**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 MONEY MANAGER FUND - REGULAR PLAN (“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/DF/CIR/P/2017/114 and SEBI/HO/IMD/DF/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

<table>
<thead>
<tr>
<th>Name of Scheme</th>
<th>Proposed provisions</th>
</tr>
</thead>
<tbody>
<tr>
<td>JM Money Manager Fund - Regular Plan</td>
<td>JM Ultra Short Duration Fund</td>
</tr>
</tbody>
</table>

**Investment Objective**

An open ended ultra-short duration 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.

**Investment Strategy**

JM Financial Mutual Fund adopts a scientific approach to investments. Securities are selected for various funds by the fund managers based on a continuous study of trends in industries and companies, including management capabilities, global competitiveness, earning power, growth/put features and other relevant investment criteria, which would inter alia, include evaluation of the outlook of the economy, exposure to various industries and geographical regions, evaluation of the intrinsic worth of specific opportunities such as primary market transactions, private placements, etc.

**Asset Allocation**

<table>
<thead>
<tr>
<th>Equity</th>
<th>Debt</th>
<th>Money market and short term debt</th>
</tr>
</thead>
<tbody>
<tr>
<td>NIL</td>
<td>0-100%</td>
<td>Inst. maturing within one year.</td>
</tr>
</tbody>
</table>

Exposure in securitized debt 0%-70% of net assets of this scheme with low risk profile.

The above limits shall be in line with the investment objective of the Scheme. 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/IMDCIR No. 1/91171 /07 dated April 16, 2007 as amended by SEBI Circular SEBI/IMDCIR No. 71/29592/08 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 up to 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.

### Exposure to Money Market & Short-term Debt Instrument

| NIL | 0-100% |
| Low |

Exposure in securitized debt 0%-50% of net assets of this scheme with low risk profile.

Investment in Debt & Money Market instruments will be such that the Macaulay duration of the portfolio is between 3 months - 6 months.

The above limits shall be in line with the investment objective of the Scheme.

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/IMDCIR No. 1/91171 /07 dated April 16,2007 as amended by SEBI Circular SEBI/IMDCIR No. 71/29592/08 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 up to 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.

**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 investor 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:

\[ Macaulay \text{ Duration} = \frac{\sum_{n=1}^{M} \left( \frac{C}{(1+y)^n} + \frac{nM}{(1+y)^n} \right)}{P} \]

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. Or, 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.”

### Benchmark

Crisil Liquid Fund Index

**Scheme Expenses**

| Total Expense Ratio from April 01, 2017 to March 31, 2018: Direct Plan: 0.50, Normal Plan: 1.00 |

**Product Label**

This Product is suitable for investors who are seeking:
- Regular Income Over Short Term.
- Investment in Debt and Money Market securities.

*Investors should consult their financial advisers if in doubt about whether the product is suitable for them.

### Risk Profile

<table>
<thead>
<tr>
<th>Equity</th>
<th>Debt</th>
<th>Money market and short term debt inst. maturing within one year.</th>
</tr>
</thead>
<tbody>
<tr>
<td>NIL</td>
<td>0-100%</td>
<td>Inst. maturing within one year.</td>
</tr>
</tbody>
</table>

Exposure in securitized debt 0%-50% of net assets of this scheme with low risk profile.

Changes, if any, will be communicated to the unitholders as per the prevailing Regulations.

### Scheme Details

- **Registered Office:** 7th Floor, Energy, Appaswamy Marathe Marg, Prabhadevi, Mumbai - 400025
- **Chief Executive Officer:** Bhanu Katoch

For further details, please contact: JM Financial Asset Management Limited (Investment Manager to JM Financial Mutual Fund)

---

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