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**

<table>
<thead>
<tr>
<th>Name of the scheme</th>
<th>Type of the scheme</th>
<th>Proposed provisions</th>
</tr>
</thead>
<tbody>
<tr>
<td>JM Short Term Fund</td>
<td>An Open ended income Scheme</td>
<td>No Change</td>
</tr>
</tbody>
</table>

**Investment Objective**

An open ended short term debt scheme investing in instruments such that the Macaulay duration of the portfolio is between 1 to 3 years # Please refer to the page number of the Offer Document on which the concept of Macaulay’s Duration has been explained.

**Investment Strategy**

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/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.

**Asset Allocation**

<table>
<thead>
<tr>
<th>Investment / Asset Class</th>
<th>Proportion % of corpus</th>
<th>Credit Risk Profile</th>
</tr>
</thead>
<tbody>
<tr>
<td>Debt, Money Market Instruments with residual average maturity of equal to or less than 367 days</td>
<td>20 80 100</td>
<td>Low</td>
</tr>
<tr>
<td>Debt, Money Market Instruments with residual average maturity of equal to or more than 367 days</td>
<td>- 20 100</td>
<td>Low to Medium</td>
</tr>
</tbody>
</table>

**Scheme Expenses**

<table>
<thead>
<tr>
<th>Scheme Expenses</th>
<th>Product Label</th>
</tr>
</thead>
</table>
| Total Expense Ratio from April 01, 2017 to March 31, 2018: Direct Plan: 0.69, Normal Plan: 0.94 | This Product is suitable for investors who are seeking:  
• Regular Income over Short to Medium Term;  
• Investment in debt and money market securities.  
*Investors should consult their financial advisors if in doubt about whether the product is suitable for them. |

**Benchmark**

<table>
<thead>
<tr>
<th>Benchmark</th>
<th>Indicative allocations (% of total assets)</th>
<th>Risk Profile</th>
</tr>
</thead>
<tbody>
<tr>
<td>CRISIL Liquid Fund Index</td>
<td>Minimum 100</td>
<td>Low to Medium</td>
</tr>
</tbody>
</table>

**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, 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:

$$\text{Macaulay Duration} = \frac{\sum t \cdot m(t)}{\sum m(t)}$$

where:  
$t$: period in which the coupon is received,  
$C$: periodic (usually semi-annual) coupon payment,  
$y$: the periodic yield to maturity or required yield,  
$n$: number periods,  
$M$: maturity value (in $T$),  
$p$: 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%.”

**FOR INVESTORS:**

Registered Office: CRISIL Short Term Bond Fund Index

Chief Executive Officer

Bhanu Katoch

All other features of the Scheme remain unchanged.


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

REF No. 11/2018-19