, should not be used.

Investors are required to provide originals of any one of the following documents or originals should be produced for verification or copy of any of the following supporting documents duly attested by the bank, in case of :

a. New bank details:

- Cancelled original cheque of the new bank mandate bearing the name of the first unit holder and the bank account number printed on the face of the cheque.
- Self attested copy of bank statement
- Bank passbook with current entries not older than 3 months.
- Bank Letter duly signed by branch manager/authorized personnel

b. Change in existing bank mandate currently registered with the Mutual Fund,

- Cancelled original cheque with first unit holder name and bank account number printed on the face of the cheque.
- Original bank account statement / Pass book.

- Original letter issued by the bank on the letterhead confirming the bank account holder with the account details, duly signed and stamped by the Branch Manager/ authorized personnel.
- In case such bank account is already closed, a duly signed and stamped original letter from such bank on the letter head of bank, confirming the closure of said account.

Investors may register multiple bank accounts and choose any of the registered bank accounts towards receipt of redemption proceeds. Any unregistered bank account or a new bank account forming part of redemption request will not be processed.

In case of folios/accounts where the bank details were not provided by the investor at the time of making investment (pertains to the period when bank details were not mandatory), the said investor shall provide the documents specified at Point a. above (for proof of new bank details) and a valid photo identity proof.

There will be cooling period of 10 calendar days for processing and registration of new bank account. In case of receipt of redemption request during the said cooling off period, the registration of new bank mandate and dispatch of redemption proceeds shall be completed within 10 business days.

In case, the request for change in bank mandate is invalid/ incomplete/ dissatisfactory in respect of signature mis-match/ document insufficiency/ not complying with the requirements set out above, the request for such change will not be processed and redemption/ dividend proceeds, if any, will be processed in the last registered Bank Account.

B. CHANGE OF ADDRESS:

KYC Not Complied Folios/Clients:

In case of change of address for Non - KYC Folios, investors are required to provide the following supporting documents: - Proof of new Address (PoA), and

- Proof of Identity (POI): only PAN card copy, if PAN is updated in the folio, or PAN/ other proof of identity, if PAN is not updated in the folio.

Additionally, the AMC reserves the right to ask for the proof of old address, while effecting a change of address.

KYC Complied Folios/Clients:

All Investors who have complied with the KYC norms through a KRA (KYC Registration Agencies) should approach the POS (Point of Service) of the respective KRAs for the change of address. Once the POA is updated by the respective KRAs , automatic feeds will be sent to the RTA for updating the same in their database.

Self attested copy of any one of the documents prescribed as list of admissible documents for POA and POI as mentioned above should be in conformity with SEBI circular no. MIRSD/SE/Cir–21 /201 1 dated October 5, 2011.

Copies of all the documents submitted by the applicants/investors should be self-attested and accompanied by originals for verification. In case the original of any document is not produced for verification, then the copies should be properly attested/verified by entities authorized for attesting/verification of the documents as per extant KYC through KRA guidelines.

ELIGIBILITY FOR INVESTMENT

The following persons (subject to, purchase of units of mutual funds being permitted under respective constitutions and relevant statutory regulations) are eligible and may apply for subscription to the Units of the Scheme :

- Resident adult individuals, either singly or jointly (not exceeding three);
- Parents/Lawful Guardian on behalf of Minors;
- Hindu Undivided Family (HUF), in the name of Karta;
- Companies/Bodies Corporate/Public Sector Undertakings, association of persons or bodies of individuals whether incorporated or not and societies registered under the Societies Registration Act, 1860 (so long as the purchase of units is permitted under the respective constitutions), Co-Operative Societies registered under the Co-Operative Societies Act, 1912, One Person Company;
- Religious and Charitable Trusts, Wakfs or endowments of private trusts (subject to receipt of necessary approvals as required) under the provisions of 11(5) of Income Tax Act, 1961 read with 17C of the Income Tax Rules, 1962 (subject to receipt of necessary approvals as "Public Securities", where required);
- Trustee of private trusts authorized to invest in mutual fund schemes under the Trust Deed;
- Partnership Firms & Limited Liability Partnerships (LLPs) in the name of the Firm or in the name of the partner authorised to invest as per the partnership deed or as per the consent letter signed by remaining partners of the Firm;
- Proprietorship Firms in the name of the proprietors;
- Banks (including Co-operative Banks and Regional Rural Banks) and Financial Institutions and Investment Institutions;
- Non-Resident Indians (NRIs) / Persons of Indian Origin (PIOs) other than US and Canada persons 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;
- Foreign Portfolio Investors (FPI) and sub-accounts registered with SEBI on full repatriation basis (subject to RBI approval, if any);
- Army/Air Force/Navy and other Para Military units and other eligible institutions;

- Scientific and/or industrial research organizations;
- International Multilateral Agencies approved by Government of India;
- Non- Government Provident/Pension/Gratuity funds as and when permitted to invest
- Qualified Foreign Investors/ QFIs, subject to provisions stipulated by SEBI in its circular dated August 9, 2011
- Others who are permitted to invest in the Scheme as per their respective constitutions.
- Mutual Funds/Alternative Investment Funds registered with SEBI;
- Overseas Citizen of India (OCI) on repatriation basis or on non-repatriation basis;
- Foreign Portfolio Investors (FPI) registered with SEBI on repatriation basis;
- Multilateral Financial Institutions/Bilateral Development Corporation Agencies/Bodies Corporate incorporated outside India with the permission of Government of India/Reserve Bank of India;
- Such other category of investors as may be decided by the AMC from time to time in conformity with the applicable laws and SEBI (MF) Regulations.

Note:

1 The AMC/Trustee may reject any application received, in case the application is found invalid/ incomplete or for any other reason in the AMC/Trustee's sole discretion, subject to regulations.

2 Any Scheme of the JM Financial Mutual Fund or of any other Mutual Fund managed by any other AMC, including a Fund of Fund (subject to the conditions and limits prescribed in Regulations and/or by the Trustee, AMC or Sponsor) may subscribe to the units under the Scheme. The AMC/Trustee /Fund /Sponsor may subject to the limits prescribed by SEBI subscribe to Units of this Scheme. The AMC will not be entitled to charge any fees on investments made by the AMC.

3 The AMC/Trustee may accept an application from an unincorporated body of persons/trusts. The AMC/Trustee 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 in the Scheme if he/she so desires and is otherwise eligible. However, the AMC/Trustee shall not be liable to pay interest or any compensation to such a person during the period it takes for the Fund to record the change in address and the residential status, if he desires to continue in the Scheme.

Notwithstanding the aforesaid, the AMC/Trustee reserves the right to close the unit holder's 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 unit holders and any other circumstances make it necessary for the Fund to do so. Unit holders in whose case there has been a change of status from Resident to Non Resident will not have a right to claim growth in capital and/or income distribution.

Investors are also requested to note the following:

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.

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.

c. NRIs and PIOs who are resident of the United States of America and Canada.

d. NRIs residing in Non-Compliant Countries and Territories ("NCCTs") as determined by the Financial Action Task Force ("FATF"), from time to time.

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.

f. Any other person determined by the AMC or the Trustee as not being eligible to invest in the Scheme.

The AMC reserves the right to include/exclude new/existing categories of investors to invest in the Scheme from time to time, subject to SEBI Regulations & other prevailing statutory regulations, if any.

MODE OF HOLDING

The mode of holding may be "single", "joint" or "either / anyone or survivor". When units are held "singly", all notices, correspondences, distributions, redemptions, etc would be sent to the single holder. In case of more than one investor, where the mode of holding is not specified, it would be treated as a joint holding.

JOINT APPLICATIONS/HOLDERS

If an account has more than one holder, the first-named holder (as determined by the records of the Registrar) only will receive all notices

and correspondence with respect to the Account, as well as the proceeds of any redemption requests or dividends or other distributions. In addition, such holder will have the voting rights, as permitted, associated with such Units. However, all documentation/purchase applications/ redemption requests/enrollment forms shall necessarily be signed by all the holders.

In case of holdings specified as 'Jointly' all requests including initial purchases, will have to be signed by all the joint holders. However, in the case of holdings specified as 'Either or survivor', any one of the joint holders may sign such requests. In such case, all payments and settlements made to the concerned applicant (applying for redemption) would constitute valid discharge by the fund. However, under all the cases ("joint" or "either/anyone or survivor"), the Fund shall recognise the first named joint holder as the unit holder and all payments and settlements, etc. made to such first-named holder shall be a valid discharge by the Fund and the Fund shall not be liable to any other joint applicants in this regard.

Any one of the Joint holders (in case of either / anyone or survivor) shall hold the voting right, if any, associated with the Units and all documentation/purchase applications/redemption requests/ enrolment forms may be signed by any one of the joint holders (in case of either/ anyone or survivor) and the Mutual Fund will act on the instructions of the first holder/anyone of the joint account holders. The subsequent clauses on "Nomination" and "Appointment of Beneficiary" further clarifies the position in the event of the death of one of the joint holder or of the first holder.

Application under Power of Attorney

In case of an application under a Power of Attorney or by a limited company or a body corporate or a registered society, or a trust, the original Power of Attorney or the certified copy duly notarised, together with the relevant resolution or authority to make the application as the case may be, or duly certified copy thereof, along with a certified copy of the memorandum and articles of association and/or bye-laws must be lodged along with the application form or request for transfer/transmission and a separate set of all the documents be submitted to the Registrar. The signatures of the power of attorney holder, duly attested, must also be submitted to the Registrar.

Subscription by NRI

For Applications by Non-Residents of Indian Nationality (NRIs) / Persons of Indian Origins (PIOs) :

The Reserve Bank of India vide circular no. FEMA 20/2000 dated May 3, 2000 has granted general permission to domestic mutual funds referred to in clause (23 D) of Section 10 of the Income Tax Act, 1961 to issue units under the schemes floated by them to NRIs / PIOs on non-repatriation / repatriation basis. Accordingly, NRIs / PIOs may invest in Schemes floated by JM Financial Mutual Fund subject to the following conditions :-

a) Issue of Units on repatriation basis -

The investment should be made by the eligible Non-Resident Investors out of funds remitted from abroad in free foreign exchange through normal banking channels or out of balances held in their NRE / FCNR accounts maintained with authorised dealers in India. Payment may be made by means of Indian Rupees Drafts purchased abroad or by cheque drawn on Non-Resident (External) Accounts / FCNR Accounts payable at par at Mumbai. Payments can also be made by means of drafts payable at Mumbai and purchased out of funds held in Non - Resident (External) Accounts / FCNR Accounts maintained with the banks authorised to deal in foreign exchange in India.

b) Issue of Units on non-repatriation basis -

The Funds for investment should be provided by eligible non-resident investors by way of inward remittance or by debit to their NRE / FCNR / NRO / NRSR Accounts maintained with authorised dealer in India. The payment procedure is as per (a) stated above.

In cases where the investment is made out of inward remittance or from funds held in NRE / FCNR / NRO Accounts of the investor, the maturity proceeds / repurchase price of Units and / or dividend or income earned may be credited to NRO / NRSR account (details of which should be furnished in the space provided for this purpose in the Application Form) of the Non-Resident investor maintained with an authorised dealer in India. In cases where the investment is made out of NRSR account, the maturity proceeds and / or the dividend or income earned should be credited to the NRSR accounts (details of which should be furnished in the space provided for this purpose in the Application Form) maintained by the investor with an authorised dealer in India.

Refunds, interest and other distribution (if any) and maturity proceeds / repurchase price and / or dividend or income earned (if any) will be payable in Indian Rupees only. The maturity proceeds / repurchase value of units issued on repatriation basis, dividend or income earned thereon, net of taxes (if any), may be credited to NRE / FCNR accounts (details of which should be furnished in the space provided for this purpose in the Application Form) of the Non-Resident Investor or remitted to the Non-Resident investor. Such payments will be converted into US dollars or into any other currency, as may be permitted by the RBI, at the rate of exchange prevailing at the time of remittance and will be dispatched at the unit holder's risk. The Fund will not be liable for any loss on account of exchange fluctuations, while converting the rupee amount in the US dollar or any other currency. Credit of such proceeds to NRE / FCNR account or remittance thereof may be permitted by authorized dealer only on production of a certificate from the Fund that the investment was made out of inward remittance or from the Funds held in NRE / FCNR account of the investor maintained with an authorized dealer in India. However, there is no objection to credit of such proceeds to NRO/NRSR account of the investor, if he so desires.

Subscriptions by FPIs / Multilateral Funding Agencies

FPIs and Multinational Agencies shall pay their subscription by direct remittance from abroad or out of their special non-resident Rupee account, maintained with a designated bank in India.

Subscriptions by FPIs / Multilateral Funding Agencies, on full repatriation basis, is subject to approval by the Foreign Investment Promotion Board (FIPB).

Subscriptions by Qualified Foreign Investors (QFIs):

QFIs may invest in the schemes subject to provisions laid down by SEBI in its circular dated August 9, 2011, January 13, 2012, June 7, 2012 and July 18, 2012.

Foreign Accounts Tax Compliance Act ('FATCA') Provisions:

Foreign Accounts Tax Compliance Act ('FATCA') is a United States ("US") law aimed at prevention of tax evasion by US citizen and residents ("US Persons") through use of offshore accounts. FATCA was enacted under the Hiring Incentives to Restore Employment ("HIRE") Act of 2010 to prevent tax evasion by US persons through Foreign Financial Institutions (FFIs).

SEBI vide its circular dated June 30, 2014 has informed that the Government of India and the United States of America (US) have reached an agreement in substance on the terms of an Inter – Governmental Agreement (IGA) to implement FATCA and India is now treated as having an IGA w.e.f April 11, 2014.

Trusts that are used as fund vehicles can be entities for US federal income tax purposes, and are FFIs under FATCA. Each Mutual Fund in India is considered as an "investment entity" under FATCA and thereby treated as an FFI for FATCA purposes. Hence, the Mutual Fund would be required to perform due diligence on new and existing investors and reporting in accordance with the IGA. Enhancement of due diligence processes by the FFIs is required by FATCA so that FFIs can identify US reportable accounts.

For complying with the FATCA provisions, JM Financial Mutual Fund (the "Mutual Fund")/JM Financial Asset Management Limited (the "AMC") will be required to undertake due diligence process and identify US reportable accounts. The Mutual Fund/AMC shall i) collect such information/documentary evidences of the US and/or non-US status of its investors/unitholders and disclose such information (through its agents or service providers) as far as may be legally permitted about the holdings, investment returns; ii) levy withholding tax on payments made to investors who fail to provide the information and/or documentation required under FATCA; iii) report information pertaining to reportable accounts to the US Internal Revenue Service and/or such other Indian and Foreign authorities as may be specified under FATCA and/or applicable laws; iv) carry out such other activities as prescribed under FATCA rules as amended from time to time.

FATCA due diligence will be directed at each investor/unit holder (including joint investor) and on being identified as a reportable person/ specified US person, all the folios will be reported. For folios with joint holders, the entire account value of the investment portfolio will be attributable under each reportable person. In case of closure of an account or folio, addition of a new holder to the folio or address change or any other change in circumstances, the investors are required to immediately intimate the Mutual Fund/AMC, as they may likely trigger the impact under FATCA. The impact of FATCA is relevant not only at the time of on-boarding of investors but also throughout the life cycle of the investor account or folio.

An investor/unit holder is therefore required to comply with the request of the Mutual Fund/AMC to furnish such information as and when sought by the AMC so as to comply with the reporting requirements stated in IGA and circulars issued by SEBI/AMFI in this regard. The information disclosed may include (but is not limited to) the identity of the investors and their direct or indirect beneficiaries, beneficial owners and controlling persons. The Mutual Fund/AMC reserves the right to reject any application or compulsorily redeem the units held directly or beneficially in case the investor/unit holder fails to furnish the necessary information and/or documentation or is found to be holding units in contravention of the FATCA provisions. Hence, the investors are requested to note that FATCA is mandatory.

Investors/unit holders are requested to consult their own tax advisors regarding the FATCA requirements with respect to their own situation.

The Trustee/AMC reserves the right to change the provisions mentioned above at a later date.

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 "Mutual 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 any of the Schemes of the Mutual Fund, 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 Mutual Fund would be allowed. However, existing Unit Holder(s) will be allowed to redeem their units from the Schemes of the Mutual 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. All existing registered Systematic Investment Plans and Systematic Transfer Plans would be ceased from the effective date.

c. For transaction from 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.

d. 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, in that case the AMC/Mutual Fund at its discretion shall redeem all the units held by such person from the Scheme of the Mutual Fund at applicable Net Asset Value.

Identification of Beneficial Ownership:

In terms of SEBI Master Circular on Anti Money Laundering (AML) Standards/ Combating the Financing of Terrorism (CFT) dated December 31, 2010 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 natural person or persons who ultimately own, control or influence a client and/or persons on whose behalf a transaction is being conducted. It also incorporates those persons who exercise ultimate effective control over a legal person or arrangement. 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 'Mutual 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 Private 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 Mutual 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 judicial 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 25% 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 intermediary shall identify the beneficial owners of the investor and take reasonable measures 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:

The intermediaries dealing with foreign investors viz., Foreign Institutional Investors, Sub Accounts and Qualified Foreign Investors shall adopt the Know Your Client (KYC) requirements specified by SEBI in its SEBI Circular No. CIR/MIRSD/11/2012 dated September 5, 2012, which are as follows:

Relevant requirements on KYC Form as per SEBI Circulars dated August 22, 2011 and October 5, 2011	Clarifications for Foreign Investors viz. FPIs, Sub Accounts and QFIs
Copy of latest share holding pattern including list of all those holding control, either directly or indirectly, in the company in terms of SEBI Takeover Regulations, duly certified by the Company Secretary/Whole Time Director/MD (to be submitted every year). POI and POA of individual promoters holding control - either directly or indirectly.	List of beneficial owners with shareholding or beneficial interest in the client equal to or above 25% to be obtained. If Global Custodian /Local Custodian provides an undertaking to submit these details, then intermediary may take such undertaking only. Any change in the list to be obtained based on risk profile of the investor.
Name, residential address, photograph, POI and POA of Partners/ Trustees, Whole Time Directors/two directors in charge of day to day operations and individual promoters holding control - either directly or indirectly.	A. Not required if Global Custodian /Local Custodian gives an undertaking to provide the following documents as and when requested for by intermediary: 1) A resolution from the Board of Directors and power of attorney granted to its managers, officers or employees to transact on its behalf; and 2) An officially valid document in respect of managers, officers or employees holding an attorney to transact on its behalf. B. If Global Custodian/Local Custodian does not provide such undertaking as stated in A above, intermediary shall take required details from Foreign Investors.

III. RIGHTS OF UNIT HOLDERS OF THE SCHEME

1. Unit holders of the Scheme have a proportionate right in the beneficial ownership of the assets of the Scheme.
2. When the Mutual Fund declares a dividend under the Scheme, the dividend warrants shall be despatched within 30 days of the declaration of the dividend.
3. Account Statement/ CAS shall be dispatched to the unit holders in terms of SEBI prescribed guidelines.
4. The Fund shall dispatch Redemption proceeds within 10 Business Days of receiving the Redemption request on maturity.
5. The Trustee is bound to make such disclosures to the Unit holders as are essential in order to keep the unit holders informed about any information known to the Trustee which may have a material adverse bearing on their investments.
6. The appointment of the AMC for the Mutual Fund can be terminated by majority of the Directors of the Trustee Board or by 75% of the Unit holders of the Scheme.
7. 75% of the Unit holders of a Scheme can pass a resolution to wind- up a Scheme.
8. The Trustee shall obtain the consent of the Unit holders:
   - whenever required to do so by SEBI, in the interest of the Unit holders; or
   - whenever required to do so if a requisition is made by three- fourths of the Unit holders of the Scheme; or
   - when the Trustee decides to wind up the Scheme or prematurely redeem the Units.
   - The Trustee shall ensure that no change in the fundamental attributes of any Scheme or the trust or fees and expenses payable or any other change which would modify the Scheme and affects the interest of Unit holders, shall be carried out unless :
     (i) a written communication about the proposed change is sent to each Unit holder 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
     (ii) the Unit holders are given an option to exit at the prevailing Net Asset Value without any Exit Load.
9. In specific circumstances, where the approval of unit holders is sought on any matter, the same shall be obtained by way of a postal ballot or such other means as may be approved by SEBI.

VOTING RIGHTS

Subject to the provisions of the SEBI Regulations as amended from time to time, the consent of the Unit holders shall be obtained, entirely at the option of the Trustee either at a meeting of the Unit holders or through postal ballot. Only one Unit holder in respect of each folio or account representing a holding shall vote and he shall have one vote in respect of each resolution to be passed.

NAV INFORMATION

The AMC would declare the NAV of the Scheme in compliance with the Regulations issued in this regard.

The first NAV will be announced before the Scheme reopens for repurchase after New Fund Offer period. NAVs will be updated on the websites of AMFI (www.amfiindia.com) and the Fund (www.JMFinancialmf.com) by 11.00 p.m. every Business Day.

REGISTER OF Unit holders

The following provisions shall have effect with regard to the registration of the Unit holders:

1) In all cases where Units are held in the name of two or three persons and in all matters concerning the Fund, it shall be deemed that the first of such persons is the holder of the Units and all correspondence, if any, shall be communicated only by/to the first of such persons;

2) All payments and settlements made to the first holder and a receipt thereof shall be a valid discharge by the Fund. The Fund shall for all purposes correspond only with the first holder and all communications with the first holder including information on the working of the Fund shall be deemed to be a valid discharge by the Trustee of its obligations;

3) Any change in the name and address of the Unit holder shall be notified to the JM ISCs/ KRA, as the case may be. The AMC/ RTA shall on being satisfied of such change and on compliance with such formalities as may reasonably be required, record the changes accordingly.

4) Subject to the provisions herein contained, the Trustee and the AMC shall not receive notice of any trust, express, implied or constructive, nor shall they be bound to consider any such notice in respect of Units in the Register except when so directed by a Court of Competent Jurisdiction.

5) In the event of death of a holder, any other person being entitled to the Units, upon recognition of the claim in such manner as the AMC may deem necessary, shall be registered as the holder of the Units.

6) In the case of death of a joint holder, the survivor(s) shall be the only person(s) recognized by the Fund as having any title or interest in the Units. In the event of death of the sole Unit holder at any time during the life of the Fund, the legal heirs will be recognized claimants to the outstanding Units on complying with the necessary formalities as may be stipulated by Trustees/ AMC from time to time.

A person becoming entitled to the Units in consequences of the death, insolvency or winding up of a sole holder or the survivor(s) of joint holders, upon producing evidence to the satisfaction of the AMC shall be registered as the holder of the Units or permitted to transfer the Units, as the case may be, upon such terms as the AMC may determine.

IV. INVESTMENT VALUATION NORMS FOR SECURITIES AND OTHER ASSETS

Valuation of Assets, computation of NAV, repurchase price and their frequency of disclosure will be in accordance with the provisions of SEBI (MF) Regulations 1996/ Guidelines/ Directives issued by SEBI from time to time.

The assets of the Scheme will be valued based on the following valuation norms.

Principles of Fair Valuation

Mutual fund shall value its investments in accordance with the following overarching principles so as to ensure fair treatment to all investors including existing investors as well as investors seeking to purchase or redeem units of mutual funds in all schemes at all points of time:

(a) The valuation of investments shall be based on the principles of fair valuation i.e. valuation shall be reflective of the realizable value of the securities/assets. The valuation shall be done in good faith and in true and fair manner through appropriate valuation policies and procedures.

(b) The policies and procedures approved by the Board of the asset management company shall identify the methodologies that will be used for valuing each type of securities/assets held by the mutual fund schemes. Investment in new type of securities/ assets by the mutual fund scheme shall be made only after establishment of the valuation methodologies for such securities with the approval of the Board of the asset management company.

(c) The assets held by the mutual funds shall be consistently valued according to the policies and procedures. The policies and procedures shall describe the process to deal with exceptional events where market quotations are no longer reliable for a particular security.

(d) The asset management company shall provide for the periodic review of the valuation policies and procedures to ensure the appropriateness and accuracy of the methodologies used and its effective implementation in valuing the securities/assets. The Board of Trustee and the Board of asset management company shall be updated of these developments at appropriate intervals. The valuation policies and procedures shall be regularly reviewed (at least once in a Financial Year) by an independent auditor to seek to ensure their continued appropriateness.

(e) The valuation policies and procedures approved by the Board of asset management company should seek to address conflict of interest.

(f) Disclosure of the valuation policy and procedures (with regard to valuation of each category of securities/assets where the scheme will invest, situation where these methods will be used, process and methodology and impact of implementation of these methods, if any) approved by the Board of the asset management company shall be made in Statement of Additional Information, on the website of the asset management company /mutual fund and at any other place where the Board may specify to ensure transparency of valuation norms to be adopted by asset management company.

(g) The responsibility of true and fairness of valuation and correct NAV shall be of the asset management company, irrespective of disclosure of the approved valuation policies and procedures i.e. if the established policies and procedures of valuation do not result in fair/ appropriate valuation, the asset management company shall deviate from the established policies and procedures in order

to value the assets/ securities at fair value:

Provided that any deviation from the disclosed valuation policy and procedures may be allowed with appropriate reporting to Board of Trustees and the Board of the asset management company and appropriate disclosures to investors.

(h) The asset management company shall have policies and procedures to detect and prevent incorrect valuation.

(i) Documentation of rationale for valuation including inter scheme transfers shall be maintained and preserved by the asset management company as per regulation 50 of these regulations to enable audit trail.

(j) In order to have fairness in the valuation of debt and money market securities, the asset management company shall take in to consideration prices of trades of same security or similar security reported at all available public platform.

In addition to the above, a mutual fund may value its investments according to the following Valuation Guidelines. In case of any conflict between the Principles of Fair Valuation as detailed above and Valuation Guidelines issued by the Board hereunder or elsewhere, the Principles of Fair Valuation detailed above shall prevail.

Valuation Guidelines

NAV of a scheme as determined by dividing the net assets of the scheme by the number of outstanding units on the valuation date.

1. Traded Securities:
   - (i) The securities shall be valued at the last quoted closing price on the stock exchange.
   - (ii) When the securities are traded on more than one recognised stock exchange, the securities shall be valued at the last quoted closing price on the stock exchange where the security is principally traded. It would be left to the asset management company to select the appropriate stock exchange, but the reasons for the selection should be recorded in writing. There should, however, be no objection for all scrips being valued at the prices quoted on the stock exchange where a majority in value of the investments are principally traded.
   - (iii) Once a stock exchange has been selected for valuation of a particular security, reasons for change of the exchange shall be recorded in writing by the asset management company.
   - (iv) When on a particular valuation day, a security has not been traded on the selected stock exchange, the value at which it is traded on another stock exchange may be used.
   - (v) When a security is not traded on any stock exchange on a particular valuation day, the value at which it was traded on the selected stock exchange or any other stock exchange, as the case may be, on the earliest previous day may be used provided such date is not more than thirty days prior to the valuation date.
2. Non-traded Securities:
   - (i) When a security is not traded on any stock exchange for a period of thirty days prior to the valuation date, the scrip must be treated as a 'non-traded' scrip.
   - (ii) Non-traded securities shall be valued "in-good faith" by the asset management company on the basis of appropriate valuation methods based on the principles approved by the Board of the asset management company. For example, non traded debt and money market securities of short term maturities, as may be specified by the Board from time to time, may be valued on amortization basis provided that such valuation shall be reflective of the fair value of the securities and all investors are treated fairly. Such decision of the Board must be documented in the Board minutes and the supporting data in respect of each security so valued must be preserved. The methods used to arrive at values "in-good faith" shall be periodically reviewed by the trustees and reported upon by the auditors as "fair and reasonable" in their report on the annual accounts of the fund. For the purpose of valuation of non-traded securities, the following principles should be adopted:—
     - (a) equity instruments shall generally be valued on the basis of capitalization of earnings solely or in combination with the net asset value, using for the purposes of capitalization, the price or earnings ratios of comparable traded securities and with an appropriate discount for lower liquidity;
     - (b) debt instruments shall generally be valued on a yield to maturity basis, the capitalization factor being determined for comparable traded securities and with an appropriate discount for lower liquidity;
     - (c) while investments in call money, bills purchased under rediscounting scheme and short-term deposits with banks shall be valued at cost plus accrual; other money market instruments shall be valued at the yield at which they are currently traded. For this purpose, non-traded instruments that is instruments not traded for a period of seven days will be valued at cost plus interest accrued till the beginning of the day plus the difference between the redemption value and cost spread uniformly over the remaining maturity period of the instruments;
     - (cc) Government securities will be valued at yield to maturity based on the prevailing market rate;
     - (d) in respect of convertible debentures and bonds, the non-convertible and convertible components shall be valued separately. The non-convertible component should be valued on the same basis as would be applicable to a debt instrument. The convertible component should be valued on the same basis as would be applicable to an

equity instrument. If, after conversion the resultant equity instrument would be traded pari passu with an existing instrument which is traded, the value of the latter instrument can be adopted after an appropriate discount of the non-tradability of the instrument during the period preceding the conversion while valuing such instruments, the fact whether the conversion is optional should also be factored in;

(e) in respect of warrants to subscribe for shares attached to instruments, the warrants can be valued at the value of the share which would be obtained on exercise of the warrant as reduced by the amount which would be payable on exercise of the warrant. A discount similar to the discount to be determined in respect of convertible debentures [as referred to in sub-paragraph (d) above] must be deducted to account for the period which must elapse before the warrant can be exercised;

(f) where instruments have been bought on 'repo' basis, the instrument must be valued at the resale price after deduction of applicable interest upto date of resale. Where an instrument has been sold on a 'repo' basis, adjustment must be made for the difference between the repurchase price (after deduction of applicable interest upto date of repurchase) and the value of the instrument. If the repurchase price exceeds the value, the depreciation must be provided for and if the repurchase price is lower than the value, credit must be taken for the appreciation.

3. Until they are traded, the value of the "rights" shares should be calculated as:

Vr = n/m x (Pex - Pof)

Where

Vr = Value of rights

n = No. of rights offered

m = No. of original shares held

Pex = Ex-rights price

Pof = Rights Offer Price

Where the rights are not treated pari passu with the existing shares, suitable adjustment should be made to the value of rights. Where it is decided not to subscribe for the rights but to renounce them and renunciations are being traded, the rights can be valued at the renunciation value.

3A. Value of Gold: (1) the gold held by a gold exchange traded fund scheme shall be valued at the AM fixing price of London Bullion Market Association (LBMA) in US dollars per troy ounce for gold having a fineness of 995.0 parts per thousand, subject to the following:

(a) adjustment for conversion to metric measure as per standard conversion rates;

(b) adjustment for conversion of US dollars into Indian rupees as per the RBI reference rate declared by the Foreign Exchange Dealers Association of India (FEDAI); and

(c) Addition of-

(i) transportation and other charges that may be normally incurred in bringing such gold from London to the place where it is actually stored on behalf of the mutual fund; and

(ii) notional customs duty and other applicable taxes and levies that may be normally incurred to bring the gold from the London to the place where it is actually stored on behalf of the mutual fund;

Provided that the adjustment under clause (c) above may be made on the basis of a notional premium that is usually charged for delivery of gold to the place where it is stored on behalf of the mutual fund;

Provided further that where the gold held by a gold exchange traded fund scheme has a greater fineness, the relevant LBMA prices of AM fixing shall be taken as the reference price under this sub-paragraph.

(2) If the gold acquired by the gold exchange traded fund scheme is not in the form of standard bars, it shall be assayed and converted into standard bars which comply with the good delivery norms of the LBMA and thereafter valued in terms of sub-paragraph (1).

4. All expenses and incomes accrued upto the valuation date shall be considered for computation of net asset value. For this purpose, while major expenses like management fees and other periodic expenses should be accrued on a day-to-day basis, other minor expenses and income need not be so accrued, provided the non-accrual does not affect the NAV calculations by more than 1%.

5. Any changes in securities and in the number of units be recorded in the books not later than the first valuation date following the date of transaction. If this is not possible given the frequency of the Net Asset Value disclosure, the recording may be delayed upto a period of seven days following the date of the transaction, provided that as a result of the non-recording, the Net Asset Value calculations shall not be affected by more than 1%.

6. In case the Net Asset Value of a scheme differs by more than 1%, due to non-recording of the transactions, the investors or scheme/s as the case may be, shall be paid the difference in amount as follows :—

(i) If the investors are allotted units at a price higher than Net Asset Value or are given a price lower than Net Asset Value at the time of sale of their units, they shall be paid the difference in amount by the scheme.

(ii) If the investors are charged lower Net Asset Value at the time of purchase of their units or are given higher Net Asset Value at the time of sale of their units, asset management company shall pay the difference in amount to the scheme. The asset management company may recover the difference from the investors.

7. Thinly traded securities as defined in the guidelines shall be valued in the manner as specified in the guidelines issued by the Board.

8. The aggregate value of illiquid securities as defined in the guidelines shall not exceed 15 per cent of the total assets of the scheme and any illiquid securities held above 15 per cent of the total assets shall be valued in the manner as specified in the guidelines issued by Board.

The NAVs of the Units of the Plans will be computed by dividing the net assets of the Plan by the number of Units outstanding on the valuation date. The Fund shall value its investments according to the valuation norms, as specified in Schedule VIII of the Regulations, or such norms as may be prescribed by SEBI from time to time. The broad valuation norms are detailed above. These norms are indicated based on the current Regulations and the guidelines/instructions issued by SEBI.

VALUATION POLICY OF JM FINANCIAL MUTUAL FUND

Background:

SEBI has vide notification dated February 21, 2012 and circular no. Cir/IMD/DF/6/2012 dated February 28, 2012 has amended Regulation 47 and the Eighth Schedule of SEBI (Mutual Funds) Regulations, 1996, introducing the overarching principle of 'fair valuation' of securities wherein valuation should be reflective of the realizable value. As per the notification, a valuation policy should be framed and the same should be approved by the Board of the Asset Management Company (AMC).

Objective of the Policy:

The objective of this Policy is to set the broad valuation norms to enable JM Financial Asset Management Limited (JMF AMC) to value the investments of the Schemes of JM Financial Mutual Fund (JMF MF) in accordance with the overarching principles of 'fair valuation' or such other principles/regulations as may be prescribed by SEBI from time to time so as to ensure fair treatment to all investors including existing investors as well as investors seeking to purchase or redeem units of mutual funds in all schemes at all points of time.

Valuation Methodologies:

- The valuation of investments shall be based on the principles of fair valuation i.e. valuation shall be reflective of the realizable value of the securities/assets.
- The methodologies for valuing different type of securities are mentioned in table below.
- Investment in any new type of security shall be made only after establishment of the valuation methodology for such type of security with the approval of the Board of JMF AMC.

Inter-scheme transfers:

The table below describes the methodology to determine the fair valuation of securities which are intended to be transferred from one scheme to another.

Conflict of Interest:

In case if any situation arises that leads to conflict of interest, the same shall be raised to the Valuation Committee and the Committee shall endeavor to resolve the same such that the valuation provides for fair treatment to all investors including existing and prospective investors.

In case of ambiguity, the Valuation Committee shall endeavor to value the securities such that the valuation provides for fair treatment to all the existing and prospective investors. However, the Committee will keep the Boards of AMC and the Trustee Company informed about its decision, in their ensuing meetings.

Exceptional events/ circumstances:

Following events could be considered as 'exceptional events/ circumstances':

- Major policy announcement by Central/State Government or Central Bank or SEBI;
- Natural disasters, public disturbances, riots, war, global events etc., that may force market not to function normally;
- Absence of trading in specific security or similar securities;
- Significant volatility in the stock markets;
- Closure of the stock market of a particular country;
- Events which lead to lack of availability of accurate or sufficient information to value the securities.

The above mentioned list is only indicative and may not reflect all the possible exceptional events/circumstances.

In case of exceptional events, the valuation committee shall assess the situation and recommend appropriate method of valuation for the impacted securities.

Deviation:

The investments of the JMF MF schemes shall be valued as per the methodologies mentioned in this Policy, which shall endeavor true and fairness in valuing the securities. However, if the valuation of any particular asset/security does not result in fair/ appropriate valuation or under exceptional circumstances, the Valuation Committee would have the right to deviate from the established policies in order to value the asset/ security at fair /appropriate value.

Deviations from the valuation policy, if any, will be informed to the AMC and Trustee Board and will be communicated to the investors vide appropriate disclosures on the Mutual Fund's website.

Review:

The Valuation Committee shall be responsible for ongoing review of the valuation methodology in terms of its appropriateness and accuracy in determining the fair value of each and every security. The Valuation Committee shall apprise the AMC & Trustee Boards, annually in terms of the effectiveness of the methodologies and deviations or incorrect valuations.

The Valuation Policy shall also be reviewed by Independent Auditors at least once a Financial Year to ensure the appropriateness of the valuation methodologies and to suggest alternative methods, if any.

Retention of records:

Documentation of rationale for valuation including inter scheme transfers shall be maintained and preserved by the asset management company as per regulation 50 of the Regulations to enable audit trail.

Disclosure of the policy:

The Valuation policy approved by the AMC Board shall be disclosed in Statement of Additional Information (SAI) on the Mutual Fund's website and any other document as may be prescribed by SEBI from time to time.

Valuation of Debt, Money Market Instruments and Sovereign Securities (including T-Bills)

Category	Traded Assets / Non Traded Assets
All non government debt securities	All non government securities irrespective of their residual maturity (including traded and non traded) are valued as per the prices (simple average) provided by the AMFI approved agencies – currently CRISIL and /or ICRA. In case security level prices given by valuation agencies are not available for a new security (which is currently not held by any Mutual Fund) then such security may be valued at purchase yield on the date of allotment / purchase (refer point no. 5 in notes section).
Securities which are rated below investment grade	Securities which are rated below investment grade shall be valued at the price provided by AMFI appointed valuation agencies currently CRISIL and ICRA. Where the traded price is lower than such computed price, such traded price shall be considered for the purpose of valuation. Till such time the valuation agencies compute the valuation of securities classified as below investment grade, such securities shall be valued on the basis of indicative haircuts provided by valuation agencies. These indicative haircuts shall be applied on the date of credit event i.e. migration of the security to sub-investment grade and shall continue till the valuation agencies compute the valuation price of such securities. These haircuts shall be updated and refined, as and when there is availability of material information which impacts the haircuts. In case of trades in such securities after the credit event, AMC shall consider such traded price for valuation if it is lower than the price post standard haircut. The trades referred above shall be of a minimum size as determined by CRISIL & ICRA. Any deviation from the indicative haircuts / prices shall be as decided by the investment committee.
Inter-scheme Transfers	ISTs of all money market ,debt and sovereign securities (including T-Bills) (irrespective of maturity) shall be done at prices received from the valuation agencies as per the methodology prescribed by SEBI/ AMFI. (a) If prices from the valuation agencies are received within the pre agreed TAT (turnaround time), an average of the prices shall be used for IST pricing. (b) If price from only 1 valuation agency is received within the agreed TAT then that price may be considered for IST pricing. (c) If prices are not received form any of the valuation agencies then, AMC may determine the price for the IST in accordance with the Clause 3 (a) of Seventh Schedule of SEBI (Mutual Fund) Regulations,1996,i.e prevailing market price for quoted instruments on spot basis. In case an instrument is not traded on inter scheme trade date, then the previous day closing price will be considered as IST price.
Self Trades	The use of own trade / self-trade prices for valuation of debt and money market securities and for inter-scheme transfers have been discontinued. The securities purchased which are already held by the mutual fund or securities sold partially shall be continued to be valued at their original price / yield.

Notes:

1) Sovereign Securities (including T Bills) irrespective of the residual maturity shall be valued at prices provided by Crisil and ICRA or any AMFI approved agency.

2) Investments in short term deposits with banks (pending deployment) and repurchase (repo) transactions (including tri-party repo i.e TREPS) with tenor of upto 30 days, shall be valued on cost plus accrual basis. For repo transactions (including tri-party repo i.e TREPS)

with tenor more than 30 days the prices shall be obtained from the valuation agencies.

3) In order to have uniformity in valuation methodology, prices for all OTC (over the counter) derivatives and market-linked debentures shall be obtained from valuation agencies.

4) Investments in units of mutual fund schemes of the own fund shall be valued at the net asset value of the respective schemes as on the valuation date.

5) In case of exceptional circumstances, the securities may be valued as per the norms approved by the Valuation Committee. For eg. In case of purchase of new security, price of which is not provided by the agencies.

6) Common note(s) for valuation of Debt & Debt Related Instruments (as applicable). SEBI vide Circular No.SEBI/HO/IMD/DF4/CIR/P/2019/102 dated September 24, 2019 & AMFI Best Practise Guidelines Circular No 135/BP/83/2019-20 dated November 18, 2019 has mandated a waterfall approach (Annexure I) and other methodologies (Annexure II) to be followed by the valuation agencies for valuation of certain debt and money market instruments.

Valuation of Equity and Equity Related Instruments

Equity and Equity Related Instruments	Methodology
Listed	
Traded	On a valuation date such securities will be valued at the last quoted closing price on the National Stock Exchange (NSE). NSE will be considered the principal stock exchange. In case a security is not traded on NSE, then the security will be valued at the last quoted closing price on Bombay Stock Exchange (BSE). If a security is not traded on NSE and BSE, it will be valued at the last quoted closing price on any other stock exchange. If a security is not traded on any stock exchange on a particular valuation day, then at the last quoted closing price on NSE or BSE or any other stock exchange will be used, provided such closing price is not more than a period of thirty days prior to the valuation day.
Thinly traded (Trade value in a calendar month is less than Rs. 5 lakhs and total volume is less than 50,000 Shares) Non-traded (Price not available for a period upto preceeding thirty days)	Non-traded/ and/or thinly traded equity securities: Based on the latest available Balance Sheet, Net Worth shall be calculated as follows: a. Net Worth per share = [Share Capital+ Reserves (excluding Revaluation Reserves) – Miscellaneous expenditure and Debit Balance in Profit and Loss Account] / Number of Paid up Shares. b. Average Capitalization rate (P/E ratio) for the industry based upon either BSE or NSE data (which shall be followed consistently and changes, if any, noted with proper justification thereof) shall be taken and discounted by 75 per cent i.e. only 25 per cent of the industry average P/E shall be taken as Capitalization rate (P/E ratio). Earnings per share (EPS) of the latest audited annual accounts shall be considered for this purpose. c. The value as per the net worth value per share and the capital earning value calculated as above shall be averaged and further discounted by 10 per cent for illiquidity so as to arrive at the fair value per share. d. In case the EPS is negative, EPS value for that year shall be taken as zero for arriving at capitalised earning. e. In case where the latest Balance Sheet of the company is not available within nine months from the close of the year, unless the accounting year is changed, the shares of such companies shall be valued at zero. f. In case an individual security accounts for more than 5 per cent of the total assets of the scheme, an independent valuer shall be appointed for the valuation of the said security. To determine if a security accounts for more than 5 per cent. of the total assets of the scheme, it shall be valued by the procedure above and the proportion which it bears to the total net assets of the scheme to which it belongs will be compared on the date of valuation.
	g. In case trading in an equity security is suspended up to thirty days, then the last traded price would be considered for valuation of that security. If an equity security is suspended for more than thirty days, then the Valuation Committee will decide the valuation norms to be followed and such norms would be documented and recorded.

Unlisted	Investment in Unlisted Equity Shares a. Based on the latest available audited balance sheet, Net Worth shall be calculated as the lower of item (1) and (2) below: 1. Net Worth per share = [Share Capital + Free Reserves (excluding revaluation reserves) - Miscellaneous expenditure not written off or deferred revenue expenditure, intangible assets and accumulated losses] / Number of Paid up Shares. 2. After taking into account the outstanding warrants and options, Net Worth per share shall again be calculated and shall be = [Share Capital + consideration on exercise of Option and/or Warrants received/receivable by the Company + Free Reserves (excluding Revaluation Reserves) - Miscellaneous expenditure not written off or deferred revenue expenditure, intangible assets and accumulated losses] / Number of Paid up Shares plus Number of Shares that would be obtained on conversion and/or exercise of Outstanding Warrants and Options. 3. The lower of (1) and (2) above shall be used for calculation of Net Worth per share and for further calculation in (c) below. b. Average capitalisation rate (P/E ratio) for the industry based upon either BSE or NSE data (which shall be followed consistently and changes, if any, noted with proper justification thereof) shall be taken and discounted by 75 per cent. i.e. only 25 per cent of the industry average P/E shall be taken as capitalisation rate (P/E ratio). Earnings per share (EPS) of the latest audited annual accounts will be considered for this purpose. c. The value as per the Net Worth value per share and the capital earning value calculated as above shall be averaged and further discounted by 15 per cent for illiquidity so as to arrive at the fair value per share. The above valuation methodology shall be subject to the following conditions: a. All calculations shall be based on audited accounts. b. If the latest Balance Sheet of the company is not available within nine months from the close of the year, unless the accounting year is changed, the shares of such companies shall be valued at zero. c. If the Net Worth of the company is negative, the share would be marked down to zero. d. In case the EPS is negative, EPS value for that year shall be taken as zero for arriving at capitalised earning. e. In case an individual security accounts for more than 5 per cent of the total assets of the scheme, an independent valuer shall be appointed for the valuation of the said security. To determine if a security accounts for more than 5 per cent of the total assets of the scheme, it shall be valued in accordance with the procedure as mentioned above on the date of valuation. At the discretion of the AMCs and with the approval of the Trustees, unlisted equity shares may be valued at a price lower than the value derived using the aforesaid methodology. In case the unlisted security is in the process of listing, and the price band for the same is being announced, the unlisted security shall be valued at the lower price of the price band from the date of announcement of the price band to the date of listing.
Illiquid Securities (Thinly traded, non-traded, unlisted equity securities)	If in excess of 15% of the total net assets of an open ended scheme and 20% in case of a close ended scheme - Nil Value
IPO Application	
Application money for IPO	At cost upto the date previous to the date of listing. If the security is not listed within 30 days from allotment of the securities, the valuation committee shall decide to value such securities in line with the valuation of unlisted shares.
Additional Issues of Listed Securities (FPOs)/ Qualified Institutional Placement	At market price.
Demerger	
All resultant companies' shares are traded	At traded price

At least one company's shares traded	Traded Shares at traded price, non-traded share market value to be derived based on market value of the original traded shares on trading day prior to the date of demerger minus market value of demerged traded shares on ex-date. In case value of the traded share of the demerged company is equal or in excess of the value of pre demerger share, then the non-traded share is to be valued at zero.The value so arrived will be periodically reviewed by the valuation committee till listing of such share.
None of the resultant companies' shares are traded on de-merger	Shares of demerged companies are to be valued equal to the pre demerger value (one trading day prior to the ex-date) . The market value of the shares to be apportioned in the ratio of cost of shares as may be obtained by prescribed demerger ratio. The value so arrived will be periodically reviewed by valuation committee till listing of such shares.
Merger	
Shares Traded	Traded Price
The shares are not traded on Merger	Shares of merged company are to be valued equal to the pre merger value (one trading day prior to the ex-date). The market value of the pre merger shares are to be added . The value so arrived will be periodically reviewed by valuation committee till listing of such shares.
Preference Shares	
Traded	At traded price
Non - Traded - Non Convertible Preference Share	Will be valued as per debt valuation norms.
Non - Traded - Convertible Preference Share	in respect of convertible preference shares, the non-convertible and convertible components shall be valued separately. The non-convertible component should be valued on the same basis as would be applicable to a debt instrument. The convertible component should be valued on the same basis as would be applicable to an equity instrument. If, after conversion the resultant equity instrument would be traded pari passu with an existing instrument which is traded, the value of the latter instrument can be adopted after an appropriate discount of the non-tradability of the instrument during the period preceding the conversion while valuing such instruments, the fact whether the conversion is optional should also be factored in.
Convertible Debentures and Bonds	
Traded	At traded price
Non - Traded	In respect of convertible debentures and bonds, the non-convertible and convertible components shall be valued separately. The non-convertible component should be valued on the same basis as would be applicable to a debt instrument. The convertible component should be valued on the same basis as would be applicable to an equity instrument. If, after conversion the resultant equity instrument would be traded pari passu with an existing instrument which is traded, the value of the latter instrument can be adopted after an appropriate discount of the non-tradability of the instrument during the period preceding the conversion while valuing such instruments, the fact whether the conversion is optional should also be factored in.
Rights	
Traded Rights Entitlement	At Traded Price
Non-Traded Rights entitlement	Until they are traded, the value of the "rights" shares should be calculated as: Vr = n/m x (Pex - Pof) Where Vr = Value of rights n = No. of rights offered m = No. of original shares held Pex = Ex-rights price Pof = Rights Offer Price Where the rights are not treated pari passu with the existing shares, suitable adjustment should be made to the value of rights. Where it is decided not to subscribe for the rights but to renounce them and renunciations are being traded, the rights can be valued at the renunciation value. In case of the rights on non-traded shares, value of rights will be zero.
Warrants	
Traded	At traded price

Non traded	In respect of warrants to subscribe for shares attached to instruments, where the exercise price is less than the value of the share, the warrants can be valued at the value of the share which would be obtained on exercise of the warrant as reduced by the amount which would be payable on exercise of the warrant. A discount similar to the discount to be determined in respect of convertible debentures must be deducted to account for the period which must elapse before the warrant can be exercised. However, where the Exercise price is greater than the value of the share, the warrants will be valued at zero.
Futures & Options (F&O)	
Daily Valuation	
Traded	At the settlement price provided by the exchange, where the futures/options has been contracted. If the settlement price is not available, then closing price for the security will be considered for the valuation.
Non traded	When a security is not traded on the respective stock exchange on the date of valuation, then the settlement price or any other derived price provided by the respective stock exchange.
Investments in units / shares of mutual funds	Units / shares of mutual funds will be valued at the last published NAV
Interscheme Transfers	Inter-scheme for equity transactions will be done at the spot price.

Segregate Portfolio valuation:

Notwithstanding the decision to segregate the debt and money market instrument in accordance with the SEBI Circular # SEBI/HO/IMD/DF2/CIR/P/2018/160 dated December 28, 2018, the valuation should consider the credit event and value the portfolio based on the principles of fair valuation. (i.e. realizable value of the assets) in terms of relevant provisions of SEBI (Mutual Funds) Regulation, 1996 and Circular(s) issued thereunder.

Irrespective of the above policy, the valuation committee might adopt valuation principles to align with fair valuation norms.

Polling process for money market and debt securities

POLLING EXERCISE

Polling process:

The valuation agency ICRA and CRISIL or any other agency appointed by SEBI, will conduct the polling process for the below mentioned securities:

1. Benchmark securities
2. Outlier trades (ISIN specific)
3. Securities/issuers under spread review.
4. Securities/issuers with rating changes and/or any corporate action which has an impact on valuations
5. Event/news based polling
6. Security/issuer for which formal feedback has been received through email by an AMC to review the valuations level.

Timelines

Category	Polling request sent by valuation agency	Expected time by which AMC to revert	Medium of polling	Exceptions if any
Benchmark securities, Events, corporate actions, any material news, rating changes, spread review cases etc available in morning	4:30 PM	5:15 PM	Excel sent through email	In case designated person is unable to send response through email, he can provide polls on call / Reuters Messenger which are recorded by valuation agency.
Initial set of outliers, rating changes, or polling triggered by any specific event	4:30 PM	5:15 PM	Excel sent through email	
Final list of polling for outliers or rating changes, or polling triggered by any specific event	5:45 PM	6:30 PM	Excel sent through email	
Polling in any other situation	Anytime	Immediate (Cut Off time 5:15 PM)	Reuters Messenger	

All polling should preferably be over email. In case for any reason, the polling is done by way of a telephonic call, then such a call should be followed

by an email.

Roles and responsibilities of persons participating in the polling:

Any one member of Debt Fund management team, including Fund Manager(s), dealer(s), Head of Fixed Income/ CIO, will be participating in the polling.

AMC debt team will send the polls from the email id provided to rating agency (with a cc marked to Risk officer) for the same and accordingly the valuation/polling agency will communicate on the same email ID to maintain continuity of records

Policies and procedures for arriving at the poll submission

1. Poll for the securities rated AA+ and above will be provided on the basis of traded prices/ yields or market quotes/ credit spreads for securities/ similar quoted securities based on rating and tenor.
2. Poll for the securities rated AA and below will be provided based on the last valuation provided by polling agency and market movement for the polling day
3. The AMC may not provide poll for securities having structured obligations or other covenants attached.
4. The AMC may not provide poll for securities which have been downgraded below A rating
5. The AMC will not provide poll for securities issued by associate companies.

Risk and Compliance Management

1. The Compliance officer/ team may restrict the fund management team/polling participant from providing poll for the securities which are held in personal capacity by the key managerial person of AMC and/or associate companies.
2. Risk officer will be responsible for maintenance of records for such period as stipulated by SEBI from time to time.
3. Periodic reporting to AMC and Trustee Board, of data provided to polling agencies
4. Periodic reporting to AMC and Trustee Board, of data which has not been provided to polling agencies and rationale for the same

Role of the Board of AMC and Trustees

The Boards of AMC and Trustee, based on the data provided by the Risk and Compliance team may take note of the same and provide guidance, in case they have any comments on the polling process.

Annexure I

Waterfall Mechanism and other valuation methodologies for valuation of money market, debt and government securities

SEBI vide circular no. SEBI/HO/IMD/DF4/CIR/P/2019/102 dated September 24, 2019 has laid down broad principles for considering the traded yields for valuation of Debt, money market and government securities. The said circular prescribes AMFI shall ensure valuation agencies have a documented waterfall approach for valuation of Debt & money market securities.

The extract from AMFI best practices circular (135/BP/83/2019-20) dated November 18, 2019 pertaining to the waterfall mechanism is as under:

Part A: Valuation of Money Market and Debt Securities other than Government Securities ("G-Secs"):

1. Waterfall Mechanism for valuation of money market and debt securities:

The following shall be the broad sequence of the waterfall for valuation of money market and debt securities

i. Volume Weighted Average Yield (VWAY) of primary reissuances of the same ISIN (whether through book building or fixed price) and secondary trades in the same ISIN;
ii. VWAY of primary issuances through book building of same issuer, similar maturity (Refer Note 1 below);
iii. VWAY of secondary trades of same issuer, similar maturity;
iv. VWAY of primary issuances through fixed price auction of same issuer, similar maturity;
v. VWAY of primary issuances through book building of similar issuer, similar maturity (Refer Note 1 below);
vi. VWAY of secondary trades of similar issuer, similar maturity;
vii. VWAY of primary issuance through fixed price auction of similar issuer, similar maturity;
viii. Construction of matrix (polling may also be used for matrix construction);
ix. In case of exceptional circumstances, polling for security level valuation (Refer Note 2 below).

Note 1

Except for primary issuance through book building, polling shall be conducted to identify outlier trades. However, in case of any issuance through book building which is less than INR 100 Cr, polling shall be conducted to identify outlier trades.

Note 2

Some examples of exceptional circumstance would be stale spreads, any event/news in particular sector/issuer, rating changes, high volatility, corporate action or such other event as may be considered by valuation agencies. Here stale spreads are defined as spreads of issuer which were not reviewed/updated through trades/primary/polls in same or similar security/issuers of same/similar maturities in waterfall approach

in last 6 months.

Further, the exact details and reasons for the exceptional circumstances which led to polling shall be documented and reported to AMCs. Further, a record of all such instances shall be maintained by AMCs and shall be subject to verification during SEBI inspections.

Note 3

All trades on stock exchanges and trades reported on trade reporting platforms till end of trade reporting time (excluding Inter-scheme transfers) should be considered for valuation on that day.

Note 4

It is understood that there are certain exceptional events, occurrence of which during market hours may lead to significant change in the yield of the debt securities. Hence, such exceptional events need to be factored in while calculating the price of the securities. Thus, for the purpose of calculation of VWAY of trades and identification of outliers, on the day of such exceptional events, rather than considering whole day trades, only those trades shall be considered which have occurred post the event (on the same day).

The following events would be considered exceptional events:

i. Monetary/Credit Policy
ii. Union Budget
iii. Government Borrowing/ Auction Days
iv. Material Statements on Sovereign Rating
v. Issuer or Sector Specific events which have a material impact on yields.
vi. Central Government Election Days
vii. Quarter end days.

In addition to the above, valuation agencies may determine any other event as an exceptional event. All exceptional events along-with valuation carried out on such dates shall be documented with adequate justification.

2. Definition of tenure buckets for Similar Maturity.

When a trade in the same ISIN has not taken place, reference should be taken to trades of either the same issuer or a similar issuer, where the residual tenure matches the tenure of the bond to be priced. However, as it may not be possible to match the exact tenure, it is proposed that tenure buckets are created and trades falling within such similar maturity be used as per table below.

Residual Tenure of Bond to be priced	Criteria for similar maturity
Upto 1 month	Calendar Weekly Bucket
Greater than 1 month to 3 months	Calendar Fortnightly Bucket
Greater than 3 months to 1 year	Calendar Monthly Bucket
Greater than 1 year to 3 years	Calendar Quarterly Bucket
Greater than 3 years	Calendar Half Yearly or Greater Bucket

In addition to the above:

a. In case of market events, or to account for specific market nuances, valuation agencies may be permitted to vary the bucket in which the trade is matched or to split buckets to finer time periods as necessary. Such changes shall be auditable. Some examples of market events / nuances include cases where traded yields for securities with residual tenure of less than 90 days and more than 90 days are markedly different even though both may fall within the same maturity bucket, similarly for less than 30 days and more than 30 days or cases where yields for the last week v/s second last week of certain months such as calendar quarter ends can differ.
b. In the case of illiquid/ semi liquid bonds, it is proposed that traded spreads be permitted to be used for longer maturity buckets (1 year and above). However, the yield should be adjusted to account for steepness of the yield curve across maturities.
c. The changes / deviations mentioned in clauses (a) and (b) above, should be documented, along with the detailed rationale for the same. Process for making any such deviations shall also be recorded. Such records shall be preserved for verification.

3. Process for determination of similar issuer.

Valuation agencies shall determine similar issuers using one or a combination of the following criteria. Similar issuer do not always refer to issuers which trade at same yields, but may carry spreads amongst themselves & move in tandem or they are sensitive to specific market factor/s hence warrant review of spreads when such factors are triggered.

i. Issuers within same sector/industry and/or
ii. Issuers within same rating band and/or
iii. Issuers with same parent/ within same group and/or
iv. Issuers with debt securities having same guarantors and/or
v. Issuers with securities having similar terms like Loan Against Shares (LAS)/ Loan Against Property (LAP)

The above criteria are stated as principles and the final determination on criteria, and whether in combination or isolation shall be determined by the valuation agencies. The criteria used for such determination should be documented along with the detailed rationale for the same in each instance. Such records shall be preserved for verification. Similar issuers which trade at same level or replicate each other's movements are used in waterfall approach for valuations. However, similar issuer may also be used just to trigger the review of spreads for other securities in the similar issuer category basis the trade/news/action in any security/ies within the similar issuer group.

4. Recognition of trades and outlier criteria

i. Volume criteria for recognition of trades (marketable lot)

Paragraph 1.1.1.1(a) of SEBI vide circular no. SEBI/HO/IMD/DF4/CIR/P/2019/102 dated September 24, 2019 on Valuation of money market and debt securities, prescribes that the marketable lots shall be defined by AMFI, in consultation with SEBI. In this regard, marketable lot is defined as under. The following volume criteria shall be used for recognition of trades by valuation agencies:

Parameter	Minimum Volume Criteria for marketable lot
Primary	INR 25 cr for both Bonds/NCD/CP/ CD and other money market instruments
Secondary	INR 25 cr for CP/ CD, T-Bills and other money market instruments
Secondary	INR 5 Cr for Bonds/NCD/ G-secs

Trades not meeting the minimum volume criteria i.e. the marketable lot criteria as stated above shall be ignored

ii. Outlier criteria

It is critical to identify and disregard trades which are aberrations, do not reflect market levels and may potentially lead to mispricing of a security or group of securities. Hence, the following broad principles would be followed by valuation agencies for determining outlier criteria.

a. Outlier trades shall be classified on the basis of liquidity buckets (Liquid, Semi-liquid, Illiquid). Price discovery for liquid issuers is generally easier than that of illiquid issuers and hence a tighter pricing band as compared to illiquid issuers would be appropriate.

b. The outlier trades shall be determined basis the yield movement of the trade, over and above the yield movement of the matrix. Relative movement ensures that general market movements are accounted for in determining trades that are outliers. Hence, relative movement over and above benchmark movement shall be used to identify outlier trades.

c. Potential outlier trades which are identified through objective criteria defined below will be validated through polling from market participants. Potential outlier trades that are not validated through polling shall be ignored for the purpose of valuation.

d. The following criteria shall be used by valuation agencies in determining Outlier Trades

Liquidity Classification	Bps Criteria (Yield movement over Previous Day yield after accounting for yield movement of matrix)		
	Upto 15 days	15-30 days	Greater than 30 days
Liquid	30 bps	20 bps	10 bps
Semi-liquid	45 bps	35 bps	20 bps
Illiquid	70 bps	50 bps	35 bps

The above criteria shall be followed consistently and would be subject to review on a periodic basis by valuation agencies and any change would be carried in consultation with AMFI.

e. In order to ensure uniform process in determination of outlier trades the criteria for liquidity classification shall be as detailed below.

Liquidity classification criteria - Liquid, semi-liquid and Illiquid definition

Valuation agencies shall use standard criteria for classifying trades as Liquid, Semi-Liquid and illiquid basis the following two criteria

a. Trading Volume

b. Spread over reference yield

Such criteria shall be reviewed on periodic basis in consultation with AMFI.

Trading Volume (Traded days) based criteria:

Number of unique days an issuer trades in the secondary market or issues a new security in the primary market in a calendar quarter

- Liquid = 50% of trade days
- Semi liquid = 10% to 50% trade days
- Illiquid =< 10% of trade days

Spread based criteria:

Spread over the matrix shall be computed and based on thresholds defined, issuers shall be classified as liquid, semi liquid and illiquid. For bonds thresholds are defined as upto 15 bps for liquid; >15-75 bps for semi-liquid; > 75 bps for illiquid. (Here, spread is computed as average spread of issuer over AAA Public Sector Undertakings/Financial Institutions/Banks matrix), For CP/ CD- upto 25 bps for liquid; >25-

50 bps for semiliquid; > 50 bps for illiquid. (Here, spread is computed as average spread of issuer over A1+/AAA CD Bank matrix).

The thresholds shall be periodically reviewed and updated having regard to the market.

The best classification (liquid being the best) from the above two criteria (trading volume and spread based) shall be considered as the final liquidity classification of the issuer. The above classification shall be carried out separately for money market instruments (CP/ CDs) and bonds.

5. Process for construction of spread matrix:

Valuation agencies shall follow the below process in terms of calculating spreads and constructing the matrix.

Step 1	**Segmentation of corporates –** The entire corporate sector is first categorised across following four sectors i.e. all the corporates will be catalogued under one of the below mentioned bucket: 1. Public Sector Undertakings/Financial Institutions/Banks; 2. Non-Banking Finance Companies - except Housing Finance Companies; 3. Housing Finance Companies; 4. Other corporates
Step 2	**Representative issuers –** For the aforesaid 4 sectors, representative issuers (Benchmark Issuers) shall be chosen by the valuation agencies for only higher rating {I.e. "AAA" or AA+). Benchmark/Representative Issuers will be identified basis high liquidity, availability across tenure in AAA/AA+ category and having lower credit/liquidity premium. Benchmark Issuers can be single or multiple for each sector. It may not be possible to find representative issuers in the lower rated segments, however in case of any change in spread in a particular rating segment, the spreads in lower rated segments should be suitably adjusted to reflect the market conditions. In this respect, in case spreads over benchmark are widening at a better rated segment, then adjustments should be made across lower rated segments, such that compression of spreads is not seen at any step. For instance, if there is widening of spread of AA segment over the AAA benchmark, then there should not be any compression in spreads between AA and A rated segment and so on.
Step 3	**Calculation of benchmark curve and calculation of spread —** 1. Yield curve to be calculated for representative issuers for each sector for maturities ranging from 1 month till 20 years and above. 2. Waterfall approach as defined in Part A (1) above will be used for construction of yield curve of each sector. 3. In the event of no data related to trades/primary issuances in the securities of the representative issuer is available, polling shall be conducted from market participants 4. Yield curve for Representative Issuers will be created on daily basis for all 4 sectors. All other issuers will be pegged to the respective benchmark issuers depending on the sector, parentage and characteristics. Spread over the benchmark curve for each security is computed using latest available trades/primaries/polls for respective maturity bucket over the Benchmark Issuer. 5. Spreads will be carried forward in case no data points in terms of trades/primaries/polls are available for any issuer and respective benchmark movement will be given
Step 4	1. The principles of VWAY, outlier trades and exceptional events shall be applicable while constructing the benchmark curve on the basis of trades/primary issuances. 2. In case of rating downgrade/credit event/change in liquidity or any other material event in Representative Issuers, new Representative Issuers will be identified. Also, in case there are two credit ratings, the lower rating to be considered. 3. Residual tenure of the securities of representative issuers shall be used for construction of yield curve

Part B: Valuation of G-Secs (T-Bill, Cash management bills, G-Sec and SDL)

The following is the waterfall mechanism for valuation of Government securities:

- VWAY of last one hour, subject to outlier validation
- VWAY for the day (including a two quote, not wider than 5 bps on NDSOM), subject to outlier validation
- Two quote, not wider than 5 bps on NDSOM, subject to outlier validation
- Carry forward of spreads over the benchmark
- Polling etc.

Note:

1. VWAY shall be computed from trades which meet the marketable lot criteria stated in Part A of these Guidelines
2. Outlier criteria: Any trade deviating by more than +/- 5 bps post factoring the movement of benchmark security shall be identified as outlier. Such outlier shall be validated through polling for inclusion in valuations. If the trades are not validated, such trades shall be ignored.

Annexure II

Valuation methodologies for securities having Put/Call Options / Treatment of Upfront Fees on Trades. Impact of any Changes to terms of an investment – SEBI circular no. SEBI/HO/IMD/DF4/CIR/P/2019/102 dated September 24, 2019 & AMFI best practices circular (135/BP/83/2019-20) dated November 18, 2019.

A) Valuation of securities with Put/Call Options

The option embedded securities would be valued as follows:

i) **Securities with Call Option:** The securities with call option shall be values at the lower of the value as obtained by valuing the security to final maturity and valuing the security to call option.

In case there are multiple call options, the lowest value obtained by valuing to the various call dates and valuing to the maturity date is to be taken as the value of the instrument.

ii) **Securities with Put Option:** The securities with put option shall be values at the higher of the value as obtained by valuing the security to final maturity and valuing the security to put option.

In case there are multiple put options, the highest value obtained by valuing to the various put dates and valuing to the maturity date is to be taken as the value of the instrument.

iii) **Securities with both Put and Call Option:** Only securities with put / call options on the same day and having the same put and call option price, shall be deemed to mature on such put / call date and shall be valued accordingly. In all other cases, the cash flow of each put / call option shall be evaluated and the security shall be valued on the following basis:

a) Identify a 'Put Trigger Date', a date on which 'price to put option' is the highest when compared with price to other put options and maturity price.

b) Identify a 'Call Trigger Date', a date on which 'price to call option' is the lowest when compared with price to other call options and maturity price.

c) In case no Put Trigger Date or Call Trigger Date ('Trigger Date") is available, then the valuation would be done to maturity price. In case one Trigger Date is available, then valuation would be done as to the said Trigger Date.In case both Trigger Dates are available, then valuation would be done to the earliest date.

iv) If a put option is not exercised by a Mutual Fund when exercising such put option would have been in favour of the scheme, in such cases the justification for not exercising the put option shall be provided to the Board of AMC and Trustees

B) Treatment of Upfront Fees on Trades

i) Upfront fees on all trades (including primary market trades), by whatever name and manner called, would be considered by the valuation agencies for the purpose of valuation of security.

ii) Details of such upfront fees should be shared by the AMC on the trade date to the valuation agencies as part of the trade reporting to enable them to arrive at the fair valuation for that date.

iii) For the purpose of accounting, such upfront fees should be reduced from the cost of the investment in the scheme that made the investment.

iv) In case upfront fees are received across multiple schemes, then such upfront fees should be shared on a pro-rata basis across such schemes.

C) Impact of any Changes to terms of an investment:

While making any change to terms of an investment, AMC shall adhere to the following conditions:

(a) Any changes to the terms of investment, which may have an impact on valuation, shall be reported to the valuation agencies immediately.

(b) Any extension in the maturity of a money market or debt security shall result in the security being treated as "Default", for the purpose of valuation.

(c) If the maturity date of a money market or debt security is shortened and then subsequently extended, the security shall be treated as "Default" for the purpose of valuation.

(d) Any put option inserted subsequent to the issuance of the security shall not be considered for the purpose of valuation and original terms of the issue will be considered for valuation.

SUMMARY OF ACCOUNTING POLICIES AND STANDARDS

The financial statements are prepared on the accrual basis of accounting, under the historical cost convention, as modified for investments, which are 'marked-to-market'. The significant accounting policies, which are in accordance with the SEBI Regulations and have been approved by the Boards of Directors of the AMC and the Trustee, are stated below.

1) INVESTMENTS

a. Accounting for Investments

- Purchase and sale of securities are recognised on trade date i.e. on the date of transaction. Where transaction take place outside the stock market i.e. through private placement or private treaty, the same gets accounted on the date on which the Scheme obtains enforceable obligation to pay/collect the proceed.

- The cost of investments includes all costs incurred in acquiring the investments and incidental to acquisition of investments e.g. brokerage, transaction costs, CCIL charges and any other charges customarily included in the broker's note. Capitalisation of such brokerage and transaction costs incurred for the purpose of execution of trades is restricted to 12 bps in case of cash market transactions and 5 bps in case of derivative transactions. Any cost in excess of the specified limit is charged to the revenue account of the scheme as part of the total expense ratio.
- Rights entitlements are recognised as investments on the ex-rights date. Cost of Rights entitlement is considered at issue price plus premium paid, if any to acquire rights renunciation.
- Bonus entitlements are recognised on ex-bonus dates.
- Equity stock futures are marked to market on a daily basis. Debit or credit balance disclosed under other current assets or current liabilities respectively, in the "Mark to Market Margin – Receivable/ Payable Account", which represents the net amount payable or receivable on the basis of movement in the prices of stock futures till the balance sheet date from the purchase date.
- In case of Options, premium paid is marked to market and the balance amount is treated as liability/asset till the time the position is expired/squared off.

b. Valuation of Investments

- All investments are valued based on the principles of fair valuation and have been valued in good faith in a true and fair manner.
- Traded (Quoted) :
  - o All quoted equity investments other than thinly traded investments are considered at closing market prices as at the valuation date on The National Stock Exchange Limited (the principal stock exchange). When on a particular valuation day, a security has not been traded on the principal stock exchange, the value at which it is traded on the Bombay Stock Exchange Limited (BSE) is used.
  - o Option / futures are valued at the settlement price on the stock exchange on which the same were contracted originally. In case, the settlement price is not available on valuation date on the respective stock exchange, closing price is considered for valuation. Futures contracts, which are going to expire on valuation date are valued at settlement price.
  - o All quoted debt investments with residual maturity greater than 60 days, are considered at aggregated average scrip level Valuation prices provided by CRISIL & ICRA for individual securities.
  - o Quoted equity investments which are not traded for a period of thirty days and quoted debt investments (other than Government Securities) which are not traded on any stock exchange on the valuation day are considered as "non-traded securities".
- Non Traded Investments:

  Non traded/unquoted/thinly traded investments are valued in "good faith", by the Investment Manager, on the basis of the valuation principles laid down by SEBI as under:
  - o Equity Investments

    On the basis of capitalization of earnings in combination with net asset value, with an appropriate discount for illiquidity.
  - o Debt Instruments (Investment Grade)

    All non government debt securities with residual maturity less than or equal to 60 days, are valued on the basis of amortized cost based on transaction price, which includes discount / premium accrued on a straight line basis over the period to maturity as long as the valuation is within a ±0.10% band of the price derived as per the reference yields provided by the Rating Agencies (CRISIL and ICRA). In case the amortized value is outside the above band, the YTM of the security is adjusted to bring the price within the ±0.10% band applying fair valuation principles laid down by SEBI.

All unquoted debt investments with residual maturity greater than 60 days, are considered at aggregated average scrip level Valuation prices provided by CRISIL & ICRA for individual securities.

  - o Debt Instruments (Non Investment Grade)

    All non investment grade/ non performing debt securities are valued based on the provisioning norms laid down by SEBI.
- Government Securities:

  All government securities are valued by taking the aggregated average prices released by CRISIL and ICRA, as suggested by AMFI, applying fair valuation principles laid down by SEBI.
- Treasury Bills:

  All treasury bills and cash management bills with residual maturity greater than 60 days are valued by taking the aggregated average prices released by CRISIL and ICRA, as suggested by AMFI, applying fair valuation principles laid down by SEBI.

  All treasury bills and cash management bills with residual maturity less than or equal to 60 days are valued on the basis of amortized cost based on transaction price, which includes discount / premium accrued on a straight line basis over the period to maturity as long as the valuation is within a ±0.10% band of the price derived as per the reference yields provided by the Rating Agencies (CRISIL and ICRA). In case the amortized value is outside the above band, the YTM of the security is adjusted to bring the price within the ±0.10% band applying fair valuation principles laid down by SEBI.
- Non-Performing Investment

An investment is regarded as non-performing, if the interest/principal due is outstanding for more than one quarter from the day such income/installment has fallen due. For non-performing assets provisions are made as per guidelines prescribed by SEBI.

2) REVENUE RECOGNITION

- Dividend income is accrued on ex-dividend date. In case of unquoted, the same is recognized on the date of declaration.
- Interest income is recognised on an accrual basis.
- Profit or loss on sale of investments is arrived at by applying weighted average cost method.
- Provision is made against income accrued but not received for one quarter after the due date. In respect of such investments, income is recognised when it is realised.
- Unrealised gain / loss are recognized in Revenue Account. However, unrealised gain is excluded for calculating distributable income and same is carried to the Balance Sheet as Unrealised Appreciation Reserve.
- Collateral Borrowing and Lending Obligation (TREPS), charges are netted against the interest receipt.

3) INCOME EQUALISATION ACCOUNT & UNIT PREMIUM RESERVE

I. In case of open-ended scheme, when units are purchased / sold by the Scheme at NAV, and;

- In case, NAV is higher than face value, amount representing unrealised gains per unit is transferred to Unit Premium Reserve. The balance amount of the NAV after reducing the face value of unit is transferred to Income Equalisation Account.
- In case NAV is less than face value, the difference between the NAV and face value is transferred to Income Equalisation Account.
- The net balance in Income Equalisation Account is transferred to the Revenue Account at the year end.

II. In case of close-ended Scheme, accounting for Income Equalisation is not required under SEBI (Mutual Funds) Regulations. The difference between face value and NAV of the units repurchased is credited/debited to Reserves.

4) UNIT CAPITAL

Unit capital represents the net outstanding units at the balance sheet date, thereby reflecting all transactions relating to the year ended on that date.

Upon issue and redemption of units, the net premium or discount to the face value of units is adjusted against the unit premium reserve of each Plan, after an appropriate portion of the issue proceeds and redemption payouts is credited / debited respectively to the equalization account, a mandatory requirement for open ended mutual fund schemes.

5) DETERMINATION OF NET ASSETS VALUE ('NAV')

The net asset values of the units are determined separately for the units issued under the Plans.

For reporting the net asset value within the portfolio, the Scheme's daily income earned, including realised profit or loss and unrealised gain or loss in the value of investments, and expenses accrued, are allocated to the related plans in proportion to their respective daily net assets arrived at by multiplying day-end outstanding units by previous day's closing NAV.

6) ENTRY/EXIT LOAD

Entry load charged at the time of purchase/sale of units was offset against distribution and marketing expenses viz: commission to agents and publicity expenses. Unutilised amount of load collected was carried forward to subsequent year unless the same was considered excess by the Trustees. Such excess amount was recognised as income.

No entry load is charged on fresh purchase applications received after 1st August, 2009.

Exit load (net of Goods & Service Tax) collected is recognized as income and credited to the scheme.

7) CASH AND CASH EQUIVALENT

Cash and cash equivalents include balances with banks in current accounts, deposits placed with scheduled banks (with an original maturity of up to three months) and collateralised lending (including reverse repurchase transactions).

V. 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 of 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 57 of the Act as the income from other sources. Further, the unit holder would be eligible to take the deduction of interest expenses incurred for the purpose of earning such income, to the extent of 20% of such income received from units and included in the total income of the unit holder for that year.

A. LONG TERM CAPITAL GAINS TAX ON TRANSFER OF UNITS OF OTHER THAN EQUITY ORIENTED FUND:

Long-term capital gains on sale of units of Mutual Funds other than equity oriented funds are not exempt from income tax under Section 10(38) of the Act in the hands of unit holders. While computing the gains, in some cases, the benefit of indexation of cost of acquisition is available. In some cases, the investor has the option to pay tax on indexed gains or unindexed gains whichever is more beneficial. The provisions for taxation of long-term capital gains for different categories of assessee are explained hereunder:

Category of Investor	Rate at which tax is payable (see note 1 and 2 below)	Whether benefit of indexation of cost is available?
Resident unit holders	20% (see note 3 and 4 below)	Yes
Foreign Companies (listed schemes not sold on recognized stock exchange)	20%	Yes
Foreign Companies (unlisted schemes)	10%	No
Non-resident Indians (listed schemes not sold on recognized stock exchange)	20%	Yes
Non-resident Indians (unlisted schemes)	10%	No
Non-resident Indians (section 115E)	20% (for unspecified asset) 10% (for specified asset)	No (see note 5 below)
Overseas Financial Organisations (Section 115AB) and Foreign Institutional Investors, Foreign Portfolio Investors (115AD)	10% (see note 6 and 7 below)	No
Any other Non-residents (listed schemes not sold on recognized stock exchange)	20%	Yes
Any other Non-residents (unlisted schemes)	10%	No

Notes:

1. 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 @ 7% in case of domestic companies (except such domestic company whose income is chargeable to tax under section 115BAA or 115BAB of the Income-Tax Act 1961)and @ 2% in case of foreign companies and if income exceeds Rs 10 crore then surcharge @ 12%. in case of domestic companies (except such domestic company whose income is chargeable to tax under section 115BAA or 115BAB of the Income-Tax Act, 1961) and @ 5% in case of foreign companies would be applicable. 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%).
2. In the case of Individuals, HUF, AOP, BOI and Artificial Juridical Person, as per Finance Act, 2019, where taxable income of the individual exceeds Rs 50 lakhs but does not exceed Rs 1 crore, surcharge @ 10% would be applicable, where taxable income exceeds Rs 1 crore but does not exceed Rs 2 crore, surcharge @ 15% shall be applicable, where the taxable income exceeds Rs 2 crore but does not exceed Rs 5 crore, surcharge @ 25% shall be applicable and where the taxable income exceeds Rs 5 crore, surcharge @ 37% shall be applicable. The tax payable as increased by surcharge would be further increased by Health & Education Cess (4%). In the case of Partnership Firms where taxable income exceeds Rs 1 crore, surcharge @ 12% would be applicable. The tax payable (as increased by surcharge would be further increased by Health & Education Cess (4%). However, Govt. of India vide The Taxation Laws (Amendment) Act, 2019 has withdrawn in case of individuals, HUF, AOP, BOI and Artificial Juridical Person levy of enhanced surcharge by Finance Act, 2019 on capital gains arising on sale of security as referred to in section 111A, 112A and 115AD .
3. 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.
4. 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.

5. 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).
6. 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.
7. 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/FIIs 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.
8. All non-resident investors such as Overseas Financial Organisations, FIIs, 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.
9. With effect from 1st April, 2014, units held by all FIIs/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.

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 (subject to the exemption of long-term capital gains provided for in section 10(38) of the Act, discussed elsewhere in this Statement) 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.

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). In the case of Individuals (including non-resident individuals), as per Finance Act, 2019, where taxable income of the individual, HUF, AOP, BOI and Artificial Juridical Person exceeds Rs 50 lakhs but does not exceed Rs 1 crore, surcharge @ 10% would be applicable, where the taxable income of the individual exceeds Rs 1 crore but does not exceed Rs 2 crore, surcharge @ 15% would be applicable, where the taxable income exceeds Rs 2 crore but does not exceed Rs 5 crore, surcharge @ 25% shall be applicable and where the taxable income exceeds Rs 5 crore, surcharge @ 37% shall be applicable. The tax payable (as increased by surcharge referred to above) would be further increased by

Health & Education Cess (4%).

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 2017-18 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%).

FIIs, FPIs

In case of FIIs and FPIs, short term capital gain will be chargeable to tax at the flat rate of 30%. The rate of surcharge would depend on the legal status of the FII/FPI. The tax payable (as increased by surcharge) would be further increased by Health & Education Cess (4%).

Other foreign companies

In case of foreign companies, short term capital gain will be chargeable to tax at the flat rate of 40%. If income exceeds Rs. 1 crore but not more than Rs 10 crore, then the tax payable would be increased by a surcharge @ 2% and if income exceeds Rs 10 crore then surcharge @ 5% would be applicable. The tax payable (as increased by surcharge) would be further increased by Health & Education Cess (4%).

C. LONG TERM CAPITAL GAINS TAX ON TRANSFER OF UNITS OF EQUITY ORIENTED FUNDS

Under Finance Act 2017, as per Section 10(38) of the Act, long term capital gains arising on sale of units of equity oriented funds are exempt from income tax in the hands of Unit holders, provided Securities Transaction Tax (STT) is charged on such sale by the Mutual Fund.

As per Finance Act, 2018, the exemption available under section 10(38) has been withdrawn prospectively by inserting section 112A in the Act. Accordingly, long term capital gains arising from transfer of such units exceeding INR 1,00,000 would be taxable at 10% under section 112A with effect from 1st April 2018.

No indexation benefit would be available in respect of such long term capital gains. However, gains made upto 31st January 2018 will be grandfathered. To give effect to the grandfathered provisions, the cost of acquisition will be deemed to be higher of:

a. Actual cost of acquisition; and

b. Lower of

- Fair market value (i.e. the highest price quoted on a recognized stock exchange on or near 31st January 2018 in case of listed asset or net asset value in case of unlisted units); and
- Full value of consideration received or accruing as a result of the transfer.

D. SHORT TERM CAPITAL GAINS ON TRANSFER OF UNITS OF EQUITY ORIENTED FUNDS

Section 111A of the Act provides that short-term capital gains arising on sale of units of equity oriented funds are chargeable to income tax at a concessional rate of 15% plus applicable surcharge, health & education cess as applicable, provided STT is charged on such sale by the Mutual Fund. In case of domestic company whose income is chargeable to tax under section 115BAB of the Income-Tax Act, 1961, tax rate @ 22% shall be applicable, subject to conditions mentioned therein.

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 @ 7% in case of domestic companies(except such domestic company whose income is chargeable to tax under section 115BAA or 115BAB of the Income-Tax Act, 1961) and @ 2% in case of foreign companies and if income exceeds Rs 10 crore then surcharge @ 12% in case of domestic companies (except such domestic company whose income is chargeable to tax under section 115BAA or 115BAB of the Income-Tax Act, 1961) and @ 5% in case of foreign companies would be applicable. For companies covered under section 115BAA or 115BAB surcharge @ 10% is applicable, irrespective of the amount of income.

In the case of Individuals, HUF, AOP, BOI and Artificial Juridical Person , where taxable income of the individual exceeds Rs 50 lakhs but does not exceed Rs 1 crore, surcharge @ 10% would be applicable, where the taxable income of the individual exceeds Rs 1 crore, surcharge @ 15% would be applicable. In all cases, the tax payable (as increased by surcharge) would be further increased by Health & Education Cess (4%).

Further, Section 48 provides that no deduction shall be allowed in respect of STT paid for the purpose of computing Capital Gains. Short term capital gain not chargeable under the provisions of section 111A of the Act is taxed as explained in section B above.

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%
FIIs and FPIs	NIL	NIL
Overseas Financial Organization	40% (corporate) 30% (non corporate)	10%

Unlisted units of a non-equity oriented schemes (U/S 115E/112)

Category of Investor	Short Term Capital Gains TDS Rates (see note below)	Long Term Capital Gains TDS Rates (see note below)
Non-resident Indians (NRI)	30%	10%
Any other non-residents [unlisted schemes)	30%	10%
Foreign companies	40%	10%
FIIs and FPIs	Nil	Nil
Overseas Financial Organisation	40% (corporate) 30% (non corporate)	10%

(Without indexation and exchange fluctuation)

B. Equity Oriented Fund

The TDS rates for equity oriented fund on which STT is paid are as follows:

Category of Investor	Rate at which tax is deductible on short term capital gains (see note 1 below)	Rate at which tax is deductible on long term capital gains (see note 1 below)
Non-resident Indians	15%	10%
Foreign companies	15%	10%
FIIs and FPIs	NIL	NIL
Other Non residents	15%	10%
Overseas Financial Organisation	40% (corporate) 30% (non corporate)	10%

In addition to the above TDS rates, other applicable Surcharge& Cess (ie. Health & Education Cess etc) shall apply.

As per the provisions of section 196A which is specifically applicable in case of non-resident unitholders, the withholding tax rate of 20% (plus applicable surcharge and cess) on any income in respect of units of a Mutual Fund credited / paid to non-resident unitholders shall apply, as section 196A does not make reference to "rates in force" but provide the withholding tax rate of 20% (plus applicable surcharge and cess).

NOTE:

1. 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, as per Finance Act, 2019, where taxable income of the individual exceeds Rs 50 lakhs but does not exceed Rs 1 crore but does not exceed Rs 2 crore, surcharge @ 10% would be applicable, where the taxable income of the individual exceeds Rs 1 crore, surcharge @ 15% would be applicable, where the taxable income exceeds Rs 2 crore but does not exceed Rs 5 crore, surcharge @ 25% shall be applicable and where the taxable income exceeds Rs 5 crore, surcharge @ 37% shall be applicable. In all cases, the tax payable (as increased by surcharge would be further increased by Health & Education Cess (4%). However, Govt. of India vide The Taxation Laws (Amendment) Act, 2019, has withdrawn levy of enhanced surcharge income arising from the transfer of equity share/unit referred to in section 111A, 112A and 115AD by Finance Act, 2019 (i.e. where the taxable income exceeds Rs 2 crore but does not exceed Rs 5 crore, surcharge @ 25% and where the taxable income exceeds Rs 5 crore, surcharge @ 37%).
2. Under section 2(29A) read with section 2(42A) of the Act, units of an equity Oriented Scheme held as a capital asset are treated as a longterm 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.
3. Relief as per Double Taxation Avoidance Agreements: As per circular no. 728 dated October 1995 by CBDT and section 90(2) of the Act, in the case of a remittance to a country with which a DTAA is in force, the tax should be deducted at the rate provided in the Finance Act of the relevant year or at the rate provided in DTAA whichever is more beneficial to the assessee. As per the Finance Act 2013, in order to claim the benefits under the DTAA, the assessee would have to provide a "certificate of his being resident" (commonly known as 'Tax Residency Certificate') from the government of the country in which he is a resident. In addition to the said certificate, the concerned non resident is also required to provide certain information in Form 10F such as status, nationality, Tax Identification Number, period for which the assessee is a resident in the concerned country, address and a declaration that the certificate of him being a resident is obtained. If any information in Form 10F is already provided on the "certificate of residency, then the same need not be provided again in the form.

   Finance Act, 2021 amended Section 196D by providing that Foreign institutional investor can avail DTAA benefit if they provide tax residency certificate. Thus, deduction of TDS would be at rate lower of the rates mentioned in the agreement under DTAA or 20 %.
4. Higher tax to be withheld for non-furnishing of PAN by investor: However, where the unit holder, resident or non-resident, does not furnish its Permanent Account Number to the mutual fund, then tax will be withheld at the rate of 20% even if the DTAA or the Act provide for a lower rate. However, with effect from 1 June 2016, this higher withholding tax rate of 20% may not apply for non-residents if the following details prescribed under Rule 37BC of the Income Tax Rules, 1962 are furnished by the recipient non-resident to the payer;

- name, e-mail id, contact number;
- address in the country or specified territory outside India of home country of the non-resident;
- Tax Residency Certificate (TRC);
- Tax Identification Number of the non-resident in the country or specified territory of his residence.

5. Higher tax to be withheld in case of those unitholders who are yet to link PAN and Aadhar

   This is only applicable to resident unitholders who have a PAN in India and are eligible to obtain Aadhar in India. As per Section 139AA of the Act read with Rule 114AAA of the Income Tax Rules Ordinance provide that where a person has failed to intimate / link Aadhaar with PAN on or before 30th June 2021 (Extended from 31st March 2021 to 30th June 2021), the PAN of such person shall become 'Inoperative' or 'Invalid' immediately after the said date. Once a person's PAN becomes inoperative, the person would be deemed to have not furnished, intimated or quoted PAN and accordingly be liable for consequences as per Section 206AA .

   As per Section 206AA, TDS will be deducted at higher of the following rates:

a) at the rate specified in the relevant provision of this Act; or

b) at the rates in force; or

c) at the rate of 20%

PAN will become operative once the same is linked with Aadhaar and the aforesaid provisions shall not apply for further transactions.

6. Further, a new section i.e. 206AB has been inserted vide Finance Act, 2021 providing for higher rate for TDS for the non-filers of income-tax return. TDS rate will be higher of the followings rates: i) twice the rate specified in the relevant provision of the Act; or ii) twice the rate or rates in force; or iii) the rate of five per cent. However, the said proposed provisions will not apply to a non-resident who does not have a permanent establishment in India.

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	0.05%	Seller
In case of sale of option in securities, where option is exercised	0.125%	Purchaser
Sale of a futures in securities	0.01%	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.

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/ switchintransactions (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.

B. Legal Information

MINOR'S ACCOUNTS & CHANGE IN STATUS FROM MINOR TO MAJOR

In line with AMFI Best Practice circular No. 86-16-Jul-2020 dated July 16, 2020, investors are requested to note the following Guidelines regarding Minors' Accounts and Change of status from Minor to Major :

1. "On Behalf of Minor" Accounts:

Where the account/folio (account) is opened on behalf of a minor:

1.1 The minor shall be the sole holder in an account. There shall not be any joint accounts with the minor, either as the first holder or as joint holder.

1.2 Guardian in the folio on behalf of the minor should either be a natural guardian (i.e. father or mother) or a court appointed legal guardian.

1.2.1 In case of natural guardian, document evidencing the relationship with the minor is to be submitted to the AMC, if the same is not available as part of the documents submitted as per 2.3 below.

1.2.2 In case of court appointed legal guardian, a copy of the court order in respect of the appointment of the Legal Guardian shall be provided.

1.3 Date of birth of the minor along with photocopies of the supporting documents as enumerated below shall be mandatory while opening the account on behalf of minor:

1.3.1 Birth certificate of the minor, or

1.3.2 School leaving certificate / Mark sheet issued by Higher Secondary Board of respective states, ICSE, CBSE etc., or

1.3.3 Passport of the minor, or

1.3.4 Any other suitable proof evidencing the date of birth of the minor.

1.4 Standing instructions like SIP, SWP, STP in respect of a minor's folio shall be registered / executed only till prior to the date of the minor attaining majority, even if the standing instructions in the SIP, SWP, STP mandate form might be for a period beyond that date.

Standing instructions in respect of SIP, STP and SWP shall be suspended when the minor attains the age of majority, till the status is changed to major as mandated in SEBI circular no. SEBI/HO/IMD/DF3/CIR/P/2019/166 dated December 24, 2019.

2. Change of Guardian

When there is a change of guardian of the minor unitholder either due to mutual consent between the parents or due to demise of the existing guardian, the following documents shall be submitted prior to registering the new guardian:

2.1 An application for change in guardian of the minor unitholder in a standard / prescribed form, as per the format prescribed along with PAN card copy and KYC acknowledgement of the new guardian and a cancelled cheque evidencing the change of guardian in respect of the minor's registered bank account with the new guardian's name.

2.2 A Consent Letter from existing guardian or Court Order for new guardian, in case the existing guardian is alive.

2.3 A copy of the Death Certificate of the deceased guardian, where applicable, duly attested by a Notary Public or a Judicial Magistrate First Class (JMFC) or a Gazetted Officer. The attestation may also be done by authorised official of the AMC after verifying the original.

2.4. The new guardian must be a natural guardian (i.e. father or mother) or a court appointed legal guardian and the new guardian's name & signature should have been registered as the guardian with the minor's bankers in respect of the minor's bank account.

2.4.1 The information regarding the relationship/ status of the guardian as father, mother or legal guardian shall be provided in the application form.

2.4.2 In case of natural guardian, a document evidencing the relationship with the minor shall be provided, if the same is not available as part of the documents submitted as per 2.3 above.

2.4.3 In the case of a court appointed legal guardian, a copy of the court order in respect of the appointment of Legal Guardian shall be

provided.

2.5 In case of change in guardian with mutual consent between the parents, the signature of the new guardian shall be duly attested by the existing guardian whose signature is registered in the records of the mutual fund against the folio of the minor unitholder in the space provided in the application form.

2.6 In all other cases, Bank attestation in respect of the signature of the new guardian shall be obtained on a separate letter / form as per format given on our website hereto, from the bank where the bank account of the minor where the new guardian should have been registered as the guardian.

2.7 The new guardian shall be registered as the guardian in respect of the registered bank account of the minor unitholder. A cancelled cheque evidencing the change of guardian in respect of the minor's registered bank account shall be attached to the application for change in Guardian of Minor Unitholder.

2.8 Wherever the minor's PAN has been provided in the MF folio, TDS would be paid against / quoting the minor's PAN. This would enable the parents of the minor to report the minor's dividend amount against the PAN of the parent in whose income the minor's income needs to be clubbed while filing their tax returns.

3. Change in Status on Minor attaining Majority (hereinafter referred to as MAM form for brevity)

When the units are held on behalf of the minor, the ownership of the units, vest with the minor. The guardian may operate the minor's account only until the minor attains the age of majority.

In this regard, SEBI has, vide circular no. SEBI/HO/IMD/DF3/CIR/P/2019/166 dated December 24, 2019 mandated that upon the minor attaining the status of major, the minor in 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 account. No further transactions will be allowed till the status of the minor is changed to major.

On Minor attaining majority, the AMC will be sending an advance intimation to the registered address of the minor unitholder at least 30 days prior to the minor attaining the age of majority, advising the unitholder to submit a prescribed application form for change in status of the Unitholder from Minor to Major, along with the prescribed documents (as per para 3.5 below)

3.1.1 Before submitting the MAM application form for change in status from Minor to Major, the unitholder is advised to –

i. Apply for PAN & obtain a PAN card;

ii. Complete the KYC process; and

iii. Change his/her status in his/her existing bank account from Minor to Major OR open a new bank account immediately upon becoming a major and procure a new cheque book with his/her name pre-printed on the cheque.

iv. FATCA/ CRS declaration.

Only after fulfilling the above steps, he/she should submit the prescribed MAM form duly completed to the AMC/ Registrar along with the requisite supporting documents.

3.1.2 a. The guardian will not be allowed undertake any financial or non-financial transactions from the date of the minor attaining majority.

b. All existing standing instructions like SIP, SWP & STP, if registered for a period beyond the date on which the minor attains majority, will cease to be executed from the date of the minor attaining majority.

c. The unitholder (erstwhile minor) will need to submit a fresh SIP, STP, SWP mandate in the prescribed form while applying for change in status from minor to major, in order to continue the SIP, STP, SWP.

3.2 The minor's account will be frozen for operation by the guardian on the day the minor attains the age of majority and no further customer-initiated transactions shall be permitted till the status is changed from minor to major.

Note:

Dividend pay-out or dividend reinvestment shall continue to be processed and the dividend amount, net of TDS (wherever applicable), shall be credited to the unitholder's registered bank account or reinvested in the folio, as the case may be.

3.3. The list of documents to be submitted by a unitholder for changing the status from minor to major are -

i The prescribed MAM form duly filled in all respects. Signature of the applicant (minor who has turned major) in the MAM form to be duly attested in the space provided therein by the parent/guardian whose signature is registered in the records of the mutual fund against the folio of the minor unitholder or by a Notary or a Judicial Magistrate First Class. Alternatively, the applicant's signature may be attested by the unitholder's bankers in the prescribed form as per the format.

ii Copy of PAN Card of the applicant

iii KYC Acknowledgment or a duly competed KYC form.

iv A cancelled cheque leaf with the applicant's name pre-printed or the applicant's latest Bank Statement/Passbook.

v Nomination Form.

vi. FATCA/ CRS declaration.

Investors are requested to note that the aforesaid forms are available on the website of the Fund i.e. on https://www.jmfinancialmf.com under Downloads > Transaction/ service related forms.

NOMINATION FACILITY

APPOINTMENT OF BENEFICIARY

The Mutual Fund is formed as a Trust under the provisions of the Indian Trusts Act, 1882 and the provisions for appointment of beneficiary(s) with regard to Mutual Funds would be as per Section 56, Section 58 and Section 69 (regarding the right of the beneficiary to transfer possession) of the Indian Trusts Act, 1882. The acceptance of such nomination/appointment of beneficiary would be at the entire discretion of the Fund taking into consideration the provisions of the Indian Trusts Act, 1882 and the Mutual Fund assumes no responsibility. Therefore, the unit holder(s) would be liable for the loss resulting from a fraudulent nomination/appointment of beneficiary based on the unit holder(s) (single holder or joint-holders) instructions that the Fund reasonably believed as genuine. Every unit holder(s) shall appoint upto at least one person as nominee(s)/Beneficiary(s) under the Scheme to receive the benefits (as allocated) here under the Scheme in the event of the death of the individual unit holder(s). The nominee(s)/beneficiary(s) can be nominated by the individual unit holder to receive the benefits under the Scheme upon his/her death, as provided in the foregoing clause(s) on nomination. When units are held jointly and joint names have been inserted, in the event of death of the first or any other holder, the person next in the order as stated in the application form, (unless changed) shall be the only person(s) recognized by the Fund as having any title or interest in the benefits under the Scheme, to the extent provided in the clause(s) on mode of holding. However, in case of joint holdings with a minor as the first holder, the units will be vested in the legal heirs of the minor and not to the joint holder(s), in the event of death of the minor. The nominee(s)/beneficiary(s) nominated can receive the benefits under the scheme, to the extent provided in the foregoing clause(s) on nomination only on simultaneous death of all the joint holders. A nominee/beneficiary shall have the option either to be paid repurchase value of Units, or to continue in the Scheme if he/she so desires and is otherwise eligible, by issuance of account statement in his/her name is he/she has become entitled to hold the Units in consequence of the death of a sole holder or all holders or the person next in the order as stated in the prescribed form (in case of joint holders), insolvency, or by operation of law, pledge or winding up etc., upon producing evidence to the satisfaction of the Fund, and/or after complying with all the formalities in connection with the claim, The Fund will be discharged of all liabilities on payments and settlements made to such nominee/beneficiary and obtaining receipt thereof. Subject to specified conditions, every appointment of a nominee(s)/ beneficiary(s) to be made under the Scheme shall be in writing and signed by the unit holder(s) and shall remain in full force and effect until the death of the nominee/beneficiary/unit holder(s) or until the same is revoked in writing by the unit holder(s) (by whom the same was made) and a fresh appointment is made in the manner aforesaid. Unit holder(s) have the option to revoke or change the nominee(s)/beneficiary(s) by filling an appropriate form made available. The new appointment of the nominee(s)/ beneficiary(s) shall take effect on the date the appropriate form for appointment of the nominee(s)/beneficiary(s) is submitted to the collection centre whether or not the unit holder(s) is/are alive on the date of acknowledgement of the change in nominee(s)/beneficiary(s) without prejudice to the Fund or AMC or Trustee on account of any payment or transmission of Units having been made before the acknowledgement of the change or on account of any delay in payment or transmission of units having been made due to non-production of evidence to the satisfaction of the Fund and/or non-compliance with all the formalities in connection with the claim. To provide maximum benefits to the unit holders and the nominee(s)/beneficiary(s), the Trustee / AMC may alter the above stated provisions/norms for appointment of beneficiary(s) from time to time to the extent deemed necessary, and also in conformity with the guidelines and Notifications issued by SEBI/ GOI/any other regulatory body from time to time and/or any statutory modifications or re-enactment thereof.

Every individual investor should make Nominations.

Multiple nomination facility in all the schemes of the fund

The Multiple Nomination Facility has been provided to enable Unit holders to nominate more than one person, subject to a maximum of three, in whom the Units held by the Unit holder shall vest in the event of the demise of the Unit holder. Accordingly, multiple nominees can be made per folio. Existing and new investors can make a fresh nomination which will supersede all existing nominations in the folio by filing a fresh nomination form.

Physical:

Nomination can also be in favour of the Central Government, State Government, a local authority, any person designated by virtue of his office or a religious or charitable trust.

The Nominee shall not be a Trust (other than a Religious or Charitable Trust), Society, Body Corporate, Partnership Firm, Karta of a Hindu Undivided Family or a Power of Attorney holder. A Non-Resident Indian can be a Nominee subject to the Exchange controls, in force, from time to time.

Nomination in respect of the units stands rescinded upon the transfer of units.

Transfer of units in favour of a Nominee shall be valid discharge by the Asset Management Company against the legal heir.

Since the units of the Scheme will also be held in electronic mode in the Depository (DP) Account of the unit holders, the nomination details provided by the unit-holder to the depository will be applicable to the units of the Scheme. Such nomination including any variation, cancellation or substitution of Nominee(s) shall be governed by the rules and bye-laws of the Depository. Payment to the nominee of the sums shall discharge the Fund of all liability towards the estate of the deceased unit holder and his/her legal successors/legal heirs.

In case of multiple nominations under physical mode of SOA, it is mandatory for unit holders to indicate the percentage allocation in favour of the nominees in the nomination forms/ requests letter in whole numbers such that it totals to 100%, so that the AMC can execute its obligations to the unit holders. If the percentage allocation is not mentioned or is left blank, the AMC shall apply the default option of equal distribution among all the nominees as designated by the deceased Unit holder. In case of nominees where allocation is not defined, the allocation by default will be 34%, 33% and 33% respectively for each nominee in the sequential order.

Nomination can be changed anytime by the account holder(s) by simply filling up the nomination once again and submitting it to the Investor Service Centers.

Demat:

In case the investors provide both their Demat Account details and Nomination details in the application form, the nomination details as available with the Depository Participant Shall be Considered.

Nomination can be made only by the individuals holding beneficiary (DP) accounts either singly or jointly. Non-individuals including society, trust, body corporate, partnership firms, Karta of HUF, holder of power of attorney cannot nominate. Only an individual including NRI can be a nominee. However nomination of NRI is subject to exchange control regulations in force from time to time. Society, trust, body corporate, partnership firm, Karta of HUF or Power of Attorney holder cannot be appointed as a Nominee.

Minor can also be appointed as a nominee. However the guardian will sign on behalf of the nominee and in addition to the name and photograph of the nominee, the name and address and the photograph of the guardian must be submitted to DP. Only one nomination can be made for each depository account.

The nomination form duly filled in should be submitted to the Depository Participant (DP) either at the time of account opening or later. The account holder, nominee and two witnesses must sign the form and the name, address and photograph of the nominee must be submitted. If the nomination was not made at the time of account opening, it can be made subsequently by submitting the nomination form.

Nomination can be changed anytime by the account holder(s) by simply filling up the nomination once again and submitting it to the DP.

In case nomination has been made for DP account with joint holders, in case of death of any of the joint holder(s), the securities will be transmitted to the surviving holder(s). Only in the event of death of all the joint holders, the securities will be transmitted to the nominee.

In case nomination is not made by the sole holder of DP account, the securities would be transmitted to the account of legal heir(s), as may be determined by an order of the competent court. However in case where the value of securities to be transmitted is less than Rs.1,00,000/- the DP may process the request based on the submissions of necessary letter of indemnity, surety, affidavits and NOC documents.

The cancellation of nomination can be made only by those individuals who hold units on their own behalf singly or jointly and who made the original nomination.

On cancellation of the nomination, the nomination shall stand rescinded and the Asset Management Company shall not be under any obligation to transfer the units in favour of the Nominee.

Nomination facility

(a) Nomination should be maintained at the folio or account level and should be applicable for investments in all schemes in the folio or account.

(b) Where a folio has joint holders, all joint holders should sign the request for nomination/cancellation of nomination, even if the mode of holding is not "joint". Nomination form cannot be signed by Power of attorney (PoA) holders.

(c) Every new nomination for a folio/account will overwrite the existing nomination.

(d) Nomination shall be mandatory for new folios/accounts opened by individual especially with sole holding and no new folios/ accounts for individuals in single holding will be opened without nomination.

- Even those investors who do not wish to nominate must sign separately confirming their non-intention to nominate.

(e) Nomination will not be allowed in a folio held on behalf of a minor.

PROCESS TO BE FOLLOWED FOR TRANSMISSION OF UNITS AND NOMINATION FACILITY

SEBI vide its circular no. SEBI/HO/IMD/DF3/CIR/P/2019/166 dated December 24, 2019, inter-alia, mandated that AMCs shall adopt a common Transmission Request Form (common fields) and the NOC form, as also a common set of documents required for transmission of units to the claimant.

Accordingly AMFI vide its email dated June 26, 2020 issued Best Practice Circular no. 135/BP/85/2020-21 on guidelines to be followed for 'Transmission of Units' along with the standard formats of Transmission Request Forms and the supporting documents.

A. Transmission of Units mandatory before accepting requests for redemption of units

Investors are requested to note that the Mutual Fund will not accept any 'Transmission-cum- Redemption' request. The redemption shall be accepted and processed only after completion of Transmission of units with proper documentation.

Accordingly the investors are requested to note the list of documents required for transmission under various situations as specified below:

The list of Documents required for transmission under various situations.

1. Deletion of names of the deceased unit holders in case of death of 2nd and/or 3rd Holder

i. Request Form (Form Tl) from surviving unitholder(s) requesting for Deletion of Name of Deceased 2nd and/or 3rd Holder.

ii. Death Certificate in original or photocopy duly attested by a Notary Public or a Gazetted Officer.

iii. Fresh Bank Mandate Form along with cancelled cheque of the new bank account (only if there is a change in existing bank mandate)

iv. Fresh Nomination Form in case there is no nomination or a change in existing nomination is desired by the surviving unit

holders.

v. KYC Acknowledgment OR KYC Form of the surviving unit holder(s), if not KYC compliant.

2. Transmission of Units to surviving unit holder(s) in case of death of the 1st holder

i. Transmission Request Form (Form T2) for Transmission of Units to the surviving unitholder /s.

ii. Death Certificate of the deceased unitholder(s) in original OR photocopy duly attested by a Notary Public or a Gazetted Officer.

iii. Copy of PAN Card of the Surviving Joint Holder(s) (if PAN is not provided already)

iv. Cancelled cheque of the new first unitholder, with the claimant's name pre-printed OR Recent Bank Statement/Passbook (not more than 3 months old) of the new first holder.

v. KYC Acknowledgment OR KYC Form of the surviving unit holder(s), if not KYC compliant.

3. Transmission of Units to the registered Nominee/s in case of death of Sole or All unitholders

i. Transmission Request Form (Form T3) for Transmission of Units in favour of the Nominee(s).

ii. Death Certificate of the deceased unitholder(s) in original OR photocopy duly attested by a Notary Public or a Gazetted Officer.

iii. Copy of Birth Certificate, in case the Nominee is a minor.

iv. Copy of PAN Card of the Nominee(s) I Guardian (in case the Nominee is a minor)

v. KYC Acknowledgment OR KYC Form of the Nominee(s) / Guardian (where Nominee is a Minor)

vi. Cancelled cheque with the Nominee's name pre-printed OR Copy of the Nominee's recent Bank Statement/Passbook (which is not more than 3 months old).

vii. If the transmission amount is upto ₹2 Lakh, Nominee's signature attested by the Bank Manager as per Annexure-Ia. In case the Nominee is a Minor, signature of the Guardian (as per the bank account of the Minor or the joint account of the Minor with the Guardian) shall be attested. If the transmission amount is for more than ₹2 Lakh, as an operational risk mitigation measure, signature of the Nominee shall be attested by a Notary Public or a Judicial Magistrate First Class (JMFC) in the space provided for signature attestation in the TRF itself below the signature of the claimant.

4. Transmission of Units to the Claimant/s on death of Sole unitholder or All unitholders, where there is NO NOMINATION registered

i. Transmission Request Form (Form T3) for Transmission of Units to the Claimant.

ii. Death Certificate of the deceased unitholder(s) in original OR photocopy duly attested by a Notary Public or a Gazette Officer.

iii. Copy of Birth Certificate in case the Claimant is a minor.

iv. Copy of PAN Card of the Claimant / Guardian (in case the Claimant is a minor).

v. KYC Acknowledgment OR KYC Form of the Claimant / Guardian (in case the Claimant is a Minor).

vi. Cancelled cheque with the claimant's name pre-printedOR Copy of the Claimant's recent Bank Statement/Passbook (which is not more than 3 months old).

If the transmission amount is up to ₹2 Lakh -

a. Bank Attestation of signature of the Claimant by the Bank Manager as per Annexure-Ia. In case the Claimant is a Minor, the signature of the Guardian (as per the bank account of the Minor or the joint account of the Minor with the Guardian) shall be attested .

b. Any appropriate document evidencing relationship of the claimant /s with the deceased unitholder/s.

c. Bond of Indemnity - as per Annexure-II - to be furnished by Legal Heirs for Transmission of Units without production of Legal Representation.

Provided that in case the legal heir(s)/claimant(s) is submitting the Succession Certificate or Probate of Will or Letter of Administration wherein the claimant is named as a beneficiary , an affidavit as per Annexure-III from such legal heir/claimant(s) alone would be sufficient; i.e., Bond of Indemnity is not required.

d. Individual Affidavits to be given by each legal heir as per Annexure-III

e. NOC from other Legal Heirs as per Annexure - IV, where applicable.

If the transmission amount is more than ₹2 Lakh -

a. Signature of the Claimant duly attested by a Notary Public or a Judicial Magistrate First Class (JMFC) in the space provided for signature attestation in the TRF itself below the signature of the claimant. In case the Claimant is a Minor, the signature of the Guardian (as per the bank account of the Minor or the joint account of the Minor with the Guardian) shall be attested.

b. Individual Affidavits to be given each legal heir as per Annexure-III

c. Any one of the documents mentioned below:

• Notarised copy of Probated Will; OR

• Succession Certificate issued by a competent court; OR

• Letter of Administration or court decree, in case of Intestate Succession.

5. Change of Karta upon death of the Karta of Hindu Undivided Family (HUF)

If the case of a HUF, the property of the HUF is managed by the Karta and the HUF does not come to an end in the event of death of the Karta. In such a case, the members of the HUF will need to appoint a new Karta, who needs to submit following documents for transmission:

i. Request Form (Form T4) for change of Karta upon demise of the registered Karta.

ii. Death Certificate of the deceased Karta in original OR photocopy duly attested by a Notary Public or a Gazette Officer.

iii. Bank's letter certifying that the signature and details of new Karta have been updated in the bank account of the HUF & attesting the Signature of the new Karta as per Annexure-1b.

iv. KYC Acknowledgment OR KYC Form of the new Karta and the HUF, if not KYC compliant.

v. Indemnity Bond as per Annexure V signed by all surviving coparceners (including new Karta).

vi. If the transmission amount is upto ₹2 Lakh, any appropriate document evidencing relationship of the new Karta and the other coparceners with the deceased Karta.

vii. If the transmission amount is more than ₹2 Lakh, any one of the documents mentioned below –

• Notarized copy of Settlement Deed, or

• Notarized copy of Deed of Partition, or

• Notarized copy of Decree of the relevant competent court.

6. Transmission of Units to the Claimant/s upon death of the Karta of HUF, where there is no surviving co-parcener or the HUF has been dissolved/partitioned after demise of the Karta

i. Transmission Request Form (Form T5) for Transmission of Units to the Claimant.

ii. Death Certificate of the deceased Karta in original OR photocopy duly attested by a Notary Public or a Gazette Officer.

iii. Copy of Birth Certificate in case the Claimant is a minor.

iv. Copy of PAN Card of the Claimant(s) / Guardian (in case the Claimant is a minor)

v. KYC Acknowledgment OR KYC Form of the Claimant(s) / Guardian (in case the Claimant is a Minor)

vi. Cancelled cheque with the claimant's name pre-printed OR Copy of the Claimant's recent Bank Statement/Passbook (which is not more than 3 months old).

vii. If the transmission amount is upto ₹2 Lakh, attestation of signature of the claimant by Bank Manager as per Annexure-Ia. In case the claimant is a Minor, the signature of the Guardian (as per the Minor's bank account I Minors joint account with the Guardian) shall be attested.

If the transmission amount is for more than ₹2 Lakh, signature of the claimant shall be attested by a Notary Public or a Judicial Magistrate First Class (JMFC) in the space provided for signature attestation in the TRF itself below the signature of the claimant.

viii. Bond of Indemnity to be furnished by the Claimant as per Annexure-VI.

ix. If the HUF has been dissolved /partitioned by the surviving members after demise of the Karta, the transmission of units should be effected only on the basis of any of the following documents :

• Notarized copy of Settlement Deed, OR

• Notarized copy of Deed of Partition, OR

• Notarized copy of Decree of the relevant competent Court.

7. Clarifications

a. In case of death of the 1st holder, if there are two surviving joint holders, the surviving 2nd holder will be treated as the new primary / 1st holder.

b. PAN card copy of the nominee /claimant/s will not be required to be submitted, if the same is available in KYC data. In case of residents of Sikkim, appropriate ID proof shall submitted in lieu of PAN card.

c. Where the units are to be transmitted to a minor claimant, the KYC, PAN, Indemnity of the Guardian of the minor nominee / legal heir shall be submitted. Bank Attestation of the Signature of the Guardian of the minor shall be as per the bank account of the Minor or the joint account of the Minor with the Guardian.

d. In case of multiple nominees/ claimants, the monetary threshold of more than ₹2 lakh for the purpose of obtaining the Indemnity Bond will be determined on the basis of the aggregate value of the Units under all the folios for which the claim is being submitted as per the latest NAV as on the date of receipt of the claim, before dividing / splitting the claim amongst multiple nominees or claimants/ surviving co-parceners.

e. Also, where there are more than one nominees / legal heirs (claimants) in a folio or set of folios, the nominees / legal heirs

are requested to submit the Transmission request together, so that all the Units held by the deceased unitholder(s) could be transmitted in one-go to for operational efficiency and convenience.

f. If the deceased unitholder(s) held units in several folios, as 1st holder(s) in some folios and as joint holder in other(s), a single claim form may be accepted for operational ease, provided the ALL the deceased holders are common across the multiple folios (irrespective of the order of names) AND the nominee(s) / claimant(s) is/are also common/same across ALL the folios.

g. Once a transmission request is received, it is incumbent upon the AMC/RTA to determine if the deceased unitholder had any unit holdings under any other scheme / folio, and put a flag in the system against all other folios of the deceased unitholder, basis PAN / PEKRN with a suitable communication to the surviving unitholders / nominee/s (if any, registered against the folios) to submit the claim form with reqd. documents in respect of the remaining folios.

h. In such cases where the deceased was the 1st holder in respect any one of the folios/funds, units in all other holdings across all other folios/schemes, where the deceased was the 1st unitholder shall be 'Stop' marked/blocked against any further transactions basis PAN or PEKRN.

i. The process and documentation for transmission of units where the claimant / nominee is a mentally unsound person, shall be the same as applicable to a Minor claimant, except that the Guardian shall be a court appointed guardian. Additionally, a Medical Certificate from an appropriate registered medical practitioner may be submitted regarding the Mentally unsound person.

j. Copies of all supporting documents submitted for settlement of the claim, such as the Death Certificate of the deceased, Birth certificate of the minor, Probate of Will, Succession Certificate, Letter of Administration is to be duly attested by a Notary Public or a Gazette Officer.

k. If the transmission amount is for more than ₹2 Lakh, as an operational risk mitigation measure, the signature of the Nominee/ Claimant is to be attested only by a Notary Public or a Judicial Magistrate First Class (JMFC) in lieu of banker's attestation. For this purpose, space has been provided for signature in the Transmission Request Form itself below the signature of the claimant.

l. In specific cases and situations related to transmission of units that are not enumerated in section 1 to 6 above, the AMC will after proper due diligence and request for appropriate documents depending on the circumstances of each case and apply the general principles enumerated in the sections above before transmitting the units in favour of the claimant/s.

Additional risk mitigation measures:

While the list of documents mentioned above shall be taken in all cases, the AMC/ the Registrar may seek additional documents if the amount involved in transmission exceeds Rs Two Lakh on a case to case basis. The AMC/ the Registrar may also ask additional documents depending on circumstances of each cases.

In case of Transmission request from Nominee, Legal heir/s or Joint holder/s, in addition to the list of documents specified above, the claimant is also required to submit the Application form duly completed and signed with signature verification done by Bank Manager/Notary Public/ Gazzetted Officer with his designation, name and official seal.

The AMC shall first accept and process the request for transmission of units with proper documentation and thereafter accept and process the redemption request.

B. Uniform process for treatment of unclaimed amounts (including unclaimed dividend/ redemption proceeds) to be transferred to the claimant.

- When a claimant requests for transmission of Units on the demise of a unitholder, the AMC will pay the unclaimed amount if any, in respect of the deceased unit holder to the claimant, even if the claimant has not made a specific request for the same if there is any such unclaimed amounts and/or units,
- On receipt of a Transmission Request Form, , if there is any such unclaimed amounts and/or units, the AMC/RTA,shall send a suitable intimation to the claimant giving complete details / account statement and pay such amount by direct credit to the claimant's registered bank account via NEFT/RTGS/Direct Fund transfer etc. immediately upon the successful completion of the transmission process.

C. Investor Awareness about nomination facility.

Investors who have not registered any nominees in their folio are requested to fill the Nomination Form, which is available on the website of the Mutual Fund.

Transmission of units in close ended schemes and ELSS:

a. In case of units in ELSS Scheme: In the event of the death of the assessee, the nominee or legal heir, as the case may be, shall be able to withdraw the investment only after the completion of one year from the date of allotment of the units to the assessee or any time thereafter.

b. In case of units in close ended Scheme: In the case of death of the sole unitholder or all unitholders (in case of joint holding) in a close ended scheme, the claimant (i.e. the nominee or the legal heir) shall be able to withdraw the investment only after maturity period of the Scheme.

MANDATORY REQUIREMENTS

FURNISHING BANK MANDATE AND PAN

All cheques and bank drafts accompanying the application form should contain the application form number on its reverse. As per the directive issued by SEBI vide their letter IIMARP/MF/CIR/07/826/98 dated April 15, 1998, and SEBI/IMD/CIR No. 6/4213/04 dated March 1, 2004 it is mandatory for applicants to mention their bank account numbers in their applications for purchase or redemption of units. This is to prevent fraudulent encashment of dividend/redemption / refund cheques.

In terms of SEBI circular number MRD/DoP/Cir- 05/2007 dated April 27, 2007, Permanent Account Number (PAN) shall be the sole identification number for all participants transacting in the securities market, irrespective of the amount of transaction with effect from July 2, 2007. Accordingly, it is mandatory for investors to provide their PAN along with a self attested copy of PAN Card. If the investment is being made on behalf of a minor, the PAN of the minor or father or mother or the guardian, who represents the minor, should be provided. Applications received without PAN/PAN card copy will be rejected.

Pursuant to SEBI letter dated June 19, 2009 addressed to AMFI, and in compliance with AMFI Guidelines dated July 14, 2009, investment in Micro Schemes such as SIP where aggregate of installments in a rolling 12 months period or in a financial year i.e. April to March does not exceed Rs 50,000 per year per investor (hereinafter referred as "Micro SIP"), will be exempted from the requirement of PAN with effect from August 01, 2009. This exemption will be applicable only to investments by individuals being indian citizens (including Joint Holders who are individuals, Non Resident Indian (NRI) but not person of Indian Origin (PIOs), Minors acting through guardian and Sole proprietary firms. Other categories of investors e.g. PIOs, HUFs, QFIs, non - individuals, etc. are not eligible for such exemption.

Further in terms of SEBI Circular MRD/DoP/Cir-20/2008 dated June 30, 2008, it is clarified that PAN may not be insisted in the case of Central Government, State Government, and the officials appointed by the courts example Official liquidator, Court receiver etc. (under the category of Government) for transacting in the securities market. However, the aforementioned clarification will be subject to the mutual fund verifying the veracity of the claim of the specified organizations, by collecting sufficient documentary evidence in support of their claim for such an exemption. Further, in terms of SEBI Circular MRD/DoP/MF/Cir-08/2008 dated April 03, 2008, it has been, clarified to exempt investors residing in the state of Sikkim from the mandatory requirement of PAN for their investments in mutual funds. However, this would be subject to the Mutual Fund verifying the veracity of the claim of the investors that they are residents of Sikkim, by collecting sufficient documentary evidence including strict compliance with the applicable 'KYC' norms. The requirements pertaining to PAN & KYC shall be as prescribed by applicable Regulations read with various amendments, circulars, notifications issued from time to time.

For the purpose of identifying Micro investment, the value of investments at the investor level (first holder) will be aggregated and such aggregation shall be done irrespective of the number of folios/ accounts under which the investor is investing.

Updation of records on PAN level:

For the convenience of investors, JM Financial Asset Management Limited (AMC) has decided to carry out the following changes/updation at PAN level in all the existing (active/inactive) folios, irrespective of the scheme/plan/option/sub-option in which the investor holds his/her investments in case of receipt of any request regarding the following:

1. Change in Status from Minor to Major,
2. Change in Status from Resident to Non-resident or vice versa,
3. Change in name of the female investors post-marriage,
4. Change in name of the female investors post-divorce or
5. Change in name of the investor due to any other reason.

The above updation will be effected even if only PAN or all/any folio(s) details is/are mentioned in the request i.e. there will be no requirement to provide the complete list/details of holdings in the folio/scheme.

The above change/s will be updated in the records at PAN level only upon receipt of valid permissible documents. However, such updation will not be carried out in the old folios where PAN has still not been updated by the concerned investor.

PREVENTION OF MONEY LAUNDERING

In terms of the Prevention of Money Laundering Act, 2002, the Rules issued there under and the guidelines / circulars issued by SEBI regarding the Anti Money Laundering ("AML Laws"), all intermediaries, including Mutual Funds, have to formulate and implement a client identification programme, verification of identity and address, financial status, occupation and such other personal information.

With effect from January 1, 2011, it is mandatory in case of all the investors (Individual/Non-Individuals) to be KYC Compliant, irrespective of the amount of investment except in the case of Micro SIPs.

Joint Holders: Joint holders (including first, second and third if any, are required) to be individually KYC compliant before they can invest with any Mutual Fund. e.g. in case of three joint holders, all holders need to be KYC compliant and copies of each holder's KYC Acknowledgement must be attached to the investment application form with any Mutual Fund.

Minors: In case of investments in respect of a Minor, the Guardian should be KYC compliant and attach his KYC Acknowledgement while investing in the name of the minor. The Minor, upon attaining majority, should immediately apply for KYC compliance in his/her own capacity and intimate the concerned Mutual Fund(s) with all the folio details, in order to be able to transact further in his/her own capacity.

Power of Attorney (PoA) Holder: Investors desirous of investing through a PoA must note that the KYC compliance requirements are mandatory for both the PoA issuer (i.e. Investor) and the Attorney (i.e. the holder of PoA), both of whom should be KYC compliant in their

independent capacity and attach their respective KYC Acknowledgements while investing. The Power Of Attorney holders (in case of investments through a PoA Holder) and joint account holders (in case of investments in joint names) will also have to be KYC compliant.

For transmission (In case of death of the unit holder): If the deceased is the sole applicant, the claimant should submit his/her KYC Acknowledgement along with the request and other relevant documents to effect the transmission in his/her favour.

Implementation of the Prevention of Money-laundering (Maintenance of Records) Second Amendment Rules, 2017 with respect to seeding of Aadhaar number:

The Ministry of Finance (Department of Revenue) in consultation with the Reserve Bank of India has made certain amendments to the Prevention of Money-laundering (Maintenance of Records) Rules, 2005, namely, the Prevention of Money-laundering (Maintenance of Records) Second Amendment Rules, 2017. These Rules have come into force with effect from June 1, 2017. These Rules, inter alia, has made it mandatory for investors to submit Aadhaar number issued by the Unique Identification Authority of India (UIDAI) in respect of their investments.

The effective date for mandatory submission of PAN and Aadhaar number with requisite documents at the time of opening new mutual fund folio/account, is April 1, 2018. Accordingly, no new folio/account shall be opened without these documents effective April 1, 2018.

In case of existing mutual fund folios/accounts as on the date of the relevant notifications issued by the Ministry of Finance (i.e. June 1, 2017 & December 13, 2017) and for folios/accounts opened thereafter but before March 31, 2018, investors need to submit the required details latest by March 31, 2018, failing which, the mutual fund folio(s)/accounts would cease to be operational till the time the requisite details are submitted.

The above provisions are not applicable to the Non Resident Individual investors as they are not eligible for Aadhaar.

KYC PROCESS

Pursuant to SEBI Circular No. MIRSD/ Cir-26/ 2011 dated December 23, 2011, SEBI (KYC Registration Agency) Regulations, 2011 and SEBI Circular No. MIRSD/SE/Cir-21/2011 dated October 5. 2011, in-order to implement uniform KYC norms and eliminate duplication of KYC across SEBI registered intermediaries in the securities market, KYC registration is centralized through KYC Registration Agencies (KRA) registered with SEBI. Thus each investor has to undergo KYC process only once in the securities market and the details would be shared with other intermediaries.

1 New investors are requested to use the revised common KYC Application Form with specified documents as set out in the form and carry out the KYC process including In-Person Verification (IPV) with any SEBI registered intermediaries including mutual funds. The revised common KYC Application Forms are also available on our website www.jmfinancialmf.com.

2 The Mutual Fund shall perform the initial KYC of its new investors and may undertake enhanced KYC measures commensurate with the risk profile of its investors. The Mutual Fund shall upload the details of the investors on the system of the KYC Registration Agency (KRA). KRA shall send a letter to the investor within 10 working days of the receipt of the initial/updated KYC documents from the Mutual Fund, confirming the details thereof.

3 It is mandatory for intermediaries including mutual funds to carry out In-Person Verification (IPV) of its new investors from the Effective Date. The IPV carried out by any SEBI registered intermediary can be relied upon by the Mutual Fund. The AMC or NISM/AMFI certified distributors who are KYD compliant are authorized to undertake the IPV for Mutual Fund investors. Further, in case of any applications received directly (i.e. without being routed through the distributors) from the investors, the Mutual Fund may rely upon the IPV (on the KYC Application Form) performed by scheduled commercial banks.

4 Once the investor has done KYC as per the revised process with a SEBI registered intermediary, the investor need not undergo the same process again with another intermediary including mutual funds. However, the Mutual Fund reserves the right to carry out fresh KYC of the investor.

5 The AMC reserves the right to reject application forms for transactions in units of the Mutual Fund not accompanied by letter/ acknowledgement issued by KRA. The KYC compliance status will be validated with the records of the KRA before allotting units.

6 Existing KYC compliant investors of the Mutual Fund, who have completed the KYC process prior to January 01, 2012, can continue to invest as per the practice prevalent. However it will not be applicable for investments in securities market.

The above change shall be applicable in respect of all investment applications (including MICRO SIP) by new investors made on or after January 01, 2012.

All investors (Individuals or Non Individuals) who wish to make an investment in a mutual fund scheme through purchase or switch via a Lumpsum amount or via a Systematic Plan (SIP/STP) (including MICRO SIP) will be required to complete the KYC process. This one-time verification is valid for transactions across all mutual funds. Submission of KYC acknowledgement is mandatory for the following :

- All unit holders (including joint holders) i.e. Resident & Nonresident Individuals
- All Non Individual unit holders
- HUF and its Karta
- Guardian of Minor
- Power of Attorney holder
- Financial Institutions to whom the units of Mutual Fund are pledged.
- PAN Exempted cases (provided sufficient documentary evidence in support of such claims is submitted) :
- In case of transactions undertaken on behalf of Central Government and/or State Government and by officials appointed by Courts e.g.

Official liquidator, Court receiver etc .

- Investors residing in the state of Sikkim
- UN entities/multilateral agencies exempt from paying taxes/filing tax returns in India
- MICRO SIP

Point of Service (POS) of the intermediaries will accept KYC Application Forms along with the necessary documents as set out in the KYC form (including originals if the copies are not attested) verify documents, conduct In-Person Verification (IPV) and provide the KYC Acknowledgement (across the counter on a best effort basis). KYC application and necessary documents as set out in the form should be submitted along-with Financial Transactions to any branch of the AMC. The KYC form after completion of IPV process can also be submitted to the Investor Service Centre of Registrar & Transfer Agent along-with Financial Transactions.

• Individual (including NRI / PIO) & Non Individual investors will have to produce Proof of identity, Proof of Address and other mandatory documents as set out in the KYC Application Form.

• NRIs/PIOs, in addition to the certified true copy of the passport will also be required to furnish certified true copy of the overseas address and permanent address. If any of the documents (including attestations/ certifications) towards proof of identity or address is in a foreign language, they have to be translated to English for submission. The documents can be attested, by the Consulate office or overseas branches of scheduled commercial banks registered in India. A PIO, in addition, will also be required to submit a certified true copy of the PIO Card.

The documents submitted as per the above process by the investor to the Point of Service of the Intermediaries would be forwarded to the KRA. The KRA on receipt of documents from Intermediaries would send a confirmation to investors.

Once the investor has completed the KYC process as per the revised guidelines with a SEBI registered intermediary from any KRA, the investor need not undergo the same process again with another intermediary including Mutual Funds. However, the Mutual Fund reserves the right to carry out fresh KYC of the investor. The investor needs to produce a copy of the confirmation letter received from KRA when investing for the first time with a Mutual Fund for fresh investments or additional purchases in an existing folio as per the aforesaid requirements or till his KYC status is updated successfully as per the new revised KYC norms.

Existing KYC compliant investors of the Mutual Fund, who have completed the KYC process prior to January 01, 2012, can continue to invest in Mutual Fund schemes as per the current practice i.e. by submitting along with their Financial Transaction the KYC acknowledgement issued prior to January 01, 2012 by CVL on behalf of all Mutual Funds. However it will not be applicable for investments in other securities markets. These investors, in case they wish to deal with any SEBI registered intermediary other than mutual funds, will have to follow the new KYC procedure.

An existing investor can inform the Mutual Fund to update the KYC Acknowledgement against all the folios/accounts held by him with the respective Mutual Fund. However, each of the holders in these folios/accounts should be KYC Compliant. Applications Forms / Transaction Slips not accompanied by KYC Acknowledgement / Confirmation letter are liable to be rejected by the Mutual Fund and no transactions, other than redemption, will be permitted. Investors are advised to complete KYC process through KRA at the earliest.

Further, in order to ensure that the unit holder receives all communications, including redemption requests, at the new address, investors are also advised to forward any request for change of address only to same POS/ intermediaries sufficiently in advance of any transaction with the Fund House. Investors holding erstwhile MIN/ KYC Compliance Acknowledgement and who have since changed their address with KFin are requested to approach POS /KRA and complete the process stated above. Kindly note that the Mutual Fund, the AMC or the Trustees shall not be liable in case the investor does not follow the above procedure for change of address or the earlier address continues to be in the Registrar's database. AMC or its Registrar will update change of address requests of KYC compliant investors based on the data provided by KRA and will not be responsible for non-updation if not received sufficiently in advance of any transaction.

Investors are advised to approach the same POS/ intermediaries from where the KYC acknowledgement was issued in case they wish to rectify any data entry mistake by POS/KRA.

For details on documents to be submitted pls refer to the revised KYC forms available on the website of the Mutual Fund, AMFI website (www.amfiindia.com) or on website of any SEBI registered KRAs.

New KYC Requirement:

Securities and Exchange Board of India (SEBI) vide its various circulars dated October 05, 2011, December 02, 2011 and December 23, 2011 have prescribed the requirements, for implementation of Uniform Know Your Customer (KYC) process across all intermediaries registered with SEBI.

Pursuant to the above, the existing / new investors of the Mutual Fund are required to take note of the following:

1. Investment by Investors who are KYC Compliant through KRAs (KYC Registration Agency) on or after January 1, 2012 :

   No action is required by such investors and they may invest in any Mutual Funds. However, Non-individual entities like Corporate, Partnership Firm, Trust etc are required to submit their Balance Sheet for every Financial Year on an ongoing basis within a reasonable period to KYC Registration Agency (KRA).

2. Investment in existing folios by Investors who are CVL MF KYC Compliant prior to January 1, 2012:

   In case of the existing investors who are CVL MF KYC Compliant through the erstwhile centralized KYC registration agency i.e. CDSL Ventures Ltd. (CVLMF), there will be no effect on their subsequent transactions (including Systematic Investment Plan) in their existing folios/accounts. However, the KYC status of such investors will continue to reflect as "MF – VERIFIED BY CVLMF" in the CVL – KRA system.

3. Investment by new Investor who is CVL MF KYC Compliant prior to January 1, 2012:

   In case a new investor who is CVL MF KYC Compliant wishes to invest as a sole investor in a new folio in JM Financial Mutual Fund or he wishes to invest jointly with another existing investor/s of JM Financial Mutual Fund who is/are also CVL MF KYC Compliant, then such investor/s will have to submit the "KYC Details Change Form" along with the investment application and complete the IPV process.

4. Investment by Non-KYC Compliant Investors (Individual or Non-Individual):

   Non-KYC compliant investor/s desirous of investment, are required to submit the duly filled in KYC Application Form along with necessary documents for completion of KYC certification through KYC Registration Agencies (KRAs) and complete the "In-Person Verification (IPV)" at the time of making any investment.

5. Requirements from CVLMF KYC Compliant investors (i.e. KYC compliant prior to January 1, 2012):

   I. Individual Investors:

      In case, the individual investor is KYC compliant prior to January 1, 2012, the investor will have to submit missing 'KYC Details/ Change Form' with respective applicable documents, (if any) mentioned therein to update their 'Missing/Not Available' details besides completing the IPV process as a onetime exercise. After due verification by the respective KRA e.g. M/s CVL, the KYC status will get changed from "MF – VERIFIED BY CVLMF" to "Verified by CVL KRA".

      In case of individuals, 'missing/not available details' are as under :

      a. Father's/Spouse Name
      b. Marital Status
      c. Nationality
      d. In-person Verification (IPV)

   II. Non - Individual investors:

      In case of all Non – individual investors who are KYC compliant prior to January 1, 2012, KYC process with IPV needs to be done afresh due to significant and major changes in KYC requirements.

In case of opening of a new folio with JM Financial Mutual Fund or any other Mutual Fund, the individual & non-individual investors will have to comply with the respective procedures mentioned above. The above procedure is also applicable for Guardian (in case of Minor) / Power of Attorney holder as well.

The necessary forms are available on the Mutual Fund website.

Central KYC Records Registry (CKYCR):

Investors are hereby informed that SEBI vide its circular no. CIR/MIRSD/ 66 /2016 dated July 21, 2016 read with SEBI circular no. CIR/ MIRSD/120 /2016 dated November 10, 2016 had intimated the registered intermediaries about the operationalisation of Central KYC Records Registry (CKYCR). Government of India, vide notification dated November 26, 2015, had authorized Central Registry of Securitisation Asset Reconstruction and Security Interest of India (CERSAI) to act and perform the functions of the CKYCR including receiving, storing, safeguarding and retrieving the Know Your Customer (KYC) records of an investor in digital form. Also, AMFI vide its circular dated December 22, 2016 had issued guidelines for implementation of CKYC norms uniformly by all AMFI members i.e. Mutual Funds/Asset Management Companies.

W.e.f February 01, 2017, the following norms are applicable to the prospective and existing individual investors (investor) of all the Schemes of JM Financial Mutual Fund:

1. An investor who is new to KYC Registration system and whose KYC is not registered or verified with any of the Agencies for KYC Registration (KRA), shall use the CKYC form to register their KYC.
2. An investor who has already completed CKYC and has a KYC Identification Number (KIN) from CKYCR, can invest in the schemes of JM Financial Mutual Fund by quoting his 14 digit KIN and Date of Birth.

The CKYC forms are available on the website of the Fund i.e. www.jmfinancialmf.com. The KYC requirements shall be governed by SEBI Circulars/ notifications and AMFI Guidelines which may change from time to time.

With effect from February 1, 2017, C-KYC has been made mandatory for all new investors, both individuals and non individuals.

MANDATORY UPDATION OF KNOW YOUR CUSTOMER (KYC) REQUIREMENTS FOR PROCESSING OF MUTUAL FUND TRANSACTIONS.

Investors of all the schemes of JM Financial Mutual Fund ("JM MF") are requested to note that, it is mandatory to complete the KYC requirements for all unit holders, including for all joint holders and the guardian in case of folio of a minor investor.

Accordingly, the financial transactions (including redemptions, switches and all types of systematic plans) and the non-financial requests will not be processed if the unit holder/s has/have not completed KYC requirements.

Unit holders are advised to use the applicable KYC Form for completing the KYC requirements and submit the form at the point of acceptance. Further, upon updation of PAN details with the KRA (KRA-KYC)/ CERSAI (CKYC), the unit holders are requested to intimate us/our Registrar and Transfer Agent, M/s. KFin Technologies Private Limited about their PAN information along with the folio details for updation in our records.

Investors are requested to note the above shall be applicable w.e.f. February 28, 2020 for all normal transactions (including redemptions) and w.e.f. March 13, 2020 for SIP transactions.

DISTRIBUTION OF INCOME

Dividend Option shall offer investors the facilities of : (a) Payout of Income Distribution cum Capital Withdrawal Option/IDCW (Payout) and (b) Reinvestment of Income Distribution cum Capital Withdrawal Option/IDCW (Reinvestment).

Under dividend reinvestment, dividends declared will be reinvested into the Plan / Scheme.

Dividends when declared shall be paid out or reinvested as per the choice indicated in the scheme's application form. An investor on record for the purpose of dividend is an investor who is a Unit holder as of the date when dividend is declared. The Mutual Fund reserves the right to introduce new investment options at a later date or to alter, modify or amend in any manner, any one or all of the existing options with the prior approval of the Trustee.

The Fund does not guarantee or assure declaration or payment of dividend. Although, the Trustee has the intention to declare dividend under the dividend options, such declaration of dividend, if any, is subject to the Scheme's performance and the availability of distributable surplus in the Scheme at the time of declaration of such dividend. Under the Growth option, the earnings will be retained and reflected in the NAV and not distributed.

Declaration of dividends will be subject to availability of distributable surplus, as computed in accordance with SEBI (Mutual Funds) Regulations, 1996. All distribution of earnings will be out of distributable surplus and at the discretion of the Trustee. Such distribution may be by way of dividend.

Under the dividend option, dividends shall be declared at the discretion of the Trustee subject to the availability of distributable surplus. Investors have the choice of Payout of Income Distribution cum Capital Withdrawal Option/IDCW (Payout) or Reinvestment of Income Distribution cum Capital Withdrawal Option/IDCW (Reinvestment). In case an investor fails to select his preference, he shall be deemed to have opted for the dividend reinvestment option. However, in case the dividend payable to any unit holder is below Rs. 100/- then the same will be automatically reinvested.

On payment of dividends, the NAV will stand reduced by the amount of dividend and dividend tax (if applicable) paid.

TRANSFER

If units are gifted or in case of change of joint holding or otherwise when unit certificates are held, or if a unit holder wants to sell the units in the market, by operation of law or otherwise upon enforcement of a pledge/charge, then the Trustee / AMC shall effect the transfer, so long as the intended transferee is otherwise eligible to hold the units. The instrument of transfer used for transfer of the units (in case of unit certificates) shall be the same transfer instruments (Form 7B) used for company shares. Appropriate documentation for this may be obtained from the select JM ISCs.

It is expressly understood that the investor/unit holder is aware of the relevant statutes, tax related provisions etc. pertaining to transfer and he undertakes to abide by the same and shall pay all relevant applicable duties, tax, stamp duty cess, etc. The investor/unit holder should not make any transfer etc. contrary to the relevant statutes, tax related provisions etc.

For effecting the transfer, unit holders can request the Fund by writing to the Registrar along with the Account Statement/unit certificate, gift deed instrument and any other documents. The AMC shall on production of instrument of transfer together with relevant unit certificate(s), account statement, etc. register the transfer and return the unit certificate(s) / Account Statement to the transferee within 30 days from the date of such production.

PLEDGE OF UNITS

The Units of the Scheme under this Offer Document may be offered as security by way of a pledge in favour of scheduled banks, financial institutions, NBFC, or any other body approved by the AMC. The AMC and / or the Registrar will note and record such Pledged Units. However, disbursement of such loans will be entirely at the discretion of the bank/financial institution/NBFC/any other regulatory body concerned and the Fund / Trustee / AMC assumes no responsibility thereof. Appropriate documentation for this may be obtained from the select JM ISCs.

REJECTION OF APPLICATION AND REFUND OF APPLICATION MONEYS

The Trustee / AMC reserve the right to reject any application not in accordance with the terms of the Fund, without assigning any reason.

Refund in case of NFO: The AMC shall refund the application money to the applicants if the Mutual Fund fails to receive the minimum subscription amount sought to be raised under the Scheme or if the mutual fund receives monies in excess of the subscription amount sought to be retained by it. The refunds shall be dispatched within 5 business days of closure of subscription list.

In case an application is rejected, the application money received will be refunded to the applicant, within 5 business days of the date of closure of the NFO. No interest will be paid on application monies refunded.

In the event of failure to refund the amounts within the period specified above, the AMC shall be liable to pay interest to the applicants at a rate of fifteen per cent per annum.

Cases other than NFO: In case the purchase application is rejected, because of any reason, the AMC shall refund the application amount in terms of SEBI guidelines. In case of purchase/ switches 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.

WINDING UP

The Scheme may be wound up if: -

i. There are changes in the capital markets, fiscal laws or legal system, or any other event or series of events occurs, which in the opinion of the Trustee, requires the Scheme to be wound up; or

ii. Seventy five per cent of the Unit holders of the Scheme pass a resolution that the Scheme be wound up;

iii. SEBI directs the Scheme to be wound up in the interests of the Unit holders.

Where a Scheme is to be wound up upon happening of the events specified above, the Trustee shall give notice of the circumstances leading to the winding up of the Scheme:

a) to SEBI; and

b) in two daily newspapers having circulation all over India and also in a vernacular newspaper circulating at the place where the mutual fund is established.

In addition to above for JM Tax Gain Fund following provision will applicable :

I At the end of the 10th year of the date of allotment of units; or

II. If ninety percent or more of the units under any series are repurchased before completion of ten years, the concerned Series, at the discretion of the Trustee, may be wound even before the stipulated period of ten years and redeem the outstanding units may be redeemed at the final repurchase price to be fixed by the Trustee.

PROCEDURE AND MANNER OF WINDING UP

1. The Trustee shall call a meeting of the Unit holders to consider and pass necessary resolutions by simple majority of the Unit holders present and voting at the meeting for authorizing the Trustee or any other person to take steps for winding up the Scheme:

   Provided that a meeting of the Unit holders shall not be necessary if the Scheme is wound up at the end of the maturity period of the Scheme.

2. The Trustee or the person authorised as above, shall dispose of the assets of the Scheme concerned in the best interests of the Unit holders of the Scheme.

   a) The proceeds of the sale realized made in under clause (a) above, shall in the first instance be utilised towards discharge of such liabilities as are due and payable under the Scheme and after making appropriate provision for meeting the expenses connected with such winding up, the balance shall be paid to the Unit holders in proportion to their respective interest in the assets of the Scheme as on the date when the decision for the winding up was taken.

3. On the completion of the winding up, the Trustee shall forward to SEBI and the Unit holders, a report on the winding up containing particulars such as circumstances leading to the winding up, the steps taken for disposal of assets of the fund before winding up, expenses of the fund for winding up, net assets available for distribution to the Unit holders and a certificate from the Auditors of the Fund.

4 Notwithstanding anything contained herein, the provisions of SEBI Regulations in respect of disclosures of half-yearly reports and annual reports shall continue to apply, until winding up is complete or the Scheme ceases to exist.

WINDING UP OF THE SCHEME

After the receipt of report referred to clause 3 under "Procedure and Manner of Winding up" if SEBI is satisfied that all measures for winding up of the Scheme have been complied with, the Scheme shall cease to exist.

C. General Information

PROCEDURE FOR TAKING INVESTMENT DECISIONS

The investment policy of the AMC has been recommended for approval by the Investment Advisory Committee ("IAC") and approved by the Boards of the AMC and Trustee. The IAC is operational at the AMC level and has majority representation from the independent Directors. At the strategic level, the broad investment philosophy of the AMC and the authorized exposure limits are spelt out in the Investment Policy of the AMC.

The designated Fund Manager of the Scheme will be responsible for taking day-to-day investment decisions and will inter-alia be responsible for asset allocation, security selection and timing of investment decisions.

The performances of the schemes of the Mutual Fund are reviewed by the Investment Advisory Committee as well as the Boards of the AMC and Trustee Company periodically. Monthly reports on the performance of the schemes with appropriate benchmark indices are sent to the Directors of the AMC and Trustee Company. Also, the performance of the schemes shall be compared with the performance of peers and placed in the meetings of the Board of AMC and Trustee Company.

Further, in terms of SEBI Circular No.MFD/CIR/16/400/02 dated March 26, 2002 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.

In terms of SEBI Circular No.MFD/CIR/01/ 071/02 dated April 15, 2002, the AMC and Trustee may change the benchmark index or select an additional benchmark index after recording adequate justification for carrying out such change. However, change of benchmark index and/or selecting additional benchmark indices would be done in compliance of the relevant guidelines of SEBI, in this regard.

BORROWING BY THE MUTUAL FUND

Under the SEBI Regulations, the Fund is allowed to borrow to meet temporary liquidity requirements of its Scheme for the purpose of

repurchase or redemption of Units or the payment of interest or dividend to the Unit holders. Further, as per the SEBI Regulations, the Mutual Fund shall not borrow more than 20% of the Net Assets of the respective plans/ Scheme and the duration of such borrowing shall not exceed a period of six months. The limit of 20% may be revised by the Fund to the extent permitted under the Regulations

The Fund may raise such borrowings, after approval by the Trustee, from the Sponsor or any of its associate / group companies or banks in India or any other entity, at market related rates prevailing at the time and applicable to similar borrowings. The security for such borrowings, if required, will be as determined by the Trustee. Such borrowings, if raised, may result in a cost, which would be dealt with in consultation with the Trustee and included in the annual recurring charges charged to the scheme.

DISCLOSURES TO THE INVESTORS

The Trustee shall make such disclosures to the investors as are essential in order to keep them informed about any information which may have an adverse bearing on their investments.

INVESTMENT BY AMC

The AMC and investment companies managed by the Sponsor(s), their affiliates, their associate companies and subsidiaries may invest either directly or indirectly in the Schemes. The AMC shall not charge any fees on investment made by it in the units of the Schemes in accordance with sub-regulation 3 of Regulation 24 of the Regulations and shall charge fees on such amounts in future, only if the SEBI Regulations so permit. The maximum amount the AMC can invest in any of the schemes shall be its networth. The affiliates, associates, the Sponsor, subsidiaries of the Sponsor and/or the AMC may acquire a substantial portion of the Scheme's units and collectively constitute a major investment in the Schemes. Consequently in the event of repurchase of units held by such affiliates/associates and Sponsor, there be an adverse impact on the units of the Schemes as the timing of such repurchase may impact the ability of other unit holders to repurchase their units. The AMC reserves the right to invest its own funds in the Scheme as may be decided by the AMC from time to time and in accordance with SEBI Circular no. SEBI/ IMD/CIR No. 10/22701/03 dated December 12, 2003 regarding minimum number of investors in the Scheme/ Plan.

INTER-SCHEME INVESTMENTS

The Scheme may invest in other Schemes managed by the AMC or in the Schemes of any other Mutual Funds, provided it is in conformity to the investment objectives of the investor Scheme and in terms of the prevailing SEBI Regulations. As per the SEBI Regulations, no investment management fees will be charged for such investments and the aggregate inter Scheme investment made by all Schemes of JM Financial Mutual Fund or in the Schemes under the management of other asset management companies shall not exceed 5% of the net assets of the Mutual Fund.

INTER SCHEME TRANSFER

Transfers of investments from one scheme to another scheme in the same mutual fund shall be allowed only if -

(a) such transfers are done at the prevailing market price for quoted instruments on spot basis.

Explanation : "Spot basis" shall have same meaning as specified by stock exchange for spot transactions.

(b) the securities so transferred shall be in conformity with the investment objective of the scheme to which such transfer has been made.

STOCK LENDING

In case the Scheme undertakes stock lending under the Regulations, the Scheme may, at times, be exposed to counter party risk and other risks associated with the securities lending. Unit holders of the Scheme should note that there are risks inherent to securities lending, including the risk of failure of the other party. In this case the approved intermediary will have to comply with the terms of the agreement entered into between the lender of securities i.e. the Scheme and the approved intermediary. Such failure can result in the possible loss of rights to the collateral put up by the borrower of the securities, the inability of the approved intermediary to return the securities deposited by the lender and the possible loss of any corporate benefits accruing to the lender from the securities deposited with the approved intermediary.

PROVIDING COPIES OF ANNUAL REPORT & SUMMARY THEREOF

The scheme wise annual report or Abridged Summary, in the format prescribed by SEBI, shall be hosted on the websites of the Mutual Fund and the AMFI. A link of the scheme wise annual report or abridged summary shall be displayed prominently on the website of the Mutual Fund. Annual report or Abridged Summary will also be sent by way of e-mail to the investor's registered email address.

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.

The physical copy of the schemewise annual report or abridged summary shall be made available to the investors at the registered office of the AMC.

The Mutual 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 Mutual 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.

The new subscribers to the units of the Mutual 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.

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.

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.

PORTFOLIO DISCLOSURE

NAVs will be determined at the close of every business day and disclosed on the websites of the Mutual Fund/ AMFI.

The Mutual Fund shall disclose the portfolio for debt schemes on fortnightly basis within 5 days of every fortnight.

The Mutual Fund shall disclose the complete statement of the Scheme's portfolio (alongwith ISIN) on the websites of the Mutual Fund and AMFI as on the last day of the month/half year for all its schemes within ten days from the close of each month/half year (i.e. 31st March and 30th September) in a user friendly and downloadable spreadsheet format.

The Mutual Fund shall send email regarding the portfolio for debt schemes on fortnightly basis within 5 days of every fortnight to the respective unitholders.

The Mutual Fund shall send email regarding the monthly and half-yearly portfolio within 10 days from the close of each month/half year (i.e. March 31st & September 30th) to the respective unitholders whose email addresses are registered with the Mutual Fund.

The Mutual 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 schemes' portfolio on the websites of the Mutual Fund and AMFI and also the modes through which unitholders can submit a request for a physical or electronic copy of the scheme portfolio. The Mutual Fund shall provide a physical copy of the portfolio, without charging any cost, upon specific request from a unitholder.

MOBILE / E-MAIL COMMUNICATION

Unit holders can obtain financial and non-financial information about their transactions eg. sale, purchase, dividend declarations, etc. through "SMS Alerts." This facility is offered free of cost to all unit holders whose mobile numbers are registered with Fund / who register themselves for the facility by writing to the Registrar and Transfer Agent, mentioning their folio numbers and mobile numbers. Account Statements can be sent to each Unit holder by courier / post / e-mail. . In case, an investor has provided his e-mail ID in the application form or any subsequent communication, in any of the folio(s) belonging to him/her, the Asset Management Company ("AMC") reserves the right to use such e-mail ID as a default mode of communication to the investor including despatching Abridged Annual Reports and sending of account statements for the new and existing investments for folio(s)/ investor(s) concerned. However, the AMC or Registrar & Transfer Agent will, on receipt of specific request, endeavour to provide the physical account statement to the investor within 5 business days from the receipt of such request, in terms of SEBI circular No. IMD/ CIR/12/80083/2006 dated November 20, 2006, on a case to case basis. Unit holders who have provided the email id will be required to download and print the documents after receiving e-mail from the Mutual Fund. Should the Unit holder experience any difficulty in accessing the electronically delivered documents / SMS alerts, the Unit holder shall promptly advise the Mutual Fund to enable the Mutual Fund to make the delivery through alternate means. In case of non-receipt of any such intimation of difficulty within 24 hours from receiving the e-mail / SMS alert, it will be regarded as receipt of e-mail / SMS alert by the Unit holder. It is deemed that the Unit holder is aware of all security risks including possible third party interception of SMS alert / e-mail and contents of the SMS alerts / documents becoming known to third parties. The monthly / quarterly factsheets shall be displayed at the website of the Mutual Fund. The Unit holders can request for a copy of the Newsletter/Fact Sheet by post / e-mail. The AMC would arrange to dispatch these documents to the Unit holder concerned. Also refer para on 'Providing copies of Annual Report & Summary thereof' and 'Statement of Accounts/ Consolidated Account Statement (CAS)', appearing in this document.

Updation of Email id and Mobile Number as per KYC records at the time of opening of a new folio:

Currently, only the address of the Investor is being captured in the folio of the concerned investor based on the feeds from the KRA (KYC Registration Agency) as per their KYC records.

Investors are hereby informed that with immediate effect, while updating the solicited KYC feeds provided by the respective KRA (i.e. KYC Registered Agency like CDSL, CAMS, KFin, Dotex, NDML, C - KYC), the other contact details i.e. Email id and Mobile Number will also be captured for those folios where email id and mobile number are not registered at the time of opening a new folio through the account opening form or through a separate letter around the same time. The request for updation of email id and/or mobile number made by the investor separately will supersede the KYC feeds.

Similarly, any subsequent updation of new email id and/or new mobile number will be carried out only on the basis of physical request submitted by the respective Investor, superseding the existing details updated as per KYC feeds.

UNCLAIMED REDEMPTION / DIVIDEND AMOUNT

As per SEBI circular no. SEBI/HO/IMD/DF2/CIR/P/2016/37 dated February 25, 2016, the unclaimed Redemption amount and dividend amounts may be deployed by the Fund in call money market or money market instruments or in a separate plan of liquid scheme floated by JM Financial Mutual Fund. Investors claiming 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. Further, the information on unclaimed amount along-with its prevailing value (based on income earned on deployment of such unclaimed amount), shall be separately disclosed to investors through the periodic statement of accounts / Consolidated Account Statement sent to the investors. The investment management fee charged by the AMC for managing unclaimed amounts shall not exceed 50 basis points.

Investors may note that, in case any request is received for claiming unclaimed redemption/dividend amount by only mentioning the unclaimed amount, without specifying the scheme/plan name or by mentioning the earlier scheme/plan name or if the unclaimed amount is

being claimed from one/more Scheme/Plan, such request will be considered for all the units outstanding in the folio in respect of unclaimed dividend/redemption under all Schemes/Plans and the entire unclaimed dividends/redemption amounts along with the applicable accruals in the said folio.

In case of multiple folios, the investor is required to submit a separate request for each of the folios.

ALLOTMENT

Allotment will be done within 5 business days from date of closure of subscription period during New Fund Offer. Account Statement/ Allotment advice/ refund warrants (if any) will be mailed within 5 business days from the date of closure of the subscription list.

Allotment is assured to all applicants provided the applications are received during business hours (and the cheque accompanying the application form is realized), are complete in all respects and in order. An offer to purchase units is not binding on, and may be rejected by AMC, until it has been confirmed through an Account/Transaction Statement and payment has been received. The Unit holder will be assigned an account number where the number of units allotted to a unit holder or repurchased by a unit holder will be reflected and a statement/ advice to this effect will be issued to the unit holder. An Account or Transaction Statement reflecting the unit balance of the unit holder will be mailed to the unit holder by ordinary post, after every financial transaction is affected. In the interest of investors, the Mutual Fund shall provide Account Statements to those unit holders who have not transacted during the last six months prior to the date of generation of account statements. The account statements in such cases will be generated and issued along with the Portfolio Statement or Annual Report of the scheme. The account statement will reflect the latest closing balance and value of the units prior to the date of generation of the account statement. Further, soft copy of the account statements shall be mailed to the investors' e-mail address, instead of physical statement, if so mandated. The Account Statement is a computer generated statement and is a non-transferable document which will indicate the details of transactions under the scheme.

UNIT CERTIFICATE

Normally no unit certificates will be issued under the Scheme. However, if the unit holder so desires, the AMC shall issue a unit certificate to the unit holder within 5 working days of the receipt of request for the certificate. The incidental cost of stamp duty paid for issuing the unit certificate may be recovered from the unit holder or may be charged to the Scheme as per annual recurring expenses.

OPTION TO HOLD UNITS IN DEMATERIALIZED (DEMAT) FORM

Pursuant to SEBI Circular no. CIR/IMD/DF/9/2011 dated May 19, 2011, an option to subscribe to the units, of open ended, close ended, Interval schemes in dematerialized (demat) form, has been provided to the investors.

Consequently, the Unit holders under the Scheme(s)/ Plan(s) shall have an option to subscribe/ hold the Units in demat form in accordance with the provisions laid under the respective Scheme(s)/Plan(s) and in terms of the guidelines/ procedural requirements as laid by the Depositories (NSDL/ CDSL) from time to time.

In case, the Unit holder desires to hold the Units in a Dematerialized /Rematerialized form at a later date, the request for conversion of units held in physical form into Demat (electronic) form or vice-versa should be submitted along with a Demat/ Remat Request Form to their DPs.

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

(i) Units held in demat form will be transferable subject to the provisions laid under the respective Scheme(s)/Plan(s) and in accordance with SEBI Circular no. CIR/IMD/DF/10/2010 dated August 18, 2010, 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.

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

(iii) Switch/ STP/SWP transactions will not be permitted for Demat cases till the same is converted into physical form.

(iv) It is also clarified that provision of minimum investment/ balance/ redemption amount shall not be applicable for transactions done in demat mode, post initial allotment of units in demat mode. However subscription done in demat mode, directly through the Mutual Fund, shall be subject to minimum investment criteria.

Investors are hereby informed that w.e.f. November 01, 2019, the units under Daily Dividend Option, Weekly Dividend Option or Fortnightly Dividend Option can be subscribed in lump sum (purchase through fresh/additional/switch} or through SIP/STP installments via any channel (including through exchange platforms) in physical or demat mode under any of the Schemes of JM Financial Mutual Funds offering such options.

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.

With effect from January 1, 2012, investors also have an option of holding the units in demat form for SIP. However, the units will be allotted, based on the applicable NAV as per the SID and will be credited to investors' demat account on weekly basis upon realization of funds. For example, units will be credited to investors' demat account every Monday, for realization status received from Monday to Friday in the previous week.

Redemption Procedure:

The investors who hold units in demat form and wish to redeem their units will have to take following steps:

1. Investors will have to approach their DP (Depository Participants) where Demat Account is being held.
2. Investors will have to submit duly filled-in and signed Redemption/Repurchase Request Form (RRF) available with respective DPs. Normally, these RRF may be available on the websites of respective DPs e.g. Banks etc. As the format of RRF may be different with every DP,

the investors are advised to use the RRF procured from their own DP to avoid rejections/delays. The ISIN of the scheme/plan/sub-plan is printed on the Statement of Account issued to investor.

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 Private Limited. The third copy will be retained by the DP for their own records.
4. Based on the receipt of RRF, if found in order, the DP concerned generates Electronic Redemption Requests and blocks the units applied for redemption in the NSDL/CDSL system immediately. After this, the investor will not be able to transfer the blocked units to anyone (i.e. cannot transfer to anyone).
5. The Electronic Requests generated up to the stipulated cut off time which is currently 3.00 p.m 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 Private Limited 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 10 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.

STATEMENT OF ACCOUNTS/ CONSOLIDATED ACCOUNT STATEMENT (CAS):

Pursuant to Regulation 36 of SEBI (Mutual Funds) Regulations, 1996 and amendments thereto, read with SEBI circular No. Cir/ IMD/ DF/16/ 2011 dated September 8, 2011, the investor whose transaction** has been accepted by the AMC on or after October 1, 2011 shall receive the following:

(i) On acceptance of the application for subscription, an allotment confirmation specifying the number of units allotted by way of email and/ or SMS within 5 Business Days from the date of receipt of transaction request to the e-mail address and/or mobile number registered by the investor.

(ii) Thereafter, a Consolidated Account Statement ("CAS")^ for each calendar month to those Unit holder(s) in whose folio(s) transaction (s)** has/have taken place during the month. shall be sent by ordinary post / or e-mail (in case e-mail address is provided by the investor) on or before 15th of the succeeding month. The CAS shall be sent to the mailing address/ email available in the folio where the customer has last transacted (including non financial transaction).

^Consolidated Account Statement (CAS) shall contain details relating to all the transactions** carried out by the investor across all schemes of all mutual funds during the month and holding at the end of the month including transaction charges paid to the distributor.

**The word 'transaction' shall include purchase, redemption, switch, Payout of Income Distribution cum Capital Withdrawal Option/ IDCW (Payout), Reinvestment of Income Distribution cum Capital Withdrawal Option/IDCW (Reinvestment), systematic investment plan, systematic withdrawal plan, systematic transfer plan and bonus transactions.

(iii) For the purpose of sending CAS, common investors across mutual funds shall be identified by their Permanent Account Number (PAN). The CAS shall not be sent to the Unit holders for the folio(s) not updated with PAN details.

For folios without a valid PAN, the AMC may send account statements on a monthly basis.

(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.

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.

In case of investment though New Fund offers ("NFOs"), investors will receive the allotment confirmation from the AMC within the stipulated time.

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 take note of the following regarding dispatch of account statements:

a. 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.

b. For folios not included in the Consolidated Account Statement (CAS), the AMC shall henceforth 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. In case of a New Fund Offer Period (NFO), the AMC shall send confirmation specifying the number of units allotted to the applicant by way of a physical account statement or an email and/or SMS to the investor's registered address and/or at email id/mobile number, not later than five business days from the date of closure of the NFO.

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. Investors are requested to note the changes regarding dispatch of Account Statements to the investors for the transactions done by them in any of the schemes of the Fund, on or after February 01, 2015.

1. Investors not holding units in Demat Account:

Based on the PAN of the investors, for each calendar month, Consolidated Account Statement (CAS) shall be dispatched by the Asset Management Companies (AMC)/Registrar & Transfer Agent (RTA) within 15th day of the succeeding month to the investors in whose folio transactions have taken place during that previous month.

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

2. Investors holding units in Demat Account:

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

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

In case of statements which are currently being dispatched by email to the investors, the CAS shall continue to be sent through email. In case the investor does not wish to receive the CAS by email, option will be given to the investors to receive the same in physical form, at the address registered in the Depository system. In case no email id is provided, the statements will be sent in physical form.

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

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

SEBI vide its circular no. SEBI/HO/IMD/DF2/CIR/P/2016/42 dated March 18, 2016 and circular no. SEBI/HO/IMD/DF2/CIR/P/2016/89 dated September 20, 2016, 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 service 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.

Deduction of transaction charges for investments through distributors/agents:

Vide SEBI 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, JM Financial Asset Management Ltd. (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 SEBI circular no. Cir/IMD/DF/21/2012 dated September 13, 2012, effective November 1, 2012 distributors shall also 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) 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).

REDEMPTION/SWITCH OUT OF UNITS

There is no minimum or maximum amount / units required for redemption. The investor is free to redeem any or all units outstanding in his/her/their folio.

However, in case of switch transaction, the minimum investment provisions of the switch-in scheme/plan i.e. for fresh/additional purchase, shall continue to be applicable. In the event of failure to meet the requirement of switch-in scheme/plan, such switch requests will be treated as cancelled/rejected.

A Unit holder has the option to 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). Alternatively, a Unit holder can request closure of his account, in which case the entire unit balance lying to the credit of his account will be redeemed.

The number of Units so redeemed will be subtracted from the Unit holder's account and a statement to this effect will normally be dispatched within three Business Days from the date on which the redemption request is affected.

If 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.

Further, all switch funding shall be in line with redemption funding timelines adopted by the concerned scheme i.e. if a scheme follows T+3 payout for redemption, the switch out funding will also be made on T+3 and not earlier or later than T+3, where T is the day of valid transaction received before the stipulated cut off time.

Clarification regarding deduction of STT at the time of processing the "amount based redemptions/ switch out"

The AMC will process the amount based redemption/switch-out/STP-out/SWP request of the investor by redeeming / switching out the units equivalent to the value desired in the request in addition to the applicable STT (if any), thereon. However, in case of Non-resident investors, the AMC will also deduct the applicable Withholding Tax (TDS) from the gross redemption/ switch out proceeds.

A. Units held in Physical form for All schemes

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 Investor Service Centers (ISC) of Registrar & Transfer Agent M/s KFin Technologies Private Limited or JM Financial Asset Management Limited latest by 3.00 pm 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 all schemes other than liquid schemes. NAV of the calendar day prior to next business day would be applied for redemption cases under Liquid Schemes if transactions are time-stamped upto the cut-off time.

B. Units held in Dematerialised (Demat) form

a. Redemption Procedure:

The investors who hold units in demat form and wish to redeem their units will have to take following steps:

1. Investors will have to approach their DP (Depository Participants) where Demat Account is being held.
2. Investors will have to submit duly filled-in and signed Redemption/Repurchase Request Form (RRF) available with respective DPs. Normally, these RRF may be available on the websites of respective DPs e.g. Banks etc. As the format of RRF may be different with every DP, the investors are advised to use the RRF procured from their own DP to avoid rejections/delays. The ISIN of the scheme/plan/sub-plan is printed on the Statement of Account issued to investors .

3. The investors are required to submit 3 copies of RRF to their DPs. One copy of the RRF is used by the DP for issuing acknowledgement to investors whereas the second copy of the RRF will be forwarded by the DP to the Head Office of the respective RTA i.e M/s KFin Technologies Private Limited. The third copy will be retained by the DP for their own records.
4. Based on the receipt of RRF, if found in order, the DP concerned generates Electronic Redemption Requests and blocks the units applied for redemption in the NSDL/CDSL system immediately. After this, the investor will not be able to transfer the blocked units to anyone (i.e. cannot transfer to anyone).
5. The Electronic Requests generated up to the stipulated cut off time which is currently 3.00 p.m every day by DPs shall get transmitted from NSDL / CDSL to respective Registrars of Mutual Fund by 4 pm.
6. All such Electronic Requests transmitted by NSDL / CDSL by 4 pm everyday are updated in the system at Registrar's end i.e. M/s KFin Technologies Private Limited 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 10 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 the Fortnightly/ Monthly Transaction Statement.

b. Switch transactions for Demat Holders

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

Rejection Of Redemption/ Switch Transactions Under Non-Pan Exempt Folios Without Pan

Investors of all the schemes of JM Financial Mutual Fund ("JM MF") are requested to note that PAN is required mandatorily for all transactions in the securities market (including Mutual Fund investments) as per various circulars issued by SEBI (viz. SEBI circulars no. MRD/DoP/Cir-05/2007 dated April 27, 2007; circular no. MRD/DoP/Cir-20/2008 dated June 30, 2008; and circular no. ISD/AML/CIR-1/2010 dated February 12, 2010).

In order to comply with the above SEBI guidelines, the redemption/switch transactions received without PAN in respect of non-PAN-exempt folios shall be rejected in case the copy/ies of the PAN Card has/have not been submitted earlier or alongwith the redemption/ switch transactions in respect of any/all the unitholders/Guardian in case of minor/Power of Attorney holder in respective folios subject to the following:

i. The payment of redemption proceeds will be kept on hold till the PAN is validated by the Registrar from Income Tax Depatment if PAN copy is received along with the redemption transaction and will only be released after the validation of PAN.
ii. In the event of any existing or newly updated PAN having been found to be an invalid one, all the financial transactions from the respective folio will be rejected and reversed.

The Unitholder/s who have not provided the copy/ies of PAN Card to JM MF or not completed the KYC process at the time of investing in any of the Schemes of JM MF are advised to provide their copy/ies of PAN card in respect of all the above mentioned holders of the folio by using 'KYC Change Request Form', which is available on the website of JM MF.

The said requirement for submission of PAN will also be mandatory for the online redemption/ switch transactions.

Mandatory Updation of Know Your Customer (KYC) requirements for processing of mutual fund transactions.

Investors of all the schemes of JM Financial Mutual Fund ("JM MF") are requested to note that, it is mandatory to complete the KYC requirements for all unit holders, including for all joint holders and the guardian in case of folio of a minor investor.

Accordingly, the financial transactions (including redemptions, switches and all types of systematic plans) and the non-financial requests will not be processed if the unit holder/s has/have not completed KYC requirements.

Unit holders are advised to use the applicable KYC Form for completing the KYC requirements and submit the form at the point of acceptance. Further, upon updation of PAN details with the KRA (KRA-KYC)/ CERSAI (CKYC), the unit holders are requested to intimate us/our Registrar and Transfer Agent, M/s. KFin Technologies Private Limited about their PAN information along with the folio details for updation in our records.

Investors are requested to note the above shall be applicable w.e.f. February 28, 2020 for all normal transactions (including redemptions) and w.e.f. March 13, 2020 for SIP transactions.

REDEMPTION/MATURITY PAYMENTS

All redemption payments would be in favour of the Unit holders registered name with bank mandate wherever applicable. The Fund will endeavour to dispatch the redemption cheque/draft within 10 Business Days from the date of receipt of valid form for redemption. In case the bank mandate given by the unit holder corresponds with banks with which the Fund / AMC has tie-up facilities / arrangements, the redemption amount will be automatically credited to the unit holder's bank account unless the unit holder has given some other specific payment instructions.

The sale and repurchase price of the units shall be calculated as per the Regulation which is illustrated elsewhere in the SID.

SUSPENSION OF PURCHASE, REDEMPTION AND SWITCHING OF UNITS

Repurchase and redemption of Units in any or all the schemes may be suspended temporarily or indefinitely when any of the following conditions exist:

i. BSE/NSE stops functioning or trading is restricted;

ii. Period of extreme volatility in the stock market, which in the opinion of the AMC is prejudicial to the interest of the Unit holders;

iii. A complete breakdown or dislocation of business in the major financial markets or breakdown in the means of communication used for the valuation of investments in the Scheme, without which the value of the securities held in the Scheme cannot be accurately calculated;

iv. In the event of any force majeure or disaster that affects the normal functioning of the AMC or the ISC;

v. Declaration of war or occurrence of insurrection, civil commotion or any other source or sustained financial political or industrial emergency or disturbance;

vi. SEBI / any other regulatory/ Judicial authority by order so permits; or

vii. On a requisition made by three-fourths of the Unit holders.

viii. Any other such reason as decided by the AMC/ Trustee in order to protect the interest of existing investors.

The AMC reserves the right in its sole discretion to withdraw the facility of repurchase of Units temporarily or indefinitely, if the AMC, views that changing the size of the corpus further may prove detrimental to the existing Unit holders of the Scheme.

However, the suspension of repurchase/ switch either temporarily or indefinitely will be made applicable only after approval of the Boards of the AMC and Trustee. The approval from the Boards of the AMC and Trustee giving details of circumstances and justification for the proposed suspension will also be informed to SEBI in advance. An offer to purchase units is not binding on and may be rejected by AMC, unless it has been confirmed in writing by the AMC, and payment has been received.

The AMC may restrict or refuse an application for investments if it perceives that the same may have a potentially detrimental effect to the interests of the Scheme, in particular a pattern of investments that may coincide with the market timing strategy that may be detrimental to the Scheme.

Restriction on redemption in Mutual Funds:

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

SEBI vide its circular no. SEBI/HO/IMD/DF2/CIR/P/2016/57 dated May 31, 2016 has laid down the criteria and the conditions in case AMC's wish to impose restrictions on redemptions.

Vide the said circular, SEBI has advised that:

1) Restriction may be imposed when there are circumstances leading to a systemic crisis or event that severely 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:
   a. Redemption requests upto Rs. 2 lakh shall not be subject to such restriction.
   b. Where redemption requests are above Rs. 2 lakh, JMF AMC shall redeem the first Rs. 2 lakh without such restriction and remaining part over and above Rs. 2 lakh, shall be subject to restriction, as may be imposed.

POSSIBLE DEFERRAL OF REDEMPTION/REPURCHASE REQUESTS

The Fund will endeavour to ensure that the Scheme has sufficient liquidity to enable the repurchase cheques to be collected/dispatched within the deadline stated in the foregoing clause. However where the Scheme is obliged to arrange for the disposal of the underlying securities/ borrow, in order to satisfy redemption/repurchase requests, unit holders may experience some delays in receiving repurchase cheques, reflecting the time involved in settling the underlying sales of securities/borrowing. However the Fund will ensure that the collection/ dispatch of repurchase cheques is not delayed beyond ten business days (when the Fund is open for business) from the date of receipt of the repurchase request in accordance with Regulation 53(b) of the Regulations.

AMOUNT SET-OFF

The AMC reserves the right to debit / set-off dividend amounts, redemption amounts or any other amounts payable under the Scheme against redemption proceeds which have been paid by the Fund / AMC in lieu of units created without realization of the subscription amounts and/ or against any excess payments made to such investor under the Scheme or under any other scheme of the Fund managed by the AMC in the

same folio or any other folio in the Fund. In case of redemption amounts/ excess payments made by cheques and/or by way of direct credit or by any payment instrument/mechanism, the set-off would be done by the AMC / Fund whether the cheques have been encashed or not.

Further to the provisions of Section 138 of the Negotiable Instruments Act, 1881, where a cheque/payment instrument drawn and given to the Fund by an unit holder / investor towards subscription amounts under this Scheme or under any other scheme of the Fund is returned by the bank unpaid and units are created without the realization of the subscription amounts, the AMC / Fund shall reserve the right to debit / set-off dividend amounts, redemption amounts or any other amounts payable under the Scheme or under any Scheme of the Fund managed by the AMC in the same folio or any other folio in the Fund, in lieu of the loss suffered by the AMC/ the Fund due to interest paid on borrowed funds / excess withdrawal of the amount and the resultant difference in NAV arising out of revertal of units so created due to non-realization of the subscription cheque/ payment instrument.

In addition to the above and further to the provisions of Section 138 of the Negotiable Instruments Act, 1881, where a cheque/ payment instrument drawn and given to the Fund by an unit holder / investor towards subscription amounts under this Scheme or under any other scheme of the Fund is returned by the bank unpaid and units are created without the realization of the subscription amounts, the AMC / Fund shall reserve the right to debit / set-off brokerage amounts, incentive amounts or any other amounts payable under the Scheme or under any Scheme of the Fund managed by the AMC in the same folio or any other folio in the Fund to the broker / distributor who has mobilized the subscription of such defaulting unit holder / investor, in lieu of the loss suffered by it due to interest paid on borrowed funds / excess withdrawal of the amount and the resultant difference in NAV arising out of revertal of units so created due to non-realization of the subscription cheque.

ALL THE FOREGOING IS WITHOUT PREJUDICE TO THE LEGAL RIGHTS AVAILABLE TO THE AMC/FUND UNDER THE NEGOTIABLE INSTRUMENTS ACT, 1881 AND ANY OTHER STATUTORY ENACTMENT IN FORCE FROM TIME TO TIME.

CLOSURE OF UNIT HOLDER'S ACCOUNT

The AMC at its sole discretion may close a unit holder's account if the value of units (represented by the units in the unit holder's account if such repurchase were to take place, valued at the applicable NAV related price) of any part of repurchase and/or Systematic Withdrawal/Switch Plan, falls below the minimum investment/balance required for each scheme (or such other amount as the AMC may decide from time to time) or where the units are not held by a unit holder in terms of SEBI guidelines.

INVESTOR SERVICING

Response Time

Following will be the response time for the Fund with regard to various investor services, provided the Unit holder furnishes the Fund with all the required correct and complete supporting legal documents.

Initial Offer Activity	**Response Time**
Mailing/Despatch of Account Statement/ Allotment Advice/ Communication through SMS/ E-mail.	Within 5 business days from date of closure of subscription list.
Ongoing Activity	**From date of receipt of request**
Despatch of Account Statement. Communication through SMS/ E-mail.	The Fund will endeavour to sent confirmation specifying the number of units alloted within 5 business days.
Consolidated Account Statement detailing transactions taken place during the month	15th of the succeeding month.
Redemption proceeds	The Fund will endeavour to dispatch the redemption cheque / draft within 10 business days from the date on which the redemption transaction is affected.
Address change for Non-KYC cases.	Within 10 business days
Ownership Transfer/Transmission	Within 30 business days
Dividend	within 15 days from the record date

These response times will be effective from the date of receipt of documents, complete in all respects at the office of the Registrar and Transfer Agents.

The Fund will strive on best efforts basis, endeavour to provide quality services to its investors by:

1. extensively using technological tools in rendering unit holder service i.e. The Fund will endeavour to send the Account Statements (on account of financial and/or non-financial transactions) e.g., allotment of units in lieu of distribution of periodic dividend, besides periodic information etc. by way of e-mail, which is speedier. Other financial transactions (subscription of units) may also be conveyed to the unit holders by way of e-mail (if email id is provided) subject to such safeguards the Fund may deem necessary.
2. providing unit holder service through its centers. Unit holders' enquiries and transactions during business hours will be entertained at the AMC's centres. Unit holders/investors can also write/e-mail/contact them at the AMC's Corporate Office at Mumbai. The AMC already has its service centres at various locations to handle unit holder enquiries and transactions, besides providing a high degree of convenience to the unit holders.
3. making available an Investor Relations personnel of the AMC on any business day between normal official hours of the AMC for personal meeting with any unit holder, to attend to any query related to investment needs of a unit holder, resolve any unit holder service related queries through the Registrar and to provide such other services that the unit holder desires.

For KYC - KRA cases, investors are requested to contact their respective KRAs.

SIGNATURE VERIFICATION/ INDEMNITY

The AMC may insist on signature verification by a bank manager or a notary public or a magistrate or any other party acceptable to the Fund, in the following transactions :

- Redemption of Rs.10,000,000/- or more from an individual/joint holder account
- If the redemption cheque is payable to other than the unit holder, the sponsor or its affiliates/associates.
- To make a dividend sweep from a folio/account with joint holders to a folio/account with only one holder or different joint holders.
- To change ownership of a folio/account.
- To change bank account information designated under an existing plan
- To have a redemption cheque mailed to an address other than the addresses on the folio/account or to the address on the folio/account if it has been changed within the preceding month
- To switch among folios with different ownership
- To change or introduce nomination/appointment of beneficiary, if the ownership of the folio/account has been changed within the preceding month.

ASSOCIATE TRANSACTIONS

Brokerage paid to associates/related parties/group companies of sponsor/AMC

Period - April 2020 to March 2021

Name of associate/related parties/group companiesof sponsor/AMC	Nature of Association/ Nature of Relation	Value of Transaction (Rs. in cr. & % of total value of transaction of the fund)		Brokerage (Rs. in cr. & % of total brokerage paid by the fund)	
		Amount (In. Cr.)	%	Amount (In. Cr.)	%
JM Financial Institutional Securities Limited $	Group company of sponsor	75.39	0.14	0.07	4.77
JM Financial Services Limited	Group company of sponsor	-	-	-	-

Period - April 2019 to March 2020

Name of associate/related parties/group companiesof sponsor/AMC	Nature of Association/ Nature of Relation	Value of Transaction (Rs. in cr. & % of total value of transaction of the fund)		Brokerage (Rs. in cr. & % of total brokerage paid by the fund)	
		Amount (In. Cr.)	%	Amount (In. Cr.)	%
JM Financial Institutional Securities Limited	Group company of sponsor	1,376.20	0.93	0.24	2.45
JM Financial Services Limited	Group company of sponsor	-	-	-	-

Period - April 2018 to March 2019

Name of associate/related parties/group companiesof sponsor/AMC	Nature of Association/ Nature of Relation	Value of Transaction (Rs. in cr. & % of total value of transaction of the fund)		Brokerage (Rs. in cr. & % of total brokerage paid by the fund)	
		Amount (In. Cr.)	%	Amount (In. Cr.)	%
JM Financial Institutional Securities Limited $	Group company of sponsor	2,848.60	1.08	0.42	2.67
JM Financial Services Limited	Group company of sponsor	542.21	0.21	0.11	0.68

$ JM Financial Institutional Securities Ltd merged with JM Financial Ltd.

The above transactions have been executed and completed during normal course of business of JM Financial Mutual Fund. These transactions have not impacted the performance of the schemes other than the normal market related impact.

Subscription in issues lead managed by associate companies

S.No	Name of the Company	Financial Year	Alloted Amount in Rs. Crs
1	HDFC Bank Limited	2018-19	9.99
2	HDFC AMC	2018-19	1.98
3	UTI Asset Management Limited	2020-21	6.18

JM Financial Mutual Fund has made the following investments in Companies which hold/have held units in excess of 5% of the net assets of any schemes of JM Financial Mutual Fund.

Name of Company (Investor)	Scheme in which investment is made in securities by the Company	Scheme by which investment is made in Securities by the Company	Aggregate investment by scheme in securities of the Company during the specified period (Rs. in lakhs)	Aggregate investment outstanding as on November 30, 2021. at market value (Rs.in Lakhs)
Adani Ports and SEZ Ltd	JM Overnight Fund	JM Liquid Fund	66,520.86	4,984.91
		JM Arbitrage Fund	1,002.66	487.24
		JM Equity Hybrid Fund	1,118.47	-
		JM Large Cap Fund	2,988.24	-
		JM Overnight Fund	2,649.13	-
		JM Money Market Fund	396.72	-
ICICI Bank Ltd	JM Large Cap Fund	JM Value Fund	149.85	588.62
		JM Core 11 Fund	429.95	410.75
		JM Liquid Fund	30,237.80	-
		JM Arbitrage Fund	1,716.26	-
		JM Equity Hybrid Fund	9,111.39	21.43
		JM Large Cap Fund	33,142.31	262.07
		JM Dynamic Debt Fund	2,747.48	-
		JM Ultra Short Duration Fund	197.70	-
		JM Money Market Fund	199.83	-
		JM Low Duration Fund	992.31	-
ICICI Home Finance (Subsidiary of ICICI Bank Ltd)	JM Large Cap Fund	JM Liquid Fund	9,988.54	-
ICICI Lombard Gen Ins Co Ltd (Subsidiary of ICICI Bank Ltd)	JM Large Cap Fund	JM Value Fund	263.92	200.70
		JM Core 11 Fund	351.23	-
		JM Large Cap Fund	127.95	123.61
		JM Tax Gain Fund	40.34	-
ICICI Prudential Life Ins Ltd (Subsidiary of ICICI Bank Ltd)	JM Large Cap Fund	JM Value Fund	324.47	-
		JM Arbitrage Fund	232.86	-
		JM Large Cap Fund	342.83	-
		JM Flexicap Fund	350.18	-
		JM Tax Gain Fund	69.68	-
ICICI Securities Ltd. (Subsidiary of ICICI Bank Ltd)	JM Large Cap Fund	JM Value Fund	230.05	276.33
		JM Liquid Fund	45,860.38	2,497.68
		JM Large Cap Fund	1,499.15	-
		JM Overnight Fund	2,498.56	-
		JM Tax Gain Fund	54.27	106.14

Investments by the schemes in the above companies have been made to achieve the investment objectives of the relevant schemes and considering long term prospects and / or yield on investments. Derivative positions and TREPS have not been considered for investment purpose.

Note - With effect from September 25, 2020, JM Ultra Short Duration Fund, JM Money Market Fund and JM Short Term Fund have been merged into JM Low Duration Fund.

JM Flexicap Fund - Formerly known as JM Multicap Fund.

Commission paid to associate or group companies, employees or their relatives towards procurement of subscription of Units:

Period - April 2020 to March 2021

Name of associate/related parties/group companies of sponsor/AMC	Nature of Association/Nature of Relation	Business given(Rs. in cr. & % of total Business^ received by the fund)		Commission paid# (Rs. in cr. & % of total commission paid by the fund)	
		Amount (In. Cr.)	%	Amount (In. Cr.)	%
JM Financial Services Limited	Group company of sponsor	7.16	2.05	1.09	19.93
M. A. Lalith Kumar	The distributor is a relative of an employee	-	-	0.00*	0.00**
Mukesh Chhaganlal Gandhi	The distributor is a relative of an employee	-	-	0.00*	0.01
Acuity Capital Management	The Propreitor of the firm is the relative of the employee	-	-	0.06	1.03

Period - April 2019 to March 2020

Name of associate/related parties/group companies of sponsor/AMC	Nature of Association/Nature of Relation	Business given(Rs. in cr. & % of total Business^ received by the fund)		Commission paid# (Rs. in cr. & % of total commission paid by the fund)	
		Amount (In. Cr.)	%	Amount (In. Cr.)	%
JM Financial Services Limited	Group company of sponsor	784.92	9.69	5.50	20.44
M. A. Lalith Kumar	The distributor is a relative of an employee	-	-	0.00*	0.00**
Acuity Capital Management	The Propreitor of the firm is the relative of the employee	20.39	0.25	0.06	0.22

Period - April 2018 to March 2019

Name of associate/related parties/group companies of sponsor/AMC	Nature of Association/Nature of Relation	Business given(Rs. in cr. & % of total Business^ received by the fund)		Commission paid# (Rs. in cr. & % of total commission paid by the fund)	
		Amount (In. Cr.)	%	Amount (In. Cr.)	%
JM Financial Services Limited	Group company of sponsor	2,984.48	15.18	2.68	11.03
M. A. Lalith Kumar	The distributor is a relative of an employee	-	-	0.00*	0.00**
Mukesh Chhaganlal Gandhi	The distributor is a relative of an employee	-	-	0.00*	0.00**

 # includes trail commission paid for earlier year's investments.

0.00* represents amount less than Rs. 1,00,000/- , wherever applicable.

0.00 represent % less than 0.01%, wherever applicable.**

Dealing with Associate Companies

The AMC may, from time to time, for the purpose of conducting its normal business, use the services (including Brokerage services and securities transactions) of the Sponsor, subsidiaries and associates of its Sponsor.

The AMC may utilise the services of Sponsor, group companies and any other subsidiary or associate company of the Sponsor established or to be established at a later date. The AMC will conduct its business with the aforesaid companies on commercial terms and on arms-length basis and at mutually agreed terms and conditions to the extent permitted under the SEBI Regulations, after evaluation of the competitiveness of the pricing offered by the Sponsor, associate companies and the services to be provided by them.

DOCUMENTS AVAILABLE FOR INSPECTION

The following documents will be available for inspection at the office of the Mutual Fund at Office B, 8th Floor, Cnergy, Appasaheb Marathe Marg, Prabhadevi, Mumbai - 400025. during business hours on any day (excluding Saturdays, Sundays and public holidays):

- Memorandum and Articles of Association of the AMC
- Investment Management Agreement
- Trust Deed and amendments thereto, if any
- Mutual Fund Registration Certificate

- Agreement between the Mutual Fund and the Custodian
- Agreement with Registrar and Share Transfer Agents
- Consent of Auditors to act in the said capacity
- Consent of Legal Advisors to act in the said capacity
- Securities and Exchange Board of India (Mutual Funds) Regulations, 1996 and amendments from time to time thereto.
- Indian Trusts Act, 1882.

INVESTOR COMPLAINTS REDRESSAL MECHANISM

Describe briefly the investors' complaints history for the last three fiscal years of existing schemes and the redressal mechanism thereof. The SAI should include data updated every two months on the number of complaints received, redressed and pending with the Mutual Fund.

The number of Complaints received from the Investors and redressed during 01.04.2018 to 30.11.2021.

Scheme	Received	Redressed	Pending
JM Arbitrage Fund	0	0	0
JM Equity Hybrid Fund	0	0	0
JM Value Fund*	1	1	2
JM Core 11 Fund - Series 1	0	0	0
JM Large Cap Fund	1	1	0
JM Dynamic Debt Fund	0	0	0
JM Liquid Fund	1	1	0
JM Low Duration Fund *	0	0	0
JM Flexicap Fund	0	1	0
JM Tax Gain Fund	1	1	0
JM Overnight Fund	0	0	0
JM Income Fund	0	0	0
Total	4	5	2

* - Includes figures of Merged schemes as well.

Notwithstanding anything contained in this Statement of Additional Information, the provisions of the SEBI (Mutual Funds) Regulations, 1996 and the guidelines thereunder shall be applicable.

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

INVESTOR SERVICE CENTERS (ISC) / OFFICIAL POINT OF ACCEPTANCE (OPA)

BRANCHES/Investor Service Centres : • AHMEDABAD: 201, SAMEDH complex, Next to Associated Petrol Pump, C. G. Road, Panchvati, Ahmedabad - 380 006. Tel.: (079) 26426620 / 26426630. • **BANGALORE:** 203, 2nd floor, City Centre, Off MG Road, Church Street, Bangalore 560 001 Tel.: (080) 40907317/19. • **CHANDIGARH:** B-4 Basement, SCO 22, Sector 33 D, Chandigarh - 160020 Tel: (0172) 4346431. • **CHENNAI:** 2nd Floor, Ruby Regency, Dinrose Estate, Opposite to Tarapore Towers, (Behind HP Petrol Pump) Old No. 69, Anna Salai, Chennai - 600 002. Tel.: (044) 28513257/28551259. • **HYDERABAD:** ABK OLBEE Plaza, 8-2-618/8 & 9, 2nd Floor, 204, Road No. 1, Banjara Hills, Hyderabad 500 034. Tel.: (040) 66664436 / 66780752. • **JAIPUR:** 343, 3rd Floor, Ganapati Plaza, MI Road, Jaipur - 302 001. Tel.: (0141) 4002188. • **KOLKATA:** 6, Little Russell Street, 8th Floor, Kankaria Estate, Kolkata - 700 071. Tel.: (033) 40062958/59/65/67. • **MUMBAI (Prabhadevi):** Office B, 8th Floor, Cnergy, Appasaheb Marathe Marg, Prabhadevi, Mumbai 400 025. Tel: 022- 61987777. • **NEW DELHI:** 601, 6th floor, Suryakiran Building, 19 K G Marg, Connaught Place, New Delhi - 110 001. Tel.: (011) 43616160. • **PUNE:** Office # 304 & 305, 4th Floor, "Amit Shreephal" Ghole Road, 1187/25 Shivajinagar, Next to Federal Bank, Pune- 411005. Tel: (020) 25511127/28.

Point of acceptance of RTA: Agra: KFin Technologies Pvt. Ltd. House No. 17/2/4, 2nd Floor, Deepak Wasan Plaza, Behind Hotel Holiday INN, Sanjay Place, Agra - 282002, Uttar Pradesh. Email: mfsagra@kfintech.com Tel.: 7518801801 • **Ahmedabad:** KFin Technologies Pvt. Ltd. Office No. 401, on 4th Floor, ABC-I, Off. C.G. Road, Ahmedabad - 380009. Gujarat Email: ahmedabadmfd@kfintech.com Tel: 9081903021, 9081903022 • **Ajmer:** KFin Technologies Pvt. Ltd. 302, 3rd Floor, Ajmer Auto Building, Opposite City Power House, Jaipur Road; Ajmer-305001 Rajasthan Email: mfsajmer@kfintech.com Tel: 0145- 5120725 • **Allahabad:** KFin Technologies Pvt. Ltd. Meena Bazar 2nd Floor, 10 S. P. Marg, Civil Lines, Subhash Chauraha, Allahabad - 211001, Uttar Pradesh Email: allahabadmfd@kfintech.com Tel.: 7518801803 • **Ambala:** KFin Technologies Pvt. Ltd. 6349, Nicholson Road, Adjacent Kos Hospitalambala Cant, Ambala-133001 Haryana Email: mfsambala@kfintech.com Tel: 7518801804 • **Amritsar:** KFin Technologies Pvt. Ltd. SCO 5, 2nd Floor, District Shopping Complex, Ranjit Avenue, City- Amritsar, Punjab, Pin Code - 143001 Punjab Email: mfsamritsar@kfintech.com Tel: 0183-5158158. • **Anand:** KFin Technologies Pvt. Ltd. B-42 Vaibhav Commercial Center, Nr TVS Down Town Shrow Room, Grid Char Rasta, Anand -380001 Gujarat Email: mfsanand@kfintech.com Tel: 9081903038 • **Aurangabad:** KFin Technologies Pvt. Ltd. Ramkunj Niwas, Railway Station Road, Near Osmanpura Circle, Aurangabad-431005 Maharashthra Email: mfsaurangabad@kfintech.com Tel: 0240-2343414 • **Bangalore:** KFin Technologies Pvt. Ltd. No 35, Puttanna Road, Basavanagudi, Bangalore - 560004. Email: bangaloremfd@kfintech.com Tel.: 080-26602852 • **Bareilly:** KFin Technologies Pvt. Ltd. 1st Floor, Rear Side, A -Square Building, 154-A Civil Lines, Opp. D. M. 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