

## NOTICE

**I. NOTICE IS HEREBY GIVEN** to the unit holders of JM Healthcare Sector Fund ("the Scheme"), an Open Ended Sector Scheme of JM Financial Mutual Fund ("Mutual Fund"), that the Boards of Directors of JM Financial Asset Management Private Limited, ("JM AMC"), Investment Managers to the Mutual Fund, and JM Financial Trustee Company Private Limited, ("JM Trustee"), Trustees to the Mutual Fund have approved the change in fundamental attributes of the scheme and its conversion from an Open Ended Sector Scheme to an Open Ended Equity Scheme vide their respective resolutions dated March 5, 2009. The change in fundamental attributes include change in name, investment objective, investment strategy, benchmark index, asset allocation pattern and other related matters of JM Healthcare Sector Fund and its consequent conversion from an Open Ended Sector Scheme to an Open Ended Equity Scheme i.e. JM Large Cap Fund.

Accordingly the following changes are proposed in JM Healthcare Sector Fund w.e.f. April 16, 2009.

**a) Change of name of the scheme to: JM Large Cap Fund**

**b) Change of investment objective of the Scheme**

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.

Consequent to the above change in the investment objective of the Scheme, the scheme will undergo a change from an Open Ended Sector Scheme to an Open Ended Equity Scheme.

**c) Change of asset allocation pattern of the Scheme**

The asset allocation pattern would also undergo a change as follows

Under normal circumstances the Asset allocation of the Scheme would be

Security	Maximum Exposure (%)	Risk Profile
Equity and equity related instruments	65 – 100	High
Money market instruments / Debt securities	0 - 35	Low to Medium

The notional value of derivatives shall not exceed the AUM of the scheme.

**d) Investment Strategy**

JM Large Cap Fund, will invest in the top 100 companies on the National Stock Exchange of India Ltd. based on market capitalization. Being a growth oriented scheme, the scheme seeks to invest a substantial portion of its portfolio in equity and equity related instruments. Under normal circumstances, around 65% of the corpus shall be deployed in such securities and the balance in debt/money market instruments. However, whenever the valuations of securities rise in a sharp manner, the scheme will take advantage of trading opportunities presented and in such a scenario, the Fund will have a high turnover rate. The scheme will seek to use a mix of top down and a bottom up approach.

**e) Bench Mark:-** The Benchmark of the scheme would be – S&P CNX Nifty Index

**f) Fund Manager :** The Scheme would be managed by Mr. Sanjay Chhabaria

As per SEBI Regulations, the above changes are construed as changes in the fundamental attributes of the Scheme. In accordance with Regulation 18(15A) of the SEBI (Mutual Funds) Regulations, 1996 an exit option is being provided to the existing unit holders under all the Plans of JM Health Care Sector Fund who do not agree to the above proposal.

This notice is to keep the unit holders informed in terms of the prevailing regulatory requirements. If a unit holder has no objection to the above proposal, no action needs to be taken by him and it would be deemed that the unit holder has consented to the aforesaid proposal or the unitholder can convey his consent vide the consent form sent to him vide letter dated March 12, 2009. However, in case the unit holder does not agree to the same, he has the option to redeem/switch-out all/partial (by leaving atleast 500 units) units by filling out the normal redemption/switch out transaction slip and submitting the same to any of the Investor Service Centres of JM Financial Mutual Fund or the Registrar and Transfer Agent, Karvy Computershare Private Limited ("Karvy"), on or before 3.00 p.m. up to April 15, 2009. This option to exit without payment of exit load can be exercised from March 16, 2009 to April 15, 2009 (both days inclusive but upto 3.00 p.m on the last date of the exit option). If an investors wishes to opt for the exit option set forth above, then he/she may redeem/switch-out the units of the Scheme held by them, save for the exceptions set out below:

The option to exit is available to all unitholders except for unitholders who have:

- pledged their units, unless they procure a release of their pledges and exercise their exit option upto 3.00 p.m on April 15, 2009.
- whose units are marked under lien/ injunction in accordance with the instructions of any Court of law/ Income Tax Authority/ other Regulatory Authority unless they get the vacation order & exercise their exit option up to 3.00 p.m. on April 15, 2009.

The conversion of the scheme from an Open Ended Sector Scheme to an Open Ended Equity Scheme will be as per the above mentioned procedure and the changes set out hereinabove will be effective from April 16, 2009.

Unit holders in the above Scheme as on March 12, 2009 have been informed by individual communication along with the addendum to the Offer Document detailing the proposed changes to the JM Healthcare Sector Fund. Investors in the scheme, after March 12, 2009, will also be kept informed of the details of the proposed changes in JM Healthcare Sector Fund. Such of those unit holders who do not receive the communication latest by March 15, 2009 may contact the Registrar – M/s. Karvy Computershare Private Limited, 21, Avenue 4, Street No. 1, Banjara Hills, Hyderabad-500 034.

For further information/assistance in this regard call our Investor Service Centre at Mumbai: 91-22-3987 7777, or visit us at www.JMFinancialmf.com or e-mail us at investor@jmfincial.in

**II. NOTICE IS HEREBY GIVEN** that the Trustees of JM Financial Mutual Fund have approved the declaration of dividend under the following plan of JM Arbitrage Advantage Fund - Dividend Plan and fixed Tuesday, 18th March, 2009 as the record date for this purpose in accordance with SEBI Circular no. SEBI/IMD/CIR No. 1/64057/06 dated April 4, 2006. All unitholders whose names appear on the registers of unitholders under the above mentioned plan / option as at the close of business hours on the said record date shall be eligible to receive dividend.

Scheme Name	Dividend upto	NAV (Rs.) as on March 12, 2009
JM Arbitrage Advantage Fund - Dividend Plan	2.00% (Re. 0.20/- per unit)	10.2598

However, the final dividend rate will be declared based on the availability of distributable surplus in the plan /option.

**After payment of dividend, the per unit NAV of the plan / option will fall to the extent of the payout and statutory levies (if applicable).**

Please note that the above announcement of record date supersedes all earlier announcements in this regard.

Nityanath P. Ghanekar

Managing Director & Chief Executive Officer

JM Financial Asset Management Private Limited

(Investment Managers to JM Financial Mutual Fund)

Place : Mumbai

Date : March 13, 2009

**For further details, please contact:**

**Corporate Office :** JM Financial Asset Management Private Limited,  
5th Floor, A - Wing, Laxmi Towers, Bandra-Kurla Complex, Mumbai - 400051.

**Tel. No.:** (022) 39877777 • **Fax Nos.:** (022) 26528377 / 78

**E-Mail:** investor@jmfincial.in • **Website :** www.JMFinancialmf.com

**Investment Objective: JM Healthcare Sector Fund** (an open - ended sector scheme). To provide capital appreciation to its unitholders through judicious deployment of the corpus of the scheme in the healthcare sector. **JM Arbitrage Advantage Fund** (an open-ended equity oriented interval 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. However, there can be no assurance that the investment objective of the scheme will be realized. The scheme does not guarantee/indicate any returns.

**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 Fund 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 Sponsor / AMC / Schemes of JM Financial Mutual Fund does not indicate the future performance of the schemes of JM Financial Mutual Fund. The sponsor is not responsible or liable for any loss resulting from the operation of the fund beyond the initial contribution made by it of an amount of Rupees One lac 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. The dividend, if declared would be on the face value of Rs.10/- per unit. **Please read the offer document carefully before investing.**