

# JM FINANCIAL MUTUAL FUND

## NOTICE-CUM-ADDENDUM



**THIS NOTICE - CUM - ADDENDUM SETS OUT THE CHANGES TO BE MADE IN THE SCHEME INFORMATION DOCUMENT ("SID") AND KEY INFORMATION MEMORANDUM ("KIM") OF JM HIGH LIQUIDITY FUND ("THE SCHEME") OF JM FINANCIAL MUTUAL FUND WITH EFFECT FROM MAY 25, 2018**

Investors are hereby informed that changes are proposed in the SID and KIM of the Scheme in accordance with SEBI circular Nos. SEBI/HO/IMD/DF3/CIR/P/2017/114 and SEBI/HO/IMD/DF3/CIR/P/2017/126 dated October 06, 2017 and December 04, 2017 respectively. The Board of Directors of JM Financial Trustee Company Private Limited (the 'Trustee to JM Financial Mutual Fund') and JM Financial Asset Management Limited, (the 'AMC'), have approved the following changes and consequently, the relevant sections of the SID/ KIM of the Scheme stands amended as under:

Particulars	Current provisions	Proposed provisions																				
<b>Name of Scheme</b>	JM High Liquidity Fund	JM Liquid Fund																				
<b>Investment Objective</b>	To provide income by way of dividend (dividend plans) and capital gains (growth plan) through investing in debt and money market instruments. There can be no assurance that the investment objectives of the scheme will be realized. The scheme does not guarantee/ indicate any returns.	To provide income by way of dividend (dividend plans) and capital gains (growth plan) through investing in Debt and money market securities with maturity of upto 91 days only. There can be no assurance that the investment objectives of the scheme will be realized. The scheme does not guarantee/ indicate any returns.																				
<b>Investment Strategy</b>	Securities will be selected by the fund manager based on a continuous study of the trends in the economy, liquidity and interest rates, management capabilities, credit rating and other relevant investment criteria. A constant watch will be kept on various liquidity indicators in the economy, inflation rate movement, cash flows etc. so as to ascertain the expected changes in interest rates in the short/medium term and accordingly funds would be invested to optimize returns. Being a cash management product, the primary aim of the fund will be to invest in securities which have superior liquidity. The Scheme will have an appropriate mix of money market securities and fixed income securities depending on the prevailing market outlook to generate reasonable return with low risk and high level of liquidity.	No Change																				
<b>Asset Allocation</b>	<table border="1"> <thead> <tr> <th>Equity</th> <th>Debt</th> <th>Money market and short term debt Inst. maturing within one year</th> <th>Debt, Money market and short term debt Inst. With residual maturity above one year.</th> <th>Risk Profile</th> </tr> </thead> <tbody> <tr> <td>NIL</td> <td>0-30%</td> <td>70-100%</td> <td>NIL</td> <td>Low</td> </tr> </tbody> </table> <p>The above limits shall be in line with the investment objective of the Scheme. Exposure in securitized debt 0%-70% of net assets of this scheme with low risk profile. The AMC may, from time to time, pending deployment of funds of the Scheme in securities in terms of the investment objective of the Scheme, invest the funds of the Scheme in short-term deposits of scheduled commercial banks subject to compliance with SEBI Circular SEBI/IMD/CIR No.1/91171/07 dated April 16, 2007 as amended by SEBI Circular SEBI/IMD/CIR No.7/129592/08 dated June 23, 2008. The AMC may from time to time, pending investment in terms of investment objective of the Scheme, for a short term period on defensive consideration invest upto 100% of the funds available in overnight interbank call/notice money and/or repos and/ or CBLO, the primary motive being to protect the Net Asset Value of the Scheme and protect unitholders interest so also to earn reasonable returns on liquid funds maintained for redemption/ repurchase of units.</p>	Equity	Debt	Money market and short term debt Inst. maturing within one year	Debt, Money market and short term debt Inst. With residual maturity above one year.	Risk Profile	NIL	0-30%	70-100%	NIL	Low	<table border="1"> <thead> <tr> <th rowspan="2">Instruments</th> <th colspan="2">Indicative Allocations (% of total assets)</th> <th rowspan="2">Risk Profile</th> </tr> <tr> <th>Min</th> <th>Max</th> </tr> </thead> <tbody> <tr> <td>Debt &amp; Money Market Instruments with maturity up to 91 days.</td> <td>0</td> <td>100</td> <td>Low</td> </tr> </tbody> </table> <p>The above limits shall be in line with the investment objective of the Scheme. Exposure in securitized debt 0%-50% of net assets of this scheme with low risk profile. The AMC may, from time to time, pending deployment of funds of the Scheme in securities in terms of the investment objective of the Scheme, invest the funds of the Scheme in short-term deposits of scheduled commercial banks subject to compliance with SEBI Circular SEBI/IMD/CIR No.1/91171/07 dated April 16, 2007 as amended by SEBI Circular SEBI/IMD/CIR No.7/129592/08 dated June 23, 2008. The AMC may from time to time, pending investment in terms of investment objective of the Scheme, for a short term period on defensive consideration invest upto 100% of the funds available in overnight interbank call/notice money and/or repos and/ or CBLO, the primary motive being to protect the Net Asset Value of the Scheme and protect unitholders interest so also to earn reasonable returns on liquid funds maintained for redemption/ repurchase of units.</p>	Instruments	Indicative Allocations (% of total assets)		Risk Profile	Min	Max	Debt & Money Market Instruments with maturity up to 91 days.	0	100	Low
Equity	Debt	Money market and short term debt Inst. maturing within one year	Debt, Money market and short term debt Inst. With residual maturity above one year.	Risk Profile																		
NIL	0-30%	70-100%	NIL	Low																		
Instruments	Indicative Allocations (% of total assets)		Risk Profile																			
	Min	Max																				
Debt & Money Market Instruments with maturity up to 91 days.	0	100	Low																			
<b>Benchmark</b>	Crisil Liquid Fund Index	No Change																				
<b>Scheme Expenses</b>	Total Expense Ratio from April 01, 2017 to March 31, 2018: Direct Plan: 0.21, Normal Plan: 0.28	Changes, if any, will be communicated to the unitholders as per the prevailing Regulations.																				

All other features of the Scheme remain unchanged.

Securities and Exchange Board of India (SEBI) vide its letter no. IMD/DF3/OW/P/2018/6076/1 dated February 27, 2018 has conveyed it's no objection to the aforesaid change(s) in fundamental attributes of the Scheme of JM Financial Mutual Fund.

The above changes will be effective from May 25, 2018

As per the SEBI Regulations, the above changes are construed as changes in the fundamental attributes of the Scheme; hence an exit option is being provided to the unitholders of the Scheme, as per Regulation 18(15A) of SEBI (Mutual Funds) Regulations, 1996.

Accordingly, the unitholders in Scheme, who do not consent to the above proposals, are being provided with an exit option to redeem their units at the prevailing NAV without imposition of any exit load. The option to exit without payment of exit load will be valid from April 23, 2018 up to and including May 22, 2018 (up to 3.00 p.m.).

The option to exit is available to all unitholders in the above Scheme, except for those unitholders who have:

- pledged their units, unless they procure a release of their pledges prior to May 22, 2018 and/ or
- whose units are marked under lien/ injunction in accordance with the instructions of any Court of law/ Income Tax Authority/ other Regulatory Authority.

Unit holders in the above Scheme as on date are being informed by individual communication detailing the proposed changes to the Scheme. The new investors in the above Scheme, joining after April 19, 2018, will also be kept informed of the details of the proposed changes in the said Scheme. Such of those unit holders who do not receive the communication may contact the Registrar of JM Financial Mutual Fund, M/s. Karvy Computershare Private Limited ("Karvy"), Karvy Selenium Tower B, Plot No 31 & 32, 1st Floor, Gachibowli, Financial District, Nanakramguda, Serilingampally, Hyderabad - 500 008.

Redemption/switch out requests may be made by filling up the normal transaction slip and submitting the same to any of the Investor Service Centres ("ISCs") of JM Financial Asset Management Limited or of Karvy on or before 3.00 p.m. on May 22, 2018. In case, the investors wish to opt for the exit option set forth above, then they may redeem/switch out the units of the Scheme held by them at the applicable Net Asset Value without any exit load upto 3.00 p.m. on May 22, 2018. The redemption proceeds will be mailed/remitted within 10 business days of receipt of valid redemption request to the unitholders who exercise their exit option. In case, the investors wish to redeem/switch out of the Scheme, they are requested to provide the Foreign Account Tax Compliance Act (FATCA) declaration form along with the transaction slip, in case the investors have not provided the same to us earlier. In case, the FATCA declaration form is not provided along with the transaction slip, the redemption/switch request will be rejected. The investors are also encouraged to submit their Aadhaar declaration form along with Aadhaar copy and also copy of PAN, if not provided earlier.

Place : Mumbai  
Date : April 18, 2018

**Bhanu Katoch**  
Chief Executive Officer  
JM Financial Asset Management Limited  
(Investment Manager to JM Financial Mutual Fund)

**For further details, please contact :** JM Financial Asset Management Limited (Formerly known as JM Financial Asset Management Private Ltd.), **Registered Office:** 7th Floor, Chenergy, Appasaheb Marathe Marg, Prabhadevi, Mumbai - 400025. **Corporate Office:** Office B, 8th Floor, Chenergy, Appasaheb Marathe Marg, Prabhadevi, Mumbai-400025. Corporate Identity Number: U65991MH1994PLC078879. • Tel. No.: (022) 6198 7777 • Fax No.: (022) 6198 7704. • E-mail: investor@jmfml.com • Website : www.jmfinancialmf.com

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

REF No. 4/2018-19