

## **Covid-19**

# **Additional Voluntary Contribution (AVC)**

## **Frequently asked questions**

### **Is the value of my policy affected by the current volatility in the stock market?**

Most AVCs are invested in managed funds which are generally a mixture of stocks, Government bonds, Corporate bonds, property and cash. The value of these investments change and in times of uncertainty, such as we are experiencing now, the value of these investments change to a greater extent and over a shorter period of time than normal.

A very large portion of AVC members' funds are invested in Cash, Capital Protection, With Profit and SuperCAPP funds and as a result would be experiencing little to no volatility in their funds.

However, the deposit interest earned on a Cash fund may be lower than the actual management charge on the fund so members might experience small losses. Please note, the Capital Protection Fund is closed for new members.

It is worth remembering that the majority of AVC customers invest by way of regular premiums (fortnightly or monthly).

This means that when the stock markets fall you are buying units or shares cheaper (i.e. get more units for your money) and should the market recover this will be to your benefit.

### **I have an AVC policy and I am due to retire soon. Is my money safe?**

The majority of AVC policies are invested using investment strategies that automatically transfer your funds from more volatile funds to more secure funds as you approach your chosen retirement date. Depending on whether or not you are in one of these investment strategies and how far in the future your retirement date is, some or all of your AVC fund may already have moved to secure funds.

Information on the various investment strategies may be found by following this link – [www.cornmarket.ie/your-avc-scheme](http://www.cornmarket.ie/your-avc-scheme). If you would like to clarify if you are using an investment strategy please contact us on **01 420 6779**.

### **I am invested in a Public Sector Fund, what type of fund is this?**

The vast majority of our customers who started an AVC since 2006 are invested in the Public Sector Funds. These are designed to be less volatile than comparable managed funds meaning they should not decrease as much as other funds when markets are falling. There are three 'Public Sector' funds – Cautious, Balanced and Adventurous. Details of the funds and how they are invested can be found by following this link [www.cornmarket.ie/your-avc-scheme](http://www.cornmarket.ie/your-avc-scheme)

### **The value of my policy has gone down since last week. What should I do?**

In most cases you should do nothing. All previous crises that caused similar volatility in the value of managed funds have passed over time and fund values have recovered. In fact, moving money out of a managed fund at a time when the fund value is down is not generally a good idea since it may result in the value being locked in at the lower amount without the chance to benefit from any recovery.

### **I want to speak with a Cornmarket representative about my policy.**

You may call our office on **01 408 4162** to speak to one of our Customer Service Team about your policy.

### **I want to move my funds. What do I need to do?**

If you wish to move your funds from one investment fund to another you should send your instruction to us, either by letter or email, specifying the name of the fund you wish to move to. Please also state whether the instruction relates to your current value only, future contributions to the policy only or to both. If you wish to spread your investment over more than one fund you must specify the percentage to be moved to each fund. Your letter must refer to the policy number, be signed and dated and sent to our office. If you use email, your email must be sent to [lifecustomerservice@cornmarket.ie](mailto:lifecustomerservice@cornmarket.ie) including the policy number, your name, home address and date of birth.

**Please note:** If you switch out of a strategy which has the Capital Protection Fund as the secure fund into which the AVC moves as you approach retirement you will not be able to move back into that strategy at a later date.

## How long will it take for my fund to be switched?

Exact procedures differ from one insurance company to another but in general when the insurance company receives a valid instruction to move funds they will do so using the fund prices for the day or the following day on which they receive the instruction. Please note, it may take a number of days for the instruction to be acted on due to normal administrative workloads, however, the fund value on the day the instruction is received will still be applied.

**Warning: The value of your investment may go down as well as up.**

**Warning: If you invest in this product you may lose some or all of the money you invest.**

**Warning: This product may be affected by changes in currency exchange rates.**

**Warning: If you invest in this product you will not have any access to your money until you receive your Superannuation Benefits.**