

Managing Cash Accounts on SEB Life International's range of Portfolio Products

SEB Life International, a Dublin based Life Assurance Company, offers a range of international life insurance based portfolio products. These products offer investors the freedom to select from a wide range of collective investments (as well as equities, bonds and cash in certain jurisdictions).

What is a Cash Account?

The Cash Account is an integral part of the Portfolio. It is the entry and exit point of all monies into and out of the policy. It acts as a holding account for incoming monies such as investment premiums, proceeds of the sale of an asset and dividends, etc. Portfolio expenses are paid from the Cash Account when making a purchase, taking an encashment or meeting any charges that may apply to your policy.

Credits

- All initial and additional premiums are paid into the Cash Account
- Proceeds from sales of assets are credited to the Cash Account
- Cash dividends are credited to the Cash Account when received by the company

Debits

- Purchases made are financed by debiting the Cash Account
- Withdrawals are made from the Cash Account
- Product and Service Charges are deducted from the Cash Account

Cash Account Currencies

When you take out a Portfolio, a Cash Account is automatically created for you. This Cash Account will be denominated in your chosen policy currency. You may, however, have additional cash accounts to hold other currencies separately.

If dividends are received in a currency other than your policy currency, we will automatically set up an additional cash account in the new currency. Balances can be transferred to other currencies at prevailing exchange rates on your instruction.

When making investments in a foreign currency you will need to ensure that sufficient cash is available in the relevant foreign currency cash account. If there is not, you can switch between currencies at market rates so that the foreign currency cash account has sufficient funds available for the proposed purchase. If there are sufficient funds only in the policy currency Cash Account we will convert sufficient funds to the relevant asset currency in order to place the deal.

Please note that any premiums received in a currency other than the policy currency will be converted to the policy currency.

Withdrawals

Withdrawals can only be made from the policy currency Cash Account. The proceeds of any assets sold to fund the withdrawal will be converted to policy currency.

Managing Cash Account Balances

As with any account, the balance should be managed by you or your appointed Investment Adviser to ensure that there is sufficient cash available to fund purchases and withdrawals and to ensure negative cash balances do not arise.

Negative cash balances arise when there is insufficient cash available to meet charges and expenses as they fall due. To avoid this we request that you hold a portion of the value of your policy in the policy currency Cash Account (c. 5%) to meet the on-going portfolio expenses.

Please ensure that you maintain a positive cash balance at all times.

Depending on the prevailing interest rates, we may credit positive cash balances with regular interest payments and negative cash balances with regular interest charges at least quarterly based on the daily balances during the quarter. The rate at which interest is calculated is a floating rate which depends on the currency of the balance. It is recommended when clearing negative cash balances that sufficient assets are sold to create a positive cash balance of at least 5% to avoid a negative cash balance occurring shortly thereafter. Holding a larger cash balance is possible.

Clearing Negative Cash Balances

SEB Life International can assist you in minimising the amount of time and effort you spend managing your Cash Account by automatically clearing negative cash balances through the surrender of certain assets as required. You can nominate which asset you would like to sell by completing a Standing Instruction.

If your cash balance is below 5% and we do not have a Standing Instruction from you already, you will receive a letter from SEB Life International stating that a Standing Instruction is being set-up on your policy to clear negative cash balances should they arise in the future. The Standing Instruction will only be executed if your policy Cash Account goes into a negative cash position. This will be done quarterly after product charges are applied. Please note that dealing charges will apply when external assets or units in the SEB Life International Select List funds have to be sold. This Standing Instruction can be changed at any time by writing to us and indicating your new choice of asset. Please discuss all asset choices with your adviser.

Please advise us which assets to sell to maintain a positive cash balance.

If you would like to add to your Cash Account without selling an asset you can do so by investing an additional premium (product charges and minimum premium requirements apply).

Important Notes:

- SEB Life International reserves the right to sell assets at its discretion to clear negative cash balances.
- Please note that purchases and withdrawals cannot be made unless there is sufficient cash in the policy currency Cash Account.
- A Fund Guide detailing SEB Life International's unit-linked funds is available on our website www.seb.ie.
- The actual range of funds available to you will depend on the product you have selected, your country of residence and other factors that may vary over time.

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