

JM FINANCIAL MUTUAL FUND

NOTICE-CUM-ADDENDUM

THIS NOTICE-CUM-ADDENDUM SETS OUT THE CHANGE TO BE MADE IN THE SCHEME INFORMATION DOCUMENT (“SID”) AND KEY INFORMATION MEMORANDA (“KIM”) OF JM ARBITRAGE ADVANTAGE FUND(“ THE SCHEME”) WITH EFFECT FROM MARCH 24, 2014

JM Arbitrage Advantage Fund intends to modify the provisions pertaining to the redemption period and provide investors with daily redemption facility in place of the monthly redemption facility being offered currently, in accordance with the Securities Exchange Board of India (Mutual Funds) Regulations, 1996. Consequently, the relevant sections of the SID/ KIM of the above Scheme stand amended as under:

The liquidity provisions of the Scheme stand amended as under :

JM Arbitrage Advantage Fund will offer units for sale and repurchase at NAV based prices on all business days.

All other features of the Scheme remain unchanged.

The above changes will be effective from March 24, 2014.

As per the SEBI Regulations, the above change is construed as change in the fundamental attribute of the Scheme; hence an exit option is being provided to the unitholders of JM Arbitrage Advantage Fund as per regulation 18(15A) of the SEBI Regulations.

Accordingly, the unitholders in JM Arbitrage Advantage Fund, who do not consent to the above proposal, are being provided with an exit option to redeem their units at the prevailing NAV without imposition of any exit load. The option to exit without payment of exit load will be valid from February 18, 2014 up to and including March 21, 2014 (up to 3.00 p.m.).

The option to exit is available to all unitholders in the Scheme, except for those unitholders who have:

- i) pledged their units, unless they procure a release of their pledges prior to March 21, 2014 and/or
- ii) whose units are marked under lien/ injunction in accordance with the instructions of any Court of law/ Income Tax Authority/ other Regulatory Authority.

Redemption/ switch out requests may be made by filling up the normal transaction slip and submitting the same to any of the Investor Service Centres of the Registrar and Transfer Agent, Karvy Computershare Private Limited (“Karvy”), or at any of the Investor Service Centres (“ISCs”) of JM Financial AMC on or before 3.00 p.m. on March 21, 2014. If you wish to opt for the exit option set forth above, then you may redeem/switch out the units of the Plan(s) held by you at the applicable Net Asset Value without any exit load upto 3.00 p.m. on March 21, 2014.

The applicable NAV for valid redemptions/switch out requests received will be as under :

Valid redemption/ switch out requests received	Applicable NAV
From 9.00 a.m. on February 18, 2014 upto 3.00 p.m. on February 21, 2014	February 26, 2014
After 3.00 p.m. on February 21, 2014 upto 3.00 p.m. on March 21, 2014	March 27, 2014

This Product is suitable for investors who are seeking*

- Regular Income over Medium Term
- Income through arbitrage by investment predominantly in Equity Stocks and taking offsetting positions in Equity Futures and Options.
- Low Risk (BLUE)

*Investors should consult their financial advisers if in doubt about whether the product is suitable for them.

Note: Risk may be represented as: (BLUE) investors understand that their principal will be at low risk.

 (YELLOW) investors understand that their principal will be at medium risk.

 (BROWN) investors understand that their principal will be at high risk.

Bhanu Katoch

Chief Executive Officer

Place : Mumbai

JM Financial Asset Management Limited

Date : February 5, 2014

(Investment Manager to JM Financial Mutual Fund)

For further details, please contact :

Corporate Office : JM Financial Asset Management Limited,

502, 5th Floor, 'A' Wing, Laxmi Towers, Bandra Kurla Complex, Mumbai - 400051.

Tel. No.: (022) 6198 7777 • Fax Nos.: (022) 2652 8388.

E-mail: investor@jmf.com • Website : www.jmfinancialmf.com

Investment Objective: JM Arbitrage Advantage Fund (an Open-ended equity scheme) 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.

Statutory Details : Trustee : JM Financial Trustee Company Private Limited. Investment Manager : JM Financial Asset Management Limited. Sponsor: JM Financial Limited.

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