



ReAssure

With-Profits Investments

This guide is written to help you understand what investing in a with-profits fund means **for you**.

What is a with-profits fund?



A with-profits fund is where your money is combined with the money of other customers and invested on your behalf.



Money in the with-profits is managed for the benefit of policyholders, and our job is to invest this money and make sure it is distributed fairly.



This is different to other kinds of investment where you may have a guaranteed increase each year (common in fixed interest savings accounts) or investments where you get to choose the specific funds that interest you or suit your personal circumstances (common in unit-linked policies).

With-profits investments typically have a few important features:

1

A guaranteed amount paid at a set date

When your policy was taken you may have been given a guaranteed minimum amount that you'll receive back at the end. Also known as the Sum Assured, the Basic Sum Assured or the Bonus Sum assured.

2

Regular bonuses

We may add a regular bonus to your policy. Once added this is treated in the same way as the guaranteed amount and is paid at set dates. Also known as the Annual Bonus or Reversionary Bonus.

3

Final bonuses

When you take your money from the with-profits fund you may be entitled to a final bonus which is added on top of any guaranteed amounts. Final bonus rates are not guaranteed and can change at any time. Also known as the Terminal Bonus.



Your policy may have other valuable features and we'll tell you about these in your annual statement.

What affects the amount of bonuses paid?

We have discretion in how we calculate and declare bonuses on with profits policies. When we are deciding on the rates of bonus it is fair to declare, we consider a number of factors including past experience as well as the prospects for the future and the level of guarantees. Not every with profits policy receives the same rate of bonus.

We aim to smooth the bonuses over the years of the policy. We do this by holding back money in years where there has been strong performance and paying it out in years where there has been weaker performance in the fund. The technical term for this is 'smoothing'.

What happens if I stop paying in or take my money early?

You may only receive a proportion of the guaranteed amount and the regular bonuses. If this is the case we'll let you know before you make your decision.

If you choose to take your money from the with-profits fund early at times of market instability then we may apply a fairness charge, often known as a Market Value Reduction (MVR). This is to make sure that customers that remain invested in the fund are not unfairly disadvantaged by customers that are leaving it early.

What happens if I die?

Your policy will usually pay money if you die. This will have been explained in your policy documents, if you don't have these, please get in touch and we can send you this information again.

If you have a with-profits annuity, when you die usually nothing further is paid unless you chose an additional guarantee when you took out your annuity.

Who manages the fund?

We have a team of specialists that manage the with-profits fund and make sure that it's working towards the interests of its policyholders.

These specialists are overseen by our independently chaired Fairness Committee who make sure that the fund is managed properly.

How am I kept up to date about how my investment is performing?

We send an annual statement to you each year which includes information about the value of the policy and regular bonuses that have been received to date.



Where can I go to get more information?

We have a range of factsheets on our website for all with-profits funds:

- Fund factsheets/Benchmark asset mix – explains in more detail the investments made by the fund
- Annual Board Report – the report from the ReAssure Board to the policyholders
- Fairness Committee Terms of Reference – the document that governs how the fairness committee operates and oversees with-profits fund management
- The Principle and Practices of Financial Management for each fund gives more information about the way with-profits works



Please remember that this guide is a general summary only and doesn't overrule policy terms and conditions or the Principles and Practices of Financial Management.