

## ADDENDUM

**I. THIS ADDENDUM DATED SETS OUT THE CHANGES TO BE MADE IN THE SCHEME INFORMATION DOCUMENT ("SID") AND KEY INFORMATION MEMORANDA ("KIM") OF JM AGRI & INFRA FUND, A SCHEME OF JM FINANCIAL MUTUAL FUND**

JM Agri & Infra Fund (the "Scheme"), a 3 year close-ended equity oriented Scheme, is being automatically converted into an open ended equity oriented scheme with effect from January 18, 2011, as per the provisions of the Offer Document (now called SID).

All the provisions in the SID which pertain to close-ended nature of the scheme shall cease and those pertaining to open ended scheme viz. subscription, redemption, switches, number of investors, maximum holding of an investor, NAV applicability based on cut off timing, etc. shall become applicable w.e.f. January 18, 2011.

The exit load structure for the Scheme after its conversion into an open ended scheme will be 1.00% of NAV on all investments (including SIP/STP/SWP) transaction, if redeemed/switched out within 365 days of transfer/allotment of units in normal transactions/allotment of units of respective installments in SIP/STP/SWP transactions.

The above changes and relevant regulatory changes shall be incorporated in the SID and the updated SID shall be available on the website of JM Financial Mutual Fund i.e. [www.jmfinancialmf.in](http://www.jmfinancialmf.in) / Investor Service Centres (ISCs) and Distributors.

There are no changes to the fundamental attributes of the Scheme and the conversion of the Scheme into an open ended scheme is in accordance with the terms of SID. Existing unit holders of the Scheme should note that no action is required from their end if they wish to remain invested in the Scheme and they shall automatically become unit holders of the open-ended Scheme. Individual communication has already been dispatched to all the unit holders of the Scheme.

All other terms & conditions of the Scheme will remain unchanged.

This addendum shall form an integral part of the Scheme Information Document / Key Information Memorandum of the Scheme.

**II. THIS ADDENDUM SETS OUT THE CHANGES TO BE MADE IN THE SCHEME INFORMATION DOCUMENT ("SID") AND KEY INFORMATION MEMORANDA ("KIM") OF SCHEMES OF JM FINANCIAL MUTUAL FUND WITH EFFECT FROM FEBRUARY 1, 2011.**

A. The following clauses shall update/replace the existing provisions as appearing in the para 'Special Products / facilities available' of Combined Scheme Information Documents of Open Ended equity (Excluding ELSS), Debt and Liquid Schemes of JM Financial Mutual Fund.

- Investors may choose any one of the six dates i.e.: 1st, 5th, 10th, 15th, 20th or 25th of the month for their STP and SWP transactions.
- For the reasons attributable to the Investor e.g. Insufficient Funds etc the No. of failed SIP Installments are extended from 2 to 5 in order to treat a SIP transaction as a valid one
- Perpetual SIP/STP/SWP: An investor can opt for Perpetual SIP/STP/SWP i.e. without mentioning any fixed period of investment through SIP. Perpetual SIP can be cancelled only on request of the investor or on account of auto-cancellation in case of non receipt of 5 continuous installments for a particular SIP date as set out above. AMC at its Discretion may also treat the SIP as discontinued if the minimum number of SIP investments as per the minimum Investment criteria are not completed within the stipulated time-frame and may refund the amount after redeeming the outstanding units at current NAV.
- The condition of Initial Investment Minimum (Excluding Special SIP) being equal to subsequent SIP Installments stands withdrawn provided the Minimum Investment criteria of the scheme/plan is met through the Initial Investment itself. However, all subsequent SIP Installments must be of the same Amount. The load structure & lock-in conditions for the Initial Investment & subsequent SIP will be as per the rates/terms applicable on the date of Initial Investment i.e. the Registration Date
- Launch of Daily (Chhotta) STP: In order to enable the investors to avail of the benefit of the daily volatility in the stock markets, the AMC announces the launch of Daily STP (Chhotta STP) w.e.f 01.02.2011. An investor may opt for Daily STP of Rs. 100/- or in multiples of any amount in full rupee terms, on every Business Day.
- Launch of Combo SIP: The AMC also announces the launch of Combo SIP facility to its investors for Daily Launch of Rs. 100/- or in multiples of any amount in full rupee terms to an Opted Scheme, per Business Day, as under.
  - Out of Normal Investment:** An investor having made any investment in the past may opt for this facility through daily STP where a transfer of Rs. 100 or any amount thereafter (in full rupee terms) on every Business Day will be made, from his existing investment under any of the Open-ended Schemes/ Plans/ Options
  - Out of SIP Investment :** An investor may choose to avail of this facility out his existing SIP Account in any of the open-ended schemes/plan/option where transfer of Rs. 100/- or in multiples of any amount in full rupee terms through daily STP would be made per Business Day. Through this mechanism of regular inflow & outflow, the investor may invest higher amount through SIP on any of the six SIP dates and avail the benefit of daily volatility of market through daily STP with smaller amounts for better risk-adjusted return.  
The Investor is required to meet the minimum Investment amount of the Plan within 90 days of the 1st STP/ 1st Combo SIP date.  
In case of non – fulfillment of Minimum Investment Criteria of the Scheme/Plan under Daily STP & Combo SIP facility within 90 days of the 1st STP/1st Combo SIP date, the AMC may, at its discretion redeem and refund the invested amount at the end of the specified period of 90 days, if not already redeemed by the investor.  
In an SIP Folio, the Investor can also make an Additional investment in the same Scheme/Plan to meet the minimum Investment criteria of the Scheme/Plan concerned in order to avoid automatic redemption by the AMC.

All other terms and conditions of Normal investments, SIP and STP will remain unchanged.

**B. Default/Plan/Option:**

In case, an existing unit holder of a scheme makes an additional purchase in an existing folio by him, where the scheme name is clearly mentioned but the name of the Plan/Option is not specified, the AMC may, at its discretion, allot units in the Plan/Option where he had made an investment in the past i.e. such Plan/Option of the Scheme will be treated as the Default Plan/Option, in the absence of specific instructions/ clarificatory letter from the unit holder, received on the date of the additional investment. Such investment would be subject to the load structure and lock-in of the respective default Plan/Option.

**C. Default Option for all SIP/STP-Out/SWP**

In case, the Investor does not mention the start date or end date under the SIP/STP-out/SWP, the 1st of the subsequent month, after completing 30 days from the date of registration, will be considered as the default SIP/STP-out/SWP date and the SIP/STP-out/SWP will be treated to have been opted on Perpetual basis. However, the facility on Perpetual Basis will also be subject to the other applicable terms and conditions.

The above changes will be applicable for Interval Funds e.g. JM Arbitrage Advantage Fund to the extent it is operationally feasible e.g. STP-out/SWP dates has to be only on the Settlement date of Future and Options Market i.e. normally the last Thursday of the month and other such applicable provisions.

All other terms & conditions will remain unchanged.

This addendum shall form an integral part of Combined Scheme Information Documents of Open Ended equity (Excluding ELSS), Debt and Liquid Schemes of JM Financial Mutual Fund.

**Bhanu Katoch**

Chief Executive Officer

Place : Mumbai

JM Financial Asset Management Private Limited  
(Investment Managers to JM Financial Mutual Fund)

Date : January 15, 2011

**For further details, please contact :**

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**Investment Objective: 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 scheme), 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.

**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.**