

COMMON ADDENDUM - I

CHANGES TO VARIOUS SCHEMES OF

LIC MUTUAL FUND

DATED July 27, 2004

The Board of Directors of LICMF Trustee Company Pvt. Ltd. have approved various changes in different schemes of LIC Mutual Fund. This addendum sets forth all the changes that have been taken place in the schemes of LIC Mutual Fund.

1 Changes in load structure (w.e.f. 01/08/2004)

Scheme Name	Present Load Structure	Revised Load Structure
LICMF FLOATING RATE FUND	Entry Load: Nil Exit Load: 0.50% for investment upto 50 lakh if exit within 6 months; 0.25% for investment above 50 lakh if exit within 3 months.	Entry Load: Nil Exit Load: 0.50% for investment <= 50 lakh if exit within 6 months; Nil for investment > 50 lakh
LICMF SHORT TERM PLAN	Entry Load: Nil Exit Load: 0.25% if exit within 10 days from the date of investment	Entry Load: Nil Exit Load: Nil
LICMF CHILDREN'S FUND	Entry Load: Nil Exit Load: 3.00% if exit within 3 years from the date of investment; 1.50% if exit after 3 years but before child completes 18 years; Nil if exit after child completes 18 years.	Entry Load: Nil Exit Load: 1.00% if exit within 3 years from the date of investment; Nil if exit after 3 years from the date of investment.
LICMF MONTHLY INCOME PLAN	Entry Load: Nil Exit Load: 0.50% for investments of Rs. 10 lakh or less if redeemed within 6 months from the date of investment; Nil for investment above 10 lakh.	Entry Load: Nil Exit Load: 0.50% for investment <= 25 lakh if exit within 6 months from the date of investment; 0.25% for investment > 25 lakh if exit within 3 months from the date of investment.
LICMF EQUITY FUND	Entry Load: 1.50% for investment upto 3 Crore; Nil for investment above 3 Crore Exit Load: Nil	Entry Load (for non - SIP investments): 2.00% for investment < 3 crore; Nil for investment >= 3 crore Entry Load (for SIP investments): Nil Exit Load (for SIP investments only): 2.25% if exit within 1 year from the date of investment

LICMF INDEX FUND	Entry Load: 1.00% Exit Load: Nil	Entry Load (for non - SIP investments): 1.00% Entry Load (for SIP investments): Nil Exit Load (for SIP investments only): 2.25% if exit within 1 year from the date of investment
LICMF GROWTH FUND	Entry Load: 1.00% Exit Load: Nil	Entry Load (for non - SIP investments): 2.00% for investment < 3 crore; Nil for investment >= 3 crore Entry Load (for SIP investments): Nil Exit Load (for SIP investments only): 2.25% if exit within 1 year from the date of investment
LICMF BALANCED FUND	Entry Load: 1.50% Exit Load: Nil	Entry Load (for non-SIP investments): 1.50% Entry Load (for SIP investments): Nil. Exit Load (for SIP investments only): 2.25% if exit within 1 year from the date of investment

2 Changes in asset allocation pattern (w.e.f. 27/07/2004)

LICMF Monthly Income Plan

Existing Asset Allocation			Revised Asset Allocation			
Instrument	Allocation	Risk Profile	Instrument	Normal Allocation	Deviation (%) to normal	Risk Profile
Debt* / MM	Upto 100%	Low to Medium	Debt* / MM	Upto 100%	-	Low to Medium
Equity	Upto 15%	Medium to High	Equity	Upto 15%	30	Medium to High

LICMF Short Term Plan

Existing Asset Allocation			Revised Asset Allocation			
Instrument	Allocation	Risk Profile	Instrument	Normal Allocation	Avg. portfolio maturity	Risk Profile
Debt*/MM	60 – 100%	Low	Debt* / MM	Upto 100%	6 – 18	Low to

(with avg. maturity or residual maturity of ≤367 days or having put option within a period of 367 days)					months	Medium
Debt (having Avg. Maturity or residual maturity of > 367 days)	0 – 40%	Low to Medium				

* Debt includes securitised debt.

3 LICMF G – SEC FUND

As per the current provisions under the scheme, exit load will be applicable for intra-scheme plan changes i.e. if an investor switches out from Regular plan of the scheme and switching in into the PF Plan then exit load will be applicable as per the provisions of regular plan, if any, and vice a versa. However, it has been approved that no exit load will be applicable for such intra-scheme plan changes with immediate effect.

4 LICMF UNIT LINKED INSURANCE SCHEME (ULIS)

Following changes have been made in various provisions of LICMF Unit Linked Insurance Scheme (ULIS).

- **Additional purchase in single contribution plan:**

As per present provision, additional purchase is allowed in single contribution plan. However, provision of additional purchase is removed with immediate effect in single contribution plan.

- **Final reward or Bonus to investors:**

As per the present provision, criteria for eligibility for final reward/bonus has not been clarified. However, with immediate effect, the final reward/bonus will be paid only if there are no partial repurchases and all the contributions are paid regularly.

- **Load on appropriation of dividend into dividend units:**

Entry Load on the dividend units reinvested in the scheme when the dividend is declared has been removed.

5 DIVIDEND PAYOUT FACILITY IN LICMF LIQUID FUND

As per the current provision, dividend as and when declared, gets reinvested in the scheme as per the NAV applicable. However, from now onwards, the investor will have an option to choose between dividend payout and dividend reinvestment option.

6 OFFICIAL COLLECTION / REDEMPTION CENTRES

For collection purpose, all our offices / offices of our R&T / any place where time stamping machine is available, will be authorised collection centres. However, for redemption, only all our offices / offices of our R&T will be considered as authorised centers.

7 CHANGE OF REGISTRAR

The registrar for various schemes of LIC Mutual Fund has been changed with effect from 23 / 08 / 2004. M/s. Karvy Computershare Pvt. Ltd. has been appointed as a new registrars for following schemes.

- LICMF Bond Fund
- LICMF G – Sec Fund
- LICMF Children’s Fund
- LICMF Short Term Plan
- LICMF Floating Rate Fund
- LICMF Monthly Income Plan
- LICMF Equity Fund
- LICMF Index Fund
- LICMF Growth Fund
- LICMF Tax Plan
- LICMF Balanced Fund

The address of the registrar is given below.

Karvy Computershare Pvt. Ltd.

“Karvy House”, 21, Avenue 4,

Street No. 1, Banjara Hills,

Hyderabad – 500 034

Phone: (040) 23394166/23312454/23320251

Fax: (040)23371720/55664551

8 INTRODUCTION OF SYSTEMATIC TRANSFER PLAN

Systematic Transfer Plan has been introduced in all schemes of LIC Mutual Fund except LICMF Children’s Fund, LICMF Tax Plan, and LICMF Unit Linked Insurance Scheme.

Under this option the unitholders can transfer a fixed amount at a regular interval to a different scheme. Investors will have an option to transfer a regular sum of amount or

capital appreciation to a scheme of his choice. Each transfer will be treated as redemption from the scheme from which the funds are to be transferred and the repurchase price will be calculated on the basis of load applicable, if any. However, no entry load will be charged while calculating the sale price for the entry into the target scheme.

9 EXTENTION OF SPECIAL FACILITIES

Few existing facilities like SWP, AWOCA, and Preset Trigger Option have been extended to other schemes, the list of which is given below.

Scheme Name	Facilities Extended
Short Term Plan	AWOCA
Floating Rate Fund	AWOCA
Balanced Fund	AWOCA, SWP, Preset Trigger Option
Equity Fund	AWOCA, SWP, Preset Trigger Option
Growth Fund	AWOCA, SWP, Preset Trigger Option
Index Fund	AWOCA, SWP, Preset Trigger Option

As per the provisions of SEBI regulation, any change in the fundamental attributes of the scheme, in this case change in load structure, the investors will be given an option to exit without any load, if applicable.

All other terms and conditions of the respective scheme(s) / plan(s) remain unchanged.

Chief Executive

Statutory Details:

LIC Mutual Fund has been set up as a Trust sponsored by Life Insurance Corporation of India. Jeevan Bima Sahayog Asset Management Company Ltd. is the Investment Manager to the Fund.

Risk Factors:

Mutual Fund and Securities investments are subject to market risks and there is no assurance and no guarantee that the objectives of the Mutual Fund will be achieved. As with any investment in stocks and shares, the 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 the Sponsor / AMC / Mutual Fund does not indicate the future performances of the schemes of the Mutual Fund. LICMF G – Sec Fund, LICMF Bond Fund, LICMF Childrens Fund, LICMF Liquid Fund, LICMF Short Term Plan, LICMF Monthly Income Plan, LICMF Equity Fund, LICMF Growth Fund, LICMF Balanced Fund, LICMF Tax Plan, LICMF Unit Linked Insurance Scheme, and LICMF Index Fund are names of the scheme and do not in any manner indicate either the quality of the scheme, its future prospects or returns.