

Dear Unitholder,

**Re: Addendum on change in Investment Pattern/ Asset Allocation in Balanced Funds of LIC Mutual Fund - LICMF Balanced Fund & LICMF ULIS (Unit Linked Insurance Plan)**

We would like to bring to the notice of all the unitholders of LICMF Balanced Fund & LICMF ULIS (Unit Linked Insurance Plan) that the Board of Directors of LICMF Trustee Company Pvt. Ltd. has approved certain changes in the Asset allocation of LICMF Balanced Fund & LICMF ULIS (Unit Linked Insurance Plan), as per the addendum dated 02/05/2006, which is reproduced below.

As per the SEBI (Mutual Funds) Regulations 1996, under the provision of various Regulation 18(15)(d) you have the option to redeem the units at NAV without any exit load, if the approved changes as per addendum are not agreeable to you. This option of exiting without any exit load can be exercised by you from 22/05/2006 to 26/05/2006 (both days inclusive). The applicable NAV for this exit option, without any exit load, in respect of redemption request received within the stipulated cut-off time on any business day, would be of the day on which the redemption request is received. The redemption request for this purpose can be sent to any of our Area Offices/ Business Centres or ISC of our Registrar.

This notice is only for your information regarding the changes made in the scheme and it is not a notice for redemption.

Thanking you,

Yours faithfully,

Chief Executive

**ADDENDUM to Balanced Funds**

**(LICMF Balanced Fund & LICMF ULIS)**

**Dated May 02, 2006**

**This addendum is prepared to bring the contents of the change and the related instructions in Balanced Funds of LIC Mutual Fund to the notice of the investors – prospective and existing.**

Consequent upon amendment in the Sec.115T of the Income Tax Act by Finance Act 2006, regarding definition of the 'Equity-oriented Fund', the Board of Directors of LIC Mutual Fund Trustee Company Pvt. Ltd. have approved change in the asset allocation under following **balanced funds of LIC Mutual Fund - LICMF Balanced Fund and LICMF ULIS** (Unit Linked Insurance Scheme). This addendum sets forth the changes that have been taken place in the schemes, as below:

**Changes in Investment Pattern/ Asset Allocation pattern (w.e.f. 01/06/2006)**

**Scheme: LICMF Balanced Fund**

Instruments	Present Investment Pattern		Revised Investment Pattern
	Allocation (%)	Deviation (%) from normal allocation	Allocation (%)
Equity & Equity Related	Up to 60	20	65 - 80
Debt* & Money Market Related	Up to 40	30	20 - 35

***\*Note: Debt includes Government Securities & securitised debt***

**Scheme: LICMF ULIS (Unit Linked Insurance Scheme)**

Instruments	Present Investment Pattern		Revised Investment Pattern
	Allocation (%)	Deviation (%) from normal allocation	Allocation (%)
Equity & Equity Related	Up to 60	20	65 - 80
Debt* & Money Market Related	Up to 40	30	20 - 35

***\*Note: Debt includes Government Securities & securitised debt***

Subject to SEBI regulations, the investment pattern/ asset allocation pattern indicated in table above may change from time to time keeping in view market conditions, market opportunities, applicable regulations, and political & economic factors. It must be clearly understood that the percentages stated above are only indicative and not absolute and they can vary substantially depending upon the perception of the investment manager, the intention being at all times to seek to protect the interests of unitholders. Such changes in the investment pattern will be only for short term and for defensive considerations.

As per the provisions of SEBI regulation, wherever there is a change in fundamental attribute, in this case in investment pattern, the investors shall be given an option to exit without any load, if applicable.

All other terms and conditions of the scheme 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. The Sponsor is not responsible for or liable to any loss resulting from the operations of the scheme beyond their initial contribution of Rs.2 Crore towards the setting up of the Mutual Fund. Past performance of the Sponsor / AMC / Mutual Fund does not indicate the future performances of the schemes of the Mutual Fund. LICMF Balanced Fund and LICMF ULIS (Unit Linked

Insurance Scheme) are the name of the schemes and do not in any manner indicate either the quality of the scheme, its future prospects or returns.