

ADDENDUM

THIS ADDENDUM DATED OCTOBER 1, 2008 SETS OUT THE CHANGES TO BE MADE IN THE OFFER DOCUMENT AND KEY INFORMATION MEMORANDUM OF ALL SCHEMES OF JM FINANCIAL MUTUAL FUND FOR CHANGE IN THE LOAD STRUCTURE

Changes in load structure of the equity oriented schemes of JM Financial Mutual Fund

With effect from 3rd October, 2008, the load structure of JM Multi Strategy Fund will be modified as under:

Scheme	EXISTING LOAD STRUCTURE			REVISED LOAD STRUCTURE		
	Particulars	Load	Exit Load	Particulars	Load	Exit Load
JM Multi Strategy Fund	In case of investments < 2 crores	2.25%	1% if redeemed within 1 year of allotment / transfer of units	In case of investments < 3 crores	2.25%	1% if redeemed within 1 year of allotment / transfer of units
	In case of investments > = Rs. 2 crores	Nil	0.5% if redeemed within 3 months of allotment/ transfer of units	In case of investments > = Rs. 3 crores	Nil	0.5% if redeemed within 3 months of allotment/ transfer of units
	In case of investments made through Systematic Investment Plan	Nil	2.25% if redeemed within 2 years of allotment / transfer of units of respective installments.	In case of investments made through Systematic Investment Plan	2.25%	1% if redeemed within 1 year of allotment / transfer of units of respective installments.

2) Change in Load Structure for Systematic Investment Plan of all Equity Schemes.

EXISTING LOAD STRUCTURE			REVISED LOAD STRUCTURE		
Particulars	Load	Exit Load	Particulars	Load	Exit Load
In case of investments made through Systematic Investment Plan	Nil	2.25% if redeemed within 2 years of allotment / transfer of units of respective installments.	In case of investments made through Systematic Investment Plan	2.25%	1% if redeemed within 1 year of allotment / transfer of units of respective installments.

In case of Systematic Transfer Plan, the Entry Load will continue to be NIL and the Exit Load will be 2.25% if redeemed within 2 years of allotment/transfer of units of respective installments.

Load Structure for JM Tax Gain Fund: It is clarified that currently only entry load is payable for investments in JM Tax Gain Fund.

Investors are requested to note that the changes in load structure shall be applicable for all prospective investments and for fresh registration of SIP/STP in the above schemes w.e.f 3rd October, 2008 i.e. investments made on or after 3rd October, 2008. Investments/registration of SIP/STP made prior to the above changes would continue to attract the load structure and time limit as would have been applicable at the time of their respective investments/registration of SIP/STP.

All other terms and conditions mentioned in the Offer Documents / Key Information Memoranda of the Schemes remain unchanged.

Nityanath P. Ghanekar

Managing Director & Chief Executive Officer

JM Financial Asset Management Private Limited

Place : Mumbai

Date : October 1, 2008

(Investment Managers to JM Financial Mutual Fund)

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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 auto & auto ancillary sector. **JM Healthcare 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 central scheme), To provide ultimate level of safety to its unitholders through investments in sovereign securities issued by the Government 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, JM Fixed Maturity Fund - Series XIII** (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. **JM MultiStrategy Fund:** The investment objective of the Scheme is to provide capital appreciation by investing in equity and equity related securities using a combination of strategies.

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 the Sponsor / AMC / Schemes of JM Financial Mutual Fund does not indicate the future performance of the schemes of JM Financial Mutual Fund. The sponsors are not responsible or liable for any loss resulting from the operation of the fund beyond the initial contribution made by them of an amount of Rupees One lakh towards setting up of the Mutual Fund, which has been invested in JM Equity Fund. The names of the schemes do not in any manner indicate either the quality of the schemes or their future prospects or returns. Investors in the Schemes 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 Schemes, 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.