

NOTICE-CUM-ADDENDUM

I. THIS ADDENDUM SETS OUT THE CHANGES TO BE MADE IN THE STATEMENT OF ADDITIONAL INFORMATION (“SAI”), SCHEME INFORMATION DOCUMENT (“SID”) AND KEY INFORMATION MEMORANDA (“KIM”) OF ALL THE SCHEMES OF JM FINANCIAL MUTUAL FUND WITH EFFECT FROM OCTOBER 1, 2012

A. Total Expense Ratio (“TER”):

As per the amendments to the SEBI (Mutual Funds) Regulations, 1996 [“SEBI Regulations”] notified vide notification No. LAD-NRO/GN/2012-13/17/21502 dated September 26, 2012 (“Notification”), the total expenses of the scheme including the investment management and advisory fee (for other than Index and Fund of Funds Schemes) shall not exceed the limits stated in Regulation 52(6):

- (i) On the first Rs. 100 crore of the daily net assets 2.50%.
- (ii) On the next Rs. 300 crore of the daily net assets 2.25%.
- (iii) On the next Rs. 300 crore of the daily net assets 2.00%.
- (iv) On the balance of the assets 1.75%.

Provided that in respect of a scheme investing in bonds such recurring expenses shall be lesser by atleast 0.25% of the daily net assets outstanding in each financial year.

In addition to the limits as specified in Regulation 52(6) of SEBI Regulations, the following costs or expenses can be charged to the schemes of JM Financial Mutual Fund (“JMF”):

1. Additional TER of up to 30 basis points on daily net assets of the scheme as per regulation 52 of SEBI (Mutual Funds) Regulations, 1996 if the new inflows from beyond top 15 cities* received by JMF are at least (a) 30% of gross new inflows in the scheme or (b) 15% of the average assets under management (year to date) of the scheme, whichever is higher.

In case the inflows from beyond top 15 cities is less than the higher of (a) or (b) above, then additional TER can be charged on pro rata basis.

The additional TER on account of inflows from beyond top 15 cities so charged shall be clawed back in case the same is redeemed within a period of 1 year from the date of investment.

The amount so charged shall be utilised for distribution expenses incurred for bringing inflows from such cities.

* The top 15 cities shall mean top 15 cities based on Association of Mutual Funds in India (AMFI) data on ‘AUM by Geography – Consolidated Data for Mutual Fund Industry’ as at the end of the previous financial year.

2. Additional expenses not exceeding 0.20 per cent of daily net assets of the scheme, incurred towards different heads mentioned under sub-regulations (2) and (4) of Regulation 52.

The brokerage and transaction costs which are incurred in the course of execution of trade and is included in the cost of investment shall not exceed 0.12% in case of cash market transactions and 0.05% in case of derivative transactions.

The investors shall also note that the contents set out under part E. (iv) under the head “Aggregate fees and expenses charged to the scheme” of the Common Scheme Information Document (SID) of both Equity and Debt Schemes of JMF stands amended in light of the Notification dated September 26, 2012, whereby the slabs on Investment Management & Advisory Fee have been withdrawn. As disclosed under the Scheme Information Document(s) of the Schemes. The aggregate of the Investment Management & Advisory Fee charged by JMF AMC and the Expenses will remain within the maximum permissible TER as per Regulation 52 of the Regulations, as amended from time to time.

B. Service Tax:

Service tax on investment and advisory fees will be charged to the scheme in addition to the maximum limit of TER as per Regulation 52 of the Regulations.

Service tax on other than investment and advisory fees, if any, shall be borne by the scheme within the maximum limit of TER, as per Regulation 52 of the Regulations.

Service tax on exit load, if any, shall be paid out of the exit load proceeds and exit load net of service tax, if any, shall be credited back to the scheme.

C. Investor Education and Awareness

JM Financial Asset Management Private Limited (“JMF AMC”) shall annually set apart 2 basis points on daily net assets within the maximum limit of TER as per Regulation 52 of the Regulations, for investor education and awareness initiatives.

D. Applicability of NAV:

Effective October 1, 2012, under all schemes (other than liquid schemes), in respect of application for purchase/switch-in of units of an amount equal to or more than Rs. 2 lakhs, the closing NAV of the day on which the funds are available for utilisation shall be applicable provided that

- i. Application for purchase/switch-in is received before the applicable cut-off time i.e. 3.00 p.m.
- ii. Funds for the entire amount of subscription/purchase as per the purchase application/ switch in request are credited to the bank account of the respective schemes before the cut-off time.
- iii. The funds are available for utilization before the cut-off time without availing any credit facility whether intra-day or otherwise, by the respective scheme.

E. Monthly Portfolio Disclosures:

JMF AMC shall disclose the portfolio (along with ISIN) as on the last day of the month for all their schemes on their website on or before the tenth day of the succeeding month or within such time lines as prescribed by SEBI, from time to time.

F. Transaction charges:

Pursuant to SEBI circular no. Cir/IMD/DF/21/2012 dated September 13, 2012 and in partial modification of addendum no. 019/2011-12 dated October 31, 2011 issued by the AMC, effective November 1, 2012 distributors shall also have the option to either opt in or opt out of levying transaction charges, based on type of the product.

G. Disclosure with respect to Half Yearly Financial Results:

JMF AMC in compliance with Regulation 59 shall, within one month from the close of each half year, that is on 31st March and on 30th September, host a soft copy of its unaudited/ audited financial results on its website.

II. THIS ADDENDUM SETS OUT THE CHANGES TO BE MADE IN THE STATEMENT OF ADDITIONAL INFORMATION (“SAI”), SCHEME INFORMATION DOCUMENT (“SID”) AND KEY INFORMATION MEMORANDA (“KIM”) OF THE DEBT SCHEME(S) (AS APPLICABLE) OF JM FINANCIAL MUTUAL FUND

A. Single Plan Structure:

The investors of JM High Liquidity Fund, JM Floater Fund – Long Term Fund and JM Short Term Fund of JM Financial Mutual Fund are aware that currently the aforesaid schemes have the following features based on their investment amounts:

Sr. no.	Schemes	Currently available facilities			
		Min. investment Amt.	Plans	Options	Default Plan
1	JM High Liquidity Fund	Rs. 5000/-	Regular Plan	Daily Dividend	If investment amt is < Rs. 1 crore Then Regular; If investment amount is equal to or more than Rs. 1 crore but less than Rs. 5 crores then Institutional Plan. If investment amount is equal to or more than Rs. 5 crores then Super Institutional Plan
				Weekly Dividend	
				Quarterly Dividend	
		Rs. 1,00,00,000/-	Institutional Plan	Growth	
				Bonus Option – Principal Units	
				Bonus Option – Bonus Units	
Rs. 5,00,00,000/-	Super Institutional Plan	Daily Dividend			
		Weekly Dividend			
		Growth			
2	JM Floater Fund - Long Term Plan	Rs. 5000/-	Regular Plan	Dividend	Premium Plan
				Daily Dividend / Weekly Dividend	
				Growth	
		Premium Plan	Dividend		
			Daily Dividend / Weekly Dividend		
			Growth		
3	JM Short Term Fund	Rs. 5000/-	Regular Plan	Dividend	If investment amt. is < Rs. 1 lac then Institutional Else Regular
				Daily Dividend	
				Growth	
		Rs. 100000/-	Institutional Plan	Dividend	
				Daily Dividend	
				Growth	

As per SEBI Circular no. CIR/IMD/DF/21/2012 dated September 13, 2012, with effect from October 1, 2012, all the existing schemes of the Mutual fund shall accept fresh subscriptions under only one plan of the Schemes mentioned above. Accordingly, with effect from October 1, 2012, all fresh subscriptions (including SIPs)/switches in the aforementioned schemes will be accepted only in the Surviving Plan set out hereunder and not under any other plans (suspended plans). The suspended plans mentioned in the table above will continue till the existing investors remain invested in the plan. Investments under Systematic Investment Plans (SIPs), Systematic Transfer Plans (STPs), Dividend Reinvestment Facilities registered prior to October 1, 2012 of the suspended plans shall cease to be processed after October 31, 2012.

Sr. No.	Schemes	Plan(s) / option(s) available for subscription with effect from October 1, 2012			
		Min. Investment Amount	Additional Purchase Amount	Surviving Plan	Options
1	JM High Liquidity Fund	Rs. 5000/- and any amount thereafter	Rs. 1000/- and any amount thereafter	Super Institutional Plan	Daily Dividend
					Weekly Dividend
					Growth
2	JM Floater Fund - Long Term Plan	Rs. 5000/- and any amount thereafter	Rs. 1000/- and any amount thereafter	Regular Plan	Dividend
					Daily Dividend / Weekly Dividend
					Growth
3	JM Short Term Fund	Rs. 5000/- and any amount thereafter	Rs. 1000/- and any amount thereafter	Institutional Plan	Dividend
					Daily Dividend
					Growth

B. Prudential Limits and Disclosures on Portfolio Concentration Risk:

The total exposure of debt schemes of JMF in a particular sector (excluding investments in Bank CDs, CBLO, G-Secs, T-Bills and AAA rated securities issued by Public Financial Institutions and Public Sector Banks) shall not exceed 30% of the net assets of the scheme and this shall be complied with on or before September, 12 2013.

This Addendum shall form an integral part of SAI, SID and KIM of the respective Schemes of JM Financial Mutual Fund, as amended from time to time.

All other terms and conditions of the Schemes remain unchanged.

Bhanu Katoch
Chief Executive Officer

Place : Mumbai JM Financial Asset Management Private Limited
Date : September 28, 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.