

THIS NOTICE - CUM - ADDENDUM SETS OUT THE CHANGES TO BE MADE IN THE SCHEME INFORMATION DOCUMENT ("SID") AND KEY INFORMATION MEMORANDUM ("KIM") OF JM MULTI STRATEGY 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																														
Name of Scheme	JM Multi Strategy Fund	JM Multicap Fund																														
Type of the scheme	Open ended equity oriented Scheme	Multi Cap Fund - An open ended equity scheme investing across large cap, mid cap, small cap stocks.																														
Investment objective	The investment objective of the Scheme is to provide capital appreciation by investing in equity and equity related securities using a combination of strategies. There can be no assurance that the investment objective of the scheme will be realized. The scheme does not guarantee/ indicate any returns.	JM Multicap Fund is an open-ended diversified equity fund which aims to provide capital appreciation by investing primarily in equity and equity related securities of various market capitalisation. There can be no assurance that the investment objective of the scheme will be realized. The scheme does not guarantee/ indicate any returns.																														
Investment Strategy	<p>The Mutual Fund may invest in any of the following securities or a combination of the following securities subject to the Regulations and the investment objective and the terms of the scheme set out elsewhere in the Scheme Information Document.</p> <p>The corpus of the Scheme will be invested in equity, equity related instruments, derivatives such as futures and options and fixed income securities.</p> <p>Besides the above, the following will be the broad investment strategies.</p> <p>The Scheme proposes to invest primarily in equities and equity related securities using a combination of strategies. Depending on the prevailing market conditions, the Scheme will either adopt the growth or value style of investing. During benign market conditions, the Scheme will act like an aggressive growth fund with a concentrated portfolio of say 25 – 30 stocks with a targeted portfolio beta of greater than 1 whereas in a bearish market the Scheme will have a low volatility conservative portfolio of larger number of stocks in the range of 40 to 60 stocks with a targeted portfolio beta of less than 1. The Scheme may also keep a portion of the corpus in cash for short term defensive considerations.</p> <p>The investment strategy is explained in greater detail below</p> <p>The Fund Manager may regularly churn the portfolio of the Scheme in order to achieve the investment objective and as such the portfolio turnover ratio could be high.</p> <p>Normally schemes of mutual funds will tend to have a static strategy, for example a small and mid cap fund will be focused on investing in the small and mid capitalization companies. On the other hand there might be theme based funds like infrastructure or services sector funds which focus on a particular part of the market. Similarly there might be large cap, mid cap and small cap funds.</p> <p>A Multi strategy fund is one which by its mandate will tend not to have a static strategy but a strategy which is more dynamic where the fund management team of the AMC will take a call on the direction and momentum of the market at periodic intervals, which might be 3-6 months and decide on a strategy which will be followed for the ensuing period and the strategy might change or remain the same subsequently depending on the fund management teams view on how the markets are likely to behave subsequently.</p> <p>In periods of time when the fund management team is of the view that the markets are likely to exhibit strong upward momentum the fund will predominantly invest in high growth stocks and have a relatively compact portfolio of 25-30 stocks. It will target to have a beta of more than one under these circumstances. Essentially the targeted beta of the portfolio will be important in this kind of fund as beta essentially will reflect the degree of correlation and volatility of the portfolio vis-a-vis the movement of the markets and in case the view is that markets are likely to trend up positively it will make sense to have a higher beta as under the circumstances the fund should be able to outperform the markets in case the view proves to be right.</p> <p>The targeted portfolio beta will essentially be a weighted average of the beta of individual stocks in the portfolio, so essentially the fund manager will try to pick up a majority of stocks which have a beta of more than one. This will also increase the volatility of the portfolio. In periods of time when the fund management team is of the view that the markets are likely to be uncertain and the downside risk might be higher than the upside and the economic environment is uncertain the fund will convert itself into a value driven diversified portfolio fund with the number of stocks being in the range of 40-60. The fund will target to have a beta of lower than one under these circumstances so that in case of a downside the loss is lower. The fund will also move its portfolio into more consistent growth defensive stocks where the risks to earnings growth is lower. These measures will help to reduce the volatility of the portfolio and protect investor returns under uncertain circumstances. Spreading the portfolio over a larger basket of stocks will also reduce stock specific risks.</p> <p>By having a multi strategy approach to managing the fund the aim of the fund is to be true to the economic momentum and market momentum in various time cycles. Since an open ended fund will face various kinds of economic and market cycles this strategy is directed towards outperforming the markets in the long run.</p> <p>As mentioned above, the Scheme would invest in growth style of investing during benign market conditions i.e. when the fund management team is of the view that the economy is likely to grow strongly, inflation and interest rate scenario is expected to remain benign and the markets are likely to exhibit strong upward momentum. The scheme will invest in value style of investing during bearish market conditions i.e. In periods of time when the fund management team is of the view that the economy is likely to slow down, interest rates and inflation are likely to trend up and earnings growth is likely to slowdown and the view is that markets are likely to be uncertain and the downside risk might be higher than the upside.</p> <p>Definition of Beta: Beta is the quantitative measure of the volatility of a given stock, mutual fund, or portfolio, relative to the overall market. Specifically, the performance of the stock, fund or portfolio in a particular time period during which the benchmark (S&P BSE 500) increased or decreased by 1%. A beta of above 1 is more volatile than the overall market, while a beta of below 1 is less volatile.</p> <p>The mathematical formula is: $\beta = \frac{\text{Cov}(r, K_m)}{[\text{StdDev}(K_m)]^2}$ where r is the return rate of the investment; K_m is the return rate of the asset class. If the asset class is well chosen so that the return fluctuations of the investment and the class are highly correlated, then the formula approximates "the volatility of the investment divided by the volatility of the class." Elaboration of "beta" in the context of the Scheme In periods of time when the fund management team is of the view that the markets are likely to exhibit strong upward momentum the fund will predominantly invest in high growth stocks and have a relatively compact portfolio of 25-30 stocks. It will target to have a beta of more than one under these circumstances. Essentially the targeted beta of the portfolio will be important in this kind of fund as beta essentially will reflect the degree of correlation and volatility of the portfolio vis a vis the movement of the markets and in case the view is that markets are likely to trend up positively it will make sense to have a higher beta as under the circumstances the fund should be able to outperform the markets in case the view taken is right.</p> <p>The targeted portfolio beta will essentially be a weighted average of the beta of individual stocks in the portfolio, so essentially the fund manager will try to pick up a majority of stocks which have a beta of more than one. 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Spreading the portfolio over a larger basket of stocks will also reduce stock specific risks.</p>	<p>The Scheme will invest in stocks of various market capitalizations - Large Cap, Mid & Small Cap.</p> <p>Depending upon valuation discount or premium amongst Large / Mid & Small cap stocks, the fund will keep varying the weights to capture the value while keeping an optimum Risk / Return profile.</p>																														
Asset Allocation	<table border="1"> <thead> <tr> <th rowspan="2">Instruments</th> <th colspan="2">Indicative allocation (% of total assets)</th> <th>Risk Profile</th> </tr> <tr> <th>Min</th> <th>Max</th> <th>High/Medium/Low</th> </tr> </thead> <tbody> <tr> <td>Equity and Equity related instruments</td> <td>65</td> <td>100</td> <td>Medium to High</td> </tr> <tr> <td>Money Market instruments/debt securities (including securitised debt* to the extent of 20%)</td> <td>0</td> <td>35</td> <td>Low to Medium</td> </tr> </tbody> </table> <p>*excluding foreign securitized debt.</p> <p>The AMC intends to invest in derivative instruments in accordance with the SEBI Regulations, as and when opportunities arise in the derivatives markets. The investment in derivatives will be broadly in line with the investment objective of the Scheme.</p> <p>All the above limits shall be in line with the investment objective of the Scheme.</p> <p>The cumulative gross exposure through equity, debt and derivative positions will not exceed 100% of the net assets of the Scheme.</p> <p>The Trustee may, from time to time, pending deployment of funds of the Scheme in securities in terms of the investment objective of the Scheme, invest the funds of the Scheme in short-term deposits of scheduled commercial banks subject to compliance with SEBI Circular SEBI/IMD/CIR No.1/ 91171 /07 dated April 16, 2007 as amended by SEBI Circular SEBI/IMD/CIR No.7/129592/08 dated June 23, 2008.</p>	Instruments	Indicative allocation (% of total assets)		Risk Profile	Min	Max	High/Medium/Low	Equity and Equity related instruments	65	100	Medium to High	Money Market instruments/debt securities (including securitised debt* to the extent of 20%)	0	35	Low to Medium	<table border="1"> <thead> <tr> <th rowspan="2">Instruments</th> <th colspan="2">Indicative allocation (% of total assets)</th> <th>Risk Profile</th> </tr> <tr> <th>Min</th> <th>Max</th> <th>High/Medium/Low</th> </tr> </thead> <tbody> <tr> <td>Equity and Equity related instruments</td> <td>65</td> <td>100</td> <td>Medium to High</td> </tr> <tr> <td>Money Market instruments/debt securities (including securitised debt* to the extent of 20%)</td> <td>0</td> <td>35</td> <td>Low to Medium</td> </tr> </tbody> </table> <p>*excluding foreign securitized debt.</p> <p>The AMC intends to invest in derivative instruments in accordance with the SEBI Regulations, as and when opportunities arise in the derivatives markets. The investment in derivatives will not exceed 50% of the net assets of the scheme and will be broadly in line with the investment objective of the Scheme.</p> <p>All the above limits shall be in line with the investment objective of the Scheme.</p> <p>The cumulative gross exposure through equity, debt and derivative positions will not exceed 100% of the net assets of the Scheme.</p> <p>The Trustee may, from time to time, pending deployment of funds of the Scheme in securities in terms of the investment objective of the Scheme, invest the funds of the Scheme in short-term deposits of scheduled commercial banks subject to compliance with SEBI Circular SEBI/IMD/CIR No.1/ 91171 /07 dated April 16, 2007 as amended by SEBI Circular SEBI/IMD/CIR No.7/129592/08 dated June 23, 2008.</p>	Instruments	Indicative allocation (% of total assets)		Risk Profile	Min	Max	High/Medium/Low	Equity and Equity related instruments	65	100	Medium to High	Money Market instruments/debt securities (including securitised debt* to the extent of 20%)	0	35	Low to Medium
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Benchmark	S&P BSE 500	No Change																														
Scheme Expenses	Total Expense Ratio from April 01, 2017 to March 31, 2018: Direct Plan: 2.16, Normal Plan: 2.91	Changes, if any, will be communicated to the unitholders as per the prevailing Regulations.																														
Product Label	<p>This Product is suitable for investors who are seeking*</p> <ul style="list-style-type: none"> Capital Appreciation over Long Term. Investment predominantly in Equity & Equity related securities using a combination of strategies. *Investors should consult their financial advisers if in doubt about whether the product is suitable for them. <p>Investors understand that their principal will be at moderately high risk.</p>	<p>This Product is suitable for investors who are seeking*</p> <ul style="list-style-type: none"> Capital appreciation over Long Term. Investment predominantly in Equity & Equity related securities investing across market capitalization. *Investors should consult their financial advisers if in doubt about whether the product is suitable for them. <p>Investors understand that their principal will be at moderately high risk.</p>																														

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 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 or 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.

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

Place : Mumbai
Date : April 18, 2018

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