

AXA'S UNIT LINKED PRINCIPLES & PRACTICES



Be Life Confident

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1 Purpose

The purpose of this document is to provide details of the principles and practices that the AXA Group applies in the management and operation of all its unit linked funds that are available through its life and pensions policies.

The document covers funds available to unit linked policies issued in the UK by UK life companies in the AXA Group;

- AXA Sun Life plc (ASL)
- Sun Life Assurance Society plc (SLAS)
- Winterthur Life UK Ltd (WL)
- Winterthur Pension Funds UK Ltd (WPF)

Jointly referred to as 'AXA'

Each of these companies sells life and pension policies which invest into ranges of funds with different charging structures. This document is intended to give a description of how the funds are operated for all unit linked product types within the range offered by AXA.

In particular, the document includes the principles and practices that have been adopted in order to:

- provide an understanding of the operations of an investment in an AXA unit linked policy;
- describe how the conflicting interests or expectations of different groups or generations of policyholders, and policyholders and shareholders, are managed so that all interested parties are treated fairly;
- explain the nature and extent of the discretion available to AXA;

The document has been written to give a reasonable understanding of the operation of AXA unit-linked policies. However, it is not intended to be a comprehensive explanation of either the management of AXA unit linked business, individual funds, AXA products or of every matter which may affect the unit linked business.

This document will be reviewed by the Unit Pricing Committee (UPC), see section 3 below, on any significant change to AXA's principles or practices and at least annually.

Descriptions of words shown in italics, for example *creation*, are shown in Appendix A Glossary of terms.

None of the contents of this document forms part of, or changes, the terms or conditions of any policy issued by any member of the AXA Group. In the event of any inconsistency between the contents of this document and any policy, the terms and conditions of the policy prevail.

It does not include details of:

- AXA's unitised with profits policies. These details are published on the AXA website at www.axa.co.uk; and the Winterthur website at www.winterthur-life.co.uk.
- AXA's *Private funds*, whether life or pension, where although these products follow the general principles, the practices and timings vary.

No part of the document should be read as a recommendation to policyholders or potential policyholders or their advisors in relation to effecting or maintaining a unit-linked policy. Accordingly, any person considering whether to effect or maintain a unit linked policy with any member of the AXA Group should seek financial advice.

[2 General principles

The principles in this document define the overarching standards adopted in managing the unit linked funds of the business for current and future policyholders. They describe the approach taken in meeting AXA's responsibilities to unit linked policyholders and for responding to and managing material changes in the business.

The contents of the document will be amended in the future to take account of changes to;

- business or economic environments;
- the regulatory regime;
- the UK tax regime as it affects unit linked policyholders;
- the AXA Group;
- the management of the unit linked business; or
- Product and fund range.

The key principle that AXA applies to the management of its unit linked business is to treat all policyholders fairly throughout the life cycle of their policy. Principles for all the AXA funds will be the same, although operational practices may vary between the four life companies.

3 Governance structure

This section provides a summary of the main AXA Boards and committees who have responsibility for the oversight and management of AXA's unit linked funds.

Company Board

The Board carry the ultimate responsibility for the oversight and management of the unit linked business and funds and determination of investment strategy for each fund.

The Boards within the AXA UK Group that have responsibility for unit linked funds include:

- AXA Sun Life Holdings plc (ASLH)
- AXA Sun Life plc (ASL)
- Sun Life Assurance Society plc (SLAS)
- AXA Isle of Man Ltd
- Winterthur Life UK Ltd (WL)
- Winterthur Pension Funds UK Ltd (WPF)

Day to day management and control of the funds is the responsibility of the following committees:

Unit Pricing Committee (UPC)

The UPC is a management and advisory committee for unit pricing that meets on a regular basis throughout the year. The role of the UPC is to make recommendations on AXA's unit pricing policy and practices to the relevant boards and ensure that these are in line with the 'Guide of Good Practice for Unit Linked Funds' published by the Association of British Insurers (ABI)¹. The UPC also monitors the daily unit pricing operations to ensure that policies are being properly adhered to and takes action as required to address breaches and implement changes.

The UPC is chaired by the AXA UK Chief Finance Officer and includes representatives from other areas involved in the management of AXA Life and Winterthur Life unit linked funds, including the Actuarial Function Holder, Investments & Treasury, Business Risk, Finance and Tax. Other areas of the business may be represented at the meeting for specific agenda items.

¹The Guide is published on the ABI website at www.abi.org.uk.

Investment Committee

The Investment Committee has responsibility to monitor investment strategy for all of AXA's internal unit linked funds. The Committee, which is chaired by the AXA UK Chairman and includes directors of AXA UK, ASL, WL, WPF and other group companies, meets on a quarterly basis.

Operational Risk Committee

The Operational Risk Committee has responsibility for ensuring that all significant operational risks are identified, assessed, monitored and controlled and that issues are being managed appropriately with action plans being progressed in a timely manner. Its remit includes all Operational risks including unit linked business.

Actuarial Function Holder

The Actuarial Function Holder has a range of responsibilities to advise the Board on the risks the company runs in so far as they may have a material impact on the firm's ability to meet liabilities to policyholders. These risks include those in respect of the operation of the unit linked business.

4. Fund valuation and policyholder unit price calculation

This section describes how AXA values the assets of the funds and calculates unit prices.

Principles

The overall aim is to value the assets of the *funds* and provide timely and accurate unit prices for policyholder transactions into or out of a *fund*.

To achieve this, AXA will endeavour to:

- ensure that there is a fair market valuation of assets held within the *fund*;
- make timely and accurate provision for appropriate income, charges, and expenses borne by the *fund*;
- make fair and accurate provision for income taxes and capital gain taxes at each valuation point;
- ensure that there is a pricing method that is fair to policyholders in the *funds*;
- avoid any significant or systemic cross-subsidy between policyholders, groups of policyholders or individual *funds*;
- calculate and provide a fair price for all policyholder valuations and transactions into and out of *funds*;
- rectify errors that have occurred as soon as reasonably practical once identified. This will include making compensation payments to policyholders that have suffered a material loss due to errors in the valuation and pricing process.

Practices

Investment in AXA funds is available only through either life assurance policies into life funds or through pension policies into pension funds. These policies may be invested into:

- single asset or *mirror funds*,
- directly invested *funds*; or
- *fund of funds*.

All funds are managed to a specific investment objective and monitored accordingly.

Valuation of a fund's assets

The value of a fund is the sum of the value of its underlying assets at the valuation point. This includes fund income received, and also accrued entitlements for dividends, interest receivable and other income up to the valuation point.

AXA may enter a stock lending program for funds which in return brings additional income to the fund. All revenue derived from this process is passed directly to the fund less any administrative costs incurred. Whilst stock lending is a recognised market practice, there are risks attached should the borrower of any stock become insolvent or default on returning any stock borrowed. The risks are minimised by ensuring that AXA only lend to large institutions with a credit rating of A- or above, and also by receiving collateral from the borrower equating to 102% of the value of the stock lent. The value of collateral is reassessed against the value of stock lent on a daily basis to ensure the 102% level is maintained throughout the lending period.

Appropriate provision is also made for tax and investment costs and charges paid and accrued for up to the valuation point.

The value of investments can fall as well as rise and is not guaranteed – this means that an investor could get back less than they have invested.

In effect, two valuations of each fund are made at every valuation point, one having regard to the prices at which the assets might be purchased (purchase valuation), and the other having regard to the prices at which assets might be sold (sale valuation). For some funds, where the assets held are *single priced*, these two valuations are the same.

One of these valuations will be chosen by AXA for determining the *bid* prices to be used in policyholder transactions for that pricing point. The process of deciding which basis is used is shown below in 'Basis for fund valuation and unit dealing'.

Assets of *directly invested funds* are valued using a valuation point of 2pm for ASL and SLAS funds, and 5pm for WL and WPF funds. For funds that invest in *OEICs* and *unit trusts* the assets are valued using the latest published price available on the valuation day.

Prices for the underlying assets in the fund are obtained as follows:

- for publicly quoted securities, AXA uses quoted prices (bid and offer prices or single prices depending on the asset) from recognised *market data vendors*, or published prices from operators of *unit trusts* and *OEICs*;
- non-sterling assets are converted into sterling as at the valuation point using *mid foreign exchange* rates obtained from reputable data vendors;
- for holdings of units in insurance company unit linked funds, prices are obtained from the insurance company concerned;
- for other assets, prices are obtained from reputable independent valuers or brokers. Property prices will be based on periodic certified valuations with adjustments made during the period in line with advice from the valuers;
- cash and deposits are shown at their actual face values;
- there may be occasions when accurate individual security prices can not be obtained for either assets, markets or countries due to circumstances beyond our reasonable control. In such cases AXA will follow approved contingency procedures which ensure that an appropriate fair value is used for the relevant assets;
- in the event of a major disruption affecting AXA's ability to value assets of the fund then AXA may suspend dealing. Policyholder transactions will then be processed at the next available pricing point after AXA returns to normal operating capability. Any affected policyholders will be notified by AXA's Customer Service department.

This practice is implemented in order to protect the fair value of the fund and is done to protect the interests of all existing policyholders and any potential new policyholders.

Expenses for buying and selling holdings

- Provisions are made in the valuation of the fund's assets in order to allow for the extra costs that will be incurred when the fund either buys more assets or sells some of its existing assets.
- In the case of a fund with directly held ordinary shares listed on a stock exchange, these will be made up of stockbroker commissions and stamp duty reserve tax where applicable.
- In the case of direct holdings of property these will include such costs as estate agents commissions, surveyor's and legal costs and stamp duty where applicable.
- In the case of holdings of units in insurance unit linked funds or other single priced assets like OEICs, or holdings of cash, where there would be no buying or selling expenses, then none are allowed for;
- This is to ensure that any new policyholder transactions are made at a price that fully reflects the market costs which will be incurred when the fund makes such trades.
- These provisions for dealing purchase and sale costs are regularly reviewed against the market and amended where necessary to take account of changes in market conditions and any government or other taxes or levies.
- The allowances for selling costs are deducted from the total underlying asset values as part of the preparation of the sale basis valuation, and the allowances for buying costs are added to the total underlying asset values as part of the preparation of the purchase basis valuation.

Provision for taxation

The basic principle that is adopted for taxation calculations for each unitised fund is to assume that the tax legislation applies to that fund as if it were a single separate company that is not associated with any other unitised fund or any other AXA company.

- The basis of taxation chosen aims to achieve broad equity between generations of policyholders and fairness for the fund.
- To ensure AXA treats all policyholders fairly, tax provisions are made in the funds to account for likely future tax liabilities. These include, for example, provision for tax on capital gains to take account of the probability that the existing securities held by the fund would be sold sometime in the future and any unrealised gains become realised. An estimate is made at each valuation point of the tax payable based on the current tax legislation and discounted tax rates to determine the provisions to be included in the fund valuations. These discounted tax rates take account of the typical length of time that assets are held before disposal.
- Note that tax provisions are reflected only in the daily unit prices of life funds as pension funds do not require tax provisions on income taxes or capital gains taxes.
- Some investment income received, for example dividend income received from overseas companies, has withholding tax deducted from it in accordance with the laws of the foreign country concerned. In some cases part of this may be subsequently recovered for the fund from the overseas tax authorities. Tax that has been deducted at source on investment income is not recoverable for life funds. For pension funds, where it is recoverable, an accrual for its recovery is included in the valuation from the date the investment income is received net of the tax deducted.
- Tax provisions and the discounted rates used are kept under regular review and revised whenever appropriate.

Annual Management Charge (AMC)

There are various methods by which the *annual management charge* may be applied to the policies investing in AXA unit linked funds, either by:

- A charge deducted from the fund, reducing the value of the units attributable to the policy,
- cancelling the appropriate number of units attaching to the policy; or
- a combination of the above.

Where the charge is deducted from the fund, the AMC is accrued daily in the valuation, calculated as a percentage of the value of the fund.

Where the charge is deducted by cancelling units, the AMC is calculated as a percentage of the value of the fund. The charge is not taken from the fund, instead the amount of the charge is used to calculate an appropriate number of units to the same value. Those units are then cancelled from the policy periodically, usually monthly.

AXA has the right to change the rate of AMC and, on these occasions, policyholders will be informed of any such change. AXA can amend this charge only for valid reasons. These could include responding proportionately to changes in law, meeting new regulatory requirements or reflecting other legitimate cost increases or reductions associated with the provision of the product or service.

Many AXA *mirror funds* are invested in underlying *unit trusts* or *OEICs* where the operators include various expenses in their prices, including their own management charges. In such a situation AXA will endeavour to ensure that the effective overall charge to the policyholder is no greater than the percentage disclosed for that fund. It does this by a combination of rebates to the fund and reductions in the fund AMC.

Other fund charges

AXA reserves the right to make charges to the fund in the future in response to any new specifically identified costs that may be incurred in relation to the funds where it would be fair to attribute those costs to the fund. Policyholders would be notified and allowed, if they so wished, to switch to another fund. Any changes made will be consistent with the terms and conditions of the policy and FSA rules relating to charges.

Stakeholder policies

For policies investing in *stakeholder funds*, the total of all expenses and charges incurred by the fund and its underlying assets will not exceed 1% annum, the maximum permitted stakeholder rate for all AXA stakeholder pension policies.

Basis for fund valuation and policyholder unit transactions

- AXA analyses trends of policyholder transactions to determine whether a fund is expanding or contracting in order to decide whether unit prices for that fund should be based on a purchase valuation basis or sale valuation basis.
- If the fund is expanding then transactions are generally on a purchase valuation basis. If the fund is contracting, or if the fund needs to sell assets to satisfy *cancellations*, then a sale valuation basis is generally applied. This is to protect the interests of all policyholders in that fund.
- However, in certain market conditions, AXA may also change the basis used, in order to protect the interests of existing policyholders. This is to ensure that the value of transactions into and out of the funds do not materially impact on the existing policyholders in the fund.
- Any change in valuation basis will have an effect on unit prices as at the next valuation point. A move from the purchase basis to the sale basis will generate a lower price.

Unit prices and roundings

- The value of the fund is divided by the number of units in issue for that fund to arrive at the un-rounded unit bid price. This price is calculated to several significant figures, typically seven, for example 123.4567.
- The un-rounded unit *bid* price in pence is rounded on a *neutral basis* to one tenth of a penny (0.1p) to determine the published *bid* price.
- The un-rounded *bid* price is increased by the initial charge rate and rounded on a *neutral basis* to one tenth of a penny (0.1p) to determine the published offer price.

Distributions

- Within the ASL and SLAS fund ranges there are a number of distribution funds that pay out to policyholders on a periodic basis. There are no such funds available in the WL or WPF range.
- The actual amount to be distributed is based on the income earned in the period and is calculated taking account of forecast income, cash and previous distributions. Any income that is not distributed is retained in the fund until the next distribution.
- Valuations on distribution dates exclude the amount to be paid out as income since the previous distribution and the price of units on that date reflects the exclusion of this income.
- Policyholders may choose a distribution option where their share of the fund's income is paid out to them in cash, or a re-investment option where their share of the distribution is used to buy additional units, using that day's unit price. The additional units are then credited to the policy.

Publication of prices

- Fund unit prices are released as soon as they become available, to market information vendors, and are published on the AXA website at www.axa.co.uk and on the Winterthur website at www.winterthur-life.co.uk.

Pricing errors

There are unit pricing controls in place to ensure that unit prices are calculated in accordance with the principles and practices described in section 4. However, when pricing errors are identified AXA will endeavour to correct them as soon as reasonably practical.

- The impact of pricing errors on the funds will be assessed and, where appropriate, the fund will be corrected.
- AXA will compensate policyholders for material errors that have impacted the price by more than 0.5% (50 basis points), subject to de-minimis levels as agreed by the Unit Pricing Committee, currently £10.
- Errors that have impacted prices by less than 0.5% but more than 0.1% (10 basis points) will be reviewed to determine root causes. Where the pricing error is deemed to be widespread and systemic, compensation will be paid where individual retail investors will have suffered a material loss, subject to de-minimis levels, currently £50.
- All unit pricing errors identified, greater than 0.1%, are recorded, reviewed and regularly reported to Unit Pricing Committee.

5 Processing instructions from policyholders

This section describes how AXA implements policyholder instructions.

Principles

- Assets are held in each fund to match the total value of all policyholder units.
- Units are *created* at current prices in respect of policyholder transactions notified each day from the customer administration systems.
- *Managers Box* positions may be held to ensure that the funds are operated in the most efficient manner possible.
- The units held in a *Managers Box* belong to the shareholders but AXA does not seek to profit from these units.

Practices

Basis of policyholder transactions

- For ASL and SLAS policies, written instructions and cash received during a business day from policyholders are allocated at the price calculated on the previous day for new investments in each policy. E-mail, online or facsimile instructions are not permitted.

Subsequent instructions for switches or other servicing transactions are allocated at the price defined in the respective policy documents.

- For WL and WPF policies, cash and instructions received by post or by telegraphic transfer before midday on a business day, are allocated a price calculated at the next pricing point. After midday they will be dealt with as if they had been received the following business day morning. Instructions received by fax, or where permitted, online, will also be dealt with as if they had been received the following business day morning.
- For certain WL policies, including those in the Investment Bond series, allocation takes place at the price calculated one day later than described above.

Allocation of units to policyholders

- At the start of any policy the offer price is used for the first allocation and for subsequent investments, and the bid price is used for subsequent switches and other servicing transactions. For some funds, where the assets held are single priced, on any business day these two prices will be the same.
- Should AXA be responsible for any delay in processing policyholder transactions it ensures that there is no disadvantage to policyholders or to the fund. For ASL funds, this is achieved by allocating or cancelling units at the price ruling for those transactions on the day the instructions were originally received.
- For WL and WPF policies, this is achieved by allocating or cancelling units at the price ruling for those transactions on the day the cash and instructions were originally received, or in the case of faxed or internet instructions, treated as having been received as in the 'Basis of policyholder transactions' paragraph above.

Creations and box management

- A *Managers Box* is operated by first aggregating all policyholder transactions within each fund on a particular day. Box limits are set for each fund to minimise dealing into or out of the fund. The next step is to determine whether the current day's fund activity exceeds approved box limits. At this point there has not been any change to the total number of units in the fund.
- If the limits are exceeded then it is necessary to change the number of units in issue in the fund through a *creation* or *cancellation* of units. If the limits are not exceeded then there is no requirement to change the number of units in issue.
- The box limits are designed to ensure that the fund is managed in an efficient manner by minimising dealing expenses.
- When units are *created* in a fund, then AXA will add to the fund a cash amount calculated as the number of units created multiplied by the unit price of the units *created*.
- When units are *cancelled* in a fund, then AXA will take from the fund a cash amount calculated as the number of units liquidated multiplied by the unit price of the units *cancelled*.

Internal deals

- Internal deals between a *fund of funds* and an underlying AXA fund are transacted on the same basis as policyholder transactions except that they use the prevailing un-rounded price. This is to minimise the impact of rounding on any policyholder investment to only when dealing into or out of the *fund of funds*.

Deferrals to policyholder dealing

- In the event of a major disruption to markets or systems, or in extreme market conditions, AXA may suspend dealing in one or more funds.
- AXA also reserves the right to defer policyholder transactions for up to six months where funds are invested into assets that are not readily realisable. An example might be funds involving property investments due to the timescales required to sell properties and realise the cash proceeds.
- When any restriction period ends, AXA will process the deferred transactions using the price ruling on that day.

6. Other information

Launching, merging and closing funds

- New funds are sometimes added to the AXA range, in response to changes in customer requirements. Each fund needs to reach and maintain a minimum size in order to operate effectively.
- AXA puts its own money into new funds at launch, and creates units in the normal way, to ensure the fund reaches the minimum size. This is known as 'seeding'. The seed money is withdrawn, by liquidating units only as the fund exceeds the minimum sustainable size and the fund no longer needs this support.
- AXA reserves the right to close funds or merge funds together at any time provided that it believes it is reasonable to do so. For example, it may decide that a fund has insufficient assets to be managed efficiently or because investments to match the fund objectives are no longer available.
- Policyholders would be given written notice of any such change as early as possible, and within the minimum period applicable to their original policy. They would be made aware of all the change options available to them and given an opportunity to indicate their preferred choice. In any case where no choice is made and notified to AXA then the policyholder will be allocated units in an alternative fund selected by AXA in accordance with the policy terms and conditions.

Policyholder complaints

Any policyholder complaints about AXA funds are dealt with in accordance with AXA's complaints handling procedure. Details of this procedure are sent to policyholders when AXA first responds to any complaint. Details of a customer's statutory rights are also sent, in line with current legislation, FSA approved procedures and the ABI Guide of Good Practice for unit linked funds.

Further information is available from the AXA Administration Centre, PO Box 1810, Bristol BS99 5SN. Telephone number: 0845 300 0479.

If policyholders are not satisfied with any aspect of the service they have received, then a copy of the written complaints handling procedure is available on request.

Making a complaint will not prejudice any right to take legal proceedings. Complaints, that AXA cannot settle, may be referred to the Financial Ombudsman Service at South Quay Plaza, 183 Marsh Wall, London E14 9SR, telephone: 0845 080 1800.

email: complaint.info@financial-ombudsman.org.uk.

Communications with AXA

The address for written communications is AXA, PO Box 1810, Bristol BS99 5SN. The telephone number of AXA is 0845 300 0479.

Appendix A – Glossary of Terms

Annual Management Charge (AMC)	A charge made by AXA to cover the costs of managing the assets and other costs of operating the fund.
Bid price	The price at which AXA takes back units from policyholders. This is used for transactions where policyholders cash in all or part of their investment. It is also used when a switch is made out of one fund and into another. (see also <i>Offer price</i> below) In WL and WPF the <i>bid price</i> and <i>offer price</i> will be the same.
Collateral	Assets transferred temporarily into the name or control of a lender by a borrower, equal to or greater in value than, the assets of a different type borrowed from the lender. The pledged collateral is held by the lender as a safeguard during the period of the loan. It will normally be returned at the end of the loan period or when no more similar loan transactions are planned between the two parties. The lender holding the collateral will not normally need to sell or convert the collateral for its own use or benefit, unless there is some serious default by the borrower.
Contingency procedures	In unusual circumstances, where AXA is unable to obtain asset prices from its normal recognised market data vendor, it will use this procedure. A recognised independent source, for example a stockbroker in the country concerned, is used to provide prices until the situation returns to normality. The UPC will review the extent and likely duration of the problem and may decide to continue with the secondary price source or calculation, or to suspend valuations and dealings in the fund.
Creation	The process by which new money is invested into the fund from policyholders, typically from initial investments or switches in from other funds. This process increases the fund size and the number of units in issue.
Cancellation	The process by which money leaves the fund, typically when policyholders wish to switch out of funds, take income, or surrender policies. This process decreases the fund size and the number of units in issue.
Directly invested funds	A fund which directly holds individual securities such as ordinary shares in companies, fixed interest stocks issued by companies or governments, or other assets such as property.
Fund	A unit-linked fund is a pool of assets divided into units of equal value. The fund is divided into units with an appropriate number of units attributed to each unit-linked policy participating in the fund. The fund is valued regularly and divided by the total number of units in issue in order to arrive at the unit price at each valuation and pricing point. This enables each policyholder to share in the investment performance of the fund in proportion to the number of units that have been attributed to the policy.
Fund of Funds	A high level fund which does not invest directly in individual assets, such as ordinary shares, but instead buys units in other funds, which usually have a diversified portfolio of such investments.
Internal deal	The purchase or sale of units by a Fund of Funds in a lower level directly invested AXA Fund.
Market data vendors	These organisations gather information on many individual investment holdings such as ordinary shares, from stock exchanges and other financial markets all over the world. They then supply this information electronically to asset and fund managers who use it as a basis for valuing the assets held in the funds.
Managers Box	A pool of units held in a unit linked fund, owned by the company, to facilitate aggregation and netting, and to avoid unnecessarily expensive small daily deals for each fund, and to reduce the need for frequent price basis changes.

Mid foreign exchange rates	This is calculated, by recognised <i>market data vendors</i> , as halfway between the relevant buy and sell rates for foreign currencies quoted at a point in time by a range of international banks.
Mirror fund	A life or pension fund that invests into a single asset, typically an OEIC or unit trust.
Neutral basis for rounding	Unit price is rounded according to mathematical rounding, down for 0 to 4 values and up for 5 to 9 values. For example, prices between 98.2500 pence and 98.3499 pence would be rounded to 98.3 pence, and any price from 98.3500 pence to 98.4499 pence would be rounded to 98.4 pence.
Open Ended Investment Company (OEIC)	A pooled unitised investment which provides access to a diversified professionally managed fund of assets, liquidity and transparent pricing. The OEIC issues shares and the assets are safeguarded by a Depositary.
Offer price	The price at which units are sold by AXA to policyholders. This is used for initial premiums and top up premiums where money comes into AXA's unit linked funds. (see also bid price above)
Private funds	These funds are operated by AXA only for particular large institutions, individual policyholders or special groups of policyholders with specific policy conditions. AXA policies available to the general public have no access to these funds.
Seeding Money	The company's cash invested into a Fund at the beginning of its life in order to ensure that it reaches and stays at a minimum size needed for efficient operation.
Single priced fund	A fund, which could include an OEIC, a single priced unit trust or a unit linked insurance fund, where the operator quotes only one price for both sales to incoming investors and redemptions from outgoing investors.
Stakeholder fund	Pension fund which meets requirements set by HM Treasury, including a maximum permitted percentage level for total charges.
Stock lending program	A recognised market practice operated according to FSA rules where assets belonging to one financial institution are temporarily lent to another institution or broker firm. The borrower has to provide adequate <i>collateral</i> , typically other equity shares or Fixed interest stocks, to cover the possibility of any late return or default on the terms of the loan agreement. The borrower pays a stock lending fee to the lender.
Unit Trust	A pooled unitised investment which provides access to a large diversified professionally managed fund of assets, liquidity and transparent pricing. The unit trust issues units and the assets are safeguarded by a Trustee.



AXA is a worldwide insurance group. In the UK, one of the AXA companies is AXA Sun Life Services plc, which distributes and administers financial products and services. AXA Sun Life Services plc is authorised and regulated by the Financial Services Authority and is a company limited by shares, registered in England No.3424940, registered office: 5 Old Broad Street, London, EC2N 1AD.
As part of our commitment to quality service, telephone calls may be recorded.

Be Life Confident
