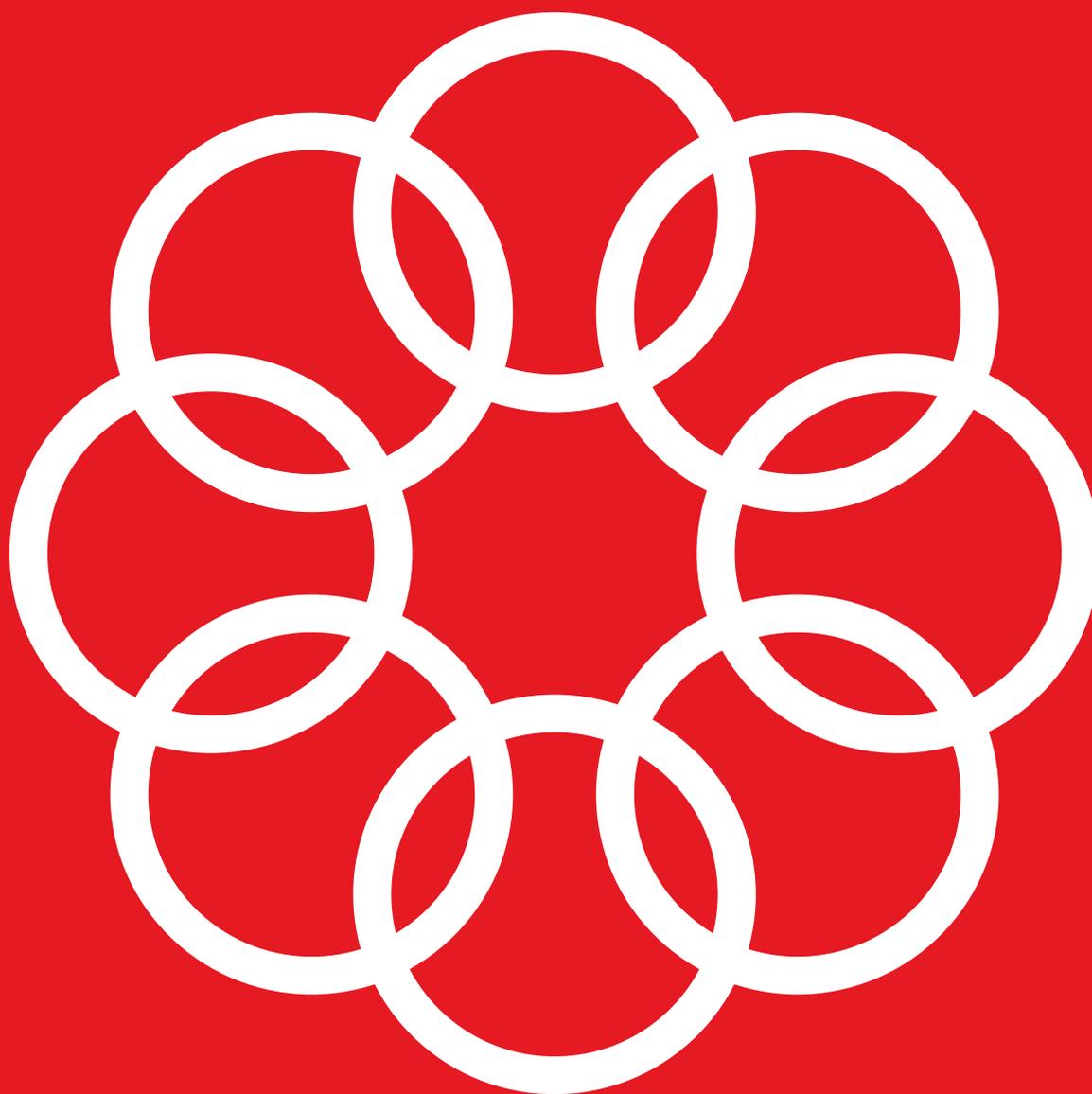


Working together

The benefits of
AIC membership



The AIC is the trade body for the investment company sector. We represent around 360 closed-ended funds listed in the UK and internationally, including investment trusts, venture capital trusts and non-UK investment companies.

We help our members deliver better returns for their shareholders by pooling knowledge and expertise, campaigning and lobbying for the interests of investment companies, and raising the profile of the sector among investors and the intermediaries who advise them.

This guide explains the benefits of AIC membership, the services we provide and how you can join.

Benefits of membership

Representation and lobbying – we will consider the needs of your company in any representations we make to regulators and government departments.

Presence on the AIC website – dedicated pages for your company giving a wide range of information to thousands of investors, financial advisers and the media.

Advice and guidance – you will have access to all our guidance on key technical and commercial issues, and you can also discuss these with AIC staff.

Inclusion in our media work – our press team will include your company in appropriate press releases, articles and newsletters. You will also be invited to provide quotes, attend journalist roundtables etc.

Events – you will be invited to attend our regular free conferences, seminars and roundtables on the latest issues affecting investment companies.

Participation in committees and forums – you can learn more about current issues and provide input into our work by joining our specialist committees and forums.



AIC Chief Executive, Ian Sayers, speaking at the UK Conference



“For the quality and range of services it provides, AIC membership is excellent value-for-money.”

Rupert Dorey
Chair, AIC member

Our services

Representation and lobbying

We engage with government departments and regulators to develop the best possible tax and legal position for our members and their shareholders.

We achieve this by opening a dialogue at the earliest stage of regulation, right through to implementation. Our goals include reducing unnecessary compliance burdens, maintaining and enhancing market access and securing free and fair competition.

Highlights from the past year include:

- Securing emergency legislation to allow company AGMs to be held 'virtually' to help member companies deal with the public health risks created by COVID-19. We also argued successfully for extensions to FCA deadlines for publishing final and interim report and accounts.
- Raising awareness among policymakers of the risks posed by open-ended funds holding illiquid assets while also offering frequent redemption. We have called for notice periods to address these problems. Notice periods are expected to be introduced for open-ended property funds in due course and we are pressing for them to also be adopted for other funds holding different assets with similar characteristics.

This will protect investment companies from harmful spill-over effects of liquidity mismatches in open-ended funds. It will also improve the competitive position of members. Benefits should accrue to members irrespective of the underlying assets they hold as barriers to investment are reduced and more investors consider buying shares in the sector.

- Persuading the Financial Conduct Authority to examine whether Independent Financial Advisors (IFAs) are recommending the sector as part of its Review of the Retail Distribution Review. The intention is to draw attention to those not considering investment companies for their clients and ask if this view is justified.

Looking forward, the AIC will:

- Continue to press for adequate regulation of open-ended funds holding illiquid assets.
- Press for changes to the rules on Key Information Documents (KIDs) which continue to be a concern for many member directors.
- Highlight the need for changes to distribution mechanisms which bias some investors against buying investment company shares.
- Advocate a post-Brexit framework which will allow the removal of onerous and unnecessary EU rules for funds that are not marketed into the EU.
- Support the continued provision of VCT tax reliefs and argue for rule changes to reduce compliance burdens imposed on investment practices.

A clear value

81% of respondents to our most recent member survey felt that AIC membership offers value-for-money.



Technical advice and guidance

We keep our members up-to-date with legal and regulatory changes and provide guidance and advice on how to comply with them.

A recent priority has been issues arising in relation to COVID-19. We sent members real-time updates and set up a dedicated COVID-19 centre to bring together these regulatory updates. We also invited member queries on how specific changes might apply to their own circumstances and provided guidance. To support this work, we compiled a database of market announcements which we were able to share with members to allow them to understand the approach adopted by their counterparts, which might, in turn, inform their own approach.

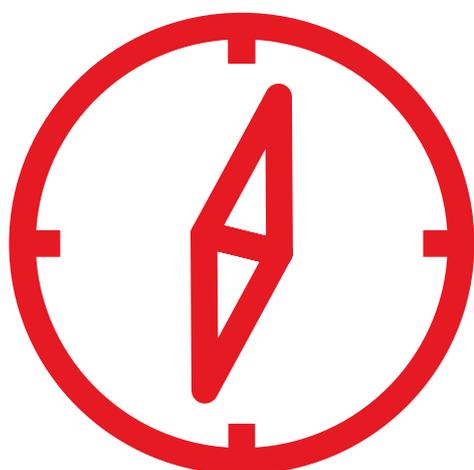
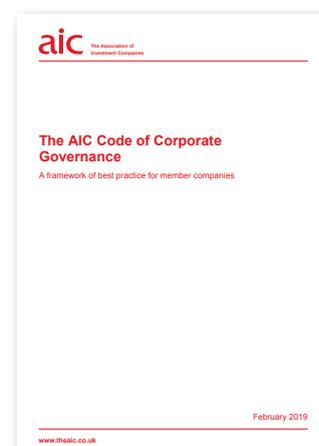
This activity was in addition to our ongoing work providing advice on all aspects of regulation, including on accounting issues (including in relation to the AIC's Statement of Recommended Accounting Practice, or SORP), preparation of Key Information Documents, dis-application of pre-emption rights and on company distributions.

ESG is also a matter of increasing interest across the membership. In response we continue to provide updates related to this developing agenda.

Looking forward, the AIC will continue to prepare detailed and tailored guidance on implementing new and existing regulation. Members and their advisers can also raise issues directly with our technical team.

Our guidance is tailored to the specific needs of our members and copyrighted solely for their use.

In addition, the AIC Code of Corporate Governance helps members to comply with their corporate governance reporting requirements in a way which is sympathetic to the special features of investment companies. The AIC Code is endorsed by the Financial Reporting Council and we have received similar statements of support from both the Guernsey and Jersey Financial Services Commissions. Again, the AIC Code is copyrighted and only members of the AIC may state that they are following it.



“Their guidance tells directors what they need to know, in a language they can understand.”

Charlotte Valeur
Chair, AIC member

Our services

Generating interest in investment companies

Our press team works with the media and opinion-formers to engage investors and financial advisers. We lead the news agenda for investment companies, emphasising their benefits and promoting our members. We do this through regular press releases, roundtables and the contribution of articles, regular briefings and social media updates and frequent contact with personal finance journalists.

The strength of our press relations is recognised by the AIC being rated 1st for press relations out of 18 trade organisations in the 2020 Ipsos MORI survey of personal finance journalists.

The AIC continues to generate a steady stream of media coverage on investment companies through our programme of fund manager roundtables, research and releases. We have continued to build the AIC's social media programme which is a vital component in our communication with financial journalists. In 2019, our Twitter feed (@AICPRESS) received nearly 1 million impressions.

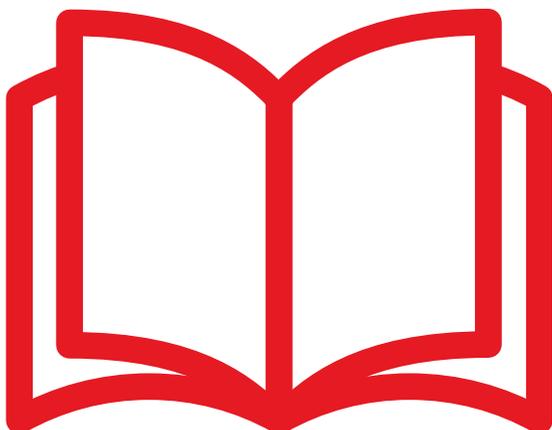
The AIC produces a wide range of consumer information to introduce new investors to the sector including guides and videos. We have continued to develop our online newsletters, 'Spotlight' (received by 7,312 financial advisers) and 'Compass' (received by 8,500 retail investors), which are distributed on a monthly basis. The AIC continues to offer a comprehensive training programme to financial advisers to provide them with the knowledge and confidence to recommend investment companies.



Spotlight



Consumer guide



“The AIC does a splendid job in promoting the virtues of investment companies.”

Jeff Prestridge
Personal Finance Editor,
Mail on Sunday

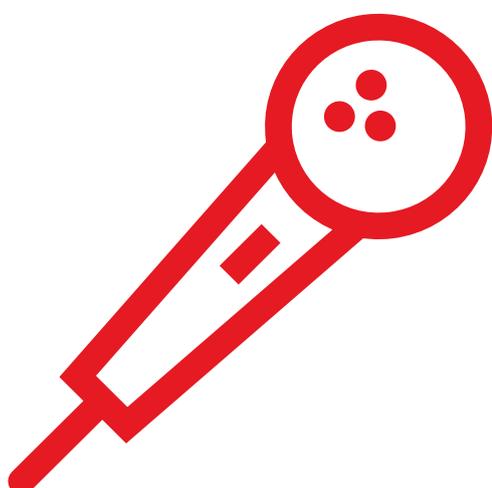
Events

We hold regular conferences, seminars and roundtables on key topical issues which are free for members to attend. These will take place as digital or physical events.

Our flagship UK conference grows in popularity each year and attracts over 400 attendees. Focusing on the headline strategic issues facing the investment company sector, it features both internal and external speakers covering a broad range of topics. In addition, we run a Channel Islands conference and a VCT conference focussing on items of relevance to each of these specific sectors.

All the larger conferences are supported by smaller roundtables held digitally as well as physically in London, Guernsey, Jersey and Edinburgh. The aim of these events is to explore in more depth the implications of the big issues and to give practical advice and guidance to directors of member companies. The events also offer an opportunity for directors to share thoughts and experiences with their peers.

We also offer an investment company induction by the CEO for incoming directors who are new to the sector.



“The AIC’s events provide invaluable insights, and the chance to share experiences with fellow directors.”

Margaret Littlejohns
Chair, AIC member

Our services

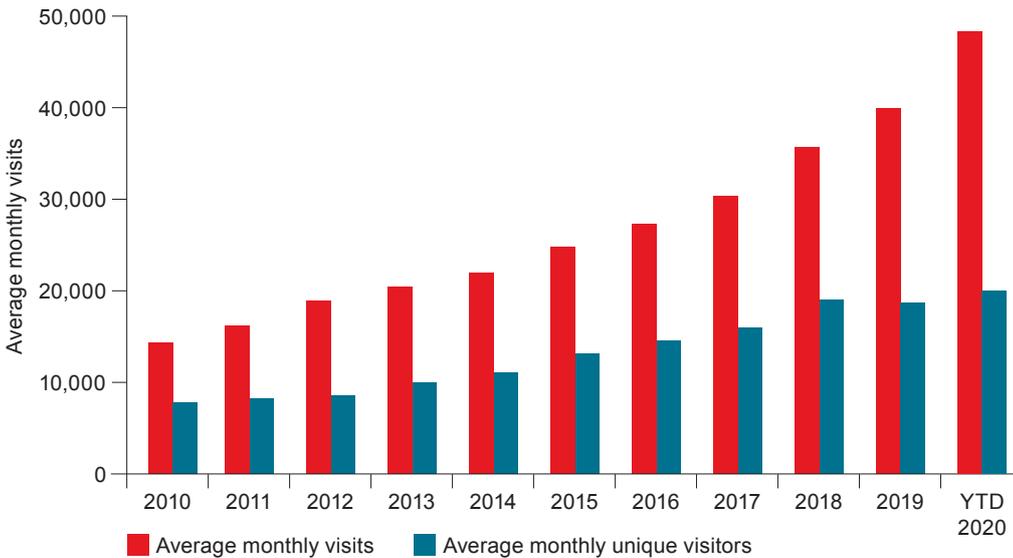
Statistics and online presence

We calculate and publish performance information on our members in accordance with robust methodologies which we develop in conjunction with industry stakeholders. This information is distributed primarily through the AIC’s website, which is used by thousands of investors, financial advisers and journalists to get reliable and up-to-date information and news about investment companies. More than 75% of the traffic on the AIC website is from investors accessing company specific information. Users are able to conduct peer group analysis on AIC members and AIC Sectors by using various website comparison tools and functions.

We collect data from member firms for publication in the AIC’s Monthly Information Release (MIR). This file is delivered to all major data providers who in turn use it to power industry solutions to their clients, including media, financial advisers, wealth managers, institutions and fund platforms and supermarkets – ensuring the widest possible audience for accurate and timely data on your investment company.

Building interest
Since 2010, monthly visits to the AIC website have more than trebled.

AIC website annual trends



Membership

Who can join

AIC membership is open to any company which is closed-ended, invests in a diversified portfolio of assets and has its shares traded on a stock exchange.

Membership fees

So you can experience the benefits of membership before you make a financial commitment, the first year of membership is free.

Our current annual membership fees are:

| | Members (excluding VCTs) | VCTs |
|-------------------------|---|--|
| Subscription fee | 0.70 basis points of shareholders' funds (£70 per £1 million) | 1.50 basis points of shareholders' funds (£150 per £1 million) |
| Minimum fee | £3,200 | £3,200 |
| Maximum fee | £20,500 | £20,500 |

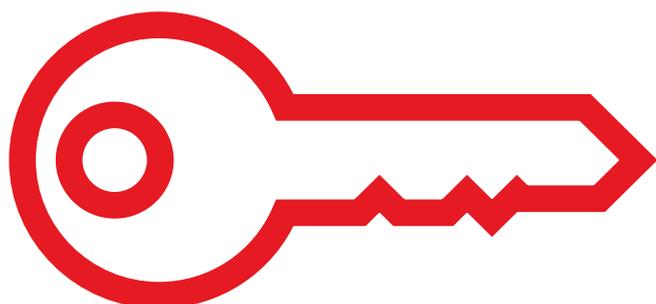
How to join

Please contact the AIC's Membership Director, Lori Fox, at lori.fox@theaic.co.uk or on 07949 525 835.

Lori will check whether your company is eligible to join and confirm membership as soon as possible. We will then ask you to complete a brief membership form to give us contact details and some statistical information. A membership application, in most cases, will take only a matter of days.

A year for free

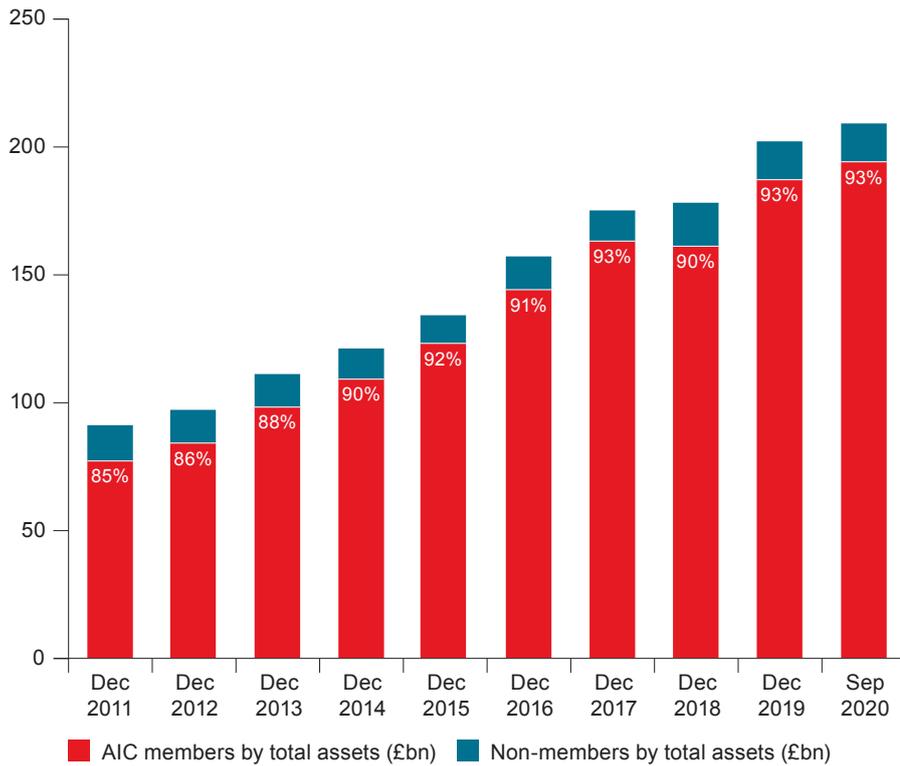
The AIC provides a range of valuable services – and the first year of membership is free.



From strength to strength

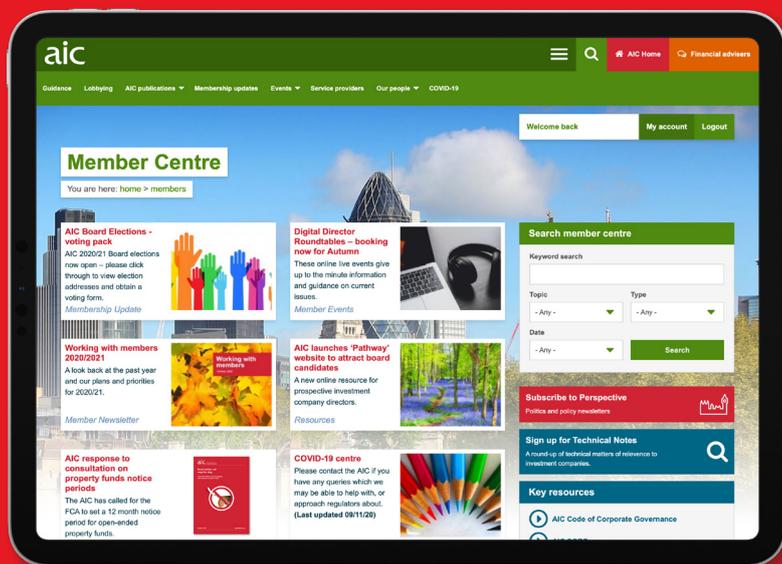
The last few years has seen the sector's assets, and AIC representation, reach record highs.

AIC members/non-members total assets



A dedicated area of our website provides members with easy access to all the AIC's guidance, updates and online booking for events.

www.theaic.co.uk/members





The AIC accepts no responsibility for any errors or omissions in this document or for any loss occasioned to any person or organisation acting or refraining from action as a result of any material contained in this document or any omissions. This document is based on our current understanding of law and practice. This can change over time and information contained within this document is based on our understanding as at time of print.

The information contained in this document does not constitute investment advice or personal recommendation and it is not an invitation or inducement to engage in investment activity. Please refer to www.theaic.co.uk/aic/terms-of-use for further information relating to our disclaimer policy.

The AIC is a company registered in England and Wales, registered number 04818187.

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The logo for the Association of Investment Companies (AIC) consists of the lowercase letters 'aic' in a bold, white, sans-serif font, positioned on a dark blue background.

**Association of
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October 2020

