

ADDENDUM

Addendum dated August 22, 2009 to the Scheme Information Documents/Key Information Memoranda of the various schemes of JM Financial Mutual Fund

In compliance with SEBI Circular no. SEBI / IMD / CIR No. 7 /173650 / 2009 dated August 17, 2009, the exit loads of the various open ended schemes of JM Financial Mutual Fund with effect from August 24, 2009 will be as under:

| Scheme | EXISTING LOAD STRUCTURE | | REVISED LOAD STRUCTURE | |
|---|-------------------------|--------------------|---|--------------------|
| | Particulars | Exit Load | Particulars | Exit Load |
| JM Mid Cap Fund/ JM Balanced Fund/ JM Basic Fund/ JM Contra Fund/ JM Equity Fund/ JM Emerging Leaders Fund/ JM Hi Fi Fund/ JM Financial Services Fund/ JM Large Cap Fund/ JM Multi Strategy Fund/ JM Small & Mid Cap Fund/ JM Telecom Sector Fund | < 3 crores | 1.00% ¹ | For investments of any amount through whatever mode of transactions | 1.00% ¹ |
| | >= 3 crores | 0.50% ² | | |
| JM Income Fund JM Nifty Plus Fund | < 1 crores | 1.00% ¹ | As Above | NIL |
| | >= 1 crores | NIL | | |
| JM G-Sec Fund - Regular Plan | <50 lacs | 0.75% ¹ | As Above | NIL |
| | >=50 lacs | NIL | | |
| JM Floater Fund – Long Term – Regular Plan | <5 lacs | 0.50% ² | As Above | NIL |
| | >= 5 lacs | Nil | | |
| JM MIP Fund | <5 lacs | 0.50% ² | As Above | 0.50% ³ |
| | >= 5 lacs | Nil | | |
| JM Money Manager Fund - Super Plan | | 0.10% ⁴ | As Above | 0.10% ⁴ |
| JM Arbitrage Advantage Fund | | 0.50% ⁴ | As Above | 0.50% ⁴ |
| All other open ended schemes/plans | | NIL | As Above | NIL |

1. 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.
2. If redeemed/switched-out within 91 days of transfer /allotment of units in normal transactions/ allotment of units of respective installments in SIP/STP/SWP transactions.
3. If redeemed/switched-out within 182 days of transfer /allotment of units in normal transactions/ allotment of units of respective installments in SIP/STP/SWP transactions.
4. If redeemed/switched-out within 30 days from the date of transfer/allotment of units in normal transactions/allotment of units of respective installments in SIP/STP/SWP transactions

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

Bhanu Katoch

Chief Executive Officer

Place : Mumbai JM Financial Asset Management Private Limited
Date : August 22, 2009 (Investment Managers to JM Financial Mutual Fund)

For further details, please contact :

Corporate Office : JM Financial Asset Management Private Limited,
5th Floor, Apeejay House, 3, Dinshaw Vachha Road, Near K. C. Collage, Churchgate,
Mumbai – 400 020. Tel. No.: (022) 39877777 • Fax Nos.: (022) 26528377 / 78.
E-Mail: investor@jmfincal.com • Website : www.jmfincal.com

Investment Objectives: JM Equity Fund (an open-ended growth scheme), To provide optimum capital growth and appreciation. **JM Basic Fund** (an open-ended equity oriented growth 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 fund) 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 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 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 fund), 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 fund), 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 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 fund) 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**: 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 income scheme), An open-ended liquid scheme which seeks to provide income by way of dividend (dividend option) and capital gains (growth option) through investing in debt and money market instruments. **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 income 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 MultiStrategy 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 Documents. Please refer the Scheme Information Document of the Schemes, which can be obtained free of cost from any of the JM Financial Mutual Fund Investor Service Centres or Distributors. **Investors should read the Scheme Information Document carefully before investing.**