

**ADDENDUM****I. THIS ADDENDUM SETS OUT THE CHANGES TO BE MADE IN THE STATEMENT OF ADDITIONAL INFORMATION ("SAI"), COMBINED SCHEME INFORMATION DOCUMENT ("SID") AND KEY INFORMATION MEMORANDUM ("KIM") OF ALL THE SCHEMES OF JM FINANCIAL MUTUAL FUND****A. REVISED KNOW YOUR CUSTOMER (KYC) PROCEDURE WITH EFFECT FROM JANUARY 01, 2012**

Pursuant to SEBI Circular No. MIRSD/ Cir-26/ 2011 dated December 23, 2011, SEBI (KYC Registration Agency) Regulations, 2011 and SEBI Circular No. MIRSD/SE/Cir-21/2011 dated October 5, 2011, regarding uniformity in the Know Your Client (KYC) process in the securities market, development of a mechanism for centralization of the KYC records to avoid duplication of KYC Process, across the intermediaries in the securities market, requirement of In-Person Verification (IPV) of investors and formation of KYC Registration Agency (KRA), the following changes to SAI/ SID/ KIM of the Schemes of JM Financial Mutual Fund are being made, effective January 1, 2012:

- New investors are requested to use the revised common KYC Application Form with specified documents and carry out the KYC process including In-Person Verification (IPV) with any SEBI registered intermediaries including mutual funds. The revised common KYC Application Forms are also available on our website [www.jmfinancialmf.com](http://www.jmfinancialmf.com).
- The Mutual Fund shall perform the initial KYC of its new investors and may undertake enhanced KYC measures commensurate with the risk profile of its investors. The Mutual Fund shall upload the details of the investors on the system of the KYC Registration Agency (KRA). KRA shall send a letter to the investor within 10 working days of the receipt of the initial/updated KYC documents from the Mutual Fund, confirming the details thereof.
- It is mandatory for intermediaries including mutual funds to carry out In-Person Verification (IPV) of its new investors from the Effective Date. The IPV carried out by any SEBI registered intermediary can be relied upon by the Mutual Fund. JM Financial Asset Management Private Limited ("the AMC") or NISM/AMFI certified distributors who are KYD compliant are authorized to undertake the IPV for Mutual Fund investors. Further, in case of any applications received directly (i.e. without being routed through the distributors) from the investors, the Mutual Fund may rely upon the IPV (on the KYC Application Form) performed by scheduled commercial banks.
- Once the investor has done KYC with a SEBI registered intermediary, the investor need not undergo the same process again with another intermediary including mutual funds. However, the Mutual Fund reserves the right to carry out fresh KYC of the investor.
- The AMC reserves the right to reject application forms for transactions in units of the Mutual Fund not accompanied by letter/ acknowledgement issued by KRA. The KYC compliance status will be validated with the records of the KRA before allotting units.
- Existing KYC compliant investors of the Mutual Fund can continue to invest as per the current practice.

Note: The above change in relation to KYC process will be effective from January 01, 2012 ("Effective Date") and shall be applicable in respect of all investment applications by new investors made on or after the Effective Date.

All other terms and conditions of the schemes remain unchanged. This Addendum forms an integral part of the SAI/SID/ KIM of the Scheme(s) as amended from time to time.

**B. Demat option for Systematic Investment Plan (SIP)**

We refer to the Notice cum Addenda dated September 30, 2011 and December 30, 2011 issued by JM Financial Asset Management Private Limited. It is clarified that the provisions of the aforesaid Notice-cum-Addenda with respect to 'demat option for SIP' are not applicable to micro SIPs, i.e., the investors would not have an option of holding the units in demat form, in case of investment through micro SIPs.

All the other terms and conditions, as laid down in the aforesaid Notice-cum-Addenda dated September 30, 2011 and December 30, 2011, remain unchanged.

**Bhanu Katoch**  
Chief Executive Officer

Place : Mumbai  
Date : December 30, 2011

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

**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 Balanced Fund** (an open-ended balanced scheme), To provide steady current income as well as long term growth of Capital. **JM Core 11 Fund** (An Open Ended Equity Oriented Scheme), To provide long-term growth by investing predominantly in a concentrated portfolio of equity / equity related instruments. **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 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. All investments in funds and securities are subject to market risks and the NAV of the Scheme may go up or down depending upon the factors and forces affecting the securities market.** 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.**