

ADDENDUM

THIS NOTICE – CUM – ADDENDUM SETS OUT THE CHANGES TO BE MADE IN THE COMBINED SCHEME INFORMATION DOCUMENT (“SID”) AND COMBINED KEY INFORMATION MEMORANDUM (“KIM”) OF ALL THE SCHEME(S) OF JM FINANCIAL MUTUAL FUND (THE “MUTUAL FUND”)

INTRODUCTION OF DIRECT PLAN FOR INVESTING DIRECTLY WITH THE MUTUAL FUND (APPLICATIONS NOT ROUTED THROUGH DISTRIBUTORS)

In accordance with Para D titled “**Separate Option for direct investments**” under Circular No. CIR/IMD/DF/21/2012 dated September 13, 2012 issued by Securities and Exchange Board of India (SEBI), JM Financial Trustee Company Private Limited, (the “Trustee” to the Mutual Fund), has decided to introduce a separate plan for direct investments (i.e. investments not routed through an AMFI Registration Number (ARN) Holder (“Distributor”) (hereinafter referred to as “**Direct Plan**”) with effect from **January 1, 2013 (the “Effective Date”)** as under:

1. Introduction of Direct Plan: Direct Plan is only for investors who purchase/subscribe units in a Scheme directly with the Mutual Fund and is not available for investors who route their investments through a Distributor.

Scheme eligibility: The Mutual Fund shall introduce Direct Plan in all the open-ended schemes of the Mutual Fund (hereinafter referred as “Schemes”) except in the plans discontinued for further subscriptions.

2. Plans / Options / Sub-options: All Plans / Options / Sub-Options being offered under the Schemes (“**Existing Plan**”) will also be available for subscription under the Direct Plan. Thus, from the Effective Date, there shall be 2 Plans available for subscription under the Schemes viz., Existing Plan and Direct Plan. Portfolio of the Scheme under the Existing Plan and Direct Plan will be common.

The provisions pertaining to Minimum Subscription Criteria, Load and Additional Purchases will be applicable at Scheme (Portfolio) Level.

The following examples shall clarify the aforesaid point:

1. Scheme Name: JM Equity Fund (an “Open Ended Growth Scheme”)

	Existing Plan	Direct Plan (introduced w.e.f. January 1, 2013)
Subscription Plan	JM Equity Fund	JM Equity Fund (Direct)
Investment Route	Investors routing their investments through Distributor	Investors investing directly with the Mutual Fund
Options	<ul style="list-style-type: none"> • Growth Option • Dividend Option (Payout/Re-investment) 	<ul style="list-style-type: none"> • Growth Option • Dividend Option (Payout/Re-investment)

Thus, investors subscribing under Direct Plan of JM Equity Fund will have to indicate the Scheme / Plan name in the application form as “**JM Equity Fund (Direct)**”.

2. Scheme Name: JM Monthly Income Fund (JM MIP Fund) (an “Open ended Monthly Income Scheme”)

	Existing Plan	Direct Plan (introduced w.e.f. January 1, 2013)
Subscription Plan	JM MIP Fund	JM MIP Fund (Direct)
Investment Route	Investors routing their investments through Distributor	Investors investing directly with the Mutual Fund
Options	Under the Existing Plan: <ul style="list-style-type: none"> • Growth Option • Dividend Option - Monthly Dividend (Payout / Re-investment) • Dividend Option - Quarterly Dividend (Payout / Re-investment) • Dividend Option - Annual Dividend (Payout / Re-investment) 	Under the Direct Plan: <ul style="list-style-type: none"> • Growth Option • Dividend Option - Monthly Dividend (Payout / Re-investment) • Dividend Option - Quarterly Dividend (Payout / Re-investment) • Dividend Option - Annual Dividend (Payout / Re-investment)

Thus, investors subscribing under Direct Plan of JM MIP Fund will have to indicate the Scheme / Plan name in the application form as “**JM MIP Fund (Direct)**”.

3. Scheme characteristics: Scheme characteristics such as Investment Objective, Asset Allocation Pattern, Investment Strategy, risk factors, facilities offered and terms and conditions including load structure will be the same for the Existing Plan and the Direct Plan, except that:

No exit load shall be charged for any switch of investments between Existing Plan (whether the investments were made before or after the Effective Date) and Direct Plan within the same scheme. The applicable exit load, if any, will be charged for redemptions/ switch outs of the scheme (i.e. at portfolio level) before the completion of the stipulated load/ lock-in period. The stipulated load/ lock-in period will be reckoned from the date of allotment of units for a particular transaction in the scheme (i.e. at portfolio level) till the date of redemption / switch out from that scheme, irrespective of the number of intra-scheme switches by the investor between the aforementioned two dates (e.g. switches between plans/sub-plans/options/sub-options within the scheme having the same portfolio)

The extant provisions of applicability of load on redemptions/ switches from one Scheme to another will continue to be applicable.

Direct Plan shall have a lower expense ratio excluding distribution expenses, commission, etc and no commission for distribution of Units will be paid / charged under Direct Plan.

4. Applicable NAV and allotment of units:

The provisions of applicability of NAV and allotment of units in case of Direct Plan will be as are currently applicable for the Existing Plan.

The Starting NAV for each of the options under the Direct Plan will be the NAV of the corresponding options of the Existing Plan on the day of first purchase in the respective options of the Direct Plan as per applicable SEBI guidelines on uniform cut off timings for applicability of NAV.

The examples for applicability of NAV in case of liquid/ non-liquid schemes is as follows

(a) Liquid Scheme(s): Units shall be allotted for valid applications received before cut-off time (subject to provisions on realization of funds) on any business day under Direct Plan (the respective options) at the applicable Net Asset Value (NAV) of the corresponding option(s) under the Existing Plan(s) for the previous day eg. for valid applications received before cut-off time (subject to provisions on realization of funds) on January 1, 2013 under Direct Plan, the units shall be allotted at the Net Asset Value (NAV) of December 31, 2012. Thereafter, separate NAVs will be calculated and published for Direct Plan (the respective options) w.e.f. January 1, 2013.

(b) Non-Liquid Scheme(s): Units shall be allotted for valid applications received before cut-off time (subject to provisions on realization of funds, where applicable) on any business day under Direct Plan (the respective options) at the applicable Net Asset Value (NAV) of the same business day of the corresponding option(s) under the Existing Plan(s) eg. for valid applications received before cut-off time (subject to provisions on realization of funds, where applicable) on January 1, 2013 under Direct Plan, the units shall be allotted at the Net Asset Value (NAV) of January 1, 2013 under Existing Plan(s). Thereafter, separate NAVs will be calculated and published for respective option(s) under Direct Plan(s) w.e.f. January 2, 2013.

The above points are illustrated below:

Subscriptions in Direct Plan on January 1, 2013 within cut off time*	Applicable NAV
Liquid Schemes	NAV of the corresponding Existing Plan / Option / Sub-option as on December 31, 2012

Non-Liquid Scheme(s)	NAV of the corresponding Existing Plan / Option / Sub-option as on January 1, 2013
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* Subject to applicable provisions on realization of funds.

(c) Where application is received without any Distributor Code in the Existing Plan before cut-off time on December 31, 2012 or before, but the Applicable NAV based on realization of funds is on or after the Effective Date e.g. January 2, 2013, the Units will be allotted under Existing Plan and not under Direct Plan.

(d) Where application is received without any Distributor Code in the Existing Plan after cut-off time on December 31, 2012, the same shall be deemed to have been received on the next Business Day and hence the Units will automatically be allotted under the Direct Plan at Applicable NAV based on realization of funds

5. Eligible investors / modes for applying: All categories of investors (whether existing or new Unitholders), as permitted under the SID of the Schemes, are eligible to subscribe under Direct Plan. Investments under Direct Plan can be made through various modes offered by the Mutual Fund for investing directly with the Mutual Fund (except Stock Exchange Platform(s) and all other Platform(s) where investors’ applications for subscription of units are routed through Distributors).

6. How to apply:

a. Investors subscribing under Direct Plan of a Scheme will have to indicate “Direct Plan” against the Scheme name in the application form/ transaction slip e.g. “JM Equity Fund (Direct)”.

b. Investors may also indicate “Direct” in the ARN column of the application form/ transaction slip. However, in case Distributor/ Sub-broker code is mentioned in the application form, but “Direct Plan” is indicated against the Scheme name or in any other place or in any manner whatsoever in the Application Form/ transaction slip, the Distributor/ Sub-broker code will be ignored and the application will be processed under Direct Plan.

c. Further, where application is received for Existing Plan without Distributor code or “Direct” is mentioned in the ARN Column, the application will be processed under the Direct Plan.

7. Existing Investments:

(a) Investors wishing to transfer their accumulated unit balance held under Existing Plan (through lumpsum / systematic investments made with or without Distributor code) to Direct Plan will have to switch /redeem their investments (subject to applicable Exit Load, if any) and apply under Direct Plan.

(b) Investors who have invested without Distributor code and have opted for Dividend Reinvestment facility under Existing Plan may note that the dividend will continue to be reinvested in the Existing Plan only.

8. Investments through systematic routes:

(a) In case of Systematic Investment Plan (“SIP”) / Systematic Transfer Plan (“STP”) etc. registered prior to the Effective Date without any distributor code under the Existing Plan, installments falling on or after the Effective Date will automatically be processed under the Direct Plan only.

(b) Investors who had registered for SIP facility prior to the Effective Date with distributor code shall continue under the Existing Plan. However if the investor wishes that their future installments be invested into the Direct Plan, he shall make a written request to the Mutual Fund in this behalf. The Mutual Fund will take at least 15 Business days to process such requests. Intervening installments will continue in the Existing Plan.

In case of (a) and (b) above, the terms and conditions of the existing registered enrolment such as tenure , amount of the SIP etc. shall continue to apply.

(c) In case of Systematic Transfer Facilities which were registered with a Distributor Code under the Existing Plan prior to the Effective Date, the future installments under the said Facilities shall continue as under the Existing Plan

In case such investors wish to invest under the Direct Plan through these facilities, they would have to cancel their existing enrolments and register afresh for such facilities.

9. Redemption requests: Where Units under a Scheme are held under both Existing and Direct Plans and the redemption / Switch request pertains to the Direct Plan, the same must clearly be mentioned on the request (along with the folio number).

In the event of the investor not clearly mentioning the name of the Plan (Existing or Direct)/ Option/ Sub-option/or wherever there is an ambiguity in choice of Plan (Existing or Direct)/ Option/ Sub-option opted for in the request for redemption/switch-out of all/specified amount/units, in the absence of clarificatory letter from the investor on the day of the transaction, the AMC/ Registrar reserves the right to process the redemption/switch out request from the Existing Plan or Direct Plan if such redemption request can be processed in totality. In such case, the redemption will first be effected from the Existing Plan.

E.g. If an investor has investment of Rs. 5 lakh in an Existing Plan and Rs. 10 lakh in the Direct Plan and a redemption request is received from him for redemption of Rs. 2 lakh without indicating which Plan the redemption is to be effected from, the AMC/ Registrar will effect the redemption from the Existing Plan. In the same example, if the redemption request was for Rs. 7 lakh, the redemption would be effected from the Direct Plan.

However, in case it is not possible to effect the redemption from any one of the Plans in totality i.e. either from the Existing or from the Direct Plan, such redemption request will be treated as void ab-initio and rejected.

E.g. If the redemption request in the above example is for Rs. 12 lakh, the AMC / Registrar will summarily reject the redemption request.

Where units are held under any one i.e. under Existing or Direct Plan, the redemption will be processed from such Plan.

10. Tax consequences: Switch / redemption may entail tax consequences. Investors should consult their professional tax advisor before initiating such requests.

All other terms & conditions of the Schemes will remain unchanged.

This addendum shall form an integral part of the SID and KIM of the Schemes of the Mutual Fund as amended from time to time.

Bhanu Katoch
Chief Executive Officer

Place : Mumbai JM Financial Asset Management Private Limited
Date : December 31, 2012 (Investment Managers to JM Financial Mutual Fund)

For further details, please contact :

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Mutual Fund investments are subject to market risks, read all scheme related documents carefully.