

# JM FINANCIAL MUTUAL FUND

## NOTICE

**THIS ADDENDUM DATED 31st, OCTOBER 2007 SETS OUT THE CHANGES TO BE MADE IN THE OFFER DOCUMENTS AND KEY INFORMATION MEMORANDA OF ALL SCHEMES OF JM FINANCIAL MUTUAL FUND EFFECTIVE 1st NOVEMBER, 2007.**

- I. Pursuant to appointment of Mr. Vipul Jhaveri as the Chief Operating Officer with effect from 1st November, 2007, the following clause under the Para "KEY EMPLOYEES OF THE AMC" stands included in the Offer Documents and Key Information Memorandum of all schemes of JM Financial Mutual Fund :

### KEY EMPLOYEES OF THE AMC

Name	Designation	Qualifications / Age	Experience & Background (During last 10 years)
Mr. Vipul Jhaveri	Chief Operating Officer	B.Com., Grad.C.W.A. MMS, CFA (ICFAI-India), CFA (AIMR-USA) 35 Years	He has over 12 years of experience in capital markets and started his career in the investment banking division of J.M. Financial & Investment Consultancy Services Limited. He has been a part of the Corporate Finance and Structured Financial Advisory Group and he was actively involved in the Corporate Finance, Mergers & Acquisitions and Financial Advisory assignments. Prior to joining the AMC, as Director - Strategic Business Initiatives Group he was responsible for implementation of new business initiatives across various JM Financial Group companies.

- II. **Right to limit investments through fresh purchases / switch-ins :**  
The AMC reserves the right not to accept large investments (fresh as well as through switch-ins) amounting to Rs. one crore and above under any or all of its debt schemes on any Business Day(s) which is / are followed by Non-Business Day(s), e.g. Friday, in order to protect the interest of the existing investors of the respective scheme(s). However the AMC will accept the transaction, irrespective of the amount involved on the above days if the funds are made available by 12 noon into the AMC's accounts.
- III. **Systematic Transfer Facility (STF) / Systematic Withdrawal Facility (SWF)(Not applicable to the various plans under different Series of JM Fixed Maturity Fund and to close ended schemes) :**  
To start an STF/ SWF, a minimum balance of Rs. 5000/- is to be invested/ available in the exiting Scheme/ Plan/Option or the minimum investment amount specified for the respective plans of the exiting scheme should be available. However, after the first or subsequent installment is effected, the minimum investment criteria in the switched out scheme shall not be applicable.
- IV. The following line will now appear towards the end of the clause on **Electronic Clearing Services (ECS) / Electronic Fund Transfer (EFT) / National Electronic Funds Transfer (NEFT)**  
It is further clarified that credits through ECS / EFT / NEFT instructions from a third party will not be permitted.
- V. **Default Options in case of JM Money Manager Fund :**  
In case of JM Money Manager Fund, in case an investor fails to specify his preference of investment plan / option, the following would apply:

Lack of information	Default Plan / Option
Choice of Plan	Super Plus Plan
Choice of Option / facility	Growth

All other terms and conditions mentioned in the Offer Documents / Key Information Memoranda of the respective Schemes remain unchanged.

Place : Mumbai  
Date : October 31, 2007

Sd/-  
For JM Financial Asset Management Private Limited  
(Investment Managers to JM Financial Mutual Fund)

**For further details please contact :**  
**Corporate Office :** JM Financial Asset Management Private Limited,  
5th Floor, 'A' Wing, Laxmi Towers, Bandra-Kurla Complex, Mumbai - 400 511.  
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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 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 V** (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 :** J.M. Financial & Investment Consultancy Services Private Limited. **Co-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 sponsors are 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 Equity Fund, JM Balanced 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 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.**