

# Select Investment Range

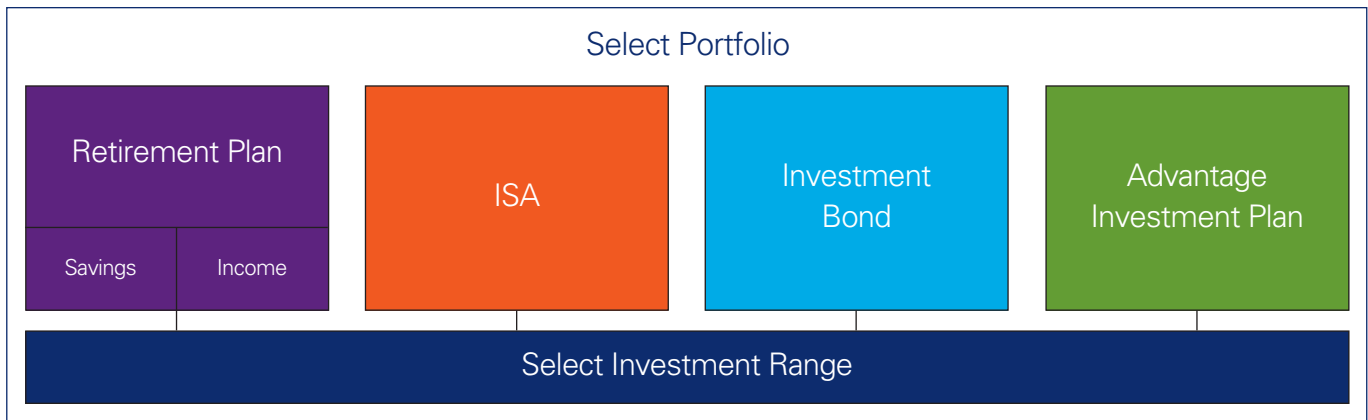
SELECT

**Alico**  
Wealth Management

## About this guide

The Select Investment Range is the choice of investments available through the products in the Select Portfolio. This guide gives detailed information on the different categories of investment available, and is designed to help you work with your financial adviser to help make your investment decisions. Much of the information is very technical in nature, so for ease of reference we have added 'at a glance' summaries throughout the guide. We strongly recommend that you always discuss your investment choices with your financial adviser.

The Select Investment Range is generally available through all the products in the Select Portfolio.



Please be aware that some legislative restrictions do apply to the investments available through the ISA (which is a stocks & shares ISA). These restrictions are covered fully in this guide.

The specific investments available through the Select Investment Range will be reviewed constantly as part of our commitment to ensuring the quality of the investments that we offer. Each investment has a fact sheet which contains all the details you will need to help you make your specific decisions about where to invest.

The fact sheets will be provided to you by your financial adviser, and can be stored in the pocket at the back of this guide. Alternatively, they are available on our website at [www.alicowm.co.uk](http://www.alicowm.co.uk). Also on the website is the Select Investment List, which is a summary of all the investment choices currently available. This contains an 'at a glance' guide to charges, risk ratings and availability.

Once you have invested, you can change your investment choice at any time, but some of the investments are designed to be held for a fixed period of time. This guide provides full details of these investments.

### Our investment strength

Alico Wealth Management has considerable in-house investment research resources, with a team of more than 15 dedicated investment professionals involved in the day to day investment research decision making process.

We have a strong track record of picking outperforming funds to help advisers and clients work together to create suitable investment portfolios.

We also have a reputation for building robust deposit and guaranteed investments.

This all provides strong foundations for creating a sound and durable range of investment options in a competitive marketplace.

### Morningstar Associates Europe Ltd - our investment research partner

We've chosen to work with Morningstar Associates Europe Ltd ("Morningstar") to complement our in-house research capabilities and add a new dimension to the Select Investment Range.

As our investment research partner, Morningstar acts as a sounding board and provides a fresh perspective in the development and maintenance of our Alico Choice Fund panel.

Morningstar draws upon the research and data resources of Morningstar, Inc., which employs more than 2,300 people across 24 offices worldwide, providing local market expertise with a real global reach. Morningstar, Inc. has over 20 years' experience across global markets and has an enviable reputation for helping investors achieve their financial goals.



## Risk ratings

To help clients and advisers with the process of selecting investments, our investment research team gives many of the investments in the Select Investment Range a risk rating based on its historic volatility. This is a measure of both rises and falls in the value of the investment, and in general the higher the risk rating of the investment, the greater the prospect for growth and the greater the likelihood of a financial loss.

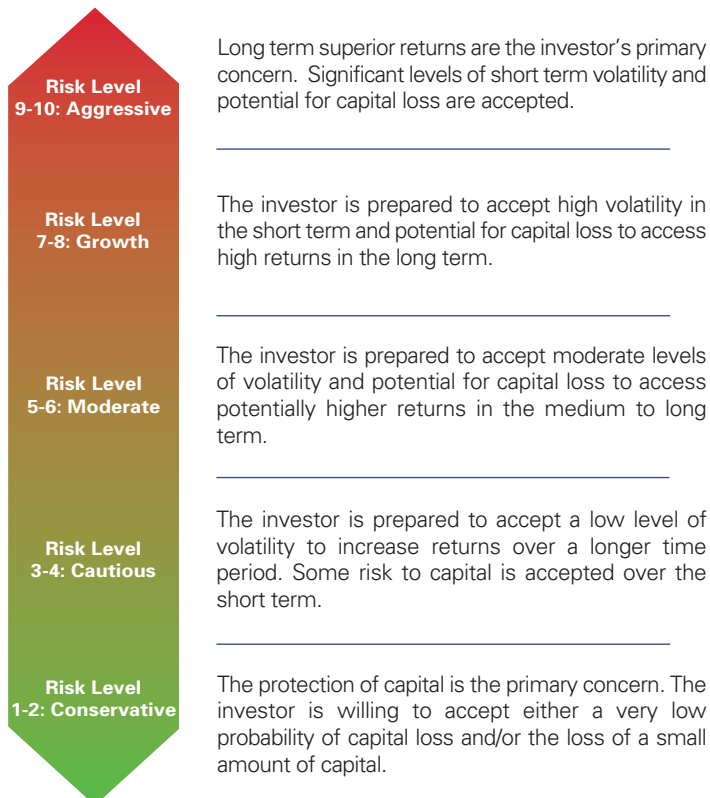
Each risk rating is a reflection of the type of assets normally held within the investment. The degree of risk tends to move from low to high as investment funds move from cash into stocks and shares and through to significant holdings in highly specialised sectors.

We assign the risk ratings using a scale of 1 to 10, where 1 is the lowest risk and 10 the highest. The risk ratings are based on historic information, and are designed to provide general guidance only. For example, an investment with a risk rating of 6 is generally more likely to fall further in value from time to time than an investment rated as 5, but less likely than an investment rated as 7.

You should bear in mind that the risk ratings are not an absolute measure of risk. For example, it is possible for an investment with a risk rating of 6 to fall in value by more than an investment with a risk rating of 8.

Also, this is not a linear scale. For example, an investment with a risk rating of 6 will not necessarily fall in value twice as often or by twice as much as an investment rated as 3.

The diagram below illustrates what each risk rating means:



You can find the risk rating for each specific investment in the Select Investment List. This is available on our website at [www.alicowm.co.uk](http://www.alicowm.co.uk) or from your financial adviser, and can be stored in the pocket at the back of this guide.



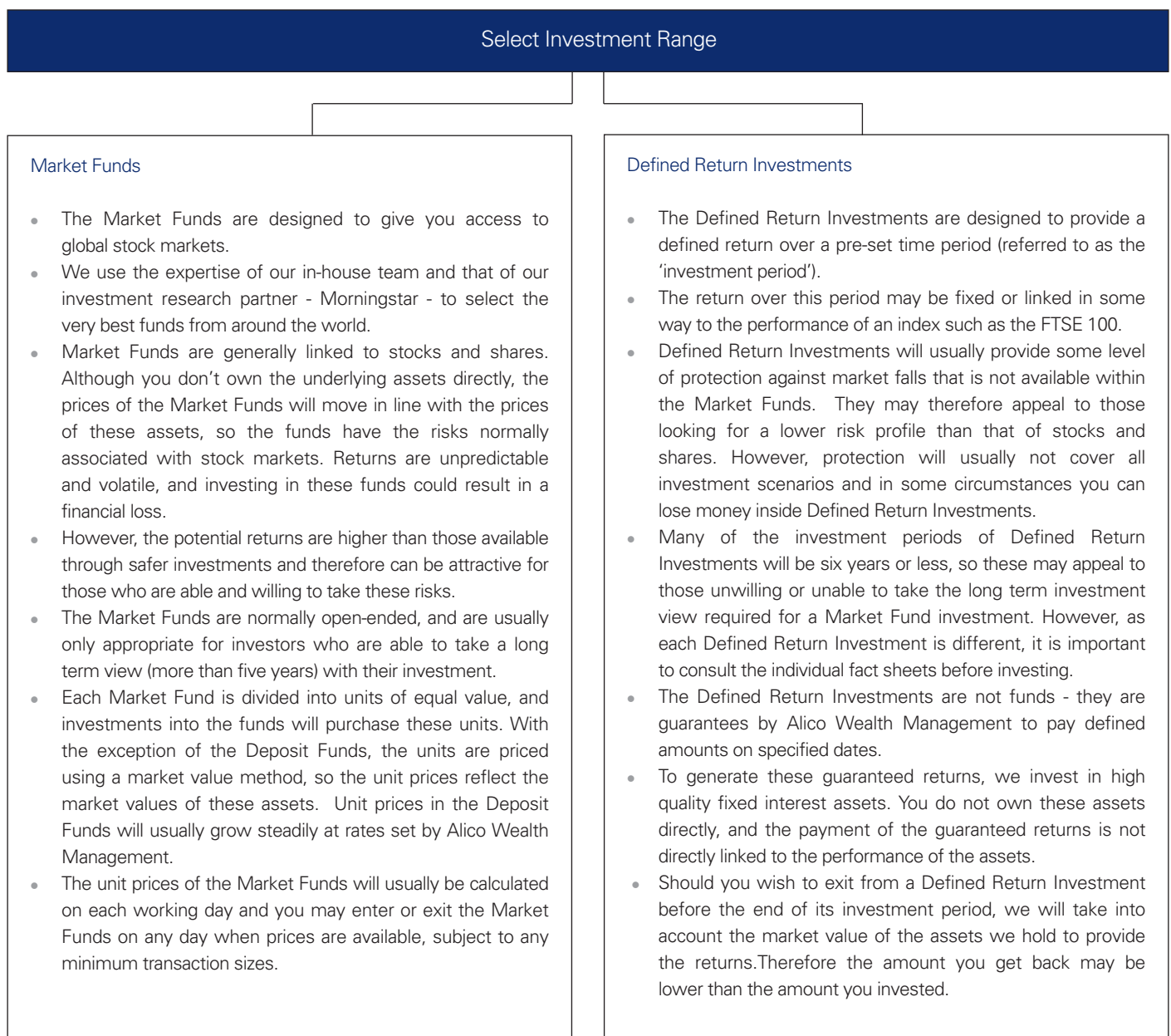
## The Select Investment Range - Overview

As you progress through life, your objectives, needs and attitude to risk will all evolve. We therefore think it's important that you have the flexibility to adapt the risk exposure of your investments as your circumstances change, avoiding the need to move to a different product or provider.

That's why we offer a comprehensive range of internal and third party investments, providing different types and levels of risk and return. The same extensive investment range is available across all the products in the Select Portfolio enabling you to create the right blend of investments in the right product to help you meet your financial goals.

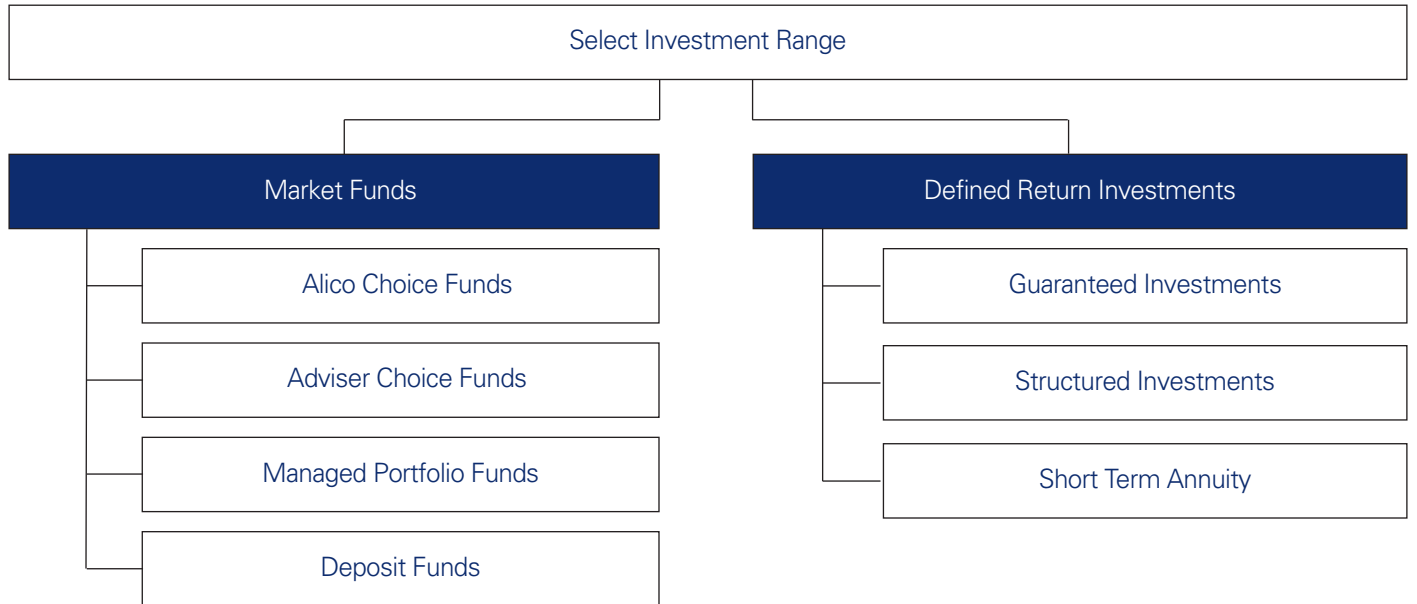
There are two types of investment in the Select Investment Range: Market Funds and Defined Return Investments. These each have different characteristics, enabling you to combine different investments to best suit your risk profile whatever product you choose.

The diagram below provides details of the characteristics of both these investment types.



## Investment categories in detail

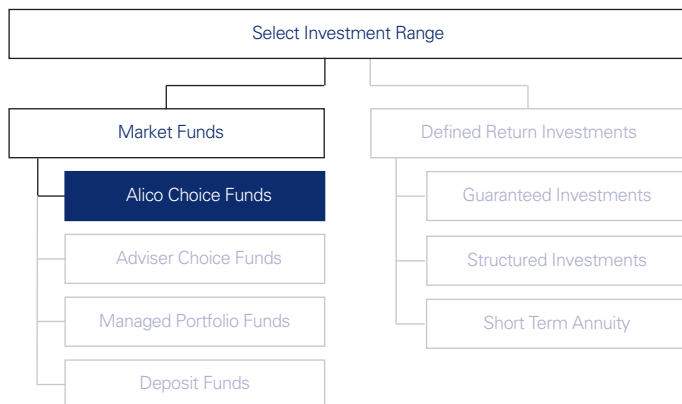
Each of the investment types in the Select Investment Range contains different categories of investment, as outlined in the table below.



These investment categories are explained in detail in the following sections of this guide.

Although these sections cover the conditions for the vast majority of the investments available, there may be differences for certain specific investments. These will be detailed on the individual investment fact sheet or in the Select Investment List, and it is important that you obtain all the information for each investment you are considering. These documents are available on our website ([www.alicowm.co.uk](http://www.alicowm.co.uk)) or from your financial adviser.

## Market Funds - Alico Choice Funds



### Overview

Each Alico Choice Fund invests in a single externally managed collective investment vehicle or mutual fund (usually an Open Ended Investment Vehicle (OEIC) or Unit Trust). Although you do not own the underlying assets directly, the prices of the Alico Choice Funds will move in line with those of the underlying mutual funds. This approach allows us to simplify your portfolio by allowing us to reflect charges, tax, dividends and fund manager discounts directly in our fund prices.

The funds may also hold cash on a short term basis prior to it being used to purchase a holding in the mutual fund or paid out as a withdrawal.

### Objective

The Alico Choice Funds are designed to offer a return that broadly reflects price movements in the underlying collective investment vehicle, after taking into account charges and tax (where appropriate).

The Alico Choice Fund panel is designed to make it easier for advisers and clients to work together to select quality third party investments by narrowing the search down from the fund universe available on the open market and highlighting those that we believe show the highest potential to produce strong performance.

### Our fund selection and review process

We select the funds on the Alico Choice panel using a rigorous research process. This process is described in the diagram opposite.

### Risk profile

The Alico Choice Funds are not guaranteed in any way. Investing in these funds will put your capital at risk and you may lose all or part of your investment. The funds' risk profiles will reflect those of the underlying mutual funds, which typically invest in stocks and shares, so they have the long term potential to outperform bank accounts and other investments such as gilts or bonds. However, whilst the funds aim to control their risk so that their volatility is expected to be lower than that normally associated with owning individual stocks and shares, the funds do carry a high degree of risk of capital losses and may still produce volatile returns.

Each Alico Choice Fund has its own fact sheet which will give more information on the assets held by the underlying mutual fund. The Select Investment List gives a risk rating for each Alico Choice Fund.

### Time frame

It is possible to lose money in Alico Choice Funds, and the likelihood of doing so increases if they are held for only a short period of time. The Alico Choice Funds are therefore considered appropriate for investments that can be held for periods exceeding five years.

### Access

You will normally be able to enter or exit the Alico Choice Funds on each working day (although instructions usually take 2 days to process - see Processing section below).

### Availability

Alico Choice Funds are available through all the products in the Select Portfolio.

### Processing

Investments will initially be held in the Cash Holding Fund (see page 14 for details) when we receive them, and will usually be used to purchase units in the Alico Choice Funds two working days after this. Any withdrawals from the funds, including switches, will usually be financed by selling units two working days after instructions are received. The prices of the Alico Choice Funds will be based on the prices of the underlying mutual funds on the previous working day.

### Restrictions

As the Alico Choice Funds invest in underlying mutual funds, we may occasionally be constrained by the actions of the mutual fund manager. Therefore we will not be able to provide unit prices or permit any transactions if the mutual fund is suspended, is not publishing prices or is not permitting transactions for any reason.

### Fund limits

Each Alico Choice Fund has a minimum investment level of £500. If you withdraw or switch from one of your Alico Choice Funds, you must leave at least this minimum amount in your fund (unless you encash your entire holding).

Each Alico Choice Fund has a minimum withdrawal level of £500.

There is no maximum investment level in Alico Choice Funds.

### Charges

The charges that apply to the Alico Choice Funds fall into four broad categories. These are Asset Charges, Fund Manager Charges, Adviser Remuneration and Tax.

**Asset Charge:** This is called the Asset Charge as it applies to each holding separately and may be different for each asset. For the Alico Choice Funds the Asset Charge is typically 0.75% per year, although the Select Investment List will list our actual Asset Charges and your personalised illustration will give you details of the exact charge that will apply to your holdings. The Asset Charge will be taken on a daily basis from your Select Account by deduction of units and will not be deducted from the funds.

# Alico Choice - Fund Selection Process

Universe of more than 3,000 funds across the marketplace



## Step 1: Quantitative screen

- We use a unique, in-house 'Traffic Lights' screening system to examine the historic performance and volatility - over different time periods - of every fund in the UK investment universe.
- The screen uses performance measurements to give each fund a score out of 100.
- We use this screen to eliminate funds that do not exhibit a record of consistent out-performance.

## Step 2: Qualitative screen

- We then conduct a qualitative screen, meeting regularly with the fund managers and rating the funds according to the following criteria:
  - Strength of the investment process and disciplines
  - Skill and experience of the Investment Manager
  - Size of assets under management and ownership structure.
- Stability is also key, including the capital structure of the firm and the remuneration of the fund manager.

## Step 3: Morningstar Peer Review



We utilise the resources of Morningstar to independently review and validate the funds on the Alico Choice panel.

c. 100 funds remain

## Step 4: On-going review cycle

- We review the Alico Choice Funds every month to ensure that each fund continues to provide opportunities for superior performance.
- Where appropriate, we will relegate a fund from the Alico Choice panel and close it to new business.
- We will then contact all advisers with clients invested in the fund to suggest alternatives.
- We review the relegated fund 3 months later:
  - If the problems persist, we will close the fund and the clients may switch to a chosen alternative fund
  - If the outlook improves, we will restore the fund to the Alico Choice panel.

Guided architecture

As part of our commitment to ensuring the quality of the Alico Choice Funds we offer performance-related rebates. At the end of each quarter (March, June, September and December), we measure the performance of the underlying OEIC/Unit Trust for each Alico Choice Fund against the most appropriate benchmark for its sector over time periods of 1, 3 and 5 years:

- If a fund with a track record of 5 or more years has bottom half performance over 2 of the 3 time periods, we'll reduce the effect of the Asset Charge by 0.25% for the following quarter by rebating a proportion of our charge back into the fund (see Funds A and B in the table below).
- If a fund with a track record of less than 5 years has bottom half performance over both 1 and 3 years, we'll reduce the effect of the Asset Charge by 0.25% for the following quarter by rebating a proportion of our charge back into the fund (see Funds C and D in the table below).

You can find the specific benchmark for each Alico Choice Fund by referring to the individual fund fact sheet.

### Example

Fund	1 year Performance.	3 year Performance.	5 year Performance.	Qualify for 0.25% rebate
A	Top half	Bottom half	Top half	No
B	Bottom half	Top half	Bottom half	Yes
C	Bottom half	Bottom half	N/A	Yes
D	Top half	Bottom half	N/A	No

If, at the end of the following quarter, the fund has achieved its top half performance requirements, the rebate will cease. If not, we will continue with the rebate.

Funds that are eligible for a rebate are not necessarily bad funds, and they may remain on the Alico Choice panel if we consider them to continue to have strong potential to outperform other similar funds.

If a fund is relegated from the Alico Choice panel, an alternative will be provided and any rebate that may have been applicable to the relegated fund will cease.

Any Managed Portfolio Fund (see page 12 for details) containing one or more rebated Alico Choice Fund(s) will receive a proportional rebate.

**Fund Manager Charges:** Most Alico Choice Funds will be managed by a fund manager, usually outside Alico, who will charge an Annual Management Charge (AMC). This will be taken into account in the prices of the mutual fund units, and therefore reflected in the unit prices of the Alico Choice Funds. However the fund manager will normally refund some of this charge back to Alico Wealth Management. This is because Alico Wealth Management will have negotiated a reduced AMC on behalf of its clients. Any refunds we receive will be placed into the fund. The effect of the AMC through Alico Wealth Management will therefore be less than that of a direct holding with the fund manager. The fund manager may also make a charge when an investment is made into the fund. This is known as an initial charge and we will also reflect this in the unit prices that we calculate. The Select Investment List will give details of each Fund Manager Charge.

**Adviser Remuneration:** This is the amount you agree your financial adviser will receive in return for the advice and service they have given you. Although this is not a direct fund charge, you should be aware of it. Details of how we deduct Adviser Remuneration are contained in the individual product Key Features Documents.

**Tax:** Where the income and gains are subject to tax, we will take this into account when we calculate the unit prices of the Alico Choice Funds. For this reason we have two versions of each fund: a Gross version (for investments within the Retirement Plan and ISA) where tax has not been applied and a Net version (for investments inside the Advantage Investment Plan and Investment Bond) where tax has been applied. You will occasionally see the words 'Net' or 'Gross' in the fund names to signify whether the fund is taxed or not. For further information on tax please refer to the individual product Key Features Documents.

## Alico Choice Funds - at a glance

### Overview

These invest in single mutual funds carefully selected by our in-house research team with support from Morningstar.

### Objective

To make it easier for advisers and clients to work together to select quality third party investments and to provide returns that reflect the underlying mutual funds.

### Risk profile

Similar to the underlying mutual funds - usually stocks and shares with no guarantees. Capital is at risk and you can lose part of your investment. We provide a risk rating for each individual Alico Choice Fund.

### Time frame

Five years and over.

### Access

Entry and exit on each working day.

### Availability

Through all products in the Select Portfolio.

### Processing

Typically a two day transaction period on entry and exit.

### Restrictions

Those imposed by the underlying mutual funds.

### Fund limits

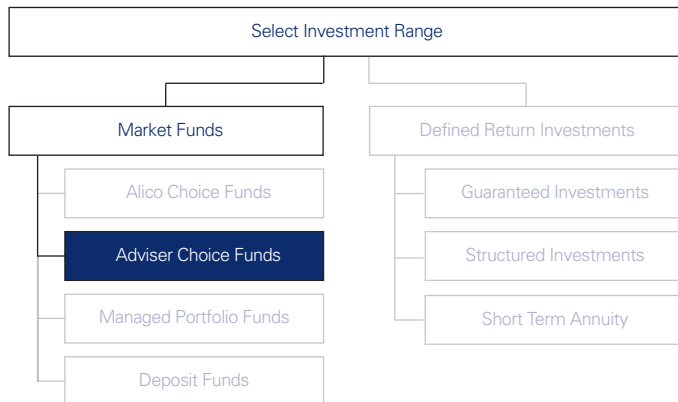
£500 minimum investment level and withdrawal, £500 minimum holding.

### Charges

- Asset Charge of typically 0.75% per annum, subject to performance based rebates
- Fund Manager AMC (normally discounted)
- Adviser Remuneration
- Tax (where appropriate).



## Market Funds - Adviser Choice Funds



### Overview

The Adviser Choice Funds are designed to complement the Alico Choice Fund panel by making available a selection of other leading funds that are popular with advisers. These funds either operate in the same way as the Alico Choice Funds, or are specially constructed by Alico Wealth Management in conjunction with advisers. They do not meet all of the criteria required for inclusion in the Alico Choice Fund panel, but are included in the Select Investment Range due to their popularity in the marketplace. Whilst we believe these Funds may offer access to other asset classes, markets or use different investment concepts to the Alico Choice Funds, we do not risk rate these Funds and therefore there is potentially more diligence required on the part of the adviser and client when investing in these funds.

### Objective

The Adviser Choice Funds are designed to offer investors a return that broadly reflects price movements in the underlying assets, after taking into account charges and tax (where appropriate).

The Adviser Choice Fund panel is designed to complement the Alico Choice Fund panel.

### Investment strategy

Our selection strategy for the Adviser Choice Funds is not as rigorous as that for the Alico Choice Funds. Our in-house team will review the fund panel quarterly. Funds that have consistently seen high demand and have been requested by advisers will be placed on the Adviser Choice Fund panel. Where appropriate, Adviser Choice Funds may be promoted to the Alico Choice Fund panel.

Please note that, because the Adviser Choice Funds are not subject to ongoing review, funds that perform poorly will not necessarily be relegated from the Adviser Choice panel.

### Risk profile

The Adviser Choice Funds are not guaranteed in any way. Investing in these funds puts your capital at risk and you may lose all or part of your investment. The funds' risk profiles will reflect those of the underlying assets, which are typically stocks and shares, so they have the long term potential to outperform bank accounts and other investments such as gilts or bonds. The funds aim to control their risk so their volatility is expected to be lower than that normally associated with owning individual stocks and shares, but they do carry a high degree of risk of capital loss and may still produce volatile returns.

### Time frame

It is possible to lose money in Adviser Choice Funds and the likelihood of doing so increases if these are held for only a short period of time. The Adviser Choice Funds are therefore considered appropriate for investments that can be held for periods exceeding five years.

Each Adviser Choice Fund has its own fact sheet which will give more information on the assets held by the underlying mutual fund. It should be noted that, unlike the Alico Choice Funds, Alico Wealth Management does not give a risk rating to the Adviser Choice Funds.

### Access

You will normally be able to enter or exit the Adviser Choice Funds on either a daily or weekly basis (although instructions usually take 2 days to process - see Processing section below).

### Availability

Adviser Choice Funds are usually available through all products in the Select Portfolio. The availability of each fund will be detailed on the Select Investment List.

### Processing

Investments will initially be held in the Cash Holding Fund when we receive them and will usually be used to purchase units in the Adviser Choice Funds on the next appropriate pricing date (as detailed on the fund fact sheet) after this. Any withdrawals or switches will usually be financed by selling units on the next appropriate pricing date after the instructions are received.

### Restrictions

We may occasionally be constrained by the actions of the fund manager. Therefore we will not be able to provide unit prices or permit any transactions if the fund manager has suspended the fund, is not publishing prices or is not permitting transactions for any reason.

### Fund limits

The limits that apply to the Adviser Choice Funds will vary according to each fund. Details can be found on the individual fund fact sheets.

### Charges

The charges that apply to the Adviser Choice Funds fall into the same four broad categories as the Alico Choice Funds and the notes from the charges section of those funds apply equally here. It should be noted that the Adviser Choice Funds are likely to show a wider variation in the levels of charging so it is important that you consult the Select Investment List along with your personalised illustration.

Please note that performance-related rebates are not available on the Adviser Choice Funds.

## Adviser Choice Funds - at a glance

### Overview

These invest in single mutual funds that are popular with financial advisers, or are built in conjunction with an adviser.

### Objective

To complement the Alico Choice Fund panel and to provide returns that reflect the underlying assets.

### Risk profile

Similar to the underlying mutual funds - usually stocks and shares with no guarantees. Capital is at risk and you can lose part of your investment. We do not provide a risk rating for individual Adviser Choice Funds.

### Time frame

Five years and over.

### Access

Depends on fund - usually daily or weekly.

### Availability

Through all products in the Select Portfolio (although may be limited for some funds).

### Processing

Two day transaction period on entry and exit (typically).

### Restrictions

Those imposed by the underlying mutual funds.

### Fund limits

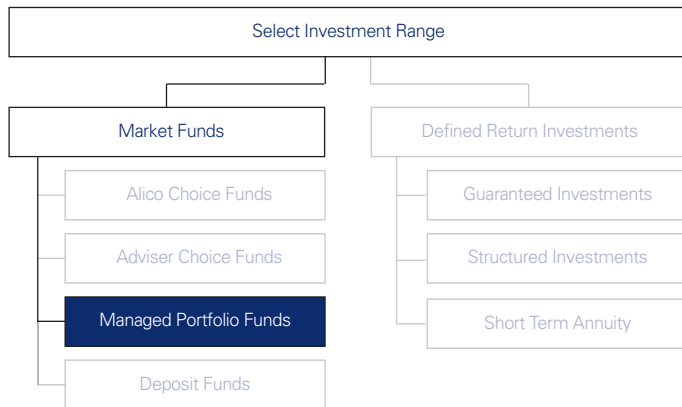
Varies according to fund.

### Charges

- Asset charge of typically 0.75% per annum
- Fund Manager AMC (normally discounted)
- Adviser Remuneration
- Tax (where appropriate).



## Market Funds - Managed Portfolio Funds



### Overview

The Managed Portfolio Funds invest in a selection of Alico Choice Funds. These are ideal for clients and advisers who want expert guidance on which Alico Choice Funds to select and how much of each to hold. There is a choice of ten Managed Portfolio Funds: five where the investment strategy is driven by our in-house team and five that are constructed by Morningstar.

Alico Wealth Management and Morningstar both manage a portfolio from each of five risk categories. Please see the table opposite for full details of these risk categories.

### Objective

The Managed Portfolio Funds are designed to offer a selection of portfolios that correspond to a range of client risk profiles. The Managed Portfolio Funds are carefully constructed and regularly reviewed to provide a well-diversified portfolio designed to meet your investment choices.

### Investment strategy

With a six year history, each of the Managed Portfolio Funds managed by Alico Wealth Management (formerly Fund of Funds) has its own investment strategy and risk level to enable you to work with your financial adviser to choose the most appropriate portfolio fund for your circumstances. We believe that a combination of high quality fund managers and active asset allocation at the portfolio level can add value in the medium to long term. Our asset allocation is reviewed monthly and then implemented by the careful mixing of funds from the Alico Choice panel.

The five Managed Portfolio Funds constructed by Morningstar offer investors a range of 'risk-return' options which combine carefully selected funds from the Alico Choice panel, constructed using Morningstar's fund selection expertise and asset allocation methodology. In addition, the Growth, Balanced and Cautious portfolios will also incorporate the Morningstar proprietary Controlled Volatility overlay - a strategy that actively manages the funds' risk profile by increasing or reducing equity exposure in relation to changes in market volatility.

### Risk profile

The Managed Portfolio Funds are not guaranteed in any way. Their risk profiles reflect those of their underlying Alico Choice Funds which themselves invest in stocks and shares. Investing in these funds puts your capital at risk and you may lose all or part of your investment. Therefore, while the Managed Portfolio Funds have the long term potential to outperform bank accounts and other investments such as gilts or bonds, they carry a high degree of risk and may produce volatile returns. However as the Managed Portfolio Funds invest in a range of underlying funds, they should typically be less volatile than investing in a single fund. Also as the underlying funds aim to control their risk, their volatility and likelihood of capital loss are generally expected to be lower than that normally associated with owning individual stocks and shares.

### Risk Categories

**Defensive (up to 35% equity):** As a defensive investor, your portfolio will be invested primarily in defensive areas, e.g. cash and fixed interest securities with only a modest exposure to equities (shares). This approach concentrates on security rather than maximising return and should limit the chances of substantial short-term volatility. The overall return, whilst not guaranteed, should fall within a relatively narrow range. However, particularly over periods in excess of 5 years, the return may compare unfavourably with that achievable from a higher risk approach. Because this profile will have significant exposure to fixed-interest assets, it may also be appropriate for some investors seeking current income.

**Cautious (up to 60% equity):** As a cautious investor, your portfolio will include investments in equities (shares), balanced by exposure to more defensive areas of the market, which may include cash, fixed interest securities and property. This approach aims to achieve a balance between security and return but is likely to involve at least some short-term volatility. In most circumstances, particularly over periods in excess of 5 years, the return should compare favourably with that achievable from a more defensive approach but may be less than that achievable by taking a higher level of risk. Cautious investors may also seek some current income from their investments.

**Balanced (up to 85% equity):** As a balanced investor, your portfolio will include investment in equities (shares), with some exposure to more defensive areas of the market, which may include cash, fixed interest securities and property. This approach aims to seek out returns and is likely to involve some short-term volatility. In most circumstances, particularly over periods in excess of 5 years, the return should compare favourably with that achievable from a more cautious approach but may be less than that achievable by taking a higher level of risk.

**Growth (up to 100% equity):** As an investor seeking growth your portfolio will be invested primarily in equities (shares) and may include an element of defensive asset classes. This approach concentrates on achieving a good overall return on your investment. Significant short-term fluctuations in value can be expected and the possibility of longer-term losses. The eventual return for the period over which you wish to invest could fall within a relatively wide range of possibilities. In most circumstances, particularly over periods in excess of 5 years, the return should compare favourably with that achievable from a more conservative approach.

**Aggressive (100% equity):** As an aggressive investor your portfolio will be mainly invested in equities (shares), and will include exposures to more aggressive areas of the market. The aim is to maximise return whilst accepting the possibility of large short-term fluctuations in value and even the possibility of longer-term losses. The eventual return for the period over which you wish to invest could fall within a wide range of possibilities. In most circumstances the return should compare favourably with that achievable from a more conservative approach.

**Source: Morningstar, February 2010.**

The Cautious Managed Portfolios will usually exhibit the least volatility. The Aggressive Managed Portfolios have the highest level of volatility, with a level similar to that expected with individual stocks and shares. Generally, the higher the volatility of a fund, the higher the likelihood will be of incurring a capital loss.

#### Time frame

It is possible to lose money in Managed Portfolio Funds, and the likelihood of doing so increases if these are held for only a short period of time. The Managed Portfolio Funds are therefore considered appropriate for investments that can be held for periods exceeding five years.

Each Managed Portfolio Fund has its own fact sheet which will give more information on the assets it holds. The Select Investment List gives a risk rating for each Managed Portfolio Fund.

#### Access

You will normally be able to enter or exit the Managed Portfolio Funds on each working day (although instructions usually take 2 days to process - see Processing section below).

#### Availability

Managed Portfolio Funds are available through all products in the Select Portfolio.

#### Processing

Investments will initially be held in the Cash Holding Fund when we receive them, and will usually be held to purchase units in the Managed Portfolio Funds two working days after this. Any withdrawals or switches will usually be financed by selling units two working days after the instructions are received. The prices of the Managed Portfolio Funds will be based on the prices of the underlying mutual funds on the previous working day.

#### Restrictions

As the Managed Portfolio Funds invest in Alico Choice Funds, we will not be able to provide unit prices or permit any transactions to take place if any of the Alico Choice Funds that are held is suspended, is not publishing prices or is not permitting transactions for any reason.

#### Fund limits

Each Managed Portfolio Fund has a minimum investment level of £500.

If you switch or withdraw money you must leave at least £500 in your fund (unless you encash your entire holding).

Each Managed Portfolio Fund has a minimum withdrawal level of £500.

There is no maximum investment level in Managed Portfolio Funds.

#### Charges

The charges that apply to the Managed Portfolio Funds fall into the same four broad categories as the Alico Choice Funds:

**Asset Charge:** This charge is called an Asset Charge as it is applied to each holding separately and may be different for each asset. For the Managed Portfolio Funds the Asset Charge is typically 0.75% per year (0.85% for the funds constructed by Morningstar), although the Select Investment List will list our actual standard charges and your personalised illustration will give you details of the exact charge that will apply to your holdings. Any Managed Portfolio Fund containing one or more rebated Alico Choice Fund(s) will receive a proportional rebate from its Asset Charge. The Asset Charge will be taken on a daily basis from your Select Account by deduction of units and will not be deducted from the funds.

**Fund Manager Charge:** The underlying Alico Choice Funds will each have an Annual Management Charge (AMC), less any fund manager refunds, which are reflected in their unit prices. The AMC for the Managed Portfolio Funds is therefore the combined effect of these AMCs (less refunds). The Managed Portfolio Funds will also reflect the combined effect of any charges that are made when investments are made into the mutual funds underlying the Alico Choice Funds.

**Adviser Remuneration:** This is the amount you agree your financial adviser will receive in return for the advice and service they have given you. Although this is not a direct fund charge, you should be aware of it. Details of how we deduct Adviser Remuneration are contained in the individual product Key Features Documents.

**Tax:** Where the income and gains are subject to tax, we will take this into account when we calculate the unit prices of the Managed Portfolio Funds. For this reason we have two versions of each fund: a Gross version (for investments within the Retirement Plan and ISA) where tax has not been applied and a Net version (for investments inside the Advantage Investment Plan and Investment Bond) where tax has been applied. You will occasionally see the words 'Net' or 'Gross' in the fund names to signify whether the fund is taxed or not. For further information on tax please refer to the individual product Key Features Documents.

## Managed Portfolio Funds - at a glance

### Overview

These invest in a selection of Alico Choice Funds to produce a portfolio corresponding to a range of five risk profiles.

### Objective

To assist clients and advisers who want to delegate the responsibility of individual fund selection within their portfolio.

### Investment Strategy

Funds are managed according to risk profile, with separate portfolio construction either in-house or by Morningstar.

### Risk profile

Varies according to fund but predominantly stocks and shares based with no guarantees. Capital is at risk and you can lose part of your investment. We provide a risk rating for each individual Managed Portfolio Fund.

### Time frame

Five years and over.

### Access

Entry and exit on each working day.

### Availability

Through all products in the Select Portfolio.

### Processing

Two day transaction period on entry and exit (typically).

### Restrictions

Those imposed by the underlying mutual funds.

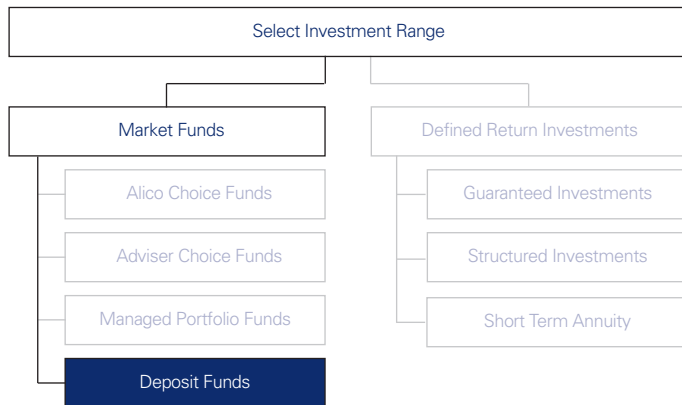
### Fund limits

Typically £500 minimum contribution and withdrawal, £500 minimum holding.

### Charges

- An Asset Charge of typically 0.75% per annum for Alico managed funds and 0.85% per annum for Morningstar constructed funds
- Average of Alico Choice Fund Manager AMCs (normally discounted)
- Adviser Remuneration
- Tax (where appropriate).

## Market Funds - Deposit Funds



### Overview

The main fund in this category is the Select Deposit Fund, which is designed to hold the 'cash' element of your portfolio. The fund is designed to have a unit price that does not fall (although this is not guaranteed), so it can be used if you are worried about potential market falls. Although it can also be used as a cash holding within a portfolio it should be noted that as the assets within the fund are short term, it may not be efficient to hold investments in this fund for long periods of time.

The Select Deposit Fund invests in secure bank deposits and strong interest-bearing investments. The investments held by the Fund are usually short term (typically three months or less) and issued by strong financial companies.

There are two other Deposit Funds, which are not investment choices but which have similar, but not identical, characteristics. It is important you are aware of these:

**Select Account:** This is a transactional account which will be used to meet Asset Charges (for any Market Funds held), the Death Benefit Charge (Advantage Investment Plan only) and Ongoing Adviser Remuneration (for any Market Funds held). The account will have a similar investment strategy to the Select Deposit Fund but the unit price in the Select Account is guaranteed by Alico Wealth Management not to decrease. The amount that is placed in the Select Account is determined by how much you hold in Market Funds, so you cannot choose the Select Account as an investment. Ongoing Adviser Remuneration is not available on the balance you hold within the Select Account.

**Cash Holding Fund:** This Fund is used to handle any transactions that are awaiting payment. Whenever you make an investment your money will be held in the Cash Holding Fund until it can be transferred to your selected investment choice. As holdings in this fund tend to be for short time periods, the underlying assets are usually very short term bank deposits. The unit prices of this fund are guaranteed by Alico Wealth Management not to decrease. The Cash Holding Fund will be used automatically only when it is needed, so you cannot choose the Cash Holding Fund as an investment. Ongoing Adviser Remuneration is not available on the balance you hold within the Cash Holding Fund.

### Objective

The Select Deposit Fund is designed to offer safety for those who are seeking a safe haven or are in the process of investing in other funds. The Select Account and Cash Holding Fund are transactional funds.

### Investment strategy

Each of the funds invest in short term bank deposit and secure interest bearing instruments issued by strong financial companies.

### Risk profile

The Deposit Funds are designed to be low risk funds (Select Deposit Fund) and no-risk funds (Select Account and Cash Holding Fund) that produce returns consistent with those available on money market instruments and bank deposits. The Select Account and Cash Holding Fund have unit prices which are guaranteed to not go down. The Select Deposit Fund does not offer such a guarantee, although it has a non-decreasing unit price as one of its key objectives.

The unit prices in the Deposit Funds are not derived from the market value of the fund's assets. The unit prices are derived from the returns (a combination of the interest received and expected growth) on the funds' assets. Alico Wealth Management will set growth rates based on these returns, taking into account the relevant charges and tax if appropriate, and will increase the unit prices at these rates. These growth rates will act in a similar way to interest rates on a bank account. Alico Wealth Management will update these growth rates from time to time to reflect changes in the funds' returns.

If the market value of assets in the Select Deposit Fund is less than the value using the method above, then Alico Wealth Management may choose to price the funds using a market value method, where the unit prices directly reflect the market values of the assets. This would cause a fall in unit prices.

The risk of losing money within the Select Deposit Fund only occurs if Alico Wealth Management changes the pricing basis to a market value method and this will usually be if:

- assets default
- assets are sold prior to their maturity at less than their purchase price plus accrued interest
- market prices are depressed.

Other than an asset default, the two most likely causes of a change of pricing basis are where large numbers of investors wish to leave the fund at the same time and when markets are financially unstable and prices are generally lower than their full value. To help reduce the risk of changing the pricing method (and creating a loss for investors), Alico Wealth Management can defer withdrawals from the Select Deposit Fund for up to three months if it believes it will be beneficial to the fund and investors. This will allow assets to mature rather than be sold in difficult markets and will reduce the likelihood of a pricing method change.

### Time frame

The Select Deposit Fund is appropriate for investment over any length of time, although the short term nature of the assets within the fund means that in the current interest rate environment it may not be efficient to hold a large proportion of your portfolio in this fund for long periods of time.

Holdings within the Select Account and Cash Holding Fund are designed to be short term.

### Access

You will normally be able to enter or exit the Deposit Funds on each working day (although instructions usually take 2 days to process - see Processing section opposite).

### Availability

Deposit Funds are available through all products in the Select Portfolio, with the exception of the Select Deposit Fund which is not allowed inside our ISA.

## Processing

Investments will initially be held in the Cash Holding Fund when we receive them, and will usually be transferred to other investment choices, including the Select Deposit Fund and the Select Account where appropriate, two working days after this. Any withdrawals or switches from the Select Deposit Fund will usually be financed by selling units two working days after the instructions are received.

## Restrictions

The Select Deposit Fund could defer withdrawals in the circumstances outlined above. It is likely that entry into the fund would not be permitted if such a restriction was in place.

## Fund limits

The Select Deposit Fund has a minimum investment level of £500. If you withdraw money from one of your funds, you must leave at least this minimum amount in your fund (unless you encash your entire holding).

Each Select Deposit Fund has a minimum withdrawal level of £500.

There is no maximum investment level in the Deposit Funds.

There are no limits for the Select Account or the Cash Holding Fund.

## Charges

The charges that apply to the Deposit Funds fall into four broad categories. These are Asset Charge, Annual Management Charge, Adviser Remuneration and Tax:

**Asset Charge:** This is called an Asset Charge as it is applied to each holding separately and may be different for each asset. For the Select Deposit Fund the Asset Charge will depend on the growth level within the Fund. There are no Asset Charges for the Select Account and the Cash Holding Fund.

**Annual Management Charge (AMC):** This is a charge that is taken into account when we set the unit prices and is the difference between the returns on the funds' assets and the growth in unit prices of the Deposit Funds. The level of AMC will depend on the growth level within the fund.

**Adviser Remuneration:** This is the amount you agree your financial adviser will receive in return for the advice and service they have given you. Although this is not a direct fund charge, you should be aware of it. Details of how we deduct Adviser Remuneration are contained in the individual product Key Features Documents.

Ongoing Adviser Remuneration is not available on the balance you hold within the Select Account or the Cash Holding Fund.

**Tax:** Where the income and gains are subject to tax, we will take this into account when we calculate the growth rate to apply to the unit prices of the Deposit Funds. For this reason we have two versions of each fund: a Gross version (for investments within the Retirement Plan and ISA) where tax has not been applied and a Net version (for investments inside the Advantage Investment Plan and Investment Bond) where tax has been applied. You will occasionally see the words 'Net' or 'Gross' in the fund names to signify whether the fund is taxed or not. For further information on tax please refer to the individual product Key Features Documents.

## Deposit Funds - at a glance

### Overview

Funds that are invested in secure assets to create low risk funds.

### Objective

To provide a safe haven that grows in line with interest rates.

### Investment Strategy

Short term bank deposit and secure interest bearing instruments issued by strong financial companies.

### Risk profile

Low risk, only risk of losing money if assets default or if Alico Wealth Management is forced to change its pricing basis. We provide a risk rating for the Select Deposit Fund.

### Time frame

Any, although may not be efficient over long periods of time.

### Access

Entry and exit on each working day.

### Availability

Through all products in the Select Portfolio.

### Processing

Two day transaction period on entry and exit for Select Deposit Fund and Select Account, immediate for Cash Holding Fund (typically).

### Restrictions

Exits may be deferred.

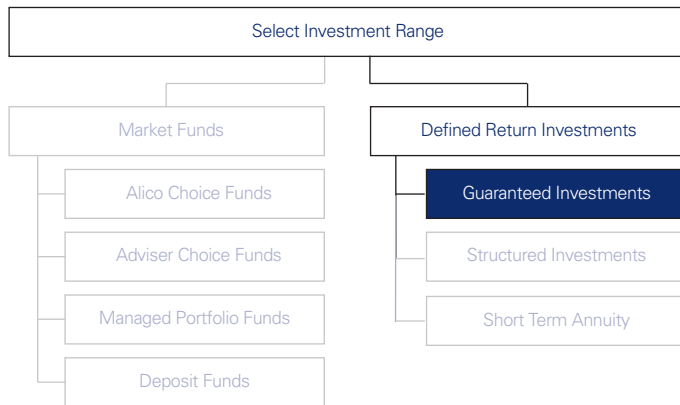
### Fund limits

£500 minimum contribution and withdrawal, £500 minimum holding.

### Charges

- Asset Charge - dependent on market interest rates
- Annual Management Charge (AMC)
- Adviser Remuneration
- Tax (where appropriate).

## Defined Return Investments - Guaranteed Investments



### Overview

Our Guaranteed Investments are designed for investors who want a guaranteed return over a short to medium investment period - usually between 3 months and 5 years. At any time we offer a range of Guaranteed Investments that cover periods that are close to 3 months, 6 months, 9 months, 1 year, 2 years, 3 years, 4 years and 5 years. The rates and dates are published on our website at [www.alicowm.co.uk](http://www.alicowm.co.uk). The rates we pay will depend on market rates of interest and sometimes how much is invested, as well as adviser remuneration and whether the return is taxed or not.

To generate these guaranteed returns, we invest in high quality fixed interest assets. You do not own these assets directly, and the payment of the guaranteed returns is not directly linked to the performance of the assets. Instead, you are buying a guarantee from Alico Wealth Management that we will provide a guaranteed value on a pre-set date.

The Guaranteed Investments are designed to be held until the end of their investment period. If you switch out of a Guaranteed Investment before the end of its period, you will not receive the guaranteed return and may get back less than you invested.

### Objective

The Guaranteed Investments are designed to offer the highest level of safety and pay a predetermined amount at the end of the investment period.

### Investment strategy

The Guaranteed Investments are backed by secure assets that match the period of the investment.

### Risk profile

The Guaranteed Investments are designed to be 'no risk' investment options. The risk that the assets that Alico Wealth Management buys to back the guarantees do not perform as planned is borne by Alico Wealth Management and not you, providing you hold the investment until the end of the investment period.

The Guaranteed Investments are not funds. This means that the return offered is not directly linked to the value of any assets. However, if you decide that you want to exit from your Guaranteed Investment early we will calculate a surrender value for you based on the value of the assets we hold. The surrender value will take into account charges from the whole investment period, and this, together with unpredictable market values, could mean that you lose money if you leave before the end of the investment period. Therefore it is important that Guaranteed Investments are only purchased if you intend to hold them until the end of their investment period.

### Time frame

The Guaranteed Investments are appropriate for investment over short to medium time periods between 3 months and 5 years. At any time, we will aim to offer investment periods of 3 months, 6 months, 9 months, 1 year, 2 years, 3 years, 4 years and 5 years.

### Access

You will normally be able to enter or exit the Guaranteed Investments on each working day.

The investment periods will usually end on the third Wednesday of the month, so for instance at the start of January we may offer a '3 month' Guaranteed Investment that ends on the third Wednesday in April.

Two working days prior to the third Wednesday of each month we will change the investment periods so that they finish on the following month's third Wednesday. For example, two working days before the third Wednesday in January the '3 month' investment period will be changed so that it finishes on the third Wednesday in May.

If you want to exit from a Guaranteed Investment before the end of its investment period, we will take into account the market value of the assets we hold to provide the returns. This may be lower than the amount you invest.

For details of the returns and investment period applying to each Guaranteed Investment, please refer to the individual fact sheets.

### Availability

Guaranteed Investments are available through all products in the Select Portfolio, but are normally not available in the ISA.

### Processing

Investments will initially be held in the Cash Holding Fund when we receive them, and will usually be invested into your chosen Guaranteed Investment within two working days.

Any withdrawals or switches will usually be financed by selling units two working days after the instructions are received.

At the end of the investment period, you can choose to reinvest the proceeds into another investment within the Select Investment Range. Alternatively, where appropriate, you can opt to withdraw the proceeds from your product, or fully surrender your product. If we don't receive instructions from you, we will automatically switch the proceeds into the Select Deposit Fund.

### Restrictions

Although we will endeavour to offer a range of investment periods at all times, we may not offer certain investment periods if we consider the returns to be unattractive.

### Investment limits

The Guaranteed Investments have a minimum investment level of £5,000.

Guaranteed Investments may not be partially encashed. If you wish to leave a Guaranteed Investment before the end of its investment period, you must surrender your full holding of the investment.

For investments over £100,000, you may normally pre-select your own investment period, which can end on any working day between 3 months and 5 years from the date you invest. We will calculate a bespoke rate of return according to the current market levels, which may be higher or lower than our published rates. These rates will typically only be available on the day they are quoted, and may be subject to change if we do not receive cleared funds by CHAPS on the day the quote is provided.

## Charges

The Asset Charge that applies to each Guaranteed Investment will be taken into account when we set the Guaranteed Rate and will depend on the market levels of interest. It will therefore not require a Select Account holding or a deduction of units. As we guarantee the rate we will typically charge more than we do for Market Funds where there is no such guarantee. Tax, if appropriate, and adviser remuneration will also be taken into account when we set the guaranteed rates.

If you exit from a Guaranteed Investment before the end of its investment period, we will take the charges for the full period. This, together with the fact that we use the market value of the assets to determine what you get back, may mean that you get back less than you invested.

## Guaranteed Investments - at a glance

### Overview

Investments designed to offer a guaranteed rate over a fixed investment period.

### Objective

To provide a no risk investment with known returns if held until the end of the investment period.

### Investment Strategy

Secure investments with a length that matches the investment period.

### Risk profile

No risk providing they are held until the end of the investment period. We provide a risk rating for each individual Guaranteed Investment.

### Time frame

Between 3 months and 5 years.

### Access

Entry on each working day. Investments are designed to be held until the end of their investment period, as early exit invalidates the guarantee and could lead to loss of capital.

### Availability

Through all products in the Select Portfolio, except the ISA.

### Processing

Two day transaction period on entry and exit .

### Restrictions

Some investment periods may be unavailable according to market conditions.

### Fund limits

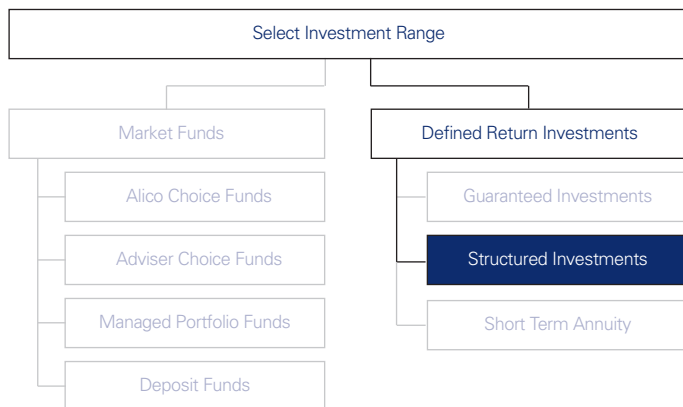
£5,000 minimum investment level, withdrawals must consist of entire holding.

### Charges

- Asset Charges will depend on market interest rates - reflected in returns offered
- Adviser Remuneration
- Tax (where appropriate).



## Defined Return Investments - Structured Investments



### Overview

Our Structured Investments are designed for those who are looking for a risk and return profile that is different from those offered by the Market Funds or Guaranteed Investments.

There may be many reasons for this such as seeking protection against falling markets, enhancing returns if market performance is flat or boosting income by taking a quantifiable risk. Structured Investments can achieve these aims by offering a variety of different returns that depend on the performance of a financial index (usually the FTSE 100) over fixed investment periods.

Alico Wealth Management will offer a range of Structured Investments, with each one having specific aims that are suitable for certain investors. We aim to have a small number of Structured Investments available at any time, and the aims and suitability of each individual investment will be detailed in the fact sheet for that investment.

Our Structured Investments will have some common attributes:

- They will only be available for investment for a short period, typically six to eight weeks after they are launched. This is referred to as the 'offer period', and at the end of the offer period no further investments will be allowed.
- They will each have a date, referred to as the 'strike date', which is the first day on which the level of a financial index, such as the FTSE 100 (referred to as the 'reference index') will be monitored.
- They will each have an investment period, which will start on the strike date, during which the performance of the reference index will be monitored.
- They will each make a payment shortly after the end of the investment period which will depend on the performance of the reference index during the investment period, and will include any return of capital along with the growth achieved. Once these payments are made, the Structured Investment will terminate. The payment will usually be made into the Select Deposit Fund unless we are instructed otherwise.

To generate the defined returns offered by the Structured Investments, we invest in high quality assets, usually with an investment bank. You do not own these assets directly, and the payment of the returns is not directly linked to the performance of the assets.

Alico Wealth Management guarantees that it will pay the promised returns even if the assets default. This removes the 'counterparty risk' that is normally associated with structured products, where the investor bears the risk of the underlying assets defaulting.

Like the Guaranteed Investments, the Structured Investments are designed to be held until the end of their investment period. If you switch out of a Structured Investment before the end of its period, you will not receive the defined return and you may get back less than you invested.

Details of the Structured Investments available at any time are available on our website at [www.alicowm.co.uk](http://www.alicowm.co.uk).

### Objective

The Structured Investments are designed to provide a return linked to the performance of an index and possibly in conjunction with a degree of capital protection if the index falls.

### Investment strategy

The Structured Investments are backed by secure assets that match the payment profile promised to clients.

### Risk profile

Structured Investments can be very different in nature and can provide a variety of different risk profiles. Not all structures will have full capital protection, and you can lose money with Structured Investments. This can either be where the payment profile of a Structured Investment leads to a loss if the reference index performs in a certain way, or where a client leaves a Structured Investment prior to the end of the investment period.

The Structured Investments are not funds. This means that the return offered is not directly linked to the value of any assets. However, if you decide that you want to exit from your Structured Investment early we will calculate a surrender value for you based on the value of the assets we hold. The surrender value will take into account the charges for the whole investment period, and this, together with unpredictable market values, could mean that you lose money if you leave before the end of the investment period. It is therefore important that Structured Investments are only purchased by those who intend to hold them until the end of their investment period.

### Time frame

The Structured Investments are appropriate for investment over short to medium time periods, typically between 3 and 6 years. The actual time period will depend on the specific Structured Investment selected.

If you want to exit from a Structured Investment before the end of its investment period, we will take into account the market value of the assets we hold to provide the returns. This may be lower than the amount you invest.

### Access

You will be able to enter the Structured Investment during its offer period. When we receive your investment it will be placed in the Cash Holding Fund until the strike date. Your investment will then be transferred into the Structured Investment on the strike date. You will not be able to leave the Cash Holding Fund prior to the strike date. You will typically be able to exit the Structured Investments once a week, usually each Wednesday (although this will depend on the specific investment). Requests for surrender of a Structured Investment will be processed on the Wednesday of the following week at the value that will be calculated at the time of surrender. Please note that although we will be able to provide you with an indicative surrender value at any time, the actual surrender value you receive will be different to this and will depend on market conditions at the time of surrender. These market conditions cannot be predicted or guaranteed. You may therefore receive back less than the indicative surrender value.

### Availability

Structured Investments are available through all products in the Select Portfolio, although some Structured Investments may not be available inside the ISA.

### Processing

Investments will usually be placed into the Cash Holding Fund on the day they are received, and transferred to the Structured Investment on the strike date.

Any surrender values will usually be processed on the Wednesday after we receive instructions, and the proceeds will usually be available on the day after processing.

At the end of the investment period, you can choose to reinvest the proceeds into another investment within the Select Investment Range. Alternatively, you can opt to withdraw the proceeds from your product. If we don't receive instructions from you, we will automatically switch the proceeds into the Select Deposit Fund.

### Restrictions

Although we will endeavour to offer at least one Structured Investment at all times, there may be times where market conditions do not allow us to offer an attractive proposition and no Structured Investments will be available.

### Investment limits

The Structured Investments have a minimum investment level of £5,000.

A Structured Investment holding may not be partially encashed. If you wish to leave a Structured Investment before the end of its investment period, you must surrender your full holding in the fund.

### Charges

The Asset Charge that applies to each Structured Investment will be taken into account when we set the returns available, and will not require a Select Account holding or a deduction of units. As we guarantee the returns provided by Structured Investments, we will typically charge more than we do for Market Funds where there is no such guarantee. Tax, if appropriate, and adviser remuneration will also be taken into account when we set the returns.

If you exit from a Structured Investment before the end of its investment period, we will take the charges for the full period. This, together with the fact that we use the market value of the assets to determine what you get back, may mean that you get back less than you invested.

## Structured Investments - at a glance

### Overview

To provide a defined return linked to the performance of an index over a fixed investment period.

### Objective

To provide a potential return that differs in profile from that available from other investment choices.

### Investment Strategy

Secure investments that match the returns promised.

### Risk profile

Risk will be linked to the index, it may be possible to lose money depending on the structure. We do not provide a risk rating for individual Structured Investments.

### Time frame

Usually between 3 and 6 years.

### Access

Entry on each working day during the offer period. Investments are designed to be held until the end of their investment period, as early exit invalidates the guarantee and could lead to loss of capital.

### Availability

Through all products in the Select Portfolio, with some not being eligible for ISA investments.

### Processing

Investments are held in the Cash Holding Fund prior to strike date, exit usually available once a week (although this depends on the specific investment).

### Restrictions

A limited number of Structured Investments will be available at any one time.

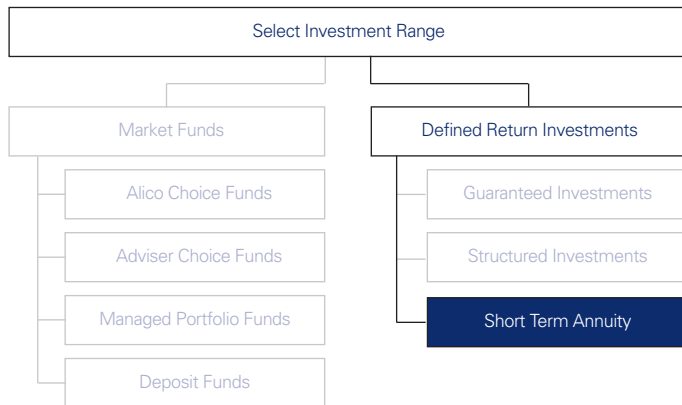
### Fund limits

£5,000 minimum contribution; withdrawals must consist of entire holding.

### Charges

- Asset Charges will depend on market interest rates - reflected in returns offered
- Adviser Remuneration
- Tax (where appropriate).

## Defined Return Investments - Short Term Annuity



### Overview

Our Short Term Annuity is designed for clients in the Income element of the Retirement Plan who want to secure a fixed income over a fixed period while leaving the remainder of their Plan untouched.

At any time we offer a range of periods from 1 to 5 years. The amount of income that your investment in the Short Term Annuity will buy will depend on several factors at the time that you invest, including the amount of money you invest to buy the Short Term Annuity, the term you choose, and market conditions such as interest rates as well as Adviser Remuneration.

To generate these guaranteed returns, we invest in high quality fixed interest assets. You do not own these assets directly, and the payment of the guaranteed returns is not directly linked to the performance of the assets. Instead, you are buying a guaranteed income from Alico Wealth Management on pre-set dates.

### Objective

The Short Term Annuity is designed to offer the highest level of safety and pay a pre-determined income over a pre-determined period. At the end of this period, it does not return a capital sum.

### Investment strategy

The Short Term Annuity is backed by secure assets that match the term of the investment.

### Risk profile

The Short Term Annuity is designed to be a 'no risk' investment option. The risk that the assets backing the guarantees do not perform as planned is borne by Alico Wealth Management and not the investor.

The Short Term Annuity is not a fund. This means that the return offered is not directly linked to the value of any assets.

### Time frame

The Short Term Annuity is appropriate for short time periods between 1 and 5 years.

### Access

You will normally be able to enter the Short Term Annuity by the 15th of each month. Short Term Annuity payments are usually made on the first working day of each month. Interest earned between the date of entry and the first payment date will be taken into account when we calculate your income level.

After the thirty day cancellation period, you cannot cancel or change your Short Term Annuity, and at the end of the fixed period it does not return a capital sum.

### Availability

The Short Term Annuity is only available on the Income element of the Retirement Plan.

### Restrictions

Although we will endeavour to offer a range of time periods at all times, we may not offer certain terms if we consider the income levels to be unattractive.

### Limits

The Short Term Annuity has a minimum investment level of £5,000. The maximum amount that may be used to purchase a Short Term Annuity will be limited by the Government Actuarial Department (GAD) so that your accumulated pension funds cannot be depleted quickly. The rules will also determine the maximum length of your Short Term Annuity. Your adviser will be able to assist you in applying these limits.

### Charges

The Asset Charge that applies to the Short Term Annuity will be taken into account when we set the income rates and will depend on the market levels of interest. It will therefore not require a Select Account holding or a deduction of units. As we guarantee the rate we will typically charge more than we do for Market Funds where there is no such guarantee. Adviser Remuneration will also be taken into account when we set the guaranteed rates.

## Short Term Annuity - at a glance

### Overview

Designed to offer a guaranteed income over a fixed period.

### Objective

To provide a no risk fixed income over a fixed period, with no capital sum returned at the end of that period.

### Investment Strategy

Secure investments with a length that matches the fixed investment period.

### Risk profile

No risk but no early exit is permitted.

### Time frame

Between 1 and 5 years.

### Access

Entry up to the 15th of each month. After the thirty day cancellation period, clients cannot cancel or change their Short Term Annuity, and at the end of the fixed period it does not return a capital sum.

### Availability

Income element of the Retirement Plan.

### Processing

Two day transaction period on entry.

### Restrictions

Some periods may be unavailable according to market conditions.

### Fund limits

£5,000 minimum investment level, maximum GAD limits will apply.

### Charges

- Asset Charges will depend on market interest rates - reflected in returns offered
- Adviser Remuneration.



## Charges at a glance

The charges applying to investments within Select Portfolio products are summarised in the tables below.

### Alico Choice Funds and Adviser Choice Funds

#### Asset Charge

- Typically 0.75% per annum.
- Performance-related rebate applies to Alico Choice Funds.
- Taken from the Select Account by deduction of units.

#### Fund Manager Charge

- Varies according to fund manager.
- AMC discount negotiated by Alico Wealth Management passed on to client.
- Reflected in daily fund unit prices.

#### Adviser Remuneration

- Initial Adviser Remuneration - deducted from initial investment.
- Ongoing Adviser Remuneration - taken from Select Account by deduction of units.
- Adviser Review Remuneration - deducted from switch amount.

#### Tax

- Reflected in unit prices within Advantage Investment Plan and Investment Bond.

### Managed Portfolio Funds

#### Asset Charge

- Typically 0.75% per annum (0.85% per annum for portfolios constructed by Morningstar).
- Taken from the Select Account by deduction of units.

#### Fund Manager Charge

- Combined AMCs of underlying funds within portfolio.
- AMC discounts negotiated by Alico Wealth Management passed on to client.
- Reflected in daily fund unit prices.

#### Adviser Remuneration

- Initial Adviser Remuneration - deducted from initial investment.
- Ongoing Adviser Remuneration - taken from Select Account by deduction of units.
- Adviser Review Remuneration - deducted from switch amount.

#### Tax

- Reflected in unit prices within Advantage Investment Plan and Investment Bond.

### Deposit Funds

#### Asset Charge

- Select Deposit Fund - dependent on growth level within the fund.
- Select Account/Cash Holding Fund - not applicable.

#### Fund Manager Charge

- Alico Fund Manager AMC for Cash Holding Fund/Select Deposit Fund - dependent on growth level within the fund.

#### Adviser Remuneration

- On Select Deposit Fund:
  - Initial Adviser Remuneration - deducted from initial investment
  - Ongoing Adviser Remuneration - taken from Select Account by deduction of units
  - Adviser Review Remuneration - deducted from switch amount.
- Select Account/Cash Holding Fund - Adviser Remuneration not available.

#### Tax

- Reflected in unit prices within Advantage Investment Plan and Investment Bond.

## Guaranteed Investments

### Asset Charge

- Varies according to specific investment, dependent on market interest rates.
- Typically higher than Market Funds due to guarantees provided.
- Included in returns provided by investment - no deduction of units.

### Fund Manager Charge

- Not applicable.

### Adviser Remuneration

- Initial Adviser Remuneration - deducted from initial investment.
- Ongoing Adviser Remuneration - reflected in returns provided by investments.
- Adviser Review Remuneration - deducted from switch amount.

### Tax

- Reflected in returns provided by investments within Advantage Investment Plan and Investment Bond.

## Structured Investments

### Asset Charge

- Varies according to specific investment, dependent on market interest rates.
- Typically higher than Market Funds due to guarantees provided.
- Included in returns provided by investment - no deduction of units.

### Fund Manager Charge

- Not applicable.

### Adviser Remuneration

- Initial Adviser Remuneration - deducted from initial investment.
- Ongoing Adviser Remuneration - if available - reflected in returns provided by investments.
- Adviser Review Remuneration - deducted from switch amount.

### Tax

- Reflected in returns provided by investments within Advantage Investment Plan and Investment Bond.

## Short Term Annuity

### Asset Charge

- Varies according to specific investment, dependent on market interest rates.
- Typically higher than Market Funds due to guarantees provided.
- Included in returns provided by investment - no deduction of units.

### Fund Manager Charge

- Not applicable.

### Adviser Remuneration

- Initial Adviser Remuneration - deducted from initial investment.
- Ongoing adviser remuneration - not available.
- Adviser Review Remuneration - deducted from switch amount.

### Tax

- Income that you receive from the Short Term Annuity will be subject to the highest rate you pay through the PAYE system.

You can find full details of each specific investment in the Select Investment Range - including the charges relating to it - on the individual investment fact sheets.

The Select Investment List is a summary of all the investment choices currently available, and contains an 'at a glance' guide to all charges and risk ratings.

These documents are available on our website at [www.alicowm.co.uk](http://www.alicowm.co.uk) or from your financial adviser, and can be stored in the pocket at the back of this guide.

## Protection

Alico (UK Branch) is authorised and regulated by the Financial Services Authority, with all associated safeguards and protections.

We classify you as a 'retail client' under Financial Services Authority rules. This means you'll receive the highest level of regulatory protection available for complaints and compensation and receive information in a straightforward way.

We are covered by the Financial Services Compensation Scheme (FSCS). If we cannot meet our obligations, the owner of the product may be entitled to compensation under the scheme. For the products we offer in the Select Portfolio, the scheme covers 90% of any claim.

For further details on the Financial Services Compensation Scheme, please visit [www.fscs.org.uk](http://www.fscs.org.uk) or phone 0207 892 7300. Alternatively, you can contact the Financial Services Authority by visiting their website at [www.fsa.gov.uk](http://www.fsa.gov.uk) or phoning 0207 066 1000.

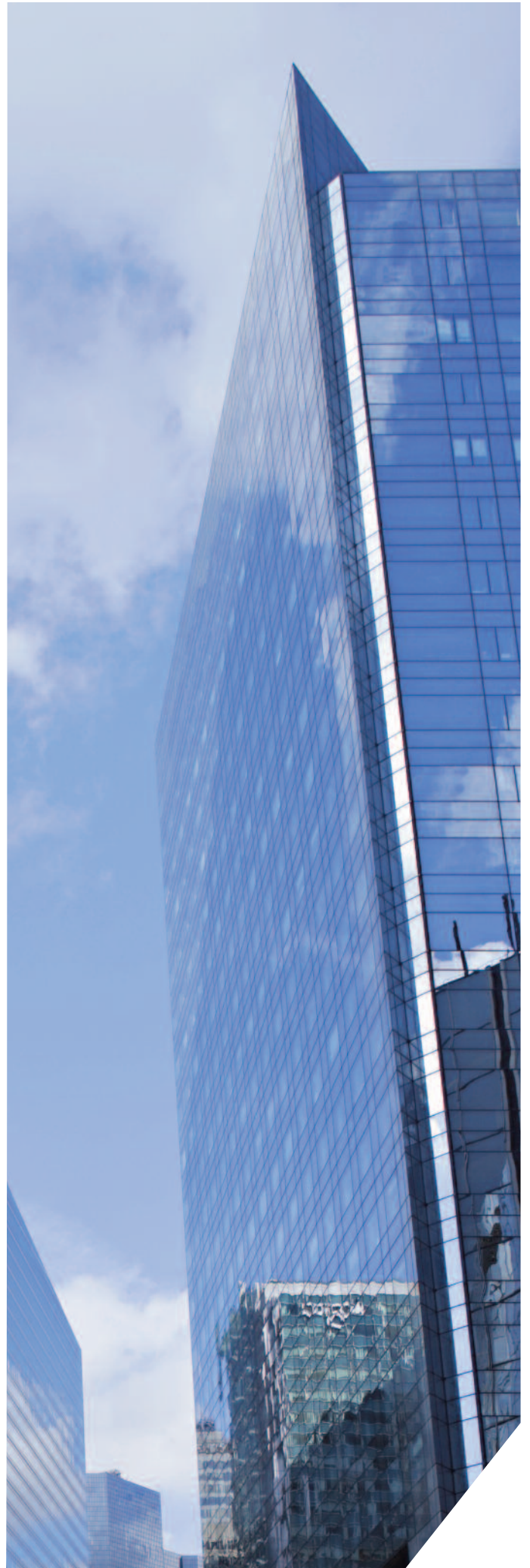
Please note that for life assurance products, the first responsibility of the FSCS is to seek continuity of cover rather than to pay compensation.

## For further information

You can find full details of each specific investment in the Select Investment Range - including the charges relating to it - on the individual investment fact sheets.

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## Wealth Management

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