

JM FINANCIAL MUTUAL FUND

ADDENDUM

THIS ADDENDUM DATED APRIL 25, 2008 SETS OUT THE CHANGES TO BE MADE IN THE OFFER DOCUMENTS / KEY INFORMATION MEMORANDA OF THE SCHEMES OF JM FINANCIAL MUTUAL FUND EFFECTIVE APRIL 28, 2008

I. INTRODUCTION OF MULTIPLE NOMINATION FACILITY IN ALL THE SCHEMES OF THE FUND

Pursuant to the SEBI Regulation 29A, the AMC is required to provide nomination facility to the unitholders. The AMC is now introducing the Multiple Nomination Facility to enable Unitholders to nominate more than one person, subject to a maximum of three, in whom the Units held by the Unitholder shall vest in the event of the demise of the Unitholder. Accordingly, multiple nominations can be made per folio.

Existing and new investors can make a fresh nomination which will supersede all existing nominations in the folio by filing a fresh nomination form.

In case of multiple nominations, it is mandatory for unitholders to indicate the percentage allocation in favour of the nominees in the nomination forms/ requests letter in whole numbers such that it totals to 100%, so that the AMC can execute its obligations to the unitholders. If the percentage allocation is not mentioned or is left blank, the AMC shall apply the default option of equal distribution among all the nominees as designated by the deceased Unitholder. In case of 3 nominees where allocation is not defined, the allocation by default will be 34%, 33% and 33% respectively for each nominee in the sequential order.

Apart from above, all other provisions under the heading "Nomination Facility" in the offer document(s) of the schemes shall remain unchanged.

II. NO LOAD ON BONUS UNITS AND UNITS ALLOTTED ON REINVESTMENT OF DIVIDEND

In accordance with SEBI Circular SEBI/MD/CIR No. 14/120784/08 dated March 18, 2008, the AMC shall not charge entry as well as exit load on Bonus units and on units allotted on reinvestment of Dividend.

III. CLARIFICATIONS REGARDING SIP/ STP TRANSACTIONS

Except in the case of quarterly STP transactions, an investor has to opt for a minimum of 6 installments or in multiples of 6 installments i.e 6, 12, 18, 24, 30 installments respectively for each SIP/STP transactions.

It is clarified that these 6 installments pertain to a given application for a specified opted date, for a specific option/ sub-option Separate application is required for each option/sub-option for respective due date(s).

IV. CHANGE OF ADDRESS RELATED

With effect from February 01, 2008, all investors (Individuals or Non Individuals) who wish to make an investment of Rs. 50,000 or above (currently the investment limit) in a mutual fund scheme are required to complete the KYC process through CVL.

The Mutual Fund / Registrar is currently using the database of CVL for accessing the investor details (for investments of Rs. 50,000 or above). Hence investors are requested to forward change of address requests only to CVL/its POS (Point of Service).

In order to ensure that the unitholder receives all communications, including redemption requests, at the new address, the unit holders are requested to approach any convenient POS for the intimation regarding the change of address along with their PAN and address proof (in case of new address), sufficiently in advance of any transaction with the Fund House. AMC or its Registrar will not be responsible for non-updation of change of address requests which are not received sufficiently in advance of any transaction.

Kindly note that henceforth change of address requests will not be entertained by the Mutual Fund or the Registrar (unless it is a designated POS for CVL).

Investors holding erstwhile MIN/ KYC Compliance Acknowledgement and who have since changed their address with Karvy are requested to approach CVL and complete the process stated above.

Kindly note that the Mutual Fund, the AMC or the Trustees shall not be liable in case investors do not follow the above procedure for change of address or the earlier address continues to be in the Registrar's database.

Investors are advised to approach the same POS from where the KYC acknowledgement was issued in case they wish to rectify any data entry mistake by CVL or its POS.

V. CLARIFICATION REGARDING VERIFICATION OF PAN

The verification of the PAN from the original PAN card/ letter can be done by any of the following under his/her signature, rubber stamp and date

- any ARN holder if the PAN proof is self attested by Investor
- Bank Manager,
- notary,
- officials of JM Financial Mutual/ Investor Service Centres of Karvy Computershare Pvt. Ltd.

VI. 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 April 28, 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, JM Tax Gain 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 • JM Tax Gain 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%	1.00%**
	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 SIF and STF.	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 2 years of transfer / allotment of respective installments.

Investors are requested to note that the change in load structure shall be applicable for all prospective investments in the above schemes with effect from April 28, 2008 i.e. investments made on or after April 28, 2008. Investments made prior to the above changes would continue to attract the load structure as would have been applicable at the time of their respective investments.

VII. CHANGES SPECIFIC TO JM TAX GAIN FUND – LOAD RELATED

Investors will not have to bear 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

Investors will also 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) of respective installments (ii) switches to / from JM Arbitrage Advantage Fund from / to any equity scheme.

All other terms and conditions of the respective Offer Documents remain unchanged.

CHANGE OF ADDRESS OF BRANCHES OF THE AMC

Kindly also note the changed addresses of the branches which are as follows

Hubli Branch
Shop no 8-18, Upper ground floor, Vivekananda corner, Desai cross,
Hubli – 580029.
Tel: (0836) 4253907/908

Pune Branch
Office # 304& 305, 4th Floor, "Amit Shreephal"
Ghole Road, 1187/25 Shivajinagar, Next to Federal Bank
Pune- 411005
Board Lines - 020 - 30266021/22/23
Fax No. - 020 - 30266024

Place : Mumbai
Date : April 25, 2008

Nityanath P. Ghanekar
Managing Director & Chief Executive Officer
JM Financial Asset Management Private Limited
(Investment Managers to JM Financial Mutual Fund)

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 Equity Fund** (an open-ended growth scheme), To provide optimum capital growth and appreciation. **JM Basic Fund** (an open-ended equity oriented growth scheme), The primary objective of the Scheme will be to provide capital appreciation to its Unitholders through judicious deployment of the corpus of the Scheme in sectors categorized under "basic industry" in the normal parlance and in context of the Indian economy, including but not limited to, energy, petrochemicals, oil & gas, power generation & distribution and electrical equipment suppliers, metals and building material. The fund would continue to remain open-ended with a sector focus. **JM Emerging Leaders Fund** (an open-ended equity oriented growth scheme), The primary investment objective of the scheme is to seek long term capital appreciation from investment in a portfolio of stocks across all market capitalization range. The portfolio may include those companies operating in emerging sectors of the economy or companies which exhibit potential to become leaders of tomorrow. However, there can be no assurances that the investment objective will be achieved. **JM Small & Mid-Cap Fund** (an open ended equity oriented fund) The investment objective of the Scheme is to provide capital appreciation by primarily investing in small cap and mid-cap stocks. Small cap stock is defined as any company which has a market capitalization less than 10% of the market capitalization of the last stock in S&P CNX NIFTY. Mid-cap stock is defined as any company which has a market capitalization less than the market capitalization of the last stock in S&P CNX NIFTY but greater than 10% of the market capitalization of the last stock in S&P CNX NIFTY. **JM HI FI Fund** (JM Housing, Infrastructure & Financial Services Fund) (an open ended equity oriented growth fund), To generate medium to long term capital growth from a portfolio that is substantially constituted of equity & equity related securities of companies which could benefit from the structural changes brought about by the continuing liberalization in economic policies and investments by the Government in the housing, infrastructure and financial services sectors. **JM Auto Sector Fund** (an open-ended sector fund), To provide capital appreciation to its unitholders through judicious deployment of the corpus of the scheme in the auto & ancillary sector. **JM Healthcare Sector Fund** (an open-ended sector fund), To provide capital appreciation to its unitholders through judicious deployment of the corpus of the scheme in the healthcare sector. **JM Telecom Sector Fund** (an open-ended equity oriented sector fund), The primary investment objective of the scheme is to invest predominantly in equity & equity related instruments in the Telecom Sectors in India. Accordingly the NAV of the Scheme is linked to the equity performance of such companies. However, there can be no assurance that the investment objectives of the scheme will be realised. The scheme does not guarantee / indicate any returns. **JM Financial Services Sector Fund** (an open-ended equity oriented sector fund), The primary investment objective of the scheme is to invest predominantly in equity & equity related instruments in the Banking / Financial institution / NBFC and housing finance sectors in India. Accordingly the NAV of the Scheme is linked to the equity performance of such companies. However, there can be no assurance that the investment objectives of the scheme will be realised. The scheme does not guarantee / indicate any returns. **JM Balanced Fund** (an open-ended balanced scheme), To provide steady current income as well as long term growth of Capital. **JM MIP Fund** (an open-ended monthly income fund with no assured return. Monthly Income is not assured and is subject to the availability of the distributable surplus), To generate regular income, primarily through investments in fixed income securities so as to make monthly, quarterly and annual dividend distribution, declare bonus in the growth option. The Fund would also aim to achieve capital appreciation through investing a portion of its assets in equity and equity related securities. **JM Arbitrage Advantage Fund** (an open-ended equity oriented interval fund), The primary investment objective of the scheme is to generate income through arbitrage opportunities emerging out of mis-pricing between the cash market and the derivatives market and through deployment of surplus cash in fixed income instruments. **JM Equity & Derivative Fund** (an income scheme - interval fund), The primary investment objective of the scheme is to generate income through arbitrage opportunities emerging out of mis-pricing between the cash market and the derivatives market and through deployment of surplus cash in fixed income instruments. However, there can be no assurance that the investment objective of the scheme will be realized. The scheme does not guarantee/indicate any returns. **JM Contra Fund** (an open ended equity oriented fund) The investment objective of the Scheme is to provide capital appreciation by following contrarian style of investing that refers to buying into fundamentally sound stocks that have been overlooked by the market (for reasons of short term trend) and waiting for the market to give these stocks their real value in course of time. **JM Equity Tax Saver Fund - Series I** (a close-ended equity linked savings scheme), The investment objective is to generate long-term capital growth from a diversified and actively managed portfolio of equity and equity related securities and to enable investors a deduction from total income, as permitted under the Income Tax Act, 1961 from time to time. However, there can be no assurance that the investment objective of the scheme will be achieved. **JM High Liquidity Fund** (an open-ended liquid scheme), To provide income by way of dividend (dividend plans) and capital gains (growth plan) through investing in debt and money market instruments. **JM Money Manager Fund** (an open-ended income scheme), An open-ended liquid scheme which seeks to provide income by way of dividend (dividend option) and capital gains (growth option) through investing in debt and money market instruments. **JM Liquid Plus Fund** (an open-ended income scheme) (formerly known as JM Floater Fund - Long Term Plan) To provide regular income and capital appreciation through investment in floating rate debt instruments, fixed rate debt instruments swapped for floating rate returns and also fixed rate instruments and money market instruments. **JM Floater Fund** (an open-ended income scheme), To provide regular income and capital appreciation through investment in floating rate debt instruments, fixed rate debt instruments swapped for floating rate returns and also fixed rate instruments and money market instruments. **JM Short Term Fund** (an open-ended income scheme), To generate regular returns and high level of liquidity with low risk strategy and capital appreciation / accretion through investment in debt instruments and related securities besides preservation of capital. **JM Income Fund** (an open-ended income scheme), To generate stable long term returns with low risk strategy and capital appreciation / accretion through investment in debt instruments and related securities besides preservation of capital. **JM G-Sec Fund** (an open-ended dedicated 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. **JM Fixed Maturity Fund - Series IX** (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 XI** (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.**