

COMMON ADDENDUM - II

Dated February 10, 2005

ADDENDUM TO LICMF LIQUID FUND & LICMF FLOATING RATE FUND

The Board of Directors LICMF Trustee Company Pvt. Ltd. has approved daily dividend facility in LICMF LIQUID FUND and weekly dividend facility in LICMF FLOATING RATE FUND in its meeting held on 27/07/2004. Thus, it has been decided to change the existing frequency of weekly dividend to daily dividend in case of LICMF Liquid Fund & monthly dividend to weekly dividend in case of LICMF Floating Rate Fund. This addendum is prepared accordingly to bring the contents of the change and the related instructions to the notice of the investors – prospective and existing.

1. LICMF LIQUID FUND

LICMF Liquid Fund is an open-ended money market scheme. It has currently 2 options – Dividend & Growth. The investment objective, the portfolio, and the load structure are common to both the options. Presently, in the dividend option, the dividend is being declared on a weekly basis. With the above change, the dividend option will have frequency of dividend on a daily basis.

Dividend Distribution

Dividend will be declared at the end of each day on all days. However, it must be clearly understood that the actual declaration of dividend will depend on the availability of distributable surplus as computed in accordance with SEBI regulations. The Board of Directors of LICMF Trustee Company Pvt. Ltd. reserves the right to modify/alter the dividend dates in future and it's decision will be final in this regard. There is no assurance or guarantee to unitholders as to the rate of dividend distribution nor that dividend will be paid regularly.

Effective Date

The daily dividend declaration will start with effect from February 21, 2005. All the investor in the dividend option as on February 21, 2005 will be entitled for the dividend.

2. LICMF FLOATING RATE FUND

LICMF Liquid Fund is an open-ended money market scheme. It has currently 2 options – Dividend & Growth. The investment objective, the portfolio, and the load structure are common to both the options. Presently, in the dividend option, the dividend is being declared on a monthly basis. With the above change, the dividend option will have frequency of dividend on a weekly basis.

Dividend Distribution

Every Monday will be the record date for the weekly dividend and ex-dividend NAV will be declared on the next day. If Monday is a holiday then next business day will be considered as the record date. Accordingly, if next day after the record date is a holiday, then ex-dividend NAV will be declared on next business day after the record date. However, it must be clearly understood that the actual declaration of dividend will depend on the availability of distributable surplus as computed in accordance with SEBI regulations. The Board of Directors of LICMF Trustee Company Pvt. Ltd. reserves the right to modify/alter the dividend dates in future and it's decision will be final in this regard. There is no assurance or guarantee to unitholders as to the rate of dividend distribution nor that dividend will be paid regularly.

Effective Date

The daily dividend declaration will start with effect from February 21, 2005. All the investor in the dividend option as on February 21, 2005 will be entitled for the dividend.

The above mentioned changes have already been communicated to SEBI. All other provisions of LICMF Liquid Fund & LICMF Floating Rate Fund other than those expressly stated herein above would remain same.

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 Liquid Fund & LICMF Floating Rate Fund are names of the scheme and do not in any manner indicate either the quality of the scheme, its future prospects or returns. Please read the offer document carefully before investing.