

MERGER OF JM ULTRA SHORT DURATION FUND, JM MONEY MARKET FUND AND JM SHORT TERM FUND INTO JM LOW DURATION FUND.

NOTICE IS HEREBY GIVEN to the unit holders of JM Ultra Short Duration Fund, JM Money Market Fund, JM Short Term Fund and JM Low Duration Fund, open ended debt schemes, that the Board of Directors of JM Financial Asset Management Limited, ("JMF AMC"), Investment Managers to the Mutual Fund, and JM Financial Trustee Company Private Limited, ("JMF Trustee"), Trustees to the Mutual Fund have decided to merge JM Ultra Short Duration Fund, JM Money Market Fund and JM Short Term Fund ("Merging Schemes") into JM Low Duration Fund ("Surviving Scheme / Merged Scheme"). The current situation arising out of the Covid-19 Pandemic and the resultant redemptions along with other factors like the economic downturn, interest rate volatility and credit stress is making it very difficult to mobilize assets in the smaller schemes. Accordingly, in the interest of unitholders, it has been decided to merge the smaller schemes into a larger scheme and consequently exit option is being given to the unitholders of the 3 Merging Schemes viz. JM Ultra Short Duration Fund, JM Money Market Fund, JM Short Term Fund and to the unitholders of the Surviving Scheme viz. JM Low Duration Fund.

The Securities and Exchange Board of India vide its email dated August 18, 2020 has accorded its no-objection to the aforesaid proposal. This notice therefore is to inform the unit holders of the aforesaid proposed merger in terms of the prevailing regulatory requirements. If the unit holder of the Merging Schemes / Surviving Scheme has no objection to the above-proposed merger, no action needs to be taken by him/her/they. However, in case he does not agree to the same, the unit holder of the Merging Schemes / Surviving Scheme has the option to redeem/switch out all his/her/their units at the applicable NAV (as on the date of receipt of his redemption/switch out requests for redemption). This option to exit without exit load can be exercised from August 27, 2020 to September 25, 2020 (both days inclusive) upto the cutoff time i.e. 3 p.m. (currently the timing for temporary period is 1.00 p.m.). However, if any applications are received after September 25, 2020, the last day of the exit option from the unit holders of the Merging Schemes, the transaction will be processed on the next business day in the Surviving Scheme as the merger process would have been completed in the meantime. Redemption/ switch out requests received from unit holders of the Merging Schemes / Surviving Scheme after the last day of the exit option will be processed for the applicable NAV of JM Low Duration Fund on the next Business Day after the merger.

The redemption/ switch out requests may be submitted at any of the Investor Service Centres / official points of acceptance designated by the JM Financial Mutual Fund. For the unit holders of the Merging Schemes who do not redeem/ switch out the current value of their holding as on September 25, 2020, their holding will be converted into units of JM Low Duration Fund by allotting units at the applicable NAV as on September 25, 2020 against the value of their holding in Merging Schemes.

We confirm that the applicable statutory levies including stamp duty arising on merger of the schemes will be borne by the AMC. However, the "withholding tax" i.e. TDS, if applicable will be charged to NRI investors before switching the net switch-out proceeds of merging scheme for allotment of units into the surviving scheme.

There will be no change in the aggregate Rupee value of the holdings on the date of merger due to the merger of Schemes, though the number of units held in the Merging Schemes may change based on the NAV of the Surviving Scheme i.e. the NAV of the JM Low Duration Fund applicable on September 25, 2020. Subsequent valuation of holding will be based on the new units allotted under JM Low Duration Fund as per its daily NAV on the respective date of valuation. An illustration explaining the same is as follows: **(All figures in the table below are purely for illustrative purpose only):**

Date of merger	Short Term Fund, JM Money Market Fund and JM Short Term Fund				Fresh units in Merged Scheme (i.e. JM Low Duration Fund to be allotted)			
	Units	NAV of the Merging Schemes as on merger day (Rs. Per unit) (B)	Exit load (C)	Market Value as on the merger day (Rs.) (D) = (A) X (B)	Subscription amount of the Merging Schemes (Rs.) (E) = (D)	NAV of the Merged Scheme on the merger day (Rs. Per unit) (F)	Entry load (G)	Units (H) = (E) / (F)
September 25, 2020	1,000,000	11.00	Nil	11,000	11,000	12.20	Nil	901.639

The following options of the Merging Schemes are proposed to be merged with corresponding options of the Surviving Scheme, wherever they are available. In the absence of the corresponding option in JM Low Duration Fund, its existing option will be taken as the default option as per the table below.

Sr. No.	Option of the Merging Schemes			Would be merged into
	JM Ultra Short Duration Fund	JM Money Market Fund	JM Short Term Fund	JM Low Duration Fund
1	Growth	Growth	Growth Regular Plan Growth	Growth
2	Daily Dividend - Reinvestment	Daily Dividend - Reinvestment	Daily Dividend Option Regular Plan - Daily Dividend	Daily Dividend - Reinvestment
3	Weekly Dividend - Reinvestment	Weekly Dividend - Reinvestment	Dividend Option - Reinvestment Dividend Option - Payout	Weekly Dividend - Reinvestment
4	Fortnightly Dividend - Reinvestment	Fortnightly Dividend - Reinvestment		Fortnightly Dividend - Reinvestment
5	Bonus Option - Principal Units®	Bonus Option - Principal Units® Bonus Option - Bonus Units®		Growth
6	Direct - Growth	Direct - Growth	Direct - Growth	Direct - Growth
7	Direct - Daily Dividend Option - Reinvestment	Direct - Daily Dividend Option - Reinvestment	Direct - Daily Dividend	Direct - Daily Dividend Option - Reinvestment
8	Direct - Weekly Dividend Option - Reinvestment	Direct - Weekly Dividend Option - Reinvestment	Regular Plan Dividend - Payout Regular Plan Dividend - Reinvestment Direct - Dividend	Direct - Weekly Dividend Option - Reinvestment
9	Direct - Fortnightly Dividend Option - Reinvestment	Direct - Fortnightly Dividend Option - Reinvestment		Direct - Fortnightly Dividend Option - Reinvestment
10	Direct - Bonus Option - Principal Units®	Direct - Bonus Option - Principal Units® Direct - Bonus Option - Bonus Units®		Direct - Growth

@ Bonus options are available in some of the Merging Schemes. The units held by the investors in the bonus options of Merging Schemes would be merged into the Growth Options of Surviving Scheme as bonus options have been discontinued for further subscription/ allotment since May 2015.

For SIP/ STP/ SWP holders

Kindly note that for the investors who have opted for SIP/STP/SWP facility under the Merging Schemes, the same would continue in the Surviving Scheme viz. JM Low Duration Fund. However in case any investor wishes to discontinue his/her/their SIP/STP/SWP facility, he/she/they may do so by sending a request through his/her/their registered email id or sending a signed request through mail to jmba@jmf.com or investor@jmf.com or physical form anytime, during or post merger.

General Instructions:

In case, any investor wishes to redeem / switch out the units held by him/her/they in the Merging Scheme, he/she/they may specify so in the Transaction Slip (Schedule III of the letter to the Unit holders) and send the redemption / switch out transaction request to the Investor Service Centres / Corporate / Head Office of JMF AMC / KFin Technologies Pvt. Ltd. or through mail to jmba@jmf.com or investor@jmf.com. In case he/she/they does/do not wish to exercise the exit option provided by JMF AMC, he/she/they may specify so in the consent form attached to the letter sent to them.

In case of request for redemption / switch out sent by email, the same needs to be sent duly signed as an attachment.

The option to exit is available to all unitholders of the Merging Scheme except for unitholders who have:

- pledged their units, unless they procure a release of their pledges prior to September 25, 2020.
- whose units are marked under lien/ injunction in accordance with the instructions of any Court of law/ Income Tax Authority/ other Regulatory Authority.

Tax Implications of the merger to the unitholders of the Consolidated ("Merging") and Consolidated ("Surviving") Scheme.

As per section 47(xviii) of Income Tax Act, 1961 (the Act), any transfer of units held by the investor in the Consolidated Scheme of the mutual fund in consideration of allotment of units in the Consolidated Scheme, shall not be regarded as a taxable transfer, provided that the consolidation is of two or more schemes of an equity oriented fund or two or more schemes of a fund other than equity oriented fund.

In line with the above provisions of the Act, the tax implications of the merger to the unitholders would be as under:

- As regards investors who redeem/ switch out their investments during the exit option of the Scheme as mentioned above, the tax consequences as set forth in the Scheme Information Document of the relevant Scheme would apply.
- For the investors who do not redeem /switch out from their investments for whose unit holding is being proposed to be merged with JM Low Duration Fund or who opt for allotment of units of JM Low Duration Fund in lieu of their investment in the Merging Scheme, the tax treatment under the Income Tax will be as under:

Pursuant to merger, the units allotted in the Consolidated/ Surviving Scheme to the Unit holders of the Consolidated/ Merging Scheme who decide to continue their investments, will not be considered as redemption of Units in Consolidated/ Merging Scheme and will not result in short term / long term capital gain / loss in the hands of the Unit holders. Furthermore, the period for which the units in the Consolidated/ Merging Scheme were held by the Unit holders will be included in determining the period for which the corresponding units were held by the Unit holders in the Consolidated/ Surviving Scheme and the cost of acquisition of units allotted in Consolidated/ Surviving Scheme pursuant to merger will be

the cost of acquisition of original units in Consolidating/ Merging Scheme.

The proposed merger will not result in the emergence of any new Scheme as JM Ultra Short Duration Fund, JM Money Market Fund and JM Short Term Fund will be merged in a pre-existing Scheme of JM Financial Mutual Fund, viz. JM Low Duration Fund. Accordingly, post merger, for the unit holders of the Merging Schemes, the terms and conditions as mentioned in the Scheme Information Document of JM Low Duration Fund will be applicable.

The investment objective of JM Low Duration Fund, the Surviving Scheme is to generate stable long term returns with low risk strategy and capital appreciation/accretion besides preservation of capital through investments in Debt & Money Market instruments such that the Macaulay duration of the portfolio is between 6 months - 12 months.

We wish to state that the Options proposed to be merged will have the same common portfolio as that of the Options of JM Low Duration Fund and Scheme with the SEBI Circulars dated December 27, 2003 and June 14, 2005 will be adhered to at the Scheme level in the said Scheme after the merger process is complete.


Unit holders in the above Schemes as on August 24, 2020 are being informed by individual communication of the details of the merger along with other required disclosures. Those who invest in the Merging / Surviving Schemes after August 24, 2020 will also be kept informed of the details of the merger. Such of those unit holders who do not receive the communication latest by September 4, 2020 may contact the Registrar - M/s. KFin Technologies Pvt. Ltd., Unit: JM Financial Mutual Fund, Karvy Selenium Tower B, Plot No. 31 & 32, First Floor, Gachibowli, Financial District, Nanakramguda, Serilingampally, Hyderabad 500 032 or JMF AMC's Corporate/ Branch office.

For further information/assistance in this regard, call our Investor Service Centre at Mumbai: 91-22-6198 7777, or visit us at www.JMFinancialmf.com or e-mail us at investor@jmf.com

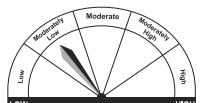
Place : Mumbai
Date : August 24, 2020

Authorised Signatory
JM Financial Asset Management Limited
(Investment Manager to JM Financial Mutual Fund)

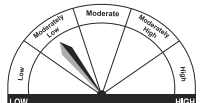
Riskometer (JM Low Duration Fund)

This Product is suitable for investors who are seeking*	Riskometer
<ul style="list-style-type: none"> Regular Income over Short Term. Investment in Debt and Money Market securities such that the Macaulay duration* of the portfolio is between 6 months - 12 months. 	 <p>Investors understand that their principal will be at moderately low risk</p>
*Investors should consult their financial advisers if in doubt about whether the product is suitable for them.	

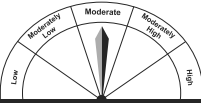
Riskometer (JM Ultra Short Duration Fund)

This Product is suitable for investors who are seeking*	Riskometer
<ul style="list-style-type: none"> Regular Income over Short Term. Investment in Debt and Money Market securities such that the Macaulay duration* of the portfolio is between 3 months - 6 months. 	 <p>Investors understand that their principal will be at moderately low risk</p>
*Investors should consult their financial advisers if in doubt about whether the product is suitable for them.	

Riskometer (JM Money Market Fund)

This Product is suitable for investors who are seeking*	Riskometer
<ul style="list-style-type: none"> Regular Income over Short Term. Investment in Money Market securities having maturity upto 1 year. 	 <p>Investors understand that their principal will be at moderately low risk</p>
*Investors should consult their financial advisers if in doubt about whether the product is suitable for them.	

Riskometer (JM Short Term Fund)

This Product is suitable for investors who are seeking*	Riskometer
<ul style="list-style-type: none"> Regular Income over Short to Medium Term. Investment in Debt and Money Market securities such that the Macaulay* of the portfolio is between 1 year - 3 years. 	 <p>Investors understand that their principal will be at moderate risk</p>
*Investors should consult their financial advisers if in doubt about whether the product is suitable for them.	

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

Investment Objective: JM Low Duration Fund (An open ended low duration debt scheme investing in instruments such that the Macaulay duration* of the portfolio is between 6 to 12 months) To generate stable long term returns with low risk strategy and capital appreciation/accretion besides preservation of capital through investments in Debt & Money Market instruments such that the Macaulay duration of the portfolio is between 6 months - 12 months. Investors are required to read all the scheme related information set out in the offer documents carefully and also note that there can be no assurance that the investment objectives of the scheme will be realized. The scheme does not guarantee/ indicate any returns. **JM Ultra Short Duration Fund** (An open ended ultra-short term debt scheme investing in instruments such that the Macaulay duration* of the portfolio is between 3 to 6 months) To generate stable long term returns with low risk strategy and capital appreciation/accretion besides preservation of capital through investments in Debt & Money Market instruments such that the Macaulay duration of the portfolio is between 3 months - 6 months. Investors are required to read all the scheme related information set out in the offer document carefully and also note that there can be no assurance that the investment objectives of the scheme will be realized. The scheme does not guarantee/ indicate any returns. **JM Money Market Fund** (An open ended debt scheme investing in Money Market Instruments) To generate stable long term returns with low risk strategy and capital appreciation/accretion besides preservation of capital through investments in Money Market instruments having maturity of upto 1 year. Investors are required to read all the scheme related information set out in the offer documents carefully and also note that there can be no assurance that the investment objectives of the scheme will be realized. The scheme does not guarantee/ indicate any returns. **JM Short Term Fund** (An open ended short term debt scheme investing in instruments such that the Macaulay duration* of the portfolio is between 1 year to 3 years) To generate regular returns and high level of liquidity with low risk strategy and capital appreciation/ accretion through investment in debt instruments and related securities besides preservation of capital. Investors are required to read all the scheme related information set out in this document carefully and also note that there can be no assurance that the investment objectives of the scheme will be realized. The scheme does not guarantee/ indicate any returns.

Concept of Macaulay Duration: The Macaulay duration (named after Frederick Macaulay, an economist who developed the concept in 1938) is a measure of a bond's sensitivity to interest rate changes. Duration tells investors the length of time, in years, that it will take a bond's cash flows to repay the investment the price he or she has paid for the bond.

Fixed income securities with higher duration have higher interest rate sensitivity i.e. the changes in price of higher duration bonds are higher as compared to lower duration ones.

A zero coupon bond is one which does not pay any interest and all payments are received at maturity. For a zero coupon bond, the duration is same as residual maturity.

Formula: There is more than one way to calculate duration, but the Macaulay duration is the most common. The formula is:

$$Macaulay\ Duration = \frac{\sum_{t=1}^n \left(\frac{tC}{(1+y)^t} + \frac{nM}{(1+y)^n} \right)}{P}$$

where: t = period in which the coupon is received, C = periodic (usually semiannual) coupon payment, y = the periodic yield to maturity or required yield, n = number periods, M = maturity value (in ₹), P = market price of bond

Notes: Duration is quoted in "years." If a bond has a semi-annual period, we convert duration to years before quoting it (a duration of 8 semi-annual periods is 4 years). Duration is a measure of interest-rate risk. It is stated differently, duration is a measure of how sensitive the price of a fixed-income instrument is to interest-rate changes. When we say, "The duration of the bond is 4 years," we mean: "If the interest rate on the bond goes up by 1%, the bond's price will decline by 4%."

Statutory Details : Trustee : JM Financial Trustee Company Private Limited. **Investment Manager :** JM Financial Asset Management Limited. **Sponsor :** JM Financial Limited

Risk Factors: Please refer the Scheme Information Document & Statement of Additional Information of the Schemes, including the risk factors mentioned therein, which can be obtained free of cost from any of the JM Financial Mutual Fund Investor Service Centres or Distributors. Please read the Scheme Information Document & Statement of Additional Information carefully before investing.

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