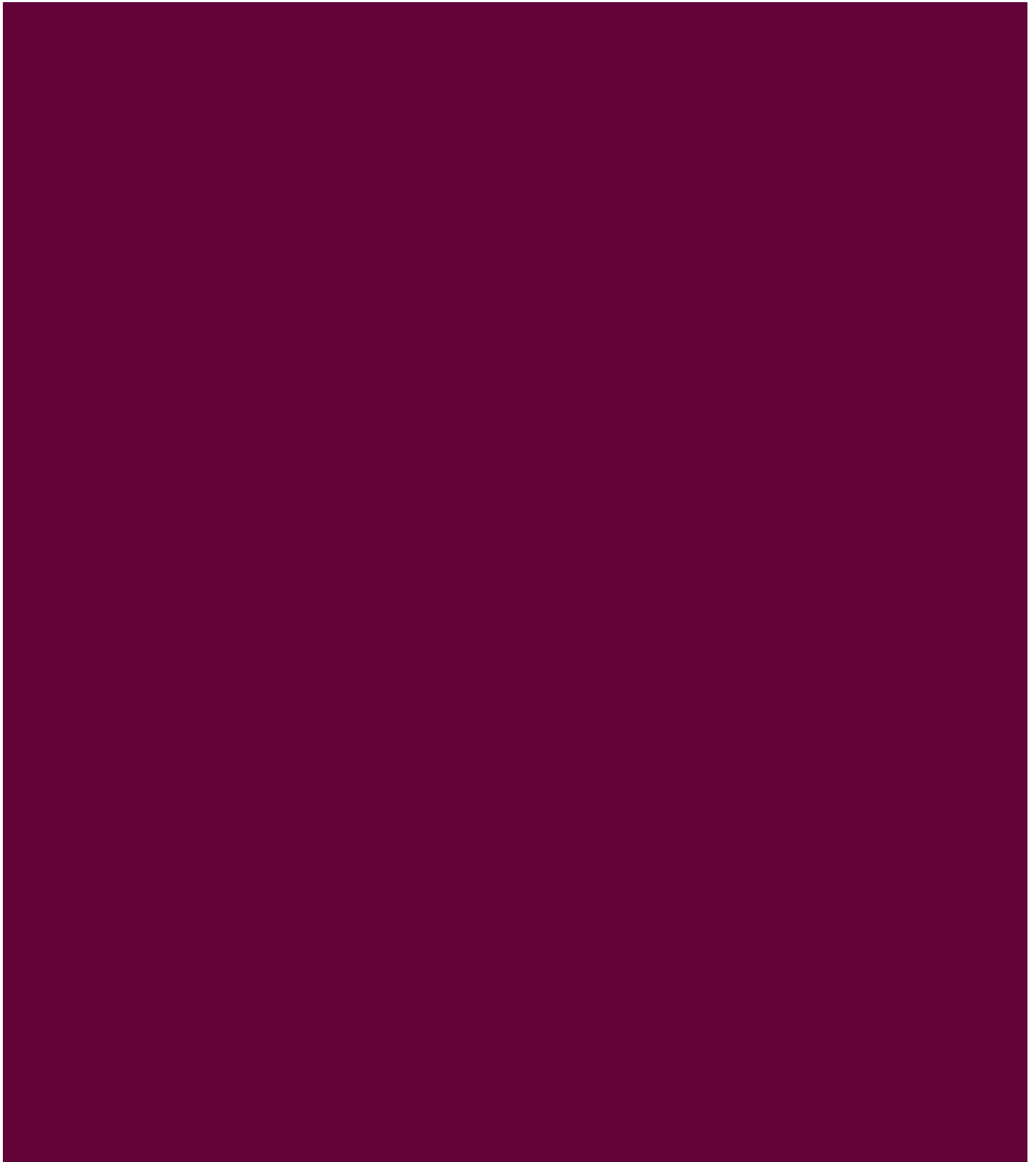


UNIT LINKED

PRINCIPLES & PRACTICES



CONTENTS

1. Purpose	03
2. General principles	03
3. Governance structure	03
4. Fund valuation and policyholder unit price calculation	04
5. Policyholder instructions	07
6. Other information	08
Appendix A - Glossary of terms	09

PRINCIPLES & PRACTICES

1. PURPOSE

The purpose of this document is to provide details of the principles and practices that Phoenix Wealth and Corporate Investment Services (CIS) applies in the management and operation of all its unit linked *funds* that are available through its life and pensions policies.

This document covers *funds* available to unit linked policies issued in the UK by Phoenix Wealth and CIS.

Phoenix Wealth is a life and pension policy provider, these products invest into Phoenix Wealth unit linked *funds*, referred to as '*funds*'. This document is intended to give an overview of how the *funds* are operated for all unit linked product types within the range offered by Phoenix Wealth.

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

- provide an understanding of the administration of an investment in a Phoenix Wealth 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 Phoenix Wealth;

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

This document will be reviewed by the Phoenix Wealth Unit Pricing Forum (UPF), see section 3, on any significant change to Phoenix Wealth'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 Phoenix Wealth. In the event of any inconsistency between the contents of this document and any policy, the terms and conditions of the policy prevail.

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 Phoenix Wealth should seek financial advice.

2. GENERAL PRINCIPLES

The principles in this document define the overarching standards adopted in the administration of the Phoenix Wealth

unit linked *funds* for current and future policyholders. They describe the approach taken in meeting Phoenix Wealth'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 business;
- the Phoenix Group;
- the management of the unit linked business; or
- products and *fund* range.

The key principle that Phoenix Wealth applies to the management of its unit linked business is to treat all policyholders fairly throughout the life cycle of their policy.

3. GOVERNANCE STRUCTURE

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

Phoenix Life Limited board

The Board carries the ultimate responsibility for the oversight and management of the Phoenix Wealth unit linked business and *funds*.

Phoenix Wealth Investment Solutions Forum (ISF)

The Phoenix Wealth Investment Solutions Forum (ISF) is chaired by the Head Of Investment Solutions and includes representatives from other areas involved in the management of Phoenix Wealth Unit Linked *funds*. The ISF ensures that the administration of Phoenix Wealth unit linked *funds* adheres to the agreed principles, practices and policies, and that all generations of policyholders are treated fairly. The ISF has responsibility for ensuring that the governance, due diligence and monitoring framework behind the *funds* offered by the business is suitable. This forum meets monthly.

Phoenix Wealth Unit Pricing Forum (UPF)

The UPF is a sub forum of the ISF and is responsible for the day to day management, administration and control of the Phoenix Wealth unit linked *funds*. The UPF is a management and advisory forum for unit pricing that meets monthly. The UPF abides by the Senior Management Certificate Regime (SMCR) and has the delegated authorities through SMCR to make recommendations on Phoenix Wealth's unit pricing policy and practices to the ISF 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). The UPF also monitor 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 UPF is chaired by the Phoenix Wealth Head of Investment Operations and includes representatives from other areas involved in the management of Phoenix Wealth's unit linked *funds*, including Actuarial, Business Risk, Tax, Customer Service and Investment Operations. 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.

4. FUND VALUATION AND POLICYHOLDER UNIT PRICE CALCULATION

This section describes how Phoenix Wealth values the assets of the Phoenix Wealth unit linked *funds* and calculates unit prices.

Principles

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

To achieve this, Phoenix Wealth will endeavour to:

- ensure that there is a fair market valuation of assets held within the Phoenix Wealth *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 Phoenix Wealth *funds*;
- avoid any significant or systemic cross-subsidy between policyholders, groups of policyholders or individual Phoenix Wealth *funds*;
- calculate and provide a fair price for all policyholder valuations and transactions into and out of the Phoenix Wealth *funds*;
- rectify errors that have occurred as soon as reasonably practical once identified. This will include making corrective adjustments to policyholders who have suffered a material benefit or material loss due to errors in the valuation and pricing process.

Practices

Investment in Phoenix Wealth unit linked *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:

- base *funds*; or
- *fund of funds*.

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

Valuation of Phoenix Wealth unit linked funds

The value of a *fund* is the sum of the value of its underlying assets less its liabilities 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. Appropriate provision is also made for tax, investment costs and charges paid and accrued for up to the valuation point.

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 could be the same.

One of these valuations will be chosen by Phoenix Wealth for determining the 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 policyholder unit transactions'.

For *funds* that invest in *underlying funds* such as *OEIC's* 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, Phoenix Wealth 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 using the *mid foreign exchange* rates from the close of business the previous business day, obtained from reputable data vendors;
- for holdings of units in insurance company unit linked *funds*, prices are obtained from the insurance company concerned;
- cash is shown at its actual face value;
- there may be occasions when accurate underlying asset prices cannot be obtained due to circumstances beyond our reasonable control. In such cases Phoenix Wealth 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 Phoenix Wealth's ability to value assets of the *fund* then Phoenix Wealth may suspend dealing. Policyholder transactions will then be processed at the next available pricing point after Phoenix Wealth returns to normal operating capability. Any affected policyholders will be notified by Phoenix Wealth.

Expenses for buying and selling holdings

- Where there is reasonable expectation that the underlying *Fund Managers* will apply dealing costs,

Phoenix Wealth will pass these dealing costs through to the valuation of the *fund*. 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* transacts in the market.

- The provisions for dealing costs are regularly reviewed as part of our agreement with the *underlying fund* manager.
- 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

Under the tax regime applicable to UK life assurance companies, basic rate tax, currently at 20%, on the policyholders' investment return from investing in a life product is assessed on Phoenix Wealth. For unit linked business, Phoenix Wealth therefore levies charges in respect of taxation on its *unit linked funds*.

The basis of taxation chosen aims to achieve broad equity between different generations of policyholders and fairness for the *fund*. Tax provisions and tax rates used are kept under regular review and revised whenever appropriate, including to reflect any applicable future changes to the UK tax regime.

Tax provisions are reflected only in the daily unit prices of life *funds* as pension *funds* are exempt from tax on income and capital gains. For pension *funds'* investment income, any tax credits which are expected to be recoverable from HMRC are included in the unit prices.

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*.

However, where a *fund* invests in other Phoenix Wealth unit linked *funds* (a *fund of funds*), tax provisions are calculated in each of the Phoenix Wealth unit linked *base funds* independently. No further tax is applied in the *fund of funds* and this means that a gain in one *base fund* would not be offset against a loss in another *base fund*.

Income

Streamed dividend distributions from UK unit trusts and OEICs, interest received net and rebates of *fund* management charges are not subject to any further tax in the *funds*. Tax provisions are made at 20% in relation to interest received gross into the life *funds*.

Gains and losses

The remainder of this section describes how tax provisions are calculated for gains and losses in life *base funds*. There are two separate tax regimes that apply to investments – debt assets, for example fixed interest securities, are taxed under the “loan relationships” regime. Other assets, for example ordinary shares, are subject to tax on capital gains. *Unit trusts* and *OEICs* that hold more than 60% of their assets in interest-bearing securities are within the “loan relationships” regime.

For loan relationships, tax is provided on gains and losses (both realised and unrealised) at a rate of 20% and this tax is settled in the *funds* annually at the end of each financial accounting period. This tax is settled by either withdrawing cash from the *funds* (in the case of gains) or adding in cash to the *funds* (in the case of losses).

For capital gains assets, realised and unrealised gains are calculated in line with current legislation. Tax is provided on any realised gains (net of any realised losses in the same *fund*) at a rate of 20% and this tax is withdrawn from the *funds* annually at the end of each financial accounting period.

To ensure Phoenix Wealth treats all policyholders fairly, where a tax liability is expected to arise in the future, for example on any net unrealised capital gains, tax provisions are made in the *funds* for any likely future tax assets or liabilities. 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 but no money is removed from the *funds* in respect of these provisions. These discounted tax rates take account of the typical length of time between unrealised gains accruing and becoming realised.

For *unit trusts* and *OEICs* that are not taxed as loan relationships, one seventh of the unrealised gain or loss for each financial accounting period is treated as if it were a realised gain or loss for that period and in each of the six subsequent periods. At the beginning of each financial year, the relevant “sevenths” from prior periods are changed from unrealised to realised and the tax provisions are adjusted accordingly.

A tax credit may be given for any realised and unrealised losses (to the extent they have not reduced tax on gains) at rates of up to 10% (dependent on the amount of losses relative to the value of the *fund* and the pricing basis of the *fund*) but no money is added to the *funds* in respect of these credits. Instead these losses are carried forward to subsequent years to be offset against any future gains.

Fund management charge (FMC)

The *fund management charge* for each *fund* is an annual percentage rate set by Phoenix Wealth and is deducted from the *funds* daily valuation using 1/365th of the annual percentage each day. The charge varies per *fund* and is set out in our *fund* lists.

Phoenix Wealth reserves the right to change the rate of FMC and, on these occasions, policyholders will be informed of any such change. Phoenix Wealth 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.

Fund expenses

Fund Expenses are determined by the External *Fund* Managers and vary frequently. These charges are in addition to the FMC and are deducted from the *underlying fund* on a daily basis and reflected in the *underlying funds* unit price. We review and update the *Fund* Expenses shown in our literature annually, (or more frequently if notified by the External *Fund* Manager that the *fund* expenses have changed).

Other fund charges

Phoenix Wealth 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 FCA rules relating to charges.

Basis for fund valuation and policyholder unit transactions

- For *Base Funds*, Phoenix Wealth analyses the daily policyholder transactions to determine whether a *fund* is expanding (policyholder transactions are net investments), or contracting (policyholder transactions are net disinvestments), in order to decide whether unit prices for that *fund* should be based on a purchase valuation basis (*offer price*) or sale valuation basis (*bid price*).
- 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*.
- When there are no daily policyholder transactions the Phoenix Wealth *funds* use their long term pricing basis to determine which valuation basis the *fund* will use for that day. On a monthly basis the Unit Pricing Forum will review the last 60 day's cash flows of a *fund*, and determine the long term basis of the *fund*.

- In certain market conditions, for example when markets are volatile, Phoenix Wealth 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 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 may generate a lower price.
- For *fund of funds*, Phoenix Wealth uses a true pricing basis, this values the *fund of funds* utilising the pricing basis of the *base funds* held on that day.

Distributions

- There are no distributing *funds* available in the Phoenix Wealth unit linked range.

Unit prices and roundings

- The sale basis 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, 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 purchase basis value of the *fund* is divided by the number of units in issue for that *fund* to arrive at the un-rounded unit *offer price*. The un-rounded unit *offer price* is rounded on a neutral basis to one tenth of a penny (0.1p) to determine the published *offer price*.

Publication of prices

Fund unit prices are released as soon as they become available, to data information vendors, and are available via the Phoenix website at phoenixwealth.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 Phoenix Wealth 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.
- Phoenix Wealth will correct policyholders for material pricing errors that have impacted the price by 0.5% (50 basis points) or more, subject to de-minimis levels as agreed by the UPF and in line with ABI Guidelines, currently £10.
- Errors that have impacted prices by up to 0.5% (50 basis points) will be reviewed to determine root causes. Where the UPF deem the root cause to be widespread and systemic, correction will be applied

where an individual policy holder will have suffered a loss, subject to de-minimis levels in line with ABI Guidelines, currently £50.

5. POLICYHOLDER INSTRUCTIONS

This section describes how Phoenix Wealth executes policyholder instructions within the unit linked *funds*.

Principles

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

Practices

- Should Phoenix Wealth be responsible for any delay in processing policyholder transactions it ensures that there is no disadvantage to policyholders or to the *fund*. This is achieved by allocating *creations* or *cancellations* of units at the price ruling for those transactions on the day all requirements from the policyholder were originally received. Please refer to the appropriate product *Fund Dealing Guide* for more information.

Creations and box management

- The *Manager's Box* is a pool of units held in each *fund* and owned by Phoenix Wealth. Box limits (minimum, maximum and target) are set for each *fund* to minimise market dealing into or out of the *fund*.
- If the box minimum or maximum limits are exceeded then it is necessary to adjust the number of units in issue in the *fund* through a *creation* or *cancellation* of units. This adjustment will bring the box back within the defined minimum and maximum limits.
- The box limits are designed to ensure that the *fund* is managed in an efficient manner by minimising dealing costs by reducing the number of market trades required.

Fund of fund deals

- *Internal deals* between a *fund of funds* and the Phoenix Wealth *base funds* are transacted on the same basis as policyholder transactions; except that they use the prevailing un-rounded price. This is to minimise any rounding impact when policyholders transact 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, Phoenix Wealth may suspend or delay the purchase, sale or switching of units or the valuation of units in one or more *funds*.
- Phoenix Wealth also reserves the right to defer policyholder transactions for a period where the External Fund Link is suspended, impacting *funds* that are invested into assets and 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, Phoenix Wealth 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 Phoenix Wealth range, in response to changes in customer requirements. Each *fund* needs to reach and maintain a minimum size in order to operate effectively.
- Phoenix Wealth 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 *seeding money* usually becomes the *manager's box* value, but may be withdrawn, by liquidating units only as the *fund* exceeds the minimum sustainable size and the *fund* no longer needs this support.
- Phoenix Wealth reserves the right to close *funds* or merge *funds* together at any time provided that it believes it is reasonable to do so and is within the product T&Cs. 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 Phoenix Wealth then the policyholder will be allocated units in an alternative *fund* selected by Phoenix Wealth in accordance with the policy terms and conditions.

Policyholder complaints

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

Further information is available from:

Phoenix Wealth,
Unit Linked Life & Pensions,
PO Box 1393,
Peterborough,
PE2 2TP.

Telephone Number: 0345 129 9993.

E-mail address: complaints@phoenixwealth.co.uk

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 Phoenix Wealth cannot settle may be referred to the Financial Ombudsman Service at:

Exchange Tower,
Harbour Exchange Square,
London
E14 9SR

Telephone: 0800 023 4567 calls to this number are free, or 0300 123 9 123 calls to this number are charged at the same rate as 01 or 02 numbers.

These numbers are not available outside the UK, so please call from abroad on +44 20 7964 0500.

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

Website: www.financial-ombudsman.org.uk

Communications with Phoenix Wealth

The address for written communications is:

Phoenix Wealth,
Unit Linked Life & Pensions,
PO Box 1393,
Peterborough,
PE2 2TP.

Telephone Number: 0345 129 993

Lines are open 8.30am to 5.30pm, Monday to Friday

APPENDIX A - GLOSSARY

Base Fund – A life or pension *fund* that invests into a single asset collective vehicle, typically an *OEIC* or *Unit Trust*, or other Life Company *funds* (via reinsurance).

Bid price – The price at which Phoenix Wealth takes back units from policyholders. This is used for transactions where policyholders cash in all or part of their investment. It may also be used when a switch is made out of one *fund* and into another. (see also *Offer price* below). The bid price and *offer price* may be the same.

Contingency procedures – In unusual circumstances, where Phoenix Wealth is unable to obtain *fund* prices from its normal *market data vendor* or directly from the External *Fund* Manager, it will use these procedures. The UPC will review the extent and likely duration of the problem and may decide to suspend valuations and dealings in the *fund*.

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.

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.

FCA – The UK Financial Conduct Authority and any successor or replacement authority or organisation.

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 – *Funds* which do not invest directly in individual *underlying funds*, such as *OEIC*'s or *Unit trusts*, but instead buys units in other Phoenix Wealth unit linked *funds*.

Fund Management Charge (FMC) – A charge made by Phoenix Wealth to cover the costs of managing the assets and other costs of operating the *fund*.

HMRC – Her Majesty's Revenue and Customs.

Internal deal – The purchase or sale of units by a *fund* of *fund*, from an Phoenix Wealth *fund*.

Insurance Company Fund – A *fund* operated or managed by another life insurance company.

Market data vendors – These organisations gather information on many individual investment holdings, 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*.

Manager's Box – A pool of units held in a unit linked *fund*, owned by Phoenix Wealth, to facilitate aggregation and netting, to avoid unnecessarily expensive small daily deals for each *fund* and to reduce the need for frequent price basis changes.

Mid foreign exchange rates – These are calculated, by recognised *market data vendors*, as halfway between the relevant buy and sell rates for foreign currencies quoted at a point in time by a range of international banks.

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.

Offer Price – The price at which units are sold by Phoenix Wealth to policyholders. This is used for initial premiums and top up premiums where money comes into Phoenix Wealth's unit linked *funds*. It may also be used when a switch is made out of one *fund* and into another. (see also Bid Price above). The *offer price* and bid price may be the same.

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.

Seeding Money – Phoenix Wealth'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.

Underlying Funds – *Funds* managed by an External *Fund* Manager in which an Phoenix Wealth unit linked *fund* invests.

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.