



ICI Pension Fund - Closed AVC Options

There are AVC options that are no longer open and therefore cannot accept transfers from other AVC funds. Some members are still invested in these funds.

With-Profits

With-Profits policies are medium to long-term funds offered by insurance companies. The money you invest is pooled together with money from other investors in the insurance company's With-Profits Fund and invested in different types of assets, such as shares, property, bonds and cash.

The insurer gives you a share of profits in the form of annual bonuses added to your policy. You may also receive a 'terminal bonus' when your policy matures. The amount of profit you earn depends mainly on the performance of the investments in the With-Profits Fund.

The insurer usually tries to avoid big changes in the size of the bonuses from one year to the next. It does this by holding back some of the profits from good years to boost the profits in bad years – this process is called 'smoothing'.

Usually, once added, bonuses can't be taken away. But the insurance company can claw back some or all of the bonuses paid by making a Market Value Reduction (MVR) – or Market Value Adjustment (MVA) – to your policy if you surrender early. This is most likely in times of adverse investment conditions like a stock market crash.

For With-Profits investment, the rate of future bonuses cannot be guaranteed. Final bonus may vary and is not guaranteed.

| Fund Name | Description and risk | Charges |
|---|---|--|
| Prudential With-Profits (ex-Holden members only) | The fund offers the prospect of competitive long-term real returns whilst smoothing the peaks and troughs of day-to-day market movements. Investment returns are passed to policyholders through bonuses. The fund is invested in a diversified portfolio of UK and overseas shares, bonds, property and cash. A significant proportion of the fund is invested in shares and property which aims to produce attractive long term returns, but the return on these assets can be volatile and so the fund is actively managed to optimise the returns while controlling risk. | Prudential does not disclose the charges for this fund. If you move money out of the With-Profits Fund a Market Value Reduction may be applied, which would cause the value of your fund to fall. |
| Clerical Medical With-profits | This Fund is designed to increase the value of the money you invest, providing one or more guarantee(s) over the medium to long term. It invests in shares in UK and overseas companies, property, fixed-interest investments (such as Government bonds) and other types of investment (including cash). Investing in a mix of assets helps spread risk as it ensures returns aren't dependent on any one type of asset. It also provides some stability against market ups and downs in the short term through 'smoothing' (explained in the introductory paragraph above). | The charge for investing in the Fund is integrated into the investment return. Clerical Medical may also apply a Market Value Reduction (MVR) on early withdrawal from the Fund, which would cause the value of your investments to fall. However, no MVR applies on contractual withdrawal (this is generally on death or when the fund is used for retirement purposes to buy an annuity). |

Unit-linked funds

A unit-linked investment fund is divided into a number of equal units which are then held for each investor. The value of a unit (the unit price) is calculated, usually daily, broadly representing the value of the whole fund divided by the total number of units. If the unit price is increasing, the value of the assets held in the fund is increasing. Each time an investor pays a contribution into the fund, they're allocated more units. Similarly, if they decide to withdraw or switch benefits from the fund, units are sold.

There may be a difference between the price at which units are bought by the investor when they pay contributions in (the offer price) and the price at which units are sold on withdrawal or switch (the bid price).

Ex-Holden members may be invested in the Funds listed below.

| Fund Name | Description and risk | |
|---|---|-------|
| Prudential Discretionary Fund | The fund provides a balanced approach to investment, holding a mix of UK and overseas company shares, bonds, property and cash. Prudential rate this fund as medium risk. | 0.75% |
| MGM Managed Fund This is now held by Scottish Friendly | The fund aims to achieve a balance of capital growth and capital preservation from a portfolio of UK and international equities, corporate bonds, government issued fixed income investments, cash and property | 1.25% |

Contact details

For more information about your AVC pot, please contact the Fund Administrator.

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