

JPMorgan India Treasury Fund

(An open-ended income scheme)

SCHEME INFORMATION DOCUMENT

Offer of Units of Rs. 10/- each at NAV based prices subject to applicable Loads

| | | |
|----------------------------------|---|---|
| Name of Mutual Fund | : | JPMorgan Mutual Fund |
| Name of Asset Management Company | : | JPMorgan Asset Management India Private Limited |
| Name of Trustee Company | : | JPMorgan Mutual Fund India Private Limited |
| Address of the entities | : | Reg. Office: Kalpataru Synergy 3rd Floor, West Wing, Santacruz - East Mumbai - 400 055. |
| Website | : | www.jpmorganmf.com |

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 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 JPMorgan Mutual Fund and tax related and legal issues. Additionally investors are also advised to log on to as well as on the website for general information concerning JPMorgan Mutual Fund: www.jpmorganmf.com.

The SAI is incorporated by reference (and 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 (SID) should be read in conjunction with the SAI and not in isolation.

This Scheme Information Document is dated May 28, 2010

Table of Contents

| | Page No |
|--|---------|
| HIGHLIGHTS / SUMMARY OF THE SCHEME | |
| INVESTMENT OBJECTIVE | 4 |
| PLANS | 4 |
| LIQUIDITY | 4 |
| BENCHMARK FOR PERFORMANCE COMPARISON | 4 |
| TRANSPARENCY / NAV DISCLOSURES | 4 |
| LOAD STRUCTURE | 4 |
| MINIMUM APPLICATION / REDEMPTION AMOUNT | 5 |
| PLANS AND OPTIONS AVAILABLE UNDER THE SCHEME | 5 |
| | |
| I INTRODUCTION | |
| A. RISK FACTORS | 6 |
| 1. STANDARD RISK FACTORS | |
| 2. SCHEME SPECIFIC RISK FACTORS | |
| B. REQUIREMENTS OF MINIMUM INVESTORS IN THE SCHEME | 10 |
| C. SPECIAL CONSIDERATIONS, IF ANY | 10 |
| D. DEFINITIONS AND INTERPRETATIONS | 11 |
| E. DUE DILIGENCE BY THE ASSET MANAGEMENT COMPANY | 16 |
| | |
| II INFORMATION ABOUT THE SCHEME | |
| A. TYPE OF THE SCHEME | 17 |
| B. INVESTMENT OBJECTIVE OF THE SCHEME | 17 |
| C. ASSET ALLOCATION BY THE SCHEME | 17 |
| D. SCHEME'S INVESTMENT | 17 |
| E. INVESTMENT STRATEGIES | 17 |
| F. FUNDAMENTAL ATTRIBUTES | 17 |
| G. HOW WILL THE SCHEME BENCHMARK ITS PERFORMANCE | 18 |
| H. WHO MANAGES THE SCHEME | 18 |
| I. WHAT ARE THE INVESTMENT RESTRICTIONS | 19 |
| J. HOW HAS THE SCHEME PERFORMED | 21 |
| K. INVESTMENTS BY THE AMC | 21 |
| L. UNDERTAKING BY THE TRUSTEES | 21 |
| | |
| III UNITS AND OFFER | |
| A. NEW FUND OFFER | 22 |
| B. ONGOING OFFER DETAILS | 28 |
| C. PERIODIC DISCLOSURES | 35 |
| D. COMPUTATION OF NAV | 37 |
| | |
| IV FEES AND EXPENSES | |
| A. NEW FUND OFFER (NFO) EXPENSES | 38 |
| B. ANNUAL SCHEME RECURRING EXPENSES | 38 |
| C. LOAD STRUCTURE | 39 |
| D. TRANSACTIONS UNDER A POA | 39 |
| E. APPLICATION BY NON-INDIVIDUAL INVESTORS | 39 |
| F. MODE OF HOLDING | 39 |
| | |
| V RIGHTS OF UNITHOLDERS | 40 |
| | |
| 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. | 40 |

Highlights / Summary of the Scheme

Investment Objective

The investment objective is to provide liquidity and optimal returns to the investors by investing primarily in a mix of short term debt and money market instruments which results in a portfolio having marginally higher maturity and moderately higher credit risk as compared to a liquid fund at the same time maintaining a balance between safety and liquidity.

However, there can be no assurance that the investment objective of the Scheme will be realised.

Plans

The Scheme has two Plans :
Retail Plan
Super-Institutional Plan

Liquidity

Units may be purchased or redeemed at NAV related prices on every Business Day on an ongoing basis. The Fund will endeavour to dispatch the Redemption proceeds within 3 Business Days from the acceptance of the Redemption request.

Benchmark for performance comparison

CRISIL Liquid Fund Index

Transparency / NAV Disclosure

The AMC will calculate and disclose the NAV of the Scheme on every Business Day. The NAV of the Scheme will be made available at all ISCs of the AMC. The AMC will publish the NAV for each Business Day in two daily newspapers. The AMC shall update the NAVs on the website of the Fund (www.jpmorganmf.com) and of the Association of Mutual Funds in India (www.amfiindia.com) by 9.00 pm on every Business Day. In case of any delay, the reasons for such delay would be explained to AMFI. If the NAVs are not available before commencement of business hours on the following Business Day due to any reason, the Fund shall issue a press release providing reasons and explaining when the Fund would be able to publish the NAV. The AMC will before the expiry of one month from the close of each half year (i.e. March 31 and September 30) disclose the full portfolio of the Scheme by either sending a complete statement to all the Unit Holders or by publishing such statement, by way of an advertisement, in one English daily newspaper having nationwide circulation and in a newspaper published in the language of the region where the head office of the Fund is situated.

Load Structure

Entry Load (For Ongoing Offer):

| For each Plan | Load (% of Applicable NAV) |
|----------------------------|----------------------------|
| Retail Plan | Nil |
| Super - Institutional Plan | Nil |

Exit Load (For Ongoing Offer):

| For each Plan | Load (% of Applicable NAV) |
|----------------------------|----------------------------|
| Retail Plan | Nil |
| Super - Institutional Plan | Nil |

There will be no Load for Units created as a result of dividend reinvestment and bonus Units.

No Loads will be chargeable in case of switches made between different Scheme Options.

For the most up to date information on Entry / Exit Loads investors are advised to contact their ISC or the AMC at its toll-free number (1800-22-5763) prior to any application / redemption.

All Loads are intended to enable the AMC to recover expenses incurred for promotion or distribution and sale of the Units of the Scheme. All Loads including CDSC will be retained in the Scheme in a separate account and will be utilised to meet the distribution and marketing expenses. Any surplus amounts in this account may be credited to the Scheme whenever considered appropriate by the AMC.

Minimum Application / Redemption Amount

| | |
|--------------------------------------|--|
| Initial Application Amount | Retail Plan: Rs 5000 per application and in multiples of Re. 1 thereafter. Super Institutional Plan: Rs. 1 Crore per application and in multiples of Re. 1 thereafter. |
| Additional Application Amount | Retail Plan: Rs 1000 per application and in multiples of Re 1 thereafter. Super Institutional Plan: Rs. 10,00,000 per application and in multiples of Re. 1 thereafter. |
| Amount / No. of Units for Redemption | Under both Plans: Rs 5000 or 500 Units |

Plans and Options available under the Scheme

The Scheme offers two Plans - Retail Plan and Super Institutional Plan.

Both the Plans under the Scheme offers two options - growth option and dividend option.

Under the growth option no dividend will be declared.

Under the dividend option, a dividend may be declared by the Trustee, at its discretion, from time to time (subject to the availability of distributable surplus as calculated in accordance with the Regulations).

Dividend option under Retail Plan offers daily dividend reinvestment, weekly dividend reinvestment, fortnightly dividend reinvestment and monthly dividend reinvestment options.

Dividend option under Super Institutional Plan offer (i) dividend payout option and (ii) dividend reinvestment option. Dividend payout option offers weekly dividend payout, fortnightly dividend payout and monthly dividend payout option. Dividend reinvestment option offers daily dividend reinvestment, weekly dividend reinvestment, fortnightly dividend reinvestment and monthly dividend reinvestment options.

In case of weekly dividend payout or weekly dividend reinvestment option, record date for the declaration of dividend shall be every Tuesday, in case of fortnightly dividend payout or fortnightly dividend reinvestment option the record date shall be 14th and 28th of each month and in case of monthly dividend payout or monthly dividend reinvestment option, the record date shall be 25th of each month. In case these record dates fall on a non-business day, the record date shall be taken to be the next business day. There is no assurance or guarantee to Unit Holders as to the rate of dividend distribution nor that the dividends will be regularly declared, though it is the intention of the Mutual Fund to make regular dividend distribution under the Dividend Option. Dividend distribution is subject to availability of distributable surplus.

If the investor does not clearly specify the choice of option (growth / dividend) at the time of investing, it will be treated as a growth option. If the investor does not clearly specify at the time of investing, the choice of option under dividend, it will be treated as a daily dividend reinvestment option. If the investor investing more than Rs. 1,00,00,000 does not clearly specify the choice of plan at the time of investing, the default plan will be - Super Institutional Plan.

The Trustee may decide to distribute by way of dividend, the surplus by way of realised profit, dividends and interest, net of losses, expenses and taxes, if any, to Unit Holders in the dividend option of the Scheme if such surplus is available and adequate for distribution in the opinion of the Trustee. The Trustee's decision with regard to availability and adequacy, rate, timing and frequency of distribution shall be final. The dividend will be due to only those Unit Holders whose names appear in the register of Unit Holders in the dividend option of the Scheme on the record date which will be announced in advance in accordance with the SEBI Regulations.

I. INTRODUCTION

A. RISK FACTORS

1) 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.
- Mutual funds, like Securities investments, are subject to market and other risks and there can be no guarantee against loss resulting from an investment in the Scheme nor can there be any assurance that the Scheme's objectives will be achieved.
- Past performance of the Sponsor/AMC/Mutual Fund does not guarantee future performance of the Scheme.
- JPMorgan India Treasury Fund is only the name of the Scheme and 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 Rs. 1,00,000 (One Lakh Rupees) made by it towards setting up the Mutual Fund.
- The present Scheme is not a guaranteed or assured return scheme.

2) Scheme Specific Risk Factors:

a) Risks associated with investing in money market instruments

- Investments in money market instruments would involve a moderate credit risk, i.e. risk of an issuer's inability to meet the principal payments.
- Money market instruments may also be subject to price volatility due to factors such as changes in interest rates, general level of market liquidity and market perception of credit worthiness of the issuer of such instruments.
- The NAV of the Scheme's Units, to the extent that the Scheme is invested in money market instruments, will be affected by changes in the level of interest rates. When interest rates in the market rise, the value of a portfolio of money market instruments can be expected to decline.

b) Risks associated with Bonds

- The NAV of the Scheme, to the extent invested in Debt Securities, will be affected by changes in the general level of

interest rates. The NAV of the Scheme is expected to increase from a fall in interest rates while it would be adversely affected by an increase in the level of interest rates.

- Debt Securities, while fairly liquid, lack a well-developed secondary market, which may restrict the selling ability of the Scheme and may lead to the Scheme incurring losses till the security is sold.
- Debt Securities are subject to the risk of the issuer's inability to meet interest and principal payments on its obligations and market perception of the creditworthiness of the issuer.
- The AMC may, considering the overall level of risk of the portfolio, invest in lower rated / unrated Securities offering higher yields.
- The liquidity of investments made in the Scheme may be restricted by trading volumes and settlement periods. Different segments of the Indian financial markets have different settlement periods and such periods may be extended significantly by unforeseen circumstances. The Trustee has the right, in its sole discretion, to limit Redemptions (including suspending Redemption) under certain circumstances. There may be temporary periods when the monies of the Scheme are un-invested and no return is earned thereon. The inability of the Scheme to make intended Securities purchases, due to settlement problems, could cause the Scheme to miss certain investment opportunities. By the same token, the inability to sell Securities held in the Scheme's portfolio due to the absence of a well developed and liquid secondary market for Debt Securities could result, at times, in potential losses to the Scheme, should there be a subsequent decline in the value of the Securities held in the Scheme's portfolio.
- The liquidity and valuation of the Scheme's investments due to its holdings of unlisted Securities may be affected if they have to be sold prior to their target date of divestment.
- Debt Securities, which are not quoted on the stock exchanges, are inherently illiquid in nature and carry a larger amount of liquidity risk, in comparison to Debt Securities that are listed on the exchanges or offer other exit options to the investor, including a put option. The AMC may choose to invest in unlisted Debt Securities that offer attractive yields within regulatory limits. This may however increase the risk of the portfolio. Additionally, the liquidity and valuation of the Scheme's investment due to its holdings of the unlisted Securities may be affected if they have to be sold prior to the target date of investment.
- While Debt Securities that are listed on the stock exchange carry lower liquidity risk, the ability to sell these investments is

limited by the overall trading volume on the stock exchanges. Money market Securities, while fairly liquid, lacks a well-developed secondary market, which may restrict the selling ability of the Scheme and may lead to the Scheme incurring losses till the Security is finally sold.

- Money market Securities and debt Securities are subject to the risk of an issuer's inability to meet interest and principal payments on its debt obligations (credit risk). Credit risk or default risk refers to the risk which may arise due to default on the part of the issuer of the fixed income security (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. These Securities may also be subject to price volatility due to factors such as changes in interest rates, general level of market liquidity and market perception of the creditworthiness of the issuer, among others (market risk). The Liquidity Risk 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. The Investment Manager will endeavour to manage credit risk through in-house credit analysis. The Scheme may also, but is not obliged to, use various hedging products from time to time, as are available and permitted by SEBI, to attempt to reduce the impact of undue market volatility on the Scheme's portfolio. There is no guarantee that hedging techniques will achieve the desired result.
- The investments made by the Scheme are subject to reinvestment risk. This risk refers to the interest rate levels at which cash flows received from the Securities in the Scheme are reinvested. The additional income from reinvestment is the "interest on interest" component. The risk is that the rate at which interim cash flows can be reinvested may be lower than that originally assumed. The risk refers to the fall in the rate for reinvestment of interim cash flows.
- The NAV of the Scheme's Units, to the extent that the Scheme is invested in fixed income Securities, will be affected by changes in the general level of interest rates. When interest rates decline, the value of a portfolio of fixed income Securities can be expected to rise. Conversely, when interest rates rise, the value of a portfolio of fixed income Securities can be expected to decline.
- To the extent the Scheme's investments are in floating rate debt instruments or fixed debt instruments swapped for floating rate

return, they will be affected by interest rate movement (basis risk) - coupon rates on floating rate securities are reset periodically in line with the benchmark index movement. Normally, the interest rate risk inherent in a floating rate instrument is limited compared to a fixed rate instrument. Changes in the prevailing level of interest rates will likely affect the value of the Scheme's holdings until the next reset date and thus the value of the Scheme's Units. The value of Securities held by the Scheme generally will vary inversely with changes in prevailing interest rates. The Mutual Fund could be exposed to interest rate risk:

- (i) due to the time gap in the resetting of the benchmark rates, and
- (ii) to the extent the benchmark index fails to capture interest rate changes appropriately (spread risk): though the basis (i.e. benchmark) gets readjusted on a regular basis, the spread (i.e. markup) over benchmark remains constant. This can result in some volatility to the holding period return of floating rate instruments.

- Settlement Risk (counterparty risk): Specific floating rate assets may also be created by swapping a fixed return into a floating rate return. In such a swap, there is the risk that the counterparty (who will pay floating rate return and receive fixed rate return) may default;
- Liquidity Risk: The market for floating rate Securities is still in its evolutionary stage and therefore may render the market illiquid from time to time, for such Securities that the Scheme is invested in.
- Prepayment Risk: The Borrower may prepay the receivables prior to their respective due dates. This may result in change in the yield and tenor for the Scheme.
- Different types of Securities in which the Scheme may invest as given in the SID carry different levels and types of risk. Accordingly the Scheme's risk may increase or decrease depending upon its investment pattern. E.g. corporate bonds carry a higher amount of risk than government Securities. Further even among corporate bonds, bonds which are rated AAA are comparatively less risky than bonds which are AA rated.
- Investments in the Scheme made in foreign currency by a Unit Holder are subject to the risk of fluctuation in the value of Indian Rupee.

c) Risks associated with Derivatives

Derivatives 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 decisions of a 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.

As and when the Scheme trades in derivative products, 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 and the embedded market risks that a derivative adds to the portfolio.

Besides the price of the underlying asset, the volatility, tenor and interest rates affect the pricing of derivatives. Other risks in using derivatives include but are not limited to:

- (a) **Credit Risk** - this occurs when a counterparty defaults on a transaction before settlement and, therefore, the Scheme is compelled to negotiate with another counterparty at the then prevailing (possibly unfavourable) market price, in order to maintain the validity of the hedge.
- (b) **Market Liquidity Risk** - this is where the derivatives cannot be sold (unwound) at prices that reflect the underlying assets, rates and indices.
- (c) **Model Risk** - this is the risk of mis-pricing or improper valuation of derivatives.
- (d) **Basis Risk** - this is when the instrument used as a hedge does not match the movement in the instrument / underlying asset being hedged. The risks may be inter-related also; for e.g. interest rate movements can affect equity prices, which could influence specific issuer / industry assets.

d) Risks associated with Short Selling and Securities Lending

The risks in lending portfolio Securities, as with other extensions of credit, consist of the failure of another party, in this case the approved intermediary, to comply with the terms of the agreement entered into between the lender of Securities, i.e. the Scheme, and the approved intermediary. Such failure to comply can result in a possible loss of rights in the collateral put up by the borrower of the Securities, the inability of the approved intermediary to return the Securities deposited by the lender and the possible loss of any corporate benefits accruing to the lender from the Securities deposited with the approved intermediary. The Mutual Fund may not be able to sell such Securities and this can lead to temporary illiquidity.

e) Risks associated with Overseas Investment

Subject to necessary approvals and within the investment objectives of the Scheme, the Scheme may invest in overseas markets which carry risks related to fluctuations in the foreign exchange rates, the nature of the securities market of the country, restrictions on repatriation of capital due to exchange controls and the political environment. Further the repatriation of capital to India may also be hampered by and changes in Regulations or political circumstances. In addition, country risks would include events such as introduction of extraordinary exchange controls, economic deterioration, bi-lateral conflict leading to immobilization of overseas financial assets and the prevalent tax laws of the respective jurisdiction for the execution of trades or otherwise.

f) Risks associated with Securitised Debts

Generally available asset classes for securitisation in India:

- Commercial vehicles
- Auto and two wheeler pools
- Mortgage pools (residential housing loans)
- Personal loan, credit card and other retail loans
- Corporate loans / receivables

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

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

Size of the loan: this generally indicates the kind of assets financed with loans. Also indicates whether there is excessive reliance on very small ticket size, which may result in difficult and costly recoveries. To illustrate, the ticket size of housing loans is generally higher than that of personal loans. Hence in the construction of a housing loan asset pool for say Rs.1,00,00,000/- it may be easier to construct a pool with just 10 housing loans of Rs.10,00,000/- each rather than to construct a pool of personal loans as the ticket size of personal loans may rarely exceed Rs. 5,00,000/- per individual.

Average original maturity of the pool: this indicates the original repayment period and whether the loan tenors are in line with industry averages and borrower's repayment capacity. To illustrate, in a car pool consisting of 60 month contracts, the original maturity and the

residual maturity of the pool viz. number of remaining installments to be paid gives a better idea of the risk of default of the pool itself. If in a pool of 100 car loans having original maturity of 60 months, more than 70% of the contracts have paid more than 50% of the monthly installments and if no default has been observed in such contracts, this pool should have a lower probability of default than a similar car loan pool where 80% of the contracts have not yet paid 5 installments.

Loan to value ratio ("LTV"): indicates how much of the value of the asset is financed by borrower's own equity. The lower the LTV, the better it is. This ratio stems from the principle that where the borrower's own contribution of the asset cost is high, the chances of default are lower. To illustrate: for a truck costing Rs. 20 lakhs, if the borrower has himself contributed Rs. 10 lakhs and has taken Rs. 10 lakhs as a loan, he is going to have lesser propensity to default as he would lose an asset worth Rs. 20 lakhs if he defaults in repaying an installment. This is as against a borrower who may meet only Rs. 2 lakhs out of his own equity for a truck costing Rs. 20 lakhs. Between the two scenarios given above, as the borrower's own equity is lower in the latter case, it would typically have a higher risk of default than the former.

Average seasoning of the pool: this indicates whether borrowers have already displayed repayment discipline. To illustrate, in the case of a pool of personal loans, if a pool of assets consist of borrowers who have already repaid 80% of the installments without default, the probability of default is lower than for a pool where only 10% of installments have been repaid.

Default rate distribution: this indicates how much % of the pool and overall portfolio of the originator is current, how much is in 0-30 DPD (days past due), 30-60 DPD, 60-90 DPD and so on. The rationale here is that, as against 0-30 DPD, the 60-90 DPD is a higher risk category. Unlike in plain vanilla instruments, in securitisation transactions it is possible to work towards a target credit rating, which could be much higher than the originator's own credit rating.

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

Investment exposure of the Fund with reference to securitised debt:

- The Scheme will predominantly invest only in those securitisation issuances which have AAA or equivalent rating indicating the highest level of safety from credit risk point of view at the time of making an investment. The Scheme will not invest in foreign securitised debt.
- The Scheme may invest in various types of securitization issuances, including but not limited to asset backed securitisation, mortgage backed securitisation, personal loan backed securitisation, collateralised loan obligation / collateralized bond obligation and so on.

- The Scheme does not propose to limit its exposure to only one asset class or to have asset class based sub-limits as it will primarily look towards the AAA or equivalent rating of the offering.
- The Scheme will conduct an independent due diligence on the cash margins, collateralisation, guarantees and other credit enhancements and the portfolio characteristic of the securitisation to ensure that the issuance fits into the overall objective of the investment in high investment grade offerings irrespective of underlying asset class.

g) Risks associated with investments in securitised paper

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

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

Changes in market interest rates and pre-payments may not change the absolute amount of receivables for the investors, but may have an impact on the reinvestment of the periodic cash flows that the investor receives in the securitised paper.

Limited Liquidity & Price Risk:

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

Risks due to possible prepayments: Weighted Tenor / Yield:

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

- obligor pays the receivable due from him at any time prior to the

scheduled maturity date of that receivable; or

- receivable is required to be repurchased by the seller consequent to its inability to rectify a material misrepresentation with respect to that receivable; or
- the servicer recognizing a contract as a defaulted contract and hence repossessing the underlying asset and selling the same.

In the event of prepayments, investors may be exposed to changes in tenor and yield.

Bankruptcy of the originator or seller:

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

Bankruptcy of the investor's agent:

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

Credit Rating of the Transaction / Certificate:

The credit rating is not a recommendation to purchase, hold or sell the Certificate in as much as the ratings do not comment on the market price of the Certificate or its suitability to a particular investor. There is no assurance by the rating agency either that the rating will remain at the same level for any given period of time or that the rating will not be lowered or withdrawn entirely by the rating agency.

Risk of Co-mingling:

The servicers normally deposit all payments received from the obligors into the collection account. However, there could be a time gap between collection by a servicer and depositing the same into the collection account especially considering that some of the collections may be in the form of cash. In this interim period, collections from the loan agreements may not be segregated from other funds of the

servicer. If the servicer fails to remit such funds, due to investors, the investors may be exposed to a potential loss. Due care is normally taken to ensure that the servicer enjoys the highest credit rating on a standalone basis to minimize co-mingling risk.

Currency Risk

The foreign securities are issued and traded in foreign currencies. As a result, their values may be affected by changes in the exchange rates between foreign currencies and the Indian Rupees as well as between currencies of countries other than India. Restrictions on currency trading that may be imposed by developing market countries will have an adverse effect on the value of the securities of companies that trade or operate in such countries.

B. REQUIREMENT OF MINIMUM INVESTORS IN THE SCHEME

The Scheme/Plan shall have a minimum of 20 (twenty) investors and no single investor shall account for more than 25% of the corpus of the Scheme/Plan(s). However, if such limit is breached during the NFO of the Scheme, the Mutual Fund will endeavor to ensure that within a period of 3 (three) months or the end of the succeeding calendar quarter from the close of the NFO of the Scheme, whichever is earlier, the Scheme complies with these two conditions. In case the Scheme / Plan(s) does not have a minimum of 20 (twenty) investors in the stipulated period, the provisions of Regulation 39(2)(c) of the SEBI (MF) Regulations would become applicable automatically without any reference from SEBI and accordingly the Scheme / Plan(s) shall be wound up and the Units would be redeemed at Applicable NAV. The two conditions mentioned above shall also be complied within each subsequent calendar quarter thereafter, on an average basis, as specified by SEBI.

If there is a breach of the 25% limit by any investor over the quarter, a rebalancing period of 1 (one) month would be allowed and thereafter the investor who is in breach of the rule shall be given 15 (fifteen) days notice to redeem his exposure over the 25 % limit. Failure on the part of the said investor to redeem his exposure over the 25 % limit within the aforesaid 15 (fifteen) days would lead to automatic Redemption by the Mutual Fund at the Applicable NAV without any exit load on the 15th day of the notice period. The Mutual Fund shall adhere to the requirements prescribed by SEBI from time to time in this regard.

C. SPECIAL CONSIDERATIONS, IF ANY

- The Sponsor is not responsible or liable for any loss resulting from the operation of the Scheme beyond the initial contribution of an amount of Rs 1,00,000 (Rupees One Lakh) made by it towards setting up the Mutual Fund or such other accretions and additions to the initial corpus set up by the Sponsor. The associates of the Sponsor are not responsible or liable for any loss or shortfall resulting from the operation of the Scheme.
- Neither this SID nor the Units have been filed / registered in any jurisdiction other than India. The distribution of this SID in certain jurisdictions may be restricted or totally prohibited and accordingly, persons who come into possession of this SID are

required to inform themselves about, and to comply with, any such restrictions.

- Before making an application for Units, prospective investors should review / study this SID and the SAI carefully and in their entirety and should not construe the contents hereof or regard the summaries contained herein as advice relating to legal, taxation, or financial / investment matters. Investors should consult their own professional advisor(s) as to the legal, tax or financial implications resulting from
 - (i) Subscription, gifting, acquisition, holding, disposal (by way of sale, switch or Redemption or conversion into money) of Units and
 - (ii) to the treatment of income (if any), capitalisation, capital gains, any distribution, and other tax consequences relevant to their Subscription, acquisition, holding, capitalisation, disposal (by way of sale, transfer, switch, Redemption or conversion into money) of Units within their jurisdiction or under the laws of any jurisdiction to which they may be subject to possible legal, tax, financial or other consequences.
- Neither the Mutual Fund nor the AMC nor the Sponsor have authorized any person to give any information or make any representations, either oral or written, not stated in this SID in connection with issue of Units under the Scheme. Prospective investors are advised not to rely upon any information or representations not incorporated in this SID as the same have not been authorised by the Mutual Fund, the AMC or the Sponsor. Any Subscription or Redemption made by any person on the basis of statements or representations which are not contained in this SID or which are inconsistent with the information contained herein shall be solely at the risk of the investor.
- From time to time, funds managed by the affiliates /associates of the Sponsor may invest either directly or indirectly in the Scheme. The mutual funds managed by these affiliates/associates may acquire a substantial portion of the Units and collectively constitute a major investment in the Scheme. Accordingly,

Redemption of Units held by such affiliates /associates may have an adverse impact on the value of the Units of the Scheme because of the timing of any such Redemption and may affect the ability of other Unit Holders to redeem their respective Units.

- As the liquidity of the Scheme's investments may sometimes be restricted by trading volumes and settlement periods, the time taken by the Mutual Fund for Redemption of Units may be significant in the event of an inordinately large number of Redemption requests or of a restructuring of the Scheme's portfolio. In view of this, the Trustee has the right, in its sole discretion, to limit Redemptions under certain circumstances. (Please also refer to Section - 'Right to limit Redemption')
- The tax benefits described in this SID are as available under the prevailing taxation laws. Investors / Unit Holders should be aware that the relevant fiscal rules or their interpretation may change. As is the case with any investment, there can be no guarantee that the tax position or the proposed tax position prevailing at the time of an investment in the Scheme will endure indefinitely. In view of the individual nature of tax consequences, each Unit Holder is advised to consult his / her / their own professional tax advisor.
- Mutual funds invest in Securities which may not always be profitable and there can be no guarantee against loss resulting from investing in the Scheme. The Scheme's value may be impacted by fluctuations in the bond markets, fluctuations in interest rates, prevailing political, economic and social environments, changes in government policies and other factors specific to the issuer of the securities, tax Laws, liquidity of the underlying instruments, settlement periods, trading volumes etc.
- Redemptions due to a change in the fundamental attributes of the Scheme or due to any other reason may entail tax consequences. Such tax shall be borne by the investor and the Mutual Fund shall not be liable for any tax consequences that may arise.

Investors are urged to study the terms of the offer carefully before investing in the Scheme and to retain this SID for future reference.

D. DEFINITIONS AND INTERPRETATIONS -

In this SID, except where the context otherwise requires, the following capitalized words and expressions shall have the following meaning:

Act The Income-tax Act, 1961 (43 of 1961)

ADR American Depository Receipt

Applicable NAV

For Purchase under both the Plans

a. where the application is received upto 3.00 pm with a local cheque or demand draft payable at par at the place where it is received, with amount less than Rs. 1 crore - closing NAV of the day of receipt of application;

b. where the application is received after 3.00 pm with a local cheque or demand draft payable at par at the place where it is received, with amount less than Rs. 1 crore - closing NAV of the next Business Day;

c. where the application is received with a local cheque or demand draft payable at par at the place where it is received, with amount equal to or more than Rs. 1 crore irrespective of the time of receipt of application, the closing NAV of the day on which the funds are available for utilisation shall be applicable.

The above will be applicable only for cheques / demand drafts / payment instruments payable locally in the city in which a Designated Collection Centre is located. No outstation cheques will be accepted.

For Redemption under both the Plans

a. where the application is received up to 3.00 p.m. - closing NAV of the day of receipt of application; and

b. where the application is received after 3.00 p.m. - the closing NAV of the next Business Day.

Note: In case the application is received on a Non-Business Day, it will be considered as if received on the Next Business Day.

Application Form

A form meant to be used by an investor to open a folio and Purchase Units in the Scheme. Any modifications to the Application Form will be made by way of an addendum, which will be attached thereto. On issuance of such addendum, the Application Form will be deemed to be updated by the addendum.

Asset Management Company/ AMC

JPMorgan Asset Management India Private Limited set up under the Companies Act, 1956, having its registered office at Kalpataru Synergy, 3rd Floor, West Wing, Santacruz - East, Mumbai - 400 055 and authorised by SEBI to act as an asset management company / investment manager to the schemes of JPMorgan Mutual Fund.

AMFI

Association of Mutual Funds in India

Board

Board of Directors.

Business Day

A day other than (i) Saturday or Sunday and/ or (ii) a day on which any of the principal stock exchanges on which the Investments are traded is closed, and/ or (iii) a day on which the RBI or banks in Mumbai, India are closed for business, and/ or (iv) a day on which the AMC's offices in Mumbai, India are closed for business, and/ or (v) a book closure period as may be announced by the Trustees / AMC and/ or (vi) a day on which normal business cannot be transacted due to storms, floods, bandhs, strikes or such other events as the AMC may determine from time to time. The AMC, with the approval of the Trustees of the Fund, reserves the right to change the definition of Business Day, in accordance with applicable regulations. The AMC reserves the right to declare any day as a Business Day or otherwise at any or all Investor Service Centers (ISCs).

Collection Bank(s)/ Collecting Banker

The bank(s) with which the AMC has entered into an agreement, from time to time, to enable customers to deposit their Application Form for Units during the NFO Period. The names and addresses of the Collection Bank(s) are mentioned at the end of this SID.

| | |
|--|--|
| Custodian | Deutsche Bank AG, registered under the SEBI (Custodian of Securities) Regulations, 1996, or any other custodian who is approved by the Trustee. |
| Cut-off time | A time prescribed in this SID up to which an investor can submit a Purchase / Redemption request along with a local cheque or a demand draft payable at par at the place where the application is received, to be entitled to the Applicable NAV for that Business Day. |
| Debt Security(ies) | Debt and debt-related instruments. |
| Designated Collection Centres | During the Ongoing Offer: AMC's offices and ISCs designated by the AMC where the applications shall be received. The names and addresses of the Designated Collection Centers are mentioned at the end of this SID. |
| ECS | Electronic Clearing System |
| EFT | Electronic Funds Transfer |
| Entry Load | A Load charged to an investor on Purchase of Units based on the amount of investment or per any other criteria decided by the AMC. As per the Regulations, the AMC is prohibited from charging an Entry Load. |
| ETF | Exchange Traded Fund |
| Exit Load | A Load (other than CDSC) charged to the Unit Holder on exiting (by way of Redemption) based on period of holding, amount of investment, or any other criteria decided by the AMC. |
| Foreign Institutional Investors (FII) | An entity registered with SEBI under Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995, as amended from time to time. |
| Fund of Funds (FOF) | A mutual fund scheme that invests primarily in other schemes of the same mutual fund or other mutual funds. |
| GDR | Global Depository Receipt |
| HUF | Hindu Undivided Family |
| Investment | Any investments, cash, negotiable instruments, Securities or bullion for the time being and from time to time forming part of the Scheme's assets. |
| IMA | The agreement dated December 6, 2006 entered into between JPMorgan Mutual Fund India Private Limited and the AMC, as amended from time to time. |
| Investor Service Centres (ISC) | Official points of acceptance of transaction / service requests from investors. These will be designated by the AMC from time to time. |
| JPMorgan Asset Management (Asia) Inc. | The Sponsor or Settlor of the JPMorgan Mutual Fund having its corporate office at 270, Park Avenue, New York, USA . |
| JPMorgan Chase | JPMorgan Chase & Co. and any company within the JPMorgan Chase group of companies. |
| Key Information Memorandum (KIM) | A memorandum containing the key information of the Scheme, the format of which is prescribed in the circular dated May 23, 2008, or as further prescribed by SEBI from time to time. |
| Laws | The laws of India, the Regulations and any other applicable regulations for the time being in force in India including guidelines, directions and instructions issued by SEBI, the government of India or RBI from time to time for regulating mutual funds generally or the Mutual Fund particularly. |
| LTV | Loans To Value ratio |

| | |
|---|--|
| Mutual Fund | JPMorgan Mutual Fund, a trust registered with SEBI under the Regulations, vide Registration No. MF053/07/01 dated February 8, 2007. |
| NEFT | National Electronic Funds Transfer |
| Net Asset Value (NAV) | Net asset value of the Units of the Scheme (including options thereunder) calculated in the manner provided in this SID or as may be prescribed by the Regulations from time to time |
| New Fund Offer (NFO) | The offer for Purchase made to the investors during the NFO Period. |
| New Fund Offer Period (NFO Period) | The period being 18th September 2007 to 19th September 2007 |
| Non Resident Indian (NRI) | A person resident outside India who is a citizen of India or is a Person of Indian Origin as per the meaning assigned to the term under the Foreign Exchange Management (Deposit) Regulations, 2000. |
| Ongoing Offer | Offer of Units under the Scheme when it becomes open ended after the closure of the New Fund Offer Period. |
| Ongoing Offer Period | The period during which the Ongoing Offer for subscription to the Units of the Scheme is made. |
| PAN | Permanent Account Number |
| Person of Indian Origin (PIO) | A citizen of any country other than Bangladesh or Pakistan, if (a) he at any time held an Indian passport; or (b) he, or either of his parents or any of his grandparents, was a citizen of India by virtue of the Constitution of India or the Citizenship Act, 1955 (57 of 1955); or (c) the person is a spouse of an Indian citizen or a person referred to in sub-clause (a) or (b). |
| Plan | Means any plan formulated in accordance with this Scheme. |
| PoA | Power of Attorney |
| Purchase | Subscription to / Purchase of Units by an investor of the Scheme. |
| Purchase Price | The price (being Applicable NAV) at which the Units can be purchased and calculated in the manner provided in this SID. |
| Registrar and Transfer Agent | Deutsche Investor Services Private Limited, having their registered office at 4th floor, Block 1, Nirlon Knowledge Park, Western Express Highway, Goregoan (E), Mumbai- 400 063, registered under the SEBI (Registrar to an Issue and Share Transfer Agent) Regulations, 1993, appointed as the registrar and transfer agent for the Mutual Fund, or any other registrar that may be appointed by the AMC. |
| Redemption | Repurchase of Units by the Mutual Fund from a Unit Holder. |
| Redemption Price | The price (being Applicable NAV minus Exit Load) at which the Units can be redeemed and calculated in the manner provided in this SID. |
| Regulatory Agencies | SEBI and any other governmental or regulatory bodies to which the Trustee and/or the Mutual Fund and/or the AMC (as the case may be) is subject. |
| RBI | Reserve Bank of India |
| RTGS | Real Time Gross Settlement |
| Scheme | JPMorgan India Treasury Fund (including as the context permits, the options thereunder). |

| | |
|--|---|
| Scheme Information Document (SID) | This document issued by JPMorgan Mutual Fund, for inviting subscription to Units of JPMorgan India Treasury Fund, as amended from time to time. Any modifications to the SID will be made by way of an addendum which will be attached to the SID. On issuance of the addendum, the SID will be deemed to be updated by the addendum. |
| Statement of Additional Information (SAI) | The Statement of Additional Information (SAI) contains details of the Mutual Fund, its constitution, and certain tax, legal and general information. It is incorporated by reference (is legally a part of the SID). |
| SEBI | The Securities and Exchange Board of India established under the Securities and Exchange Board of India Act, 1992 |
| SEBI Act | The Securities and Exchange Board of India Act, 1992 |
| SEBI Regulations / Regulations | Securities and Exchange Board of India (Mutual Funds) Regulations, 1996, as amended from time to time, including by way of circulars or notifications issued by SEBI. |
| Securities | As defined under Section 2(h) of the Securities Contracts (Regulation) Act, 1956 of India; and also includes shares, stocks, bonds, debentures, warrants, instruments, obligations, money market instruments, debt instruments or any financial or capital market instrument of whatsoever nature made or issued by any statutory authority or body corporate, incorporated or registered by or under any law; or any other Securities, assets or such other investments as may be permissible from time to time under the Regulations. |
| Scheme Options | <p>The Scheme offers two Plans - Retail Plan and Super Institutional Plan. Both the Plans under the Scheme offers two options - growth option and dividend option.</p> <p>Dividend option under Retail Plan offers daily dividend reinvestment, weekly dividend reinvestment, fortnightly dividend reinvestment and monthly dividend reinvestment options.</p> <p>Dividend option under Super Institutional Plan offer (i) dividend payout option and (ii) dividend reinvestment option.</p> <p>(i) Dividend payout option offers weekly dividend payout, fortnightly dividend payout and monthly dividend payout option.</p> <p>(ii) Dividend reinvestment option offers daily dividend reinvestment, weekly dividend reinvestment, fortnightly dividend reinvestment and monthly dividend reinvestment options.</p> |
| Sponsor | JPMorgan Asset Management (Asia) Inc. |
| Subscription | See Purchase |
| Systematic Investment Plan (SIP) | A plan enabling investors to invest in the Scheme on a fortnightly/monthly/ quarterly/ yearly basis by submitting post-dated cheques / payment instructions. |
| Systematic Transfer Plan (STP) | A plan enabling Unit Holders to transfer fixed amounts from their Unit accounts in the Scheme to other schemes launched by the Mutual Fund on a daily, weekly, fortnightly, monthly or quarterly basis by giving a single instruction. |
| Systematic Withdrawal Plan (SWP) | A plan enabling Unit Holders to withdraw amounts from the Scheme on a monthly or quarterly basis by giving a single instruction. |
| Transaction Slip | A form meant to be used by Unit Holders seeking additional Purchase or Redemption of Units in the Scheme, change in bank account details, switch-in or switch-out and such other facilities offered by the AMC and mentioned on that form. |
| Trustee | JPMorgan Mutual Fund India Private Limited, a company set up under the Companies Act 1956, to act as the Trustee Company to the Mutual Fund. |
| Trust Deed | The Trust Deed dated December 4, 2006 made by and between the Sponsor and the Trustee, establishing the JPMorgan Mutual Fund, as amended from time to time. |

| | |
|---|---|
| Trust Property | Amounts settled / contributed by the Sponsor towards the corpus of the Mutual Fund and all other contributions in cash or in kind, additions and accretions to the Mutual Fund; the Unit Capital; and any other investments for the time being representing the same and income thereof and include properties of any kind whatsoever or any part thereof to which the same may be converted from time to time. |
| Unit | The interest of an investor in the Scheme consisting of each Unit representing one undivided share in the assets of the Scheme; and includes any fraction of a Unit which shall represent the corresponding fraction of one undivided share in the assets of the Scheme. |
| United States (“U.S.”) Person | <p>U.S. Person is defined as follows:</p> <ol style="list-style-type: none"> 1. An individual who is a citizen of the U.S. or a resident alien for U.S. federal income tax purposes. In general, the term “resident alien” is defined for this purpose to include any individual who (i) holds an Alien Registration Card (a “green card”) issued by the U.S. Immigration and Naturalization Service or (ii) meets a “substantial presence” test. The “substantial presence” test is generally met with respect to any calendar year if (i) the individual was present in the U.S. on at least 31 days during such year and (ii) the sum of the number of days in which such individual was present in the U.S. during such year, 1/3 of the number of such days during the first preceding year, and 1/6 of the number of such days during the second preceding year, equals or exceeds 183 days; 2. A corporation, an entity taxable as a corporation, or a partnership created or organized in or under the laws of the U.S. or any state or political subdivision thereof or therein, including the District of Columbia (other than a partnership that is not treated as a U.S. person under Treasury Regulations); 3. An estate the income of which is subject to U.S. federal income tax regardless of the source thereof; or 4. A trust with respect to which a court within the U.S. is able to exercise primary supervision over its administration and one or more U.S. persons have the authority to control all of its substantial decisions, or certain electing trusts that were in existence on August 20, 1996 and were treated as domestic trusts on August 19, 1996. |
| Unit Capital | The aggregate of the face value of the Units issued under the Scheme. |
| Unit Holder | Any registered holder for the time being, of a Unit of the Scheme offered under this SID including persons jointly registered. |
| Words and expressions used in this SID and not defined | <p>Same meaning as in the Trust Deed or the Regulations or, in the appropriate context, same meaning as in the Act.</p> <ul style="list-style-type: none"> • Words in singular include the plural and vice-versa. • Pronouns having a masculine or feminine gender shall be deemed to include the other. • All references to “Rs” refer to Indian Rupees and “US\$” refer to United States dollars. A “crore” means “ten million” and a “lakh” means a “hundred thousand”. • References to times of day (i.e. a.m. or p.m.) are to Indian Standard Time (‘IST’) and references to a day are to a calendar day including non-Business Day. |

E. DUE DILIGENCE BY THE ASSET MANAGEMENT COMPANY

The AMC confirms that:

- (i) The Scheme Information Document of JPMorgan India Treasury Fund, forwarded to SEBI is in accordance with the Regulations 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.

For JPMorgan Asset Management India Private Limited

Place : Mumbai Name : Yash Kumar
Date : May 28, 2010 Designation : Head Compliance & Monitoring
Note : The Due Diligence Certificate as stated above was submitted to SEBI on July 12, 2007

II. INFORMATION ABOUT THE SCHEME

A. TYPE OF THE SCHEME – An open-ended income scheme

B. INVESTMENT OBJECTIVE OF THE SCHEME

The investment objective is to provide liquidity and optimal returns to the investors by investing primarily in a mix of short term debt and money market instruments which results in a portfolio having marginally higher maturity and moderately higher credit risk as compared to a liquid fund at the same time maintaining a balance between safety and liquidity.

However, there can be no assurance that the investment objective of the Scheme will be realized.

C. ASSET ALLOCATION BY THE SCHEME

Under normal circumstances, it is anticipated that the asset allocation shall be as follows:

| Instruments | Indicative allocation (% of net assets) | Risk profile |
|---|---|---------------|
| Money market and Debt instruments with maturity/ average maturity/ interest rate reset not greater than 1 year. | 70% -100% | Low |
| Debt instruments with maturity greater than 1 year but less than 3 years.* | 0% -30% | Low to Medium |

* Debt Instruments include securitised debt. Securitised debt can be up to 50% of the net assets. Investment in Derivatives - Up to 50% of the net asset of the Scheme.

Floating rate debt instruments are debt instruments issued by Central / state governments, corporates, PSUs, etc. with interest rates that are reset periodically. The periodicity of interest reset could be daily, monthly, quarterly, half yearly, and annually or any other periodicity that may be mutually agreed between the issuer and the Fund. The Scheme shall not invest in foreign securitised debt.

Money market instruments include commercial papers, commercial bills, treasury bills, Collateralised Borrowing and Lending Obligations (CBLO), government securities having an unexpired maturity up to one year, call or notice money, certificates of deposit, usance bills and any other like instruments as specified by the RBI from time to time.

The Scheme can invest up to 50% of net assets in foreign securities. The Scheme shall not engage in stock lending.

D. SCHEME'S INVESTMENT

The portfolio duration will undergo a change according to the expected movement in interest rates. Liquidity conditions and other macro-economic factors affecting interest rates shall be taken into account for varying the portfolio duration. Under normal circumstances, if the

interest rates move down, the duration of the portfolio shall be increased and vice versa.

It is expected that the modified duration for the Fund will be in a range of 6-12 months depending on the interest rate view. However, this can undergo a change in case the market conditions warrant it and according to the Investment Manager's view.

The Investment Manager may review the above pattern of investments based on views on interest rates and asset liability management needs.

Change in Investment Pattern

Subject to the Regulations, the asset allocation pattern indicated above may change from time to time, keeping in view market conditions, market opportunities, applicable regulations and political and economic factors. It must be clearly understood that the percentages stated above are only indicative and not absolute and that they can vary substantially depending upon the perception of the Investment Manager, the intention being at all times to seek to protect the interests of the Unit holders. Such changes in the investment pattern will be for short term and defensive considerations.

Subject to the above, any change in the asset allocation affecting the investment profile of the Scheme shall be effected only in accordance with the provisions of sub regulation (15A) of Regulation 18 of the Regulations, as detailed later in this document.

E. INVESTMENT STRATEGIES

The domestic debt markets are maturing rapidly with liquidity emerging in various debt segments through the introduction of new instruments and investors. The objective will be to allocate the assets of the Scheme between various money market and fixed income Securities with the objective of providing liquidity and achieving optimal returns.

The actual percentage of investment in various money market and other fixed income Securities will be decided after considering the economic environment including interest rates and inflation, the performance of the corporate sector and general liquidity and other considerations in the economy and markets.

The investment team of the AMC will carry out rigorous in depth credit evaluation of the money market and debt instruments proposed to be invested in. The credit evaluation includes a study of the operating environment of the issuer, the past track record as well as the future prospects of the issuer and the short term / long term financial health of the issuer.

Position of Debt Markets in India

The debt market in India is well developed. The largest market consists of daily trading of the Government of India Securities which exceed Rs. 5000 crores, with instruments tenors ranging from short dated treasury bills to long dated securities extending beyond 20 years. The government securities market not only provides resources to the government for meeting its short term and long term needs but also acts as the benchmark for pricing corporate papers of varying

maturities. The government securities market includes the dated Securities issued by the government, both Central and State and Treasury bills of all maturities. The corporate bond market is also fast developing with greater number of corporates accessing the markets through MIBOR linked bonds, commercial paper issuances and medium to long dated fixed and floating rate bonds. The yield curve tends to be positive sloping i.e. yield of shorter dated Securities being lower than that of longer dated ones.

| Instrument | Current Yield as on May 31, 2010 (% per annum) |
|----------------------------------|--|
| 91 Days Treasury Bills | 4.45 - 4.55% |
| 364 Days Treasury Bills | 4.90 - 5.00% |
| P1+ Commercial Paper - 90 days | 5.55 - 5.78% |
| Certificate of Deposit - 90 days | 5.45 - 5.65% |
| 1 Year Corporate Bond | 6.50 - 7.00% |
| 5 Year Corporate Bond | 8.40 - 8.60% |

These yields are only indicative and interest rates are susceptible to fluctuations and are sensitive to various macro economic and political factors. Please note that the above examples are based on assumptions and are used only for illustrative purposes.

Portfolio Turnover

The Scheme being an open ended income scheme, it is expected that there would be a number of Subscriptions and Redemptions on a daily basis. Therefore, it is difficult to estimate with any reasonable measure of accuracy, the likely turnover in the portfolio. The Scheme has no specific target relating to portfolio turnover. Higher portfolio turnover rate may result into higher brokerage and transaction cost.

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 Scheme
 - Open-ended income scheme
- (ii) Investment Objective
 - The main investment objective as defined in Section II, Paragraph B of this SID.
 - The Scheme offers both growth and dividend option.
 - The investment pattern is as set out in Section II, Paragraph C of this SID with the option to alter the asset allocation for a short term period on defensive considerations.
- (iii) Terms of Issue
 - Liquidity: The Scheme being an open ended income scheme the Units are not proposed to be listed on any stock exchange. Units may be Purchased or Redeemed at NAV related prices on every Business Day on an ongoing basis. The procedure for Repurchase / Redemption is as set out in the Repurchase / Redemption of Units in Section III B of this SID. The Mutual Fund will endeavor to dispatch the Redemption proceeds within 1 Business Day from the acceptance of the Redemption request.
 - The aggregate fees and expenses charged to the Scheme are set out in Section IV, Paragraph B which are as permitted by the SEBI Regulations.
 - The present Scheme is not a guaranteed or assured return scheme and hence no safety net or guarantee is provided.
 - In accordance with Regulation 18(15A) of the 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 Unit Holders is carried out unless:

- A written communication about the proposed change is sent to each Unit Holder and an advertisement is given in one English daily newspaper having nationwide circulation as well as in a newspaper published in the language of the region where the Head Office of the Mutual Fund is situated; and
- The Unit Holders are given an option for a period of 30 (thirty) days to exit at the prevailing NAV without any Exit Load.

G. HOW WILL THE SCHEME BENCHMARK ITS PERFORMANCE?

The performance of the schemes of the Mutual Fund are reviewed by the Investment Committee of the AMC as well as the Board of the AMC and Trustee periodically. The Investment Committee is operational at the AMC level and has majority representation from the senior management of the AMC. Monthly reports on the performance of the schemes with appropriate benchmark indices are also sent to the directors of the AMC and the Trustee together with the relative performance of the schemes of other mutual funds schemes in the same category and this is placed before the Board of the AMC and the Trustee.

The benchmark for the Scheme is CRISIL Liquid Fund Index. The performance of the Scheme would be benchmarked with CRISIL Liquid Fund Index since it is in line with the investment objective and this reflects the primary universe of stocks from where the portfolio would be constructed by the fund managers. The Trustees may change the benchmark in future if a benchmark better suited to the investment objective of the Scheme is available.

Further, in terms of SEBI Circular No.MFD/CIR/16/400/02 dated March 26, 2002, the performance of the Scheme compared to its benchmark index will be reviewed at every meeting of the Board of the AMC and Trustee and corrective action as proposed will be taken in case of unsatisfactory performance.

H. WHO MANAGES THE SCHEME?

Fund Managers of the Scheme:

Mr. Nandkumar Surti and Mr. Namdev Chougule

Nandkumar and Namdev are the fund managers for JPMorgan India Liquid Fund, JPMorgan India Active Bond Fund, JPMorgan India Short Term Income Fund and they also manage the debt portion in JPMorgan India Equity Fund, JPMorgan India Smaller Companies Fund, JPMorgan India Alpha Fund, JPMorgan India Tax Advantage Fund, JPMorgan India Short Term Income Fund and JPMorgan JF Greater China Equity Off-shore Fund.

Nandkumar R. Surti – Chief Investment Officer

Age: 40 years

Total experience: 20 years

Nandkumar has about 20 years of experience in the financial services sector in India.

He was the fund manager for GIC Asset Management Company Ltd. for two years from 1992 to 1994. He then worked as the Head-Fixed Income with JM Financial Asset Management Private Limited for more

than 11 years from December 1994 to February 2006. Thereafter, he joined Lotus India Asset Management Company Ltd. and worked for a period of around seven months. He joined JPMorgan Asset Management India Private Limited in November 2006 as Chief Investment Officer -Fixed Income.

Nandkumar is a Graduate CWA.

Namdev Chougule – Assistant Fund Manager – Fixed Income Dealing

Age: 33 years

Total experience: 9 years

Namdev has worked in the financial services sector for approximately 10 years as a dealer, analyst and fund manager for several leading mutual funds and banks. Prior to joining JPMorgan Asset Management India Private Limited, Namdev worked for a year as a Fixed Income Fund Manager with Lotus India Asset Management Company Private Limited and around 6 months as a Fixed Income Analyst with JM Financial Asset Management Company Limited. Namdev holds a B.E. (Elect.) and MMS (Finance) and he has passed the Financial Risk Managers (FRM) examination conducted by the Global Association of Risk Professionals (GARP). He also holds a CFA qualification.

I. WHAT ARE THE INVESTMENT RESTRICTIONS?

Disclosure and investment restrictions

All investments by the Scheme will be made in accordance with the investment objective of the Scheme, investment strategy and investment pattern described in this SID. However the following investment restrictions in accordance with the SEBI Regulations shall apply to the Scheme at the time of making investments:

1. The Scheme shall not invest more than 15% of its NAV in debt instruments (irrespective of residual maturity) issued by a single issuer which are rated not below investment grade by a credit rating agency authorised to carry out such activity under the Regulations. Such investment limit may be extended to 20% of the NAV of the Scheme with the prior approval of the Board of the Trustee and the Board of the AMC.

Provided that such limit shall not be applicable for investments in government Securities and money market instruments.

Provided further that investment within such limit can be made in mortgaged backed securitised debt which is rated not below investment grade by a credit rating agency registered with SEBI. 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 the Seventh Schedule to the Regulations.

2. The Scheme shall not invest more than 10% of its NAV in unrated debt instruments (irrespective of residual maturity) 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 Board of the Trustee and the Board of the AMC.
3. Transfers of investments from one scheme to another scheme in the Mutual Fund shall be made only if:
 - (a) such transfers are done at the prevailing market price for quoted instruments on spot basis.

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

- (b) the Securities so transferred shall be in conformity with the investment objective of the scheme to which such transfer has been made.
4. The Scheme may invest in other schemes managed by the same AMC or by the asset management company of any other mutual fund without charging any fees, provided that aggregate inter-scheme investment made in all schemes under the same management or in schemes under the management of any such other asset management company shall not exceed 5% of the net asset value of the Fund.
5. The Scheme shall buy and sell Securities on the basis of deliveries and shall in all cases of purchases, take delivery of relative Securities and in all cases of sale, deliver the Securities and shall in no case put itself in a position whereby it has to make short sale or carry forward transaction or engage in badla finance, unless the short selling transactions has been entered into on a recognized stock exchange, subject to the framework relating to short selling and securities lending and borrowing specified under applicable Laws.

Provided that the Fund may enter into derivatives transactions on a recognised stock exchange subject to such guidelines as may be specified by SEBI.

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.

6. The Mutual Fund shall get the Securities purchased or transferred in the name of the Mutual Fund on account of the Scheme wherever investments are intended to be of a long term nature.
7. Pending deployment of funds of the Scheme in Securities in terms of investment objectives of the Scheme, the Scheme can invest such funds in short-term deposits of scheduled commercial banks, in accordance with the Regulations. The investment in these deposits shall be in accordance with SEBI Circular nos. SEBI/IMD/CIR No. 1/91171/07, SEBI/IMD/CIR No. 8/107311/07, SEBI/IMD/CIR No. 7/129592/08 dated April 16, 2007, October 26, 2007 and June 23, 2008, respectively and any other applicable guidelines. Further the AMC would not charge any investment management fees for parking funds of the Scheme in short term deposits of commercial banks.
8. 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 are in excess of 25% of the net assets.
9. The Scheme shall not make any investment in any fund of funds scheme.
10. The Scheme shall not invest more than thirty percent of its net assets in money market instruments of an issuer. Such limit shall not be applicable for investments in Government securities, treasury bills and collateralized borrowing and lending obligations.

GUIDELINES GOVERNING INVESTMENT IN DEBT SECURITIES

The AMC will follow a policy where, before any investment is made in any debt instrument, a research report will be prepared by the Chief Investment Officer Fund Manager / Research analyst which will analyze the debt instruments. The research report shall be reviewed at least on a half yearly basis. The recommendations of the research report shall not be binding on the Fund Manager / Chief Investment Officer.

Any purchase which is made against the recommendations of the research recommendation shall be backed by the reasons for the same by the concerned Fund Manager / Chief Investment Officer. For investment into companies for which there is a pre existing research report that is not dated more than six months from the day of the proposed investment, the investment can be made by the Fund Manager directly. However, if the research report is dated more than six months without any subsequent update then a fresh report will be required.

The investment philosophy of the AMC shall be directed towards providing stable returns with a low risk strategy and capital appreciation / accretion through investment in debt instruments and related securities besides preservation of capital. The Scheme shall invest only in debt securities with credit rating of AA- and above.

INVESTMENT IN GOVERNMENT SECURITIES

As per Regulations and investment restriction guidelines issued by SEBI, the AMC will follow a policy wherein each decision of purchase / sale of government securities and money market instruments shall be recorded. A weekly report relating to the portfolio of the Scheme will be reviewed by the Investment Committee of the AMC.

Investment and security selection of all kind of debt instruments including Government of India ('GoI') securities, State Government securities, and Government guaranteed debt is delegated to the Fund Manager with the responsibility on the Fund Manager / Chief Investment Officer to ensure conformity with the specified minimum credit rating standards for position credit risk and portfolio credit risk. All investments in GoI securities shall be done in accordance with SEBI / RBI guidelines.

Investment Restrictions pertaining to derivatives:

Derivatives 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 the decision of the 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 terms of Circular No. MFD.BC.191 / 07.01.279 / 1999-2000 and MPD.BC.187 / 07.01.279 / 1999-2000 dated November 1, 1999 and July 7, 1999 respectively issued by the RBI permitting participation by mutual funds in interest rate swaps and forward rate agreements, the Fund will use derivative instruments for the purpose of hedging and portfolio balancing. Further, the guidelines issued by the RBI from time to time for forward rate agreements and interest rate swaps and other derivative products will be adhered to by the Fund.

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 the 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.

Example of a derivatives transaction-

Basic Structure of a Swap

Bank A has a six-month Rs. 10 crore liability, currently being deployed in call. Bank B has a Rs. 10 crore, six-month asset, being funded through call. Both banks are running an interest rate risk.

To hedge this interest rate risk, they can enter into a six-month MIBOR (Mumbai Inter Bank Offered Rate) swap. Through this swap, A will receive a fixed pre-agreed rate (say 7%) and pay "call" on the NSE MIBOR ("benchmark rate"). Bank A paying at "call" on the benchmark rate will hedge the interest rate risk of lending in call. Bank B will pay 7% and receive interest at the benchmark rate. Bank A receiving of "call" on the benchmark rate will hedge its interest rate risk arising from its call borrowing.

The mechanism is as follows:

- Assume the swap is for Rs.10 crore March 1, 2005 to September 1, 2005. A is a fixed rate receiver at 7% and B is a floating rate receiver at the overnight compounded rate.
- On March 1, 2005, A and B will exchange only an agreement of having entered this swap. This documentation would be based

on an International Swaps and Derivatives Association (ISDA) template.

- On a daily basis, the benchmark rate fixed by NSE will be tracked by them. On September 1, 2005 they will calculate the following:
- A is entitled to receive interest on Rs.10 crore at 7% for 184 days i.e. Rs. 35.28 lakh, (this amount is known at the time the swap was concluded) and will pay the compounded benchmark rate.
- B is entitled to receive daily compounded call rate for 184 days and pay 7% fixed.
- On September 1, 2005, if the total interest on the daily overnight compounded benchmark rate is higher than Rs. 35.28 lakhs, A will pay B the difference. If the daily compounded benchmark rate is lower, then B will pay A the difference.
- Effectively, Bank A earns interest at the rate of 7% p.a. for six months without lending money for six months fixed, while Bank B pays interest @ 7% p.a. for six months on Rs. 10 crore, without borrowing for six months fixed.

As per the above mentioned RBI circulars, mutual funds are permitted to do interest rate swaps / forward rate agreements for hedging purposes only. Accordingly, the AMC would undertake the same for similar purposes only. IRS and FRAs also have inherent credit and settlement risks. However, these risks are reduced as they are limited to the interest streams and not the notional principal amounts.

Investments in derivatives will be in accordance with the SEBI Regulations / guidelines and presently derivatives shall be used for hedging and / or portfolio balancing purposes, as permitted under the Regulations. The circumstances under which such transactions would be entered into would be when, using the IRS route, it is possible to generate better returns / meet the objective of the Scheme at a lower cost. For example, if buying a two-year MIBOR based instrument and receiving the two-year swap rate yields better return than buying the two-year AAA corporate instrument, the Scheme would endeavour to do that. Alternatively, the Scheme would also look to hedge existing fixed rate positions if the view on interest rates is that they are likely to rise in the future.

These investment limitations/parameters as expressed (linked to the net asset/net asset value/capital) shall, in the ordinary course, apply as at the date of the most recent transaction or commitment to invest and changes do not have to be effected merely because, owing to appreciation or depreciation in value or by reason of the receipt of any rights, bonuses or benefits in the nature of capital or of any scheme of arrangement or for amalgamation, reconstruction or exchange, or at any repayment or redemption or other reason outside the control of the Trustee/AMC, any such limits would thereby be breached.

Apart from the investment restrictions prescribed under the Regulations, internal risk parameters for limiting exposure to a particular scrip or sector may be prescribed from time to time to respond to the dynamic market conditions and market opportunities.

The Trustee /AMC may alter these above stated limitations from time to time (as also the provisions of the Trust Deed) and also to the extent the Regulations change so as to permit the Scheme to make its investments in the full spectrum of permitted investments in order to achieve its investment objective.

J. HOW HAS THE SCHEME PERFORMED?

| Scheme returns as on April 30, 2010 | | | | |
|-------------------------------------|---------------------|--------------------------|----------------|--------------------------|
| | Super Institutional | CRISIL Liquid Fund Index | *Retail Growth | CRISIL Liquid Fund Index |
| Since inception | 7.40% | 6.26% | 6.27% | 5.58% |
| 3 months | 1.18% | 0.97% | 1.11% | 0.97% |
| 6 months | 2.36% | 1.67% | 2.23% | 1.67% |
| 1 year | 4.98% | 3.17% | 4.72% | 3.17% |

Note: CAGR are given for more than one year. Absolute returns of the growth option are computed for a period of less than one year. "Since inception " returns are calculated on Rs. 10/- invested at inception. **Past performance may or may not be sustained in future.**

Allotment Date : Super - Institutional - September 21, 2007
Retail Plan - 16th September 2008

K. INVESTMENTS BY THE AMC

Subject to the Regulations, the AMC may invest up to its net worth, either directly or indirectly, in the Scheme during the NFO and / or Ongoing Offer Period. However, the AMC shall not charge any investment management fee on such investment in the Scheme.

L. UNDERTAKING BY THE TRUSTEES

The Trustees have ensured that the JPMorgan India Treasury Fund approved by them is a new product offered by the JPMorgan Mutual Fund and is not a minor modification of any existing scheme/fund/product.

Date of Approval by the Trustees: July 9, 2007

III. UNITS AND OFFER

This section provides details investors need to know for investing in the Scheme.

A. NEW FUND OFFER (NFO)

New Fund Offer, New Fund Offer Period, New Fund Offer Price, Extension / Preponing of the New Fund Offer Period, Minimum Amount for Application in the NFO, Minimum Target Amount, Maximum Amount to be raised, Allotment, Refund and Special products/facilities available during the NFO

These sections do not apply to the Scheme covered in this SID, as the ongoing offer of the Scheme has commenced after the NFO, and the Units are available for continuous subscription and redemption.

Scheme Options

Plans and Options available under the Scheme

The Scheme offers two Plans - Retail Plan and Super Institutional Plan. Both the Plans under the Scheme offers two options - growth option and dividend option. Under the growth option no dividend will be declared.

Under the dividend option, a dividend may be declared by the Trustee, at its discretion, from time to time (subject to the availability of distributable surplus as calculated in accordance with the Regulations).

Dividend option under Retail Plan offers daily dividend reinvestment, weekly dividend reinvestment, fortnightly dividend reinvestment and monthly dividend reinvestment options.

Dividend option under Super Institutional Plan offer (i) dividend payout option and (ii) dividend reinvestment option. Dividend payout option offers weekly dividend payout, fortnightly dividend payout and monthly dividend payout option. Dividend reinvestment option offers daily dividend reinvestment, weekly dividend reinvestment, fortnightly dividend reinvestment and monthly dividend reinvestment options.

In case of weekly dividend payout or weekly dividend reinvestment option, record date for the declaration of dividend shall be every Tuesday, in case of fortnightly dividend payout or fortnightly dividend reinvestment option the record date shall be 14th and 28th of each month and in case of monthly dividend payout or monthly dividend reinvestment option, the record date shall be 25th of each month. In case these record dates fall on a non-business day, the record date shall be taken to be the next business day. There is no assurance or guarantee to Unit Holders as to the rate of dividend distribution nor that the dividends will be regularly declared, though it is the intention of the Mutual Fund to make regular dividend distribution under the Dividend Option. Dividend distribution is subject to availability of distributable surplus.

If the investor does not clearly specify the choice of option (growth / dividend) at the time of investing, it will be treated as a growth option. If the investor does not clearly specify at the time of investing, the choice of option under dividend, it will be treated as a daily dividend reinvestment option. If the investor investing more than Rs. 1,00,00,000 does not clearly specify the choice of plan at the time of investing, the default plan will be - Super Institutional Plan.

Dividend Policy

The Trustee may decide to distribute by way of dividend, the surplus by way of realised profit, dividends and interest, net of losses, expenses and taxes, if any, to Unit Holders in the dividend option of the Scheme if such surplus is available and adequate for distribution in the opinion of the Trustee. The Trustee's decision with regard to availability and adequacy, rate, timing and frequency of distribution shall be final. The dividend will be due to only those Unit Holders whose names appear in the register of Unit Holders in the dividend option of the Scheme on the record date which will be announced in advance in accordance with MF Regulations. The Unit Holders have the option of receiving the dividend or reinvesting the same. The dividend will be reinvested at the Applicable NAV of the immediately following Business Day.

The AMC shall dispatch to the Unit Holders, the dividend warrants within 30 (thirty) days of the date of declaration of dividend. The dividend distribution procedure shall be in accordance with the Regulations.

Who can invest

This is an indicative list and you are requested to consult your financial, legal and tax advisor to ascertain whether the Scheme is suitable to your risk profile.

A. Who can invest

Prospective investors are advised to satisfy themselves that they are not prohibited by any law from investing in the Scheme and are authorised to purchase units of mutual funds as per their respective constitutions, charter documents, corporate / other authorisations and relevant statutory provisions. Investors are also requested to consult their financial advisor to ascertain whether the Scheme is suitable to their risk profile. The following is an indicative list of persons who are generally eligible and may apply for subscription to the Units of any of the Plans under the Scheme:

- Indian resident adult individuals, either singly or jointly (not exceeding three);
- Minor through parent / lawful guardian; (please see the note below);
- A HUF through its Karta;
- An association of persons or a body of individuals
- Companies, bodies corporate, public sector undertakings, association of persons or bodies of individuals and societies registered under the Societies Registration Act, 1860;
- Religious and charitable trusts, wakfs or endowments of private trusts (subject to receipt of necessary approvals as required) and private trusts authorised to invest in mutual fund schemes under their trust deeds;
- Partnership firms constituted under the Partnership Act, 1932;
- Banks (including cooperative banks and regional rural banks) and financial institutions;
- NRIs / PIOs on a full repatriation basis or on a non-repatriation basis (NRIs or PIOs of the United States of America and Canada cannot apply);
- FIIs registered with SEBI on full repatriation basis;
- Army, air force, navy and other paramilitary funds and eligible institutions;
- Scientific and industrial research organisations;
- Provident / pension / gratuity and such other funds as and when permitted to invest;
- International multilateral agencies approved by the government of India / RBI;
- The Trustee, AMC or Sponsor or their associates (if eligible and permitted under prevailing Laws).
- A mutual fund through its schemes, including fund of funds schemes.
- Any other category of investors as the AMC/Trustee may permit.

Note: A minor Unit Holder on becoming a major may inform the Registrar and Transfer Agent and provide his specimen signature duly authenticated by his banker as well as his details of bank account and PAN to enable the Registrar and Transfer Agent to update its records and allow him to operate the account in his own right.

B. Who cannot invest

IT SHOULD BE NOTED THAT THE FOLLOWING PERSONS/ENTITIES CANNOT INVEST IN THE SCHEME:

- (a) Any individual who is a foreign national or any other entity that is not an Indian resident under the Foreign Exchange Management Act, 1999, except where registered with SEBI as a FII or FII sub-account or except for NRIs or PIOs (who are not residents of the United States of America and Canada), unless such foreign national or other entity that is not an Indian resident has procured the relevant regulatory approvals from the Foreign Investment Promotion Board and/or the RBI, as applicable in the sole discretion and to the sole satisfaction of the AMC.
- (b) Overseas Corporate Bodies (OCBs), i.e. firms and societies which are held directly or indirectly but ultimately to the extent of at least 60% by NRIs and trusts in which at least 60% of the beneficial interest is similarly held irrevocably by such persons without the prior approval of the RBI.

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- (c) NRIs and PIOs who are resident of the United States of America and Canada.
 - (d) NRIs residing in Non-Compliant Countries and Territories (NCCTs) as determined by the Financial Action Task Force (FATF), from time to time.
 - (e) Religious and charitable trusts, wakfs or other public trusts that have not received necessary approvals and a private trust that is not authorized to invest in mutual fund schemes under its trust deed. The Mutual Fund will not be responsible for or any adverse consequences as a result of an investment by a public or a private trust if it is ineligible to make such investments.
 - (f) Any other person determined by the AMC or the Trustee as not being eligible to invest in the Scheme.

The Units of the Scheme are not 'public securities' under the relevant statutes and any religious and charitable trust that seeks to invest in the Units of the Scheme will require prior approval of the appropriate authority under appropriate enactments which apply to them and appropriate consents under their trust deeds /constitutional documents, if applicable.

The Mutual Fund reserves the right to include / exclude new / existing categories of investors to invest in the Scheme from time to time, subject to the Regulations and other prevailing Laws, if any.

Subject to the Regulations, any application for Units may be accepted or rejected at the sole and absolute discretion of the Trustee. For example, the Trustee may reject any application for the Purchase of Units if the application is invalid or incomplete or if, in its opinion, increasing the size of the Scheme's Unit Capital is not in the general interest of the Unit Holders, or if the Trustee for any other reason does not believe that it would be in the best interest of the Scheme or its Unit Holders to accept such an application.

The AMC / Trustee may need to obtain from the investor verification of identity or such other details relating to a subscription for Units as may be required under any applicable Law, which may result in a delay in processing the application.

Where can Investors submit Completed Applications

Investors are requested to refer to the list of ISCs provided on the last page of the SID. Any additions or deletions to the list shall be available on the AMC's website (www.jpmorganmf.com).

How to Apply

Please refer to the SAI and Application Form for the instructions.

Application Forms / Transaction Slips for the Purchase of Units of the Scheme will be available at the ISCs / distributors. Application Forms / Transaction Slips filled up and duly signed by the investor or all joint investors (as the case may be) should be submitted along with the cheque /draft / other payment instrument and supporting documents to a Designated Collection Centre.

For details of payment, please refer below under - How to pay.

Initial Purchases, Additional Purchases and Redemptions may be communicated through facsimile instructions ("Facsimile Instructions") and the AMC / Mutual Fund / Registrar or any duly appointed agent or representative of the AMC / Mutual Fund / Registrar ("Recipient") may accept Facsimile Instructions subject to the investor fulfilling certain terms and conditions as stipulated by the AMC from time to time. Acceptance of Facsimile Instructions will be subject to compliance with all prevailing laws and regulations. In case of Additional Purchases and Redemptions the Recipient shall not require other written confirmation in respect of such Facsimile Instructions. Such Facsimile Instructions are solely for the convenience, and at the risk, of the Unit Holder / Investor ("Transmitter") and the Transmitter authorizes the Recipient to act on any Facsimile Instruction which the Recipient in good faith and in its sole discretion believes is transmitted from the Transmitter. The Recipient shall be entitled to treat any such Facsimile Instructions as if the same was given to the Recipient with the Transmitter's original signature.

The Recipient shall exercise due care in carrying out its internal verification procedures but shall not be liable for acting in good faith on such Facsimile Instructions which are transmitted from unauthorized persons, which shall be binding on the Transmitter whether made with or without his authority, knowledge or consent. The Recipient shall not in any way be liable or responsible for any loss, damage caused to the Transmitter directly or indirectly, as a result of the Transmitter sending or purporting to send such Facsimile Instructions including where a Facsimile Instruction sent / purported to be sent is not processed on account of the fact that it was not received by the Recipient. The Transmitter acknowledges that Facsimile Instructions are not a secure means of giving instructions / transaction requests and that the Transmitter is aware of the risks involved including those arising out of such transmission being inaccurate, illegible, altered, not timely etc. and that the Transmitter's request to the Recipient to act on any Facsimile Instruction is for the Transmitter's convenience and the Recipient shall not be obliged or bound to act on the same. The Transmitter agrees that security procedures adopted by the Recipient may include signature verification, telephone callbacks or a combination of the same. Callbacks may be recorded by tape recording device and the Transmitter consents to such recording and agrees to co-operate with the Recipient to enable confirmation of such Facsimile Instructions requests. The Transmitter further accepts that the Facsimile Instruction shall not be considered until time stamped appropriately as a valid transaction request in the Scheme in line with the SEBI Regulations. In case of Initial Purchases, the transaction shall be processed and Units allotted on the basis of the time stamped Facsimile Instruction, provided all requisite physical / original documents (subject to the same being in order) are submitted to the AMC / Mutual Fund / Registrar by 5:30 pm on the same day. It shall be the sole obligation of the Transmitter to ensure that the requisite physical / original documents (subject to the same being in order) are submitted to the AMC / Mutual Fund / Registrar within the stipulated time as stated above, failing which the application / transaction will be rejected. The AMC / Mutual Fund reserves the right to reject the application in case the original varies from the Fax Instructions received.

In consideration of the Recipient from time to time accepting and at its sole discretion acting on any Facsimile Instruction request received / purporting to be received from the Transmitter, the Transmitter agrees to indemnify and keep indemnified the Recipient from and against all actions, claims, demands, liabilities, obligations, losses, damages, costs (including without limitation, interest and legal fees) and expenses of whatever nature (whether actual or contingent) directly or indirectly suffered or incurred, sustained by or threatened against the Recipient arising from or in connection with the Recipient in good faith accepting and acting on Fax Instruction requests. The AMC reserves the right to discontinue the above mentioned facilities at any point in time.

Applications should be made in adherence to the minimum amount requirements as mentioned in paragraph A - Minimum amount for applying in the Scheme. It is mandatory for every applicant to provide the name of the bank, branch, address, account type and number as per SEBI requirements and any Application Form / Transaction Slip without these details will be treated as incomplete. Such incomplete applications will be rejected. The Registrar and Transfer Agent / AMC may ask the investor to provide a blank cancelled cheque or its photocopy for the purpose of verifying the bank account number. In order to strengthen Know Your Client (KYC) norms and identify every participant in the securities market with their respective PAN, thereby ensuring a sound audit trail for all transactions, SEBI has mandated that PAN will be the sole identification number for all participants transacting in the securities market, irrespective of the amount of transaction. Accordingly, it is mandatory for investors to provide their PAN along with a self-attested (if required) copy or copy attested by an ARN holder. If the investment is being made on behalf of a minor, the PAN of the minor or father or mother or the guardian who represents the minor, should be provided. Applications received without PAN / PAN card copy will be rejected. In accordance with the regulatory guidelines, the PAN card copy needs to be verified with the original. For all applications the applicant or in the case of application in joint

names, each of the applicants, should mention his / her PAN allotted under the Act and also submit a photocopy of the PAN card(s) or a communication from the income tax authority indicating allotment of PAN ("PAN Communication") along with the application for the purpose of verification of the number. An application should be complete in all respects before it is submitted.

It will be treated as incomplete and rejected if:

- the PAN is not mentioned;
- the PAN is mentioned but not supported by a photocopy of the PAN card or PAN Communication;
- any other information or documents as may be required by the AMC or the Trustee have not been submitted together with the Application Form / Transaction Slips.

With effect from February 1, 2008, investors in mutual funds investing Rs. 50,000 and above are required to comply with Know Your Client (KYC) norms, under the Prevention of Money Laundering Act, 2002 (PMLA). Please refer to our website www.jpmorganmf.com or the AMFI website for details. In compliance with SEBI letter no. MRD/DoP/PAN/PM/166999/2009, dated June 19, 2009 issued to AMFI and subsequent guidelines issued by AMFI in this regard, effective August 1, 2009, SIPs upto Rs. 50,000/- per year per investor i.e. aggregate of instalments in a rolling 12 month period or in a financial year (to be referred as 'Micro SIP') shall be exempt from the requirement of PAN as a proof of identification. The exemption shall be applicable to investments by individuals, NRIs, Minor and Sole Proprietary Firm. However, PIOs, HUFs, Partnership Firms, Companies, Societies, Trusts and any other category will not be eligible for such exemption. Any one of the following photo identification documents can be submitted along with these SIP applications as proof of identification in lieu of PAN:

1. Voter Identity Card
2. Driving License
3. Government / Defense identification card
4. Passport
5. Photo Ration Card
6. Photo Debit Card (Credit card not included because it may not be backed up by a bank account)
7. Employee ID cards issued by companies registered with Registrar of Companies
8. Photo Identification issued by Bank Managers of Scheduled Commercial Banks / Gazetted Officer / Elected Representatives to the Legislative Assembly / Parliament
9. ID card issued to employees of Scheduled Commercial / State / District Co-operative Banks
10. Senior Citizen / Freedom Fighter ID card issued by Government
11. Cards issued by Universities / deemed Universities or institutes under statutes like ICAI, ICWA, ICSI
12. Permanent Retirement Account No. (PRAN) card issued to New Pension System (NPS) subscribers by CRA (NSDL)
13. Any other photo ID card issued by Central Government / State Governments /Municipal authorities / Government organizations like ESIC / EPFO

The Photo Identification document has to be current and valid and also either self attested or attested by an ARN holder. The above-mentioned exemption will not be applicable to normal purchase transactions upto Rs. 50,000/- which will continue to be subject to PAN requirement. In order to protect investors from frauds, it is advised that the Application Form number / folio number and name of the first investor should be written at the back of the cheque / draft, before they are handed over to any courier / messenger / distributor / ISC. In order to protect investors from fraudulent encashment of cheques, the Regulations require that cheques for Redemption of Units specify the name of the Unit Holder and the bank name and account number where payments are to be credited. Hence, all applicants for Purchase of Units / Redemption of Units must provide a bank name, bank account number, branch address, and account type in the Application Form.

How to Pay

All cheques / drafts must be drawn favoring “JPMorgan India Treasury Fund”. They should be crossed "Account Payee only". A separate cheque, instruction or bank draft must accompany each application.

Payment can be made by either one of the following methods:

- Cheque;
- Draft (i.e. demand draft or bank draft);
- a payment instrument (such as pay order, banker's cheque, etc.); or
- electronic instructions (if mandated)

The cheque should be payable at a bank's branch which is situated at and is a member of the Collecting Banker's clearing house /zone in the city where the application is submitted to a Designated Collection Centre.

An investor may invest through a distributor or bank with whom the AMC has made an arrangement, whereby payment may be made through ECS / EFT / NEFT / RTGS / SI / wire transfer or in any manner acceptable to the AMC, and is evidenced by receipt of credit in the bank account of the Mutual Fund.

Further for the benefit of investors, the Real Time Gross Settlement (RTGS) charges upto the limit of Rs. 200/-, for investments into the schemes of JPMorgan Mutual Fund shall be borne by the AMC.

The following modes of payment are not valid, and applications accompanied by such payments are liable to be rejected.

- Outstation cheques (i.e. if the cheque is payable at a bank's branch which does not participate in the local clearing mechanism of the city where the application is submitted).
- Cash, money orders or postal orders.
- Post dated cheques (except for applications for purchasing Units under SIP of the Scheme).

If the applicant is resident of a city, the banking clearing circle of which is different from that of any Investor Service Centre as designated by the AMC from time to time, the AMC shall bear the bank charges for the demand draft(s). The AMC shall not refund any demand draft charges.

Applications accompanied by cheques / drafts not fulfilling the above criteria are liable to be rejected.

Note: The Trustee, at its discretion at a later date, may choose to alter or add other modes of payment.

Payments by NRIs, FIIs

(a) Repatriable basis

In the case of NRIs/PIOs, payment may be made either by inward remittance through normal banking channels or out of funds held in a NRE Account / FCNR account

FIIs may pay their subscriptions either by inward remittance through normal banking channels or out of funds held in a Non-Resident Rupee Account maintained with the designated branch of an authorised dealer in accordance with the relevant exchange management regulations.

(b) Non-repatriable basis

In the case of NRIs, payment may be made either by inward remittance through normal banking channels or out of funds held in an NRE / FCNR / NRO account.

Listing

The Scheme being open ended, the Units are not proposed to be listed on any stock exchange and no transfer facility is provided. However, the Mutual Fund may at its sole discretion list the Units on one or more stock exchanges at a later date.

The policy regarding reissue of repurchased Units, including the maximum extent, the manner of reissue and the entity (the Scheme or the AMC) involved in the same.

Not Applicable

Restrictions, if any, on the right to freely retain or dispose of Units being offered.

In conformity with the guidelines and notifications issued by SEBI / government of India / any other Regulatory Agencies from time to time, as applicable, Units under the Scheme may be offered as security by way of a lien / charge in favour of scheduled banks, financial institutions, non-banking finance companies, or any other body. The Registrar and Transfer Agent will note and record the lien against such Units. A standard form for this purpose is available on request with the Registrar and Transfer Agent.

The Unit Holder will not be able to redeem / switch Units under lien until the lien holder provides written authorisation to the AMC / Mutual Fund / Registrar and Transfer Agent that the lien is discharged. As long as Units are under lien, the lien holder will have complete authority to exercise the lien, thereby redeeming such Units and receiving payment proceeds. In such instance, the Unit Holder will be informed by the Registrar and Transfer Agent through an account statement. In no case will the Units be transferred from the Unit Holder to a lien holder. Dividends declared on units under lien will be paid / reinvested to the credit of the Unit Holder and not the lien holder.

The Units of the Scheme are not transferable. In view of the same, additions/deletions of names will not be allowed under any folio of the Scheme. The above provisions in respect of deletions of names will not be applicable in case of death of Unit Holder (in respect of joint holdings) as this is treated as transmission of Units and not transfer.

B. ONGOING OFFER DETAILS

Ongoing price for Subscription (Purchase) / Switch-In (from other Schemes / Plans of the Mutual Fund) by investors.

At the Applicable NAV.

This is the price you need to pay for Purchase / Switch-In.

Example: If the applicable NAV is Rs. 10, entry load is 2% then Purchase price will be: $Rs. 10 * (1+0.02) = Rs. 10.20$

Ongoing price for Redemption (Sale) / Switch-Outs (to other Schemes / Plans of the Mutual Fund) by investors.

At the Applicable NAV subject to prevailing Exit Load.

This is the price you will receive for Redemptions / Switch-Outs.

Example: If the applicable NAV is Rs. 10, exit load is 2% then Redemption price will be: $Rs. 10 * (1-0.02) = Rs. 9.80$

Cut off timing for Subscriptions / Redemptions / Switches

This is the time before which your application (complete in all respects) should reach the official points of acceptance.

The Cut-off time for the Scheme is 3.00 pm and the Applicable NAV will be as under:

For Purchase under both the Plans

- a. where the application is received upto 3.00 pm with a local cheque or demand draft payable at par at the place where it is received, with amount less than Rs. 1 crore - closing NAV of the day of receipt of application;
- b. where the application is received after 3.00 pm with a local cheque or demand draft payable at par at the place where it is received, with amount less than Rs. 1 crore - closing NAV of the next Business Day;
- c. where the application is received with a local cheque or demand draft payable at par at the place where it is received, with amount equal to or more than Rs. 1 crore irrespective of the time of receipt of application, the closing NAV of the day on which the funds are available for utilisation shall be applicable.

For Redemption under both the Plans

- a. where the application is received up to 3.00 p.m. - closing NAV of the day of receipt of application; and
- b. where the application is received after 3.00 p.m. - the closing NAV of the next Business Day.

The above will be applicable only for cheques / demand drafts / payment instruments payable locally in the city in which a Designated Collection Centre is located. No outstation cheques will be accepted.

Note: In case the application is received on a Non-Business Day, it will be considered as if received on the Next Business Day.

For Switches

Valid applications for 'switch-out' shall be treated as applications for Redemption and valid applications for 'switch-in' shall be treated as applications for Purchase, and the provisions of the Cut-off time and the Applicable NAV mentioned in this SID as applicable to Purchase and Redemption shall be applied respectively to the 'switch-in' and 'switch-out' applications.

Where can the applications for Purchase / Redemption / Switches be submitted?

The details of official points of acceptance and Collecting Banker(s) are given on the back cover page.

Minimum amount for Purchase / Redemption / Switches

Minimum Initial Application Amount:

Retail Plan: Rs. 5000 (Rupees Five Thousand only) per application and in multiples of Re. 1 (Rupee One only) thereafter.

Super Institutional Plan: Rs. 1 Crore per application and in multiples of Re. 1 thereafter.

Minimum Additional Application Amount:

Retail Plan: Rs 1000 (Rupees One Thousand only) per application and in multiples of Re. 1 thereafter.

Super Institutional Plan: Rs. 10,00,000 per application and in multiples of Re. 1 thereafter.

Minimum Amount / No. of Units for Redemption: Rs 5000 (Rupees Five Thousand only) or 500 (five hundred) Units.

Valid applications for 'switch-out' shall be treated as applications for Redemption and valid applications for 'switch-in' shall be treated as applications for Purchase and the above mentioned provisions shall apply accordingly.

How to Redeem

A Transaction Slip can be used by the Unit Holder to request for Redemption. The requisite details should be entered in the Transaction Slip and submitted at an ISC or the AMC offices. Transaction Slips can be obtained from any location of the ISCs or the AMC offices.

Right to limit Redemption

The Trustee may, in the general interest of the Unit Holders of the Scheme and when considered appropriate to do so based on unforeseen circumstances / unusual market conditions, limit the total number of Units which may be redeemed on any Business Day to 5% of the total number of Units then in issue, under the Scheme and option(s) thereof, or such other percentage as the Trustee may determine. Any Units which consequently are not redeemed on a particular Business Day will, subject to the further application of the Trustee's right to limit Redemption, be carried forward for Redemption to the next Business Day. Redemptions so carried forward will be priced on the basis of the Applicable NAV (subject to the prevailing Load) of the Business Day on which Redemption is made. Under such circumstances, to the extent multiple Redemption requests are received at the same time on a single Business Day, Redemptions will be made on a pro-rata basis, the balance amount being carried forward for Redemption to the next Business Day. In the aforementioned circumstances, the Trustee reserves the right, in its sole discretion, to limit Redemptions with respect to any single account to an amount of Rs 1 lakh in a single day.

Minimum balance to be maintained and consequences of non maintenance.

The minimum balance after Redemption shall be Rs. 5000 (Rupees Five Thousand only). In case the balance falls below Rs. 5000 (Rupees Five Thousand only) all remaining Units in that account will be automatically redeemed.

Special Products Available**1. Systematic Investment Plan (SIP)**

This facility enables investors to save and invest periodically over a period of time. It is a convenient way to "invest as you earn" and affords the investor an opportunity to enter the market regularly, thus averaging the acquisition cost of Units. The conditions for investing in SIP will be as follows:

- (a) In case of SIP started during the Ongoing Offer Period, the date of the first cheque shall be the same as the date of the application while the remaining cheques (minimum 5 payment instructions/cheques) shall be post dated cheques (dated uniformly either the 1st, 10th, 15th or 25th of a month or quarter). Alternatively, the payment under SIP may be made through a distributor with whom the AMC has made an arrangement for payment of investment money through ECS / EFT / NEFT / RTGS /SI / wire transfer or in any manner acceptable to the AMC.
 - (b) For SIP, the installment after the NFO Period should be dated after the date of declaration of first NAV. Any payments intended for the interim period will not be processed and will be treated as void.
 - (c) Purchases can be made on either a monthly / quarterly basis.
 - (d) All the cheques /payment instructions (including the first cheque / payment instruction) shall be of equal amounts.
 - (e) The minimum amount of each cheque / payment instruction shall be Rs. 5000 (Rupees Five Thousand only).
 - (f) The aggregate of such cheques / payment instructions shall not be less than Rs. 30,000 (Rupees Thrity Thousand only). i.e. Minimum 6 cheques in case of a monthly SIP. There is no upper limit for the Purchase for a single cheque / payment instruction or in aggregate.
 - (g) If the previous folio number is not mentioned, the extension of an existing SIP will be treated as a new SIP on the date of such application and all the above conditions need to be met.
 - (h) The load structure prevailing at the time of submission of the SIP application (whether fresh or extension) will apply for all the installments indicated in such application.
 - (i) In case of cancellation of a SIP or cheques returned uncleared for SIP installments or payment instructions not honoured, if no Entry Load had been charged, the AMC may reduce the number of Units allotted against the previous installments to the extent of applicable Entry Load on such installments.
-

The Units will be allotted to the investor at the Applicable NAV plus applicable Entry Load of the respective dates on which the investments are sought to be made. However, if any of the dates on which an investment is sought to be made is a non-Business Day, the Units will be allotted at the Applicable NAV plus applicable Entry Load of the next Business Day. Any Unit Holder can avail of this facility subject to certain terms and conditions detailed in the Application Form. This facility is available only if the Application Form / Transaction Slip along with the post-dated cheques /payment instructions is handed over to an ISC.

SIP in JPMorgan India Treasury Fund shall not be available under Super Institutional Plan. The SIP shall continue to be available under the Retail plan.

Investors should note that an application for SIP can be submitted at Designated Collection Centres.

2. Systematic Withdrawal Plan (SWP)

This facility enables the Unit Holders to withdraw sums from their Unit accounts in the Scheme at periodic intervals through a one-time request. The withdrawals can be made monthly /quarterly on any date specified by the Unit Holder, subject to that day being a Business Day. The minimum amount in rupees for withdrawal under the SWP facility shall be Rs. 5000 (Rupees Five Thousand only), while the minimum number of Units for withdrawal shall be 500 (Five Hundred) Units. The withdrawals will commence from the start date mentioned by the Unit Holder in the Application Form for the facility. The Units will be redeemed at the Applicable NAV of the respective dates on which such withdrawals are sought. However, if any of the dates on which the Redemption is sought is a non Business Day, the Units will be redeemed at the Applicable NAV of the next Business Day plus applicable Exit Load/CDSC, if any. This facility is explained by way of an illustration below:

| Date | Amount invested (Rs) | Amount withdrawn under SWP (Rs) | Assumed * NAV per Unit (Rs) | Units redeemed | Unit Balance** | Value after SWP (Rs) |
|----------|----------------------|---------------------------------|-----------------------------|----------------|----------------|----------------------|
| 1-Jan-06 | 100,000 | | 10.00 | | 10,000 | 100,000.00 |
| 7-Feb-06 | | 1,000 | 10.15 | 98.522 | 9,901 | 100,500.00 |
| 7-Mar-06 | | 1,000 | 10.25 | 97.561 | 9,804 | 100,490.15 |
| 7-Apr-06 | | 1,000 | 10.35 | 96.618 | 9,707 | 100,470.54 |
| 7-May-06 | | 1,000 | 10.45 | 95.694 | 9,612 | 100,441.27 |
| 7-Jun-06 | | 1,000 | 10.55 | 94.787 | 9,517 | 100,402.43 |
| 7-Jul-06 | | 1,000 | 10.65 | 93.897 | 9,423 | 100,354.11 |
| 7-Aug-06 | | 1,000 | 10.75 | 93.023 | 9,330 | 100,296.40 |
| 7-Sep-06 | | 1,000 | 10.85 | 92.166 | 9,238 | 100,229.39 |
| 7-Oct-06 | | 1,000 | 10.95 | 91.324 | 9,146 | 100,153.17 |
| 7-Nov-06 | | 1,000 | 11.05 | 90.498 | 9,056 | 100,067.81 |
| 7-Dec-06 | | 1,000 | 11.25 | 88.889 | 8,967 | 100,878.99 |
| 7-Jan-07 | | 1,000 | 11.35 | 88.106 | 8,879 | 100,775.69 |

*The NAVs and the amount in the table are purely illustrative and should not be understood or construed as assured or guaranteed returns. Entry and Exit Loads are assumed to be nil for the purpose of the illustration.

**Previous balance less Units redeemed.

For applicable load on Redemptions through SWP please refer Section IV - Load, Fees and Expenses.

3. Systematic Transfer Plan (STP)

This facility enables Unit Holders to transfer fixed amounts from their accounts in the Scheme to the other schemes launched by the Fund from time to time. The transfers under this facility can be made on a daily / weekly / fortnightly / monthly basis. The provision of minimum Purchase/Redemption amount with respect to the Scheme will not be applicable for transfers made under this facility. The transfer will commence from the date mentioned by the Unit Holder in the Application Form for the facility and will take place daily/weekly/fortnightly/monthly on the day specified by the Unit Holder. The Units will be allotted/redeemed at the Applicable NAV of the respective dates of the Scheme on which such investments/withdrawals are sought from the Scheme. In case the day on which the investment/withdrawal is sought to be made, is not a Business Day for the Scheme, then the application for the facility will be deemed to have been received on the immediately following Business Day. The minimum amount in rupees under the STP facility shall be Rs 1000, while the minimum number of Units shall be 100 Units. In case the minimum balance falls below these limits, the AMC may transfer all the Units.

Lien on Units for Loans

Units under the Scheme may be offered as security by way of a lien / charge in favour of scheduled banks, financial institutions, non-banking finance companies (NBFCs) or any other body. The Registrar and Transfer Agent will note and record the lien against such Units. A standard request letter for this purpose is available on request with the Registrar and Transfer Agent or the AMC.

The Unit Holder will not be able to redeem / switch Units under lien until the lien holder provides written authorization to the Mutual Fund that the lien / charge may be vacated. As long as Units are under lien, the lien holder will have complete authority to exercise the lien, thereby redeeming such Units and receiving payment proceeds. In such instance, the Unit Holder will be informed by the Registrar and Transfer Agent through an account statement. In no case will the Units be transferred from the Unit Holder to the lien holder. Dividends declared on Units under lien will be paid / re-invested to the credit of the Unit Holder and not the lien holder unless specified otherwise in the lien letter.

Accounts Statements

For normal transactions (other than SIP/STP/SWP) during ongoing sales and repurchase:

- An account statement will be sent by ordinary post /courier/ electronic mail to each Unit Holder, stating the number of Units purchased, generally within 3 (three) Business Days, but not later than 10 (ten) Business Days from date of acceptance of the valid Application Form/Transaction Slip on an ongoing basis.
- For those Unit Holders who have provided an e-mail address, the AMC will send the account statement by e-mail.
- The Unit Holder may request for a physical account statement by writing/calling the AMC / ISC / Register and Transfer Agent. On receipt of such request the AMC shall provide the account statement to the Unit Holders within 5 (five) Business Days from the receipt of such request without any charges.

For SIP / STP / SWP transactions;

- Account statement for SIP, STP and SWP will be despatched once every quarter ending March, June, September and December within 10 (ten) working days of the end of the respective quarter.
- A soft copy of the account Statement shall be mailed to the investors under SIP/STP/SWP to their e-mail address on a monthly basis, if so mandated.
- However, the first account statement under SIP/STP/SWP shall be issued within 10 (ten) working days of the initial investment/transfer.
- In case of specific request received from investors, the Mutual Fund shall provide the account statement (SIP/STP/SWP) to the investors within 5 (five) working days from the receipt of such request without any charges.

Annual Account Statement:

- The Mutual Fund shall provide an account statement to the Unit Holders who have not transacted during the last 6 (six) months prior to the date of generation of account statements. The account statement shall reflect the latest closing balance and value of the Units prior to the date of generation of the account statement.
- The account statements in such cases may be generated and issued along with the Portfolio Statement or Annual Report of the Scheme.
- Alternately, soft copy of the account statements shall be mailed to the investors' e-mail address, instead of physical statement, if so mandated.

Allotment of Units and dispatch of account statements to FIIs will be subject to RBI approval. Upon allotment of Units an account statement will be sent to each Unit Holder stating the number of Units allotted. The Units shall be non-transferable. The Trustees may issue a Unit Certificate in lieu of the account statement in respect of the Units held to such Unit Holders who request for the same, after receipt of a specific request from the Unit Holder. The Trustees reserve the right to make the Units transferable at a later date subject to SEBI Regulations issued from time to time.

In view of the same, additions/ deletion of names will not be allowed under any folio of the Scheme.

The above provisions in respect of deletion of names will not be applicable in case of death of Unit Holder (in respect of joint holdings) as this is treated as transmission of Units and not transfer.

Dividend

The dividend warrants shall be despatched to the Unit Holders within 30 (thirty) days of the date of declaration of the dividend.

Redemption**PAYMENT OF PROCEEDS****1. Resident Investors**

Redemption proceeds will be paid by cheques, marked "A/c Payee only" and drawn in the name of the sole holder / first-named holder (as determined by the records of the Registrar).

The Mutual Fund will endeavor to dispatch the Redemption proceeds within 3 Business Days from the acceptance of the Redemption request, but not beyond 10 Business Days from the date of Redemption. If the payment is not made within the period stipulated in the Regulations, the Unit Holder shall be paid interest @15% p.a. for the delayed period and the interest shall be borne by the AMC.

The bank name and bank account number, as specified in the Registrar's records, will be mentioned in the cheque. The cheque will be payable at par at all the cities having ISCs. If the Unit Holder resides in any other city, he will be paid by a demand draft payable at the city of his residence and the demand draft charges shall be borne by the AMC. The proceeds may be paid by way of direct credit / EFT / NEFT / RTGS / Wired Transfer / any other manner through which the investor's bank account specified in the Registrar's records may be credited with the Redemption proceeds.

Note: The Trustee, at its discretion at a later date, may choose to alter or add other modes of payment.

The Redemption proceeds will be sent by courier or (if the addressee city is not serviced by the courier) by registered post. The dispatch for the purpose of delivery through the courier / postal department, as the case may be, shall be treated as delivery to the investor. The AMC / Registrar are not responsible for any delayed delivery or non-delivery or any consequences thereof, if the dispatch has been made correctly as stated in this paragraph.

2. Non-Resident Indian Investors

For NRIs, Redemption proceeds will be remitted depending upon the source of investment as follows:

(a) Repatriation Basis

When Units have been purchased through remittance in foreign exchange from abroad or by cheque / draft issued from proceeds of the Unit Holder's FCNR deposit or from funds held in the Unit Holder's Non Resident (External) Rupee account kept in India, the proceeds can be remitted to the Unit Holder in foreign currency (any exchange rate fluctuation will be borne by the Unit Holder). The proceeds can also be sent to his Indian address for crediting to his NRE / FCNR / non-resident (Ordinary) account, if desired by the Unit Holder.

(b) Non Repatriation Basis

When Units have been purchased from funds held in the Unit Holder's non-resident (Ordinary) account, the proceeds will be sent to the Unit Holder's Indian address for crediting to the Unit Holder's non-resident (Ordinary) account.

For FIIs, the designated branch of the authorised dealer may allow remittance of net sale / maturity proceeds (after payment of taxes) or credit the amount to the foreign currency account or Nonresident Rupee account of the FII maintained in accordance with the approval granted to it by the RBI.

The Fund will not be liable for any delays or for any loss on account of any exchange fluctuations, while converting the rupee amount in foreign exchange in the case of transactions with NRIs/FIIs.

The Fund may make other arrangements for effecting payment of Redemption proceeds in future.

The Unit Holder has the option to request for Redemption either in amount in Rupees or in

number of Units.

Units purchased by cheque may not be redeemed until after realization of the cheque. In case the investor mentions the number of Units as well as the amount, then the amount will be considered for processing the Redemption request. In case the investor mentions the number of Units or the amount in words and figures, then the value in words will be taken for processing the Redemption request.

If the redemption request amount exceeds the balance lying to the credit of the Unit Holder's said account, then the fund shall redeem the entire amount lying to the credit of the Unit Holder's account in that Scheme/Plan/option.

If an investor has purchased Units on more than 1 (one) Working Day, the Units purchased prior in time (i.e. those Units which have been held for the longest period of time), are deemed to have been redeemed first, i.e. on a first in first out basis except when the Unit Holder specifically requests Redemption of Units purchased on specific date(s). If multiple Purchases are made on the same day, the Purchase appearing earliest in the account statement will be redeemed first.

The minimum amount in rupees for Redemption shall be Rs. 5000/- (Rupees Five Thousand only) or account balance whichever is less.

Delay in payment of Redemption / Repurchase Proceeds

The AMC shall be liable to pay interest to the Unit Holders at such rate as may be specified by SEBI (presently @ 15% per annum) for the period of delay beyond 10 working days.

Bank Account Details

As per the directives issued by SEBI, it is mandatory for applicants to mention their bank account numbers in their applications for Purchase or Redemption of Units. If the Unit Holder fails to provide the Bank mandate, the request for Redemption would be considered as not valid and the Mutual Fund retains the right to withhold the Redemption until a proper bank mandate is furnished by the Unit Holder and the provision with respect of penal interest in such cases will not be applicable / entertained.

C. PERIODIC DISCLOSURES

Net Asset Value

This is the value per Unit of the Scheme on a particular day. You can ascertain the value of your investments by multiplying the NAV with your Unit balance.

The Mutual Fund shall declare the NAV of the Scheme on every Business Day on AMFI's website www.amfiindia.com by 9.00 pm and also on its own website www.jpmorganmf.com.

In case of any delay, the reasons for such delay would be explained to AMFI. If the NAVs are not available before commencement of business hours on the following Business Day due to any reason, the Mutual Fund shall issue a press release providing reasons and explaining when the Mutual Fund would be able to publish the NAVs.

The Mutual Fund will publish on all Business Days the NAVs, Purchase Price and Redemption Price of the Scheme in at least two daily newspapers.

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, before the expiry of one month from the close of each half year (March 31 and September 30) publish its unaudited financial results in one English daily newspaper having nationwide circulation and in a newspaper published in the language of the region where the head office of the Fund is situated. These shall also be displayed on the websites of the Mutual Fund and of AMFI.

Full portfolio details, in the prescribed format, shall also be disclosed either by publishing them in the newspapers as mandated by SEBI or by sending these to the Unit Holders within 1 (one) month from the end of each half-year and these shall also be displayed on the website of the Mutual Fund

Half Yearly Results

The Mutual Fund shall, before the expiry of 1 (one) month from the close of each half year (March 31 and September 30) publish its unaudited financial results in one English daily newspaper having nationwide circulation and in a newspaper published in the language of the region where the head office of the Fund is situated. These shall also be displayed on the websites of the Mutual Fund and of AMFI.

Annual Report

An annual report of the Scheme will be prepared as at the end of each financial year (March 31) and copies of the report or an abridged summary thereof will be mailed to all Unit Holders as soon as possible but not later than 4 (four) months from the closure of the relevant financial year. If the report is mailed in a summary form, the full report will be available for inspection at the registered office of the Trustee and a copy thereof on request to the Unit Holders on payment of a nominal fee.

Associate Transactions

Please refer to the Statement of Additional Information.

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.

Under the existing provisions of the Income-tax Act, 1961 this scheme would not qualify as an equity oriented scheme.

| JPMorgan India Treasury Fund (An open-ended income scheme) | Resident Investors* | Mutual Fund** |
|--|---|---|
| Tax on Dividend | Nil | Tax on income distribution to: Individual and HUF unit holders - 12.5 per cent of amount distributed Other unit holders - 20 per cent of amount distributed |
| Short-term capital gains | 10 - 30 per cent based on the legal status and the total income of the investor | Nil |
| Long-term capital gains | 20 per cent # | Nil |
| Business income | 10 - 30 per cent based on the legal status and total income of the investor | Nil |

Since JPMorgan India Treasury Fund does not qualify as an equity oriented mutual fund, no Securities Transaction Tax (STT) is payable by the Unit Holders on redemption / repurchase of units by the Fund.

*The tax rate would be increased by a surcharge of:

- 7.5 per cent - in case of domestic corporate Unit Holders, where the total income exceeds Rs 100,00,000
- Nil - in case of individuals, firms, local authority and co-operative societies

Further, an additional surcharge of 3 per cent by way of education cess would be charged on amount of tax inclusive of surcharge for all Unit Holders.

** The tax would be increased by a surcharge of 7.5 per cent and an additional surcharge by way of education cess at the rate of 3 per cent on the amount of tax inclusive of surcharge.

Where the tax payable on such long-term capital gains, exceeds 10 per cent of the amount of capital gains computed before indexation, such excess tax shall not be payable by the Unit Holder. Further, in case of resident individuals and HUFs, where the total income as reduced by long-term capital gains, is below the basic exemption limit, the long-term capital gains will be reduced to the extent of the shortfall and only the balance long-term capital gains will be subjected to the 20 per cent tax or the 10 per cent tax, as the case may be.

Assuming that the total income in case of individuals, HUF, AOP, BOI exceeds the basic exemption limit (Rs 240,000 in case of resident individual of an age 65 years or more, Rs 190,000 in case of woman resident in India below 65 years of age and Rs 160,000 in case of other individual and HUF, AOP/BOI).

Note: An equity oriented fund has been defined as a scheme of a Mutual Fund where the investible funds are invested in equity shares of domestic companies to the extent of more than 65 per cent of the total proceeds of such fund. The percentage of equity shareholding of the fund shall be computed with reference to the annual average of the monthly averages of the opening and closing figures.

For further details on taxation please refer to the clause on Taxation in the SAI.

The above is intended as a general guide only and does not necessarily describe the tax consequences for all types of investors in the Fund and no reliance, therefore, should be placed upon them. Each investor is advised to consult his or her own tax consultant with respect to the specific tax implications.

Investor services

Any complaints should be addressed to Mr. Anutosh Bose, who has been appointed as the investor relations officer. He can be contacted at:

Address : Kalpataru Synergy, 3rd Floor,
West Wing, Santacruz - East,
Mumbai - 400 055.
Telephone : 91-22 - 6783 7000
Fax : 91-22 - 67837001
E-mail : India.investors@jpmorgan.com

D. COMPUTATION OF NAV

Calculation of NAV

The NAV under the Scheme shall be calculated by the method shown below:

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

Computation of NAV, will be done after taking into account dividends paid, if any, and the distribution tax thereon, if applicable. Therefore, once dividends are distributed under the Dividend Option, the NAV of the Units under the Dividend Option would always remain lower than

the NAV of the units issued under the Growth Option. The income earned and the profits realized in respect of the Units issued under the Growth Option remain invested and are reflected in the NAV of the Units.

The NAV will be calculated up to four decimal places for the Scheme.

The valuation of the Scheme's assets and calculation of the Scheme's NAV shall be subject to audit on an annual basis and such regulations as may be prescribed by SEBI from time to time.

The NAV shall be calculated and announced on all Business Days.

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.

No New Fund Offer expenses were charged to the JPMorgan India Equity Fund, JPMorgan India Smaller Companies Fund, the JPMorgan India Liquid Fund, JPMorgan India Active Bond Fund, JPMorgan India Alpha Fund, JPMorgan India Tax Advantage Fund, JPMorgan India Treasury Fund, JPMorgan India Short Term Income Fund and JPMorgan JF Greater China Equity Off-shore Fund.

Illustration of amount available to the Scheme for Investment

The amount available to the Scheme for investment for each Rs 100 contributed by the investor will be as under:

| | Purchase attracting Entry Load (2.25%) | Purchase not attracting Entry Load |
|--|---|---|
| 1. Amount paid by investor | Rs 100 | Rs 100 |
| 2. Entry Load (%) | 2.250 | Nil |
| 3. Purchase price (Rs 10 + Entry Load) | Rs 10.225 | Rs 10.000 |
| 4. Units allotted (1 ∅ 3) | 9.780 units | 10 units |
| 5. Amount available for investment (Units allotted x Rs 10) | Rs 97.800 | Rs 100.000 |

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, the 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 daily 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 (www.jpmorganmf.com).

| (Nature of Expense) | JPMorgan India Treasury Fund | |
|--|-------------------------------------|-----------------------------------|
| | Retail Plan | Super - Institutional Plan |
| Investment Management Fee | 0.350 | 0.350 |
| Trustee Fees | 0.005 | 0.005 |
| Custodian Fees | 0.005 | 0.005 |
| Registrar & Transfer Agent Fees | 0.040 | 0.030 |
| Marketing & Selling expenses including agents commission | 0.340 | 0.200 |
| Audit fees and statutory advertisements | 0.015 | 0.015 |
| Unit Holder servicing, investor communication expenses | 0.008 | 0.008 |
| Costs of fund transfer | 0.005 | 0.005 |
| Service tax | 0.039 | 0.039 |
| Other operating expenses* | 0.093 | 0.043 |
| TOTAL ANNUAL SCHEME RECURRING EXPENSES | 0.900 | 0.700 |

*Other expenses: Any other expenses which are directly attributable to the Scheme may be charged with approval of the Trustee within the overall limits as specified in the Regulation 52(6) except those expenses which are specifically prohibited. The AMC reserves the right to change the above, both inter se or in total, subject to prevailing Regulations.

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

The AMC will charge the Scheme such actual expenses incurred, subject to the statutory limit prescribed in the Regulations, the current limits of which are given below:

Maximum Recurring Expenses:

| <i>Daily average net assets</i> | <i>Maximum, as a % of daily average net assets</i> |
|---------------------------------|--|
| First Rs 100 Crores | 2.25% |
| Next Rs 300 Crores | 2.00% |
| Next Rs 300 Crores | 1.75% |
| Balance assets | 1.50% |

Maximum Investment Management Fee to be charged by the AMC:

| <i>Daily average net assets</i> | <i>Maximum, as a % of daily average net assets</i> |
|---------------------------------|--|
| First Rs 100 Crores | 1.25% |
| Balance assets | 1.00% |

Any excess over these limits will be borne by the AMC.

C. LOAD STRUCTURE

Load is an amount which is paid by the investor to subscribe to the Units or to redeem the Units from a Scheme. This amount is used by the AMC to pay commissions to the distributor and to take care of other marketing and selling expenses. Load amounts are variable and are subject to change from time to time. For the current applicable structure, please refer to the website of the AMC (www.jpmorganmf.com) or investors may call at (toll free no. 1-800-22-5763) or their distributor.

Entry Load (For Ongoing Offer):

| For each Plan | Load (% of Applicable NAV) |
|----------------------------|----------------------------|
| Retail Plan | Nil |
| Super - Institutional Plan | Nil |

Exit Load (For Ongoing Offer):

| For each Plan | Load (% of Applicable NAV) |
|----------------------------|----------------------------|
| Retail Plan | Nil |
| Super - Institutional Plan | Nil |

A switch-out or a withdrawal under SWP may also attract an Exit Load like any Redemption.

No Exit Loads will be chargeable in case of switches made between different Scheme Options.

As per SEBI guidelines Bonus Units and Units issued on reinvestment of dividends shall not be subject to entry and exit load.

All loads, when charged, for the Scheme shall be maintained in a separate account and may be utilised towards meeting the selling and distribution expenses. Any surplus in this account may be credited to

Subject to the Regulations, the Trustee retains the right to change / impose an Entry / Exit Load, subject to the provisions below.

- (a) Any imposition or enhancement of load in future shall be applicable on prospective investments only.
- (b) The AMC shall arrange to display a notice in all the ISCs/AMC office before changing the prevailing load structure. An addendum detailing the changes in load structure will be attached to SIDs and Application Forms. Unit Holders / prospective investors will be informed of changed / prevailing load structures through various means of communication such as public notice 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 / or display at ISCs / distributors' offices, on account statements, acknowledgements, investor newsletters, etc. The introduction of the exit load/ CDSC alongwith the details may be stamped in the acknowledgement slip issued to the investors on submission of the application form and may also be disclosed in the statement of accounts issued after the introduction of such load/CDSC.

- (c) The Redemption Price will not be lower than 93% of the Applicable NAV and the Purchase Price will not be higher than 107% of the Applicable NAV, provided that the difference between the Redemption Price and the Purchase Price at any point in time shall not exceed the permitted limit as prescribed by SEBI from time to time, which is currently 7% calculated on the Purchase Price.

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

The investor is requested to check the prevailing load structure of the Scheme before investing.

D. TRANSACTIONS UNDER A POWER OF ATTORNEY (POA)

An applicant wishing to transact through a POA must lodge the photocopy of the POA attested by a notary public or copy of the notarized POA attested by the Bank Manager or the original POA (which will be returned after verification). Applications are liable to be rejected if the POA in the manner as mentioned above is not submitted. The enclosure of original POA should be duly indicated in the Application Form / Transaction Slips. In case the application for subscription is accepted by the AMC without the POA, the units under the folio cannot be redeemed unless the POA has been submitted to the AMC.

E. APPLICATION BY NON-INDIVIDUAL INVESTORS

In case of an application by a company, body corporate, society, mutual fund, trust or any other organisation not being an individual, a duly certified copy of the relevant resolution or a document providing evidence of the authority of the organisation to invest in units of mutual fund(s) such as the Scheme, along with the updated specimen signature list of authorized signatories must be lodged along with the Application Form / Transaction Slip at a Designated Collection Centre, if not submitted earlier. Further, the AMC may require that a copy of the incorporation deeds / constitutive documents (e.g. memorandum of association and articles of association) be submitted.

F. MODE OF HOLDING

An application can be made by up to a maximum of three applicants. Applicants must specify the 'mode of holding' in the Application Form. If an application is made by one Unit Holder only, then the mode of holding will be considered as 'Single'.

If an application is made by more than one investors, they have an option to specify the mode of holding as either 'Joint' or 'Anyone or Survivor'. If the mode of holding is specified as 'Anyone or Survivor', an instruction signed by any one of the Unit Holders will be acted upon by the Mutual Fund. It will not be necessary for all the Unit Holders to sign the instructions.

In case of joint applications, if the investor has not mentioned the mode of holding, it shall be deemed as 'Anyone or Survivor'.

If the mode of holding is specified as 'Joint', all instructions to the Mutual Fund would have to be signed by all the Unit Holders, jointly.

The Mutual Fund will not be empowered to act on the instruction of any one of the Unit Holders in such cases.

In all cases, all communication to Unit Holders (including account statements, statutory notices and communication, etc.) will be addressed to the Unit Holder whose name appears first in terms of priority in the Unit Holder register. All payments, whether for Redemptions, dividends, etc will be made favouring the first-named Unit Holder. Service of a notice on or delivery of a document to any one of several joint Unit Holders shall be deemed effective service on or delivery to the other joint Unit Holders.

Any notice or document so sent by post to or left at the address of a Unit Holder appearing in the Unit Holder register shall, notwithstanding that such Unit Holder be then dead or bankrupt and whether or not the Trustee or the AMC has notice of such death or bankruptcy, be deemed to have been duly served and such service shall be deemed a sufficient service on all persons interested (whether jointly with or as claiming through or under the Unit Holder) in the Units concerned.

Investors should carefully study the section on transmission of units and nomination facility given in the SAI, before selecting the relevant box pertaining to the mode of holding in the Application Form.

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. All disclosures regarding penalties and action(s) taken against foreign Sponsor(s) may be limited to the jurisdiction of the country where the principal activities (in terms of income / revenue) of the Sponsor(s) are carried out or where the headquarters of the Sponsor(s) is situated. Further, only top 10 monetary penalties during the last three years shall be disclosed.

Nil

2. In case of Indian Sponsor(s), details of all monetary penalties imposed and/ or action taken during the last three years or pending with any financial regulatory body or governmental authority, against Sponsor(s) and/ or the AMC and/ or the Board of Trustees /Trustee Company; for irregularities or for violations in the financial services sector, or for defaults with respect to share holders or debenture holders and depositors, or for economic offences, or for violation of securities law. Details of settlement, if any, arrived at with the aforesaid authorities during the last three years shall also be disclosed.

Nil

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

Nil

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

A Writ Petition bearing No. 29906 / 2009 (GM-RES-PIL) dated October 9, 2009 has been filed in the Hon'ble High Court of Karnataka at Bangalore against, amongst others, the Trustee Company, alleging a connection to an enterprise purported to have been set up at the behest of a significant shareholder of the ultimate parent company of the Trustee Company.

The matter is being contested and the Trustee Company is of the opinion that the eventual resolution of the matter will not materially affect its business or financial position.

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

Nil

No penalties have been awarded by SEBI under the SEBI Act or the Regulations against the Sponsor or the AMC or the Trustee, or any of its directors or key personnel (specifically the fund managers) of the AMC and the Trustee. The above information has been disclosed in good faith as per the information available to the AMC as at the date of this SID.

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

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