



LIC Mutual Fund Asset Management Limited

(Investment Managers to LIC Mutual Fund)

CIN No: U67190MH1994PLC077858

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NOTICE – CUM- ADDENDUM No. 40 of 2021-2022

Notice cum Addendum to the Scheme Information Document (SID) and Key Information Memorandum (KIM) of Debt Schemes of LIC Mutual Fund ('the Fund')

1. Introduction of Potential Risk Class (PRC) Matrix for debt schemes of LIC Mutual Fund based on Interest Rate Risk and Credit Risk

Pursuant to Securities and Exchange Board of India (SEBI) circular no. SEBI/HO/IMD/IMD-II DOF3/P/CIR/2021/573 dated June 07, 2021, regarding Potential Risk Class Matrix for debt schemes based on Interest Rate Risk and Credit Risk, all debt schemes shall be classified in terms of a Potential Risk Class matrix consisting of parameters based on maximum interest rate risk (measured by Macaulay Duration (MD) of the scheme) and maximum credit risk (measured by Credit Risk Value (CRV) of the scheme). For the purpose of alignment of the existing debt schemes with the provisions of the aforesaid circular, each debt scheme shall be placed in one of the 9 cells as specified in the below table under PRC Matrix.

This is effective from December 01, 2021 (the Effective Date”)

Investors are requested to note the following revised Scheme Type and PRC Matrix of Debt Schemes of LIC Mutual Fund:

Sr. No.	Scheme Name	Type of the Scheme		PRC Matrix																				
		Existing	Proposed																					
1	LIC MF Banking & PSU Debt Fund	An open ended debt scheme predominantly investing in Debt instruments of banks, Public Sector Undertakings, Public Financial Institutions and Municipal Bonds.	An open ended debt scheme predominantly investing in Debt instruments of banks, Public Sector Undertakings, Public Financial Institutions and Municipal Bonds. (A Relatively High interest rate risk and Relatively Low Credit Risk)	<table border="1"> <thead> <tr> <th colspan="4">Potential Risk Class</th> </tr> <tr> <th>Credit Risk →</th> <th>Relatively Low (Class A)</th> <th>Moderate (Class B)</th> <th>Relatively High (Class C)</th> </tr> <tr> <th>Interest Rate Risk ↓</th> <td>Relatively Low (Class I)</td> <td></td> <td></td> </tr> <tr> <td>Moderate (Class II)</td> <td></td> <td></td> <td></td> </tr> <tr> <td>Relatively High (Class III)</td> <td>A-III</td> <td></td> <td></td> </tr> </thead> </table>	Potential Risk Class				Credit Risk →	Relatively Low (Class A)	Moderate (Class B)	Relatively High (Class C)	Interest Rate Risk ↓	Relatively Low (Class I)			Moderate (Class II)				Relatively High (Class III)	A-III		
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2	LIC MF Bond Fund	An open ended medium term debt scheme investing in instruments with	An open ended medium term debt scheme investing in instruments with Macaulay duration of the portfolio is																					

		Macaulay duration of the portfolio is between 4 years and 7 years (Please refer Page No.38 of the SID.)	between 4 years and 7 years (Please refer Page No.38 of the SID.) (A Relatively High interest rate risk and moderate Credit Risk)	<table border="1"> <thead> <tr> <th colspan="4">Potential Risk Class</th> </tr> <tr> <td>Credit Risk →</td> <td>Relatively Low (Class A)</td> <td>Moderate (Class B)</td> <td>Relatively High (Class C)</td> </tr> </thead> <tbody> <tr> <td>Interest Rate Risk ↓</td> <td></td> <td></td> <td></td> </tr> <tr> <td>Relatively Low (Class I)</td> <td></td> <td></td> <td></td> </tr> <tr> <td>Moderate (Class II)</td> <td></td> <td></td> <td></td> </tr> <tr> <td>Relatively High (Class III)</td> <td></td> <td>B-III</td> <td></td> </tr> </tbody> </table>	Potential Risk Class				Credit Risk →	Relatively Low (Class A)	Moderate (Class B)	Relatively High (Class C)	Interest Rate Risk ↓				Relatively Low (Class I)				Moderate (Class II)				Relatively High (Class III)		B-III	
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3	LIC MF Savings Fund	An open ended low duration debt scheme investing in instruments with Macaulay duration of the portfolio is between 6 months and 12 months (Please refer Page No.29 of the SID)	An open ended low duration debt scheme investing in instruments with Macaulay duration of the portfolio is between 6 months and 12 months (Please refer Page No. 29 of the SID) (A Relatively Low interest rate risk and moderate Credit Risk)	<table border="1"> <thead> <tr> <th colspan="4">Potential Risk Class</th> </tr> <tr> <td>Credit Risk →</td> <td>Relatively Low (Class A)</td> <td>Moderate (Class B)</td> <td>Relatively High (Class C)</td> </tr> </thead> <tbody> <tr> <td>Interest Rate Risk ↓</td> <td></td> <td></td> <td></td> </tr> <tr> <td>Relatively Low (Class I)</td> <td></td> <td>B-I</td> <td></td> </tr> <tr> <td>Moderate (Class II)</td> <td></td> <td></td> <td></td> </tr> <tr> <td>Relatively High (Class III)</td> <td></td> <td></td> <td></td> </tr> </tbody> </table>	Potential Risk Class				Credit Risk →	Relatively Low (Class A)	Moderate (Class B)	Relatively High (Class C)	Interest Rate Risk ↓				Relatively Low (Class I)		B-I		Moderate (Class II)				Relatively High (Class III)			
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4	LIC MF Short Term Debt Fund	An Open Ended Short Term Debt scheme investing in instruments with Macaulay duration between 1 year and 3 years (Please refer Page No. 37 of the SID)	An Open Ended Short Term Debt scheme investing in instruments with Macaulay duration between 1 year and 3 years (Please refer Page No. 37 of the SID) (A Moderate interest rate risk and moderate Credit Risk)	<table border="1"> <thead> <tr> <th colspan="4">Potential Risk Class</th> </tr> <tr> <td>Credit Risk →</td> <td>Relatively Low (Class A)</td> <td>Moderate (Class B)</td> <td>Relatively High (Class C)</td> </tr> </thead> <tbody> <tr> <td>Interest Rate Risk ↓</td> <td></td> <td></td> <td></td> </tr> <tr> <td>Relatively Low (Class I)</td> <td></td> <td></td> <td></td> </tr> <tr> <td>Moderate (Class II)</td> <td></td> <td>B-II</td> <td></td> </tr> <tr> <td>Relatively High (Class III)</td> <td></td> <td></td> <td></td> </tr> </tbody> </table>	Potential Risk Class				Credit Risk →	Relatively Low (Class A)	Moderate (Class B)	Relatively High (Class C)	Interest Rate Risk ↓				Relatively Low (Class I)				Moderate (Class II)		B-II		Relatively High (Class III)			
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5	LIC MF Ultra Short Term Fund	An Open Ended Ultra Short Term Debt scheme investing in instruments with Macaulay duration between 3 months - 6 months (Please refer Page No. 42 of the SID)	An Open Ended Ultra Short Term Debt scheme investing in instruments with Macaulay duration between 3 months - 6 months (Please refer Page No. 42 of the SID) (A Relatively Low interest rate risk and moderate Credit Risk)	<table border="1"> <thead> <tr> <th colspan="4">Potential Risk Class</th> </tr> <tr> <td>Credit Risk →</td> <td>Relatively Low (Class A)</td> <td>Moderate (Class B)</td> <td>Relatively High (Class C)</td> </tr> </thead> <tbody> <tr> <td>Interest Rate Risk ↓</td> <td></td> <td></td> <td></td> </tr> <tr> <td>Relatively Low (Class I)</td> <td></td> <td>B-I</td> <td></td> </tr> <tr> <td>Moderate (Class II)</td> <td></td> <td></td> <td></td> </tr> <tr> <td>Relatively High (Class III)</td> <td></td> <td></td> <td></td> </tr> </tbody> </table>	Potential Risk Class				Credit Risk →	Relatively Low (Class A)	Moderate (Class B)	Relatively High (Class C)	Interest Rate Risk ↓				Relatively Low (Class I)		B-I		Moderate (Class II)				Relatively High (Class III)			
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6	LIC MF Overnight Fund	An open-ended debt scheme investing in overnight securities.	An open-ended debt scheme investing in overnight securities. (A Relatively Low Interest Rate Risk and Relatively Low Credit Risk)	<table border="1"> <thead> <tr> <th colspan="4">Potential Risk Class</th> </tr> <tr> <td>Credit Risk →</td> <td>Relatively Low (Class A)</td> <td>Moderate (Class B)</td> <td>Relatively High (Class C)</td> </tr> </thead> <tbody> <tr> <td>Interest Rate Risk ↓</td> <td></td> <td></td> <td></td> </tr> <tr> <td>Relatively Low (Class I)</td> <td>A-I</td> <td></td> <td></td> </tr> <tr> <td>Moderate (Class II)</td> <td></td> <td></td> <td></td> </tr> <tr> <td>Relatively High (Class III)</td> <td></td> <td></td> <td></td> </tr> </tbody> </table>	Potential Risk Class				Credit Risk →	Relatively Low (Class A)	Moderate (Class B)	Relatively High (Class C)	Interest Rate Risk ↓				Relatively Low (Class I)	A-I			Moderate (Class II)				Relatively High (Class III)			
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7	LIC MF Liquid Fund	An open ended Liquid Scheme	An open ended Liquid Scheme. (A Relatively Low interest rate risk and moderate Credit Risk)	<table border="1"> <thead> <tr> <th colspan="4">Potential Risk Class</th> </tr> <tr> <td>Credit Risk →</td> <td>Relatively Low (Class A)</td> <td>Moderate (Class B)</td> <td>Relatively High (Class C)</td> </tr> </thead> <tbody> <tr> <td>Interest Rate Risk ↓</td> <td></td> <td></td> <td></td> </tr> <tr> <td>Relatively Low (Class I)</td> <td></td> <td>B-I</td> <td></td> </tr> <tr> <td>Moderate (Class II)</td> <td></td> <td></td> <td></td> </tr> <tr> <td>Relatively High (Class III)</td> <td></td> <td></td> <td></td> </tr> </tbody> </table>	Potential Risk Class				Credit Risk →	Relatively Low (Class A)	Moderate (Class B)	Relatively High (Class C)	Interest Rate Risk ↓				Relatively Low (Class I)		B-I		Moderate (Class II)				Relatively High (Class III)			
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8	LIC MF Govt. Securities Fund	An open ended debt scheme investing in government securities across maturity.	An open ended debt scheme investing in government securities across maturity. (A Relatively High interest rate risk and Relatively Low Credit Risk)	<table border="1"> <thead> <tr> <th colspan="4">Potential Risk Class</th> </tr> </thead> <tbody> <tr> <td>Credit Risk →</td> <td>Relatively Low (Class A)</td> <td>Moderate (Class B)</td> <td>Relatively High (Class C)</td> </tr> <tr> <td>Interest Rate Risk ↓</td> <td></td> <td></td> <td></td> </tr> <tr> <td>Relatively Low (Class I)</td> <td></td> <td></td> <td></td> </tr> <tr> <td>Moderate (Class II)</td> <td></td> <td></td> <td></td> </tr> <tr> <td>Relatively High (Class III)</td> <td>A-III</td> <td></td> <td></td> </tr> </tbody> </table>	Potential Risk Class				Credit Risk →	Relatively Low (Class A)	Moderate (Class B)	Relatively High (Class C)	Interest Rate Risk ↓				Relatively Low (Class I)				Moderate (Class II)				Relatively High (Class III)	A-III		
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9	LIC MF G-Sec Long Term Exchange Traded Fund	An Open Ended Scheme replicating/tracking Nifty 8-13 Yr. G-Sec Index	An Open Ended Scheme replicating/tracking Nifty 8-13 Yr. G-Sec Index. (A Relatively High interest rate risk and Relatively Low Credit Risk)	<table border="1"> <thead> <tr> <th colspan="4">Potential Risk Class</th> </tr> </thead> <tbody> <tr> <td>Credit Risk →</td> <td>Relatively Low (Class A)</td> <td>Moderate (Class B)</td> <td>Relatively High (Class C)</td> </tr> <tr> <td>Interest Rate Risk ↓</td> <td></td> <td></td> <td></td> </tr> <tr> <td>Relatively Low (Class I)</td> <td></td> <td></td> <td></td> </tr> <tr> <td>Moderate (Class II)</td> <td></td> <td></td> <td></td> </tr> <tr> <td>Relatively High (Class III)</td> <td>A-III</td> <td></td> <td></td> </tr> </tbody> </table>	Potential Risk Class				Credit Risk →	Relatively Low (Class A)	Moderate (Class B)	Relatively High (Class C)	Interest Rate Risk ↓				Relatively Low (Class I)				Moderate (Class II)				Relatively High (Class III)	A-III		
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Unitholders are requested to note that any permanent change in the positioning of the scheme into a cell resulting in a risk (in terms of credit risk or duration risk) which is higher than the maximum risk specified for the chosen PRC Cell, shall be considered as a Fundamental Attribute Change (FAC) of schemes. However, the PRC value of scheme could change temporarily due to price movements, rating changes, investment actions etc. Any such change in the PRC cell of a scheme to a higher risk scale for either credit risk or duration risk beyond the maximum risk specified for the chosen PRC Cell shall be treated as a passive breach and shall be rebalanced within a period as specified in the SID of the respective Debt Schemes.

2. Existing clause with regards to 'Change in asset allocation Pattern' is amended as follows:

The AMC reserves the right to change the asset allocation pattern as stated in the respective SID of Debt schemes of LIC Mutual Fund in the interest of the investors depending on the market conditions for a short term period of defensive consideration. Similarly, positioning of PRC of the scheme may be changed temporarily to a higher risk cell due to price movements, rating changes, investment actions etc. In case of any deviation of asset allocation pattern or temporary changes of positioning of PRC to higher risk cell, the AMC will endeavor to rebalance the same as specified in respective SID of Debt schemes. In case deviation in asset allocation pattern or temporary change in positioning of PRC to higher cell is not rebalanced within the specified period, the justification for such delay in rebalancing shall be placed before the Investment Committee and the reasons for the same shall be recorded in writing. The Investment Committee shall then decide on the course of action. However, at all times the portfolio will adhere to the overall investment objective of the scheme. Such changes in the investment pattern will be for a short term and for defensive considerations and the intention being at all times to seek to protect the interests of the Unit Holders.

This notice cum addendum will form an integral part of the SID and KIM of the Debt Schemes of the Fund.

All other terms and conditions of the Schemes will remain unchanged.

For LIC MUTUAL FUND ASSET MANAGEMENT LIMITED

**Sd/-
Authorized Signatory**

Date: 30/11/2021
Place: Mumbai

As part of Go-Green initiative, investors are encouraged to register/update their email ID and Mobile Number with us to support paper-less communication.

Mutual Fund investments are subject to market risks, read all scheme related documents carefully.