

JM FINANCIAL MUTUAL FUND

ADDENDUM

THIS ADDENDUM DATED JULY 28, 2008 SETS OUT THE CHANGES TO BE MADE IN THE OFFER DOCUMENTS / KEY INFORMATION MEMORANDA OF ALL THE SCHEMES OF JM FINANCIAL MUTUAL FUND

I. Minimum Investment Criteria

The minimum investment criteria (including for SIP) will be considered after taking into account the permissible DD charges.

II. Redemption/ Switch of units

It is clarified that in case of difference in the amount and units mentioned in any request for Redemption/ Switch, the lower of the two on rupee equivalent basis on the Transaction/ applicable NAV date will be considered by the AMC. In case an investor does not fill in the Amount/ Units in the Transaction Slip, the AMC will redeem/ switch out all the outstanding units subject to the Scheme, Plan, Option being clearly mentioned.

III. Systematic Investment Plans

A. Quarterly SIP option

In addition to the monthly option, the AMC is now offering the quarterly SIP option to its investors in all open ended schemes and close ended equity schemes which will open for subscription at the end of the specified period. The main features of this option are as under:

- The minimum amount for quarterly SIP option would be Rs 3000 per quarter or more and the minimum no. of mandatory installments would be 2. The 2 mandatory installments should be consecutive ones, failing which the SIP will be treated as a normal application and will be subject to normal entry/ exit load as applicable on the respective dates of investment.
- Investors can choose any one of the following six SIP dates: 1st, 5th, 10th, 15th, 20th or 25th of the month.
- All SIP Installments including the first one are required to be of same amount. For starting an SIP at the time of initial investment itself, the investor has to ensure that initial investment and remaining future SIP installments are of same amount.
- The first investment under SIP has to be made through physical cheque/DD payable locally at the place of submission of the application. However subsequent installments can be through ECS/ Direct Debit or through PDCs,

It may be noted that besides the above, the other terms and conditions governing the Monthly SIP option will also be applicable to the Quarterly SIP Option.

B. Valid SIP application

An investor wishing to avail of the Systematic Investment Plan will have to adhere to the following conditions in order to be treated as a valid SIP

1. Minimum no. of installments

Amount per Installment (Rupees in whole Numbers) *	Minimum Mandatory Installments*
Rs. 500 to Rs. 999 per month (For Monthly Frequency)	12 or more out of which 10 installments must be effected
Rs. 1000 or more per month (For Monthly Frequency)	6 or more out of which 5 installments must be effected
Rs. 3000 or more per quarter (For Quarterly Frequency)	2 or more where atleast 2 installments must be effected

*These conditions are to be fulfilled in addition to other conditions.

2. No two consecutive SIP installments should fail.
3. The minimum subscription amount as per the Offer Document of the respective scheme/ Plan/Sub-Plan/ Option/ Sub-Option e.g Rs. 5,000/- should be received by the AMC during the opted period, through the minimum no. of mandatory installments mentioned in the table above.
4. A separate form is required for each SIP date / frequency/ Scheme/ Plan/ Sub-Plan/ Option/ Sub-Option. Application forms with multiple choices will be summarily rejected.

In the event of non-fulfillment of the first 2 criteria cited above, the AMC reserves the right to revert all the previous allotments and re-allot the units afresh with loads as applicable on the respective due dates by treating them as the normal investments and/or recover the amount of load waived for all allotments directly from the investor or by debit to his folio/s maintained with JM Financial Mutual Fund subject to meeting the minimum subscription amount criteria (after taking care of permissible DD charges). In the event of non-fulfillment of minimum subscription amount criteria of the opted scheme/plan/option, the AMC shall refund the amount without any interest.

In the event of not meeting any one or more of the above mentioned criteria, the SIP will stand terminated and the investor will be required to make a fresh SIP application if he is desirous of availing this facility in future also. The fresh application will be subject to the current terms and conditions of the respective scheme/plan/option.

Nityanath P. Ghanekar

Managing Director & Chief Executive Officer

JM Financial Asset Management Private Limited

(Investment Managers to JM Financial Mutual Fund)

Place : Mumbai

Date : July 28, 2008

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Investment Objectives : JM Equity Fund (an open-ended growth scheme), To provide optimum capital growth and appreciation. **JM Basic Fund** (an open-ended equity oriented growth scheme), The primary objective of the Scheme will be to provide capital appreciation to its Unitholders through judicious deployment of the corpus of the Scheme in sectors categorized under "basic industry" in the normal parlance and in context of the Indian economy, including but not limited to, energy, petrochemicals, oil & gas, power generation & distribution and electrical equipment suppliers, metals and building material. The fund would continue to remain open-ended with a sector focus. **JM Emerging Leaders Fund** (an open-ended equity oriented growth scheme), The primary investment objective of the scheme is to seek long term capital appreciation from investment in a portfolio of stocks across all market capitalization range. The portfolio may include those companies operating in emerging sectors of the economy or companies which exhibit potential to become leaders of tomorrow. However, there can be no assurances that the investment objective will be achieved. **JM Small & Mid-Cap Fund** (an open ended equity oriented fund) The investment objective of the Scheme is to provide capital appreciation by primarily investing in small cap and mid-cap stocks. Small cap stock is defined as any company which has a market capitalization less than 10% of the market capitalization of the last stock in S&P CNX NIFTY. Mid-cap stock is defined as any company which has a market capitalization less than the market capitalization of the last stock in S&P CNX NIFTY but greater than 10% of the market capitalization of the last stock in S&P CNX NIFTY. **JM HI FI Fund** (JM Housing, Infrastructure & Financial Services Fund) (an open ended equity oriented growth fund), To generate medium to long term capital growth from a portfolio that is substantially constituted of equity & equity related securities of companies which could benefit from the structural changes brought about by the continuing liberalization in economic policies and investments by the Government in the housing, infrastructure and financial services sectors. **JM Auto Sector Fund** (an open-ended sector fund), To provide capital appreciation to its unitholders through judicious deployment of the corpus of the scheme in the healthcare sector. **JM Telecom Sector Fund** (an open-ended equity oriented sector fund), The primary investment objective of the scheme is to invest predominantly in equity & equity related instruments in the Telecom Sectors in India. Accordingly the NAV of the Scheme is linked to the equity performance of such companies. However, there can be no assurance that the investment objectives of the scheme will be realised. The scheme does not guarantee / indicate any returns. **JM Financial Services Sector Fund** (an open-ended equity oriented sector fund), The primary investment objective of the scheme is to invest predominantly in equity & equity related instruments in the Banking / Financial institution / NBFC and housing finance sectors in India. Accordingly the NAV of the Scheme is linked to the equity performance of such companies. However, there can be no assurance that the investment objectives of the scheme will be realised. The scheme does not guarantee / indicate any returns. **JM Balanced Fund** (an open-ended balanced scheme), To provide steady current income as well as long term growth of Capital. **JM MIP Fund** (an open-ended monthly income fund with no assured return. Monthly Income is not assured and is subject to the availability of the distributable surplus), To generate regular income, primarily through investments in fixed income securities so as to make monthly, quarterly and annual dividend distribution, declare bonus in the growth option. The Fund would also aim to achieve capital appreciation through investing a portion of its assets in equity and equity related securities. **JM Arbitrage Advantage Fund** (an open-ended equity oriented interval fund), The primary investment objective of the scheme is to generate income through arbitrage opportunities emerging out of mis-pricing between the cash market and the derivatives market and through deployment of surplus cash in fixed income instruments. **JM Equity & Derivative Fund** (an income scheme - interval fund), The primary investment objective of the scheme is to generate income through arbitrage opportunities emerging out of mis-pricing between the cash market and the derivatives market and through deployment of surplus cash in fixed income instruments. However, there can be no assurance that the investment objective of the scheme will be realized. The scheme does not guarantee/indicate any returns. **JM Contra Fund** (an open ended equity oriented fund) The investment objective of the Scheme is to provide capital appreciation by following contrarian style of investing that refers to buying into fundamentally sound stocks that have been overlooked by the market (for reasons of short term trend) and waiting for the market to give these stocks their real value in course of time. **JM Equity Tax Saver Fund - Series I** (a close-ended equity linked savings scheme), The investment objective is to generate long-term capital growth from a diversified and actively managed portfolio of equity and equity related securities and to enable investors a deduction from total income, as permitted under the Income Tax Act, 1961 from time to time. However, there can be no assurance that the investment objective of the scheme will be achieved. **JM High Liquidity Fund** (an open-ended liquid scheme), To provide income by way of dividend (dividend plans) and capital gains (growth plan) through investing in debt and money market instruments. **JM Money Manager Fund** (an open-ended income scheme), An open-ended liquid scheme which seeks to provide income by way of dividend (dividend option) and capital gains (growth option) through investing in debt and money market instruments. **JM Liquid Plus Fund** (an open-ended income scheme) (formerly known as JM Floater Fund - Long Term Plan) To provide regular income and capital appreciation through investment in floating rate debt instruments, fixed rate debt instruments swapped for floating rate returns and also fixed rate instruments and money market instruments. **JM Floater Fund** (an open-ended income scheme), To provide regular income and capital appreciation through investment in floating rate debt instruments, fixed rate debt instruments swapped for floating rate returns and also fixed rate instruments and money market instruments. **JM Short Term Fund** (an open-ended income scheme), 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. **JM Income Fund** (an open-ended income scheme), To generate stable long term returns with low risk strategy and capital appreciation / accretion through investment in debt instruments and related securities besides preservation of capital. **JM G-Sec Fund** (an open-ended dedicated gilts scheme), To provide ultimate level of safety to its unitholders through investments in sovereign securities issued by the Central and State Government. **JM Tax Gain Fund** (an open ended equity linked savings scheme), The investment objective is to generate long-term capital growth from a diversified and actively managed portfolio of equity and equity related securities and to enable investors a deduction from total income, as permitted under the Income Tax Act, 1961 from time to time. **JM Fixed Maturity Fund Series IV, JM Fixed Maturity Fund - Series VII, JM Fixed Maturity Fund - Series IX, JM Fixed Maturity Fund - Series X, JM Fixed Maturity Fund - Series XI, JM Fixed Maturity Fund - Series XII** (a close - ended income funds offering fixed maturity plans), The investment objectives of the Schemes and the plans launched thereunder is to seek to generate regular returns through investments in fixed income securities normally maturing in line with the time profile of the respective Plans.

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

Risk Factors : Mutual fund investments are subject to market risks and there is no assurance or guarantee that the objectives of the scheme will be achieved. As with any investment in securities, the Net Asset Value ('NAV') of the Units issued under the scheme can go up or down depending on the factors and forces affecting the capital markets. Past performance of Sponsor / AMC / Schemes of JM Financial Mutual Fund does not indicate the future performance of the schemes of JM Financial Mutual Fund. The sponsor is not liable or responsible for any loss resulting from the operation of the fund beyond the initial contribution made by it of an aggregate amount of Rupees Two Lakhs towards setting up of the fund, which has been invested in JM Equity Fund, JM Equity Fund, JM Basic Fund, JM Emerging Leaders Fund, JM Small & Mid-Cap Fund, JM HI FI Fund, JM Auto Sector Fund, JM Healthcare Sector Fund, JM Telecom Sector Fund, JM Financial Services Sector Fund, JM Balanced Fund, JM MIP Fund, JM Arbitrage Advantage Fund, JM Equity & Derivative Fund, JM Contra Fund, JM Equity Tax Saver Fund - Series I, JM High Liquidity Fund, JM Money Manager Fund, JM Liquid Plus Fund, JM Floater Fund, JM Short Term Fund, JM Income Fund, JM G-Sec Fund, JM Tax Gain Fund and JM Fixed Maturity Fund are only the names of the Schemes and do not in any manner indicate either the quality of the Schemes or their future prospects or returns. Investors in the Schemes / Plans are not being offered any guaranteed / indicative returns. Please see "Risk Factors", "Scheme Specific Risk Factors and Special Consideration" and "Right to limit redemptions" in the Offer Documents. Please refer the Offer Document of the Scheme, which can be obtained free of cost from any of the JM Financial Mutual Fund Investor Service Centres or Distributors. **Investors should read the Offer Document carefully before investing.**