

ADDENDUM

ADDENDUM TO THE SCHEME INFORMATION DOCUMENT/ KEY INFORMATION MEMORANDA OF ALL INCOME/DEBT ORIENTED SCHEMES OF JM FINANCIAL MUTUAL FUND

1. Applicability of NAV for all Income/ Debt Oriented Schemes of JM Financial Mutual Fund

SEBI vide its Circular No. SEBI/IMD/CIR.No.11/142521/08 dated October 24, 2008 has stipulated the conditions for applicability of Net Asset Value (NAV) for Income/Debt oriented Mutual Fund scheme(s)/plan(s) (other than liquid fund schemes).

Accordingly w.e.f October 30, 2008, the para regarding the cut off timing for subscriptions in the respective offer documents/ Scheme Information Document of the income/debt oriented schemes of JM Financial Mutual Fund would stand modified as under;

Irrespective of the time of receipt of application, in respect of all valid purchase applications with an amount equal to or more than Rs. 1 crore, the closing NAV of the day on which the funds are available for utilization will be considered.

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

2. Changes in load structure of JM Money Manager Fund – Super Plus Plan

With effect from October 31, 2008, the load structure of JM Money Manager Fund – Super Plus Plan will be modified as under:

| EXISTING LOAD STRUCTURE | | REVISED LOAD STRUCTURE | |
|-------------------------|--|------------------------|-----------|
| Entry Load | Exit Load | Entry Load | Exit Load |
| NIL | 0.10% if redeemed within 7 calendar days from the date of allotment of units | NIL | NIL |

Investors are requested to note that the changes in load structure shall be applicable for all prospective investments in the above Plan of JM Money Manager Fund w.e.f. October 31, 2008 i.e. investments made on or after October 31, 2008. Investments made prior to the above changes would continue to attract the load structure and lock-in period as would have been applicable at the time of their respective investments.

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

CLARIFICATION TO THE ADDENDUM TO THE OFFER DOCUMENTS/ KEY INFORMATION MEMORANDA OF ALL EQUITY SCHEMES (EXCEPT JM ARBITRAGE ADVANTAGE FUND) PUBLISHED ON OCTOBER 2, 2008

Pursuant to the load structure changes for SIP Transactions communicated vide addendum dated October 1, 2008, the provisions for valid SIP applications and the load on intra and inter equity switches would be as under:

Entry Load : No entry-load for inter and intra-equity switches (excluding to and from JM Arbitrage Advantage Fund and during NFO) .

Exit Load : No exit load for inter and intra equity switches except in case of (i) switches by SIP/STP investors within 24 months (for cases registered from 4.1.2008 up to 2.10.2008) and within 12 months (for cases registered upto 3.1.2008) of respective SIP/STP installments (ii) switches by STP investors (for cases registered w.e.f. 3.10.2008) within 24 months of respective STP installments (iii) switches to/from JM AAF from/to any equity schemes

In the event of non fulfillment of the criteria specified for a valid SIP application, the AMC reserves the right to revert all the previous allotments and reallocate the units afresh with loads (in case of applications for SIP transactions routed through a broker/ agent/distributor) as applicable on the respective due dates by treating them as normal investments. In addition the AMC may also recover the amount of load waived for all allotments directly from the investor or by debit to his folios maintained with JM Financial Mutual Fund. The reversal and reprocessing of units in the above case would be subject to the investor meeting the minimum subscription amount (after deduction of permissible DD charges). In case an investor is unable to meet the minimum subscription criteria due to non fulfillment of the other conditions or discontinuation of the SIP on request by the investor, the AMC reserves the right to redeem/refund with current valuation on the date of review by the AMC.

Nityanath P. Ghanekar

Managing Director & Chief Executive Officer

JM Financial Asset Management Private Limited

(Investment Managers to JM Financial Mutual Fund)

Place : Mumbai

Date : October 29, 2008

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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 Auto Sector Fund** (an openended 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 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 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 mispricing 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 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 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 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 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 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 Fixed Maturity Fund Series IV, JM Fixed Maturity Fund - Series VII, JM Fixed Maturity Fund - Series IX, JM Fixed Maturity Fund - Series X, JM Fixed Maturity Fund - Series XI, JM Fixed Maturity Fund - Series XII, JM Fixed Maturity Fund - Series XIII, JM Fixed Maturity Fund - Series XIV** (a close - ended income funds offering fixed maturity plans), The investment objectives of the Schemes 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 MultiStrategy Fund:** 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 their "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 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 Offer Document carefully before investing.**