

JM FINANCIAL MUTUAL FUND

NOTICE

THIS ADDENDUM DATED JANUARY 3, 2008 SETS OUT THE CHANGES TO BE MADE IN THE OFFER DOCUMENTS / KEY INFORMATION MEMORANDA OF ALL SCHEMES (INCLUDING JM TAX GAIN FUND) OF JM FINANCIAL MUTUAL FUND EFFECTIVE JANUARY 4, 2008

1. SYSTEMATIC PLANS: The terms and conditions of the Systematic Investment Plan ("SIP")/ Systematic Transfer Plan ("STP") and Systematic Withdrawal Plan ("SWP") being offered in terms of the offer documents are being replaced as under

The existing and prospective investor is advised to refer to the Offer Document and Key Information Memorandum carefully of the respective schemes before applying for the enrollment under the Systematic Plan.

The Clause on "Minimum Amount of subscription" as specified in the Offer Document of the respective scheme/plan will not be applicable for investments made through the first installment of Systematic Investment /Transfer Plan subject to the fulfillment of minimum investment criteria and minimum installment criteria, during the opted period through SIP/STP (with atleast through 5 out of the first 6 installments and 10 out of the first 12 installments as the case may be). For example, the minimum investment amount for 1st investment in JM Basic Fund is Rs.5,000/-. However, in case of SIP, an investor can invest with minimum installment amount of Rs.1,000/- or Rs.500/- per month so as to meet the Minimum Investment Amount over the opted period i.e. 6/12 months respectively. The similar condition would apply to STP as well.

(A) Systematic Investment Plan (SIP): SIP is available to investors in all the open ended / close ended schemes (after conversion into open ended scheme at the end of the specified period) of JM Financial Mutual Fund. This facility is subject to change from time to time.

SIP can be done through

- ECS Debit facility in those locations where ECS facility is available and for which the AMC has made arrangements.
- Direct Debit facility with certain banks and for which the AMC has made arrangements.

Alternatively, the investor may submit post-dated cheques drawn on any city in India subject to the first cheque/DD being payable at the location of Point of Acceptance where the SIP request is being submitted.

To avail of the facility of Auto Debit (ECS or Direct Debit) for SIP from the second SIP installment onwards, the applicant is required to give standing instructions to his bankers in the prescribed form to debit his bank accounts at periodic intervals and credit the installment amount to the Bank Account of JM Financial Mutual Fund, directly or through any of the service providers appointed by the AMC.

The Bank Account Holder/s has/have to sign the Authorization Request Form meant for Bank in case of Auto SIP in the same order as they maintain their bank account.

The Investor is advised to contact the nearest ISC for current list of Banks accepting Direct Debit mandates or for the list of cities where ECS facility is available. The list of cities/banks for Auto Debit (through ECS/Direct Debit) may be modified/updated/changed/removed at any time in future, entirely at the discretion of JM Financial Mutual Fund, without assigning any reason or prior notice to investors. In case of removal of any city/bank from the current list, the Auto SIP instructions for investors in such locations/bank will stand automatically discontinued without any prior notice. JM Financial Asset Management Pvt. Ltd., its Registrars and other service providers will not be responsible, if the transaction is delayed or not effected or the investor's bank account is debited in advance or after the specific SIP date due to various cycles of ECS/Clearing, due to any reason.

- Investors can choose any one of the following six SIP dates: 1st, 5th, 10th, 15th, 20th or 25th of the month.
- A separate form is required for each SIP dates. Choice of multiple dates through single Form is not permitted. In case, an investor wishes to opt for multiple SIP dates in the same month, he may do so by submitting separate Scheme Application-cum-SIP Forms for each SIP due date with separate set of post dated cheques or Auto Debit forms and A/c. Opening Cheque(s)/Demand Draft(s). Any single application if received with multiple SIP dates will be summarily rejected and the amount of initial investment refunded, if the same is less than the minimum investment limit fixed for particular Scheme/Plan/Option.
- Minimum of 30 days time is required for 2nd installment of SIP through post-dated cheques/Auto Debit (ECS/Direct Debit) to take place after the 1st SIP/Initial Investment for each SIP date (if opted for multiple dates).
- The first investment under SIP has to be made through physical cheque/DD payable locally at the place of submission of the application. The first cheque/DD has to be of any valid date and not a post dated one on the date of submission. However, in case of remaining post-dated SIP cheques, from 2nd installment onwards, the cheques must contain the opted SIP dates for the entire balance period out of the permissible SIP dates i.e. 1st, 5th, 10th, 15th, 20th or 25th of a month. Similarly, in case of SIP through Auto Debit (Direct Debit/ECS), the investor should choose any of the above mentioned six SIP dates.
- The second SIP installment should not fall in the same calendar month.
- In case, any particular future SIP due date falls on a non-business day or falls during a book closure period, the immediate next business day will be considered for the purpose of NAV application.
- The applicable NAV for all SIP installments under Liquid Funds will be of the day when the cheque gets cleared and funds are available to AMC for utilization. For non-liquid schemes, the date of submission of SIP request if the cheque is payable locally and in case of outstation payment instrument, the date of availability of funds for utilization by the AMC or T+10 day (whichever is earlier) will be considered for the allotment of NAV in case the first cheque/DD is realised. Subsequently, the opted due dates will be considered for allotment of NAV, irrespective of the date of realization for SIP investments under Non-liquid scheme.
- An investor will have to opt for 6 installments or in multiples of 6 installments i.e. 6, 12, 18, 24, 30 installments respectively.
- The minimum SIP installment (each installment) will be as under:
 - Rs.500/- X 12 installments or (B) Rs.1000/- X 6 installments & further in multiples of Re. 1/- or as mentioned in the Offer Documents of the respective schemes whichever is more e.g., under JM Tax Gain Fund, the minimum investment is Rs. 500/- and in multiples of Rs. 500/- each.
- In order to be treated as a valid SIP application, minimum investment amount as per the Offer Document of the respective scheme e.g. Rs. 5,000/- should be received by the AMC through 5 installments out of the first 6 installments and at least 10 out of the first 12 installments during the opted period. However, the SIP will be treated as discontinued as per the discretion of the AMC if AMC does not get the funds for any two consecutive SIP installments due to any reasons directly attributable to investor or his banker i.e. insufficiency of funds, instruments not drawn properly, payment stopped by investor etc. or minimum investment criteria is not met before the discontinuation due to the above or any other reasons, anytime during the opted period.
- In the event of non-receipt of funds for the first investment/1st SIP installment itself, the SIP will automatically be treated as discontinued ab-initio.
- 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.
- In the event of any of the installment amount being different, the AMC will treat all SIP installments as normal investments and these will be subject to normal entry/exit load as applicable on the respective dates of investments. In order to treat such installments as normal investments, the AMC reserves the right to revert and reprocess all previous SIP installments besides discontinuation of SIP for future installments or alternatively the AMC may recover the waived entry load directly from investor or by redeeming the equivalent units from the respective folio. In addition, the AMC will also charge exit load (as per applicable rates on the dates of respective SIP installments). In the event of non-fulfillment of minimum subscription criteria of the opted scheme, the AMC shall revert and refund the entire amount without any interest.

The Investment cum SIP Enrollment Form complete in all respects may be submitted at any of the ISCs of JM Financial Mutual Fund or Karvy Computershare Pvt. Ltd. In case of SIP through Auto Debit (i.e. through Direct Debit in selected banks or through ECS in selected cities), an additional form known as the SIP Auto Debit Registration cum Mandate Form (through Direct Debit/ECS) is also required to be submitted at the time of opting for SIP.

The 1st SIP cheque will be considered as Account Opening cheque for existing and new investors. The existing investor may fill-in the existing folio number, Scheme/Plan/Option Name and proceed to fill-up the respective SIP columns of the Common Application Form, if there is no other change required by him in his folio.

To subscribe to SIP, an Investor has to submit the following documents:

- Scheme Application cum SIP Registration Form
- Locally Payable Cheque/DD for Initial Investment cum 1st SIP Installment Amount subject to the minimum amount of Rs. 500/- for 12 months SIP or Rs. 1000/- for 6 months SIP
- Post-dated cheques for remaining period drawn on any city in India OR
- Auto Debit (through Direct Debit/ECS) Registration cum Mandate Form
- A photo copy of the cheque/cancelled cheque from the same account where future installments are to be debited if opted for SIP through Auto Debit.

The cheque/s should be drawn in favour of the scheme/plan chosen (e.g. "JM Equity Fund") and crossed "A/C Payee Only" and payable locally and drawn on any bank, which is situated at and is a member of the Bankers Clearing House located at the place where the SIP application is submitted. In case of outstation cheques, if accepted by the AMC, the AMC shall credit the unit holder's account with the number of units at the applicable sale price on the day when clear funds are received by the Mutual Fund. However, in all cases, the first cheque/DD should be payable locally. Under Liquid Scheme, the units will be allotted based on the NAV applicable on the date of realization/ utilization of funds for the respective SIP installment.

Returned / Dishonoured cheques will not be presented again for collection.

Discontinuation of SIP: For discontinuation of SIP through ECS / Direct debit, the unit holder is required to intimate the AMC / Registrar at least 15 Calendar days prior to the next installment for the respective due date. In case of physical post-dated cheques, the minimum notice period for discontinuation is 30 calendar days. However, the AMC/Registrar will try to discontinue the SIP for remaining period on best efforts basis due to the time and process involved.

On such request, SIP will be terminated and the balance post dated cheques will be returned to the investor or the debit instructions given by the investor under ECS/Direct Debit will be treated as cancelled.

(B) SYSTEMATIC TRANSFER PLAN (STP) / SYSTEMATIC WITHDRAWAL PLAN (SWP) (These facilities are available only for Open-ended (other than JM Tax Gain Fund) Schemes)

STP provides for transfer of specified amount from one scheme/plan/option in which the original investment is made to any other scheme/ plan/option of JM Financial Mutual Fund, at the end of specified periodic interval viz., either weekly, fortnightly, monthly or quarterly.

Under SWP, the Unit holders shall have an option to predetermine the withdrawal from the scheme. Under the SWP facility, investors may choose between

- Fixed Amount Withdrawal; and
- Capital Appreciation Withdrawal

Fixed Amount Withdrawal (FAW): Under this option the investor will have the facility to automate withdrawal of a fixed amount from the scheme at Monthly / Quarterly intervals.

Capital Appreciation Withdrawal (CAW): Under Capital Appreciation Withdrawal facility, the investors will have the option to indicate automatic withdrawal of capital appreciation at varying time intervals over previous period, on monthly or quarterly basis.

In order to start the STP/SWP, the investor must have a minimum investment of Rs. 5,000/- or above or as per the minimum investment subscription amount (whichever is higher) applicable for the respective scheme/plan/option on the 1st opted STP/SWP date. However, the investor is not required to maintain the same balance after processing the 1st STP/SWP installment. The last installment may be equivalent to or less than the opted installment amount.

The minimum amount for transfer and available dates for STP are as under :

Frequency	Amount per installment	Starting date during any month	Minimum mandatory installments (equal amount)	Minimum period required to start 1st STP/extend the STP after receiving the request	Revertal and Reprocess with load or recovery of load if following conditions are not met [®]
Weekly	Rs. 1000/-	1st, 8th, 15th, 22nd (after 22nd the next date will automatically be the 1st of next month)	6	Minimum 15 calendar days	If five installments out of the first six installments could not be effected.*
Fortnightly	Rs. 1000/-	1st and 15th	6	As above	As above
Monthly	Rs. 1000/-	1st, 5th, 15th and 25th	6	As above	As above
Quarterly	Rs. 3000/-	1st Business Day of the next month subject to the minimum gap of 15 calendar days from the date of receipt of STP request and subsequently after every quarter from the start month.	2	As above	If the first two installments are not effected.*

[®] In case 5 out of the first 6 installments in monthly / weekly / fortnightly and first two in case of quarterly option are effected, the STP's will be treated as valid and there will be no revertal and reprocess with recovery of load.

[®] Further, in multiples of Re 1/- after the above minimum limit fixed for each STP installment as per the frequency opted or as per the features of respective schemes e.g. under JM Tax Gain Fund, the minimum investment is Rs. 500/- and further in multiples of Rs. 500/- each.

* Or in the event of failure of two consecutive STP installments, the STP request will stand terminated and the investor will have to make a fresh application for availing of this facility subject to the current term & conditions applicable for fresh STP cases. This condition will, however, not be applicable in case of CAW where the condition of minimum STP installments could not be met due to the capital appreciation amount being less than Rs. 100 in case of monthly option and Rs. 300 in case of quarterly option.

In the event of non-fulfillment of any of the criteria i.e. minimum subscription or minimum number of installments or failure etc., the AMC/ Registrar will revert all the previous installments and reprocess the same with loads as applicable on the respective due dates. Alternatively, the AMC may recover the amount of load waived for all installments directly from the investor or by debit to his folio/s maintained with JM Financial Mutual Fund. In the event of non-fulfillment of minimum subscription criteria of the opted scheme, the AMC shall revert and refund the entire amount without any interest.

SWP facility is available on 1st, 5th, 15th and 25th of the month under monthly and 1st Business Day of the next month for quarterly SWP, subject to the minimum gap of 15 calendar days to start SWP. Subsequent quarterly SWP will fall due after completion of 3 months from the start date.

In case, it is not possible for the AMC/Registrar to start the STP/SWP from the opted start date due to the insufficiency of time given by the investor, the AMC/Registrar will automatically process the first STP/SWP on the opted date from the next month after the opted starting month e.g. In case investor applies for STP/SWP on 18th Jan 2008 for effecting 1st STP/SWP from 1st February, 2008, AMC/Registrar may process the same from 1st of March, 2008. In such a case, the ending period will be extended automatically by another month.

Minimum amount for withdrawal under SWP is fixed as under :

- Fixed Amount Withdrawal (FAW) : Rs.1,000/- per month or Rs.3,000/- per quarter and further in multiples of Re.1/- thereafter.
- Capital Appreciation Withdrawal (CAW) Entire Capital Appreciation over the previous due date to current due date subject to a minimum of Rs. 100 under monthly option and Rs. 300/- under quarterly option

In case the opted STP/SWP day falls on a non-business day, the next business day shall be deemed to be the transaction day for that month or quarter as the case may be.

Each installment under STP/SWP cannot exceed the original investment amount divided by the number of installment chosen subject to the fulfillment of minimum STP/SWP criteria for respective frequency. In case of multiple STP/SWP dates, the total number of installments will be taken into account while fixing up the maximum installment amount.

STP/ SWP in JM Equity & Derivative Fund and JM Arbitrage Advantage Fund: The due date for processing STP/SWP installment for these schemes is based on the 'interval period' every month i.e. the settlement date of Future and Options Market subject to the condition that such request is made by the investor 15 days prior to the next settlement date to start the STP/SWP. In case of shortfall of notice period, the AMC/Registrar will process the 1st STP/SWP on the settlement date after the next settlement. Subsequent installments will be processed on respective settlement dates after the start date.

The due date for SWP/STP installment under quarterly option will also be on the next settlement date subject to the condition that such request is made by the investor 15 days prior to the next settlement date to start the STP/SWP. In case of shortfall of notice period, the AMC/Registrar will process the 1st STP/SWP on the settlement date after the next settlement. Subsequent installments will be processed on settlement dates after a calendar from the start date and so on.

General :

- An investor will have to opt for 6 installments or in multiples of 6 installments i.e. 6, 12, 18, 24, 30 installments respectively for his STP/ SWP requests
- In the event of failure of two consecutive STP/SWP installments, the STP/SWP request will stand terminated and the investor will have to make a fresh application for availing of this facility subject to the fresh existing terms & conditions. This condition will, however, not be applicable in case of CAW where the capital appreciation is less than Rs. 100 in case of monthly option and Rs. 300 in case of quarterly option.
- In case, the investor does not mention the name of Plan, Options, Sub-Options, AMC/Registrar will allot the units as per default Plans/ Options/Sub-Options. If the mode of payment of dividend is not indicated, the choice will be deemed to be Dividend Reinvestment subject to the availability of this sub-plan. However, in case the dividend payable to any unit holder is below Rs.100/- each time, then the same will be automatically reinvested subject to the availability of this sub-plan.
- The requirements for disclosure of PAN and KYC Compliance as set out in the Offer Documents will also be applicable for investments through SIP.
- JM Financial Asset Management Pvt. Ltd., its Registrars and other service providers shall not be responsible and liable for any damage/compensation for any loss, damage, etc. incurred by the investor, in any manner. The investor assumes the entire risk of using this facility and takes full responsibility.

2. PERMANENT ACCOUNT NUMBER: In accordance with Circular dated April 27, 2007 issued by the Securities and Exchange Board of India ("SEBI"), Permanent Account Number ("PAN") issued by the Income Tax authorities will be used as the sole identification number for all investors (existing and prospective) transacting in the securities market, including mutual funds, irrespective of the amount of transaction, with effect from July 02, 2007. SEBI vide its Circular dated June 25, 2007 had further clarified that until December 31, 2007, the existing and potential investors not having PAN, should apply for PAN immediately and applications for investment should be accompanied with the evidence of having applied for PAN.

In view of the above, with effect from January 1, 2008 it is mandatory for all existing and prospective investors (including joint holders, guardians of minors, NRIs etc.) to enclose a verified copy of PAN proof along with the application for any transaction in the schemes of JM Financial Mutual Fund. The verification of the PAN from the original PAN card/ letter can be done by the distributor/ broker through whom the transaction is done if PAN proof is attested by:

- investor,
- or by any one of the following under his/her signature, rubber stamp and date
 - Bank Manager,
 - notary,
 - officials of JM Financial Mutual/ Investor Service Centres of Karvy Computershare Pvt. Ltd.

Investors transacting through approved Web Portals are also required to get their PAN verified by their Web Portals.

In case, the investor does not conform to the above requirement of submission of verified copy of PAN or produces original PAN proof for verification or the PAN details as per furnished verified copy of PAN proof does not match with the Website of Income Tax Deptt. as prescribed by SEBI, the AMC reserves the right to reject the application before allotment and refund the investment amount, without any interest.

In case of inadvertent allotment, the AMC reserves the right to refund the investment amount, without any interest.

3. PREVENTION OF MONEY LAUNDERING: In terms of the Prevention of Money Laundering Act, 2002, the Rules issued there under and the guidelines / circulars issued by SEBI regarding the Anti Money Laundering ("AML Laws"), all intermediaries, including Mutual Funds, have to formulate and implement a client identification programme, verification of identity and address, financial status, occupation and such other personal information.

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With effect from 1st February, 2008, all investors (Individuals or Non Individuals) who wish to make an investment of Rs. 50,000 or above in a mutual fund scheme will be required to complete the KYC process. This would also apply to new Systematic Investment Plan (SIP) registrations on or after February 1, 2008, if each SIP installment is of value greater than or equal to Rs. 50,000 or more.

KYC Compliance mandatory for all investors (including NRIs) investing Rs. 50,000 or more in a Mutual Fund

Joint Holders: Joint holders (including first, second and third if any, are required) to be individually KYC compliant before they can invest with any Mutual Fund. e.g. in case of three joint holders, all holders need to be KYC compliant and copies of each holder's KYC Acknowledgement must be attached to the investment application form with any Mutual Fund.

Minors: In case of investments in respect of a Minor, the Guardian should be KYC compliant and attach his KYC Acknowledgement while investing in the name of the minor. The Minor, upon attaining majority, should immediately apply for KYC compliance in his/her own capacity and intimate the concerned Mutual Fund(s) with all the folio details, in order to be able to transact further in his/her own capacity.

Power of Attorney (PoA) Holder: Investors desirous of investing through a PoA must note that the KYC compliance requirements are mandatory for both the PoA issuer (i.e. Investor) and the Attorney (i.e. the holder of PoA), both of whom should be KYC compliant in their independent capacity and attach their respective KYC Acknowledgements while investing.

For transmission (In case of death of the unit holder): If the deceased is the sole applicant, the claimant should submit his/her KYC Acknowledgement along with the request and other relevant documents to effect the transmission in his/her favour.

KYC Process

The Association of Mutual Funds of India (AMFI) has facilitated a centralized platform through CDSL Ventures Limited ("CDSL"), a wholly owned subsidiary of Central Depository Services (India) Limited, to carry out the KYC procedure, free of cost, on behalf of all Mutual Funds. CVL through its Points of Service (POS) will accept KYC Application Forms, verify documents and provide the KYC Acknowledgement (across the counter on a best effort basis). The list of PoS as well as the KYC Application Form will be displayed on our website as well as that of CDSL and AMFI. An investor can complete the KYC Application Form and submit the same along with the necessary documents (including originals if the copies are not attested) to a POS and the KYC Acknowledgement can be obtained from the POS.

For obtaining the KYC Acknowledgement:

- Individual investors** will have to produce his Proof of identity (Photo PAN card copy or PAN card copy and copy of the passport, driving license etc.) and Proof of Address (list of documents as set out in the KYC Application Form for Individuals).
- Non –Individual Investors** will have to produce certain documents pertaining to its constitution/registration to fulfill the KYC process (list of documents as set out in the KYC Application Form for Non-Individuals).
- NRIs/PIOs**, in addition to the certified true copy of the passport, will also be required to furnish certified true copy of the overseas address and permanent address. If any of the documents (including attestations/ certifications) towards proof of identity or address is in a foreign language, they have to be translated to English for submission. The documents can be attested, by the Consulate office or overseas branches of scheduled commercial banks registered in India. A PIO, in addition, will also be required to submit a certified true copy of the PIO Card.

Once the KYC process is duly completed in all regards, the investor needs to produce a copy of the acknowledgement when investing for the first time with a Mutual Fund if the investment is for Rs. 50,000/- or more, for fresh investments or additional purchases in an existing folio.

An existing investor can inform the Mutual Fund to update the KYC Acknowledgement against all the folios/accounts that he has with the Mutual Fund. However, each of the holders in these folios/accounts should be KYC Compliant.

Investors must attach their KYC Acknowledgement along with the Investment Application Form(s) / Transaction Slip(s) while investing for the first time in a mutual fund after 1st FEBRUARY, 2008 if the investment is for Rs. 50,000/- or more, for fresh investments or additional purchases in an existing folio. Applications/ Forms / Transaction Slips not accompanied by KYC Acknowledgement are liable to be rejected by the Mutual Fund and no transactions, other than redemption, will be permitted.

Investors who have already obtained the Mutual Fund Identification Number ("MIN")

Investors who have earlier obtained the MIN from CVL by submitting the PAN copy, can invest in the schemes of the Mutual Fund by enclosing the MIN Acknowledgement along with the Investment Application Form(s) / Transaction Slip(s) while investing for the first time in a Mutual Fund, as the PAN number will be verified by CVL based on MIN.

If the MIN was obtained without submitting the PAN but with other proof of identity documents, the investor needs to carry the PAN card in original and a copy, for submission at the PoS and obtain the KYC Acknowledgement.

Further, SEBI issued circular dated 20th March, 2002, advising all intermediaries to take necessary steps to ensure compliance with the requirement of Section 12 of the Act inter-alia maintenance and preservation of records and reporting of information relating to cash and suspicious transactions to Financial Intelligence Unit-India ("FIU-IND"), New Delhi. The AMC may seek information or obtain and retain documentation used to establish identity. It may re-verify identity and obtain any missing or additional information for this purpose. The AMC, under powers delegated by the Trustee, shall have absolute discretion to seek information from investors, record investor's telephonic calls, reject any application, prevent further transactions by a Unit Holder, report suspicious transactions to FIU-IND and / or to freeze the folios, if after due diligence, the investor / Unit Holder / a person making the payment on behalf of the investor does not fulfill the requirements of the "Know Your Customer" or the AMC believes that the transaction is suspicious in nature as regards money laundering. In this regard the AMC reserves the right to reject any application and effect a mandatory redemption of units allotted within such time as may be reasonable or in compliance with any rules, regulations, guidelines, circular, etc. issued by any regulatory authority in this regard from time to time. If the payment for

purchase of units are made by a third party (e.g. a Power of Attorney Holder, a Financing Agency, a relative, etc.), the Unit Holder may be required to give such details of such transaction so as to satisfy the AMC of the source and / or consideration underlying the transaction. The KYC documentation shall also be mandatorily complied with by the holders entering the Register of Members by virtue of operation of law e.g. transmission, etc.

Applicants / Unit holders may contact our Investor Service Centers / their distributors, if any, for any additional information / clarifications. Also, please visit our website www.JMFinancialmf.com for any other related information.

The Schemes will adhere to such guidelines / procedures as have been or may be issued by AMFI / SEBI / or any other regulatory authority in this regard from time to time.

4. INTRA AND INTER EQUITY SWITCHES: Currently, investors switching between equity schemes of the Mutual Fund do not pay any entry load, wherever applicable, for their inter-equity and intra-equity scheme switches except in case of (i) switches to / from JM Arbitrage Advantage Fund from / to any equity scheme and (ii) switches from any scheme to an equity scheme during its New Fund Offer period.

It has now been decided to waive the exit load for investors for inter and intra equity scheme switches except in the case of (i) switches by SIP/STP investors within the exempted period i.e. within 24 months (for fresh SIP/STP cases) and within 12 months (for earlier registered cases) of respective installments (ii) switches to / from JM Arbitrage Advantage Fund from / to any equity scheme

Consequently, the following sentence will be added in the paragraph under Switching Options appearing under the paragraph Units on Offer "Investors will not have to bear exit load, wherever applicable, for their inter-equity and intra-equity scheme switches except in case of (i) switches by SIP/STP investors within 24 months (for fresh SIP/STP cases) and within 12 months (for earlier registered cases) of respective installments (ii) switches to / from JM Arbitrage Advantage Fund from / to any equity scheme.

5. CHANGES IN THE LOAD STRUCTURE:

No entry load in case of direct applications: SEBI vide its circular SEBI/IMD/Circ. No. 10/112153/07 dated December 31, 2007 has mandated that no entry load shall be charged for direct applications received by the AMC.

In accordance with the above, for existing schemes of JM Financial Mutual Fund, no entry load will be charged for:

- direct applications received by the AMC (i.e. applications not routed through any distributor/agent/broker)
- applications received through internet on the AMC's website
- submitted to the AMC or its ISCs or its Collection Centers

The provision for no entry load is applicable for additional purchases (including SIPs) made by the investor directly under the same folio and switch-in (including STPs) to a scheme from other schemes if such transaction is done by the investor without routing through any Distributor/Agent/Broker i.e. Direct Application.

Additional purchases (including SIPs) without broker code will be treated as direct. Any request for any modifications in the existing transaction/through fresh transaction slip should be duly signed by the investor(s) failing which no cognizance will be taken of such modification.

6. RESIGNATION OF DR. VIJAY KELKAR: Dr. Vijay Kelkar, Chairman of JM Financial Asset Management Private Limited (AMC) has resigned from the Board of AMC with effect from 31st December, 2007. Hence, all references pertaining to him shall stand deleted from the offer documents of all the existing schemes of JM Financial Mutual Fund.

7. CHANGES IN THE KEY PERSONNEL OF THE AMC: Mr. Girish Hisaria, Debt Dealer has been appointed as key personnel of the AMC.

Consequently, the paragraph "KEY EMPLOYEES OF THE AMC" stands amended in the Offer Documents / Key Information Memoranda of the Schemes of JM Financial Mutual Fund as given below :

5.3.4 KEY EMPLOYEES OF THE AMC

Name	Designation	Qualifications / Age	Experience & Background (During last 10 years)
Mr. Girish Hisaria	Debt Dealer	B.Com, MMS (Finance) / 30 years	He has 6 years of experience in Fixed Income Markets. Prior to joining the AMC, he has worked with Sahara Indian Financial Corp and Darashaw Securities Pvt Limited

ADDENDUM TO SPECIFIC OFFER DOCUMENTS

8. Change in load structure of the equity oriented schemes of JM Financial Mutual Fund: In order to bring about uniformity in the load structures in the equity oriented Schemes of the Fund, it has been decided to change the existing load structures of the equity oriented Schemes.

Accordingly, with effect from 4th January, 2008 the load structures of JM Equity Fund, JM Balanced Fund, JM Auto Sector Fund, JM Healthcare Sector Fund, JM Basic Fund, JM Emerging Leaders Fund, JM HI FI Fund, JM Financial Services Sector Fund, JM Telecom Sector Fund, JM Equity Tax Saver Fund - Series I, JM Small & Mid-Cap Fund and JM Contra Fund will be modified as under :

Scheme	EXISTING LOAD STRUCTURE			REVISED LOAD STRUCTURE		
	Particulars	Entry Load	Exit Load	Particulars	Entry Load	Exit Load
<ul style="list-style-type: none"> • JM Equity Fund • JM Emerging Leaders Fund • JM Balanced Fund • JM Auto Sector Fund • JM Healthcare Sector Fund • JM Basic Fund • JM HI FI Fund • JM Equity Tax Saver Fund - Series I (After the conversion of close ended into an open ended scheme) • JM Financial Services Sector Fund • JM Telecom Sector Fund • JM Small & Mid-Cap Fund • JM Contra Fund 	On all investments of less than Rs. 3 crores.	2.25%	0.50%***	On all investments of less than Rs. 3 crores.	2.25%	0.50% [®]
	On all investments of Rs. 3 crores and above.	NIL	0.50%*	On all investments of Rs. 3 crores and above.	NIL	0.50%*
	Investments under SIP/STP	NIL	2.25%**	Investments under SIP and STP.	NIL	2.25% [§]

* In case the investments are redeemed within 91 days of transfer/ allotment of units

** In case the investments are redeemed within 1 year of transfer / allotment of respective instalment.

*** In case the investments are redeemed within 182 days of transfer/ allotment of units

[®] In case the investments are redeemed within 1 year of transfer /allotment of units

[§] In case the investments are redeemed within 2 years of transfer / allotment of respective installments.

Investors are requested to note that the changes in load structure shall be applicable for all prospective investments in all the existing schemes with effect from 4th January, 2008 i.e. investments made on or after 4th January, 2008.

9. Addendum to the offer document of JM Tax Gain Fund: As per the Offer Document of JM Tax Gain Fund, which is currently open for subscription (NFO is open from 24/12/07 to 25/03/08), an entry load, as applicable, is payable for investments made during and post NFO period. However, in view of SEBI's Circular SEBI/IMD/Circ. No. 10/112153/07 dated December 31, 2007, it has been decided not to charge entry load in case of applications received by the AMC during the NFO period, which are not routed through distributor/agent/broker. The conditionalities set out in Clause 5a (No entry load for direct applications) above would be applicable for JM Tax Gain Fund also.

10. Addendum to the Offer Document of JM Fixed Maturity Fund (Series IV, VI & VII) and JM Interval Fund

Default Option

The Quarterly Plans under JM Interval Fund offer investors the choice of the following sub-plans

- Regular plan
- Institutional Plan

Investors are requested to indicate their preference while investing in the Scheme. In case an investor fails to specify his preference of the sub-plan, he shall be deemed to have opted as under

- if the investment amount is less than Rs. 5 lacs, the default option would be the Regular Plan and
- if the investment amount is equal to and more than Rs. 5 lacs, the default option would be the Institutional Plan

11. Liquidity provisions for JM Interval Fund: It is clarified that besides Redemption during the Specified Transaction Period, each quarterly plan will provide investors with the facility of redemption during the first five business days at the beginning of every calendar month during the tenure of that plan. On these days, unitholders can redeem their investments at the applicable NAV subject to exit loads, if any. While redemption and switch-outs are allowed on the days specified above (in addition to the Specified Transaction Period), subscription for purchase of units will be accepted only on / during the defined Specified Transaction Period.

In the event of the investor submitting his redemption/ switch out request on a day other than the days mentioned above, the request will be kept in abeyance by the Registrar and processed on the 1st Business day of the Specified Transaction Period.

All other features of the Schemes remain unchanged.

Nityanath P. Ghanekar

Managing Director & Chief Executive Officer

JM Financial Asset Management Private Limited

(Investment Managers to JM Financial Mutual Fund)

Place : Mumbai
Date : January 3, 2007

For further details, please contact :

Corporate Office : JM Financial Asset Management Private Limited,
5th Floor, A - Wing, Laxmi Towers, Bandra-Kurla Complex, Mumbai - 400051.
Tel. No.: (022) 39877777 • Fax Nos.: (022) 26528377 / 78
E-Mail: mktg@jmfinancial.in • Website : www.JMFinancialmf.com

Investment Objectives : **JM Equity Fund** (an open-ended growth scheme), To provide optimum capital growth and appreciation. **JM Basic Fund** (an open-ended sector 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 assurance 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 realised. 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** (a close ended income fund offering Fixed Maturity Plans), A close ended income scheme comprising various plans seeking to generate regular returns through investment in fixed income securities normally maturing in line with the time profile of the respective plan. **JM Fixed Maturity Fund - Series VI** (a close - ended income fund offering fixed maturity plans) 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 Fixed Maturity Fund - Series VII** (a close - ended income fund offering fixed maturity plans) 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.

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.**