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 Financial 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/IMDD/F2/CIR/P/2017/114 and SEBI/HO/IMDD/F2/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**
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**Name of Scheme** | JM High Liquidity Fund | JM Liquid Fund
**Investment Objective** | 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 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 up to 91 days only. There can be no assurance that the investment objectives of the scheme will be realized. The scheme does not guarantee any returns.
**Investment Strategy** | 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-term and accordingly funds would be invested to optimize returns. | No Change

**Asset Allocation**

<table>
<thead>
<tr>
<th>Equity</th>
<th>Debt</th>
<th>Money market and short term debt</th>
<th>Residual maturity above one year</th>
</tr>
</thead>
<tbody>
<tr>
<td>0-30%</td>
<td>NIL</td>
<td>70-100%</td>
<td>NIL</td>
</tr>
</tbody>
</table>

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. 01/9117/10 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 or/and CBLO, the primary motive being to protect the Net Asset Value of the Scheme and protect unitholders interest so as to earn reasonable returns on liquid funds maintained for redemption/repurchase of units.

**Instruments** | **Indicative Allocations (% of total assets)** | **Risk Profile**
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Debt & Money Market Instruments with maturity up to 91 days | 0-100 | Low

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. 01/9117/10 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 or/and CBLO, the primary motive being to protect the Net Asset Value of the Scheme and protect unitholders interest so as to earn reasonable returns on liquid funds maintained for redemption/repurchase of units.

**Scheme Expenses**

| Total Expense Ratio from April 01, 2017 to March 31, 2018: Direct Plan: 0.21, Normal Plan: 0.28 | Change, if any, will be communicated to the unitholders as per the prevailing Regulations.

All other features of the Scheme remain unchanged.

Seurities and Exchange Board of India (SEBI) vide its letter no. IMD/DF3/OWP/2018/6576/1 dated February 27, 2018 has conveyed its 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:

i. pledged their units, unless they procure a release of their pledges prior to May 22, 2018 and/or
ii. 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.


Redemption/switchover requests may be made by filling up the normal transaction slip and submitting the same to any of the Investor Service Centres (‘ISC’s) of JM Financial Asset Management Limited or of Karvy or on 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/switchover 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/switchover 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/switchover request will be rejected. The investors are also encouraged to submit their Aahaar 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)

For further details, please contact: JM Financial Asset Management Limited (Formerly known as JM Financial Asset Management Private Ltd.), Registered Office: 7th Floor, Energy, Appasheheh Marathe Marg, Prabhadevi, Mumbai - 400025. Corporate Office: Office B, 8th Floor, Energy, Appasheheh Marathe Marg, Prabhadevi, Mumbai-400025. Corporate Identity Number: U65991MH1994PLC078870. • Tel: No.: (022) 6198 7777 • Fax: No.: (022) 6198 7704 • E-mail: investor@jmf.com • Website: www.jmfinancialmf.com

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

Place: Mumbai
Date: April 18, 2018
Bhanu Katoch
Chief Executive Officer
JM Financial Asset Management Limited (Investment Manager to JM Financial Mutual Fund)

REF No. 4/2018-19