

## ADDENDUM

**THIS ADDENDUM SETS OUT THE CHANGES TO BE MADE IN THE STATEMENT OF ADDITIONAL INFORMATION ("SAI") AND SCHEME INFORMATION DOCUMENT ("SID") AND KEY INFORMATION MEMORANDA ("KIM") OF ALL THE SCHEMES OF JM FINANCIAL MUTUAL FUND**

A. Pursuant to SEBI circular Cir /IMD / DF / 19 / 2010 dated November 26, 2010, the following changes are being carried out in the cut-off timings for applicability of NAV for subscription and switches for JM MIP Fund, JM High Liquidity Fund, JM Money Manager Fund, JM Floater Fund – Long Term Plan, JM Floater Fund – Short Term Plan, JM Short Term Fund, JM Income Fund, JM G-Sec Fund and JM Interval Fund, Schemes of JM Financial Mutual Fund, with effect from December 6, 2010:

**1. Cut-off timing for determining the Applicable NAV for purchases under JM High Liquidity Fund and JM Floater Fund – Short Term Plan:**

- where the application is received upto 2.00 p.m. on a day and funds are available for utilization before the cut-off time, the applicable NAV shall be the closing NAV of the day immediately preceding the day of receipt of application;
- where the application is received after 2.00 p.m. on a day and funds are available for utilization on the same day, the applicable NAV shall be the closing NAV of the day immediately preceding the next business day; and
- irrespective of the time of receipt of application, where the funds are not available for utilization before the cut-off time, the applicable NAV shall be the closing NAV of the day immediately preceding the day on which the funds are available for utilization.

For allotment of units in respect of purchase of/switch in to JM High Liquidity Fund and JM Floater Fund – Short Term Plan, it shall be necessary that:

- Application for purchase/switch-in is received before the applicable cut-off time.
- Funds for the entire amount of subscription/purchase as per the purchase application/switch in request are credited to the bank account of JM High Liquidity Fund and JM Floater Fund – Short Term Plan before the cut-off time.
- The funds are available for utilization before the cut-off time.

**2. Determining the Applicable NAV for income/debt oriented schemes/plans of JM Financial Mutual Fund viz. JM MIP Fund, JM Money Manager Fund, JM Floater Fund – Long Term Plan, JM Short Term Fund, JM Income Fund, JM G-Sec Fund and JM Interval Fund, in terms of clause 6(2A) of SEBI circular no. SEBI/IMD/CIR No. 11/142521/08 dated October 24, 2008, in respect of purchase of units for Rs. 1 crore or more, it is clarified that:**

For allotment of units in respect of purchase of/switch in to the aforementioned schemes/plans, it shall be necessary that:

- Application is received before the applicable cut-off time i.e. 3.00 p.m.
- Funds for the entire amount of subscription/purchase as per the purchase application/switch in request are credited to the bank account of the respective schemes before the cut-off time.
- The funds are available for utilization before the cut-off time.

The aforesaid provisions are applicable for prospective transactions and shall also apply to existing as well as fresh SIP and STP transactions.

All other features and terms and conditions as stated in the SAI, SID and KIM of the respective Scheme shall remain unchanged.

**B. Know Your Customer ("KYC") Compliance**

Pursuant to implementation of KYC norms under Prevention Money Laundering Act, 2002 ("PMLA"), through CDSL Ventures ("CVL"), it has been decided to revise the threshold limit of KYC compliance for individual investors with effect from January 1, 2011 from Rs. 50,000 to Nil. Accordingly it shall be mandatory in case of individual investors to be KYC Compliant, irrespective of the amount of investment with effect from January 1, 2011.

The individual investors for the purpose of KYC Compliance shall include (i) their constituted Power of Attorney (POA) holder, in case of investment through POA and (ii) each of the applicants, in case of application in joint names.

**Bhanu Katoch**

Chief Executive Officer

Place : Mumbai JM Financial Asset Management Private Limited  
Date : December 4, 2010 (Investment Managers to JM Financial Mutual Fund)

**For further details, please contact :**

Corporate Office : JM Financial Asset Management Private Limited,  
502, 5th Floor, 'A' Wing, Laxmi Towers, Bandra Kurla Complex, Mumbai - 400051.  
Tel. No.: (022) 39877777 • Fax Nos.: (022) 26528388.  
E-Mail: investor@jmfincial.in • Website : www.jmfincialmf.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 assurances that the investment objective will be achieved. **JM Small & Mid-Cap Fund** (an open ended equity oriented scheme) 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 oriented 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 oriented 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 scheme), 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 scheme), 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 oriented 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 scheme) 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 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 surplus cash in fixed income instruments. **JM Money Manager Fund** (an open-ended debt scheme), To generate stable long term returns with low risk strategy and capital appreciation/accretion through investments in debt instruments and related securities besides preservation of capital. **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 liquid 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 Multi Strategy 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:** (a close-ended income funds 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 Interval Fund :** (A debt oriented interval fund), The investment objective of the Scheme and the plans launched thereunder is to seek to generate predictable returns over a predetermined period by investing in a portfolio of fixed income securities normally maturing in line with the time profile of the respective Plans.

**Statutory Details : Trustee :** JM Financial Trustee Company Private Limited. **Investment Manager :** JM Financial Asset Management Private Limited. **Sponsor :** JM Financial Limited.

**Risk Factors: Mutual fund investments are subject to market risks and there is no assurance or guarantee that the objectives of the scheme will be achieved. As with any investment in securities, the Net Asset Value (NAV) of the units issued under the Scheme can go up or down depending on the factors and forces affecting the capital markets.** Past performance of the Sponsor / AMC / Schemes of JM Financial Mutual Fund does not indicate the future performance of the schemes of JM Financial Mutual Fund. The sponsors are not responsible or liable for any loss resulting from the operation of the fund beyond the initial contribution made by them of an amount of Rupees One lakh towards setting up of the Mutual Fund, which has been invested in JM Equity Fund. **The names of the schemes do not in any manner indicate either the quality of the schemes or their future prospects or returns. Investors in the Schemes are not being offered any guaranteed / indicative returns.** Please see "Risk Factors", "Scheme Specific Risk Factors and Special Consideration" and "Right to limit redemptions" in the Scheme Information 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.**