

JM FINANCIAL MUTUAL FUND

ADDENDUM



THIS ADDENDUM DATED FEBRUARY 22, 2010 SETS OUT THE CHANGES TO BE MADE IN THE STATEMENT OF ADDITIONAL INFORMATION, SCHEME INFORMATION DOCUMENTS / KEY INFORMATION MEMORANDA OF ALL THE SCHEMES OF JM FINANCIAL MUTUAL FUND

I. Default redemption/switch-out

In case, an investor fails to mention the complete name of the scheme upto plan/ sub- plan level while making request for redemption/ switch-out, the AMC reserves the right to redeem/ switch-out all/specified desired units/ value provided the investor is having holdings only in one scheme/plan/option and the folio number is clearly mentioned or if he maintains one folio. Otherwise, such incompletely filled requests would be summarily rejected without processing.

II. Minimum amount for purchase/redemption/switches;

In case, the investor has not mentioned the plans/ sub-plans etc or has incompletely/illegibly mentioned the plans/ sub-plans etc. in the purchase/redemption/switch request (specifically where he is having holdings in various plans/sub-plans etc.) of the particular scheme, the AMC will summarily reject such requests if the investor has not furnished any clarification in writing, duly signed, on the date of transaction itself, during normal office hours.

III. Post Dated Cheques:

In the event of any merger/acquisition/closure of Banks, the investor will be required to replace the remaining post dated cheques with the cheques drawn on any other existing Bank.

IV. SIP/STP/SWP Facility

- In case of a Regular SIP, the AMC will retain the initial investment made towards the 1st SIP installment as normal investment if the same meets the minimum investment criteria of the scheme concerned and will not refund even if it does not fulfill any of the criteria stipulated for a valid SIP. However, the investor may redeem/ switch-out if he so wishes, by submitting redemption/switch-out requests as per normal procedure.
- In case, any of SIP/STP/SWP due dates fall on a Non-Business day, the NAV of the next Business day will be applicable.

V. Conversion of Regular SIP To Special SIP

The AMC at its discretion can treat the investment made under Regular SIP as having been made under Special SIP if the 1st payment instrument bounces back as unpaid, whereas payment for 2nd and/or subsequent installment/s/ are received in the meantime and fulfills other conditions of the valid SIP. However, in such event, all the provisions of Special SIP will be applicable including load structure as applicable on the date of 1st installment through Special SIP (i.e. 2nd installment through Regular SIP). Accordingly the AMC will re-register the period of subscription through Special SIP suitably.

VI. Micro Systematic Investment Plans (Micro Sips)

The minimum balance criteria will not be applicable for Micro SIP investors.

VII. Valid SIP application

In the event of non-receipt of funds for the first investment/1st SIP installment itself, due to dishonour of the cheque, the SIP will automatically be treated as discontinued ab-initio and amount for subsequent installment will be refunded, if it is not possible to convert the Regular SIP to Special SIP, as per the provisions of the Special SIP.

VIII. Clarification regarding redemption/switch out (In case of JM Tax Gain Fund, this option will be available only after completion of lock-in period)

No request for redemption/switch out will be effected unless the scheme from which redemption/switch out is sought to be effected, has received the funds.

IX. Mr. G. M. Ramamurthy has been appointed as an Independent Director of the AMC with effect from February 16, 2010.

Consequently, the following clause under the Para "Board Of Directors of AMC" is added in the Statement of Additional Information of JM Financial Mutual Fund:

Mr. G. M. Ramamurthy	B.Sc., B.L., CAIIB, ACS, Diploma in Company Law with Banking Law and Practice, Diploma in Taxation Laws and Diploma in Labour Law	Mr. G. M. Ramamurthy served IDBI for over 27 years and retired as Executive Director (Legal). He practiced law for over eight years in civil courts. Before assuming charge as Executive Director, he worked at different levels in the legal department of IDBI and handled all legal issues relating to lending and recovery of loans. During his tenure he also effectively handled the NPA Recovery portfolio in addition to catering to corporate legal affairs, the performing loan portfolio. Mr. Ramamurthy was a member of the Empowered Committee of IDBI, which accorded approval for financial assistance up to Rs. 10 crore and negotiated settlements/ one- time settlement of outstanding financial assistance with defaulting borrowers. Mr. Ramamurthy was chairman of Secondary Market Operations Committees that default with short term investments and disinvestments in the stock market. Mr. Ramamurthy also served as Chairman of the Corporate Debt Restructuring empowered Group, set up under the Corporate Debt Restructuring Mechanism by the Reserve bank of India. He had been director on the board of companies engaged in the business of depository, custodian, registrar and transfer agent, real estate financing, asset reconstruction and manufacturing.
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Bhanu Katoch

Chief Executive Officer

Place : Mumbai JM Financial Asset Management Private Limited
Date : February 22, 2010 (Investment Managers to JM Financial Mutual Fund)

For further details, please contact :

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E-Mail: investor@jmfund.in • Website: www.jmfund.com

Investment Objectives: JM Financial 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 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 closed-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 Arbitrage Advantage Fund:** (An open-ended equity oriented Interval Scheme) 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 liquid cash in fixed income 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 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 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 Fixed Maturity Fund:** The investment objective of the Scheme 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 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 fund 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 Document & Statement of Additional Information. Please refer the Scheme Information Document & Statement of Additional Information of the Schemes, which can be obtained free of cost from any of the JM Financial Mutual Fund Investor Service Centres or Distributors. **Please read the Scheme Information Document & Statement of Additional Information carefully before investing.**