

Asset Valuation Policy

(For assets linked to Portfolio policies)

SEB Life International offers a range of locally tailored Portfolio policies which can link to a wide range of external assets. This guide aims to explain the broad principles that apply to how we value SEB Life International assets and our valuation policy on assets that may have been suspended or may be in liquidation.

General valuation policy

We source the most up to date prices for a wide range of assets including Collective Investment Schemes, Equities and Bonds through a specialist electronic price provider. We generally upload these prices to our portfolio valuations on a weekly basis.

As part of our quality control procedures we will not upload any price that has moved significantly within a short period of time and which cannot be manually checked against a secondary source of information. In the meantime we will continue to reflect the last known price on the valuation and the last valuation "price date" will be retained.

Please note that certain assets are priced infrequently by their administrators. Our prices can only be updated when an updated price is available to us.

Valuation of non-standard assets

Our Portfolio products allow access (subject to local restrictions) to a very wide range of assets, some of which may not have registered their prices with our price provider. Where no price is available to us electronically we will use a variety of means to establish the current price of the asset. This manual process can take some time but we endeavour to update manually priced assets each month. Please note that we are unable to guarantee this due to the difficulty in sourcing prices for less commonly traded assets.

Investment Accounts

Where the Policy assets are held in an external custodian bank account usually managed by a discretionary asset manager ("an Investment Account") the value of the asset held in the Policy fund will be updated on a monthly basis where we receive valuations from the custodian bank or asset manager within the required timeframes.

Suspended Assets

A suspended asset is one that is not being actively traded (for several possible reasons) and therefore it can be very difficult to receive a reliable or accurate price for that asset. Where SEB Life International has been formally notified that an asset linked to a portfolio policy has been suspended, we will detail this on the Portfolio valuation by adding "Suspended" to the asset name. We will use the last available price sourced for this asset at the date we receive the suspension notification. If, during the suspension, a new price becomes available (usually based on external market trade prices) the price may be updated on our valuations. We will only accept provisional values that are based on actual traded prices. Based on communication with the asset administrator, the asset may be priced at zero.

Where the price of a suspended asset has not been updated for 6 months or more, the company may price the asset at zero. The duration of asset suspensions can vary enormously and initial estimates of the duration of a suspension can often be exceeded. In addition, a suspension may lead to eventual liquidation of the asset.

Assets that are officially suspended but still produce a NAV will be priced at zero if the suspension period is longer than 12 months or 36 months for assets invested in property.

Assets in liquidation

SEB Life International's policy for assets that are formally notified to us as being in liquidation will be to mark the asset name as "In liquidation" from the applicable date of notification on our valuation records. The price used for the policy valuation will be zero unless we have received and agreed with the asset administrator's explanation of the valuation basis of the asset.

Liquidation proceeds

During the liquidation process, based on communication with the asset administrator, the number of units of that asset held will remain the same. The price of the asset will remain at zero until the process is complete. Where the liquidator distributes any proceeds following a formal liquidation, we will apply these proceeds to the policy Cash Account and any remaining units will be cancelled.

Side pockets

Asset administrators may create a special class of an asset (where the provisions of the prospectus document allows it) when liquidity is problematic (a "side pocket"). If we are advised of the creation of a side pocket we will mark the asset name with "side pocket" on our valuation records. Side pocket assets will be priced at zero unless we have received and agreed with the asset administrator's explanation of the valuation basis of the asset.

Effect on encashments

Where an asset is "in liquidation", "suspended", restructured as a "side pocket" or where there is no liquidity available for whatever reason, we will not be able to instruct a trade in that asset and therefore not process encashments from that asset. This applies even where a price is available for that asset.

Additional notes

Where we receive an official notice from an asset's administrator in relation to a change of liquidity or trading status of the asset, we will send the notice to your recorded address for correspondence. A copy of the notice will also be sent to your Insurance Intermediary.

We will apply the applicable valuation policy as described above when we receive a notice from the asset administrator and thus you may see the pricing impact of this on your policy valuation before you receive a copy of the relevant notice.

The charges applicable to your policy are set out in your Policy Schedule and Policy Conditions and will not change as a result of the above asset valuation policy.

Please note that SEB Life International cannot give investment or tax advice. Should you have any queries please contact your Insurance Intermediary; alternatively, you should speak to your investment adviser in connection with the assets selected by you and linked to your policy.

Queries in relation to this Guide may be sent to

valuations@seb.ie or write to us at the address below.