

# JM FINANCIAL MUTUAL FUND

## NOTICE

**THIS ADDENDUM DATED DECEMBER 12, 2007 SETS OUT THE CHANGES TO BE MADE IN THE OFFER DOCUMENTS AND KEY INFORMATION MEMORANDA OF THE SCHEMES OF JM FINANCIAL MUTUAL FUND**

**1) Default Options in JM High Liquidity Fund, JM Money Manager Fund, JM Liquid Plus Fund and JM MIP Fund**

In case of following Schemes which offer dividend plans of various frequencies viz. daily dividend, weekly dividend, fortnightly dividend, monthly dividend, quarterly dividend etc. , if an investor fails to specify their preference of dividend option, **the default option would be as set out in the table**

Name of the Scheme	Dividend Plan/Options offered	Default Option
JM High Liquidity Fund	Dividend Plan, Daily Dividend Plan and Dividend Plan - Quarterly Dividend Option	Daily Dividend
JM High Liquidity Fund - Institutional Plan	Dividend Plan and Daily Dividend Plan	
JM High Liquidity Fund - Super Institutional Plan	Daily Dividend Option and Weekly Dividend Option	
JM Liquid Plus Fund - Regular Plan and JM Liquid Plus Fund - Premium Plan	Dividend Option, Daily Dividend Option and Weekly Dividend Option	
JM Money Manager Fund - Regular Plan, JM Money Manager Fund - Super Plan, JM Money Manager Fund - Super Plus Plan	Dividend Option - Daily Dividend, Dividend Option - Weekly Dividend and Dividend Option - Fortnightly Dividend	Monthly Dividend
JM MIP Fund	Monthly Dividend, Quarterly Dividend and Annual Dividend	

**2) For all Schemes of JM Financial Mutual Fund except Liquid Schemes and various Plans/ Schemes of JM Fixed Maturity Fund**

The following paragraph appearing towards the end of the clause on Mode of Payment – Domestic Unit holders and before the Note is hereby amended:

Investors residing in centres, where the JM Financial Mutual Fund does not have any collection arrangement, are authorized to make payment by DDs/RTGS/NEFT/Transfer. The AMC will, in the normal course, not reimburse the DD charges. However the AMC reserves the right to allot units equivalent up to the permissible DD charges by adding the same to the investment made by the investor, if so claimed by the investor in the application form.

In the event that the total investment including permissible DD charges is not sufficient to allot minimum number of units in the Scheme, the AMC reserves the right to refund the amount represented by the investment made, without any interest. In the event of inadvertent allotment, the AMC reserves the right to revert the transaction and refund the investment amount without any interest.

DD charges as levied by State Bank of India would be treated as permissible DD charges.

**Eligibility for DD charges are as under:**

**For individuals (For NFO and ongoing subscriptions)**

DD charges would be borne by the Asset Management Company (AMC) only in respect of individual investors residing in locations where the AMC does not have a branch / ISC (Investor Service Center) or other collection facilities subject to DD being payable and deposited at any of the collection centers of JM Financial Mutual Fund. The permissible DD charges for individual investors are not restricted by the number of applications or the amount invested.

**For Non – individuals**

**During NFO**

In respect of non-individual investors, during the NFO, the DD charges will be borne by the AMC as follows :

- Only one application is eligible for benefit of DD charges
- Irrespective of the amount of investment, permissible DD charges will not exceed the permissible DD charges as calculated for an investment of Rs. 10 lacs.
- In case of multiple applications during the NFO period, the DD charges will be paid only for one of the applications having the highest investment amount, subject to the above limit.

**For ongoing subscriptions**

- Only one application per business day per Scheme / Plan / Option is eligible for benefit of DD charges
- Irrespective of the amount of investment, permissible DD charges will not exceed the permissible DD charges as calculated for an investment of Rs. 10 lacs.
- In case of multiple applications in the same Scheme, on a particular transaction day, the DD charges will be paid only for one of the applications having the highest investment amount subject to the above limit.

**Kindly note that benefit of DD charges will not be available for Liquid and Fixed Maturity Schemes / Plans / Options.**

**3) In addition to the existing web portals, the following portals will also operate as Official Points of Acceptance. The services offered by these portals would be governed by the terms and conditions of the agreement executed between these portals and JM Financial Asset Management Private Limited.**

Name of the distributor	Website for transactions in units of the Mutual Fund
Yes Bank Limited	www.yesbank.in
Angel Capital & Debt Market Ltd.	www.angeltrade.com
Gupta Equities Private Limited	www.guptaequities.com
HDFC Bank Ltd.	www.hdfcbank.com

All other features of the Schemes remain unchanged.

Place : Mumbai

Date : December 12, 2007

**Nityanath P. Ghanekar**  
Managing Director & Chief Executive Officer  
JM Financial Asset Management Private Limited  
(Investment Managers to JM Financial Mutual Fund)

**For further details, please contact :**

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**Investment Objectives :** **JM Equity Fund** (an open-ended growth scheme), To provide optimum capital growth and appreciation. **JM Balanced Fund** (an open-ended balanced scheme), To provide steady current income as well as long term growth of Capital. **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 Auto Sector Fund** (an open-ended sector fund), To provide capital appreciation to its unitholders through judicious deployment of the corpus of the scheme in the auto & auto ancillary sector. **JM Healthcare Sector Fund** (an open-ended sector fund), To provide capital appreciation to its unitholders through judicious deployment of the corpus of the scheme in the healthcare sector. **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 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 Arbitrage Advantage Fund** (an open-ended equity oriented interval 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 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 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 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 Equity Tax Saver Fund - Series I** (a close-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. However, there can be no assurance that the investment objective of the scheme 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 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 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 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 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 Floater Fund** (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 Liquid Plus Fund** (an open-ended income scheme) (formerly known as JM Floater Fund - Long Term Plan) 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 Equity & Derivative Fund** (an income scheme - interval 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. However, there can be no assurance that the investment objective of the scheme will be realized. The scheme does not guarantee/indicate any returns. **JM Agri & Infra Fund** (a close-ended equity oriented scheme) The investment objective of the scheme is to provide long-term growth by investing predominantly in equity / equity related instruments of companies that focus on agriculture and infrastructure development of India. **JM Fixed Maturity Fund Series IV** (a close ended income fund offering Fixed Maturity Plans), A close ended income scheme comprising various plans seeking to generate regular returns through investment in fixed income securities normally maturing in line with the time profile of the respective plan. **JM Fixed Maturity Fund - Series VI** (a close - ended income fund offering fixed maturity plans) The investment objective of the Scheme and the plans launched thereunder is to seek to generate regular returns through investments in fixed income securities normally maturing in line with the time profile of the respective Plans. **JM Fixed Maturity Fund - Series VII** (a close - ended income fund offering fixed maturity plans) The investment objective of the Scheme and the plans launched thereunder is to seek to generate regular returns through investments in 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 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 liable or responsible for any loss resulting from the operation of the fund beyond the initial contribution made by them of an aggregate amount of Rupees Two Lakhs towards setting up of the fund, which has been invested in JM Equity Fund, JM Money Manager Fund, JM Basic Fund, JM Auto Sector Fund, JM Healthcare Sector Fund, JM Emerging Leaders Fund, JM HI FI Fund, JM Arbitrage Advantage Fund, JM Financial Services Sector Fund, JM Telecom Sector Fund, JM Small & Mid-Cap Fund, JM Equity Tax Saver Fund - Series I, JM Contra Fund, JM MIP Fund, JM Short Term Fund, JM High Liquidity Fund, JM Money Manager Fund, JM Income Fund, JM G-Sec Fund, JM Floater Fund, JM Liquid Plus Fund, JM Equity & Derivative Fund, JM Agri & Infra Fund and JM Fixed Maturity Fund are only the names of the Schemes and do not in any manner indicate either the quality of the Schemes or their future prospects or returns. Investors in the Schemes / Plans 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 Offer Documents. Please refer the Offer Document of the Scheme, which can be obtained free of cost from any of the JM Financial Mutual Fund Investor Service Centres or Distributors. **Investors should read the Offer Document carefully before investing.**