

ADDENDUM

NOTICE IS HEREBY GIVEN to the unit holders of JM Auto Sector Fund ("the Scheme"), an Open Ended Sector Scheme of JM Financial Mutual Fund ("Mutual Fund"), that the Boards of Directors of JM Financial Asset Management Private Limited, ("JM AMC"), Investment Managers to the Mutual Fund, and JM Financial Trustee Company Private Limited, ("JM Trustee"), Trustees to the Mutual Fund have approved the change in fundamental attributes of the scheme and its conversion from an Open Ended Sector Scheme to an Open Ended Equity Scheme vide their resolutions dated April 7, 2009 and April 15, 2009 respectively. The change in fundamental attributes include change in name, investment objective, investment strategy, benchmark index, asset allocation pattern and other related matters of JM Auto Sector Fund and its consequent conversion from an Open Ended Sector Scheme to an Open Ended Equity Scheme i.e. JM Mid Cap Fund. Accordingly the following changes are proposed in JM Auto Sector Fund w.e.f. May 23, 2009.

a) Change of name of the scheme to: JM Mid Cap Fund**b) Change of investment objective of the 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.

Consequent to the above change in the investment objective of the Scheme, the scheme will undergo a change from an Open Ended Sector Scheme to an Open Ended Equity Scheme.

c) Change of asset allocation pattern of the Scheme

The asset allocation pattern would also undergo a change as follows

Under normal circumstances the Asset allocation of the Scheme would be

Security	Maximum Exposure	Risk Profile
Equity and equity related instruments	65 – 100	High
Money market instruments / Debt securities	0 - 35	Low to Medium

The notional value of derivatives shall not exceed the AUM of the scheme.

d) Investment Strategy

JM Mid Cap fund, as the name suggests will be a purely mid cap fund. It is an open ended growth Scheme which focuses on investing in the Midcap segment of the market with a disciplined investment approach. Being a growth oriented Scheme, the Scheme seeks to invest a substantial portion of its portfolio in equity and equity related instruments. Under normal circumstances, around 65% of the corpus shall be deployed in such securities and the balance in debt/money market instruments. However, whenever the valuations of securities rise in a sharp manner, the scheme will take advantage of trading opportunities presented and in such a scenario, the Scheme will have a high turnover rate. The Scheme will endeavor to use a mix of top down and a bottom up approach.

The strategy will be to identify stocks that can demonstrate strong growth over 3 years horizon on the back of scalable business. The Scheme seeks to achieve long-term growth of capital at controlled level of risk by primarily investing in Mid Cap Stocks. The Midcap segment comprises mostly of companies that have been able to sustain themselves in the initial phases of growth. Since many companies out of this segment would show higher growth in future and move towards the large cap segment, this segment offers very high potential. With a huge universe in the Midcap segment, there exists a large variety of business to choose from. Further, this segment is relatively under researched and hence offers an excellent opportunity for bottom-up focus thus enabling the spotting of winners ahead of the market.

e) Bench Mark:- The Benchmark of the scheme would be – CNX Mid Cap Index

f) Fund Manager : The Scheme would be managed by Mr. Sanjay Chhabaria

As per SEBI Regulations, the above changes are construed as changes in the fundamental attributes of the Scheme. In accordance with Regulation 18(15A) of the SEBI (Mutual Funds) Regulations, 1996 an exit option is being provided to the existing unit holders under all the Plans of JM Auto Sector Fund who do not agree to the above proposal.

This notice is to keep the unit holders of the Scheme informed in terms of the prevailing regulatory requirements. If a unit holder has no objection to the above proposal, no action needs to be taken by him and it would be deemed that the unit holder has consented to the aforesaid proposal or the unitholder can convey his consent vide the consent form sent to him vide letter dated April 16, 2009. However, in case the unit holder does not agree to the same, he has the option to redeem/switch-out all/partial (by leaving atleast 500 units) units by filling out the normal redemption/switch out transaction slip and submitting the same to any of the Investor Service Centres of JM Financial Mutual Fund or the Registrar and Transfer Agent, Kavy Computershare Private Limited ("Kavy"), on or before 3.00 p.m. up to May 22, 2009. This option to exit without payment of exit load can be exercised from April 23, 2009 to May 22, 2009 (both days inclusive but upto 3.00 p.m on the last date of the exit option). If an investors wishes to opt for the exit option set forth above, then he/she may redeem/switch-out the units of the Scheme held by them by submitting a redemption/switch out transaction slip, save for the exceptions set out below:

The option to exit is available to all unitholders except for unitholders who have:

- pledged their units, unless they procure a release of their pledges and exercise their exit option upto 3.00 p.m on May 22, 2009.
- whose units are marked under lien/ injunction in accordance with the instructions of any Court of law/ Income Tax Authority/ other Regulatory Authority unless they get the vacation order & exercise their exit option up to 3.00 p.m. on May 22, 2009.

In case, no redemption/switchout request is received, on or before May 22, 2009 (before 3.00 p.m.), the lien/stop marked against the above units will be carried to the new equity scheme i.e. JM Mid Cap Fund.

The conversion of the scheme from an Open Ended Sector Scheme to an Open Ended Equity Scheme will be as per the above mentioned procedure and the changes set out hereinabove will be effective from May 23, 2009.

Unit holders in the above Scheme as on April 16, 2009 have been informed by individual communication along with the addendum to the Offer Document detailing the proposed changes to the JM Auto Sector Fund. Investors in the scheme, after April 16, 2009, will also be kept informed of the details of the proposed changes in JM Auto Sector Fund. Such of those unit holders who do not receive the communication latest by April 23, 2009 may contact the Registrar – M/s. Kavy Computershare Private Limited, 21, Avenue 4, Street No. 1, Banjara Hills, Hyderabad-500 034.

For further information/assistance in this regard call our Investor Service Centre at Mumbai: 91-22-3987 7777, or visit us at www.JMFinancialmf.com or e-mail us at investor@jmfinancial.in

Nityanath P. Ghanekar

Managing Director & Chief Executive Officer

JM Financial Asset Management Private Limited

(Investment Managers to JM Financial Mutual Fund)

Place : Mumbai

Date : April 16, 2009

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: investor@jmfinancial.in • Website : www.JMFinancialmf.com

Investment Objectives: JM Auto Sector Fund (an open-ended sector scheme), To provide capital appreciation to its unitholders through judicious deployment of the corpus of the scheme in the auto & auto ancillary sector.

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 Fund 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 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 Lac towards setting up of the Mutual Fund, which has been invested in JM Equity Fund. JM Auto Sector Fund is only the name of the scheme and does not in any manner indicate either the quality of the scheme or its future prospects or returns. Investors in the Scheme are not being offered any guaranteed / indicative returns. The dividend, if declared would be on the face value of Rs.10/- per unit. **Please read the offer document carefully before investing.**