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HIGHLIGHTS/SUMMARY OF THE SCHEME

- **Investment objective :** The Investment objective of the scheme is to generate investment returns by predominantly investing in S & P CNX Nifty Stocks and Nifty and its 50 constituents in the same weightages as its composition and through deployment of surplus cash in debt and money market instruments and derivative instruments.
- **Liquidity** : The Scheme being offered through this Scheme Information Document is an open ended Scheme. The Scheme will offer units for sale and repurchase at NAV based prices on all business days on an ongoing basis, commencing from 3rd February, 2009. The Fund will endeavour to dispatch the redemption cheque / draft within 10 business days from the date of acceptance of valid redemption request.
- **Benchmark:** S&P CNX Nifty Index
- **Transparency/NAV Disclosure** : NAVs will be determined at the close of every business day. The Scheme will disclose details of its portfolio on a half yearly basis. As presently required under the Regulations, a complete statement of the Scheme's portfolio will be published by the Mutual Fund as an advertisement in a newspaper within one month from the close of each half year (i.e. March 31st & September 30th) or mailed to the Unit holders.
- **Loads :**

  The load structure for JM Nifty Plus Fund is as follows

Plan	Entry Load	Exit Load
In case of investments < 3 crores	2.25%	1% if redeemed within 1 year of allotment / transfer/ conversion of units
In case of investments > = Rs. 3 crores	Nil	0.5% if redeemed within 3 months of allotment/transfer of units
In case of investments made through Systematic Investment Plan	2.25%	1% if redeemed within 1 years of allotment / transfer of units of respective installments.
In case of Systematic Transfer Plan	Nil	2.25% if redeemed within 2 years of allotment/transfer of units of respective installments

The Repurchase Price however, will not be lower than 93% of the NAV, and the Sale Price will not be higher than 107% of the NAV, provided that the difference between the Repurchase price and Sale price at any point in time shall not exceed the permitted limit as prescribed by SEBI from time to time which is presently 7% calculated on the Sale Price.

The Trustee reserves the right to modify/alter the load structure and may decide to charge an entry load/exit load or a combination of entry/exit loads or introduce a differential load structure on the Units with prospective effect, subject to the maximum limits as prescribed under the SEBI Regulations. At the time of changing the load structure, the AMC shall take the following steps:

a) The addendum detailing the changes shall be attached to Offer Documents and Key Information Memoranda. The addendum will be circulated to all the distributors so that the same can be attached to all Offer Documents and Key Information Memoranda already in stock. The addendum shall also be sent alongwith the newsletter sent to the Unitholders immediately after the changes.

b) Arrangements shall be made to display the changes/modifications in the Offer Document in the form of a notice in all the JM ISCs' and distributors' offices.

c) The introduction of the exit load alongwith the details shall be stamped in the acknowledgement slip issued to the investors on submission of the application form and may also be disclosed in the statement of accounts issued after the introduction of such load.

d) The Fund shall arrange to display a notice in the JM ISCs at least 1 (one) day before the change of the then prevalent load structure.

Depending upon the circumstances prevailing at any point of time, the AMC may also charge an entry/exit load for switch of units between the Growth Plan and Dividend Plan or between the various Options under the Dividend Plan of the Scheme and/ or switch over load. The AMC may also change the load from time to time and in the case of an exit/repurchase load this may be linked to the period of holding, while in case of entry load this may be linked to the amount of investment. The load charged could also be different as regards the amount/tenor of investment, etc. The switchover load may be different for different plans/ options and the switchover load may be different from the entry and/or exit load charged for sale and/or repurchase units. It may be noted that any such change in the load structure shall be applicable on prospective investment only.

No entry load will be charged on the units created out of re-investment of dividend and no exit load will be charged on dividend swept out of the Scheme to any other Scheme. No entry /exit load will be charged on bonus units. Entry and/or exit load may be waived and/or lower at the discretion of the AMC for the following:

Å Small balance amounts being redeemed

Å Through Systematic Investment/Withdrawal/Switch Plans (subject to limits) for corporate employees.

No entry load in case of direct applications: SEBI vide its circular SEBI/IMD/Circ. No. 10/112153/07 dated December 31, 2007 has mandated that no entry load shall be charged for direct applications received by the AMC.

In accordance with the above, no entry load will be charged for:

Å direct applications received by the AMC (i.e applications not routed through any distributor/agent/broker)

Å applications received through internet on the AMCîs website

Å submitted to the AMC or its ISCs or its Collection Centers

The provision for no entry load is applicable for additional purchases (including SIPs) made by the investor directly under the same folio and switch-in (including STPs) to a scheme from other schemes if such transaction is done by the investor without routing through any Distributor/Agent/Broker i.e Direct Application.

Additional purchases (including SIPs) without broker code will be treated as direct. Any request for any modifications in the existing transaction/through fresh transaction slip should be duly signed by the investor(s) failing which no cognizance will be taken of such modification.

In order to be treated as a direct application, investors should

Å ensure that the broker code column in the application form/ transaction slip is not left blank.

Å broker code, if printed on the forms, should be struck off and countersigned by the investor while indicating that it is a direct application.

The list of ISCs of the AMC are available in this Offer Document and on the website of the Mutual Fund.

NO LOAD ON BONUS UNITS AND UNITS ALLOTTED ON REINVESTMENT OF DIVIDEND

In accordance with SEBI Circular SEBI/IMD/CIR No. 14/120784/08 dated March 18,2008, the AMC shall not charge entry as well as exit load on Bonus units and on units allotted on reinvestment of Dividend.

The Fund/AMC shall retain the load in the Scheme in a separate account and use it to cover the cost of raising/redeeming units on a continuous basis by way of providing redemption/distribution related services to the Fund relating to the sale, promotion, advertising and marketing of the units of the Scheme and costs associated with liquidating the Fund's investment securities, including payments for postage and also payments to brokers for their services in connection with the redemption/distribution of the units. Surplus of load, if any, charged over planned marketing and distribution expenses will be credited to the respective plans whenever felt appropriate by the AMC.

Å **Choice of investment plans / options ð**

The Scheme will offer investors the following investment plans / options :

(i) Growth Option and (ii) Dividend Option

The Dividend Option will offer investors the facilities of :

(a) Dividend Payout, (b) Dividend Reinvestment

Both the options will have common portfolio.

Å **Minimum Application Amount**

Minimum amount of Rs. 5,000/- per Plan / Option and in multiples of any amount thereafter in case of first time investments. For ongoing investments in an existing folio the investment would be Rs. 1,000/- and in multiples of any amount thereafter. However, there is no upper limit for investment.

The minimum investment is applicable at the respective Plans/Sub-plans/Options/ Sub-options level i.e. Growth, Dividend and will be considered after taking into account permissible DD charges.

Å **Minimum Redemption Amount**

Minimum redemption from existing Unit Accounts would be Rs. 500 or 50 units Any redemption in excess thereof may be in multiples of Re.1/- subject to keeping minimum balance of Rs. 5000 or 500 units, whichever is less.

In the event of remaining balance (for investment other than through SIP/STP/SWP falling below the minimum balance of 500 units or Rs.5000 (Which ever is less) while processing redemption/switch requests, the entire outstanding units will

be redeemed.

In case of difference in the amount and units mentioned in any request for Redemption/ Switch, the lower of the two on rupee equivalent basis on the Transaction/ applicable NAV date will be considered by the AMC. In the event of investor not having filled in the Amount/ Units in the Transaction Slip, the AMC will redeem/ switch out all the outstanding units in case the Scheme, Plan, Option are clearly mentioned.

Å **Tax benefits** - Tax benefits to the unitholders under Section 112 of the I.T. Act.

Å **Earnings of the Fund** – Earnings of the fund are totally exempt from income tax under Section 10(23D) of the I.T. Act.

Repatriation facility

NRIs and FIIs may invest in the Scheme on a full repatriation basis as per RBI notification no. FEMA 20/2000 dated May 3, 2000.

The AMC may add to or otherwise amend either all or any of the terms of the Scheme, by duly complying with the guidelines of and notifications issued by SEBI/GOI/any other regulatory body that may be issued from time to time subject to the prior approval of SEBI, if required. In case the scheme is launched in the first half of a financial year, the SID shall be updated within 3 months from the end of the financial year. However, for the schemes launched in the second half of the financial year, SID shall be updated within 3 months of the end of the subsequent financial year. Thereafter the SID shall be updated every year. In case of change in fundamental attributes in terms of Regulation 18(15A) SID shall be revised and updated immediately after completion of duration of exit option. Till the time the offer document is revised and reprinted, an addendum giving details of each of the changes shall be attached to offer document and abridged offer document and circulated to all the distributors/brokers so that the same can be attached to all offer documents already in stock. The AMC will also circulate the addendum/amendment to the unitholders along with the newsletter sent to them. Arrangements will also be made to provide changes in the offer document in the form of a notice/any other manner in/at all the investor service centers'/distributors'/ office.

1.0 INTRODUCTION

A. RISK FACTORS

Standard Risk Factors:

Å Investment in Mutual Fund Units involves investment risks such as trading volumes, settlement risk, liquidity risk, default risk including the possible loss of principal.

Å As the price / value / interest rates of the securities in which the scheme invests fluctuates, the value of your investment in the scheme may go up or down

Å Past performance of the Sponsor/AMC/Mutual Fund does not guarantee future performance of the scheme.

Å The name of the scheme does not in any manner indicate either the quality of the scheme or its future prospects and returns.

Å The sponsor is not responsible or liable for any loss resulting from the operation of the scheme beyond the initial contribution of 1 Lac made by it towards setting up the Fund.

Å The present scheme is not a guaranteed or assured return scheme

Scheme Specific Risk Factors

Risk related to Equity & Equity related securities

Trading volumes, settlement periods and transfer procedures may restrict the liquidity of the investments in equity and equity related securities. Different segments of the Indian financial markets have different settlement periods and such periods may be extended significantly by unforeseen circumstances leading to delays in receipt of sale proceeds. The NAVs of the units of the Scheme can go up or down because of various factors that affect the capital markets in general. Macroeconomic factors like changes in tax rates, political uncertainties, changes in government regulations etc. and industry specific factors like competition, demand supply, etc. could impact the performance of the companies in which the Scheme invests.

Derivative Risks

In the derivative markets there are risk factors and issues concerning the use of derivatives that investors should understand. Derivatives require the maintenance of adequate controls to monitor the transactions entered into, the ability to assess the risk

that a derivative adds to the portfolio and the ability to manage the risks as a result of the failure of the counterparty to comply with the terms of the derivative contract. Other risks in using derivatives include the risk of mispricing or improper valuation of derivatives, credit risk where the danger is that of a counterparty failing to honour its commitment, liquidity risk where the danger is that the derivatives cannot be sold at prices that reflect the underlying assets, rates and indices and price risk where the market price may move in adverse fashion.

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

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

SEBI vide its circular no. DNPD/Cir-29/2005 dated September 14, 2005 as amended by circular nos. DNPD/Cir-30/2006 dated January 20, 2006 and DNPD/Cir-31/2006 dated September 22, 2006 has specified position limits in index futures, index options, stock options and stock futures contracts for Mutual Funds.

i. Position limit for the Mutual Fund in equity index options contracts

(a) The Mutual Fund position limit in equity index options contracts on a particular underlying index shall be higher of Rs. 500 crores or 15% of the total open interest of the market in equity index options.

b) This limit would be applicable on open positions in all options contracts on a particular underlying index.

ii. Position limit for the Mutual Fund in equity index futures contracts:

(a) The Mutual Fund position limit in equity index futures contracts on a particular underlying index shall be higher of Rs. 500 crores or 15% of the total open interest of the market in equity index futures.

b) This limit would be applicable on open positions in all futures contracts on a particular underlying index.

iii. Additional position limit for hedging

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

a) Short positions in index derivatives (short futures, short calls and long puts) shall not exceed (in notional value) the Mutual Fund's holding of stocks.

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

The Mutual Fund position limit in a derivative contract on a particular underlying stock i.e. stock option contracts and stock futures contracts has been modified in the following manner:-

1. For stocks having applicable market-wise position limit ("MWPL") of Rs. 500 crores or more, the combined futures and options position limit shall be 20% of applicable MWPL or Rs. 300 crores, whichever is lower and within which stock futures position cannot exceed 10% of applicable MWPL or Rs. 150 crores, whichever is lower.

2. For stocks having applicable MWPL less than Rs. 500 crores, the combined futures and options position limit would be 20% of applicable MWPL and futures position cannot exceed 20% of applicable MWPL or Rs. 50 crores whichever is lower.

In case the Fund exhausts the above limits at the Fund level, the Scheme may not be able to take advantage of the arbitrage opportunities available for that particular stock.

Interest Rate Risk

As with all debt securities, changes in interest rates will affect the NAVs of the Scheme as the prices of securities generally increase as interest rates decline and generally decrease as interest rates rise. Prices of long term securities generally fluctuate

more in response to interest rate changes than of shorter-term securities. Interest rate movements in the Indian debt markets can be volatile leading to the possibility of large price movements up or down in debt and money market securities and thereby to possibly large movements in the NAV.

Liquidity or Marketability Risk

This refers to the ease at which a security can be sold at or near its true value. The primary measure of liquidity risk is the spread between the bid price and the offer price quoted by a dealer. Liquidity risk is characteristic of the Indian fixed income market. Trading volumes, settlement periods and transfer procedures may restrict the liquidity of some of these investments. Different segments of the Indian financial markets have different settlement periods, and such periods may be extended significantly by unforeseen circumstances. The length of time for settlement may affect the Scheme in the event it has to meet an inordinately large number of redemption or of restructuring of the Scheme's investment portfolio.

Credit Risk

Credit risk or default risk refers to the risk that an issuer of a fixed income security may default (i.e., will be unable to make timely principal and interest payments on the security). Because of this risk, debentures are sold at a yield spread above those offered on treasury securities which are sovereign obligations and generally considered to be free of credit risk. Normally, the value of a fixed income security will fluctuate depending upon the actual changes in the perceived level of credit risk as well as the actual event of default.

Redemption Risk

As the liquidity of the investments made by the Scheme could, at times, be restricted by trading volumes and settlement periods, the time taken by the Mutual Fund for redemption of Units may be significant in the event of an inordinately large number of redemption requests or a restructuring of the Scheme.

Stock Lending

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

Risks associated with Short Selling and Securities Lending -

The risks in lending portfolio securities, as with other extensions of credit, consist of the failure of another party, in this case the approved intermediary, to comply with the terms of agreement entered into between the lender of securities i.e. the Scheme and the approved intermediary. Such failure to comply can result in the possible loss of rights in 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.

Reinvestment Risk

This risk refers to the interest rate levels at which cash flows received from the securities in the Scheme or from maturities in the Scheme are reinvested. The additional income from reinvestment is the "interest on interest" component. The risk is that the rate at which interim cash flows can be reinvested will fall.

Risk analysis on underlying asset classes in securitisation

Generally the following asset classes for securitisation are available in India :

(a) Commercial Vehicles

(b) Auto and Two wheeler pools

(c) Mortgage pools (residential housing loans)

(d) Personal Loan, credit card and other retail loans

(e) Corporate loans/receivables

In terms of specific risks attached to securitisation, each asset class would have different underlying risks, however, residential mortgages are supposed to be having lower default rates as an asset class. On the other hand, repossession and subsequent recovery of commercial vehicles and other auto assets is fairly easier and better compared to mortgages. Some of the asset classes such as personal loans, credit card receivables, etc., being unsecured credits in nature, may witness higher default rates. As regards corporate loans/receivables, depending upon the nature of the underlying security for the loan or the nature of the receivable the risks would correspondingly fluctuate. However, the credit enhancement stipulated by rating agencies for such asset class pools is typically much higher and hence their overall risks are comparable to other AAA rated asset classes. The rating agencies have an elaborate system of stipulating margins, over collateralisation and guarantees to bring risk limits in line with the other AA rated securities.

The risks associated with the underlying assets can be described as under :

Credit card receivables are unsecured. Automobile / vehicle loan receivables are usually secured by the underlying automobile / vehicle and sometimes by a guarantor. Mortgages are secured by the underlying property. Personal loans are usually unsecured.

Corporate loans could be unsecured or secured by a charge on fixed assets / receivables of the company or a letter of comfort from the parent company or a guarantee from a bank / financial institution. As a rule of thumb, underlying assets which are secured by a physical asset / guarantor are perceived to be less risky than those which are unsecured. By virtue of this, the risk and therefore the yield in descending order of magnitude would be credit card receivables, personal loans, vehicle /automobile loans, mortgages and corporate loans assuming the same rating.

Some of the factors, which are typically analyzed for any pool are as follows :

Size of the loan : generally indicates the kind of assets financed with loans. Also indicates whether there is excessive reliance on very small ticket size, which may result in difficult and costly recoveries. To illustrate, the ticket size of housing loans is generally higher than that of personal loans. Hence in the construction of a housing loan asset pool for say Rs.10,000,000/- it may be easier to construct a pool with just 10 housing loans of Rs.1,000,000 each rather than to construct a pool of personal loans as the ticket size of personal loans may rarely exceed Rs.500,000/- per individual. Also to take this illustration further, if one were to construct a pool of Rs.10,000,000/- consisting of personal loans of Rs.100,000/- each, the larger number of contracts (100 as against one of 10 housing loans of Rs.10 lakh each) automatically diversifies the risk profile of the pool as compared to a housing loan based asset pool.

Average original maturity of the pool : indicates the original repayment period and whether the loan tenors are in line with industry averages and borrower's repayment capacity. To illustrate, in a car pool consisting of 60-month contracts, the original maturity and the residual maturity of the pool viz. number of remaining installments to be paid gives a better idea of the risk of default of the pool itself. If in a pool of 100 car loans having original maturity of 60 months, if more than 70% of the contracts have paid more than 50% of the installments and if no default has been observed in such contracts, this is a far superior portfolio than a similar car loan pool where 80% of the contracts have not even crossed 5 installments.

Loan to Value ("LTV") Ratio : Indicates how much % value of the asset is financed by borrower's own equity. The lower the LTV ratio, the better it is. This ratio stems from the principle that where the borrower's own contribution of the asset cost is high, the chances of default are lower. To illustrate for a vehicle costing Rs. 50 lakhs, if the borrower has himself contributed Rs. 40 lakhs and has taken only Rs.10 lakhs as a loan, he is going to have lesser propensity to default as he would lose an asset worth Rs. 50 lakhs if he defaults in repaying an installment. This is as against a borrower who may meet only Rs. 5 lakhs out of his own equity for a vehicle costing Rs. 50 lakhs. Between the two scenarios given above, the latter would have higher risk of default than the former.

Average seasoning of the pool : Indicates whether borrowers have already displayed repayment discipline. To illustrate, in the case of a personal loan, if a pool of assets consists of those who have already repaid 80% of the installments without default, this certainly is a superior asset pool than the one where only 10% of the installments have been paid. In the former case, the portfolio has already demonstrated that the repayment discipline is far higher.

Default rate distribution : Indicates how much % of the pool and overall portfolio of the originator is current, how much is in 0-30 DPD (days past due), 30-60 DPD, 60-90 DPD and so on. The rationale here is very obvious - as against 0-30 DPD, the 60-90 DPD is certainly a higher risk category.

Unlike in plain vanilla instruments, in securitisation transactions, it is possible to work towards a target credit rating, which could be much higher than the originator's own credit rating. This is possible through a mechanism called "Credit enhancement" and is fulfilled by filtering the underlying asset classes and applying selection criteria, which further diminishes the risk inherent for a particular asset class. The purpose of credit enhancement is to ensure timely payment to the investors, if the actual collections from the pool of receivables for a given period are short of the contractual payouts on securitisation. Securitisation is normally a non-recourse instrument and therefore, the repayment on securitisation would have to come from the underlying assets and the credit enhancement. Therefore, the rating criteria centrally focuses on the quality of the underlying assets.

World over, the quality of credit ratings is measured by default rates and stability. An analysis of rating transition and default rates, witnessed in both international and domestic arena, clearly reveals that structured finance ratings have been characterized by far lower default and transition rates than that of plain vanilla debt ratings. Further, internationally, in case of structured finance ratings, not only are the default rates low but post default recovery is also high.

In the Indian scenario, also, more than 95% of issuances have been AAA rated issuances indicating the strength of the underlying assets as well as adequacy of credit enhancement.

Investment exposure of the Fund with reference to Securitised Debt

The Fund will predominantly invest only in those securitisation issuances which have a rating of AA and above indicating the high level of safety from credit risk point of view at the time of making an investment. The Fund will not invest in foreign securitised debt.

The Fund may invest in various type of securitisation issuances, including but not limited to Asset Backed Securitisation, Mortgage Backed Securitisation, Personal Loan Backed Securitisation, Collateralized Loan Obligation / Collateralized Bond Obligation and so on.

The Fund will conduct an independent due diligence on the cash margins, collateralisation, guarantees and other credit enhancements and the portfolio characteristic of the securitisation to ensure that the issuance fits in to the overall objective of the investment in high investment grade offerings irrespective of underlying asset class.

Risk factors specific to investments in Securitised Papers

Types of securitised debt vary and carry different levels and types of risks. Credit risk on securitised bonds depends upon the originator and varies depending on whether they are issued with recourse to originator or otherwise. Even within securitised debt, AAA rated securitised debt offers lesser risk of default than AA rated securitised debt. A structure with Recourse will have a lower credit risk than a structure without recourse.

Underlying assets in securitised debt may assume different forms and the general types of receivables include auto finance, credit cards, home loans or any such receipts. Credit risks relating to these types of receivables depend upon various factors including macro economic factors of these industries and economies. Specific factors like nature and adequacy of property mortgaged against these borrowings, nature of loan agreement / mortgage deed in case of home loan, adequacy of documentation in case of auto finance and home loans, capacity of borrower to meet its obligation on borrowings in case of credit cards and intentions of the borrower influence the risks relating to the asset borrowings underlying the securitised debt.

Holders of the securitised assets may have low credit risk with diversified retail base on underlying assets especially when securitised assets are created by high credit rated tranches. Risk profiles of Planned Amortisation Class tranches (PAC), Principal Only Class Tranches (PO) and Interest Only class tranches (IO) will differ depending upon the interest rate movement and speed of prepayment.

Unlike in plain vanilla instruments, in securitisation transactions, it is possible to work towards a target credit rating, which could be much higher than the originator's own credit rating. This is possible through a mechanism called 'Credit enhancement'. The process of 'Credit enhancement' is fulfilled by filtering the underlying asset classes and applying selection criteria, which further diminishes the risks inherent for a particular asset class. The purpose of credit enhancement is to ensure timely payment to the investors, if the actual collection from the pool of receivables for a given period is short of the contractual payout on

securitisation. Securitisation is normally non-recourse instrument and therefore, the repayment on securitisation would have to come from the underlying assets and the credit enhancement. Therefore the rating criteria centrally focus on the quality of the underlying assets.

The change in market interest rates – prepayments may not change the absolute amount of receivables for the investors, but may have an impact on the re-investment of the periodic cash flows that the investor receives in the securitised paper.

Limited liquidity & price risk

Presently, secondary market for securitised papers is not very liquid. There is no assurance that a deep secondary market will develop for such securities. This could limit the ability of the investor to resell them. Even if a secondary market develops and sales were to take place, these secondary transactions may be at a discount to the initial issue price due to changes in the interest rate structure.

Limited recourse, delinquency and credit risk

Securitised transactions are normally backed by pool of receivables and credit enhancement as stipulated by the rating agency, which differ from issue to issue. The credit enhancement stipulated represents a limited loss cover to the Investors. These certificates represent an undivided beneficial interest in the underlying receivables and there is no obligation of either the Issuer or the Seller or the originator, or the parent or any affiliate of the seller, issuer and originator. No financial recourse is available to the certificate holders against the investors' representative. Delinquencies and credit losses may cause depletion of the amount available under the credit enhancement and thereby the investor payouts may get affected if the amount available in the credit enhancement facility is not enough to cover the shortfall. On persistent default of an obligor to repay his obligation, the servicer may repossess and sell the underlying asset. However many factors may affect, delay or prevent the repossession of such asset or the length of time required to realize the sale proceeds on such sales. In addition, the price at which such asset may be sold may be lower than the amount due from that obligor.

Risks due to possible prepayments: Weighted Tenor / Yield

Asset securitisation is a process whereby commercial or consumer credits are packaged and sold in the form of financial instruments. Full prepayment of underlying loan contract may arise under any of the following circumstances :

- Å Obligor pays the receivable due from him at any time prior to the scheduled maturity date of that receivable; or
- Å Receivable is required to be repurchased by the seller consequent to its inability to rectify a material misrepresentation with respect to that receivable; or
- Å The servicer recognizing a contract as a defaulted contract and hence repossessing the underlying asset and selling the same; or
- Å In the event of prepayments, investors may be exposed to changes in tenor and yield.

Bankruptcy of the originator or seller

If originator becomes subject to bankruptcy proceedings and the court in the bankruptcy proceedings concludes that the sale from originator to Trust was not a sale then an investor could experience losses or delays in the payments due. All possible care is generally taken in structuring the transaction so as to minimize the risk of the sale to Trust not being construed as a "True Sale". Legal opinion is normally obtained to the effect that the assignment of Receivables to Trust in trust for and for the benefit of the Investors, as envisaged herein, would constitute a true sale.

Bankruptcy of the investorís agent

If an investor's agent becomes subject to bankruptcy proceedings and the court in the bankruptcy proceedings concludes that the recourse of investor's agent to the assets/receivables is not in its capacity as agent/Trustee but in its personal capacity, then an investor could experience losses or delays in the payments due under the swap agreement. All possible care is normally taken in structuring the transaction and drafting the underlying documents so as to provide that the assets/receivables if and when held by investor's agent is held as agent and in Trust for the investors and shall not form part of the personal assets of investor's agent. Legal opinion is normally obtained to the effect that the investor's agent's recourse to assets/receivables is restricted in its capacity as agent and Trustee and not in its personal capacity.

Credit Rating of the Transaction / Certificate

The credit rating is not a recommendation to purchase, hold or sell the certificate in as much as the ratings do not comment on the market price of the certificate or its suitability to a particular investor.

There is no assurance by the rating agency either that the rating will remain at the same level for any given period of time or that the rating will not be lowered or withdrawn entirely by the rating agency.

Risk of Co-mingling

The servicers normally deposit all payments received from the obligors into the collection account. However, there could be a time gap between collection by a servicer and depositing the same into the collection account especially considering that some of the collections may be in the form of cash. In this interim period, collections from the Loan Agreements may not be segregated from other funds of the servicer. If the servicer fails to remit such funds due to investors, the investors may be exposed to a potential loss.

Redemption Risk

As the liquidity of the investments made by the Scheme could, at times, be restricted by trading volumes and settlement periods, the time taken by the Mutual Fund for redemption of Units may be significant in the event of an inordinately large number of redemption requests or a restructuring of the Scheme.

Past performance of other schemes of JM Financial Mutual Fund are not necessarily indicative of the future performance of the Scheme. The Sponsor is not responsible or liable for any loss resulting from the operation of the Scheme beyond the initial contribution made by it of an amount of Rupees One lac towards setting up of the Mutual Fund which has been invested in JM Equity Fund and such other accretions and additions to the initial corpus made by the Sponsor.

B. REQUIREMENT OF MINIMUM INVESTORS IN THE SCHEME

(Applicability for an open-ended scheme)

The Scheme/Plan shall have a minimum of 20 investors and no single investor shall account for more than 25% of the corpus of the Scheme/Plan(s). However, if such limit is breached during the NFO of the Scheme, the Fund will endeavor to ensure that within a period of three months or the end of the succeeding calendar quarter from the close of the NFO of the Scheme, whichever is earlier, the Scheme complies with these two conditions. In case the Scheme / Plan(s) does not have a minimum of 20 investors in the stipulated period, the provisions of Regulation 39(2)(c) of the SEBI (MF) Regulations would become applicable automatically without any reference from SEBI and accordingly the Scheme / Plan(s) shall be wound up and the units would be redeemed at applicable NAV. The two conditions mentioned above shall also be complied within each subsequent calendar quarter thereafter, on an average basis, as specified by SEBI. If there is a breach of the 25% limit by any investor over the quarter, a rebalancing period of one month would be allowed and thereafter the investor who is in breach of the rule shall be given 15 days notice to redeem his exposure over the 25 % limit. Failure on the part of the said investor to redeem his exposure over the 25 % limit within the aforesaid 15 days would lead to automatic redemption by the Mutual Fund on the applicable Net Asset Value on the 15th day of the notice period. The Fund shall adhere to the requirements prescribed by SEBI from time to time in this regard.

C. SPECIAL CONSIDERATIONS, if any

Prospective investors in this Scheme should educate themselves or seek professional advice on:

1. Legal requirements or restrictions relating to the acquisition, holding, disposal, or redemption of Units within their jurisdiction of nationality, residence, ordinary residence and domicile or under the laws of any jurisdiction to which they are subject; and
2. Treatment of capital gains, and other tax consequences relevant to their acquisition, holding or disposal, whether by way of sale or redemption of Units

Potential investors should study this Offer Document carefully in its entirety and consult their legal, tax and investment advisors to determine possible legal, tax, financial or other considerations of subscribing for, purchasing or holding Units before making a subscription for Units.

Potential investors should note that all financial investments carry inherent risks and no assurance or guarantee can be given that the objective of the Fund will be fully met. The NAV of the Units issued under this Scheme and the income from them can go up or down depending on the factors and forces affecting the capital markets, debt markets and money markets.

Entities managed or sponsored by the affiliates or associates of the Sponsors may either directly or indirectly invest in a substantial portion of the Scheme. If these entities decide to offer a substantial portion of such investment for repurchase, it may have an adverse impact on the NAV of Units.

Neither this Offer Document nor the Units have been registered in any jurisdiction. The distribution of this Offer Document in certain jurisdictions may be restricted or subject to registration requirements and, accordingly, persons who come into possession of this Offer Document are required to inform themselves about, and to observe, any such restrictions, as may be applicable. This Offer Document does not constitute an offer or solicitation to any person within such jurisdiction. The Trustee may compulsorily redeem any units held directly or beneficially in contraventions of these prohibitions. It is the responsibility of any person in possession of this Offer Document and of any person wishing to apply for Units pursuant to this Offer Document to inform themselves of and to observe, all applicable laws and Regulations of such relevant jurisdiction.

No person has been authorized to issue any advertisement or to give any information or to make any representations other than that contained in this Offer Document. Circulars in connection with this offering not authorized by JM Financial Mutual Fund and any information or representations not contained herein must not be relied upon as having been authorized by JM Financial Mutual Fund. Prospective investors should not construe the contents hereof as advice relating to legal, taxation or investment matters and are advised to consult their own professional advisors concerning the purchase, holding or disposal of Units.

Past performance of other Schemes of JM Financial Mutual Fund are not necessarily indicative of the future performance of the Scheme. The Sponsor is not responsible or liable for any loss resulting from the operation of the Scheme beyond the initial contribution made by it of an aggregate amount of Rupees One lac towards setting up of the Mutual Fund which has been invested in JM Equity Fund and such other accretions and additions to the initial corpus made by the Sponsor.

SPECIAL FACILITIES

The Fund reserves the right to amend or terminate or introduce special facilities in this Offer Document. Such facilities for the time being include Switch Facility, Systematic Investment Facility, Systematic Transfer / Withdrawal Plan, Systematic Switch Plan, Dividend Reinvestment Plan and any such facility/plan that may be introduced in the future.

D. DEFINITIONS -

I. **Applicable NAV:** NAV of the Business Day on which the application is received for purchase/switch-in/for repurchase/ switch-out at the JM ISC(s) subject to the cut off times and will be inclusive of load, wherever applicable.

II. **AMC or Investment Manager:** JM Financial Asset Management Private Limited (the Investment Manager/Asset Management Company of the JM Financial Mutual Fund), a company incorporated and registered under the Companies Act, 1956 and includes its successors and assigns.

III. **Business Day:** Business day is a day other than (a) Saturday and Sunday (b) a day on which banks in Mumbai including the Reserve Bank of India are closed for business or clearing (c) a day on which the Stock Exchange, Mumbai and /or the National Stock Exchange are closed (d) a day which is a public and/or bank holiday at JM ISC where the application is received (e) a day on which sale and repurchase of units is suspended by the AMC (f) a day on which normal business could not be transacted due to storms, floods, bandh's, strikes, etc. All applications received on these non-business days will be processed on the next business day at Applicable NAV. The AMC reserves the right to declare any day as Business Day or otherwise at any or all JM ISCs.

IV. **Calendar Year:** A Calendar Year shall be full 12 English Calendar months viz. 12 months commencing from 1st January and ending on 31st December.

V. **Credit Rating Agency**: means a body corporate which is engaged in, or proposes to be engaged in, the business of rating of securities offered by way of public or rights issue under the SEBI (Credit Rating Agencies) Regulations, 1999.

VI. **Credit Risk:** Risk of default in payment of principal or interest or both.

VII. **Custodian:** A person who has been granted a certificate of registration to carry on the business of custodian of securities under the Securities and Exchange Board of India (Custodian of Securities) Regulations 1996, which for the time being is HDFC Bank Limited, Mumbai.

VIII. **Day:** Any day (including Saturday, Sunday and holiday) as per English Calendar viz. 365 days in a year.

IX. **Debt Instruments:** Government securities, corporate debentures, bonds, promissory notes, money market instruments, pass-through obligations, asset backed securities/securitised debt and other possible similar securities.

X. **Depository:** A body corporate as defined in the Depositories Act, 1996 (22 of 1996).

XI. **Derivative includes:** (i) a security derived from a debt instrument, share, loan whether secured or unsecured, risk instrument or contract for differences or any other form of security; (ii) a contract which derives its value from the prices, or index of prices, of underlying securities.

XII. **Dividend:** Income distributed by the Mutual Fund on the units.

XIII. **Equity related instruments:** Equity related instruments would include convertible bonds and debentures, convertible preference shares, warrants carrying the right to obtain equity shares, equity derivatives and any other like instrument.

XIV. **FII:** Foreign Institutional Investors registered with SEBI under the Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995, as amended from time to time.

XV. **Financial Year:** A Financial Year shall be full 12 English Calendar months viz. 12 months commencing from 1st April and ending on 31st March.

XVI. **Government Securities:** Securities created and issued by the Central Government or a State Government for the purposes of raising a public loan and having one of the forms specified in clause (2) of section 2 of the Public Debt Act, 1944.

XVII. **I.T. Act:** Income Tax Act, 1961 as amended from time to time.

XVIII. **IMA:** Investment Management Agreement dated 1st September, 1994 between JM Financial Trustee Company Private Limited and JM Financial Asset Management Private Limited as amended from time to time.

XIX. **Investor:** Any resident (person resident in India under the Foreign Exchange Management Act and under the Income Tax Act, 1961 including amendments thereto) or non-resident person (a person who is not a resident of India) whether an individual or not (legal entity), who is eligible to subscribe for units under the laws of his/her/ their state/country of incorporation, establishment, citizenship, residence or domicile and under the Income Tax Act, 1961 including amendments thereto from time to time and who has made an application for subscribing for units under the scheme. Under normal circumstances, a Unitholder shall be deemed to be the investor.

XX. **JM Financial Mutual Fund or Fund:** JM Financial Mutual Fund, a mutual fund constituted as a Trust under the provisions of the Indian Trust Act, 1882, bearing SEBI Registration No. MF/015/94/8 dated 15th September 1994.

XXI. **JM ISC:** Investor Service Center(s) of JM Financial Mutual Fund/registrar & transfer agent and authorized web portal approved by JM Financial Mutual Fund from time to time/AMC's own site are authorized to receive all types of transactions.

The above mentioned collection center will be treated as official points of acceptance for all financial transactions like subscription/redemption/switch and the cut-off timing for various transactions shall be reckoned at these Official Points. However Investor Service Centers located at Corporate Office of the AMC situated at Bandra Kurla Complex (BKC) will act as the official point of acceptance for all financial transactions under all schemes except for purchase/additional purchase transactions under liquid schemes where payment instrument is physically attached.

XXII. **Load:** A charge that may be levied as a percentage of NAV at the time of entry into the Scheme or at the time of exiting from the Scheme.

XXIII. **NAV:** Net Asset Value of the Units of the Scheme calculated in the manner provided in this Offer Document and in conformity with the SEBI Regulations as prescribed from time to time. The NAV will be computed upto four decimal places.

XXIV. **NRI:** Non-Resident Indian.

XXV. **Offer Document:** This document issued by JM Financial Mutual Fund, offering Units of the Scheme of JM Nifty PlusFund.

XXVI. **Permissible Investments or Investments:** Collective or group investments made on account of the Unitholders in accordance with the SEBI Regulations and amendments thereto.

XXVII. **Portfolio:** The portfolio of the Scheme of JM Financial Mutual Fund would include all permissible investments and cash.

XXVIII. **Rating:** means an opinion regarding securities, expressed in the form of standard symbols or in any other standardized manner, assigned by a Credit Rating Agency and used by the issuer of such securities, to comply with any requirement of the SEBI (Credit Rating Agencies) Regulations, 1999.

XXIX. **RBI:** Reserve Bank of India established under the Reserve Bank of India Act, 1934, as amended from time to time.

XXX. **Registrar or Transfer Agent:** Karvy Computershare Private Limited, Hyderabad, currently acting as registrar and transfer agent to the Scheme, or any other registrar and transfer agent appointed by the AMC from time to time.

XXXI. **Repo/Reverse Repo:** Sale/purchase of securities as may be allowed by RBI from time to time with simultaneous agreement to repurchase/resell them respectively at a later date.

XXXII. **Repurchase /Redemption Price**: Price at which the Units can be bought back/ redeemed and will be calculated based on the applicable NAV.

XXXIII. **Sales /Subscription Price:** Price at which the Units can be purchased and will be calculated based on the applicable NAV.

XXXIV. **Scheme or Schemes:** A scheme under JM Nifty Plus Fund otherwise being offered by JM Financial Mutual Fund.

XXXV. **SEBI or the Board:** The Securities and Exchange Board of India established under the Securities and Exchange Board of India Act, 1992.

XXXVI. **SEBI Act:** Securities and Exchange Board of India Act, 1992 as amended from time to time.

XXXVII. **SEBI Regulations or the Regulations:** The Securities and Exchange Board of India (Mutual Funds) Regulations, 1996 as amended from time to time, and includes any amendments or clarifications and guidelines in the form of notifications or circulars or press releases issued from time to time by SEBI or any other statutory authority to regulate the operation and management of mutual funds.

XXXVIII. **Securities:** Include shares, scrips, stocks, etc. notes, bonds, debentures, debenture stock, warrants, etc., futures, options, derivatives, etc. or other transferable securities of a like nature in or of any incorporated company or other body corporate, Gilts / Government securities, Mutual Fund units, Money Market Instruments like Call Deposit, Commercial Paper, Treasury Bills etc. such other instruments as may be declared by GOI and/or SEBI and/or RBI and/or any other regulatory authority to be securities, and rights or interest in securities.

XXXIX. **Sponsor:** JM Financial Limited (the Sponsor of JM Financial Mutual Fund), a company incorporated and registered under the Companies Act, 1956 and includes its successors and assigns.

XL. **Stock Lending:** Lending of securities to another person or entity for a fixed period of time, at a negotiated compensation in order to enhance returns of the portfolio.

XLI. **Switch:** Transfer of units of one Scheme of JM Financial Mutual Fund to any of its other Schemes.

XLII. **Trustee:** JM Financial Trustee Company Private Limited (the Trustee to the JM Financial Mutual Fund), a company incorporated and registered under the Companies Act, 1956 and includes its successors and assigns.

XLIII. **Trust Deed:** The registered Trust Deed dated 1st September, 1994 establishing the JM Financial Mutual Fund as amended from time to time.

XLIV. **Trust Property:** Includes Permissible Investments and cash or any part thereof which may be converted or varied from time to time.

XLV. **Units under the Scheme**: The interest of the Unitholders in the Scheme, which consists of each unit representing one undivided share in the assets of the Scheme.

XLVI. **Unit holder:** A person holding Units in the Scheme of the Fund.

INTERPRETATION

Å For all purposes of this Offer Document, except as otherwise expressly provided or unless the context otherwise requires

(a) the terms defined in this Offer Document include the plural as well as the singular and

(b) pronouns having a masculine or feminine gender shall be deemed to include the other.

Å Words and expressions used herein but defined in the SEBI Act, 1992 or the SEBI Regulations shall have the meanings respectively assigned to them therein.

E. DUE DILIGENCE BY THE ASSET MANAGEMENT COMPANY

The Asset Management Company shall confirm that a Due Diligence Certificate duly signed by the Compliance Officer/ Chief Executive Officer/Managing Director/Whole time Director/Executive Director of the Asset Management Company has been submitted to SEBI, which reads as follows:

It is confirmed that:

(i) the draft Scheme Information Document forwarded to SEBI is in accordance with the SEBI (Mutual Funds) Regulations, 1996 and the guidelines and directives issued by SEBI from time to time.

(ii) all legal requirements connected with the launching of the scheme as also the guidelines, instructions, etc., issued by the Government and any other competent authority in this behalf, have been duly complied with.

(iii) the disclosures made in the Scheme Information Document are true, fair and adequate to enable the investors to make a well informed decision regarding investment in the proposed scheme.

(iv) the intermediaries named in the Scheme Information Document and Statement of Additional Information are registered with SEBI and their registration is valid, as on date.

Place: Mumbai
Date:

Signed: sd/-
Name: Diana Dîsa
Designation: Compliance Officer

II. INFORMATION ABOUT THE SCHEME

A. TYPE OF THE SCHEME ð An open ended equity oriented fund

B. WHAT IS THE INVESTMENT OBJECTIVE OF THE SCHEME?

Investment Objective

The Investment objective of the scheme will be to generate investment returns by predominantly investing in S & P CNX Nifty Stocks and Nifty and its 50 constituents in the same weightages as its composition and through deployment of surplus cash in debt and money market instruments and derivative instruments.

C. HOW WILL THE SCHEME ALLOCATE ITS ASSETS?

Under normal circumstances the investment pattern of the Scheme would be as follows:

Instruments	Minimum Exposure %	Risk Profile
Investment in Equity (Nifty Stocks)	65 - 100	High
Nifty Futures	35 – 100	High
Nifty Options, Pair Strategies & Cash Future Arbitrage	0 - 25	Medium to High
Debt including FD for derivatives Exposure	0 – 35	Low to Medium

The notional value of derivatives shall not exceed the AUM of the scheme.

The AMC intends to invest in derivative instruments in accordance with the SEBI Regulations, as and when opportunities arise in the derivatives markets. The investment in derivatives will be broadly in line with the investment objective of the Scheme.

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

The Trustee may, from time to time, pending deployment of funds of the Scheme in securities in terms of the investment objective of the Scheme, invest the funds of the Scheme in short-term deposits of scheduled commercial banks subject to compliance with SEBI Circular SEBI/IMD/CIR No.1/ 91171 /07 dated April 16,2007 as amended by SEBI Circular SEBI/ IMD/CIR No.7/129592/08 dated June 23,2008.

D. WHERE WILL THE SCHEME INVEST?

The corpus of the Scheme will be invested in equity, equity related instruments, derivatives such as futures and options and high quality fixed income securities. Subject to the Regulations, the corpus of the Scheme can be invested in any (but not exclusively) of the following securities:

- Å Equity and equity related securities including convertible bonds and debentures and warrants carrying the right to obtain equity shares ;
- Å Derivative instruments like Interest Rate Swaps, Forward Rate Agreements, Stock Index Futures and such other derivative instruments permitted by SEBI and RBI;
- Å Securities created and issued by the Central and State Governments and/or repos/reverse repos in such Government Securities as may be permitted by RBI (including but not limited to coupon bearing bonds, zero coupon bonds and treasury bills);
- Å Securities guaranteed by the Central and State Governments (including but not limited to coupon bearing bonds, zero coupon bonds and treasury bills);
- Å Debt obligations of domestic Government agencies and statutory bodies, which may or may not carry a Central/State Government guarantee;
- Å Corporate debt and securities (of both public and private sector undertakings) including Bonds, Debentures, Notes, Strips, etc.;
- Å Obligations of banks (both public and private sector) and development financial institutions;
- Å Money market instruments permitted by SEBI / RBI;
- Å Certificate of Deposits (CDs) ;
- Å Commercial Paper (CPs) ;
- Å Securitised Debt;
- Å The non-convertible part of convertible securities;
- Å Any other domestic fixed income securities including Structured Obligations;
- Å Pass through, Pay through or other Participation Certificates representing interest in a pool of assets including receivables;
- Å Any other like instruments as may be permitted by RBI/SEBI/ such other regulatory authority from time to time.

The securities mentioned above and such other securities the Scheme is permitted to invest could be listed, unlisted, IPO's,

secondary market operations, privately placed, rights offers or negotiated deals, secured, unsecured, rated or un-rated and of any maturity.

The Fund can invest in securities that are rated by CRISIL and ICRA and other independent credit rating agencies.

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

STOCK LENDING BY THE MUTUAL FUND

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

1. Not more than 25% of the net assets of the Scheme can generally be deployed in Stock Lending.
2. Not more than 5% of the net assets of the Scheme can generally be deployed in Stock Lending to any single counter party.

The Fund may not be able to sell such lent out securities and this can lead to temporary illiquidity.

POLICY AND SPECIAL CONSIDERATION ON INVESTMENT IN DERIVATIVES AND HEDGING PRODUCTS

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

Fixed Income Derivatives

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

Interest Rate Swaps (IRS)

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

Forward Rate Agreement (FRA)

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

Basic structure of a Swap

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

The steps will be as follows:

- Å Assuming the swap is for Rs. 20 crore June 1, 2007 to December 1, 2007. The Scheme is a fixed rate receiver at 12% and the counterparty is a floating rate receiver at the overnight rate on a compounded basis (say NSE MIBOR).
- Å On June 1, 2007 the Scheme and the counterparty will exchange only a contract of having entered this swap. This documentation would be as per International Swap Dealers Association (ISDA). On a daily basis, the benchmark rate fixed by NSE will be tracked by them.
- Å On December 1, 2007 they will calculate the following ð
- Å The Scheme is entitled to receive interest on Rs. 20 crore at 12% for 184 days i.e. Rs. 1.21 crore, (this amount is known at the time the swap was concluded) and will pay the compounded benchmark rate.
- Å The counterparty is entitled to receive daily compounded call rate for 184 days & pay 12% fixed.
- Å On December 1, 2007, if the total interest on the daily overnight compounded benchmark rate is higher than Rs. 1.21 crore, the Scheme will pay the difference to the counterparty. If the daily compounded benchmark rate is lower, then the counterparty will pay the Scheme the difference.
- Å Effectively the Scheme earns interest at the rate of 12% p.a. for six months without lending money for 6 months fixed, while the counterparty pays interest @ 12% p.a. for 6 months on Rs. 20 crore, without borrowing for 6 months fixed.

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

Equity Derivatives

SEBI vide its circular no. DNPD/Cir-29/2005 dated September 14, 2005 as amended by circular nos. DNPD/Cir-30/2006 dated January 20, 2006 and DNPD/Cir-31/2006 dated September 22, 2006 has specified position limits in index futures, index options, stock options and stock futures contracts for Mutual Funds.

The position limits for the Mutual Fund and its schemes shall be as under:

(i) Position limit for the Mutual Fund in equity index options contracts

a. The Mutual Fund position limit in equity index options contracts on a particular underlying index shall be higher of Rs. 500 crores or 15% of the total open interest in the market in equity index option contracts

b. This limit would be applicable on open positions in all options contracts on a particular underlying index.

(ii) Position limit for the Mutual Fund in equity index futures contracts:

a. The Mutual Fund position limit in equity index futures contracts on a particular underlying index shall be higher of Rs. 500 crores or 15% of the total open interest in the market in equity index futures contracts.

b. This limit would be applicable on open positions in all futures contracts on a particular underlying index.

(iii) Additional position limit for hedging

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

1. Short positions in index derivatives (short futures, short calls and long puts) shall not exceed (in notional value) the Mutual Fund's holding of stocks.

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

(iv) Position limit for the Mutual Fund for stock based derivative contracts

The Mutual Fund position limit in a derivative contract on a particular underlying stock, i.e. stock option contracts and stock futures contracts, stand modified in the following manner:-

1. For stocks having applicable market-wise position limit ("MWPL") of Rs. 500 crores or more, the combined futures and options position limit shall be 20% of applicable MWPL or Rs. 300 crores, whichever is lower and within which stock futures position cannot exceed 10% of applicable MWPL or Rs. 150 crores, whichever is lower.
2. For stocks having applicable MWPL less than Rs. 500 crores, the combined futures and options position limit would be 20% of applicable MWPL and futures position cannot exceed 20% of applicable MWPL or Rs. 50 crores whichever is lower.
3. The MWPL and client level position limits, however, would remain the same as prescribed.

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

The position limits for each scheme of the mutual fund and disclosure requirements shall be identical to that prescribed for a sub-account of a FII. Therefore, the scheme-wise position limit / disclosure requirements shall be:

1. For stock option and stock futures contracts, the gross open position across all derivative contracts on a particular underlying stock of a scheme of a mutual fund shall not exceed the higher of: 1% of the free float market capitalisation (in terms of number of shares).

   Or

   5% of the open interest in the derivative contracts on a particular underlying stock (in terms of number of contracts).
2. This position limits shall be applicable on the combined position in all derivative contracts on an underlying stock at a Stock Exchange.
3. For index based contracts, the Mutual Fund shall disclose the total open interest held by its scheme or all schemes put together in a particular underlying index, if such open interest equals to or exceeds 15% of the open interest of all derivative contracts on that underlying index.

The enhanced limits will enable participants, to hedge their positions more effectively, especially for stocks with large market capitalization and higher liquidity. Separate position limits have been built in for stock options in order to provide an impetus for the options market.

JM Financial Mutual Fund will act in accordance with the rules and regulations as may be prescribed by SEBI in this regard from time to time.

Strategies that employ index futures:

(a) The Scheme has an existing equity portion invested in a basket of stocks. In case the fund manager has a view that the equity markets are headed downwards, the Scheme can then hedge the exposure to equity either fully or partially by initiating short futures positions in the index. A similar position in the long direction can also be initiated by the Scheme to hedge its position of cash and permissible equivalents.

Risks

The risks associated with index futures are similar to those associated with equity investments. Additional risks could be on account of illiquidity and potential mis–pricing of the futures and the inability of derivatives to correlate perfectly with underlying

assets, rates and indices.

The long position in the Nifty will have as much loss as the gain in the short portfolio if hedged completely and would be vice versa if we were holding long portfolio short index.

(b) To the extent permissible by extant regulations, the Scheme can initiate a naked short position in an underlying index future traded on a recognized stock exchange. In case the nifty future contract is trading at say, Rs. 1850, and the fund manager has a view that it will depreciate going forward, the Scheme can initiate a sale transaction of nifty futures at Rs.1850 without holding a portfolio of equity stocks or any other underlying long equity position. Once the price falls to Rs. 1800 after say, 20 days the Scheme can initiate a square-up transaction by buying the said futures and book a profit of Rs. 50. Correspondingly the Scheme can take a long position without an underlying cash/ cash equivalent subject to the extant regulations.

Risks

The risks associated with index futures are similar to those associated with equity investments. Additional risks could be on account of illiquidity and potential mis–pricing of the futures and the inability of derivatives to correlate perfectly with underlying assets, rates and indices.

The long position in the Nifty will have as much loss as the gain in the short portfolio if hedged completely and would be vice versa if we were holding long portfolio short index.

Strategies that employ stock specific futures :

Individual stock futures are also available in the Indian equity markets. Stock futures trade either at a premium or at discount to the spot prices, the level of premium generally reflects the cost of carry. Stock specific issues may have a bearing on futures as speculators may find futures as a cost-effective way of executing their view on the stock. However such executions usually increase the premium/discount to the spot significantly, thereby giving rise to arbitrage opportunities for a Scheme. The Scheme will also look at mispricing opportunities to generate returns through shorts on specific stock futures within the applicable limits for the Fund. These strategies have been explained below.

(a) Selling spot and buying future : In case the Scheme holds the stock of a company at say Rs. 1000 while in the futures market it trades at a discount to the spot price say at Rs. 980 then the Scheme may sell the stock and buy the futures. On the date of expiry of the stock future, the Scheme may reverse the transactions (i.e. buying at spot & selling futures) and earn a risk-free Rs. 20 (2% absolute) on its holdings. If on the date of expiry of the futures, if the stock trades at Rs. 1100 which would be the price of the futures too, the Scheme will have a benefit of Rs. 100 whereby the Scheme gets the 10% upside movement together with the 2% benefit on the arbitrage, and thus getting a total return of 12%.

Risks

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

The risks associated with stock futures are similar to those associated with equity investments. Additional risks could be on account of illiquidity and potential mis–pricing of the futures.

(b) Buying spot and selling future : Where the Scheme holds the stock of a company trading in the spot market at Rs. 1000 while it trades at Rs. 1020 in the futures market then the Scheme may buy the stock at spot and sell in the futures market thereby earning Rs. 20. In case of adequacy of cash with the Scheme, this strategy may be used to enhance returns of the Scheme which was otherwise sitting on cash.

Risks

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

The risks associated with stock futures are similar to those associated with equity investments. Additional risks could be on account of illiquidity and potential mis–pricing of the futures.

(c) Buying stock future : Where the Scheme wants to initiate a long position in a stock whose spot price is at say, Rs.1000 and futures is at Rs. 980, then the Scheme may just buy the futures contract instead of the spot thereby benefiting from a lower cost option.

Risks

The risks associated with stock futures are similar to those associated with equity investments. Additional risks could be on account of illiquidity and potential mis–pricing of the futures and the inability of derivatives to correlate perfectly with underlying assets, rates and indices.

(d) Selling stock future : In case the Scheme has a bearish view on a stock which is trading in the spot market at Rs.1000 and the futures market at say Rs. 980. The Scheme can express such a view subject to extant SEBI regulations by initiating a short position in the futures contract. In case the view is right and the futures price depreciates to say Rs. 900 the Scheme can square up the short position thereby earning a profit of Rs. 80.

Risks

The risks associated with stock futures are similar to those associated with equity investments. Additional risks could be on account of illiquidity and potential mis–pricing of the futures and the inability of derivatives to correlate perfectly with underlying assets, rates and indices.

Options :

Option contracts are of two types - Call and Put; the former being the right, but not obligation, to purchase a prescribed number of shares at a specified price before or on a specific expiration date and the latter being the right, but not obligation, to sell a prescribed number of shares at a specified price before or on a specific expiration date. The price at which the shares are contracted to be purchased or sold is called the strike price. Options that can be exercised on or before the expiration date are called American Options, while those that can be exercised only on the expiration date are called European Options.

Option contracts are designated by the type of option, name of the underlying, expiry month and the strike price.

Numerical examples of Options Call

Call Option (Buy): The Scheme buys a call option at the strike price of say Rs.1000 and pays a premium of say Rs. 50, the Scheme would earn profits if the market price of the stock at the time of expiry of the option is more than Rs. 1050 being the total of the strike price and the premium thereon. If on the date of expiry of the option the stock price is below Rs. 1000, the Scheme will not exercise the option while it loses the premium of Rs. 50.

Risks

In case of buying options either call/put, the maximum loss would be the premium paid in case of options expiring out of the money.

Put Option (Buy): The Scheme buys a Put Option at Rs. 1000 by paying a premium of say Rs. 50. If the stock price goes down to Rs. 900, the Scheme would protect its downside and would only have to bear the premium of Rs. 50 instead of a loss of Rs. 100 whereas if the stock price moves up to say Rs. 1100 the Scheme may let the Option expire and forego the premium thereby capturing Rs. 100 upside after bearing the premium of Rs. 50.

Risks

In case of buying options either call / put, the maximum loss would be the premium paid in case of options expiring out of the money.

Writing a Call Option : The Scheme writes a call option at Rs. 1050 and earns a premium of, say, Rs. 10. If the price is higher than Rs. 1050, say Rs.1100 at expiry then the option is exercised, the Scheme earns the premium of Rs. 10 but loses the difference between the market price and the exercise price i.e. Rs. 50. In case the stock price is less than Rs.1050, the Scheme gets to keep the premium of Rs.10.

Risks

A trader who believes that a stock's price will decrease can sell the call. The trader selling a call has an obligation to sell the stock to the call buyer at the buyer's option. If the stock price decreases, the short call position will make a profit in the amount of the premium. If the stock price increases over the exercise price by more than the premium, the short position will lose money, the potential loss is unlimited.

Writing a Put Option: The Scheme writes a put option with the strike price of Rs. 1000 and earns a premium of say Rs. 20. In case the stock trades at Rs. 950 the put option will be exercised, the Scheme will earn the premium of Rs. 20 but losses the difference between the exercise price and the market price which is Rs. 50. Where the stock trades at above the exercise price, the option-holder will not exercise the option and let it expire. In this case the Scheme will earn the premium income of Rs. 20.

Risks

A trader who believes that a stock's price will increase can sell the put. If the stock price increases, the short put position will make a profit in the amount of the premium. If the stock price decreases below the exercise price by more than the premium, the short position will lose money, the potential loss is unlimited.

The above four option positions can be initiated in both index based options as well as stock specific options. Permissible strategies involving index options and stock specific options would be the same as that of index futures and stock specific futures respectively.

The AMC retains the right to enter into such derivative transactions and to such extent as may be permitted by the applicable regulations from time to time. The Scheme will not invest more than 60% of its portfolio in derivative and related instruments.

Risks associated with Derivatives

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

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

Valuation of Derivative Products:

a) The traded derivatives shall be valued at market price in conformity with the stipulations of sub clauses (i) to (v) of clause 1 of the Eighth Schedule to the SEBI Regulations, as amended from time to time.

b) The valuation of untraded derivatives shall be done in accordance with the valuation method for untraded investments prescribed in sub clauses (i) and (ii) of clause 2 of the Eighth Schedule to the SEBI Regulations as amended from time to time.

The Trustee shall offer its comments on the above aspects in the report filed with SEBI under sub-regulation (23) (a) of Regulation 18 of the Regulations.

E. WHAT ARE THE INVESTMENT STRATEGIES?

INVESTMENT STRATEGY

(i) Scientific approach to investment

The Mutual Fund adopts a scientific approach to investments. Securities are selected for various funds by the fund managers based on a continuous study of trends in industries and companies, including management capabilities, global competitiveness, earning power, growth / payout features and other relevant investment criteria, which would, inter-alia include evaluation of the outlook of the economy, exposure to various industries and geographical regions, evaluation of the intrinsic worth of specific opportunities such as primary market transactions, private placements etc.

(ii) Liquidity Management

The Fund Manager may invest in short term deposits of scheduled commercial banks pending deployment of funds. The Scheme may also keep a portion in cash or near cash in meeting the expenses of the Scheme.

(iii) Mode of Investment

The securities in which the investment manager may invest would be through primary as well as secondary market, private placement etc. These securities may be those listed on various stock exchanges as well as unlisted securities.

(iv) Procedure for taking investment decisions

The investment policy of the AMC has been determined by the Investment Advisory Committee ("IAC") which has been ratified by the Boards of the AMC and Trustee. At the strategic level, the broad investment philosophy of the AMC and the authorised exposure limits are spelt out in the Investment Policy of the AMC. During trading hours, the Fund Managers have the discretion to take investment decisions for the Scheme within the limits defined in the Investment Policy, these decisions and the reasons thereof are communicated to the CEO for post facto approval.

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

(v) Other Investment Strategy

The JM Nifty Plus will endeavor to provide returns better than the benchmark. Hence the Fund will at all times be deployed with a minimum of 65% and maximum upto 100% of the corpus into Nifty 50 shares, in the same weightages as its composition thus maintaining the equity status of the Fund.

Besides that in times when there are good investment opportunities, the following strategies may be followed which will endeavor to provide additional returns :

a) **Arbitrage opportunities:** Normally in a range bound market when there is no clarity on the trend of the market, good arbitrage opportunities are available many a times. If such an opportunity exists, the scheme may deploy some of its surplus, if any, into such arbitrage opportunities. However all arbitrage trades will be completely hedged at all times, thus ensuring that the trade does not carry any market & price volatility risk.

b) **Ratio/Spread Trades:** Historically it has been observed that stocks in the same sector have a similar trading pattern. However due to certain market factors they tend to deviate from the mean at times. It has been also observed that they tend to return back to the mean in due course. This is the time when one can gain out of this opportunity. This is a conservative strategy and tends to give decent returns to the scheme.

Apart form the above, the following strategies may also be looked upon as and when the opportunities arise:

Buyback opportunities announced by Corporates. Many times Corporates announce a buyback policy of their own shares at a price which is fairly higher than the then trading market price.

Depending on the free float of the equity shares, the scheme may deploy some money into such investment opportunities. In July 2008, Idea limited , acquired 41% stake of Spice communications Ltd. and announced a 20% buyback of the balance equity shares @ Rs 77.30 , while the then market price was approx @ Rs70.00 . There was a clear 10% returns opportunity . It became a risk free trade as its largest shareholder Telekom Malaysia who held 39% of equity refused to tender its shares in the buyback. Thus only 20% of the balance shares were left under the buyback.

Option Strategies : The scheme may also look to deploy some of its surplus funds in options strategies if there are any good opportunities . Strategies like covered calls , calendar spreads , volatility arbitrage etc are some of the strategies that may be invested into. The duration of these strategies would be short term because of the nature of the derivatives products.

PORTFOLIO TURNOVER POLICY:

The Scheme will invest with a long-term outlook on the equity market; however, as and when trading opportunities arise in the market where, in the opinion of the fund manager there is an opportunity to enhance the total return of the portfolio, the Scheme may take trading exposure which may result in high portfolio turnover.

POLICY ON 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 asset of the Mutual Fund.

IMPORTANT

It must be clearly understood that the above referred portfolio strategies are not absolute, and that they can vary substantially depending upon the Trustee's perception as to whether the stock/debt market is in an overheated state or has fallen well below a level they consider appropriate taking into account the factors prevailing at that time, the intent being to protect the Unitholders interest, especially the NAV of the Fund.

The Trustee may, from time to time, at its' absolute discretion review and modify the strategy, provided such modification is in accordance with SEBI Regulations.

F. FUNDAMENTAL ATTRIBUTES

Following are the Fundamental Attributes of the scheme, in terms of Regulation 18 (15A) of the SEBI (MF) Regulations:

(i) **Type of a scheme:** An open ended equity oriented fund

(ii) **Investment Objective**

Å The Investment objective of the scheme is to generate investment returns by predominantly investing in S & P CNX Nifty Stocks and Nifty and its 50 constituents in the same weightages as its composition and through deployment of surplus cash in debt and money market instruments and derivative instruments.

Å **Investment pattern - ASSET ALLOCATION PATTERN**

Under normal circumstances the investment pattern of the Scheme would be as follows:

Instruments	Minimum Exposure %	Risk Profile
Investment in Equity (Nifty Stock)	65 – 100	High
Nifty Futures	35 - 100	High
Nifty Options, Pair Strategies & Cash Future Arbitrage	0 - 25	Medium to High
Debt including FD for derivatives Exposure	0 – 35	Low to Medium

The notional value of derivatives shall not exceed the AUM of the scheme.

The Trustee may, from time to time, pending deployment of funds of the Scheme in securities in terms of the investment objective of the Scheme, invest the funds of the Scheme in short-term deposits of scheduled commercial banks subject to compliance with SEBI Circular SEBI/IMD/CIR No.1/ 91171 /07 dated April 16,2007 as amended by SEBI Circular SEBI/ IMD/CIR No.7/129592/08 dated June 23,2008.

Changes in asset allocation pattern

Subject to the SEBI Regulations, the asset allocation pattern and maturity profile indicated above may change from time to time, keeping in view market conditions, market opportunities, applicable regulations and political and economic factors. It must be clearly understood that the percentages stated above are only indicative and not absolute. The changes in the investment pattern will be in conformity with the investment objectives and basic nature of the scheme and asset allocation can be altered only for a short term period on defensive considerations.

Provided further and subject to the above, any change in the asset allocation pattern affecting the investment profile of the Scheme shall be effected only in accordance with the provisions of sub-regulation 15A of Regulation 18 of the SEBI (MF) Regulations as detailed later in this offer document.

(iii) Terms of Issue

Purchase / Redemption of Units

The Scheme being offered through this Offer Document is an open ended Scheme. The Scheme will offer units for sale and repurchase at NAV based prices on all business days on an ongoing basis. The Fund will endeavour to dispatch the redemption cheque / draft within 10 business days from the date of acceptance of valid redemption request.

o Aggregate fees and expenses charged to the scheme.

The estimated maximum recurring expenses that can be charged to a plan launched under the Scheme, on an annual basis are given below :

JM Nifty Plus Fund	Particulars (as a % of Applicable NAV)
Investment Management & Advisory Fees	1.25 %
Trustee fees	0.05 %
Marketing and selling expenses, custodian expenses, Registrar and Transfer Agent fees, audit fees and other expenses permitted under Regulation 52(4)(b)	1.20 %
TOTAL	**2.50%**

The above estimates are made based on the minimum subscription (target) amount of Rs. 1 crore. The purpose of the above table is to assist the investor in understanding the various costs and expenses that an investor in the Scheme will

bear directly or indirectly. While this estimate has been made in good faith on the basis of information available with the Fund, there can be no assurance that actual expense, under any particular head will not be more or less than such estimate. The AMC reserves the rights to revise the fees payable to the service providers from time to time. The total expenses, however, will be maintained within the limits mentioned under Regulation 52 (6) of SEBI Regulations.

As per the Regulations, the maximum recurring expenses including investment management and advisory fee that can be charged to the Scheme shall be subject to a percentage limit of weekly net assets as in the table below:

First Rs. 100 crores	Next Rs. 300 crores	Next Rs. 300 crores	On the balance assets
2.50%	2.25%	2.00%	1.75%

Subject to the overall ongoing fees and expenses which would be charged to the Scheme not exceeding the limit laid down under Regulation 52(6) [as reproduced above], the AMC may at its discretion charge to the Scheme the Government levies in the form of any charges or applicable taxes including applicable surcharge either presently payable or which may be imposed in future. Currently, the Government has imposed Service Tax of 12% on the Management and Trustee Fees and education cess of 2% on Service Tax which would be charged to the Scheme subject to the overall expenses charged to the Scheme do not exceed the limits laid down under Regulation 52(6).

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

o Any safety net or guarantee provided.

No guarantee has been provided

In accordance with Regulation 18(15A) of the SEBI (MF) Regulations, the Trustees shall ensure that no change in the fundamental attributes of the Scheme(s) and the Plan(s) / Option(s) thereunder or the trust or fee and expenses payable or any other change which would modify the Scheme(s) and the Plan(s) / Option(s) thereunder and affect the interests of Unitholders is carried out unless:

Å A written communication about the proposed change is sent to each Unitholder and an advertisement is given in one English daily newspaper having nationwide circulation as well as in a newspaper published in the language of the region where the Head Office of the Mutual Fund is situated; and

Å The Unitholders are given an option for a period of 30 days to exit at the prevailing Net Asset Value without any exit load.

G. HOW WILL THE SCHEME BENCHMARK ITS PERFORMANCE ?

The performances of the schemes of the Mutual Fund are reviewed by the Investment Advisory Committee ("IAC") as well as the Boards of the AMC and Trustee periodically. The IAC is operational at the AMC level and has majority representation from the independent Directors. Monthly reports on the performance of the schemes with appropriate benchmark indices are also sent to the Directors of the AMC and Trustee and also with the relative performance of the schemes of other mutual funds schemes in the same category which is placed with the Boards of the AMC and Trustee. Further, in terms of SEBI Circular No.MFD/CIR/16/400/02 dated March 26, 2002 the performance of JM Nifty PlusFund will be benchmarked with S&P CNX Nifty Index .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 complete compliance of the relevant guidelines of SEBI in this regard.

H. WHO MANAGES THE SCHEME?

The Fund Manager for the Scheme is Mr. Biren Mehta, whose details are as set out below

Mr. Biren Mehta - Fund Manager – (Derivatives)	B. Com. , MBA Age : 40 years	He has 18 years experience in the capital markets. He has worked with securities house like DSP Merrill Lynch for 2 years as a floor trader, UTI Securities for 3 years in institutional sales. He has also worked in the Sales Trading Capacity with CSFB & BNP Paribas securities. Prior to joining JM Financial Mutual Fund he was with REFCO-SIFY as Vice President - Institutional sales and was instrumental in setting up the Derivatives Arbitrage Desk at Refco-Sify. He has around 3 years experience in the derivatives segment. He is the Fund Manager of JM Nifty Plus Fund and JM Arbitrage Advantage Fund.

I. WHAT ARE THE INVESTMENT RESTRICTIONS?

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

1 The New Fund Offer expenses in respect of any Scheme will not exceed 6% of the Funds raised under that Scheme.

2. The Scheme shall not invest more than 15% of its NAV in debt instruments issued by a single issuer which are rated not below investment grade by a Credit Rating Agency authorized to carry out such activity under the Act. Such investment limit may be extended to 20% of the NAV of the Scheme with the prior approval of the Boards of Trustee and AMC.

   Provided that such limit shall not be applicable for investments in government securities and money market instruments. Provided further that investment within such limit can be made in mortgaged backed securities which are rated not below investment grade by a credit rating agency registered with SEBI.

3. Debentures, irrespective of any residual maturity period (above or below one year), shall attract the investment restrictions as applicable for debt instruments as specified under Clause 1 and 1A of Seventh Schedule to the Regulations.

4. No Mutual Fund under all its schemes taken together should own more than ten per cent of any company's paid up capital carrying voting rights.

5. A mutual fund scheme shall not invest more than 10% of its NAV in unrated debt instruments issued by a single issuer and the total investment in such instruments shall not exceed 25% of the NAV of the scheme. All such investments shall be made with the prior approval of the Boards of Trustee and AMC.

6. No Mutual Fund scheme shall invest more than 10% of its NAV in the listed equity shares or listed equity related instruments of any company or listed units/securities of venture capital funds Provided that the limit of 10% shall not be applicable for investments in index scheme or sector or industry specific scheme.

7. A Mutual Fund scheme shall not invest more than 5% of its NAV in the unlisted equity shares or equity related instruments of any company or unlisted units/securities of venture capital funds in case of open ended scheme.

8. The Scheme may invest in another scheme under the same asset management company or any other mutual fund without charging any fees, provided that aggregate inter-scheme investment made by all schemes under the management or in schemes under the management of any other asset management company shall not exceed 5% of the NAV of the mutual fund.

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

10. Every mutual fund shall buy and sell securities on the basis of deliveries and shall in all cases of purchases, take delivery of relative securities and in all cases of sale, deliver the securities and shall in no case put itself in a position whereby it has to make short sale or carry forward transaction or engage in badla finance. Provided that mutual funds shall enter into derivatives transactions in a recognised stock exchange subject to such guidelines as may be specified by SEBI.

11. Every mutual fund shall get the securities purchased or transferred in the name of the mutual fund on account of the concerned scheme, wherever investments are intended to be of long-term nature.

12. Pending deployment of funds of a scheme in securities in terms of investment objectives of the scheme a mutual fund can invest the funds of the scheme in short term deposits of scheduled commercial banks.

13. The Scheme shall not make any investment in : a) Any unlisted security of an associate or group company of the Sponsor; or b) Any security issued by way of private placement by an associate or group company of the sponsor; or c) The listed securities of group companies of the Sponsor which is in excess of 25% of the assets.

14. Interscheme transfers of investments from one scheme to another scheme in the same Mutual Fund shall be allowed only if

    -Such transfers are done at the prevailing market price for quoted instruments on spot basis.

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

15. -The securities so transferred shall be in conformity with the investment objective of the scheme to which such transfer has been made.

16. The Mutual Fund having an aggregate of securities which are worth Rs.10 crores or more, as on the latest balance sheet date, shall subject to such instructions as may be issued from time to time by SEBI, settle their transactions entered on or after January 15, 1998 only through dematerialised securities. Further, all transactions in government securities shall be in dematerialised form.

The Scheme will comply with SEBI regulations and any other Regulations applicable to the investments of Funds from time to time. The Trustee may alter the above restrictions from time to time to the extent that changes in the egulations may allow. All investment restrictions shall be applicable at the time of making investment.

The sectors/stocks in the Scheme may undergo a change in line with market conditions.

The Fund can invest in securities that are rated by CRISIL and ICRA and other independent credit rating agencies.

STOCK LENDING BY THE MUTUAL FUND

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

1. Not more than 25% of the net assets of the Scheme can generally be deployed in Stock Lending.
2. Not more than 5% of the net assets of the Scheme can generally be deployed in Stock Lending to any single counter party.

The Fund may not be able to sell such lent out securities and this can lead to temporary illiquidity.

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 unitholders to repurchase their units. The AMC reserves the right to invest its own funds in the Scheme as may be decided by the AMC from time to time 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.

J. HOW HAS THE SCHEME PERFORMED?

[In case of a new scheme, this is not applicable hence give the statement- "This scheme is a new scheme and does not have any performance track record"]

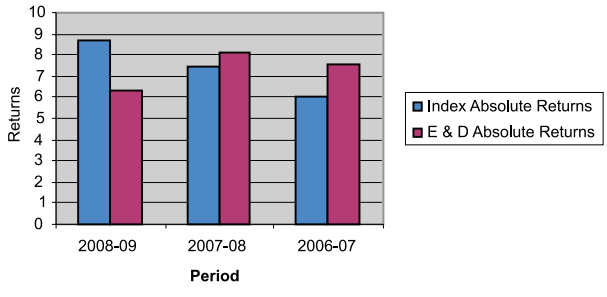
Or

[In case of a scheme in existence, the return figures shall be given for that scheme only, as per the For a scheme which is in existence for more than 1 year, the returns given will be Compounded Annualised Returns and for scheme which is in existence for less than 1 year, the returns would be absolute returns since inception.

Absolute returns for each financial year for the last 5 years shall be represented by means of a bar diagram

Compounded Annualised Returns	Scheme Returns %	Benchmark Returns %
Returns for the last 1 year	6.07	8.7594
Returns for the last 3 years	7.21	7.4212
Returns for the last 5 years	N A	N A
Returns since inception	6.99	6.7978

Absolute Returns for each financial year for the last 5 years



III. UNITS AND OFFER

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

PART A

Plans / Options offered	The Scheme offer investors two investment Options (i) Growth Option and (ii) Dividend Option. The options will have a common portfolio. Systematic Investment Plan ("SIP") / Systematic Withdrawal Plan ("SWP") / Systematic Transfer Plan ("STP") will be available in the Scheme.
Dividend Policy	Investors are requested to indicate their preference while investing in the Scheme. In case an investor fails to specify his preference, he shall be deemed to have opted to select the Growth Option. Dividend Option shall offer investors the facilities of : (a) Dividend Payout and (b) Dividend Reinvestment. Under dividend reinvestment, dividends declared will be reinvested into the Plan / Scheme. In case an investor fails to specify his preference, he shall be deemed to have opted to select the dividend reinvestment option. However, in case the dividend payable to any unit holder is below Rs. 100/- then the same may be automatically reinvested. Dividends when declared shall be paid out or reinvested as per the choice indicated in the scheme's application form. An investor of record for the purpose of dividend is an investor who is a Unitholder 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.
Allotment	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 Unitholder will be assigned an account number where the number of units allotted to a unitholder or repurchased by a unitholder will be reflected and a statement/advice to this effect will be issued to the unitholder. An Account or Transaction Statement reflecting the unit balance of the unitholder will be mailed to the unitholder by ordinary post, after every financial transaction is effected. 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. It shall normally be dispatched within three business days after allotment of units or after clearance of the cheque, whichever is later on an ongoing basis.
Refund	If application is rejected, full amount will be refunded within 6 weeks.. If refunded later than 6 weeks, interest @ 15% p.a. for delay period will be paid and charged to the AMC.

Who can invest **This is an indicative list and you are requested to consult your financial advisor to ascertain whether the scheme is suitable to your risk profile.**	The following persons (subject to, wherever relevant, 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. Å Resident adult individuals, either singly or jointly (not exceeding three) Å Parents/Lawful Guardian on behalf of Minors Å Hindu Undivided Family (HUF), in the name of Karta Å 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) Å 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 òPublic Securitiesó, where required); Å Trustee of private trusts authorized to invest in mutual fund scheme under the Trust Deed Å Partnership firm in the name of partner(s) Å Proprietorship firm in the name of the proprietor Å Banks and Financial Institutions Å NRIs/ persons of Indian origin residing abroad on full repatriation basis (subject to RBI approval, if any) or non-repatriation basis . Presently OCBs are not permitted to invest in mutual funds pursuant to RBI A.P.(DIR Series) Circular No. 14 dated September 16,2003 Å Foreign Institutional Investors (FIIs) registered with SEBI on full repatriation basis (subject to RBI approval, if any) Å Army/Air Force/Navy and other Para Military units and other eligible institutions Å Scientific and/or industrial research organisations Å International Multilateral Agencies approved by Government of India Å Non- Government Provident/Pension/Gratuity funds as and when permitted to invest Å Others who are permitted to invest in the Scheme as per their respective constitutions **Note :** 1 Subject to the Regulations, the Trustee may reject any application received in case the application is found invalid/ incomplete or for any other reason in the Trustee's sole discretion. 2 Any scheme of JM Financial Mutual Fund or of any other Mutual Fund managed by any other AMC, including a Fund of Fund (subject to the conditions and limits prescribed in Regulations and/or by the Trustee, AMC or Sponsor) may subscribe to the units under the Scheme. The AMC/Trustee /Fund /Sponsor may subject to the limits prescribed by SEBI subscribe to units of this Scheme. The AMC will not be entitled to charge any fees on investments made by the AMC. 3 The Trustee may accept an application from an unincorporated body of persons/ trusts. The 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 into the Scheme if he/she so desires and is otherwise eligible. However, the AMC 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 Trustee reserves the right to close the unitholder account and to pay the repurchase value of Units, subsequent to his becoming a person resident outside India, should the reasons of cost, interest of other unitholders and any other circumstances make it necessary for the Fund to do so. Unitholders in whose case there has been a change of status from Resident to Non Resident will not have a right to claim growth in capital and/or income distribution.

Where can you submit the filled up applications.	**Registrar & Transfer Agent** Karvy Computershare Private Limited Karvy Plaza; H No. 8-2-596, Avenue 4 Street No. 1, Banjara Hills, Hyderabad - 500 034. Tele :- 040-23440670 Email :- service_jmf@karvy.com Website:- www.karvy.com The duly completed application form can also be submitted at the official points of acceptance. The details of the official points of acceptanceare on back cover page.
How to Apply	Please refer to the SAI and Application form for the instructions.
Listing	As the Scheme is an open ended scheme and repurchase facility is available to the Unitholders on all Business Days, the Units of the Scheme are presently not proposed to be listed on any stock exchange(s).

Special Products / facilities available

Systematic Investment Plan (SIP)

Under this facility, by investing a fixed amount at regular interval, Unitholders can take advantage of the benefits of Rupee Cost Averaging, at the same time investing a fixed amount each month.

SIP can be done through

1. ECS Debit facility in those locations where ECS facility is available and for which the AMC has made arrangements.

2. Direct Debit facility with certain banks and for which the AMC has made arrangements.

Alternatively, the investor may submit post-dated cheques drawn on any city in India subject to the first cheque/DD being payable at the location of Point of Acceptance where the SIP request is being submitted.

To avail of the facility of Auto Debit (ECS or Direct Debit) for SIP from the second SIP installment onwards, the applicant is required to give standing instructions to his bankers in the prescribed form to debit his bank accounts at periodic Intervals and credit the installment amount to the Bank Account of JM Financial Mutual Fund directly or through any of the service providers appointed by the AMC.

The Bank Account Holder/s has/have to sign the Authorization Request Form meant for Bank in case of Auto SIP in the same order as they maintain their bank account.

The Investor is advised to contact the nearest ISC for current list of Banks accepting Direct Debit mandates or for the list of cities where ECS facility is available. The list of cities/banks for Auto Debit (through ECS/Direct Debit) may be modified/updated/changed/removed at any time in future, entirely at the discretion of JM Financial Mutual Fund without assigning any reason or prior notice to investors. In case of removal of any city/bank from the current list, the Auto SIP instructions for investors in such locations/banks will stand automatically discontinued without any prior notice. JM Financial Asset Management Pvt Ltd., its Registrars and other service providers will not be responsible, if the transaction is delayed or not effected or the investor's bank account is debited in advance or after the specific SIP date due to various cycles of ECS/Clearing due to any reason.

Investment can be made by the investor under SIP in any of the Plans / Options.

The Clause on "Minimum Amount of subscription" as specified in the Offer Document will not be applicable for investments made through the first installment of Systematic Investment /Transfer Plan subject to the fulfillment of minimum investment criteria and minimum installment criteria during the opted period through SIP/STP For example, the minimum investment amount for 1st investment in JM Nifty Plus Fund is Rs.5,000/-. However, in case of SIP, an investor can invest with minimum installment amount of Rs.1,000/- or Rs.500/- per month so as to meet the Minimum Investment Amount over the opted period i.e. 6/12 months respectively . The similar condition would also apply to STP which is described elsewhere in this document.

The details of the facility are as follows:

<table>
<tr><td>Minimum investment details</td><td>The AMC offers monthly SIP option and quarterly SIP options
<table>
<tr><th>Amount per Installment (Rupees in whole Numbers) *</th><th>Minimum Mandatory Installments*</th></tr>
<tr><td>Rs. 500 to Rs. 999 per month (For Monthly Frequency)</td><td>12 or more out of which 10 installments must be effected</td></tr>
<tr><td>Rs. 1000 or more per month (For Monthly Frequency)</td><td>6 or more out of which 5 installments must be effected</td></tr>
<tr><td>Rs. 3000 or more per quarter (For Quarterly Frequency)</td><td>2 or more where atleast 2 installment must be effected</td></tr>
</table>
*These conditions are to be fulfilled in addition to other conditions.

Besides the above, the following conditions will have to be fulfilled for a SIP to be treated as valid.

2. No two consecutive SIP installments should fail.

3. The minimum investment amount as per the Offer Document of the respective scheme/ Plan/Sub-Plan/ Option/ Sub-Option e.g Rs. 5,000/- should be received by the AMC during the opted period, through the minimum no. of mandatory installments mentioned in the table above.

4. A separate form is required for each SIP date / frequency/ Scheme/ Plan/ Sub-Plan/ Option/ Sub-Option. Application forms with multiple choices will be summarily rejected.</td></tr>
<tr><td>Due dates</td><td>The investor may opt to start SIP from any of the following dates : 1st , 5th , 10th , 15th , 20th or 25th of each month. A separate form is required for each SIP dates. Choice of multiple dates through single Form is not permitted. In case, an investor wishes to opt for multiple SIP dates in the same month, he may do so by submitting separate Scheme Application-cum-SIP Forms for each SIP due date with separate set of post dated cheques or Auto Debit forms and A/c. Opening Cheque(s)/Demand Draft(s). Any single application if received with multiple SIP dates will be summarily rejected and the amount of initial investment refunded if the same is less than the minimum investment limit fixed for particular Scheme/Plan/Option.

The first investment under SIP has to be made through physical cheque/DD payable locally at the place of submission of the application. The first cheque/DD has to be of any valid date and not a post dated one on the date of submission. However, in case of remaining post-dated SIP cheques, from 2nd installment onwards, the cheques must contain the opted SIP dates for the entire balance period out of the permissible SIP dates i.e. 1st, 5th, 10th, 15th, 20th or 25th of a month. Similarly, in case of SIP through Auto Debit (Direct Debit/ECS), the investor should choose any of the above mentioned six SIP dates.

In the event of non-receipt of funds for the first investment/Ist SIP installment itself, the SIP will automatically be treated as discontinued ab–initio.

Minimum of 30 days time is required for 2nd installment of SIP through post-dated cheques/Auto Debit (ECS/Direct Debit) to take place after the Ist SIP/Initial Investment for each SIP date (if opted for multiple dates).

The second SIP installment should not fall in the same calendar month

In case, any particular future SIP due date falls on a non-business day or falls during a book closure period, the immediate next business day will be considered for the purpose of NAV application.</td></tr>
<tr><td>Amount</td><td>All SIP Installments including the first one are required to be of same amount. For starting an SIP at the time of initial investment itself, the investor has to ensure that initial investment and remaining future SIP installments are of same amount.</td></tr>
</table>

	In the event of any of the installment amount being different, the AMC will treat all SIP installments as normal investments and these will be subject to normal entry/exit load as applicable on the respective dates of investments. In order to treat such installments as normal investments, the AMC reserves the right to revert and reprocess all previous SIP installments besides discontinuation of SIP for future intallments or alternatively the AMC may recover the waived entry load directly from investor or by redeeming the equivalent units from the respective folio. In addition, the AMC will also charge exit load (as per applicable rates on the dates of respective SIP installments). In the event of non-fulfillment of minimum subscription criteria of the opted scheme, the AMC shall revert and refund the entire amount without any interest.
Cheques drawn in favour of	The cheques / debit instructions should be in favour of "JM Nifty PlusFund"
Applicable NAV	The date of submission of SIP request if the cheque is payable locally and in case of outstation payment instrument, the date of availability of funds for utilization by the AMC or T+10 day (whichever is earlier) , will be considered for the allotment of NAV in case the first cheque/DD is realised. Subsequently, the opted due dates will be considered for allotment of NAV irrespectrive of the date of realization for SIP investments under Non-liquid scheme.
Entry / Exit Load	Please refer Section 3.3 for applicable load structure.
Cut off time	3.00 p.m.
Termination of SIP	For discontinuation of SIP through ECS / Direct debit, the unitholder is required to intimate the AMC / Registrar at least 15 Calendar Days prior to the next installment for the respective due date. In case of physical post-dated cheques, the minimum notice period for discontinuation is 30 calendar days. However, the AMC/Registrar will try to discontinue the SIP for remaining period on best efforts basis due to the time and process involved . On such request, SIP will be terminated and the balance post dated cheques will be returned to the investor or the debit instructions given by the investor under ECS/Direct Debit will be treated as cancelled.
How to Apply	Please refer to the SAI and Application form for the instructions.
Listing	As repurchase facility is available to the unitholders during the specified Redemption days/period, the units of the Scheme are presently not proposed to be listed on any stock exchange(s).
Special Products / facilities available during the NFO	NIL

In the event of an investor wishes to close the SIF account without holding / accumulating / reaching the minimum limit prescribed in the scheme, the AMC reserves the right to redeem all units.

The Investment cum SIP Enrolment Form complete in all respects may be submitted at any of the ISCs of JM Financial Mutual Fund or Karvy Computershare Pvt. Ltd. In case of SIP through Auto Debit (i.e. through Direct Debit in selected banks or through ECS in selected cities), an additional form known as the SIP Auto Debit Registration cum Mandate Form (through Direct Debit/ ECS) is also required to be submitted at the time of opting for SIP.

The 1st SIP cheque will be considered as Account Opening cheque for existing and new investors. The existing investor may fill-in the existing folio number, Scheme/Plan/Option Name and proceed to fill-up the respective SIP columns of the Common Application Form, if there is no other change required by him in his folio.

To subscribe to SIP, an Investors has to submit the following documents:

i. Scheme Application cum SIP Registration Form

ii. Locally Payable Cheque/DD for Initial Investment cum 1st SIP Installment Amount subject to the minimum amount of Rs. 500/- for 12 months SIP or Rs. 1000/- for 6 months SIP or Rs. 3000/- for the quarterly SIP.

iii. Post-dated cheques for remaining period drawn on any city in India OR

iv. Auto Debit (through Direct Debit/ECS) Registration cum Mandate Form

v. A photo copy of the cheque/cancelled cheque from the same account where future installments are to be debited if opted for SIP through Auto Debit .

The cheque/s should be drawn in favour of the scheme/plan chosen (e.g. "JM Nifty Plus Fund") and crossed "A/C Payee Only" and payable locally and drawn on any bank, which is situated at and is a member of the Bankers Clearing House located at the place where the SIP application is submitted. In case of outstation cheques, if accepted by the AMC, the AMC shall credit the unit holder's account with the number of units at the applicable sale price on the day when clear funds are received by the Mutual Fund. However, in all cases, the first cheque/DD should be payable locally.

Returned / Dishonoured cheques will not be presented again for collection.

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

Systematic Investment Plan for corporate employees

Corporate employees may opt for the systematic investment facility available to them. In this case, the concerned employer is required to forward to the AMC the enrolment form for SIP along with the Scheme's application form of the corporate employee who desires to invest in the Scheme. The application amount for the corporate employees would also be forwarded by the employer on specific request from the concerned employee. The concerned employee has to authorize the employer to deduct the application amount from his salary and remit the same to the Fund at regular intervals to ensure receipt of funds by the AMC on or before the next due date.

The Fund shall dispatch the statement of accounts to the unit holders under SIP once every quarter ending March, June, September and December within 10 working days of the end of the respective quarter. However, the first account statement under SIP shall be issued within 10 working days of the initial investment.

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

Systematic Transfer Plan (òSTPó) / Systematic Withdrawal Plan (òSWPó)

These facilities have been explained in detail below.

STP provides for transfer of specified amount from one scheme/plan/option in which the original investment is made to any other scheme/plan/option of JM Financial Mutual Fund, at the end of specified periodic interval viz., either weekly, fortnightly, monthly or quarterly.

Under SWP, the Unitholders shall have an option to predetermine the withdrawal from the scheme. Under the SWP facility, investors may choose between

(a) Fixed Amount Withdrawal

and

(b) Capital Appreciation Withdrawal

Fixed Amount Withdrawal (FAW):

Under this option the investor will have the facility to automate withdrawal of a fixed amount from the scheme at Monthly / Quarterly intervals.

Capital Appreciation Withdrawal (CAW):

Under Capital Appreciation Withdrawal facility, the investors will have the option to indicate automatic withdrawal of capital appreciation at varying time intervals over previous period, on monthly or quarterly basis.

In order to start the STP/SWP, the investor must have a minimum investment of Rs. 5,000/- or above or as per the minimum investment subscription amount (whichever is higher) applicable for the respective scheme/plan/option on the 1st opted STP/ SWP date . However, the investor is not required to maintain the same balance after processing the 1st STP/SWP installment. The last installment may be equivalent to or less than the opted installment amount.

The minimum amount for transfer and available dates for STP are as under :