

## CHANGE IN COMPUTATION OF THE NET ASSET VALUE FOR UNIT LINKED FUNDS

Kind Attention: All Unit Linked Policy Holders

We wish to inform you that the formula for computation of the Net Asset Value Per Unit (NAV) for Unit Linked funds has been modified by the Insurance and Regulatory Development Authority of India (IRDAI) via its circular dated July 29<sup>th</sup>, 2011 and subsequent Corrigendum dated August 17<sup>th</sup>, 2011.

### The old formula as prescribed by IRDAI and as mentioned in the policy document:

- The unit pricing shall be computed based on whether the company is purchasing (appropriation price) or selling (expropriation price) the assets in order to meet the day to day transactions of unit allocations and unit redemptions.
- Appropriation price shall be computed as: Market value of investment held by the fund plus the expenses incurred in the purchase of the assets plus the value of any current assets plus any accrued income net of fund management charges less the value of any current liabilities less provisions, if any. This gives the net asset value of the fund. Dividing by the number of units existing at the valuation date (before any new units are allocated), gives the unit price of the fund under consideration.
- Expropriation price shall be computed as: Market Value of investment held by the fund less the expenses incurred in the sale of the assets plus the value of any current assets plus any accrued income net of fund management charges less the value of any current liabilities less provisions, if any. This gives the net asset value of the fund. Dividing by the number of units existing at the valuation date (before any units are redeemed), gives the unit price of the fund under consideration. We round the resulting price to the nearest Re. 0.0001.

### The modified formula as stipulated by IRDAI:

- The NAV of Unit Linked Funds shall be computed as: Market Value of Investments held for the fund plus the value of any current assets plus any accrued income net of fund management charges less the value of any current liabilities less provision, if any. This gives the net asset value of the fund.
- Dividing by the number of units existing at the valuation date (before any new units are allocated), gives the unit price of the fund under consideration.

Please note that the above **change is effective August 2<sup>nd</sup>, 2011** and all the policy contracts issued by us (Linked funds) stand modified to the above extent.

For any further queries/ clarification, kindly contact us at the touch points mentioned below.

- Contact our **Customer Relations Officer**
- Call us on our help line **18602679999** (Available Mon-Sat from 10 am to 7 pm; local charges apply. DO NOT prefix any country code e.g. +91 or 00)
- Email us at [service@hdfclife.com](mailto:service@hdfclife.com)