

ADDENDUM

Addendum dated July 24, 2009 to the Scheme Information Documents/Key Information Memoranda of the schemes of JM Financial Mutual Fund

The following changes will be effected to the Scheme Information Documents/Key Information Memorandum, wherever applicable for all the schemes of JM Financial Mutual Fund ("the Fund"). The provisions of the addendum shall be applicable on a prospective basis, effective from August 1, 2009.

1. INTRODUCTION OF NO ENTRY LOAD AND TREATMENT OF EXIT LOAD

In accordance with the requirements specified by the SEBI circular No. SEBI/IMD/CIR No.4/168230/09 dated June 30, 2009, no entry load will be charged for purchase / additional purchase / switch-in effected with the Fund with effect from August 1, 2009. Similarly, no entry load will be charged with respect to applications for registrations under Systematic Investment Plan/ Systematic Transfer Plan accepted by the Fund with effect from August 1, 2009.

The upfront commission on investment made by the investor, if any, shall be paid to the ARN Holder (AMFI registered Distributor) directly by the investor, based on the investor's assessment of various factors including service rendered by the ARN Holder

2. Change in the Exit Load of certain schemes of JM Financial Mutual Fund

With effect from August 1, 2009, the exit load of the following schemes will be changed as under

EXISTING LOAD STRUCTURE			REVISED LOAD STRUCTURE	
Scheme	Particulars	Exit Load	Particulars	Exit Load
JM Mid Cap Fund/ JM Balanced Fund/ JM Basic Fund/ JM Contra Fund/ JM Equity Fund/ JM Emerging Leaders Fund/ JM Hi Fi Fund/ JM Financial Services Fund/ JM Large Cap Fund/ JM Multi Strategy Fund/ JM Small & Mid Cap Fund/ JM Telecom Sector Fund	< 3 crores	1.00% ¹		1.00% ⁷
	>= 3 crores	0.50% ²		0.50% ⁸
	Investment through SIP	1.00% ³		\$1.00% ⁷
	Investments through STP/ SWP	2.25% ⁴		\$1.00% ⁷
JM Floater Fund – Long Term – Regular Plan	<=5 lacs	0.50% ⁵	<= 5 lacs	0.50% ⁸
JM MIP Fund	<=5 lacs	0.50% ⁶	<=5 lacs	0.50% ⁸

1 - If redeemed within 1 year of transfer/ allotment of units

2 - If redeemed within 91 days of transfer/ allotment of units

3 - If redeemed within 1 year of allotment of units of respective installment

4 - If redeemed within 2 years of allotment of units of respective installments

5 - If redeemed /switched out within 90 days from the date of allotment of units

6 - If redeemed /switched out within 3 months from the date of allotment of units

7 - If redeemed within 365 days of transfer/allotment of units in normal transactions/ allotment of units of respective installments in SIP/STP/SWP transactions

8 - If redeemed within 91 days of transfer /allotment of units in normal transactions/ allotment of units of respective installments in SIP/STP/SWP transactions

\$ - The exit load for each of the SIP/STP/SWP installments of the value of 3 crores and above would be the same as those for the normal transactions, i.e. 0.50% if redeemed within 91 days of allotment of units of respective installments.

Existing Provision for exit load on intra and inter equity switches

No exit load for inter and intra equity switches except in case of (i) switches by SIP/STP investors within 24 months (for cases registered from 4.1.2008 upto 2.10.2008) and with in 12 months (for cases registered upto 3.1.2008) of respective SIP/STP installments (ii) switches by STP investors (for cases registered w.e.f. 3.10.2008) within 24 months of respective STP installments (iii) switches by SIP investors (for cases registered w.e.f. 3.10.2008) within 12 months of respective SIP installments (iv) switches to/from JM Arbitrage Advantage Fund / JM Nifty Plus Fund / to any equity schemes.

Revised

No exit load for inter and intra equity switches except in case of (i) switches by SIP/STP investors within 24 months (for cases registered from 4.1.2008 upto 2.10.2008) and with in 12 months (for cases registered upto 3.1.2008) of respective SIP/STP installments (ii) switches by STP investors (for cases registered from 3.10.2008 upto 31.7.09) within 24 months of respective STP installments (iii) switches by SIP investors (for cases registered from 3.10.2008 upto 31.7.2009) within 12 months of respective SIP installments (iv) switches to/from JM Arbitrage Advantage Fund / JM Nifty Plus Fund / to any equity schemes.

3. Exit Load/Contingent Deferred Sales Charge ("CDSC")

With effect from August 1, 2009, exit load/ CDSC (if any) up to 1% of the redemption value charged to the Unitholder by the Fund on redemption of units shall be retained by each of the Schemes in a separate account and will be utilized for payment of commissions to the ARN Holder and to meet other marketing and selling expenses.

Any amount in excess of 1% of the redemption value charged to the Unitholder as exit load/ CDSC shall be credited to the respective Scheme immediately.

This addendum shall form an integral part of the scheme information documents/ key information memoranda.

All other terms & conditions of the Scheme(s) will remain unchanged.

Bhanu Katoch
Chief Executive Officer

Place : Mumbai JM Financial Asset Management Private Limited
Date : July 25, 2009 (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 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 Mid Cap Fund** (an open-ended equity scheme). The Investment objective of the scheme will be to generate long term capital growth at a controlled level of risk by predominantly investing in Mid Cap Companies. **JM Large Cap Fund** (an open-ended equity scheme). The Investment objective of the scheme will be to generate returns by predominantly investing in Large Cap Companies which would be top 100 companies on the National Stock Exchange of India Ltd. in terms of market capitalisation. **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 Nifty Plus Fund** (an open-ended equity scheme). The Investment objective of the scheme will be to generate investment returns by predominantly investing in S & P CNX Nifty Stocks and Nifty and its 50 constituents in the same weightages as its composition and through deployment of surplus cash in debt and money market instruments and derivative instruments. **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 Floater Fund - LTP** (an open-ended income scheme) (formerly known as JM Liquid Plus Fund) 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 - STP** (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 gilt 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 MultiStrategy Fund**: (an open-ended equity oriented scheme). The investment objective of the Scheme is to provide capital appreciation by investing in equity and equity related securities using a combination of strategies. **JM Interval Fund** : (A debt oriented interval fund). The investment objective of the Scheme and the plans launched thereunder is to seek to generate predictable returns over a predetermined period by investing in a portfolio of 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 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 Scheme Information Documents. Please refer the Scheme Information 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 Scheme Information Document carefully before investing.**