

Prospectus of the internal collective insurance fund Lodgesneyd Fund

Luxembourg
EN

Internal collective insurance fund available in the following product: **Life Asset Portfolio (LAP) UK**

1. Management of the fund

1.1 Fund launch date

Launch date of the fund: 29.03.2012.

Closing date of the fund: n/a.

1.2 Fund manager

Marble Arch Capital S.A.
9 Blvd des Philosophes 125. Geneva. Switzerland.
P.O. Box 5494. 1211 Geneva II. Switzerland.

1.3 Custodian bank

Banque Privée Edmond de Rothschild
18 rue de Hess. 1204 Geneva. Switzerland.

1.4 Country of the fund

Country of the fund: Luxembourg.

Prudential authority: *Commissariat aux Assurances* (Insurance Supervisor), located at 7, boulevard Royal, L-2449 Luxembourg.

1.5 Type of fund

Internal collective insurance fund of Swiss Life (Luxembourg) S.A.

Type C fund according to the stipulations of circular letter LC 08/1 dated 2nd January 2008, of the *Commissariat aux Assurances*.

1.6 Changes to the fund/prospectus and liquidation of the fund

Changes to the fund/prospectus and the liquidation of the fund can only take place in full compliance with the stipulations of circular letter LC 08/1 dated 2nd January 2008, of the *Commissariat aux Assurances* (CAA).

In all such cases policyholders will be informed in writing prior to any change.

2. Strategy of the fund

2.1 Objective

Long term assets growth.

2.2 Investment strategy

Moderate risk level aim for long term capital increase with a moderate exposure to the market volatility.

'Balanced portfolio' strategy, including up to 25% in alternative investments funds. I insist on "FUNDS" as the Bank sometimes includes within the "Alternative world" some listed Exchange Traded Funds, daily tradable. 99% of the exposure to Alternative Investments is done through Fund of Funds.
The investment strategy is a mixture of both Income & Capital gains overall objective.

2.3 Benchmark

n/a.

2.4 Special assets (see below text for definition)

The use of special assets is allowed.

25% alternative investment funds.

2.5 Excluded investments

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2.6 Past fund performance

n/a.

3. Publication of the NAV

The policyholder can consult separate accountancy of the internal collective insurance fund upon simple request at the address of Swiss Life, 25 route d'Arlon, L-8009 Strassen, or obtain the info on simple request from Swiss Life.

The NAVs of the fund are published on the website of Swiss Life at www.swisslife.com/international.

4. Fund characteristics

4.1 Reference currency of the fund

The reference currency of the fund is EURO.

4.2 Types of fund units

Capitalisation units only.

4.3 Valuation and liquidity

The fund is valued on quarterly basis.

Cut-off date: as required.

4.4 Fund charges

4.4.1 Financial management charge

The financial management charge mounts up to 1% net.

4.4.2 Custody charge

The custody charge + administrative charges: 0.3 %.

4.4.3 Other charges

Other charges are: 10% performance fees (quarterly). High water mark.

4.5 Taxes

The internal collective insurance fund is submitted to the Luxembourg tax regime. There is currently no local tax applied to the fund. The underlying assets of the fund may however be submitted to withholding taxes in their countries of origin.

The policyholder and the beneficiaries bear sole responsibility for acquiring all the information on the national tax regulations to be applied to their insurance contract and the consequences thereof. The policyholder and the beneficiaries are solely responsible for reporting and paying all their individual taxes resulting from the contract investing in the internal collective fund and the payment of surrender values/benefits. The policyholder is invited to seek advice from a tax specialist when concluding a contract, investing into funds in the scope of that contract and/or making amendments/modifications to an existing contract.

Swiss Life or any entity or person who acts on its behalf does not provide any tax, legal and/or regulatory advice. Swiss Life cannot be held responsible for tax consequences of any kind that arise as a result of the contract.

5. Risks

5.1 Risk profile of the fund

Short overview of the risks as estimated for the fund:

Type of risk	Short definition of the risk	Estimation for the fund
Market risk	Risk of value decrease of a complete category of assets in a market, diminishing the value of the assets in the fund portfolio	High
Credit risk	Risk that an issuer or a counterparty does not honour their obligations	High
Settling risk	Risk that a transaction is not settled as it was expected or asked initially	High
Liquidity risk	Risk that a position cannot be sold in a timely manner or at a reasonable price	High
Exchange risk	Risk that the value of an investment is influenced by the fluctuations of exchange rates	High
Custody risk	Risk of a loss of assets under custody by the custodian bank or of miscalculation of the number of assets under custody	Low
Concentration risk	Risk linked to an important concentration of the investments in specific assets or on specific markets	High
Return risk	Risk that the return on investment may stay below expectations or be negative	High
Capital risk	Risk that the capital may not be reimbursed at 100 % during the investment or at maturity	High
Flexibility risk	Risk linked to the product regarding the (im)possibility of changing parties involved in the fund	High
Inflation risk	Risk that the return on investment is not sufficient to cover the inflation rate during the investment or at maturity	High
External risk	Risk that external factors (e.g. the tax regime) can change and have an impact on the results	High

5.2 Investor profile / Investment horizon

Balanced: Moderate risk level, aim for long term capital increase with a moderate exposure to the markets volatility.

Investment horizon of the fund 10 years +.

5.3 Specific risks related to the investment in special assets - Information notice issued pursuant to the provisions of the circular letter LC 08/1, 2nd January 2008, of the Commissariat aux Assurances (CAA)

Special assets include on the one hand alternative funds, funds of alternative funds and real estate funds and on the other hand assets with reduced liquidity. Such types of assets are special investment vehicles having a broad range of legal forms and registered offices, which do not offer the same safety, transparency, liquidity or charging structure as UCITS (Undertakings for Collective Investment in Transferable Securities) or other traditional assets referred to in article 2 of the circular letter 08/1 of the *Commissariat aux Assurances*.

By means of special assets, it is possible to invest in speculative financial instruments (bullish or bearish positions in securities, currencies, options, futures, commodities and other derivatives) and also to carry out transactions that produce a significant leverage effect, beyond the limits traditionally applicable to UCITS.

There is an increased potential risk related to the investment in these assets, which are thus intended for well informed investors, who are able to gauge this risk and aware of the following specific features:

- special assets are not necessarily regulated or authorised for distribution by the competent supervisory authorities in their countries of incorporation and/or distribution;
- information concerning the investment strategies and their implementation can be very general;
- the purchase or redemption of the parts/shares or units of a special asset can be limited and subject to potentially long notice periods (up to twelve months, or even longer);
- the settlement of transactions in certain special assets might be based on price estimates used to calculate the value of parts/shares or units when prices are not published; furthermore, such estimates could involve charges for the policyholder;
- the settlement of transactions in a special asset that presents an inferior degree of liquidity can be suspended until the exact value of its parts/shares or units has been established, while the provisions concerning the negotiability and the holding periods can change frequently;
- the risks inherent to special assets (in particular their strong volatility) logically imply that the losses which they possibly generate are often higher than the average;
- the specific legal and tax risks.

The person in charge of the due diligence on special assets is the Regional Head of Accounting and Finance of Swiss Life.

Disclaimer

By signing this prospectus, each policyholder agrees explicitly to the investment in special assets and accepts that, where applicable, charges for the estimation of the value of the assets and/or for selling the assets are exposed and deducted from the fund by Swiss Life.

The capital available at any moment in this internal collective insurance fund is not guaranteed and the investment risks are in no case borne by Swiss Life. Investment risks are amongst others, but not exhaustively, the capital risk, exchange risk, liquidity risk, financial risk and market risk.

Positive or negative evolutions of the underlying assets of the fund have a direct impact on the value of the insurance contract, which will rise or fall in accordance with these evolutions. Swiss Life is in no case liable for unfavourable evolutions of either the contract and or the underlying assets of this internal collective insurance fund.

Each policyholder declares having received a copy of this prospectus and having read and understood its contents.

Place/date:	Signature of the 1st policyholder:
Place/date:	Signature of the 2nd policyholder:

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A limited company under Luxembourg law
authorised by ministerial order on 2 May 1985

Trade register Luxembourg section B no. 22663