

# Portfolio Valuations

## Notes & Glossary of Terms

All reasonable care has been taken in the preparation of this document which aims only to offer a description of various items and transactions that may appear within the Portfolio valuation. These are not legal or technical definitions. Terms and their interpretations may vary in different jurisdictions but if you are unclear as to their meaning, please contact your professional adviser for details. Please refer to your policy documentation and Policy Conditions for a definition of Policy related terms.

### % Change in Asset Currency

The proportionate change in the value of an asset, in the currency of that asset.

### % Share of Portfolio

The value of a particular asset as a proportion of the total portfolio value, in the currency of the portfolio.

### Administration Charge

A charge levied by the Company for the quarterly administration of the portfolio.

### Annual Management Charge\*

A policy charge that is deducted by the Company from the Cash Account on a quarterly basis.

### Asset Currency

The designation of the currency of a particular asset such as Euro (EUR), Sterling (GBP) and US Dollar (USD).

### Cash Account

An asset type within the portfolio through which all cash transactions are made, including premiums received, withdrawals paid, dividends received, charges paid, etc.

### Contract Note

When a trade takes place the Company generates a summary of the transaction, including title of the security purchased or sold, nominal units, price, consideration, etc.

### Corporate Bond

Corporate Bonds are loans issued on behalf of companies to fund spending. They are generally issued with a range of redemption classes.

### Cost in Asset Currency

The original cost of a particular asset expressed in the currency of the asset.

### Current Value in Asset Currency

The current value of a particular asset expressed in the currency of the asset.

### Current Value in Portfolio Currency

The current value of a particular asset expressed in the currency of the portfolio.

### Date of Last Price Update

The date at which the Company has last updated the price of the security.

### Deposit

An account with a bank or financial institution which earns interest normally proportional to and below current base rates. The notice period for withdrawal will also affect the interest rate.

### Detailed Holding Statement

A statement detailing the name and value of all security holdings as at the portfolio valuation effective date.

### Dividend

That portion of a company's post-tax profits distributed to its shareholders.

### Equities

The amount which shareholders own in a publicly quoted company. It is the risk-sharing part of a company's capital usually referred to as ordinary shares.

### Establishment Charge\*

A policy charge that is deducted by the Company from the Cash Account on a quarterly basis.

**Eurobond**

A long-term loan issued in a currency other than that of the country or market in which it is issued. Interest is paid without the deduction of tax.

**Exchange Rate at Valuation Date**

The rate of foreign exchange at the date of valuing the portfolio assets. The rate will always be "1" when the portfolio currency and asset currency are the same.

**Fixed Interest Securities**

Securities which pay a fixed rate of interest. Government bonds (gilts) are the best known example. The Company includes structured notes under this category although they are a mix of fixed and variable securities.

**Foreign Exchange Rate**

The rate at which one currency can be exchanged for another in the foreign exchange markets.

**Gain/(Loss) in Asset Currency**

The positive (gain) or negative (loss) movement in the value of the asset since its purchase.

**Government Bond**

Government Bonds are loans issued on behalf of the Government to fund its spending. They are generally issued with a range of redemption dates.

**Initial Charge\***

A policy charge that is deducted upfront by the Company from the Cash Account on the establishment of a portfolio.

**Interest Charges**

A charge made due to having a negative cash balance on a portfolio Cash Account.

**Investment Account**

A custody account maintained with a custodian bank where typically a discretionary asset manager has the authority under an investment management agreement to transact on behalf of the account.

**ISIN**

'International Securities Identification Number'. A 12-digit code used to identify securities. Each code is prefixed by the country of issue, i.e. all Irish ISIN codes start with IE.

**Journal**

An entry on the portfolio that describes a transaction, e.g. interest, adviser fees etc. It normally affects the Cash Account.

**Loan Note**

A security bearing a fixed rate of interest. The capital (the amount loaned) is repaid after a given period of time.

**Market Price**

The available price of the security at the last effective valuation date or the last trade date.

**Negative Cash Balance**

This is where the balance on the Cash Account is negative. Each Cash Account currency balance needs to be managed separately.

**Payment Receipt**

Confirmation of receipt of a payment such as a new premium.

**Placed transaction, awaiting settlement**

Where a purchase or sale of a security has been instructed for execution but has not yet settled.

**Policy Conditions**

The Policy Conditions and any amendments made by the Company form part of a contract of life assurance between the Company and the Policyholder.

**Portfolio Currency**

The account currency chosen by the Policyholder for the purposes of valuing all assets. It is the same as the policy currency.

**Portfolio Holder**

The registered owner of the Portfolio. Also referred to as Policyholder. It may also be an Assignee.

**Portfolio Number**

The unique reference number that identifies a portfolio.

**Premium Tax**

A tax levied by a government and which is paid by the Company from the client's premium.

**Private Company Share**

A company which is not a public company and which is debarred from offering its shares to the general public.

**Quarterly Valuation Date**

The last date of the calendar quarter.

**Rights Issue**

An invitation to existing shareholders to purchase additional shares in a company in proportion to their existing holding at a reduced price.

**Scrip Dividend**

A choice given to shareholders of some companies, of receiving new shares to the value of the cash dividend they would have received.

**SEB LI Unit-Linked Funds**

A range of insurance funds issued and managed by the Company. Details on the Company's website.

**SEDOL**

'Stock Exchange Daily Official List' code. A 7 digit Numeric or Alphanumeric code used to identify each security.

**Settled Transactions**

A confirmation that any purchase or redemption has been completed.

**Settlement Charge**

Charges levied by a Custodian Bank when assets in the portfolio are purchased and registered to the Company's ownership.

**Structured Note**

A note whose performance is linked to that of a conventional security and an embedded derivative. Also known as derivative-linked securities.

**TBA**

To Be Advised.

**Telegraphic Transfer Charge (TT)**

A charge levied by the bank when transferring amounts to another bank.

**Total Withdrawals to date**

The sum of all monies withdrawn from the portfolio since the inception of the Policyholder's portfolio.

**Unit Trusts**

A unit trust is a form of collective investment constituted under a trust deed. The underlying value of the assets is always directly represented by the total number of units issued multiplied by the unit price. The Company refers generally to all forms of collective investments (mutual funds, investment funds, etc) as unit trusts.

**Unlisted Security**

A general name for stocks and shares of all types that are not offered to the general public.

**Unsettled Transactions**

Where a purchase or sale of a security has commenced but has not yet been completed.

**Valuation Effective Date**

The end date of the valuation period. This is normally a quarter end date, i.e. 30 June.

**Valuation Period**

The period over which the valuation details all transactions and charges. This is normally a calendar quarter.

### **Valuation Production Date**

The actual date on which the process of preparing the valuations for the quarter is completed.

### **Variable Securities**

A general name for all securities that do not pay a fixed rate of interest. Unit trusts and shares are typical examples.

Please note that this Glossary of Terms is provided for your information.

The Company shall not be liable to any person for any error or omission contained therein.

Please note that prices and exchange rates used are generally those publicly available at the last valuation effective date.

More recent prices are given where the Company has undertaken subsequent trades in these assets.

Exchange rates given are for reference only and are subject to change.

Unsettled transactions will be settled and a contract note made available as soon as settlement has been advised to the Company.

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