**Worksheet – Comparing ICVCs and Unit Trusts**

Read the email below about ICVCs and complete the task that follows.

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| Dave de Guzman  An alternative to Unit Trusts  Hi Dave,  Thanks for your email.  I have invested in unit trusts in the past but I was advised to take a look at ICVCs instead. They are likely to replace unit trusts in the future.  I have to say, there are some advantages but also a number of similarities. Investing in ICVCs is a bit like buying equities. I bought 2,000 shares in one particular ICVC. If I want to buy more shares, I can. Alternatively, I can sell them back to the Authorised Corporate Director.  Only a few weeks ago, I sold 50 of my shares back to the ACD. I sold them for the same price that they were issuing new shares for at that moment in time. The pricing definitely seemed simpler to me than with units I hold in my UTs. I received my money back 4 days after giving the instruction to sell them. There was a catch though – I had to pay a charge to the ACD. The process was similar when I bought the shares as I also had to pay an initial charge on top of the cost of the shares. At least I was aware of the charges I was paying. This wasn’t the case when investing in unit trusts! There is definitely more transparency there – what you see is what you get!  One last thing to mention. If you are worried about things not being done “above board”, don’t be. These types of investments are well regulated by the FCA. A depositary keeps the assets safe and ensures the fund manager is acting in the best interests of the investor.  I hope this helps. If you have any more questions, please let me know.  Kind regards,  John Vermeer |

**Task**

Based on the email you have read, complete the table below, identifying the similarities and differences between an ICVC and a Unit Trust.

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|  | **Similarities between ICVCs and Authorised Unit Trusts** | **Differences between ICVCs and Authorised Unit Trusts** |
| **Structure** |  |  |
| **Management** |  |  |
| **Supervision** |  |  |
| **Regulation** |  |  |
| **Pricing** |  |  |
| **Dealing and Settlement** |  |  |