

**NOTICE - CUM - ADDENDUM**

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

**Change in Fund Management Responsibilities**

In addition to JM Arbitrage Advantage Fund, Mr. Chaitanya Choksi has been designated as the Fund Manager for JM Nifty Plus Fund with effect from February 25, 2011. JM Nifty Plus Fund was earlier managed by Mr. Sanjay Chhabaria.

Consequent to the above, the relevant sections of the SAI stand amended.

**II. THIS ADDENDUM SETS OUT THE CHANGE TO BE MADE IN THE STATEMENT OF ADDITIONAL INFORMATION ("SAI") OF ALL SCHEMES OF JM FINANCIAL MUTUAL FUND AND SCHEME INFORMATION DOCUMENT ("SID") AND KEY INFORMATION MEMORANDA ("KIM") OF JM INTERVAL FUND – QUARTERLY PLAN 1 (THE "SCHEME") WITH EFFECT FROM APRIL 1, 2011**

SEBI circular No. Cir/IMD/DF/19/2010 dated November 26, 2010 (the "Circular") issued certain additional requirements regarding Interval schemes/ plans. The compliance with the requirements under the said circular is expected from the date of next specified transaction period or April 1, 2011, whichever is later.

It is proposed to carry out changes mandated vide the above circular in the Scheme, w.e.f. April 1, 2011 as follows:

- i. The units of the Scheme will be listed on one or more stock exchange(s).
- ii. Investments will be done in such securities which mature on or before the opening of the immediately following specified transaction period of the Scheme.  
 Note: In case of securities with put and call options the residual time for exercising the put option of the securities shall not be beyond the opening of the immediately following transaction period.
- iii. As the Scheme will be listed, investors can buy or sell units of the Scheme from the secondary market on the stock exchange(s), where it is listed.
- iv. Since the Scheme will be listed on the stock exchange(s), no exit load will be charged. However, an investor would be paying/ incurring cost in the form of a bid and ask spread and brokerage, as charged by his broker, for buying/ selling of units. Additionally investor will also have to bear applicable statutory levies.
- v. The unit holders under the Scheme are given option to hold units by way of an Account Statement (physical form) or in dematerialization (demat) form. For issuance of units of the Scheme in demat form, applicants under the Scheme will be required to have a beneficiary account with a DP of NSDL/ CDSL and will be required to indicate in the application, the DP's name, DP ID number and its beneficiary account number with the DP. In case unit holders do not provide their demat Account details, an Account Statement shall be sent to them. Such investors will not be able to trade on stock exchange(s) till the holdings are converted into demat form, as units of the Scheme can be traded in dematerialization form only.
- vi. Any purchase request received after the next interval date i.e. March 21, 2011 will be processed during the next specified transaction period only i.e. 91 days from March 21, 2011. Units for purchase requests amounting to Rs. 1 crore and above will be allotted only on sighting of funds during the specified transaction period or on the interval date.
- vii. Any redemption request received after March 30, 2011 will be kept in abeyance and processed on the next interval date only i.e. 91 days from March 21, 2011.

All other features of the Scheme remain unchanged.

It may be noted that since the marketable lot on listing would be one unit, all of the fractional units, held by existing investors will be redeemed automatically one business day prior to listing, and the amount would be refunded at the prevailing NAV.

Consequently, the relevant sections of the SID/ KIM of the above Scheme will stand amended .

All other features of the Scheme remain unchanged.

As per the SEBI Regulations, the above changes are construed as changes in the fundamental attributes of the Scheme;

hence an exit option is being provided to the unitholders of the Scheme as per regulation 18(15A) of the Regulations.

Accordingly the unitholders in the Scheme, who do not consent to the above proposal, are being provided with an exit option to redeem their units at the prevailing NAV without imposition of any exit load. The option to exit without payment of exit load will be valid from March 1, 2011, up to and including March 30, 2011 (up to 3.00 p.m.).

The option to exit is available to all unitholders in the Scheme, except for those unitholders who have:

- i) pledged their units, unless they procure a release of their pledges prior to March 30, 2011 and/ or
- ii) whose units are marked under lien/ injunction in accordance with the instructions of any Court of law/ Income Tax Authority/ other Regulatory Authority.

Redemption/ switch out requests may be made by filling up the normal transaction slip and submitting the same to any of the Investor Service Centres of the Registrar and Transfer Agent, Karvy Computershare Private Limited ("Karvy"), or at any of the Investor Service Centres ("ISCs") of JM Financial AMC on or before 3.00 p.m. on March 30, 2011. If you wish to opt for the exit option set forth above, then you may redeem/switch out the units of the Plan(s) held by you at the applicable Net Asset Value without any exit load upto 3.00 p.m. on March 30, 2011

In respect of valid redemptions/switch out requests received upto 3.00 p.m. on all business days during the period of no exit load by the Mutual Fund, the closing NAV of the day on which application is received shall be applicable. In respect of valid redemptions/switch out requests received after 3.00 p.m. on all business days (except the last day of the exit option i.e. March 30, 2011) during the no exit load period by the Mutual Fund, the closing NAV of the next business day shall be applicable.

**Bhanu Katoch**

Chief Executive Officer

Place : Mumbai

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

Date : February 28, 2011

**For further details, please contact :**

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**Investment Objective: JM Nifty Plus Fund** (an open-ended equity oriented scheme), JM Nifty Plus Fund will be a Scheme which will endeavor to outperform the benchmark by predominantly investing in the constituents of S & P CNX Nifty in the same weightages as in its composition and through deployment of surplus cash in debt and money market instruments and derivative instruments. **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.**