

JM FINANCIAL MUTUAL FUND

NOTICE CUM ADDENDUM

THIS ADDENDUM DATED FEBRUARY 25, 2008 SETS OUT THE CHANGES TO BE MADE IN THE OFFER DOCUMENTS / KEY INFORMATION MEMORANDA OF ALL THE SCHEMES OF JM FINANCIAL MUTUAL FUND WITH IMMEDIATE EFFECT.

I. Discontinuation of STP/SWP on request of the investor (in schemes where the facility of STP/SWP is available)
For discontinuation of STP/SWP, the unitholder is required to intimate the AMC / Registrar at least 15 Calendar Days prior to the next installment for the respective due date.

On such request, STP/SWP will be terminated and the transfer/ withdrawal instructions given by the investor will be treated as cancelled.

II. No entry load in case of direct applications
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.

Clarification for the existing schemes of JM Financial Mutual Fund (including JM Tax Gain Fund which is currently open for subscription)

The facility of no entry load on applications received directly was also made available to the existing schemes of JM Financial Mutual Fund vide addendum dated 3rd January, 2008.

Before the issuance of the above circular, in case the broker/sub-broker code was left blank in the transaction slip meant for additional purchases/ switches or requests received on a plain paper, letter or on a letterhead, the existing broker/sub-broker code was considered for the purpose. It is now clarified that after the issuance of this circular, all additional purchases/ switch-in requests received on blank or computer printed transaction slip or through other such medium in vogue or through fresh applications form containing existing folio number will be treated as direct investment unless the existing broker code is clearly mentioned in the broker code column, irrespective of anything stated to the contrary in any pre-printed transaction slip/ marketing material already in circulation.

It is also clarified that if the broker code field is left blank, the application shall be treated as Direct.

III. Clarification regarding Minimum Investment Amount
It is clarified that the minimum investment as set out in the respective Offer Documents is applicable at the respective Plans/ Sub-Plans/ Options/ Sub-Options level i.e. Growth, Dividend and Bonus. The investment will be accepted in multiples of any amount over and above the prescribed minimum investment limit as set out in the Offer Documents of the respective Schemes at the above mentioned levels.

SCHEME SPECIFIC CHANGES

I. Changes in the Offer Document of JM Agri & Infra Fund**Disclosure of NAV**

NAVs will be determined at the close of every business day and declared on all business days.

Change in Fund Manager

The Fund Manager for JM Agri & Infra Fund will be Mr. Sandeep Neema

II. Change of Fund Manager for JM Balanced Fund

The Fund Manager for JM Balanced Fund will be Mr. Sanjay Chhabaria.

III. Default options in case of plans of JM Interval Fund and Quarterly Plan 6 of JM Fixed Maturity Fund - Series VI

The default option in case of the plans under JM Interval Fund and Quarterly Plan 6 of JM Fixed Maturity Fund – Series VI would be Dividend and the default Sub-Option under the Dividend Option would be Dividend Reinvestment. In case of JM Interval Fund, the Dividend Reinvestment Option will be available during the Specified Transaction Period.

NOTICE

Change of address of JM Ahmedabad branch

Ahmedabad branch has re-located to the address given below:

JM Financial Asset Management Private Limited

201, SAMEDH Complex, Next to Associated Petrol Pump, C.G. Road, Panchvati, Ahmedabad - 380 006.

Tel. / Fax: (079) 26426620 / 26426630

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 : February 25, 2008

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@jmfincial.in • Website : www.JMFinancialmf.com

Investment Objectives : 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 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 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 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 Agri & Infra Fund** (a close-ended equity oriented scheme - a 3 year close-ended equity oriented Scheme with an automatic conversion into an open-ended equity oriented Scheme on maturity), The investment objective of the Scheme is to provide long-term growth by investing predominantly in equity / equity related instruments of companies that focus on agriculture and infrastructure development of India. **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. **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 Contra 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 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 Agri & Infra Fund, JM Interval 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 guarantee / 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.**