JM FINANCIAL

SCHEME INFORMATION DOCUMENT (SID)

JM FIXED MATURITY FUND - SERIES XXII - A (JMFMF-XXII-A)

(A close-ended income fund offering fixed maturity plans)

An offer for units @ ₹ 10/- each during the multiple New Fund Offer period
Plan A will have tenure of 369 days from the date of the allotment of units of the plan.

New Fund Offer opens on: March 26, 2012

New Fund Offer closes on: March 27, 2012

The particulars of the Scheme have been prepared in accordance with the Securities and Exchange Board of India (Mutual Funds) Regulations 1996, (herein after referred to as SEBI (MF) Regulations) as amended till date, and filed with SEBI, along with a Due Diligence Certificate from the AMC. The units being offered for public subscription have not been approved or recommended by SEBI nor has SEBI certified the accuracy or adequacy of the Scheme Information Document.

The Scheme Information Document sets forth concisely the information about the scheme that a prospective investor ought to know before investing. Before investing, investors should also ascertain about any further changes to this Scheme Information Document after the date of this Document from the Mutual Fund / Investor Service Centres / Website / Distributors or Brokers.

The investors are advised to refer to the Statement of Additional Information (SAI) for details of JM Financial Mutual Fund, Tax and Legal issues and general information on www.jmfinancialmf.com

SAI is incorporated by reference (is legally a part of the Scheme Information Document). For a free copy of the current SAI, please contact your nearest Investor Service Centre or log on to our website.

The Scheme Information Document should be read in conjunction with the SAI and not in isolation.

This Scheme Information Document is dated 15/03/2012

NAME OF MUTUAL FUND:
JM Financial Mutual Fund

NAME OF ASSET MANAGEMENT COMPANY:
JM Financial Asset Management Private Limited

NAME OF TRUSTEE COMPANY:
JM Financial Trustee Company Private Limited

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Disclaimer:

“As required, a copy of this Scheme Information Document has been submitted to National Stock Exchange of India Limited (hereinafter referred to as NSE). NSE has given vide its letter NSE/LIST/157330-Y dated January 23, 2012 permission to the Mutual Fund to use the Exchange's name in this Scheme Information Document as one of the stock exchanges on which the Mutual Fund's units are proposed to be listed subject to, the Mutual Fund fulfilling the various criteria for listing. The Exchange has scrutinized this Scheme Information Document for its limited internal purpose of deciding on the matter of granting the aforesaid permission to the Mutual Fund. It is to be distinctly understood that the aforesaid permission given by NSE should not in any way be deemed or construed that the Scheme Information Document has been cleared or approved by NSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Scheme Information Document; nor does it warrant that the Mutual Fund's units will be listed or will continue to be listed on the Exchange; nor does it take any responsibility for the financial or other soundness of the Mutual Fund, its Sponsors, its management or any scheme or project of the Mutual Fund.

Every person who desires to apply for or otherwise acquire any units of the Mutual Fund may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Exchange whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription /acquisition whether by reason of anything stated or omitted to be stated herein or any other reason whatsoever.”

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HIGHLIGHTS/SUMMARY OF THE SCHEME

- JM Fixed Maturity Fund Series XXII (FMF Series XXII) is an Close Ended Fund, which will be listed on the Exchange
- **Investment objective**: A close ended income scheme comprising various plans seeking to generate regular returns through investments in fixed income securities maturing on or before the date of the maturity of the scheme.
- **Liquidity**

  Redemption of Units

  No redemption/repurchase of units shall be allowed prior to the maturity of the close ended schemes. Investors wishing to exit may do so, only in demat mode, by selling through NSE or any other stock exchange where the scheme will be listed,

  Units of JM FMF Series XXII can be bought/ sold like any other stock on the National Stock Exchange of India Ltd. (NSE) or on any other exchange where it is listed.

  Investors can redeem on all business days by selling on stock exchange, where units of the fund are listed.

  On maturity of a Plan, the maturity pay-out will normally be effected on the day immediately following the maturity day. However, if the maturity pay-out day falls on a non-business day, then the maturity day will be extended appropriately to ensure that both the maturity day and the pay-out day are continuous business days. In case units are held in physical form, the Fund will endeavour to dispatch the maturity cheque/ draft within 10 Business Days from the date on which the maturity transaction is affected. In case units are held in Demat form, maturity/ dividend proceeds will be credited into investor's bank account through their DP.

  Units in a plan will be redeemed on the date of maturity of that plan at the applicable NAV. Please note that if any maturity day falls on a non-business day, the redemption will be done on the next business day. Unitholders of a plan may give a switch request before maturity of the plan to other schemes of JM Financial Mutual Fund.

  Transfer

  Units held by way of an Account Statement cannot be transferred. Units held in Demat form are transferable in accordance with the provisions of SEBI (Depositories and Participants) Regulations, as may be amended from time to time. Transfer can be made only in favour of transferees who are capable of holding units and having a Demat Account. The delivery instructions for transfer of units will have to be lodged with the DP in requisite form as may be required from time to time and transfer will be effected in accordance with such rules / regulations as may be in force governing transfer of securities in dematerialized mode.
- **Listing**

  The Regulations require that every close-end scheme (except Equity Linked Saving Scheme) be mandatorily listed on a recognised stock exchange. The Fund intends to list on either National Stock Exchange of India Ltd. or Bombay Stock Exchange Ltd. or both the Stock Exchanges. Investors will not be able to redeem their units during the tenor of the Plans and there will be redemption on the maturity of the respective plans. However the units held in dematerialized form can be traded on the Stock Exchange.
- **Benchmark:** Benchmark index for each plans of the Scheme depending on maturity of the concerned plan will be as follows:

Tenure of the Plan	Benchmark
Less than 91 days	Crisil Liquid Fund Index
91 days or more but less than three years	Crisil Short Term Bond Index

- **Transparency/NAV Disclosure** : NAVs will be determined at the close of every business day and will be disclosed.
- **Loads :** The load structure for JM Fixed Maturity Fund – Series XXII is as follows:

  Load chargeable (as %age of NAV)

  Entry Load : There will be no entry load for investing in any plan under the Scheme.

  The upfront commission on investment made by the investor, if any, shall be paid to the ARN Holder directly by the investor.

  Pursuant to SEBI Circular No. Cir/ IMD/ DF/13/ 2011 dated August 22, 2011, JM Financial Asset Management Pvt. Ltd. (the "AMC") shall deduct the Transaction Charges of ₹100 / ₹150 on purchase / subscription received through the distributor/ agent, who have opted to receive the transaction charges.

  Exit Load : Nil

However, with respect to the units held in demat form an investor would be paying/ incurring cost in the form of a bid and ask spread and brokerage, as charged by his broker, for buying/ selling of units. Additionally investor will also have to bear applicable statutory levies.

- **Choice of Investment options**

  Under the Scheme, three plans will be launched.

  JM Fixed Maturity Fund - Series XXII - Plan A to C offers plans of tenure from 3 months to 24 months from the date of allotment of the respective Plan(s) (including the date of allotment). The exact duration of the Plan(s) under the Scheme shall be decided at the time of launch of the respective Plan(s) and in case of the Plan(s) launched after New Fund Offer of the first Plan launched under the Scheme, the duration of the Plan will be indicated in the notice published for launch of each of the Plan.

  Each Plan will have a Growth and Dividend option. Investors are requested to indicate their preference while investing in the plans. Under the dividend option, investors have dividend payout option.

  The plans under the Scheme will have a separate portfolio. However, the options under each plan will have a common portfolio. Each of the respective Plans will adhere to the requirements of the SEBI Circular No. SEBI/ IMD/Cir No.1 0/22701/03 dated December 12, 2003 read with SEBI Circular No. SEBI/IMD/Cir No. 1/42529/05 dated June 14, 2005 on minimum number of investors.

- **Minimum Application Amount**

  During the NFO Period

  Subscription by the Unitholder under the Plan should be for a minimum investment ₹ 5,000/- only in the Plan for each option and in multiples of ₹ 10/- thereafter. The minimum investment amount including multiple amounts may change / be different for various plans as may be decided by the AMC.

  The minimum investment is applicable at the respective Plans/Sub-plans/Options/ Sub-options level i.e. Growth, Dividend payout.

  After the NFO Period

  As the scheme will be listed on the NSE, investors can buy or sell units of the plan from the secondary market on the National Stock Exchange of India Ltd. or any of the Exchange where it is listed. The minimum number of units that can be bought or sold is 1 (one) unit. The requirement of minimum investment will not be applicable on listing of units. As the trading lot for the units under JM FMP Fund - Series XXII post NFO is one unit, the AMC would refund/pay the remaining amount for which units cannot be allotted in whole number out of the investments made through fresh purchases and inter-scheme switches.

  Investors can purchase units at market prices, which may be at a premium/discount to the NAV of the scheme depending upon the demand and supply of units at the exchanges. Buying / Selling units on the stock exchange is just like buying / selling any other normal listed securities. If an investor has bought units, an investor has to pay the purchase amount to the broker /sub-broker such that the amount paid is realised before the funds pay-in day of the settlement cycle on the exchange. If an investor has sold units, an investor has to deliver the units to the broker/sub broker before the securities pay-in day of the settlement cycle on the exchange.

- **MATURITY**

  On maturity of the Plan, the outstanding Units shall be redeemed and the maturity proceeds will be paid to the Unitholder on the day immediately following the maturity day. However, if the maturity pay-out day falls on a non-business day, then the maturity day will be extended appropriately to ensure that both the maturity day and the pay-out day are continuous business days. The Trustees reserves the right to suspend/deactivate /freeze trading, ISIN of the scheme and to do all matters with respect to closure of the scheme at the time of maturity at any time 10 days prior to the maturity. Maturity proceeds will be paid to all the unit holders as per the records of the Registrar of the Mutual Fund. In case units are held in Demat form the proceeds on maturity will be payable to the persons whose names are appearing in beneficiary position details received from depositories after the suspension /deactivation /freezing of ISIN.

  Maturity proceeds would be payable to investors as per the bank details provided by the unitholders to the Mutual Fund. Where units are held in Demat form bank details will be taken from beneficiary position details received from depositories.

  Upon maturity, the units will be redeemed with AMC on the prevalent NAV.

- **Maturity Proceeds to NRI Investors**:

  NRI investors shall submit Foreign Inward Remittance Certificate (FIRC), along with Broker contract note of the respective broker through whom the transaction was effected, for releasing redemption proceeds on maturity. Redemption proceeds shall not be remitted until the aforesaid documents are submitted and the AMC/Mutual Fund/Registrar/Scheme shall not be liable for any delay in paying redemption proceeds.

In case of non-submission of the aforesaid documents the AMC reserves the right to deduct the tax at the highest applicable rate without any intimation by AMC / Mutual Fund / Registrar.

The Plan under the scheme shall be fully redeemed at the end of the maturity period

- **Tax benefits - Please refer SAI.**
- **Earnings of the Fund** – Earnings of the fund are totally exempt from income tax under Section 10(23D) of the I.T. Act.
- **Dematerialisation**

  a) Units: The Unit holders are given an Option to hold the units by way of an Account Statement (physical form) or in Dematerialized ('Demat') form

  b) For issue of units of the scheme in demat form, applicants under the scheme will be required to have a beneficiary account with a DP of NSDL/ CDSL and will be required to indicate in the application the DP's name, DP ID number and its beneficiary account number with the DP.

  c) In case Unit holders do not provide their Demat Account details, an Account Statement shall be sent to them. Such investors will not be able to trade on the stock exchange till the holdings are converted in to demat form.

  d) For trading of units on the Stock Exchange, the Units of the scheme can be traded in dematerialized form only.
- **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.
- **Amendments**

  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 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.
- **Indicative yield/ portfolio**

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

1.0 INTRODUCTION

A. RISK FACTORS

Standard Risk Factors:

- Investment in Mutual Fund Units involves investment risks such as trading volumes, settlement risk, liquidity risk, default risk including the possible loss of principal.
- As the price / value / interest rates of the securities in which the scheme invests fluctuates, the value of your investment in the scheme may go up or down
- Past performance of the Sponsor/AMC/Mutual Fund does not guarantee future performance of the scheme. The various factors which impact the value of the Scheme's investments include, but are not limited to, fluctuations in the bond markets, fluctuations in interest rates, prevailing political and economic environment, changes in government policy, factors specific to the issuer of the securities, tax laws, liquidity of the underlying instruments, settlement periods, trading volumes etc
- The name of the scheme does not in any manner indicate either the quality of the scheme or its future prospects and returns.
- The sponsor is not responsible or liable for any loss resulting from the operation of the scheme beyond the initial contribution of one Lac made by it towards setting up the Fund.
- The present scheme is not a guaranteed or assured return scheme

Scheme Specific Risk Factors

Investors of the scheme should be aware of the risks generally associated with investments in the fixed income and money markets instruments. Given below are some of the common risks associated with investments in the fixed income and money markets instruments

1. The Scheme may not be able to invest in the suitable securities falling within its investment parameters leading the Scheme to hold short term deposits of scheduled commercial banks till the monies are deployed as per the investment objective of the Scheme.
2. As the Scheme propose to invest and hold the securities till maturity, any default/delay by the investee company in honoring the securities on redemption may lead to delay and/or erosion in the maturity value to the unitholders.
3. **Interest Rate Risk**: As with all debt securities, changes in interest rates will affect the Scheme's Net Asset Value 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.
4. **Liquidity and 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.
5. **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.
6. **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.
7. **Risks associated with Investing in 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. 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.

8. The liquidity and valuation of the scheme's investment due to its holdings of unlisted securities may be affected if they have to be sold prior to their target date of divestment

9. **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.

10. **Risks associated with Listing of Units**:

- **Absence of Prior Active Market**: Although Schemes/Plans described in this Scheme Information Document are to be listed on the Exchange, there can be no assurance that an active secondary market will develop or be maintained. Consequently, there may not be enough liquidity on the exchange and the scheme may quote below its face value / NAV
- **Lack of Market Liquidity**: Trading in the units of FMF Series XXII on the Exchange may be halted because of market conditions or for reasons that in view of Exchange Authorities or SEBI, trading in units of JM FMF Series XXII is not advisable. In addition, trading in units of JM FMF Series XXII is subject to trading halts caused by extraordinary market volatility and pursuant to Exchange and SEBI 'circuit filter' rules. There can be no assurance that the requirements of Exchange necessary to maintain the listing of units of JM FMF Series XXII will continue to be met or will remain unchanged.
- The units of the plans under JM Fixed Maturiy Fund – Series XXII may trade above or below their NAV. The NAV of the Scheme will fluctuate with changes in the market value of the Scheme's holdings. The trading prices of the said units will fluctuate in accordance with the changes in their NAV as well as market supply and demand for the units.

Risk mitigation measures:

Risk management is an integral part of the investment process. The AMC incorporates adequate safeguards for controlling risks in the portfolio construction process, which are periodically evaluated. A System has been developed that does online monitoring of various exposure limits. The System incorporates all the investment restrictions as per SEBI guidelines and internal alerts at appropriate levels for preemptive monitoring. The system also enables identifying & measuring the risk through various risk measurement tools like various risk ratios, duration, credit score and analyzes the same so as to act in a preventive manner. In addition to minimizing the major risks for investments in debt instruments, the following steps are also taken

a) Credit Risk

- In depth credit evaluation of the money market and debt instruments (other than GSecs) proposed to be invested in.
- Issuer wise and Industry wise exposure limits
- Defining the minimum rating grades at portfolio level

b) Interest Rate Risk: Although this risk exists in a fixed income portfolio, the closed ended nature of the Scheme mitigates the risk as portfolio construction at the time of inception leads to creation of portfolio with securities whose maturity date is in line with the maturity date of the Scheme.

c) Liquidity Risk: In a closed ended product, liquidity risk on account of underlying securities' market liquidity does not exist, as intermediate liquidity is not required. Liquidity access is done through contractual maturity of the security, which is in line with the term of the closed ended Scheme.

d) Concentration Risk: There are internal guidelines for maximum exposure to a single issuer and also concentration limits on account of large holdings to avoid undue concentration in portfolio.

e) Event Risk: The endeavour is to invest in securities of issuers, who have strong fundamentals, to eliminate single company risk.

f) The scheme may also use derivatives and other hedging instruments, as may be permitted by RBI, from time to time, in order to protect the value of the portfolio.

B. REQUIREMENT OF MINIMUM INVESTORS IN THE SCHEME

(Applicability for a Close ended scheme / Interval scheme)

The Scheme(s) and individual Plan(s) under the Scheme(s) shall have a minimum of 20 investors and no single investor shall account for more than 25% of the corpus of the Scheme(s)/Plan(s). These conditions will be complied with immediately after the close of the NFO itself i.e. at the time of allotment. In case of non-fulfillment with the condition of minimum 20 investors, the Scheme(s)/Plan(s) shall be wound up in accordance with Regulation 39 (2) (c) of SEBI (MF) Regulations automatically without any reference from SEBI. In case of non-fulfillment with the condition of 25% holding by a single investor on the date of allotment, the application to the extent of exposure in excess of the stipulated 25% limit would be liable to be rejected and the allotment would be effective only to the extent of 25% of the corpus collected. Consequently, such exposure over 25% limits will lead to refund within 5 business days of the date of closure of the New Fund Offer.

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 Scheme Information Document carefully in its entirety and consult their legal, tax and investment advisors to determine possible legal, tax, financial or other considerations of subscribing for, purchasing or holding Units before making a subscription for Units.

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.

Neither this Scheme Information Document nor the Units have been registered in any jurisdiction. The distribution of this Scheme Information Document in certain jurisdictions may be restricted or subject to registration requirements and, accordingly, persons who come into possession of this Scheme Information Document are required to inform themselves about, and to observe, any such restrictions, as may be applicable. This Scheme Information Document does not constitute an offer or solicitation to any person within such jurisdiction. The 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 Scheme Information Document and of any person wishing to apply for Units pursuant to this Scheme Information 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 Scheme Information Document. Circulars in connection with this offering not authorized by JM Financial Mutual Fund and any information or representations not contained herein must not be relied upon as having been authorized by JM Financial Mutual Fund. Prospective investors should not construe the contents hereof as advice relating to legal, taxation or investment matters and are advised to consult their own professional advisors concerning the purchase, holding or disposal of Units.

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.

D. DEFINITIONS -

I. **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.

II. **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 Bombay Stock Exchange and /or 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. The AMC reserves the right to declare any day as Business Day or otherwise at any or all JM ISCs.

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

IV. **Common Account Statement/ CAS:** Common Account Statement/ CAS is a statement containing details relating to all the transactions across all mutual fund.

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

VI. **Credit Rating Agency** : 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.

VII. **Custodian:** A person who has been granted a certificate of registration to carry on the business of providing custodial services 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. **Dividend** : Income distributed by the Mutual Fund on the units.

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

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

XIII. **Exchange/Market:** means recognized stock exchange(s) where the units of the Scheme are listed.

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 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. **GOI:** Government of India.

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

XIX. **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.

XX. **Investor** : Any resident (person resident in India under the Foreign Exchange Management Act) or non-resident person (a person who is not a resident of India) whether an individual or not (legal entity) of FII or Person of Indian Origin, who is eligible to subscribe for Units under the laws of his/her/their state/country of incorporation, establishment, citizenship, residence or domicile 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.

XXI. **JM Financial Mutual Fund / the Fund/ the Mutual 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.

XXII. **JM FMF – Series XXII :** means JM Fixed Maturity Fund Series XXII a Scheme to be listed on one or more Exchange(s).

XXIII. **JM ISC/ ISC:** Investor Service Center(s) of JM Financial Mutual Fund and of branches of Banks and / or AMC's / Registrar and Transfer Agent's service centres / Investor Service Centre authorized to receive application forms during ongoing offering and also redemption/switch requests as mentioned in this Scheme Information Document or appointed from time to time. These centres shall be regarded the "Official Points" of acceptance of transactions for subscription/redemption/ switch and the cut-off timing for various transactions shall be reckoned at these Official Points.

XXIV. **New Fund Offer/ NFO:** Offer of the Units of the Scheme during the New Fund Offer period.

XXIV. **New Fund Offer Period/ NFO period:** The dates on or the period during which the initial subscription to Units of the Scheme can be made i.e. on various dates as decided by the Trustee subject to the earlier closure or extension, if any, such offer period not being open for more than 15 days.

XXV. **NRI:** Non-Resident Indian : means a person resident outside India who is a citizen of India or is a person of Indian origin..

XXVI. **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.

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

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

XXX. **Portfolio:** The portfolio of the schemes or plans of JM Financial Mutual Fund would include all Permissible Investments and cash.

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

XXXII. **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.

XXXIII. **Registrar and Transfer Agent/ RTA/ R&T:** 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.

XXXIV. **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.

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

XXXVI. **Scheme:** A scheme under JM Fixed Maturity Fund - Series XXII being offered by JM Financial Mutual Fund. The Scheme shall include multiple plans (including sub-plans) launched under JM Fixed Maturity Fund - Series XXII.

XXVIII. **Scheme Information Document/ SID:** This document issued by JM Financial Mutual Fund, offering Units of the Scheme.

XXVVII. **Statement of Additional Information/ SAI:** This document issued by JM Financial Mutual Fund, contains details of all statutory information on the Mutual Fund, including tax, legal and general information. SAI is legally a part of the SID.

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

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

XXXIX. **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.

XL. **Securities:** Include 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.

XLI. **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.

XLII. **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.

XLIII. **Switch :** Transfer of units of one Scheme/ plan/ option/ sub-option of JM Financial Mutual Fund to any of its other Schemes.

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

XLV. **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 the directors of the Trustee company, and its successors and assigns.

XLVI. **Trust Property:** Includes permissible investments and cash or any part thereof which may be converted or varied from time to time.

XLVII. **Units:** The interest of the Unitholders in the Plan(s) under the Scheme, which consists of each unit representing one undivided share in the assets of the Plan(s) under the Scheme.

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

INTERPRETATION

- For all purposes of this Scheme Information Document, except as otherwise expressly provided or unless the context otherwise requires

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

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

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

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: 24/01/2012

Signed: sd/-

Diana D'sa

Designation: Compliance Officer

II. INFORMATION ABOUT THE SCHEME

A. TYPE OF THE SCHEME – A Close Ended Income Fund Offering Fixed Maturity Plans

B. WHAT IS THE INVESTMENT OBJECTIVE OF THE SCHEME?

Investment Objective

A close ended income scheme comprising various plans seeking to generate regular returns through investments in fixed income securities maturing on or before the date of the maturity of the scheme.

C. HOW WILL THE SCHEME ALLOCATE ITS ASSETS?

Under normal circumstances, the asset allocation for Plan(s) having maturity from 3 months to 13 months under the Scheme, will be as follows:

Instruments	Indicative allocations (% of total assets)		Risk Profile
	Maximum	Minimum	
Government securities, Debt and Money Market securities	100	0	Medium
Fixed income derivatives	10	0	Medium

Under normal circumstances, the asset allocation for Plan(s) having maturity above 13 months under the Scheme, will be as follows:

Instruments	Indicative allocations (% of total assets)		Risk Profile
	Maximum	Minimum	
Government securities and Debt Securities	100	50	Medium
Money Market securities	50	0	Medium
Fixed income derivatives	10	0	Medium

Note: Since Plan A has tenure of 369 days, asset allocation mentioned in first table (i.e for Plan(s) having maturity from 3 months to 13 months) will be applicable.

The Scheme will not invest in securitised debt (including foreign securitised debt), repo in corporate debt security and equity linked debentures.

Investment in fixed income derivatives at level of each portfolio shall be within the limits specified by SEBI from time to time. The cumulative gross exposure through debt and derivative positions will not exceed 100% of the net assets of concerned plan of the Scheme.

Any deviations from the asset allocation pattern would be only for defensive considerations and will be rebalanced within 15 days in case of Plan(s) having tenture upto 6 months. In case the tenure of Plan(s) is more than 6 months, the portfolio shall be rebalanced within one month. The Investment Advisory Committee will be kept informed in case the portfolio is not rebalanced within the aforesaid time frames.

In terms of SEBI circular No. 12/147132/08 dated December 11, 2008, plans under the scheme shall invest only in such a securities which mature on or before the date of the maturity of concerned plan of the scheme.

The AMC may, from time to time, pending deployment of funds of plans under 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.7/1 29592/08 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 Scheme Information Document.

Disclosure pursuant to SEBI circular dated August 1, 2011:

a) **Credit Evaluation Policy for investment in debt securities:**

The AMC aims to identify securities, which offer superior levels of yield at lower levels of risks so the Investment process comprises of qualitative as well as quantitative measures.

Qualitative factors like management track record, group companies, resource-raising ability, extent of availability of banking lines, internal control systems, etc are evaluated in addition to the business model and industry within which the issuer operates as regards industry/model-specific risks, working capital requirements, cash generation, seasonality, regulatory environment, competition, bargaining power, etc.

Quantitative factors like debt to equity ratio, Profit and loss statement analysis, balance sheet analysis.

Macroeconomic call is taken on interest rate direction by analysis of various influencing factors like Inflation, Money supply, Private sector borrowing, Government borrowing, Currency market movement, Central Bank policy, Domestic fiscal and monetary policy, Global interest rate scenario and Market sentiment. Interest rate call is supplemented by technical analysis of market and short term influencing factors like trader position, auction/issuance of securities, release of economic numbers, offshore market position, etc. Interest Rate call and anticipation of yield curve movement forms the basis of portfolio positioning in duration and spread terms.

Credit research is done on a regular basis for corporate having high investment grade rating. Credit research includes internal analysis of rating rationale, and financial statements (annual reports and quarterly earnings statements) of the issuer, for the last 1-3 years evaluating amongst other metrics, relevant ratios of profitability, capital adequacy, gearing, turnover and other inputs from external agencies. On an ongoing basis, credit profile of the issuer, possible credit risks reflected in change in outlook of rating agencies, external developments affecting the issuer etc are tracked. Internal credit call is a pre-requisite for all investments since the investment universe is primarily high-grade credit instruments. Credit research is also used to minimize credit migration risk and for generating relative value trade ideas. Stable to higher rating on maturity vis-à-vis issuance is the guiding factor for investment decisions from credit point of view

b) The Scheme shall not invest in debt securities issued by corporates operating in Constructions, Telecom and Auto Ancillaries sectors.

The Scheme may invest in Instruments issued by companies in the following sectors:

Automobile, Cement & Cement Products, Chemicals, Commodities, Consumer Goods, Energy, Fertilisers & Pesticides, Financial Services, Healthcare Services, Industrial Manufacturing, IT, Media & Entertainment, Metals, Paper, Pharma, Services, Textiles and Trading.

Note :

i) The Scheme does not propose to invest more than 30% of AUM in any of the sectors, except Certificates of Deposit issued by banks.

ii) The Scheme may invest more than 30% of AUM in Certificate of Deposit issued by banks, CBLO and securities issued by Central and State Government of India.

c) **The floors and ceilings within a range of 5% of the intended allocation (%) against each sub asset class/credit rating shall be as per following matrix.**

The intended asset allocation of Plan A under the scheme shall be as follows.

Instruments	**Credit Rating**			**Credit Rating Not Applicable**
	AAA /A1+/Equivalent	**AA/Equivalent***	**A/Equivalent***	
CDs	95% - 100%	-	-	-
CPs	-	-	-	-
NCDs	-	-	-	-
Corporate debt	-	-	-	-
Any Other (cash & cash equivalents including CBLO)	-	-	-	0% - 5%

*Securities with rating AA and A shall include AA+ and AA- & A+ and A- respectively.

There may be funds which will fully invest in one type of instruments.

1. In case securities with aforesaid ratings are not available, the positive variation in investment pattern would be towards instruments with higher credit rating in the same instruments.
2. If Commercial Papers (CP)/Non Convertible Debentures (NCD) including (Corporate Bonds) as aforesaid are not available then the Scheme may invest in Certificate of Deposits (CD) of banks having highest ratings and/ or CBLO.

3. In case security is rated by more than one rating agency, the most conservative publicly available rating would be considered.
4. The Scheme would not invest in unrated papers.
5. At the time of portfolio building, post NFO and towards maturity, the Scheme may have higher allocation to cash and cash equivalent.
6. In the event of any deviations from the floor and ceiling of credit ratings specified for any instrument, the same shall be rebalanced with 30 days from the date of the said deviation.
7. There will not be any variation between intended asset allocation and final asset allocation, other than exception mentioned at 1, 2, 5 and 6.

D. WHERE WILL THE SCHEME INVEST?

The corpus of the Scheme/ Plan will be invested in debt and money market instruments (investment grade). Subject to the Regulations, the corpus of the Scheme/ plan can be invested in any of the following securities:

- Securities created and issued by the Central and State Governments and/or repos/reverse repos in such Government Securities as may be permitted by RBI (including but not limited to coupon bearing bonds, zero coupon bonds and treasury bills).
- Securities guaranteed by the Central and State Governments (including but not limited to coupon bearing bonds, zero coupon bonds and treasury bills).
- Debt obligations of domestic Government agencies and statutory bodies, which may or may not carry a Central/State Government guarantee.
- Corporate debt and securities (of both public and private sector undertakings) including Bonds, Debentures, Notes, Strips, etc.
- Obligations of banks (both public and private sector) and development financial institutions.
- Money market instruments permitted by SEBI/RBI.
- Certificate of Deposits (CDs).
- Commercial Paper (CPs).
- The non-convertible part of convertible securities.
- Any other domestic fixed income securities as per the extant Regulations
- Any other like instruments as may be permitted by RBI / SEBI / such other regulatory authority from time to time.
- The Plan / Scheme may also use various fixed income derivatives and hedging products like interest swap (including interest rate futures) etc. from time to time, as would be available and permitted by SEBI, in an attempt to protect the value of the portfolio and enhance Unitholders' interest.

The 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.

Overview of Debt and Money Markets in India

The Indian debt market is the largest segment of the Indian financial markets. The Indian Debt Market has grown in size substantially over the years. The debt market comprises broadly two segments, viz., Government securities Market and corporate debt market. Government securities include, T Bills, Gsec, etc. Corporate debt securities include CPs, CDs, Non-Convertible Debentures (NCDs), etc. The Government Securities market plays a vital role in the Indian economy as it provides the benchmark for determining the level of interest rates.

The debt securities are mainly traded over the telephone directly or through brokers. The National Stock Exchange of India has a separate trading platform called as Wholesale Debt Market segment. RBI has introduced the Negotiated Dealing System (NDS) platform for screen-based trading in Government Securities and Money Market instruments. Most of the market participants are now operating through NDS. The CCIL facilitates settlement of all trades executed through NDS. With introduction of CCIL various Counter party Credit Risk and Operational Risk have reduced, leading to smooth settlement process.

Current scenario

RBI has halted its 1.5 year long monetary tightening policy.RBI has leaned towards accommodating the downside risk to domestic growth coming from local and external factors. The Reserve Bank of India (RBI) maintained the repo rate at 8.50% and officially confirmed the end of the tightening cycle. From this point on, monetary policy actions are likely to reverse the cycle, responding to the risks to growth. RBI maintained its March 2012 inflation projection of 7% y/y. RBI held its FY 11-12 GDP growth projection of ~7.6%, it did accept that the downside risks to its growth projections have increased significantly. The central bank highlighted that inflation is largely on its projected track, although growth is springing sizeable downside surprises. Against such a backdrop, we expect the RBI to shift focus more towards growth in the coming months. The sharp deterioration in the growth trajectory has increased the pressure on RBI to ease its policy stance

Undertone for Government bond continues to remain positive. Domestic economic slowdown, expectation of reversal of monetary cycle by RBI, OMO purchases by RBI and ongoing global developments will keep a support for local bonds. Bonds with a medium term view is continued to be positive. It is believed that the interest rate cycle has peaked out offer good investment opportunity for investors having a medium –to long term investment horizon.

It is expected that liquidity situation will ease from the present levels on government spending and RBI open market operations. However liquidity in the system is expected to continue to remain in a deficit mode and may remain below RBI comfort zone of +-1% of NDTL Money market rates expected to remain firm.

Current Market levels as on January 18,2012

Type of instruments (Rating)	Maturity of the instruments	Current yields
CPs & CDs (A1+/ P1+)	3 months to 12 months	9.90% to 10.10%
NCD (AAA)	1 year to 2 years	9.50% to 9.75%

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

The steps will be as follows :

- Assuming the swap is for ₹ 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).
- 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.
- On December 1, 2007 they will calculate the following –
- The Scheme is entitled to receive interest on ₹ 20 crore at 12% for 184 days i.e. ₹ 1.21 crore, (this amount is known at the time the swap was concluded) and will pay the compounded benchmark rate.

- The counterparty is entitled to receive daily compounded call rate for 184 days & pay 12% fixed.
- On December 1, 2007, if the total interest on the daily overnight compounded benchmark rate is higher than ₹ 1.21 crore, the Scheme will pay the difference to the counterparty. If the daily compounded benchmark rate is lower, then the counterparty will pay the Scheme the difference.
- Effectively the Scheme earns interest at the rate of 12% p.a. for six months without lending money for 6 months fixed, while the counterparty pays interest @ 12% p.a. for 6 months on ₹ 20 crore, without borrowing for 6 months fixed.

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

Valuation of Derivative Products:

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

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

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: The schemes objective would be to achieved by investing in a portfolio of fixed-income / debt securities that are generally in line with the maturity of the scheme. This will be based on the principle of ensuring Asset Liability match. The fund manager will endeavor to deploy the investments in the scheme (investments) in such a way so as to coincide with the tenor of the scheme for which unit capital is received from the investors.

As mentioned in the asset allocation pattern, the Scheme may invest upto 100% in short term debt securities and / or money market instruments. The exposure to short term debt securities and money market instruments within the overall limit of 100% may be changed by the AMC depending on market conditions. However, the Scheme is not a money market mutual fund Scheme. The main aim of changing the weightages of short term debt securities and money market instruments will be to protect the interests of the unitholders and for short term defensive considerations

The investment policies will be in conformity with the provisions of various constitutional documents viz. MOA / AOA of the AMC / Trustee, IMA and the Trust Deed.

On occasions, if deemed appropriate, the Plan / Scheme will invest in securities sold directly by the issuer, or acquired in a negotiated transaction. The moneys collected under this Plan / Scheme shall be invested only in transferable securities in the money market or in the capital / debt market or in privately placed debentures or in Government securities.

As per SEBI Regulations, the Plan/ Scheme shall not make any investments in any unlisted securities of associate/ group companies of the Sponsors. The Plan / Scheme will also not make investment in privately placed securities issued by associate / group companies of the Sponsor. The Plan / Scheme may invest not more than 25% of the net assets in listed securities of Group companies.

JM Fixed Maturity Fund – Series XXII will seek to invest in debt and money market instruments. The Scheme aims to identify securities, which offer superior levels of yield at lower levels of risks. With the aim of controlling risks, rigorous in depth credit evaluation of the securities proposed to be invested in will be carried out by the investment team of the AMC. Rated debt instruments in which the Scheme invests will be of investment grade as rated by a credit rating agency. The AMC will be guided by the ratings of rating agencies such as CRISIL, CARE, ICRA and Duff and Phelps Credit Rating India Limited or any other rating agencies that may be registered with SEBI from time to time. In case a debt instrument is not rated, necessary clearance of the Committee/ Boards as per requirements of Regulations / Guidelines / Circulars will be obtained for such an investment.

(i) Scientific approach to investment

The Mutual Fund adopts a scientific approach to investments. Securities are selected for various schemes 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.

PORTFOLIO TURNOVER POLICY:

The AMC as such does not have a policy statement on portfolio turnover for Scheme. However, the general portfolio management style is biased towards maintaining a low portfolio turnover rate. In the debt market, trading opportunities may arise due to changes in interest rate policy announced by the Reserve Bank of India, shifts in the yield curve, credit rating changes or any other factors where in the opinion of the fund manager there is an opportunity to enhance the total return of the portfolio. Since the investments would nearly match the maturity profile of the respective plans, the consequent brokerages and transactions costs would be low.

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 Fund Managers' 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.

Fund Managers 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**

- A Close Ended Income Fund Offering Fixed Maturity Plans

(ii) • **Main Objective** - A close ended income scheme comprising various plans seeking to generate regular returns through investments in fixed income securities maturing on or before the date of the maturity of the scheme.

• **Investment pattern** -

ASSET ALLOCATION PATTERN

Under normal circumstances, the asset allocation for Plan(s) having maturity from 3 months to 13 months under the Scheme will be as follows:

Instruments	Indicative allocations (% of total assets)		Risk Profile
	Maximum	Minimum	
Government securities, Debt and Money Market securities	100	0	Medium
Fixed income derivatives	10	0	Medium

Under normal circumstances, the asset allocation for Plan(s) having maturity above 13 months to 24 months under the Scheme will be as follows:

Instruments	Indicative allocations (% of total assets)		Risk Profile
	Maximum	Minimum	
Government securities, Corporate Debt	100	50	Medium
Money Market securities	50	0	Medium
Fixed income derivatives	10	0	Medium

The Scheme will not invest in securitised debt (including foreign securitised debt), repo of corporate debt and equity linked debentures.

Investment in fixed income derivatives at level of each portfolio shall be within the limits specified by SEBI from time to time. The cumulative gross exposure through debt and derivative positions will not exceed 100% of the net assets of concerned plan of the Scheme.

Any deviations from the asset allocation pattern would be only for defensive considerations and will be rebalanced within 15 days in case of Plan(s) having tenture upto 6 months. In case the tenure of Plan(s) is more than 6 months, the portfolio shall be rebalanced within one month. The Investment Advisory Committee will be kept informed in case the portfolio is not rebalanced within the aforesaid time frames.

In terms of SEBI circular No. 12/147132/08 dated December 11, 2008, plans under the scheme shall invest only in such a securities which mature on or before the date of the maturity of concerned plan of the scheme.

The AMC may, from time to time, pending deployment of funds of plans under 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.7/1 29592/08 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 Scheme Information Document.

(iii) Terms of Issue

Purchase/Redemption of Units

The units of the plan under the scheme will be listed on the National Stock Exchange of India Ltd. (NSE). However the Trustees reserve the right to list the units of the Plan on any other Stock Exchange.

Since units are proposed to be listed on the NSE, an investor can buy/sell units of the Plan under the Scheme on a continuous basis on the NSE and/or other recognized stock exchanges where units may be listed.

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 :

Particulars (as a % of Applicable NAV)	JM Fixed Maturity Fund - Series XXII
Investment Management & Advisory Fee	1.25 %
Trustee Fee	0.05 %
Marketing and Selling Expenses	0.55 %
Custodian Expenses	0.20 %
Registrar and Transfer Agent Fee, Audit Fee and other expenses permitted under Regulation 52(4)(b)	0.20 %
TOTAL	**2.25 %**

Listing fees shall be a permissible expense to be charged under Regulation 52(4).

The above estimates are made based on the minimum subscription (target) amount of ₹ 20 crores. 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 ₹ 100 crore	Next ₹ 300 crore	Next ₹ 300 crore	On the balance assets
2.25%	2.00%	1.75%	1.50%

Subject to the overall ongoing fees and expenses which would be charged to the Scheme not exceeding the limit laid down under Regulation 52(6) [as reproduced above], the AMC will charge to the Scheme the Government levies in the form of any charges or applicable taxes including applicable surcharge either presently payable or which may be imposed in future. Currently, the Government has imposed Service Tax of 10% on the Management and Trustee Fees , education cess of 2% and, secondary & higher education cess of 1% 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).

Any safety net or guarantee provided:

No guarantee has been provided

CHANGE IN FUNDAMENTAL ATTRIBUTES

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:

- 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
- 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,

Benchmark index for each plans of the Scheme depending on maturity of the concerned plan will be as follows:

Tenure of the Plan	Benchmark
Less than 91 days	Crisil Liquid Fund Index
91 daya or more but less than three years	Crisil Short Term Bond Index

In terms of SEBI Circular No. MFD/CIR/01/ 071/02 dated 15th April 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. Further, in terms of SEBI Circular No. MFD/CIR/16/400/02 dated 26th March 2002 the performance of Fund will be benchmarked and reviewed at every meeting of the Boards of the AMC / Trustee.

H. WHO MANAGES THE SCHEME?

The Scheme will be jointly managed by Mr. Girish Hisaria and Mr. Vikas Agrawal, whose details are as set out below.

Mr. Girish Hisaria - Fund Manager - Debt	B.Com, MMS (Finance) Age: 34 Yrs	He has 7 years of experience in Fixed Income Markets. Prior to joining the AMC, he has worked with Sahara Indian Financial Corp and Darashaw Securities Pvt Limited. He is responsible for managing the JM Gsec Fund, JM Income Fund and JM Short Term Fund. He is also joint Fund Manager for Plan B and Plan C of JM Fixed Maturity Fund Series XX.

Mr. Vikas Agrawal - Fund Manager - Debt	B.Com, PGDBM (Finance) Age: 30 Years	He has 8 years of work experience in fixed income market and has worked with Centrum Capital, Stratcap Securities and SPA Securities. In his earlier assignments, he was responsible for origination and placement of short term / long term bonds. He was associated with the AMC since June 2007 as Debt Dealer. He is currently the Fund Manager for JM Money Manager Fund – Regular Plan and JM Money Manager Fund - Super Plan. He is also joint Fund Manager for Plan B and Plan C of JM Fixed Maturity Fund Series XX.

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 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 no mutual fund scheme shall invest more than 30% of its net assets in money market instruments of an issuer:

Provided further that the limit specified in the second proviso shall not be applicable for instruments in Government Securities, T-Bills and Collateralised Borrowing and Lending Obligations.

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.

2. 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.

3. 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.

4. 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.

5. 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.

6. 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.

7. 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.

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

9. Every mutual fund shall buy and sell securities on the basis of deliveries and shall in all cases of purchases, take delivery of relevant securities and in all cases of sale, deliver the securities:

Provided that a mutual fund may engage in short selling of securities in accordance with the framework relating to short selling and securities lending and borrowing specified by the Board:

Provided further that a mutual fund may enter into derivatives transactions in a recognized stock exchange, subject to the framework specified by the Board.

Provided further that sale of government security already contracted for purchase shall be permitted in accordance with the guidelines issued by the Reserve Bank of India in this regard.

10. 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.

11. Pending deployment of funds of a scheme in terms of investment objectives of the scheme, a mutual fund may invest

them in short term deposits of schedule commercial banks, subject to such Guidelines as may be specified by the Board.

12. 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.
13. 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.
14. The securities so transferred shall be in conformity with the investment objective of the scheme to which such transfer has been made.
15. The Mutual Fund having an aggregate of securities which are worth ₹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.

INVESTMENT IN DERIVATIVES

In accordance with SEBI Circular Cir/ IMD/ DF/ 11/ 2010 dated August 18, 2010, the following clauses shall be inserted in the Scheme Information Documents of all the schemes of JM Financial Mutual Fund under the head "What are the Investment Restrictions"

1. The cumulative gross exposure through equity, debt and derivative positions should not exceed 100% of the net assets of the scheme.
2. The Scheme shall not write options or purchase instruments with embedded written options.
3. The total exposure related to option premium paid shall not exceed 20% of the net assets of the scheme.
4. Exposure due to hedging positions may not be included in the above mentioned limits subject to the following :
    a. Hedging positions are the derivative positions that reduce possible losses on an existing position in securities and till the existing position remains.
    b. Hedging positions shall not be taken for existing derivative positions. Exposure due to such positions shall be added and treated under limits mentioned in Point 1.
    c. Any derivative instrument used to hedge has the same underlying security as the existing position being hedged.
    d. The quantity of underlying associated with the derivative position taken for hedging purposes does not exceed the quantity of the existing position against which hedge has been taken.
5. The Scheme may enter into plain vanilla interest rate swaps for hedging purposes. The counter party in such transactions has to be an entity recognized as a market maker by RBI. Further, the value of the notional principal in such cases shall not exceed the value of respective existing assets being hedged by the scheme. Exposure to a single counterparty in such transactions should not exceed 10% of the net assets of the scheme.
6. Exposure due to derivative positions taken for hedging purposes in excess of the underlying position against which the hedging position has been taken, shall be treated under the limits mentioned in point 1.

Position	Exposure
Long Future	Futures Price * Lot Size * Number of Contracts
Short Future	Futures Price * Lot Size * Number of Contracts
Option bought	Option Premium Paid * Lot Size * Number of Contracts.

The derivative transactions shall also be disclosed in the half yearly portfolio/ annual report of the schemes in line with requirements under SEBI Regulations.

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

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

J. HOW HAS THE SCHEME PERFORMED?

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

III. UNITS AND OFFER

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

A. NEW FUND OFFER (NFO)

New Fund Offer Period This is the period during which a new scheme sells its units to the investors.	**NFO opens on: March 26, 2012** **NFO closes on: March 27, 2012** The Trustee may close subscription list earlier by giving at least one day's notice in one daily national newspaper. The Trustee reserves the right to prepone or extend the closing date for the New Fund Offer Period subject to the condition that the New Fund Offer shall not be kept open for more than 15 days.
New Fund Offer Price: This is the price per unit that the investors have to pay to invest during the NFO.	₹ 10
Minimum Amount for Application in the NFO	Subscription by the Unit holder under each Plan should be for a minimum investment ₹ 5,000/- only in the Plan for each option and in multiples of ₹ 10/- thereafter. However, there is no upper limit for investment.
Minimum Target amount This is the minimum amount required to operate the scheme and if this is not collected during the NFO period, then all the investors would be refunded the amount invested without any interest.	The Fund seeks to raise a minimum subscription amount of ₹ 20 crores under each of the plans under the Scheme during the New Fund Offer period of the respective plan under the Scheme.
Maximum Amount to be raised (if any) This is the maximum amount which can be collected during the NFO period, as decided by the AMC.	No Maximum Limit
Plans / Options offered	Various plans under the Scheme offers investors two investment options: (i) Growth option and (ii) Dividend payout option. The plans under the Scheme will have a separate portfolio. However, the options under each plan will have a common portfolio.

Default options	Investors are requested to indicate their preference while investing in the plan / sub-plan. If an investor fails to specify his preference, he shall be deemed to have opted to select the Growth option in case scheme is having maturity of one year or more and in case it is less than one year then the default option shall be dividend option. Under the dividend option, investors will have dividend payout option only.
Dividend Policy	**DIVIDENDS SHALL BE DECLARED AT THE DISCRETION OF THE TRUSTEE SUBJECT TO AVAILABILITY OF DISTRIBUTABLE SURPLUS.** Dividends if declared will be paid to the Unit holders appearing in the Register of Unit holder on the Record Date. In case the Record Date falls on a non Business Day, the immediately following Business Day shall be the Record Date. 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 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. On payment of dividend, the NAV will stand reduced by the amount of dividend and dividend tax (if an as applicable) paid.
Allotment	Allotment will be done to all applicants, whose applications are found to be valid in all aspects and whose payment has been received/ realized. Provided that the Mutual Fund / Trustee / AMC reserves the right to reverse the transaction of crediting Units in the Unitholder's account, in the event of non- realisation of any payment instrument submitted by the investor. It may be noted that in respect to purchase of units with amount equal to or more than ₹ 1 crore, the application may not be processed if the funds are not available for utilization on the last day of NFO period. Allotment will be done within 5 business days from date of closure of subscription period during NFO period. Upon allotment, an Allotment Advice will be sent by ordinary post to each unitholder, stating the number of units allotted, not later than 5 business days from the close of NFO Period and the units will be credited to the DP account of the application as per the details provided in the application form in case the investor wishes to receive the units in demat mode. The Trustees reserves the sole and absolute discretion to reject any application. An allotment confirmation specifying the units allotted shall be sent by way of email and/ or SMS within 5 business days of the closure of NFO to the unitholder's registered e-mail address and/ or mobiale number. CAS shall also be sent to the unit holders in whose folio transactions have taken place during that month, on or before 10th of the succeeding month. In case of specific request received from investors, Mutual Fund/ RTA will provide an account statement to the investors (who hold the units in physical form) within 5 business days from the receipt of such request. The Account Statement/ CAS shall not be construed as a proof of title and is only a computer printed statement indicating the details of transactions under the Scheme and is subject to the realization of Funds and application being found to be in-order. The statement of holding of the beneficiary account holder for units held in demat will be sent by the respective Depository Participants ("DPs") to investor periodically.
	In case of units held in demat mode, the Allotment Advice will be issued in the name of the beneficiary and will carry the name of the investor. The AMC shall issue units in dematerialized form to a unitholder in a close ended scheme listed on a recognised stock exchange within two business days of the receipt of request from the unitholder.
Refund	If application is rejected, full amount will be refunded within 5 business day of closure of NFO. The AMC shall pay interest to the unitholders at the rate of 15% per annum in case of delay in refunding the amount for the period of delay beyond 5th business day.

Who can invest This is an indicative list and investors are requested to consult their financial advisor to ascertain whether the scheme is suitable to their risk profile.	The following persons (subject to, wherever relevant, purchase of units of mutual funds being permitted under respective constitutions, and relevant statutory regulations) are eligible and may apply for subscription to the Units of the Scheme. • Resident adult individuals, either singly or jointly (not exceeding three) • Parents/Lawful Guardian on behalf of Minors • Hindu Undivided Family (HUF), in the name of Karta • Companies/Bodies Corporate/Public Sector Undertakings, association of persons or bodies of individuals whether incorporated or not and societies registered under the Societies Registration Act, 1860 (so long as the purchase of units is permitted under the respective constitutions) • Religious and Charitable Trusts, Wakfs or endowments of private trusts (subject to receipt of necessary approvals as required) under the provisions of 11(5) of Income Tax Act, 1961 read with 17C of the Income Tax Rules, 1962 (subject to receipt of necessary approvals as "Public Securities", where required); • Trustee of private trusts authorized to invest in mutual fund scheme under the Trust Deed • Partnership firm in the name of partner(s) • Proprietorship firm in the name of the proprietor • Banks and Financial Institutions • NRIs/ persons of Indian origin residing abroad on full repatriation basis (subject to RBI approval, if any) or non-repatriation basis . Presently OCBs are not permitted to invest in mutual funds pursuant to RBI A.P.(DIR Series) Circular No. 14 dated September 16,2003 • Foreign Institutional Investors (FIIs) registered with SEBI on full repatriation basis (subject to RBI approval, if any) • Army/Air Force/Navy and other Para Military units and other eligible institutions • Scientific and/or industrial research organisations • International Multilateral Agencies approved by Government of India • Non- Government Provident/Pension/Gratuity funds as and when permitted to invest • Others who are permitted to invest in the Scheme as per their respective constitutions Note : 1 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, Subject to the Regulations. 2 Any scheme of JM Financial Mutual Fund or of any other Mutual Fund managed by any other AMC, including a Fund of Fund (subject to the conditions and limits prescribed in Regulations and/or by the Trustee, AMC or Sponsor) may subscribe to the units under the Scheme. The AMC/Trustee /Fund /Sponsor may subject to the limits prescribed by SEBI subscribe to units of this Scheme. The AMC will not be entitled to charge any fees on investments made by the AMC.

	3 The 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 or the collecting bankers. The details of the official points of acceptance, collecting banker details etc. are on back cover page.
How to Apply	Please refer to the SAI and Application form for the instructions.
Listing	It is proposed to list the scheme on the National Stock Exchange of India and/or any of the Recognised Stock Exchanges in India.
Special Products / facilities available during the NFO	NIL
Restrictions, if any, on the right to freely retain or dispose of units being offered.	The Units of the Scheme are available for trading and transfer only in demat mode via the stock exchanges.

Switching Options (only at the time of maturity)

Unitholders under the Plan have the option to switch part or all of their unit holdings in the Plan to another scheme(s) established by the Fund, which is available for investment at that time. This option will be useful to Unitholders who wish to alter the allocation of their investment among the scheme(s)/plan(s)/options of the Fund in order to meet their changed investment needs.

The switch will be effected by way of a redemption of Units from the Plan/Option and a reinvestment of the redemption proceeds in the opted Plan/Option of the other Scheme and accordingly, to be effective, the switch must comply with the redemption rules of the Scheme and the issue rules of the other scheme (for e.g. as to the minimum number of Units that may be redeemed or issued, exit load, etc). The price at which the Units will be switched out of the Plan will be based on the Repurchase Price, and the proceeds will be invested in the opted Plan/Option of the other Scheme at the prevailing sale price for units in that scheme/ plan/option.

Subject to necessary approvals (if any) from the Regulatory authorities and any other approval as applicable, tax deduction at source, if any, will be effected at the appropriate rate in case of a switching by NRIs/FIIs and the balance amount would be utilized to exchange units to the other Scheme.

The switch request can be made on a pre-printed form or by using the relevant tear off section of the Transaction Slip appended to the Account Statement, which should be submitted at any of the ISCs, by 3 p.m. on the maturity date.

Nomination

Physical:

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

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

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

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

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

In case of multiple nominations under physical mode of SOA, it is mandatory for unitholders to indicate the percentage allocation in favour of the nominees in the nomination forms/ requests letter in whole numbers such that it totals to 100%, so that the AMC can execute its obligations to the unitholders. If the percentage allocation is not mentioned or is left blank, the AMC shall apply the default option of equal distribution among all the nominees as designated by the deceased Unitholder. In case of 3 nominees where allocation is not defined, the allocation by default will be 34%, 33% and 33% respectively for each nominee in the sequential order.

Demat:

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

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

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

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

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

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

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

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

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

Pledge of Units

The unit holders may pledge units of the Scheme in favor of banks/other financial institutions/non-banking financial companies as a security for raising loans.

As the units of the Scheme will be issued and held in Demat form, the rules of Depository applicable for pledge will be applicable for Pledge/Assignment of the units of the Scheme.

Pledgor and Pledgee must have a beneficial account with the Depository. These accounts can be with the same DP or with different DPs. Pledgor will instruct its DP to create a pledge request by submitting a "Pledge Form" with a tick on "Create Pledge".

Pledgor will inform the pledgee about the creation of pledge request by giving a copy of the pledge report obtained from its DP.

Pledgee may instruct its DP to confirm the creation of pledge by submitting a "Pledge Form" with a tick on "Confirm creation of Pledge". The pledge gets created in favour of the pledgee only when the pledgee's DP confirms the creation of pledge in the system.

Pledge does not get created in the System until the Pledgee's DP confirms the pledge. Pledgee may obtain pledge report from its DP and verify creation of pledge.

After the loan is repaid, the pledgor will instruct its DP to close the pledge by submitting the "Pledge Form" with a tick on "Close Pledge". The pledgee will instruct its DP to confirm the closure of pledge by submitting the "Pledge Form" with a tick on "Confirm Closure of Pledge". The pledge is closed in the system on executing the instruction in the system by both the DPs. A pledgor's DP alone cannot close the pledge.

If the loan is not repaid, the pledgee, after giving notice to the pledgor as per the terms of the agreement, may instruct its DP to invoke the pledge by submitting the "Pledge Form" with a tick on "Invoke Pledge". On execution of this instruction, the securities are transferred into the pledgee's account. This does not require any confirmation from the pledgor.

The pledgor will continue to receive dividend on the pledged securities. The pledgee will get the benefits only if a pledge is invoked and on record date the shares are in the pledgee's account.

Listing

The Fund would get the units of the Scheme listed on National Stock Exchange of India Ltd. (NSE) within 5 business days from the date of allotment of units under the New Fund Offer of the Scheme

Disclosure of Bank Mandate and PAN Number

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

B. ONGOING OFFER DETAILS

Ongoing Offer Period This is the date from which the scheme will reopen for subscriptions/redemptions after the closure of the NFO period.	Being a close-ended Scheme, investors can subscribe to the Units of the Scheme during the NFO Period only and the scheme will not reopen for subscriptions after the closure of NFO. To provide liquidity to the investors, the Fund proposes to list the units on one or more of the recognised stock exchanges.
Ongoing price for subscription (purchase)/ switch-in (from other schemes/plans of the mutual fund) by investors. This is the price you need to pay for purchase/ switch-in.	Units cannot be subscribed after the closure of NFO. After the NFO Period As the scheme will be listed on the NSE, investors can buy or sell units of the scheme at prevailing market price of units from the secondary market on the National Stock Exchange of India Ltd. The minimum number of units that can be bought or sold is 1 (one) unit.
Ongoing price for redemption (sale) /switch outs (to other schemes/plans of the Mutual Fund) by investors. This is the price you will receive for redemptions/switch outs.	No redemption/repurchase of units shall be allowed prior to the maturity of the scheme. Investors wishing to exit may do so by selling their units through stock exchange/s at prevailing market price of units. The scheme shall be fully redeemed on the date of maturity and redemption proceeds shall be paid out within 10 business days, subject to availability of all relevant details.
Settlement of Purchase/Sale of units of JM Fixed Matuirty Fund – Series XXII on NSE	Buying/Selling of units of the Scheme on NSE is just like buying/selling any other normal listed security. If an investor has bought units, an investor has to pay the purchase amount to the broker/sub-broker such that the amount paid is realised before the funds pay-in day of the settlement cycle on the NSE. If an investor has sold units, an investor has to deliver the units to the broker/sub-broker before the securities pay-in day of the settlement cycle on the NSE. The units (in the case of units bought) and the funds (in the case of units sold) are paid out to the broker on the pay-out day of the settlement cycle on the NSE. The NSE regulations stipulate that the trading member should pay the money or units to the investor within 24 hours of the pay-out. If an investor has bought units, he should give standing instructions for 'Delivery-In' to his/her DP for accepting units in his/her beneficiary account. An investor should give the details of his/her beneficiary account and the DP-ID of his/her DP to his/her trading member. The trading member will transfer the units directly to his/her beneficiary account on receipt of the same from NSE's Clearing Corporation. An investor who has sold units should instruct his/her Depository Participant (DP) to give 'Delivery Out' instructions to transfer the units from his/her beneficiary account to the Pool Account of his/her trading member through whom he/she have sold the units. The details of the Pool A/C (CM-BP-ID) of his/her trading member to which the units are to be transferred, unit quantity etc. should be mentioned in the Delivery Out instructions given by him/her to the DP. The instructions should be given well before the prescribed securities pay-in day. SEBI has advised that the Delivery Out instructions should be given at least 24 hours prior to the cut-off time for the prescribed securities pay-in to avoid any rejection of instructions due to data entry errors, network problems, etc.
Where can the applications for purchase/ redemption switches be submitted?	The details of official points of acceptance are set out on the back cover page.
Minimum amount for purchase/redemption/ switches	**During NFO** Minimum amount for investment is ₹ 5,000/- per Plan / Option and in multiples of ₹ 10/- thereafter during the New Fund Offer period. 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 **After the NFO Period** As the scheme will be listed on the NSE, investors can buy or sell units of the scheme from the secondary market on the National Stock Exchange of India Ltd. The minimum number of units that can be bought or sold is 1 (one) unit. No redemption/repurchase of units shall be allowed prior to the maturity of the scheme. Investors wishing to exit may do so by selling their units through stock exchanges. The scheme shall be fully redeemed on the date of maturity and redemption proceeds shall be paid out within 10 business days, subject to availability of all relevant documents and details

Maturity	The redemption proceeds on maturity, subject to availability of all relevant details, shall be dispatched to the unitholders within 10 business days from the date of maturity of the scheme.
Trading and Demat	The scheme shall be available for subscription in demat mode also. Since the scheme is going to be listed and no direct repurchase facility is available with the Mutual Fund, the investors who intend to trade in units are required to have a Demat Account and hold the units in the dematerialised form only. This being a Closed Ended Scheme, no premature redemption can be made through redemption instruction to the Mutual Fund until Maturity. However, the Scheme provides for liquidity through listing on the NSE (and any other recognized stock exchange where the units are listed). Unitholders who intend to avail of the facility to trade in units are required to have a Demat Account.
Pledge/Lien	In case of pledged units, the parties to the pledge shall report the details to the Registrar after the suspension of trading but prior to maturity.
Special Products available	NIL
Accounts Statements	Pursuant to Regulation 36 of SEBI (Mutual Funds) Regulations, 1996 and amendments thereto, read with SEBI circular No. Cir/ IMD/ DF/16/ 2011 dated September 8, 2011, the investor whose transaction** has been accepted by the AMC on or after October 1, 2011 shall receive the following: (i) On acceptance of the application for subscription, an allotment confirmation specifying the number of units allotted by way of email and/ or SMS within 5 Business Days from the date of receipt of transaction request to the e-mail address and/or mobile number registered by the investor. (ii) Thereafter, a Consolidated Account Statement ("CAS")^ for each calendar month to those Unit holder(s) in whose folio(s) transaction (s)** has/have taken place during the month. shall be sent by ordinary post / or e-mail (in case e-mail address is provided by the investor) on or before 10th of the succeeding month. The CAS shall be sent to the mailing address/ email available in the folio where the customer has last transacted (including non financial transaction). ^Consolidated Account Statement (CAS) shall contain details relating to all the transactions** carried out by the investor across all schemes of all mutual funds during the month and holding at the end of the month including transaction charges paid to the distributor. **The word 'transaction' shall include purchase, redemption, switch, dividend payout, dividend reinvestment, systematic investment plan, systematic withdrawal plan, systematic transfer plan and bonus transactions. (iii) For the purpose of sending CAS, common investors across mutual funds shall be identified by their Permanent Account Number (PAN). The CAS shall not be sent to the Unit holders for the folio(s) not updated with PAN details. For folios without a valid PAN, the AMC may send account statements on a monthly basis. The Unit holders are therefore requested to ensure that the folio(s) are updated with their PAN. (iv) In case of a specific request received from the Unit holders, the AMC will dispatch the account statement to the investors within 5 Business Days from the receipt of such request. (v) In the event the account has more than one registered holder, the first named Unit holder shall receive the CAS/ account statement. (vi) Consolidation shall be done only for folios in which the unit holders and the order of holding in terms of first, second and third is similar. In case of folios pertaining to minors, the guardian's PAN shall be used for consolidation.

	Further, the CAS detailing holding across all schemes of all mutual funds at the end of every six months (i.e. September/ March), shall be sent by ordinary post / e-mail (in case e-mail address is provided by the investor), on or before 10th day of succeeding month, unless a specific request is made to receive in physical, to all such Unit holders in whose folios no transaction has taken place during that period. In case of investment though New Fund offers ("NFOs"), investors will receive the allotment confirmation from the AMC within the stipulated time. The statement of holding of the beneficiary account holder for units held in demat will be sent by the respective Depository Participants ("DPs") periodically.
Dividend	The dividend warrants shall be dispatched to the unitholders within 30 days of the date of declaration of the dividend.
Delay in payment of redemption / repurchase / dividend proceeds	No redemption/ repurchase of units shall be allowed prior to the maturity of the scheme/ plan. In case of any delay in payment of maturity proceeds, the AMC shall be liable to pay interest to the unitholders at such rate as may be specified by SEBI for the period of such delay (presently @ 15% per annum).

C. PERIODIC DISCLOSURES

Net Asset Value This is the value per unit of the scheme on a particular day. Investor can ascertain the value of his investments by multiplying the NAV with his unit balance.	The Mutual Fund shall declare the Net asset value of the scheme on every business day on AMFI's website www.amfiindia.com by 9.00 p.m. every Business Day and also on www.JMFinancialmf.com. In case of any delay, the reason for such delay would be explained to AMFI in writing. If the NAVs are not available before commencement of business hours on following day due to any reason, the AMC shall issue a press release providing reason and informing, when the AMC would be able to publish NAVs. NAVs of the Scheme may be published either through an advertisement or by way of a press release, in two daily newspapers daily. Since the Scheme is proposed to be listed on a recognized Stock Exchange, the listed price would also be available on that Stock Exchange.
Half yearly Disclosures: Portfolio / Financial Results This is a list of securities where the corpus of the scheme is currently invested. The market value of these investments is also stated in portfolio disclosures.	The mutual fund shall publish a complete statement of the scheme portfolio and the unaudited financial results, within one month from the close of each half year (i.e. 31st March and 30th September), by way of an advertisement at least, in one National English daily and one regional newspaper in the language of the region where the head office of the mutual fund is located. The mutual fund may opt to send the portfolio to all unit holders in lieu of the advertisement. These shall also be displayed on website of the Fund, i.e. www.JMFinancialmf.com.
Half Yearly Results	The mutual fund and Asset Management Company shall before the expiry of one month from the close of each half year that is on 31st March and on 30th September, publish its unaudited financial results in one national English daily newspaper and in a regional newspaper published in the language of the region where the Head Office of the mutual fund is situated.
Annual Report	Scheme wise Annual Report or an abridged summary thereof shall be sent to all unitholders within four months from the date of closure of the relevant accounts year i.e. 31st March each year. Pursuant to SEBI Circular No. Cir/ IMD/ DF/ 16/ 2011 dated September 8, 2011, the following provision with respect to sending annual report of scheme(s) of the Mutual Fund or abridged annual report will be applicable. The scheme wise annual report or an abridged summary hereinafter shall be sent by the AMC as under: (i) by email to the unitholders whose e-mail address is available with the AMC (ii) in physical form to the unitholders whose email address is not available with the AMC and/ or to those unitholders who have opted/ requested for the same. The physical copy of the schemewise annual report or abridged summary shall be made available to the investors at the registered office of the AMC. A link of the scheme annual report or abridged summary shall be displayed prominently on the website of the Mutual Fund.
Associate Transactions	Please refer to Statement of Additional Information (SAI).

Taxation The information is provided for general information only. However, in view of the individual nature of the implications, each investor is advised to consult his or her own tax advisors/authorised dealers with respect to the specific amount of tax and other implications arising out of his or her participation in the schemes. (mention the tax rates as per the applicable tax laws)	(see table below)

	Resident Investors	Mutual Fund
Tax on Dividend	NIL	Debt Schemes – 12.5% for payout resident individual /HUF and 30% for payout to other than individual /HUF (plus surcharge, Education Cess and Secondary and Higher Education Cess, as may applicable) Liquid Schemes - 25% for payout resident individual /HUF and 30% for payout to other than individual /HUF (plus surcharge, Education Cess and Secondary and Higher Education Cess,as may applicable)
Capital Gains: Long Term	10% without indexation or 20% with indexation whichever is lower (plus surcharge, Education Cess and Secondary and Higher Education Cess, as may be applicable)	NIL
Short Term	30% (plus surcharge, Education Cess and Secondary and Higher Education Cess, as may be applicable)	NIL

The tax benefits are available to investors and the Fund under the present taxation laws. The information set forth in the SAI is based on the advice of the Fund's tax advisor and is included for general information purposes only. The information set forth in the SAI reflects the law and practice as of date of this Scheme Information Document. Investors/ Unit holders should be aware that the relevant fiscal rules or their interpretation may change. There is a possibility that the tax position prevailing at the time of an investment in the Scheme can change thereafter. Mutual Fund will pay / deduct taxes as per tax law applicable on relevant date. The investor will have not have any recourse in case of additional tax liability imposed due to changes in the tax structure in the future.

It may be noted that investors/ unitholders are responsible to pay their own taxes. Investors/ unitholders should consult their own tax adviser with respect to the tax applicable to them for participation in the scheme.

For further details (including relating to NRIs) on taxation please refer to the clause on Taxation in the SAI

Investor services	Mr. Harish Kukreja is the Head Investor Services Address:- 2nd Floor, Asha House, Next to Landmark Bldg, 28 Suren Road, Off Western Express Highway, Andheri (East). Mumbai – 400 093.. Telephone No:- 022-61987777, Email:- investor@jmfinancial.in and servicejmf@karvy. com

D. COMPUTATION OF NAV

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

The NAVs of the Units of the Plans will be computed by dividing the net assets of the Plan by the number of Units outstanding on the valuation date. The Fund shall value its investments according to the valuation norms, as specified in Schedule VIII of the Regulations, or such norms as may be prescribed by SEBI from time to time.

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

IV. FEES AND EXPENSES

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

A. NEW FUND OFFER (NFO) EXPENSES

These expenses are incurred for the purpose of various activities related to the NFO like sales and distribution fees paid marketing and advertising, registrar expenses, printing and stationary, bank charges etc. All NFO expenses shall be borne by the AMC.

B. ANNUAL SCHEME RECURRING EXPENSES

These are the fees and expenses for operating the scheme. These expenses include Investment Management and Advisory Fee charged by the AMC, Registrar and Transfer Agents' fee, marketing and selling costs etc. as given in the table below:

The AMC has estimated that upto 2.25 % of the weekly average net assets of the scheme will be charged to the scheme as expenses. For the actual current expenses being charged, the investor should refer to the website of the mutual fund.

Particulars (as a % of Applicable NAV)	JM Fixed Maturity Fund - Series XXII
Investment Management & Advisory Fee	1.25%
Trustee Fee	0.05%
Marketing and Selling Expenses	0.55%
Custodian Expenses	0.20%
Registrar and Transfer Agent Fee, Audit Fee and other expenses permitted under Regulation 52(4) (b)	0.20%
TOTAL	**2.25%**

Listing fees shall be a permissible expense to be charged under Regulation 52(4).

These estimates have been made in good faith as per the information available to the Investment Manager based on past experience and are subject to change inter-se. Types of expenses charged shall be as per the SEBI (MF) Regulations.

The above estimates are made based on the minimum subscription (target) amount of ₹ 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 ₹ 100 crore	Next ₹ 300 crore	Next ₹ 300 crore	On the balance assets
2.25%	2.00%	1.75%	1.50%

Subject to the overall ongoing fees and expenses which would be charged to the Scheme not exceeding the limit laid down under Regulation 52(6) [as reproduced above], the AMC will charge to the Scheme the Government levies in the form of any charges or applicable taxes including applicable surcharge either presently payable or which may be imposed in future. Currently, the Government has imposed Service Tax of 10% on the Management and Trustee Fees , education cess of 2% and, secondary & higher education cess of 1 %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).
Expenses over and above the prescribed ceiling will be borne by the AMC.

C. LOAD STRUCTURE

Load chargeable (as %age of NAV)

Entry Load : There will be no entry load for investing in the various plans under the Scheme.

Exit Load : Nil

The upfront commission on investment made by the investor, if any, shall be paid to the ARN Holder directly by the investor.

Pursuant to SEBI Circular No. Cir/ IMD/ DF/13/ 2011 dated August 22, 2011, JM Financial Asset Management Pvt. Ltd. (the "AMC") shall deduct the Transaction Charges of ₹100 / ₹150 on purchase / subscription received through the distributor/ agent, who have opted to receive the transaction charges.

However, an investor would be paying cost in the form of a bid and ask spread and brokerage, as charged by his broker, for buying/ selling of units.

Load exemptions, if any: The AMC will not charge entry/exit load for a Fund of Funds Scheme investing in the scheme. The investor is requested to check the prevailing load structure of the scheme before investing.

For any change in load structure AMC will issue an addendum and display it on the website/Investor Service Centres.

D. TRANSACTION CHARGES

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

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

Description	Transaction Charges	
	First Time Mutual Fund Investor (across Mutual Funds)	**Investor other than First Time Mutual Fund Investor**
Subscription of ₹ 10,000 and above	₹ 150/-	₹ 100/-

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

Transaction charges shall not be deducted for:

(a) purchases /subscriptions for an amount less than ₹ 10,000/-;

(b) purchases/ subscriptions made directly with the Fund (i.e. not through any distributor/agent).

(c) Transactions, wherein the concerned distributor has not opted-in for transaction charges.

(d) Transactions done through Stock Exchange platform.

E. WAIVER OF LOAD FOR DIRECT APPLICATIONS

NO ENTRY LOAD: SEBI has mandated following in its circular No. SEBI/IMD/CIR No. 4/ 168230/09 dated June 30, 2009:

a) There shall be no entry load for all mutual fund schemes.

b) The scheme application forms shall carry a suitable disclosure to the effect that the upfront commission to distributors will be paid by the investor directly to the distributor, based on his assessment of various factors including the service rendered by the distributor.

c) Of the exit load or CDSC charged to the investor, a maximum of 1% of the redemption proceeds shall be maintained in a separate account which can be used by the AMC to pay commissions to the distributor and to take care of other marketing and selling expenses. Any balance shall be credited to the scheme immediately.

d) The distributors should disclose all the commissions (in the form of trail commission or any other mode) payable to them for the different competing schemes of various mutual funds from amongst which the scheme is being recommended to the investor.

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.

V. RIGHTS OF UNITHOLDERS

Please refer to SAI for details.

VI. PENALTIES, PENDING LITIGATION OR PROCEEDINGS, FINDINGS OF INSPECTIONS OR INVESTIGATIONS FOR WHICH ACTION MAY HAVE BEEN TAKEN OR IS IN THE PROCESS OF BEING TAKEN BY ANY REGULATORY AUTHORITY

1) In case of Indian Sponsor(s), details of all monetary penalties imposed and/ or action taken during the last three years or

pending with any financial regulatory body or governmental authority, against Sponsor(s) and/ or the AMC and/ or the Board of Trustees /Trustee Company; for irregularities or for violations in the financial services sector, or for defaults with respect to share holders or debenture holders and depositors, or for economic offences, or for violation of securities law. Details of settlement, if any, arrived at with the aforesaid authorities during the last three years.

The Sponsor of JM Financial Mutual Fund has disputed the Income Tax liability of ₹ 366.93 lacs against which an amount of ₹ 376.53 lacs have been paid on account of advance taxes. The disputed appeal is pending before the appropriate authority (as the same are pending with High Court, Tribunal and CIT [Appeals]).

The Sponsor had filed a civil suit against Mr. D B Patel for recovery of security deposit of around ₹ 1.28 crore paid to him for the office premises taken on Leave & License basis. The Sponsor is in possession of the premises that were rented by Mr. Patel. The Sponsor's application for execution of decree in this regard is pending in the High Court, Bombay.

The Complainant, M/s. Computron Systems Pvt. Ltdhas withdrawn the criminal complaint against Mr. Nimesh Kampani, Chairman of the Board of the Trustee Company, who was one of the parties by virtue of his acting as an escrow agent to a commercial transaction in a case before the Court of Additional Chief Metropolitan Magistrate, Esplanade, Mumbai, and orders have been passed to the necessary effect and therefore, the matter is now closed.

Mr. Nimesh Kampani, a director of JM Financial Trustee Company Private Ltd., was one of the non-executive directors of Nagarjuna Finance Limited till April 28, 1999. In the contempt case no. 915 of 2002, a single judge bench in the High Court of Judicature, Andhra Pradesh at Hyderabad, passed an order on August 3, 2007 punishing (simple imprisonment for six months and a fine of ₹ 2,000) Respondents no. 1to 3 (Mr. KS Raju, Mr. N Selvaraj and Nagarjuna Finance Ltd. - NFL) for violating, disobeying the Order of the Company Law Board Southern Region Bench at Chennai in C.P. No. 35 of 2000 dated 29-2-2000 and order in C.A. No.344/634-A/SRB/2001 dated August 21, 2001 and for breach of an affidavit filed in the Hon'ble Court in Company Appeal No.7 of 2001. While passing the said order, the judge also included other directors of 3rd respondent, viz., NFL. Though Mr. Kampani had resigned much before the order was passed by the Company law Board Southern Region Bench at Chennai in 2001, he had been made party in the order of the Hon'ble High Court of Judicature, Andhra Pradesh. The implementation of the said order of the Hon'ble High Court of Judicature, Andhra Pradesh, Hyderabad was suspended by a Division Bench of the High Court of Judicature, Andhra Pradesh, Hyderabad.

In response to an appeal filed by the directors of NFL, including Mr. Nimesh Kampani, the Hon'ble High Court of AP, Hyderabad has, vide common judgement dated 22.8.2008, discharged all directors including Mr. Kampani from all cases filed by the depositor against the Company.

2) Details of all enforcement actions taken by SEBI in the last three years and/ or pending with SEBI for the violation of SEBI Act, 1992 and Rules and Regulations framed there under including debarment and/ or suspension and/ or cancellation and/ or imposition of monetary penalty/adjudication/enquiry proceedings, if any, to which the Sponsor(s) and/ or the AMC and/ or the Board of Trustees /Trustee Company and/ or any of the directors and/ or key personnel (especially the fund managers) of the AMC and Trustee Company were/ are a party.

Nil

3) Any pending material civil or criminal litigation incidental to the business of the Mutual Fund to which the Sponsor(s) and/ or the AMC and/ or the Board of Trustees /Trustee Company and/ or any of the directors and/ or key personnel are a party

Nil

4) Any deficiency in the systems and operations of the Sponsor(s) and/ or the AMC and/ or the Board of Trustees/Trustee Company which SEBI has specifically advised to be disclosed in the SID, or which has been notified by any other regulatory agency

N.A.

Notwithstanding anything contained in this Scheme Information Document, the provisions of the SEBI (Mutual Funds) Regulations, 1996 and the guidelines there under shall be applicable.

The Scheme under this SID was approved by the Trustee on Janury 18, 2012.

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JM FINANCIAL MUTUAL FUND

BRANCHES/INVESTOR SERVICE CENTERS : • **AHMEDABAD**: 201, SAMEDH complex, Next to Associated Petrol Pump, C. G. Road, Panchvati, Ahmedabad - 380 006. Tel.: (079) 26426620 / 26426630. • **BANGALORE**: 203, 2nd floor, City Centre, Off MG road, Church Street, Bangalore 560 001 Tel.: (080) 42914221/4242. • **CHANDIGARH** : B-4 Basement, SCO 22, Sector 33 D, Chandigarh - 160020 Tel: (0172) 4346431/4646431 (operational w.e.f. March 5, 2012) • **CHENNAI**: 2nd Floor, Ruby Regency, Dinrose Estate, Opposite to Tarapore Towers, (Behind HP Petrol Pump) Old No. 69, Anna Salai, Chennai - 600 002. Tel.: (044) 42976767, Fax: (044) 28513026. • **COIMBATORE**: Door No. 196/17, First Floor, Aiswarya Commercial Centre, Thiruvenkatasamy Road, R S Puram, Coimbatore 641 002. Tel.: (0422) 4367375. • **HYDERABAD**: ABK OLBEE Plaza, 8-2-618/8 & 9, 4th Floor, 403, Road No. 1, Banjara Hills, Hyderabad 500 034. Tel.: (040) 66664436 / 66780752. • **INDORE:** 129, City Centre, 570 M. G. Road, Opp. High Court, Indore - 452001. Tel.: (0731) 2533344. • **JAIPUR**: 447, 4th Floor, Ganapati Plaza, MI Road, Jaipur - 302 001. Tel.: (0141) 4002188 / 99. • **KANPUR**: Office No. 512, 5th Floor, Kan Chambers, 14/113 Civil Lines, Kanpur - 208 001, (U.P.) Tel.: (0512) 3914577, 3022754, 3022755. • **KOLKATA:** 6, Little Russell Street, 8th Floor, Kankaria Estate, Kolkata - 700 071. Tel.: (033) 40062957 - 62/65/66/67. • **LUCKNOW:** Room No.101, 1st Floor, Sky Hi, 5-Park Road, Lucknow - 226 001. Tel.: (0522) 4026636/7. • **LUDHIANA:** Office No. 308, SCO 18, Opp. Stock Exchange, Feroze Gandhi Market, Ludhiana - 141 001. Tel.: (0161) 5054519 / 5054520. • **MUMBAI (Andheri)**: Asha House, 28, 2nd Floor, Suren Road, Off Western Express Highway, Andheri (E), Mumbai - 400 093. Tel.: (022) 61987777 • **MUMBAI (Nariman Point)**: 51, Maker Chambers III, Nariman Point Mumbai – 400021. Tel: 022- 61987777 Tel.: (022) 61987777.. • **NAGPUR**: 204, Khullar Chambers, Above Bank of Baroda, Munje Chowk, Sita Buldi, Nagpur - 440 012. Tel.: (0712) 6500171 / 72. • **NASIK**: Lower Ground 14, Suyojit Sankul, Behind HDFC Bank, Sharanpur Road, Nasik - 422 002. Tel.: (0253) 3012824. • **NEW DELHI (MAIN)**: 818-819, 8th floor, Ambadeep Building, 14 K G Marg, Connaught Place, New Delhi - 110 001. Tel.: (011) 43616160. • **NOIDA**: 505, 5th floor, Ocean Complex, Plot No.6, Sector 18, Noida 201 301. Tel.: (0120) 4271915 / 4271916 • **PUNE**: Office # 304 & 305, 4th Floor, "Amit Shreephal" Ghole Road, 1187/25 Shivajinagar, Next to Federal Bank, Pune- 411005. Tel: (020) 30266021/22/23. • **RAJKOT**: 208, Star Chambers, 2nd Floor, Harihar Chowk, Rajkot - 360 001. Tel.:(0281) 2231303. • **SURAT**: 1ST Floor, C 110, International Trade Centre (ITC), Majuragate, Ring Road, Surat-395002 . Tel.: (0261) 6533056. • **VADODARA**: 407, 4th Floor, Siddarth Complex, Alkapuri, R C Dutt Road, Vadodara - 390 005. Tel.: (0265)6626474 / 2350453.

Web transactions through

www.icicidirect.com; www.kotaksecurities.com; www.kotak.com; www.idbipaisabuilder.in; www.standardchartered-wealthmanagers.co.in; www.indiainfoline.com; www.njindiaonline.com; www.reliancemoney.com; www.religare.in; www.sharekhan.com; www.yesbank.in; www.angeltrade.com; www.guptaequities.com; www.hdfcbank.com; www.the-finapolis.com; www.ingim.co.in; www.bonanzaonline.com; www.dawnaydayavsecurities.com; www.emkayshare.com; www.arthamoney.com; www.smcindiaonline.com; www.wealthonline.in; www.sbicapsec.com; www.justtrade.in; www.almondz.com; www.fidelity.co.in; www.vsicl.com; www.wealthindia.in ; www.ifastfinancial.com ; www.motilaloswal.com ; www.tatasecurities.com; www.shriraminsight.com; www.mynetworth.networthdirect.com