

**NOTICE-CUM-ADDENDUM**
**I. ADDENDUM TO THE SCHEME INFORMATION DOCUMENTS ("SID") AND KEY INFORMATION MEMORANDA ("KIM") OF JM INCOME FUND, SCHEME OF JM FINANCIAL MUTUAL FUND**

With effect from January 2, 2012, the exit load structure of JM Income Fund will be modified as under:

EXISTING EXIT LOAD STRUCTURE	REVISED EXIT LOAD STRUCTURE
NIL	1.00% of NAV on all investment (including fresh registration under SIP/ STP/ SWP) transactions, if redeemed/ switched-out within 365 days of transfer/allotment of units in normal transactions/ allotment of units of respective instalments in SIP/ STP/ SWP transactions.

Investors are requested to note that the changes in load structure shall be applicable for all prospective investments (including fresh registration of SIP/ STP/ SWP on prospective basis) in the above Scheme w.e.f. January 2, 2012 i.e. investments/ registration under SIP/ STP/ SWP made on or after January 2, 2012. Investments/ registration under SIP/ STP/ SWP made prior to the above changes would continue to attract the load structure and lock-in period as would have been applicable at the time of their respective original investments/ registration under SIP/ STP/ SWP.

All other terms and conditions mentioned in the SID/ KIM of the Scheme remains unchanged.

**II. THIS ADDENDUM SETS OUT THE CHANGES TO BE MADE IN THE COMBINED SID AND KIM OF OPEN ENDED SCHEMES AND STATEMENT OF ADDITIONAL INFORMATION ("SAI") OF ALL SCHEMES OF JM FINANCIAL MUTUAL FUND**
**Demat option for Systematic Investment Plan (SIP)**

Pursuant to SEBI Circular no. CIR/IMD/DF/9/2011 dated May 19, 2011 and Notice-cum-Addendum dated September 30, 2011, issued by JM Financial Asset Management Private Limited, investors were provided with an option to subscribe to the units of open ended, close ended, Interval schemes (excluding investments made through SIP) in dematerialized (demat) form with effect from October 1, 2011.

With effect from January 1, 2012, investors would also have an option of holding the units in demat form for SIP. However, the units will be allotted, based on the applicable NAV as per the SID and will be credited to investors' demat account on weekly basis upon realization of funds. For example, units will be credited to investors' demat account every Monday, for realization status received from Monday to Friday in the previous week.

All the other terms and conditions, as laid down in the aforesaid Notice-cum-Addendum dated September 30, 2011, will be applicable for SIP investments.

**Bhanu Katoch**

Chief Executive Officer

Place : Mumbai

JM Financial Asset Management Private Limited

Date : December 30, 2011

(Investment Managers to JM Financial Mutual Fund)

**For further details, please contact :**

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**Investment Objective:** **JM Equity Fund** (an open-ended Growth scheme), To provide optimum capital growth and appreciation. **JM Basic Fund** (an open-ended sector scheme), The primary objective of the Scheme will be to provide capital appreciation to its Unitholders through judicious deployment of the corpus of the Scheme in sectors categorized under "basic industry" in the normal parlance and in context of the Indian economy, including but not limited to, energy, petrochemicals, oil & gas, power generation & distribution and electrical equipment suppliers, metals and building material. The fund would continue to remain open-ended with a sector focus. **JM Balanced Fund** (an open-ended balanced scheme), To provide steady current income as well as long term growth of Capital. **JM Core 11 Fund** (An Open Ended Equity Oriented Scheme), To provide long-term growth by investing predominantly in a concentrated portfolio of equity / equity related instruments. **JM MIP Fund** (an open-ended monthly income fund with no assured return. Monthly Income is not assured and is subject to the availability of the distributable surplus), To generate regular income, primarily through investments in fixed income securities so as to make monthly, quarterly and annual dividend distribution, declare bonus in the growth option. The Fund would also aim to achieve capital appreciation through investing a portion of its assets in equity and equity related securities. **JM High Liquidity Fund** (an open-ended liquid scheme), To provide income by way of dividend (dividend plans) and capital gains (growth plan) through investing in debt and money market instruments. **JM Arbitrage Advantage Fund:** (An open-ended equity oriented Interval Scheme) 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. **JM Money Manager Fund** (an open-ended debt scheme), To generate stable long term returns with low risk strategy and capital appreciation/accretion through investments in debt instruments and related securities besides preservation of capital. **JM Floater Fund - LTP** (an open-ended income scheme) (formerly known as JM Liquid Plus Fund) To provide regular income and capital appreciation through investment in floating rate debt instruments, fixed rate debt instruments swapped for floating rate returns and also fixed rate instruments and money market instruments. **JM Floater Fund - STP** (an open-ended liquid scheme), To provide regular income and capital appreciation through investment in floating rate debt instruments, fixed rate debt instruments swapped for floating rate returns and also fixed rate instruments and money market instruments. **JM Short Term Fund** (an open-ended income scheme), To generate regular returns and high level of liquidity with low risk strategy and capital appreciation / accretion through investment in debt instruments and related securities besides preservation of capital. **JM Income Fund** (an open-ended income scheme), To generate stable long term returns with low risk strategy and capital appreciation / accretion through investment in debt instruments and related securities besides preservation of capital. **JM G-Sec Fund** (an open-ended dedicated gilts scheme), To provide ultimate level of safety to its unitholders through investments in sovereign securities issued by the Central and State Government. **JM Tax Gain Fund** (an open ended equity linked savings scheme), The investment objective is to generate long-term capital growth from a diversified and actively managed portfolio of equity and equity related securities and to enable investors a deduction from total income, as permitted under the Income Tax Act, 1961 from time to time. **JM Multi Strategy Fund:** (an open-ended equity oriented scheme), The investment objective of the Scheme is to provide capital appreciation by investing in equity and equity related securities using a combination of strategies.

**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 scheme will be achieved. All investments in mutual funds and securities are subject to market risks and the NAV of the Scheme may go up or down depending upon the factors and forces affecting the securities market. Past performance of the Sponsor / AMC / Schemes of JM Financial Mutual Fund does not indicate the future performance of the schemes of JM Financial Mutual Fund. The sponsors are not responsible or liable for any loss resulting from the operation of the fund beyond the initial contribution made by them of an amount of Rupees One lakh 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.** Please see "Risk Factors", "Scheme Specific Risk Factors and Special Consideration" and "Right to limit redemptions" in the Scheme Information Document & Statement of Additional Information. Please refer the Scheme Information Document & Statement of Additional Information of the Schemes, which can be obtained free of cost from any of the JM Financial Mutual Fund Investor Service Centres or Distributors. **Please read the Scheme Information Document & Statement of Additional Information carefully before investing.**