

## Asset Rules for the Alico Choice Funds, Adviser Choice Funds, Managed Portfolio Funds

### 1. The Rules

- 1.1 The following Asset Rules are in addition to the Policy Conditions applicable to each Policy to which Units are allocated.
- 1.2 These Asset Rules take precedence over the Policy Conditions if the Policy Conditions and Asset Rules differ.

### 2. Definitions

- 2.1 In these Asset Rules, the following definitions apply:

**Fund**

A fund into which the Policy invests (or, where the context requires, a separate sub-fund of that fund).

**Unit**

A Unit in a Fund.

**Unit Price**

The price of a Unit as determined by the Company from time to time.

- 2.2 Other expressions defined in the Core Policy Conditions and the Specific Policy Conditions have the same meanings in these Asset Rules, except where the context requires otherwise.

### 3. Availability

- 3.1 Subject to 3.2 below, the Company will make Funds available to Initial, Additional and Regular Investments.
- 3.2 The Company reserves the right to restrict or limit the availability of a Fund.
- 3.3 Subject to Condition 11.3 in the Core Policy Conditions, the Company may alter, amend or add to these Asset Rules at any time.

### 4. Assets and Investment Strategy

- 4.1 The Company's marketing materials will outline the investment strategy of each Fund along with any guidelines or restrictions that apply to the Fund's assets.

### 5. Unit Pricing

- 5.1 The Company will calculate the Unit Price of each Fund on each business day, unless a different frequency is published by the Company in its marketing materials. Where the Unit Price is calculated at less frequent intervals, each price will continue to apply until a new Unit Price is calculated.
- 5.2 The Unit Price will be based on the sale value of the assets in the Fund, less a deduction for accrued charges, expenses and tax where appropriate which may be properly deducted from the Fund.
- 5.3 If any of the assets in a Fund cannot be sold or a market value cannot be ascertained for them, then the Company may suspend the publication of Unit Prices in that Fund and may suspend all dealings in that Fund until it becomes possible to calculate a Unit Price. Any such suspension will only be imposed if the Company considers that to do so would be more beneficial to Policyholders generally than allowing dealings to continue in the usual course.

## Asset Rules for the Deposit Funds

### 1. The Rules

- 1.1 The following Asset Rules are in addition to the Policy Conditions applicable to each Policy to which Units are allocated.
- 1.2 These Asset Rules take precedence over the Policy Conditions if the Policy Conditions and Asset Rules differ.

### 2. Definitions

- 2.1 In these Asset Rules, the following definitions apply:

**Fund**

A fund into which the Policy invests (or, where the context requires, a separate sub-fund of that fund).

**Unit**

A Unit in a Fund.

**Unit Price**

The price of a Unit as determined by the Company from time to time.

- 2.2 Other expressions defined in the Core Policy Conditions and the Specific Policy Conditions have the same meanings in these Asset Rules, except where the context requires otherwise.

### 3. Availability

- 3.1 Subject to 3.2 below, the Company will make Funds available to Initial, Additional and Regular Investments.
- 3.2 The Company reserves the right to restrict or limit the availability of a Fund.
- 3.3 Subject to Condition 11.3 in the Core Policy Conditions, the Company may alter, amend or add to these Asset Rules at any time.

### 4. Assets and Investment Strategy

- 4.1 The Company's marketing materials will outline the investment strategy of each Fund along with any guidelines or restrictions that apply to the Fund's assets.

### 5. Unit Pricing

- 5.1 The Company will calculate the Unit Price of each Fund on each business day, unless a different frequency is published by the Company in its marketing materials. Where the Unit Price is calculated at less frequent intervals, each price will continue to apply until a new Unit Price is calculated.
- 5.2 Except as stated in the Company's marketing materials, the Unit Price of each Fund is normally determined by reference to the expected return on the assets held in the Fund, less a deduction for charges, expenses and tax where appropriate, which may be properly deducted from the Fund.
- 5.3 Where the Company considers it necessary or desirable to do so in the light of market conditions and having regard to the interests of its Policyholders generally, the Company may change the method used to calculate the Unit Price of a Fund so that the Unit Price is determined by reference to the market value of the assets in the Fund, less a deduction for charges and expenses which may be properly deducted from the Fund. If this occurs, it may result in a significant movement in the Unit Price of the Fund between one valuation and the next.
- 5.4 If any of the assets in a Fund cannot be sold or a market value cannot be ascertained for them, then the Company may suspend the publication of Unit Prices in that Fund and may suspend all dealings in that Fund until it becomes possible to calculate a Unit Price. Any such suspension may not continue for more than three months, at the end of which the Company will determine a Unit Price which it considers appropriate having regard to the interests of all Policyholders invested in or seeking to invest in that Fund.

## Asset Rules for the Guaranteed Investments

### 1. The Rules

- 1.1 The following Asset Rules are in addition to the Policy Conditions applicable to each Policy to which Guaranteed Investments are allocated.
- 1.2 These Asset Rules take precedence over the Policy Conditions if the Policy Conditions and Asset Rules differ.

### 2. Definitions

- 2.1 In these Asset Rules, the following definitions apply:

**Guaranteed Investment**

A benefit of a specified amount which the Company undertakes to credit to the Policy on a specified date.

**Investment Period**

In relation to a Guaranteed Investment, the period up to the date on which the relevant benefit is due to be credited to the Policy.

- 2.2 Other expressions defined in the Core Policy Conditions and the Specific Policy Conditions have the same meanings in these Asset Rules, except where the context requires otherwise.

### 3. Availability

- 3.1 Subject to 3.2 below, the Company will make Guaranteed Investments available to Initial, Additional and Regular Investments.
- 3.2 The Company reserves the right to restrict or limit the availability of a Guaranteed Investment.
- 3.3 Subject to Condition 11.3 in the Core Policy Conditions, the Company may alter, amend or add to these Asset Rules at any time.

### 4. Valuation

- 4.1 During the Investment Period, the value of a Guaranteed Investment will be calculated by the Company having regard to the market value of the reserves held by the Company in respect of that Guaranteed Investment. This value is only an indication of what the immediate surrender value of the benefit might be and is not binding on the Company.
- 4.2 When an investment into a Guaranteed Investment takes place, the Company will confirm to the Policyholder(s) the amount that will be credited to the Policy at the end of the Investment Period.

### 5. Early surrender of Guaranteed Investments

- 5.1 The Company may at its discretion permit the Policyholder to surrender the whole of a Guaranteed Investment by making a withdrawal from the Policy or by switching to another form of investment. The Company will normally be prepared to do so at any time during the Investment Period, but reserves the right to refuse a request for early surrender where, as a result of exceptional market conditions, it is difficult or impossible for the Company to realise assets held as reserves in respect of the Guaranteed Investment at an acceptable price or at all.
- 5.2 An early surrender will normally take effect on the next appropriate business day after the Company receives the request by the Policyholder(s), in accordance with guidelines set out in the Company's marketing materials.
- 5.3 The value placed on the Guaranteed Investment for the purpose of an early surrender will be the value determined in accordance with 4.1 above less any specific charges that are applicable to a switch or withdrawal as set out in the Company's marketing materials.

## Asset Rules for the Structured Investments

### 1. The Rules

- 1.1 The following Asset Rules are in addition to the Policy Conditions applicable to each Policy to which Structured Investments are allocated.
- 1.2 These Asset Rules take precedence over the Policy Conditions if the Policy Conditions and Asset Rules differ.

### 2. Definitions

- 2.1 In these Asset Rules, the following definitions apply:

**Structured Investment**

A benefit calculated in accordance with a defined formula which the Company undertakes to credit to the Policy on a specified date.

**Investment Period**

In relation to a Structured Investment, the period up to the date on which the relevant benefit is due to be credited to the Policy.

- 2.2 Other expressions defined in the Core Policy Conditions and the Specific Policy Conditions have the same meanings in these Asset Rules, except where the context requires otherwise.

### 3. Availability

- 3.1 Subject to 3.2 below, the Company will make Structured Investments available to Initial, Additional and Regular Investments.
- 3.2 The Company reserves the right to restrict or limit the availability of a Structured Investment.
- 3.3 Subject to Condition 11.3 in the Core Policy Conditions, the Company may alter, amend or add to these Asset Rules at any time.

### 4. Valuation

- 4.1 During the Investment Period, the value of a Structured Investment will be calculated by the Company having regard to the market value of the reserves held by the Company in respect of that Structured Investment. This value is only an indication of what the immediate surrender value of the benefit might be and is not binding on the Company.
- 4.2 The Company will confirm to the Policyholder(s) the amount credited to the Policy under a Structured Investment at the end of the Investment Period.

### 5. Early surrender of Structured Investments

- 5.1 The Company may at its discretion permit the Policyholder to surrender the whole of a Structured Investment by making a withdrawal from the Policy or by switching to another form of investment. The Company will normally be prepared to do so at any time during the Investment Period, but reserves the right to refuse a request for early surrender where it is difficult or impossible for the Company to realise assets held as reserves in respect of the Structured Investment at an acceptable price or at all.
- 5.2 An early surrender will normally take effect on the next appropriate business day after the Company receives the request by the Policyholder(s), in accordance with guidelines set out in the Company's marketing materials.
- 5.3 The value placed on the Structured Investment for the purpose of an early surrender will be the value determined in accordance with 4.1 above less any specific charges that are applicable to a switch or withdrawal as set out in the Company's marketing materials.

## Asset Rules for the Short Term Annuity

### 1. The Rules

- 1.1 The following Asset Rules are in addition to the Retirement Plan Policy Conditions applicable to each Policy to which Short Term Annuities are allocated.
- 1.2 These Asset Rules take precedence over the Retirement Plan Policy Conditions if the Retirement Plan Policy Conditions and Asset Rules differ.

### 2. Definitions

- 2.1 In these Asset Rules, the following definitions apply:

**Short Term Annuity**

An undertaking by the Company to make fixed periodic payments to the Policyholder until the end of an agreed Annuity Period.

**Annuity Period**

In relation to a Short Term Annuity, the period up to the date on which the last payment is due to be made under that annuity.

- 2.2 Other expressions defined in the Retirement Plan Policy Conditions have the same meanings in these Asset Rules, except where the context requires otherwise.

### 3. Availability

- 3.1 Subject to 3.2 below, the Company will make Short Term Annuities available to the Retirement Plan only.
- 3.2 The Company reserves the right to restrict or limit the availability of a Short Term Annuity.
- 3.3 Subject to Condition 11.3 in the Retirement Plan Policy Conditions, the Company may alter, amend or add to these Asset Rules at any time.

### 4. Valuation

- 4.1 Where a Short Term Annuity is in payment under a Policy, the value of that Policy and the Personal Fund in which it invests in accordance with Condition 4 in the Retirement Plan Policy Conditions will not include any amount in respect of future payments under that annuity.

### 5. Early surrender of the Short Term Annuity

- 5.1 The payments under the Short Term Annuity are guaranteed to continue until the end of the Annuity Period, even if the Policyholder dies. The payments will continue to the personal representatives of the Policyholder or as they may direct following the death of the Policyholder.
- 5.2 A Short Term Annuity cannot be surrendered or assigned, but the Policyholder may at any time request that the Company transfer its remaining obligations under the Short Term Annuity, and the appropriate value to another provider of a registered pension scheme who is willing to accept them. The Company reserves the right to refuse this request.