

# OVERVIEW OF OUR INVESTMENT LINKED FUNDS

# IGI LIFE INSURANCE LIMITED

## INVESTMENT LINKED FUNDS

Here is what you need to know about our investment-linked funds.

	IGI LIFE AGGRESSIVE FUND	IGI LIFE BALANCED FUND	IGI LIFE CONSERVATIVE FUND	IGI LIFE SECURE FUND	IGI LIFE SHARIAH COMPLIANT FUND
<b>Target Exposure</b>	Local Equities and Fixed Income	Local Equities and Fixed Income	Fixed Income and Money Market Instruments	Government of Pakistan Fixed Income securities	Shariah compliant equity, fixed income and money market instruments
<b>Attributes of the Fund</b>	Aims to achieve long-term capital appreciation and inflation protection.  The fund is an equity fund which invests predominantly in shares listed in the local stock exchanges	Aims to provide long-term capital appreciation with a moderate risk profile and a medium to long-term investment horizon by investing in a portfolio balanced between equities and fixed income instruments.  This fund aims to achieve long-term capital appreciation and income with moderate risk.	The investment objective of the Fund is to provide stable exhibiting low volatility with Capital preservation by Constructing a liquid portfolio of Low risk short term investments.	The fund aims to provide Competitive returns from a Portfolio of low credit risk Government Securities such as PIBs and Treasury Bills.	Aims to provide capital appreciation with a moderate risk Profile and a medium term Investment horizon by investing in shariah compliant fixed income and equity instruments.
<b>Asset Allocation</b>	This fund aims to achieve long-term capital appreciation by investing majority of its net asset value (NAV) in equity instruments. 1. 50% to 90% of its NAV will be invested in equities; and 2. 5% to 50% of its NAV may be invested in fixed income and money market instruments.	1. Up to 15% to 50% of its NAV may be invested in equities; and 2. 50% to 85% of its NAV will be invested in fixed income and money market instruments.	1. This fund aims to achieve low volatility and consistent returns by investing its 100% of its net asset value (NAV) in money market and short term fixed income instruments.	1. The funds aims to achieve medium term capital appreciation by investing 70% to 95% % of the net asset value (NAV) in securities issued by Government of Pakistan, such as Pakistan Investment Bonds and Treasury Bills. 2. 0% to 30% of its NAV will be invested in money market instruments and 0% to 10% as cash.	This fund aims to achieve low Volatility and consistent returns by investing 90% to 100% of its net asset value (NAV) in Islamic fixed income and money market instruments and 0% to 10% as Cash.
<b>Risk Profile</b>	High	Medium	Low & Moderate	Low & Moderate	Low & Moderate
<b>Who should invest</b>	The world over, investing in the stock market is considered to be a time-tested method of creating wealth over the long-term. This fund is suitable for those who are willing to accept more risk in search of potentially higher long term returns and inflation protection.	This fund is suitable for those who are willing to accept moderate level of risk and require a combination of capital growth and income.	The fund is suitable for investors with short term investment horizon and the need for low consistent less volatile income.	The fund is best suited for investors seeking consistent income with a medium term Investment horizon.	The fund is best suited for Investors seeking shariah Compliant investment avenues Offering consistent income with a medium term investment horizon.

# IGI LIFE INSURANCE LIMITED

## INVESTMENT LINKED FUNDS

Here is what you need to know about our investment-linked funds.

	FUTURE SECURE ADVENTOROUS FUND	FUTURE SECURE BALANCED FUND	FUTURE SECURE CAUTIOUS FUND	FUTURE SECURE SECURE FUND
<b>Target Exposure</b>	Local Equities and Fixed Income	Local Equities and Fixed Income	Fixed Income and Money Market Instruments	Government of Pakistan Fixed income securities
<b>Attributes of the Fund</b>	Aims to achieve long-term capital appreciation and inflation protection.  The fund is an equity fund which invests predominantly in shares listed in the local stock exchanges	Aims to provide long-term capital appreciation with a moderate risk profile and a medium to long-term investment horizon by investing in a portfolio balanced between equities and fixed income instruments.	The investment objective of the Fund is to provide stable exhibiting low volatility with capital preservation by constructing a liquid portfolio of low risk short term investments.	The fund aims to provide competitive returns from a portfolio of low credit risk Government Securities such as PIBs and Treasury Bills.
<b>Asset Allocation</b>	This fund aims to achieve long-term capital appreciation by investing 100% of its net asset value (NAV) in equity instruments. 1. At least 50% to 90% of its NAV will be invested in equities; and 2. 10% to 50% of its NAV may be invested in fixed income and money market instruments.	This fund aims to achieve long-term capital appreciation and income with moderate risk by investing 50% of its net asset value (NAV) in equity instruments. 1. At least 15% to 50% of its NAV will be invested in equities; and 2. 45% to 85% of its NAV may be invested in fixed income and money market instruments.	1. This fund aims to achieve low volatility and consistent returns by investing 80% to 100% of its net asset value (NAV) in money market and short term fixed income instruments. 2. 0% to 20% of its NAV may be invested in equities.	1. The funds aims to achieve medium term capital appreciation by investing 75% to 95% of the net asset value (NAV) in securities issued by Government of Pakistan, such as Pakistan Investment Bonds and Treasury Bills. 2. 0% to 30% of its NAV may be invested in fixed income and 5% to 10% in money market instruments
<b>Risk Profile</b>	High	Medium	Low & Moderate	Low & Moderate
<b>Who should invest</b>	The world over, investing in the stock market is considered to be a time-tested method of creating wealth over the long-term. This fund is suitable for those who are willing to accept more risk in search of potentially higher long term returns and inflation protection.	This fund is suitable for those who are willing to accept moderate level of risk and require a combination of capital growth and income.	The fund is suitable for investors with short term investment horizon and the need for low consistent less volatile income.	The fund is best suited for investors seeking consistent income with a medium term investment horizon.

# IGI LIFE INSURANCE LIMITED

## INVESTMENT LINKED FUNDS

Here is what you need to know about our investment-linked funds.

	SARMAYA PLUS PSM FUND	SARMAYA PLUS USF FUND	SARMAYA PLUS PIF FUND	SARMAYA PLUS UGIF FUND	SARMAYA PLUS USIF FUND	SARMAYA PLUS SECURE FUND
<b>Target Exposure</b>	Local Equities	Local Equities	Fixed Income and Money Market Instruments	Fixed Income and Money Market Instruments	Fixed Income and Money Market Instruments	Government of Pakistan Fixed income securities
<b>Attributes of the Fund</b>	Aims to achieve long-term capital appreciation and inflation protection. The fund is an equity fund which invests predominantly in shares listed in the local stock exchanges	Aims to achieve long-term capital appreciation and inflation protection. The fund is an equity fund which invests predominantly in shares listed in the local stock exchanges	The fund offers a long-term avenue for the growth of your savings by investing in long-term investment instruments that do not have any exposure to the stock market.	The fund offers a long-term avenue for the growth of your savings by investing in long-term investment instruments that do not have any exposure to the stock market.	The investment objective of the Fund is to provide stable exhibiting low volatility with capital preservation by constructing a liquid portfolio of low risk short term investments.	The fund aims to provide competitive returns from a portfolio of low credit risk Government Securities such as PIBs and Treasury Bills.
<b>Asset Allocation</b>	This fund aims to achieve long-term capital appreciation by investing majority of its net asset value (NAV) in equity instruments. Any amount not invested in Equity instruments shall be invested in short term bank deposits and money market instruments.	This fund aims to achieve long-term capital appreciation and income with moderate risk by investing majority of its net asset value (NAV) in equity instruments. Any amount not invested in Equity instruments shall be invested in short term bank deposits and money market instruments.	The objective of this scheme is to offer clients with superior, risk-adjusted returns over the long-term by investing its NAV in medium to long-term fixed income and short-term money market instruments.	The objective of this scheme is to offer clients with superior, risk-adjusted returns over the long-term by investing its NAV in medium to long-term fixed income and short-term money market instruments.	This fund aims to achieve low volatility and consistent returns by investing its net asset value (NAV) in money market and short term fixed income instruments.	The funds aims to achieve medium term capital appreciation by investing the net asset value (NAV) in securities issued by Government of Pakistan, such as Pakistan Investment Bonds and Treasury Bills.
<b>Risk Profile</b>	High	High	Low & Moderate	Moderate	Low	Low
<b>Who should invest</b>	The world over, investing in the stock market is considered to be a time-tested method of creating wealth over the long-term. This fund is suitable for those who are willing to accept more risk in search of potentially higher long term returns and inflation protection.	The world over, investing in the stock market is considered to be a time-tested method of creating wealth over the long-term. This fund is suitable for those who are willing to accept more risk in search of potentially higher long term returns and inflation protection	This fund is suitable for those who are who do not want exposure to equity and are willing to accept moderate level of risk for attractive long term growth.	This fund is suitable for those who are who do not want exposure to equity and are willing to accept moderate level of risk for attractive long term growth.	The fund is suitable for investors with short term investment horizon and the need for low consistent less volatile income.	The fund is best suited for investors seeking consistent income with a medium term investment horizon.

# POLICIES AND PRACTICES FOR CALCULATION OF NET ASSET VALUE AND UNIT PRICE

## 1. PRINCIPLES AND PRACTICES

In this document we define the Principles and Practices used in managing the unit-linked business of IGI Life

The Principles define the overarching standards adopted in managing the unit-linked funds of the business for current and future policyholders and describe the approach used in meeting our duty to unit-linked policyholders, and in responding to longer-term changes in the business and economic environment.

The Practices describe the approach used in managing the unit-linked funds, and in responding to changes in the business and economic environment in the shorter-term.

The contents of the document may be amended in the future, either as the change in business or economic environments alter, or to reflect new product launches, or to reflect changes in the management of the unit-linked business.

We expect our Practices to be revised from time to time as both circumstances and the business environment change. Policyholders will be notified in a reasonable period after the effective date of any material change.

## 2. GOVERNANCE STRUCTURE

### 2.1. The Board

In addition to their other responsibilities the Board of IGI is responsible for oversight over the management of the company's unit-linked business.

### 2.2. Investment Committee

The investment committee is responsible for the strategic direction and oversight and governance of the funds. The committee also ensures that formulation and implementation of the policies and delegate authorities at various levels to ensure that work is performed efficiently and

Investment committee meets at least quarterly.

### 2.3. Appointed Actuary

The Appointed Actuary reports to the Board and with regards to the Investment process certifies annually whether in his opinion the investment policy is suitable for each fund. The Appointed Actuary has also signed the fund pricing arrangement as mentioned in section \_\_\_ of this document and carries out a detailed review of each fund's pricing arrangement once in every six months.

### 2.4. Audit and Compliance

The internal audit and compliance function verifies adherence of the policies and practices as mentioned in this document and reports their findings to the Audit Committee. The external auditors of IGI ensure that the pricing arrangements are appropriate and carry out procedures to verify the determination of fund prices.

## 3. CALCULATING UNIT PRICES

### 3.1. Principles

Our overall principle in calculating unit prices is to ensure that we treat all policyholders fairly. In particular we aim to:

- ☐ provide a fair valuation of the assets within a fund;
- ☐ allow for charges and expenses borne by the fund appropriately;
- ☐ provide a fair price to policyholders on purchase and sale of units;
- ☐ use a fair and transparent method of unit pricing;
- ☐ avoid cross-subsidies between policyholders of individual funds; and
- ☐ Ensure that the pricing method is fair to both policyholders and shareholders.

## 1. PRACTICES

### 1.1. Fund Valuation

Assets of each funds is revalued on daily basis (business days) based on available market prices to net asset value of the funds which is then divided into the number of units outstanding to arrive at the bid / offer price per unit of each fund.

Bid price is the price at which units in the funds can be redeemed and offer price is the price at which units are purchased.

A 5% spread bid and offer price is maintained to cover the dealing cost, allowance for taxes, duties and other charges payable when buying the assets.

### 1.2. Asset Values

The assets of all investment linked funds are revalued to their fair market values using appropriate market prices for each investment using published at the end of the respective day.

#### 1.2.1. Investment in Listed Equities

Investments in equities listed on stock exchange are valued at closing stock price on the day of valuation. In case the exchange is not open on the date, the equities are valued at the closing value on the preceding date on which the exchange was open. The value of any dividends, bonus shares or rights which may have been declared on the securities in the portfolio but not received by the fund is included in the valuation of the fund.

#### 1.2.2. Investment in Mutual Funds

The investment in mutual funds are revalued on a daily basis using closing market values of each fund (NAV/unit) published by Mutual Fund Association of Pakistan (MUFAP).

The investment in Government Securities are revalued on a daily basis using Reuters market values (PKRV Rates) published by MUFAP. The prices are interpolated to match the respective maturities of each government security. Interest accrued on government securities is included as an asset in the calculation of net asset value.

#### 1.2.4. Cash and Bank balance

Cash and amounts held in current and deposit accounts and in other time related deposits will be valued at their nominal values.

### 1.3. Policyholder's Unit Pricing

#### 1.3.1. Forward Pricing

All funds are priced each day on a forward pricing basis. Forward pricing is when transactions are undertaken at a price that is calculated once all transactions are known. Under this method each investor receives the most up-to-date value for their investments but investors do not know in advance what price they will get for a particular transaction. Instructions received before close of business will receive the price based on the Net Asset Value of that day.

The unit-linked funds of IGI are valued and priced each working day.

#### 1.3.2. Rounding off prices

The Bid and Offer Prices are rounded to fourth decimal places.

## 1. CHARGES AND EXPENSES

### 1.1. Initial Charges

When a policyholder transacts in a unit-linked fund they will buy units at the Offer Price and sell units at the Bid Price. There is an initial charge equal to the difference between the Bid Price and the Offer Price. The charge is never greater than 5% of the Offer Price.

The units allocated to the policyholder at the time

### 1.2. Management Fee

Management Fee (%age of accumulated account value as specified in the policy document) is deducted every month on the policy's monthly anniversary date in the form of units from the outstanding units of policy holder. The number of units to be deducted is calculated as product of accumulated account value and management fee percentage divided by Bid Price on the date of the deduction.

### 1.3. Mortality Charges

Mortality charges including any rider charges, if applicable, (specified in the policy document) is deducted every month on the policy's monthly anniversary date in the form of units from the outstanding units of policy holder. The number of units to be deducted is calculated as the amount of the mortality charges divided by Bid Price on the date of the deduction.

### 1.4. Administrative Charges

An administrative charge, if applicable, (as specified in the policy document) is deducted every month on the policy's monthly anniversary date in the form of units from the outstanding units of policy holder. The number of units to be deducted is calculated as the amount of the mortality charges divided by Bid

## 1.5. Taxes

Taxes, including income tax and capital gains tax, attributable to the investment income and gains of the fund will be deducted while determining the net asset value of the fund.

## 1.6. Other Fund Related Expenses

The following, if applicable, will be deducted when calculating the net asset values of the fund:

- ☐ Costs paid to a third party directly related to the acquisition or sale of a particular investment, including brokerage costs, and any related taxes, government levies and bank charges;
- ☐ Costs paid to a third party directly related to collection of investment income as well as any non-recoverable taxes or levies on investment income;
- ☐ Provisions for impairments or write-off of any assets; and
- ☐ Custodian charges (e.g. CDC or SGL charges).



# **OVERVIEW OF OUR TAKAFUL INVESTMENT LINKED FUNDS**

*Here is what you need to know about our Takaful investment-linked funds.*

	<b>TAKAFUL AGGRESSIVE FUND</b>	<b>TAKAFUL BALANCED FUND</b>	<b>TAKAFUL CONSERVATIVE FUND</b>
<b>Target Exposure</b>	Shariah Compliant Local equities and Fixed Income	Shariah Compliant Local Equities and Fixed Income	Shariah Compliant Fixed Income and Money Market Instruments
<b>Attributes of the Fund</b>	<p>Aims to achieve long-term capital appreciation and inflation protection.</p> <p>The fund is an equity fund which invests predominantly in shariah compliant shares listed in the local stock exchanges.</p>	<p>Aims to provide long-term capital appreciation with a moderate risk profile and a medium to long-term investment horizon by investing in a portfolio balanced between shariah compliant equities and fixed income instruments.</p>	<p>The investment objective of the Fund is to provide stable exhibiting low volatility with capital preservation by constructing a liquid portfolio of low risk short term investments.</p>
<b>Asset Allocation</b>	<p>This fund aims to achieve long-term capital appreciation by investing majority of its net Asset value (NAV) in equity instruments.</p> <ol style="list-style-type: none"> <li>1. Up to 50% to 90% of its NAV will be invested in equities; and</li> <li>2. Up to 5% to 50% of its NAV may be invested in shariah compliant fixed income and money market instruments.</li> </ol>	<p>This fund aims to achieve long-term capital appreciation and income with moderate risk.</p> <ol style="list-style-type: none"> <li>1. Up to 15% to 50% of its NAV will be invested in equities; and</li> <li>2. 50% to 85% of its NAV may be invested in Shariah Compliant income, Money Market &amp; Government securities and/ or other fixed income investments.</li> </ol>	<p>This fund aims to achieve long-term Capital appreciation and income with moderate Risk.</p> <ol style="list-style-type: none"> <li>1. 50% to 75% of its NAV may be invested in Shariah Compliant Income/ Money Market And other fixed income investments.</li> <li>2. 25% to 50% of its NAV may be invested in Shariah Compliant Government securities.</li> </ol>
<b>Risk Profile</b>	High	Moderate	Low & Moderate
<b>Who should invest</b>	The world over, investing in the stock market is considered to be a time-tested method of creating wealth over the long-term. This fund is suitable for those who are willing to accept more risk in search of potentially higher long term returns and inflation protection.	This fund is suitable for those who are willing to accept moderate level of risk and require a combination of capital growth and income.	The fund is suitable for investors with short term investment horizon and the need for low consistent less volatile income.

# **POLICIES AND PRACTICES FOR CALCULATION OF NET ASSET VALUE AND UNIT PRICE**

## 1. PRINCIPLES AND PRACTICES

In this document we define the Principles and Practices used in managing the unit-linked business of IGI Life Window Takaful Operations.

The Principles define the overarching standards adopted in managing the unit-linked funds of the business for current and future Participants and describe the approach used in meeting our duty to unit-linked participants, and in responding to longer-term changes in the business and economic environment.

The Practices describe the approach used in managing the unit-linked funds, and in responding to changes in the business and economic environment in the shorter-term.

The contents of the document may be amended in the future, either as the change in business or economic environments alter, or to reflect new product launches, or to reflect changes in the management of the unit-linked business.

We expect our Practices to be revised from time to time as both circumstances and the business environment change. Participants will be notified in a reasonable period after the effective date of any material change.

## 2. GOVERNANCE STRUCTURE

### The Board

In addition to their other responsibilities the Board of IGI is responsible for oversight over the management of the company's unit-linked business.

### Investment Committee

The investment committee is responsible for the strategic direction and oversight and governance of the funds. The committee also ensures that formulation and implementation of the policies and delegate authorities at various levels to ensure that work is performed efficiently and effectively.

Investment Committee meets at least quarterly.

### Shariah Advisor

All investment in the funds shall be as per Shariah principles as approved by the Shariah Advisor of the Window Takaful Operator as per Takaful rules 2012.

### Appointed Actuary

The Appointed Actuary reports to the Board and with regards to the Investment process certifies annually whether in his opinion the investment policy is suitable for each fund. The Appointed Actuary has also signed the fund pricing arrangement as mentioned in this portion and carries out a detailed review of each fund's pricing arrangement once in every six months.

### Audit and Compliance

The internal audit and compliance function verifies adherence of the policies and practices as mentioned in this document and reports their findings to the Audit Committee. The external auditors of IGI ensure that the pricing arrangements are appropriate and carry out procedures to verify the determination of fund prices.

## 3. CALCULATING UNIT PRICES

### PRINCIPLES

Our overall principle in calculating unit prices is to ensure that we treat all Participants fairly. In particular we aim to:

- provide a fair valuation of the assets within a fund;
- allow for charges and expenses borne by the fund appropriately;
- provide a fair price to participants on purchase and sale of units;
- use a fair and transparent method of unit pricing;
- avoid cross-subsidies between participants of individual funds; and

## **4. PRACTICES**

### **Fund Valuation**

Assets of each funds is revalued on daily basis (business days) based on available market prices to net asset value of the funds which is then divided into the number of units outstanding to arrive at the bid price per unit of each fund.

Bid price is the price at which units in the funds can be redeemed and offer price is the price at which units are purchased.

A 5% spread bid and offer price is maintained to cover the dealing cost, allowance for taxes, duties and other charges payable when buying the assets. Asset Values

### **Asset Values**

The assets of all investment linked funds are revalued to their fair market values using appropriate market prices for each investment using published at the end of the respective day.

### **Investment in Listed Shariah compliant Equities**

Investments in Shariah compliant equities listed on stock exchange are valued at closing stock price on the day of valuation. In case the exchange is not open on the date, the equities are valued at the closing value on the preceding date on which the exchange was open. The value of any dividends, bonus shares or rights which may have been declared on the securities in the portfolio but not received by the fund is included in the valuation of the fund.

### **Investment in Shariah Compliant Mutual Funds**

The investment in Shariah compliant mutual funds are revalued on a daily basis using closing market values of each fund (NAV/unit) published by Mutual Fund Association of Pakistan (MUFAP).

## **Investment in Shariah Compliant Government Securities**

The investment in Shariah Compliant Government Securities (Ijarah , Sukuk etc) are revalued on a daily basis using Reuters market values (PKRV Rates) published by MUFAP. The prices are interpolated to match the respective maturities of each government security. Profit accrued on government securities is included as an asset in the calculation of net asset value.

### **Cash and Bank balance**

Cash and amounts held in current and deposit accounts in Islamic Banks and in other time related deposits will be valued at their nominal values.

## **5. PARTICIPANT'S UNIT PRICING**

### **Forward Pricing**

All funds are priced each day on a forward pricing basis. Forward pricing is when transactions are undertaken at a price that is calculated once all transactions are known. Under this method each investor receives the most up-to-date value for their investments but investors do not know in advance what price they will get for a particular transaction. Instructions received before close of business will receive the price based on the Net Asset Value of that day.

The unit-linked funds of IGI-WTO are valued and priced each working day.

### **Rounding off prices**

The Bid and Offer Prices are rounded to fourth decimal places.

## 6. CHARGES AND EXPENSES

### Initial Charges

When a participant transacts in a unit-linked fund they will buy units at the Offer Price and sell units at the Bid Price. There is an initial charge equal to the difference between the Bid Price and the Offer Price. The charge is never greater than 5% of the Offer Price.

### Wakalat-ul-Istismar Fees

Wakalat-ul-Istismar Fees (%age of accumulated account value as specified in the Participant Membership Document (PMD)) is deducted every month on the membership monthly anniversary date in the form of units from the outstanding units of participant. The number of units to be deducted is calculated as product of accumulated account value and management fee percentage divided by Bid Price on the date of the deduction.

### Mortality Charges

Mortality charges including any supplementary benefit charges, if applicable, (specified in the PMD) is deducted every month on the membership monthly anniversary date in the form of units from the outstanding units of participant. The number of units to be deducted is calculated as the amount of the mortality charges divided by Bid Price on the date of the deduction.

### Administrative Charges

An administrative charge, if applicable, (as specified in the PMD) is deducted every month on the membership monthly anniversary date in the form of units from the outstanding units of participant. The number of units to be deducted is calculated as the amount of the mortality charges divided by Bid Price on the date of the deduction.

### Taxes

gains of the fund will be deducted while determining the net asset value of the fund.

### Other Fund Related Expenses

The following, if applicable, will be deducted when calculating the net asset values of the fund:

- Costs paid to a third party directly related to the acquisition or sale of a particular investment, including brokerage costs, and any related taxes, government levies and bank charges;
- Costs paid to a third party directly related to collection of investment income as well as any non-recoverable taxes or levies on investment income;
- Provisions for impairments or write-off of any assets; and
- Custodian charges (e.g. CDC or SGL charges).