

ABRIDGED ANNUAL REPORT 2009-2010

JM Balanced Fund

JM Telecom Sector Fund

JM Large Cap Fund (formerly JM Healthcare Sector Fund)

JM Mid Cap Fund (formerly JM Auto Sector Fund)

JM Arbitrage Advantage Fund

JM Nifty Plus Fund

BOARD OF DIRECTORS

JM Financial Trustee Company Private Limited (as on 31st March 2010)

Mr. Nimesh N. Kampani, Chairman
Mr. Darius E. Udawadia
Mr. Anant V. Setalvad
Mr. Shivji K. Vikamsey
Mr. Jalaj A. Dani
Mr. Sharad M. Kulkarni

JM Financial Asset Management Private Limited (as on 31st March 2010)

Mr. V. P. Shetty, Chairman
Mr. Nityanath P. Ghanekar
Mr. Rajendra P. Chitale
Mr. J. K. Modi
Mr. G. M. Ramamurthy
Dr. R. Srinivasan
Mr. Darius Pandole

SPONSOR

JM Financial Limited

141, Maker Chambers III, Nariman Point,
Mumbai - 400 021.

TRUSTEE

JM Financial Trustee Company Private Limited

141, Maker Chambers III, Nariman Point,
Mumbai - 400 021.
Tel. No.: 022-3987 7777
Fax Nos.: 022- 22819518/19

INVESTMENT MANAGER

JM Financial Asset Management Private Limited

5th Floor, Apeejay House, 3,
Dinshaw Vachha Road, Near K C College,
Churchgate, Mumbai - 400 020.
Tel. No.: 022-3987 7777
Fax Nos.: 022- 22819518/19

AUDITORS

N. M. Raiji & Co.

Universal Assurance Building,
6th Floor, P.M. Road, Fort,
Mumbai - 400 001.

LEGAL ADVISOR

Udawadia & Udeshi (Regd.)

Thomas Cook Building, 3rd Floor,
324, D. N. Road, Fort,
Mumbai - 400 001.

REGISTRAR & TRANSFER AGENT

Karvy Computershare Private Limited

Karvy Plaza, H. No. 8-2-596,
Avenue 4, Street No. 1,
Banjara Hills, Hyderabad - 500 034.

CUSTODIAN

HDFC Bank Limited

Lodha - I Think Techno Campus, Building Alpha,
Custody Department, 8th Floor, Opp Crompton
Greaves, Kanjurmarg (E), Mumbai - 400 042.
Ph : 022-30752898/30752896
Fax : 022-25799861

BANKERS

HDFC Bank Limited

Standard Chartered Bank
Citi Bank

CORPORATE OFFICE

JM Financial Asset Management Private Limited

5th Floor, Apeejay House, 3, Dinshaw Vachha Road, Near K C College, Churchgate, Mumbai - 400 020.
Tel. No.: 022-3987 7777. Fax Nos.: 022- 22819518/19. E-mail: investor@jmfinancial.in, Website: www.jmfinancial.com

REPORT OF THE BOARD OF TRUSTEES

Dear Investor,

The Board of Trustees of JM Financial Mutual Fund is pleased to present the Annual Report of JM Financial Mutual Fund for the year ended 31st March, 2010.

EQUITY OUTLOOK

After a recessionary phase of FY '08-'09, the Indian economy, corporate and markets emerged stronger in FY '09-'10. Indian economy grew at a stupendous pace of 7.4% in FY '09-'10 against a world growth of 2%, US growth of 1%, Euro zone growth of 0% and Chinese growth of 8.5%.

India's higher GDP was reflective of its sheer ability to generate its own demand without much dependence on external capital. The growth resulted in higher levels of inflation but inflation was primarily attributed due to food articles which have been a result of poor monsoons and hence supply led.

Both the Sensex and Nifty gained 80.54% and 73.76% respectively during the financial year ended March 2010. Mid Cap and Small Cap indices also gave exceptional returns with CNX Midcap index giving 126.12% returns. Comparison of indices as on 31st March, 2009 and 31st March, 2010 is as follows:

Index	31-Mar-09	31-Mar-10	Return (%)
Sensex	9,708.50	17,527.77	80.54
Nifty	3,020.95	5,249.10	73.76
BSE100	4,942.51	9,300.20	88.17
BSE500	3,523.53	6,919.55	96.38
CNX Midcap	3,407.45	7,704.90	126.12

Going forward, we are optimistic on the domestic GDP and industrial growth. However with the looming fear of sovereign bankruptcies and volatile currencies, we retain a mildly positive outlook for the year ahead. Although corporate earnings seem fine and Rs. 1050 and Rs. 1150 appear to be realistic assumptions for FY '10-'11 and FY '11-'12 Sensex EPS, we do not foresee significant chance of rerating of the markets in the current environment. Thus we forecast Sensex levels of 18500-19500 based on 16-17x Sensex FY '11-'12 P/E by March 2011.

INDIAN ECONOMY AND DEBT OUTLOOK

The Union Budget 2009-10 was presented at a time when the world economy continued to struggle with an unprecedented financial crisis and an economic slowdown that had an impact on the Indian economy as well. Indian GDP grew at a slow pace of 6.7% for the FY '08-'09 compared to a growth of 9.7% in FY '07-'08. The temporary pause in Fiscal Responsibilities and Budget Management ("FRBM") targets continued as the government focused its attention towards recovery of the Indian economy in view of the global financial crisis. A series of fiscal measures, both on tax revenue and expenditure side were undertaken in the budget with the objective of providing fiscal stimulus.

In view of the financial crisis and the need to give a fiscal boost to the economy, the Union Budget 2009-10 presented a fiscal deficit estimate of 6.8% of GDP (6.00% of GDP in FY '08-'09) and revenue deficit at 4.8% of GDP (4.4% in FY '08-'09).

Total expenditure for FY '09-'10 was estimated at record INR 1020838 crore and with an absolute fiscal deficit of INR 400996 crore translating into a fiscal deficit of 6.8% of the GDP. Revenue receipts for FY '09-'10 were estimated at INR 614497 crores as against INR 562173 crores in FY '08-'09. The Government of India resorted to record borrowing programme to fund the fiscal deficit. The gross issuances of dated securities for FY 2009-10 was at INR 461000 crores higher by about 70% as compared to FY '08-'09. Additional budgetary resources were provided as part of stimulus package and various committed liabilities of the government including rising subsidy requirement and

SCHEME DETAILS & PERFORMANCE

Performance of the Schemes as on March 31, 2010

Name	NAV	Benchmark Index	Scheme Returns since inception (%)	Benchmark Returns since inception (%)	Scheme Returns since last 1 year (%)	Benchmark Returns since last 1 year (%)
JM Balanced Fund - Growth	21.4906	Crisil Balanced Fund Index	13.16	N A	59.38	47.31
JM Telecom Sector Fund - Growth Plan	7.9319	BSE Telecom Index	(6.75)	(9.27)	46.70	1.45
JM Large Cap Fund - Growth	17.2857	S & P CNX Nifty Index	9.97	24.05	48.29	73.76
JM Mid Cap Fund - Growth	25.1219	CNX Mid Cap Index	17.35	27.21	110.08	126.12
JM Arbitrage Advantage Fund - Growth	12.9240	Crisil Liquid Index	7.17	6.59	3.86	3.69
JM Nifty Plus Fund - Growth	16.6982	S & P CNX Nifty Index	55.81	74.01	55.64	73.76

Past performance may or may not be sustained in future.

provision under National Rural Employment Guarantee Scheme ("NREGS").

The Government continued to increase public expenditure, to stimulate economy by creating demand and maintain the growth trajectory which the country was witnessing in the past. The Government continued adopting fiscal measures to boost demand and increase investment in infrastructure sector. Ensuring revival of the higher growth of the economy would restore revenue buoyancy in medium term and afford the required fiscal space to revert to the path of fiscal consolidation.

Domestic government bond yields rose by around 100 basis points during the year on record borrowing by the Government to fund the fiscal deficit.

RBI continued its monetary easing stance and further cut the key rates in the annual policy review announced in April 2009. Reverse repo rate was reduced from 3.50% to 3.25% and repo rate from 5.00% to 4.75%.

Huge government borrowing programme exerted a pressure on government bond yields. The GOI completed about 66% of the borrowing in the first half of the financial year and remaining 34% in the second half. In a bid to cool down rising government bond yields, RBI conducted open market purchase of securities. RBI conducted OMO purchase of government bonds worth INR 57486 crores during the year.

However, continuous supply of bonds and rising global yields kept the pressure on domestic government bond yields. In second half of the financial year, rising inflation and expectations of recovery in the economy put pressure on RBI to reverse the ultra easy monetary stance. Statements by the RBI and government on reversal of the monetary policy stance led to further pressure on the government bond yields. Domestic inflation which was negative in the month of June 2009, started rising gradually and climbed up to 8.50%-9.00% levels in March 2010. The 10 year benchmark yield which was at 7.00% at the start of the financial year closed at 8.00%.

RBI in its policy meetings maintained a slightly cautious stance and kept all the key rates unchanged in the quarterly review held in FY '09-'10.

DERIVATIVES

With a sharp upsurge in the indices in the first quarter of 2009-10, the derivatives volumes were back in the FY '09-'10. The Average Daily Turnover in both Futures and Options combined increased by around 60%, thanks to the post-elections euphoria in the Indian stock markets. However, the volumes in Index futures decreased by nearly 15%, mainly because of base effect in FY '08-'09 when there was an increased participation in Index futures, though there was a rise of 10% in the turnover of Index Futures. While the volumes in Index options shot up by nearly 60% as compared to the previous year, and the Options turnover more than doubled due to sharp rise in indices, stock futures witnessed a sharp fall of 35% in volumes mainly due to a range-bound market in the last 2 quarters and also removal of few scrips from the Derivatives segment, while the Turnover increased by nearly 50%, due to phenomenal rise in stock prices.

Due to the range-bound market in the last 2 quarters, derivatives activity has mainly shifted to Index options. During the year, there was increased institutional participation in Arbitrage activities, by both FILs and Mutual Funds. Also, NSE introduced the Spread order window for rollovers in both Index and Stock futures. Due to the appreciating Rupee, FILs were seen deploying into arbitrage at lower levels. As a result, the cost-of-carry decreased during the last 2 quarters of FY '09-'10. However, with the markets coming out of the trading range, volatility is set to increase going forward and thus the participation into futures may also increase, leading to an increase in the cost-of-carry.

- Returns are calculated on the basis of NAV of the Growth option.
- Returns are Compounded Annualised Growth Rate Returns, with reinvestment of dividends, if any.
- Returns of benchmark indices since inception date of the schemes are not available in some cases as the benchmark indices were launched / changed subsequent to the inception date of the scheme(s).
- For the purpose of calculating returns, inception date is deemed to be the date of allotment.

Disclaimer regarding BSE Telecom Index[✓]

JM Telecom Sector Fund is not sponsored, endorsed, sold or promoted by BSE. BSE makes no representation or warranty, express or implied to the investors in JM Telecom Sector Fund or any member of the public in any manner whatsoever regarding the advisability of investing in securities generally or in JM Telecom Sector Fund particularly or the ability of the index to track the sectors represented in the BSE Telecom Index[✓]. The relationship of BSE to the JM Financial Asset Management Pvt. Ltd is in respect of the licensing of use of BSE Telecom Index[✓] which is determined, composed and calculated by BSE without regard to the JM Financial Asset Management Pvt. Ltd. or JM Telecom Sector Fund. BSE has no obligation to take the needs of the investors of JM Telecom Sector Fund into consideration in determining, composing or calculating the BSE Telecom Index[✓]. BSE is neither responsible for nor has participated in the determination of the time or price at which the units under JM Telecom Sector Fund are to be issued or in the determination or calculation of the equation by which the units are to be redeemed for the underlying securities. BSE has no obligation or liability in connection with the administration, marketing or trading of JM Telecom Sector Fund[✓].

"BSE does not guarantee the accuracy and/or the completeness and/or continuity of BSE Telecom Index[✓] or any data included therein and they shall have no liability for any errors, omissions or interruptions therein or change or cessation thereof. BSE makes no warranty, express or implied, as to the results to be obtained by the JM Financial Asset Management Pvt. Ltd., investors of JM Telecom Sector Fund, or any other persons or entities from the use of BSE Telecom Index[✓] or any data included therein. BSE makes no express or implied warranties and expressly disclaims all warranties of merchantability or fitness for a particular purpose or use with respect to BSE Telecom Index[✓] or any data included therein. Without limiting any of the foregoing, in no event shall BSE have any liability for any special, punitive, indirect or consequential damages (including lost profits), even if notified of the possibility of such damages[✓]."

INVESTMENT OBJECTIVES & PERFORMANCE OF THE SCHEMES

JM Balanced Fund

JM Balanced Fund is an open-ended balanced Scheme with the investment objective to provide steady current income as well as long term growth of capital.

The scheme has outperformed its benchmark by a wide margin for 2009-2010 as the valuations of the Midcap stocks were severely depressed in 2008-09 which recovered in 2009-10.

JM Balanced Fund has been adopting a conservative investment approach though the broad philosophy for the equity portion continues to be to pick high growth stocks using bottom-up investment approach.

JM Telecom Sector Fund

The primary investment objective of the scheme is to invest in predominantly in equity and equity related instruments in the Telecom sector in India.

The Scheme has outperformed its benchmark by a wide margin for 2009-2010 and since inception.

Telecom sector and cellular mobile phones market in particular continues to grow at a scorching pace in India but the space has become extremely competitive. The outlook for this sector continues to look hazy with the introduction of licenses for 3G services in FY '09-'10. This fierce bidding will eventually reduce the margin of the sector as a whole and increase competition further.

JM Large Cap Fund (formerly JM Healthcare Sector Fund)

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.

The Scheme which was the erstwhile JM Healthcare Sector Fund changed its investment objective and has converted into JM Large Cap Fund since 2009.

Since the Scheme was converted in the middle of the fiscal year, underperformance v/s benchmark for the entire fiscal is misleading.

The Scheme has a diversified stock portfolio of 20-25 stocks to sustain the current performance. The scheme is now well positioned to outperform in the future.

JM Large Cap Fund as the name suggests invests only in large cap stocks. The Scheme invests in the best of the blue-chip companies which are likely do well in the future.

JM Mid Cap Fund (formerly JM Auto Sector Fund)

As the name suggests, JM Mid Cap Fund invests in mid cap stocks. 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. The mandate of the scheme was changed from investments in auto sector to investments in mid cap stocks in 2009.

Since the Scheme was converted in the middle of the fiscal year, underperformance v/s benchmark for the entire fiscal is misleading.

The Scheme has a diversified stock portfolio of 20-25 stocks to sustain the current performance and is now well positioned to outperform in the future.

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.

The scheme has outperformed the benchmark in 2009-10 and continues to outperform the benchmark since inception.

The cost-of-carry had decreased gradually in the second and third quarters of the financial year. However, the month of March saw high rollover spreads. The cost-of-carry seems to have bottomed out and is expected to increase from current levels going forward. As a result, arbitrage yields are expected to strengthen along with the equity markets.

JM Nifty Plus Fund

The Investment objective of the Scheme is 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.

The Scheme has underperformed the benchmark in 2009-10 and continues to underperform the benchmark since inception. The underperformance can be largely attributed to certain derivative strategies which did not work in the favour of the scheme.

The Scheme in future will endeavor to reduce the tracking error and outperform the benchmark through effective asset allocation.

Brief background of Sponsors, Trust, Trustee Company and AMC

JM Financial Mutual Fund had been constituted as a Trust with JM Financial & Investment Consultancy Services Pvt. Limited and JM Financial Limited as Settlers and JM Financial Trustee Company Private Limited as the Trustee Company. The Trustee Company has entered into an Investment Management Agreement dated 1st September, 1994 with JM Financial Asset Management Private Limited (the AMC) to function as the Investment Manager for all the schemes of JM Financial Mutual Fund. JM Financial Mutual Fund was registered with SEBI on 15th September 1994. JM Financial & Investment Consultancy Services Pvt. Ltd. & JM Financial Ltd. have made an initial contribution of Rs. one lac each towards setting up of JM Financial Mutual Fund, which has been invested in JM Equity Fund. Consequently to the change in the shareholding of the AMC in October 2007 and by virtue of being the only shareholder holding more than 40% of the equity share capital of the AMC, JM Financial Limited has become the sole Sponsor of JM Financial Mutual Fund.

Trustee Company

The Trustee Company is the exclusive owner of the Trust Fund and holds the same in trust for the benefit of the unit holders. The Trustee has been discharging its duties and carrying out the responsibilities as provided in the Regulations and the Trust Deed. The Trustee seeks to ensure that the Fund and the Schemes floated there under are managed by the AMC in accordance with the Trust Deed, the Regulations, directions and guidelines issued by the SEBI, the Stock Exchanges, the Association of Mutual Funds in India and other regulatory agencies.

ACCOUNTING POLICIES

Accounting Policies are in accordance with SEBI (Mutual Funds) Regulations, 1996.

Unclaimed Redemptions and Dividend

On the Balance Sheet Date Unclaimed Redemption and Dividend are as under (Rs. in Lakhs).

Scheme	2009-2010		2008-2009	
	No of investors	Amount	No of investors	Amount
JM Balanced Fund	1,636	5.05	1,635	2.76
JM Nifty Plus Fund	6	0.26	6	0.26

Redressal of Investor Complaints received against the Mutual Fund during 2009 – 2010

Total Number of Folios: 530248 as on March 31, 2010

Com-plaint Code	Type of Complaint #	(a) No of Complaints pending at the beginning of the Year	(b) No of complaints received during the year	Action on (a) and (b)								
				Resolved				Non Action-able*	Pending			
				With in 30 days	30 - 60 days	60 - 180 days	Beyond 180 days		0-3 months	3-6 months	6-9 months	9-12 months
I A	Non Receipt of Dividend on Units	2	44	39	0	1	0	0	5	1	0	0
I B	Interest on delayed payment of Dividend	0	0	0	0	0	0	0	0	0	0	0
I C	Non Receipt of Redemption Proceeds	1	364	357	4	0	0	0	4	0	0	0
I D	Interest on delayed payment of Redemption	0	1	1	0	0	0	0	0	0	0	0
II A	Non receipt of statement of Account / Unit Certificate	0	40	40	0	0	0	0	0	0	0	0
II B	Discrepancy in Statement of Account	0	1	1	0	0	0	0	0	0	0	0
II C	Non receipt of Annual Report / Abridged Summary	0	1	1	0	0	0	0	0	0	0	0
III A	Wrong switch between Schemes	0	2	2	0	0	0	0	0	0	0	0
III B	Unauthorized switch between Schemes	0	0	0	0	0	0	0	0	0	0	0
III C	Deviation from Scheme attributes	0	0	0	0	0	0	0	0	0	0	0
III D	Wrong or excess charges / load	0	10	10	0	0	0	0	0	0	0	0
III E	Non updation of changes viz. address, PAN, bank details, nomination, etc	0	189	187	0	0	0	0	2	0	0	0
IV	others	0	648	628	5	0	0	0	13	0	1	1
TOTAL		3	1300	1266	9	1	0	0	24	1	1	1

including against its authorized persons / distributors / employees, etc.

*Non actionable means the complaint that are incomplete / outside the scope of the mutual fund

Statutory Information

- The Sponsor is not responsible or liable for any loss resulting from the operation of the Schemes of the Fund beyond their initial contribution (to the extent contributed) of Rs. 1 lac for setting up the Fund, and such other accretions / additions to the same.
- The price and redemption value of the units, and income from them, can go up as well as down with fluctuations in the market value of its underlying investments.
- Full Annual Report shall be disclosed on the website (www.jmfinancialmf.com) and shall be available for inspection at the Head Office of the mutual fund. Present and prospective unit holders can obtain a copy of the trust deed, the full Annual Report of the Fund / AMC at a price.

Acknowledgements

The Trustees would like to thank the Securities and Exchange Board of India, the Reserve Bank of India, Association of Mutual Funds in India for their continued support, co-operation and guidance during the year. The Trustees would also like to thank the Auditors, Custodian, Registrar & Transfer Agents, Bankers and all other service providers for their support. The Trustees would also like to place on record the contribution from the employees of JM Financial Asset Management Private Limited for their dedication, commitment and wholehearted support throughout the year.

For and on behalf of Board of Trustees
JM Financial Trustee Company Private Limited

Place : Mumbai
Dated : June 23, 2010

Nimesh Kampani
Chairman

AUDITORS' REPORT**The Board of Trustees****JM Financial Mutual Fund**

We have audited the attached Balance Sheet as at March 31, 2010 and the Revenue Account for the year ended on that date annexed thereto of JM Balanced Fund, JM Telecom Sector Fund, JM Large Cap Fund, JM Mid Cap Fund, JM Arbitrage Advantage Fund and JM Nifty Plus Fund (the schemes) of JM Financial Mutual Fund (the Fund). These financial statements are the responsibility of the Management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Standards on Auditing issued by the Institute of Chartered Accountants of India. An audit includes examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the Management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

We report that:

1. We have obtained all information and explanations, which, to the best of our knowledge and belief were necessary for the purpose of our audit.
2. The Balance Sheet and the Revenue Account are in agreement with the books of account of the Scheme.
3. In our opinion, valuation methods for Non Traded Securities, adopted by the scheme are fair and reasonable and are in accordance with the guidelines for valuation issued by SEBI and approved by the Trustees.
4. The accounts have been prepared in accordance with the accounting policies and standards as specified in the Ninth Schedule to the SEBI (Mutual Funds) Regulations, 1996 (the Regulations).
5. Without qualifying our opinion, we draw attention to note no. 5 of Annexure I in respect of Para no. 3 of SEBI circular dated 15 March, 2010.
6. In our opinion and to the best of our information and according to the explanations given to us, the statement of accounts read with the notes thereon, give the information required by the Regulations and give a true and fair view in accordance with the generally accepted accounting principles in India:
 - a. in the case of Balance Sheet, of the state of affairs of the schemes as at March 31, 2010; and
 - b. in the case of Revenue Account, of the surplus of the schemes for the year ended on March 31, 2010.

For N. M. RAIJI & CO.
Chartered Accountants
Firm Reg. No: 108296W

J. M. GANDHI
Partner
Membership No: 37924

Place: Mumbai

Dated: June 23, 2010

ABRIDGED AUDITED BALANCE SHEET AS AT MARCH 31, 2010

(Rs. in Lakhs)

	JM Balanced Fund		JM Telecom Sector Fund		JM Large Cap Fund (formerly JM Healthcare Sector Fund)		JM Mid Cap Fund (formerly JM Auto Sector Fund)		JM Arbitrage Advantage Fund		JM Nifty Plus Fund)		
	As at 31-Mar-10	As at 31-Mar-09	As at 31-Mar-10	As at 31-Mar-09	As at 31-Mar-10	As at 31-Mar-09	As at 31-Mar-10	As at 31-Mar-09	As at 31-Mar-10	As at 31-Mar-09	As at 31-Mar-10	As at 31-Mar-09	
LIABILITIES													
1	Unit Capital												
2	Reserves & Surplus												
2.1	Unit Premium Reserve	336.37	(1,546.08)	-	(10.39)	98.54	(220.08)	141.72	(174.12)	-	(1,038.61)	341.86	-
2.2	Unrealised Appreciation Reserve	459.74	-	-	-	84.60	-	175.99	-	-	-	291.89	55.64
2.3	Other Reserves	28.62	1,756.09	(214.21)	(263.74)	(30.57)	214.00	380.96	170.48	4,001.04	3,434.32	(151.33)	9.78
3	Loans & Borrowings												
4	Current Liabilities & Provisions												
4.1	Provision for doubtful Income/ Deposits	-	-	-	-	-	-	-	-	-	-	-	-
4.2	Other Current Liabilities & Provisions	9.47	208.74	7.19	3.16	2.05	3.70	18.42	16.04	641.61	1,804.71	7.59	16.63
	TOTAL	1,934.74	2,011.46	828.69	325.77	554.90	458.07	1,383.19	467.89	46,979.67	30,832.61	1,317.48	979.51
ASSETS													
1	Investments												
1.1	Listed Securities												
1.1.1	Equity Shares	1,430.28	1,352.23	807.72	299.54	516.72	449.31	1,221.94	443.86	31,596.37	20,840.16	937.37	649.39
1.1.2	Other Debentures & Bonds	380.00	380.00	-	-	-	-	-	-	-	-	-	-
1.2	Securities Awaited Listing												
1.3	Unlisted Securities												
1.3.1	Other Debentures & Bonds	-	-	-	-	-	-	-	-	3,157.20	-	154.78	-
1.4	Government Securities												
1.5	Treasury Bills												
1.6	Commercial Paper												
1.7	Certificate of Deposits												
1.8	Bill Rediscounting												
1.9	Units of Domestic Mutual Fund												
1.10	Foreign Securities												
	Total Investments	1,810.28	1,732.23	807.72	299.54	516.72	449.31	1,221.94	443.86	35,738.27	20,840.16	1,092.15	649.39
2	Deposits												
3	Other Current Assets												
3.1	Cash & Bank Balance	1.05	1.05	-	-	-	-	0.15	-	0.10	0.10	-	-
3.2	CBLO/ Reverse Repo Lending	53.16	126.96	20.62	26.23	38.15	7.72	69.68	13.99	1,344.55	1,143.80	153.03	143.22
3.3	Others	9.25	19.65	0.35	-	0.03	1.04	91.42	10.04	457.57	865.70	0.30	6.90
4	Deferred Revenue Expenditure (to the extent not written off)												
	TOTAL	1,934.74	2,011.46	828.69	325.77	554.90	458.07	1,383.19	467.89	46,979.67	30,832.61	1,317.48	979.51
Notes to Accounts - Annexure I													

ABRIDGED AUDITED REVENUE ACCOUNT FOR THE YEAR / PERIOD ENDED MARCH 31, 2010

(Rs. in Lakhs)

	JM Balanced Fund		JM Telecom Sector Fund		JM Large Cap Fund (formerly JM Healthcare Sector Fund)	
	Current Year ended 31-Mar-10	Previous Year ended 31-Mar-09	Current Year ended 31-Mar-10	Previous Year ended 31-Mar-09	Current Year ended 31-Mar-10	Previous Year ended 31-Mar-09
1 INCOME						
1.1 Dividend	19.47	18.26	1.72	1.45	7.78	8.06
1.2 Interest	25.78	66.87	0.70	1.12	1.70	3.09
1.3 Realised Gain / (Loss) on Foreign Exchange Transactions	-	-	-	-	-	-
1.4 Realised Gains / (Losses) on Interscheme sale of investments	-	(9.22)	-	(0.23)	0.03	(0.57)
1.5 Realised Gains / (Losses) on External sale / redemption of investments	(43.01)	(2,380.25)	12.78	(84.28)	23.57	(20.47)
1.6 Realised Gains / (Losses) on Derivative Transactions	24.33	(48.52)	-	-	-	-
1.7 Other Income	0.14	-	0.09	-	0.10	0.32
(A)	26.71	(2,352.86)	15.29	(81.94)	33.18	(9.57)
2 EXPENSES						
2.1 Management fees	26.42	35.86	6.44	6.23	6.77	7.32
2.2 Service tax on Management fees	2.72	4.32	0.66	0.75	0.70	0.88
2.3 Transfer agents fees and expenses	2.14	2.60	0.49	0.45	0.54	0.52
2.4 Custodian fees	0.19	0.26	0.06	0.06	0.06	0.06
2.5 Trusteeship fees	1.17	1.46	0.28	0.25	0.30	0.30
2.6 Commission to Agents	17.14	24.08	2.06	3.83	4.14	5.01
2.7 Marketing & Distribution expenses	6.30	1.07	2.32	0.19	1.78	0.05
2.8 Audit fees	0.26	0.35	0.09	0.06	0.07	0.08
2.9 Other operating expenses (# including Deferred Revenue Expenditure written off)	1.96	2.77	1.79	0.84	0.57	0.66
(B)	58.30	72.77	14.19	12.66	14.93	14.88
3 NET REALISED GAINS / (LOSSES) FOR THE YEAR / PERIOD (A - B = C)	(31.59)	(2,425.63)	1.10	(94.60)	18.25	(24.45)
4 Change in Unrealised Depreciation in value of investments (D)	-	-	-	249.25	-	228.19
5 NET GAINS / (LOSSES) FOR THE YEAR / PERIOD (E=(C-D))	(31.59)	(2,425.63)	1.10	(343.85)	18.25	(252.64)
6 Change in unrealised appreciation in the value of investments (F)	1,056.19	992.10	183.69	-	198.46	-
7 NET SURPLUS / (DEFICIT) FOR THE YEAR / PERIOD (E + F = G)	1,024.60	(1,433.53)	184.79	(343.85)	216.71	(252.64)
7.1 Add: Balance transfer from Unrealised Appreciation Reserve	-	-	-	23.94	-	114.33
7.2 Less: Balance transfer to Unrealised Appreciation Reserve	(459.74)	-	-	-	(84.60)	-
7.3 Add / (Less): Equalization	(2,220.63)	(7.01)	(135.26)	18.51	(346.39)	27.06
8 Total	(1,655.77)	(1,440.54)	49.53	(301.40)	(214.28)	(111.25)
Balance brought forward from Balance Sheet	1,756.09	3,196.63	(263.74)	37.66	214.00	325.25
Surplus available for distribution/(Deficit)	100.32	1,756.09	(214.21)	(263.74)	(0.28)	214.00
9 Dividend appropriation						
9.1 Income Distributed during the year / period	71.70	-	-	-	30.29	-
9.2 Tax on income distributed during the year / period	-	-	-	-	-	-
10 Retained Surplus / (Deficit) carried forward to Balance sheet	28.62	1,756.09	(214.21)	(263.74)	(30.57)	214.00
Notes to Accounts - Annexure I						

ABRIDGED AUDITED REVENUE ACCOUNT FOR THE YEAR / PERIOD ENDED MARCH 31, 2010

(Rs. in Lakhs)

	JM Mid Cap Fund (formerly JM Auto Sector Fund)		JM Arbitrage Advantage Fund		JM Nifty Plus Fund	
	Current Year ended 31-Mar-10	Previous Year ended 31-Mar-09	Current Year ended 31-Mar-10	Previous Year ended 31-Mar-09	Current Year ended 31-Mar-10	Previous Year ended 31-Mar-09
1 INCOME						
1.1 Dividend	12.78	14.02	394.22	549.51	10.18	0.47
1.2 Interest	3.13	1.72	819.89	1,573.16	2.94	1.90
1.3 Realised Gain / (Loss) on Foreign Exchange Transactions	-	-	-	-	-	-
1.4 Realised Gains / (Losses) on Interscheme sale of investments	9.52	(17.15)	329.28	(2,353.53)	-	-
1.5 Realised Gains / (Losses) on External sale / redemption of investments	90.94	(217.53)	14,102.75	(21,708.86)	227.33	(23.96)
1.6 Realised Gains / (Losses) on Derivative Transactions	-	-	(12,514.70)	22,993.11	44.05	31.17
1.7 Other Income	0.09	-	-	-	-	-
(A)	116.46	(218.94)	3,131.44	1,053.39	284.50	9.58
2 EXPENSES						
2.1 Management fees	11.86	8.48	185.81	317.68	6.37	0.81
2.2 Service tax on Management fees	1.22	1.02	19.14	38.42	0.66	0.08
2.3 Transfer agents fees and expenses	0.92	0.61	38.71	37.66	0.89	0.10
2.4 Custodian fees	0.10	0.08	7.68	6.49	0.18	-
2.5 Trusteeship fees	0.52	0.34	27.63	24.72	0.64	0.07
2.6 Commission to Agents	5.76	5.30	234.16	255.74	1.11	0.65
2.7 Marketing & Distribution expenses	4.31	0.25	54.46	7.92	0.18	0.04
2.8 Audit fees	0.15	0.09	3.14	3.32	0.07	0.06
2.9 Other operating expenses (# including Deferred Revenue Expenditure written off)	1.32	1.03	21.05	22.21	5.22	0.03
(B)	26.16	17.20	591.78	714.16	15.32	1.84
3 NET REALISED GAINS / (LOSSES) FOR THE YEAR / PERIOD (A - B = C)	90.30	(236.14)	2,539.66	339.23	269.18	7.74
4 Change in Unrealised Depreciation in value of investments (D)	-	127.22	385.48	-	-	-
5 NET GAINS / (LOSSES) FOR THE YEAR / PERIOD (E=(C-D))	90.30	(363.36)	2,154.18	339.23	269.18	7.74
6 Change in unrealised appreciation in the value of investments (F)	416.62	-	-	3,103.48	236.25	55.64
7 NET SURPLUS / (DEFICIT) FOR THE YEAR / PERIOD (E + F = G)	506.92	(363.36)	2,154.18	3,442.71	505.43	63.38
7.1 Add: Balance transfer from Unrealised Appreciation Reserve	-	-	-	-	55.64	-
7.2 Less: Balance transfer to Unrealised Appreciation Reserve	(175.99)	-	-	-	(291.89)	55.64
7.3 Add / (Less): Equalisation	(43.14)	91.23	(11.70)	(396.62)	(359.58)	2.04
8 Total	287.79	(272.13)	2,142.48	3,046.09	(90.40)	9.78
Balance brought forward from Balance Sheet	170.48	442.61	3,434.32	2,811.54	9.78	-
Surplus available for distribution/(Deficit)	458.27	170.48	5,576.80	5,857.63	(80.62)	9.78
9 Dividend appropriation						
9.1 Income Distributed during the year / period	77.31	-	1,575.76	2,423.31	70.71	-
9.2 Tax on income distributed during the year / period	-	-	-	-	-	-
10 Retained Surplus / (Deficit) carried forward to Balance sheet	380.96	170.48	4,001.04	3,434.32	(151.33)	9.78
Notes to Accounts - Annexure I						

Notes to Accounts - Annexure I to the Abridged Balance Sheet & Revenue Account for the Year/Period ended March 31, 2010

1. Investments.

- 1.1 Investments of the Schemes are registered in the name of the Trustees for the benefits of the Schemes.
1.2 Open positions of Derivatives (outstanding market value and percentage to net assets as of year end):

Scheme	2009-2010				
	Rs. in Lakhs			% to Net Asset Value	
	NAV	Long	Short	Long	Short
JM Balanced Fund	-	-	-	-	-
JM Arbitrage Advantage Fund	46,338.12	-	31,762.03	-	68.54
JM Nifty Plus Fund	1,309.87	368.31	-	28.12	-

Scheme	2008-2009				
	Rs. in Lakhs			% to Net Asset Value	
	NAV	Long	Short	Long	Short
JM Balanced Fund	1,802.72	-	97.83	-	5.43
JM Arbitrage Advantage Fund	29,027.91	-	20,872.41	-	71.90
JM Nifty Plus Fund	962.85	-	11.46	-	1.19

- 1.3 During the year ended March 31, 2010 the schemes had invested in the securities of the Group Companies - JM Financial Ltd (Sponsor) as follows.

Scheme (which had invested)	Particulars	2009-2010	2008-2009
		Value (Rs. in Lakhs)	Value (Rs. in Lakhs)
JM Mid Cap Fund (Formerly - JM Auto Sector Fund)	Purchase	21.48	-
	Sale	-	-

Holding in Group Companies – JM Financial Ltd as on March 31, 2010

Scheme (which had invested)	2009-2010	2008-2009
	Market Value (Rs. in Lakhs)	Market Value (Rs. in Lakhs)
JM Mid Cap Fund (Formerly - JM Auto Sector Fund)	16.99	-

- 1.4 Open position of securities borrowed and / or lent by the scheme – Nil.
1.5 Shares pending registration/under objection (NPA). The values for following have been provided for in the accounts in earlier years.

Company	Scheme	2009-2010		2008-2009	
		Quantity	Amount (Rs. in Lakhs)	Quantity	Amount (Rs. in Lakhs)
Reliance Industries Ltd.	JM Balanced Fund	175	0.32	175	0.32

The value for following Non Performing assets have been written off in the accounts in earlier years and are carried at nominal value.

Company	Type of Security	Scheme	2009-2010		2008-2009	
			Quantity	Amount (Rs. in Lakhs)	Quantity	Amount (Rs. in Lakhs)
Flora Textiles Ltd	Flora Textiles Ltd	JM Balanced Fund	60,000	0.01	60,000	0.01
HMG Industries Ltd	Debentures	JM Balanced Fund	45,000	0.00 #	45,000	0.00 #

Less than Rs. One thousand.

- 1.6 Aggregate unrealized gain/(loss) as at the end of the financial year / period and percentage to net assets:

Scheme	Provision for depreciation on global basis (Rs. in Lakhs)		Provision for depreciation on global basis (% of Net Assets)	
	2009-2010	2008-2009	2009-2010	2008-2009
JM Balanced Fund	-	596.45	-	33.09
JM Telecom Sector Fund	41.62	225.31	5.07	69.84
JM Large Cap Fund (Formerly - JM Healthcare Sector Fund)	-	113.86	-	25.06

Scheme	Provision for depreciation on global basis (Rs. in Lakhs)		Provision for depreciation on global basis (% of Net Assets)	
	2009-2010	2008-2009	2009-2010	2008-2009
JM Mid Cap Fund (Formerly - JM Auto Sector Fund)	-	240.62	-	53.25
JM Arbitrage Advantage Fund	1,976.25	1,590.77	4.26	5.48
JM Nifty Plus Fund	-	-	-	-

Scheme	Unrealised appreciation on global basis (Rs. in Lakhs)		Unrealised appreciation on global basis (% of Net Assets)	
	2009-2010	2008-2009	2009-2010	2008-2009
JM Balanced Fund	459.74	-	23.88	-
JM Telecom Sector Fund	-	-	-	-
JM Large Cap Fund (Formerly - JM Healthcare Sector Fund)	84.60	-	15.30	-
JM Mid Cap Fund (Formerly - JM Auto Sector Fund)	175.99	-	12.90	-
JM Arbitrage Advantage Fund	-	-	-	-
JM Nifty Plus Fund	291.89	55.64	22.28	5.78

- 1.7 Aggregate value of Purchase and sale of securities as a % Average Daily Net Assets :

Scheme	2009-2010			
	Purchase Value (Rs. in Lakhs)	Purchase %	Sale Value (Rs. in Lakhs)	Sale %
JM Balanced Fund	791.12	33.94	1,740.20	74.66
JM Telecom Sector Fund	639.95	112.63	328.24	57.77
JM Large Cap Fund (Formerly - JM Healthcare Sector Fund)	1,027.23	171.94	1,205.39	201.76
JM Mid Cap Fund (Formerly - JM Auto Sector Fund)	1,395.34	133.34	1,177.34	112.50
JM Arbitrage Advantage Fund	316,926.43	573.52	314,649.81	569.40
JM Nifty Plus Fund	1,059.70	83.09	1,170.33	91.77

Scheme	2008-2009			
	Purchase Value (Rs. in Lakhs)	Purchase %	Sale Value (Rs. in Lakhs)	Sale %
JM Balanced Fund	4,601.37	158.10	7,245.09	248.94
JM Telecom Sector Fund	186.27	36.80	205.90	40.68
JM Large Cap Fund (Formerly - JM Healthcare Sector Fund)	430.57	72.23	261.35	43.84
JM Mid Cap Fund (Formerly - JM Auto Sector Fund)	390.31	56.76	605.87	88.11
JM Arbitrage Advantage Fund	360,415.64	728.98	382,207.21	773.06
JM Nifty Plus Fund	1,320.77	142.26	705.34	75.97

- 1.8 Non Traded Securities in the portfolio as on March 31, 2010.

Scheme Name	2009-2010		2008-2009	
	Aggregate Value (Rs. in Lakhs)	% to Net Assets	Aggregate Value (Rs. in Lakhs)	% to Net Assets
JM Balanced Fund	380.00	19.74	380.00	21.08
JM Arbitrage Advantage Fund	4,141.90	8.94	-	-
JM Nifty Plus Fund	154.78	11.82	-	-

2. Details of transactions with Associates under Regulation 25(8):

Commission paid to associates / related parties / group companies of sponsor/AMC
Period - April 2009 to March 2010

Name of associate/ related parties/group companies of sponsor/AMC	Nature of Association/ Nature of Relation	Scheme Name	Business given (Rs. in Lakhs & % of total Business received by the fund)		Commission paid (Rs. in Lakhs & % of total commission paid by the fund)	
			Amount (Rs. in. Lakhs)	%	Amount (Rs. in. Lakhs)	%
JM Financial Services Pvt. Ltd.	Associate	JM Balanced Fund	0.05	0.07	0.24	2.26
		JM Telecom Sector Fund	2.73	0.41	0.04	0.77
		JM Large Cap Fund (Formerly - JM Healthcare Sector Fund)	0.17	0.16	0.76	21.78
		JM Mid Cap Fund (Formerly - JM Auto Sector Fund)	2.75	0.21	0.98	7.59
		JM Arbitrage Advantage Fund	5,436.85	9.85	10.37	3.75
		JM Nifty Plus Fund	0.15	0.03	0.49	8.51
JM Financial Securities Pvt. Ltd	Associate	JM Balanced Fund	-	-	0.00*	0.00*~
Web Trust Co.In (India) Pvt. Ltd.	Relative of an employee is a director of the distributor company	JM Balanced Fund	-	-	0.29	2.73
		JM Telecom Sector Fund	-	-	0.00*	0.00*~
		JM Arbitrage Advantage Fund	-	-	0.06	0.02
		JM Nifty Plus Fund	-	-	0.04	0.69
M. A. Lalith Kumar	The distributor is a relative of an employee	JM Telecom Sector Fund	0.12	0.02	0.00*	0.00*~

Period - April 2008 to March 2009

Name of associate/ related parties/group companies of sponsor/AMC	Nature of Association/ Nature of Relation	Scheme Name	Business given (Rs. in Lakhs & % of total Business received by the fund)		Commission paid (Rs. in Lakhs & % of total commission paid by the fund)	
			Amount (Rs. in. Lakhs)	%	Amount (Rs. in. Lakhs)	%
JM Financial Services Pvt. Ltd.	Associate	JM Balanced Fund	8.18	3.47	3.33	14.63
		JM Telecom Sector Fund	1.31	0.78	0.07	2.36
		JM Large Cap Fund (Formerly - JM Healthcare Sector Fund)	1.84	0.49	0.78	9.76
		JM Mid Cap Fund (Formerly - JM Auto Sector Fund)	0.34	0.31	0.64	12.52
		JM Arbitrage Advantage Fund	299.73	2.07	17.65	7.23
		JM Nifty Plus Fund	81.20	8.07	0.05	8.33
JM Financial Securities Pvt. Ltd	Associate	JM Balanced Fund	-	-	0.00*	0.00*~

Name of associate/ related parties/group companies of sponsor/AMC	Nature of Association/ Nature of Relation	Scheme Name	Business given (Rs. in Lakhs & % of total Business received by the fund)		Commission paid (Rs. in Lakhs & % of total commission paid by the fund)	
			Amount (Rs. in. Lakhs)	%	Amount (Rs. in. Lakhs)	%
Web Trust Co.In (India) Pvt. Ltd.	Relative of an employee is a director of the distributor company	JM Balanced Fund	-	-	0.08	0.35
		JM Telecom Sector Fund	-	-	0.00*	0.00*~
		JM Arbitrage Advantage Fund	-	-	0.12	0.05
		JM Nifty Plus Fund	8.61	0.86	-	-
M. A. Lalith Kumar	The distributor is a relative of an employee	JM Telecom Sector Fund	0.12	0.07	0.00*	0.00*~

Brokerage paid to associates/related parties/group companies of sponsor/AMC
Period - April 2009 to March 2010

Name of associate/ related parties/group companies of sponsor/AMC	Nature of Association/ Nature of Relation	Scheme Name	Value of Transaction (Rs. in Lakhs & % of total value of transaction of the fund)		Brokerage (Rs. in Lakhs & % of total brokerage paid by the fund)	
			Amount (Rs. in. Lakhs)	%	Amount (Rs. in. Lakhs)	%
JM Financial Institutional Securities Pvt. Ltd.	Associate	JM Balanced Fund	222.86	8.18	0.44	11.96
		JM Mid Cap Fund (Formerly - JM Auto Sector Fund)	546.74	22.36	1.07	23.73
		JM Large Cap Fund (Formerly - JM Healthcare Sector Fund)	224.68	10.54	0.45	10.87
		JM Telecom Sector Fund	156.07	26.91	0.31	28.70
		JM Arbitrage Advantage Fund	10,727.29	0.79	1.56	0.37
		JM Nifty Plus Fund	1,741.06	2.90	1.64	10.85
JM Financial Services Pvt. Ltd.	Associate	JM Large Cap Fund (Formerly - JM Healthcare Sector Fund)	41.97	1.97	0.08	1.93
		JM Arbitrage Advantage Fund	60,338.67	4.46	17.20	4.13

Period - April 2008 to March 2009

Name of associate/ related parties/group companies of sponsor/AMC	Nature of Association/ Nature of Relation	Scheme Name	Value of Transaction (Rs. in Lakhs & % of total value of transaction of the fund)		Brokerage (Rs. in Lakhs & % of total brokerage paid by the fund)	
			Amount (Rs. in. Lakhs)	%	Amount (Rs. in. Lakhs)	%
JM Financial Institutional Securities Pvt. Ltd.	Associate	JM Balanced Fund	446.07	4.89	0.53	4.23
		JM Telecom Sector Fund	13.61	4.35	0.03	4.92

Name of associate/ related parties/group companies of sponsor/AMC	Nature of Association/ Nature of Relation	Scheme Name	Value of Transaction (Rs. in Lakhs & % of total value of transaction of the fund)		Brokerage (Rs. in Lakhs & % of total brokerage paid by the fund)	
			Amount (Rs. in Lakhs)	%	Amount (Rs. in Lakhs)	%
		JM Large Cap Fund (Formerly - JM Healthcare Sector Fund)	30.81	5.88	0.06	5.77
		JM Arbitrage Advantage Fund	21,416.11	2.02	6.65	1.98
		JM Nifty Plus Fund	60.09	0.26	0.02	0.27
JM Financial Services Pvt. Ltd.	Associate	JM Balanced Fund	1.37	0.02	-	-
		JM Arbitrage Advantage Fund	13,262.83	1.25	3.98	1.19

Scheme Name	Marketing & Selling Exp (Rs. in Lakhs)	
	2009-2010	2008-2009
	JM Financial Services Pvt. Ltd	JM Financial Services Pvt. Ltd
	Amount (Rs. in Lakhs)	Amount (Rs. in Lakhs)
JM Balanced Fund	0.02	-
JM Telecom Sector Fund	0.00*	-
JM Large Cap Fund (Formerly - JM Healthcare Sector Fund)	0.00*	-
JM Mid Cap Fund (Formerly - JM Auto Sector Fund)	0.01	-
JM Arbitrage Advantage Fund	0.21	-

* less than Rs. One Thousand & *~ less than 0.01%

These companies are associate companies as defined in SEBI (Mutual Funds) Regulations, 1996.

3. Investors having large unit-holdings in the scheme which are over 25% the NAV as on 31st March 2010(as per circular MFD/CIRNo 3/211/2001, dated 30/04/2001):

Scheme Name	2009-2010		2008-2009	
	No. of Investors	% of Holding	No. of Investors	% of Holding
JM Arbitrage Advantage Fund	1	26.84%	-	-

4. Units Movement during the period/year : (The Face Value of all plans is Rs.10.0000)

Scheme Name Plan/ Option	2009-2010 (No. of Units in Lakhs)			
	Opening/ Initial Subscription	Units issued during the year	Units repurchased during the year	Closing units at the end of the year
JM Balanced Fund - Dividend	106.65	1.46	36.75	71.36
JM Balanced Fund - Growth	52.62	2.48	16.41	38.69
JM Telecom Sector Fund - Dividend	28.58	67.64	26.50	69.72
JM Telecom Sector Fund - Growth	31.09	18.98	16.22	33.85
JM Large Cap Fund (Formerly - JM Healthcare Sector Fund) - Dividend	34.13	2.07	5.80	30.40
JM Large Cap Fund (Formerly - JM Healthcare Sector Fund) - Growth	11.91	4.80	7.09	9.62
JM Mid Cap Fund (Formerly - JM Auto Sector Fund) - Dividend	33.09	25.30	19.37	39.02

Scheme Name Plan/ Option	2009-2010 (No. of Units in Lakhs)			
	Opening/ Initial Subscription	Units issued during the year	Units repurchased during the year	Closing units at the end of the year
JM Mid Cap Fund (Formerly - JM Auto Sector Fund) - Growth	12.46	35.42	20.29	27.59
JM - Arbitrage Advantage Fund - Dividend	1,751.64	3,855.11	2,651.55	2,955.20
JM - Arbitrage Advantage Fund - Growth	911.58	1,278.62	911.70	1,278.50
JM Nifty Plus Fund - Dividend Plan	42.93	12.79	7.70	48.02
JM Nifty Plus Fund - Growth Plan	46.82	18.99	31.08	34.73

Scheme Name Plan/ Option	2008-2009 (No. of Units in Lakhs)			
	Opening/ Initial Subscription	Units issued during the year	Units repurchased during the year	Closing units at the end of the year
JM Balanced Fund - Dividend	251.97	4.52	149.84	106.65
JM Balanced Fund - Growth	52.63	7.45	7.46	52.62
JM Telecom Sector Fund - Dividend	30.62	13.84	15.88	28.58
JM Telecom Sector Fund - Growth	31.46	8.07	8.44	31.09
JM Large Cap Fund (Formerly - JM Healthcare Sector Fund) - Dividend	32.63	11.29	9.79	34.13
JM Large Cap Fund (Formerly - JM Healthcare Sector Fund) - Growth	6.05	11.32	5.46	11.91
JM Mid Cap Fund (Formerly - JM Auto Sector Fund) - Dividend	34.23	4.82	5.96	33.09
JM Mid Cap Fund (Formerly - JM Auto Sector Fund) - Growth	28.25	4.02	19.81	12.46
JM - Arbitrage Advantage Fund - Dividend	4,754.64	835.81	3,838.81	1,751.64
JM - Arbitrage Advantage Fund - Growth	1,917.99	502.97	1,509.38	911.58
JM Nifty Plus Fund - Dividend Plan	-	46.34	3.41	42.93
JM Nifty Plus Fund - Growth Plan	-	54.21	7.39	46.82

5. a) In order to comply with the Para No.3 of SEBI circular dated 15th March, 2010 balance in Unit Premium Reserve as at 14th March, 2010 has been restated to reflect unrealised appreciation.
- b) Further, the dividends for the schemes, viz., JM Balanced Fund, JM Mid Cap Fund, JM Large Cap Fund & JM Nifty Plus Fund were announced before 15th March, 2010 and was distributed with the record date of 19th March, 2010. For the said dividend, Unit Premium Reserve represented by unrealized appreciation in the value of investments was not taken into account for working out the distributable surplus. Additionally, unrealized appreciation over and above the balance in Unit Premium Reserve balance was also not considered for distribution.
6. Previous year figures have been regrouped wherever necessary to conform to current years presentation.
7. Expenses other than management fee is inclusive of service tax where applicable.
8. There is no contingent liability.

KEY STATISTICS FOR THE YEAR / PERIOD ENDED MARCH 31, 2010

	JM Balanced Fund		JM Telecom Sector Fund		JM Large Cap Fund (Formerly - JM Healthcare Sector Fund)		JM Mid Cap Fund (Formerly - JM Auto Sector Fund)		JM Arbitrage Advantage Fund		JM Nifty Plus Fund	
	Current Year ended 31-Mar-2010	Previous Year ended 31-Mar-2009	Current Year ended 31-Mar-2010	Previous Year ended 31-Mar-2009	Current Year ended 31-Mar-2010	Previous Year ended 31-Mar-2009	Current Year ended 31-Mar-2010	Previous Year ended 31-Mar-2009	Current Year ended 31-Mar-2010	Previous Year ended 31-Mar-2009	Current Year ended 31-Mar-2010	Previous Year ended 31-Mar-2009
1	NAV Per Unit (Rs.)											
	OPEN											
Dividend	10.2503	18.4405	5.4060	10.8586	9.2431	13.8352	9.1528	14.6642	10.0959	10.1868	10.7286	NA
Growth	13.4835	24.2566	5.4068	10.8578	11.6569	17.4391	11.9581	19.1595	12.4438	11.5859	10.7286	NA
	HIGH											
Dividend	16.8202	20.2965	10.0354	11.9967	14.3621	16.0833	21.1710	15.8469	10.1978	10.3245	16.8254	10.8856
Growth	22.1258	26.6981	10.0367	11.9958	18.1127	20.2721	27.6654	20.7051	12.9332	12.4438	16.8504	10.8856
	LOW											
Dividend	10.4350	9.2783	5.4172	4.5708	9.2954	8.1287	9.2441	7.3007	10.0156	9.8827	10.8139	9.1470
Growth	13.7264	12.2037	5.4181	4.5714	11.7229	10.2514	12.0773	9.5379	12.4134	11.5499	10.8139	9.1470
	END											
Dividend	15.3273	10.2503	7.9318	5.4060	12.7111	9.2431	17.2123	9.1528	10.0889	10.0959	15.2019	10.7286
Growth	21.4906	13.4835	7.9319	5.4068	17.2857	11.6569	25.1219	11.9581	12.9240	12.4438	16.6982	10.7286
2	Closing Assets Under Management (Rs. in Lakhs)											
End	1,925.27	1,802.72	821.50	322.62	552.85	454.35	1,364.77	451.86	46,338.06	29,027.91	1,309.89	962.85
Average (AAuM)	2,330.86	2,910.40	568.21	506.15	597.44	596.12	1,046.49	687.66	55,260.16	49,441.04	1,275.30	928.43
3	Gross Income as % of AAuM¹											
	1.15	(80.84)	2.69	(16.19)	5.55	(1.61)	11.13	(31.84)	5.67	2.13	22.31	1.03
4	Expense Ratio											
a	Total Expense as % of AAuM (planwise)											
Regular plan	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50	1.07	1.44	1.20	1.25
b	Management Fee as % of AAuM (planwise)											
Regular plan	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25	0.37	0.65	0.55	0.60
5	Net Income as % of AAuM²											
	(1.36)	(83.84)	0.19	(18.69)	3.05	(4.10)	8.63	(34.34)	4.60	0.69	21.11	0.83
6	Portfolio Turnover Ratio³											
	0.3394	1.5810	0.5777	0.3680	1.7194	0.4384	1.1250	0.5676	5.6940	7.2898	0.8309	3.5616
7	Total Dividend (Rs. per unit) distributed during the year / period											
Dividend	1.0000	-	-	-	1.0000	-	2.0000	-	0.3900	0.8200	1.5000	-
8	Returns*											
a	Last One Year											
Scheme	59.38	(44.41)	46.70	(50.20)	48.29	(33.15)	110.08	(37.58)	3.86	7.40	55.64	NA
Benchmark	47.31	(21.53)	1.45	(39.51)	73.76	(26.45)	126.12	(32.34)	3.69	8.81	73.76	NA
b	Since Inception											
Scheme	13.16	10.43	(6.75)	(23.33)	9.97	3.28	17.35	3.83	7.17	8.42	55.81	7.29
Benchmark	NA	NA	(9.27)	(13.55)	24.05	6.07	27.21	7.23	6.59	7.68	74.01	9.19

1 Gross Income = amount against (A) in the Revenue Account i.e. Income
 2 Net Income = amount against (C) in the Revenue account i.e. NET REALISED GAINS / (LOSSES) FOR THE YEAR / PERIOD
 3 Portfolio Turnover Ratio = Lower of sales or purchase divided by the Average AuM for the year / period
 4 AAuM = Average daily net assets
 5 * Returns have been computed for Growth options.

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