

ELITE INVESTMENT ACCOUNT



WITH **FRIENDS**  
YOU FEEL **MORE SECURE**



FRIENDS PROVIDENT  
INTERNATIONAL

## FRIENDS PROVIDENT

- Founded in 1832, the Friends Provident Group currently manages around £59 billion invested in many different international markets.
- Friends Provident currently administers three million policies and accounts for customers world wide.
- Friends Provident has a controlling interest in ISIS Asset Management plc, a London Stock Exchange listed asset management company based in London, Edinburgh and Hong Kong.
- The Friends Provident Group has an award-winning fund management track record.
- Friends Provident has a substantial international operation, with offices in the UK, Isle of Man, Guernsey and Hong Kong.
- Friends Provident International on the Isle of Man has been operating there since 1978, making it one of the longest established offshore life assurance and investment specialists.



**FRIENDS PROVIDENT**  
INTERNATIONAL

## ELITE INVESTMENT ACCOUNT

The Elite Investment Account gives you financial advantages and preferential services that few other investors can ever hope to enjoy. We've designed it specifically for single premium investments, adding special features to help your capital get the most from international investment opportunities.

You can choose from a range of high quality funds guided by expert investment managers. The funds, and the managers, are specially selected to help you realize all the potential of the world's fastest growing economies.

We have made it possible for you or your appointed Adviser to switch in and out of funds at will, to take advantage of growth opportunities wherever they arise, to invest in more secure stocks whenever necessary, and to switch funds as often as you like, currently free of charge.

We've introduced single pricing to every fund that you invest in. So there's no bid/offer spread, no front-end charge. With the Elite Investment Account more of your money is free to work for you. And the more you invest, the more we add to your premium as a bonus.

Although some of the income on the assets underlying our funds may attract withholding tax imposed by the country of origin, once inside your Account your investments are exempt from income tax, capital gains and corporation tax deducted at source (so why pay more than you have to?). Your capital is administered in one of the most secure, stable and confidential of all offshore investment centres.

You and your Account are protected by the Isle of Man's comprehensive legislation which provides an exceptionally high degree of regulation and security. And, for extra peace of mind, you have the reassurance of knowing that Friends Provident International is a member of one of the world's most prestigious financial organisations, Friends Provident.



## SPECIAL TERMS AND EASY SWITCHING HELP YOU GET MORE FROM INVESTMENTS

- The funds available to you give you access to some of the world's leading investment specialists with consistent records of sound investment performance. We have negotiated special terms with them, so you can have access to some of their top-performing funds whenever you wish.
- If you would rather leave the choice - and the management - to an expert, you are free to appoint an Investment Adviser who will act on your behalf and choose funds that match your own preferred balance of high growth potential, risk and security.
- You or your Adviser will have the freedom to switch in and out of funds as often as you like, as the market changes. There is currently no charge for switching so you can take every opportunity to boost the value of your capital. Such a high level of flexibility is rarely available to individual investors.
- The minimum initial investment is £50,000, US\$100,000, €70,000 or HK\$750,000. You can also add to your investments at any time, with £20,000, US\$40,000, €28,000 or HK\$300,000, or more.
- To enable you to spread your investment risk effectively across a range of secure stocks and high-yield opportunities, the Account is normally issued as a cluster of 10 policies of equal amounts. More policies can be issued, subject to a minimum of £10,000, US\$20,000, €14,000 or HK\$150,000 per policy.
- You can access your capital at any time you choose. After the first five years, surrender is completely free of charge (a penalty may apply if you withdraw some or all of your capital during the first five years - please see the **Summary of Charges** for details). Or, should you wish (provided you keep a minimum balance of - currently - £5,000, US\$10,000, €7,000 or HK\$75,000 in your Account), you can make withdrawals of £200, US\$400, €280 or HK\$3,000 or more per withdrawal on a quarterly, half yearly or annual basis to provide a regular income. You are free, too, to encash up to 10% per annum (cumulative) of the initial premium of the Account at any time, free of charge - or more after the first five years. (Regular withdrawals of more than 10% per annum during the first five years will attract a Discontinuance Charge - see the **Summary of Charges** for details.) Again, all we ask is that you keep a minimum balance of, currently, £5,000, US\$10,000, €7,000 or HK\$75,000 in your Account.
- As you would expect, there is a built-in death benefit which will pay 101% of the surrender value of your Account, payable immediately after we have received the original policy documents and any other documentation which may be required. The Account can also be written jointly on two lives assured with the death benefit payable on the second death, allowing the Account to remain in force until the death of the last survivor.



## ACCESS TO SOME OF THE WORLD'S TOP-PERFORMING FUNDS

Our Mirror Funds fall into three categories:

- International Managed
- Specialist
- Euro Funds

And all are managed by top-investment specialists.

### INTERNATIONAL MANAGED

A range of sterling and US dollar funds that invest in a mix of international equities, fixed interest securities, bonds and currencies. The funds are suitable for investors seeking an international spread of investment with a bias in favour of equities.

### SPECIALIST FUNDS

Our comprehensive range of sterling and US dollar Specialist Funds offer investors many advantages:

#### Specialist expertise

- Award - winning expertise from over 20 of the world's leading investment specialists
- Investment management by specialists in specific areas - creating the potential to achieve even higher capital growth.

#### Extensive choice

- Access to every geographical area - including all major and emerging markets
- A wide range of investment vehicles to choose from - equity, alternative strategy investments, bonds, fixed interest and managed currency funds.

#### Easy access

- Access to top-performing funds at low investment levels not normally available to individual investors.

#### Flexibility

- Unlimited switching, currently free of charge, provides the freedom to capitalise on new opportunities
- Ability to construct an investment portfolio tailored to individual risk profiles
- No restrictions on one asset type or one fund manager.

#### Evolving range

- The investment marketplace and our range of funds are continually monitored to identify new investment opportunities.

### EURO FUNDS

A selection of Euro denominated funds covering equity, bond and fixed interest investment vehicles.



## RISK PROFILES

Our funds are risk graded to help with important investment decisions.

- Funds offering conservative return similar to money market rates
- Low risk funds offering security and potential growth
- Funds that take a balanced approach to investment by holding a diverse portfolio of assets
- A more focused equity exposure providing good growth potential with the risk of short-term volatility
- More aggressive funds balancing the risk of high volatility with the potential for high capital growth.

You or your Adviser have complete freedom of choice when it comes to selecting the funds that you invest in. You can choose any combination of funds from the three categories, subject to a maximum of 10. Contact us directly for daily updated fund performance data.

### The more you invest, the more we invest too, for you

*Two especially attractive features of the Elite Investment Account are the enhanced percentage of your premium allocated to units (see above) and the fact that all funds you select are single priced. Unlike many other types of investment, there is no bid/offer spread so your investments are not subject to a front-end charge.*

#### Premium Percentage allocated to units at bid price

£50,000 to £99,999	99%
US\$100,000 to US\$199,999	
€70,000 to €139,999	
HK\$750,000 to HK\$1,499,999	
£100,000 to £249,999	100%
US\$200,000 to US\$499,999	
€140,000 to €349,999	
HK\$1,500,000 to HK\$3,749,999	
£250,000+	101%
US\$500,000+	
€350,000+	
HK\$3,750,000+	



## TYPE OF POLICY

The Elite Investment Account is a unit-linked offshore whole of life assurance policy. The policy has no fixed term but is designed for medium to long term investment.

## CHARGES

All our funds bear a regular Administration Charge, currently at the rate of 1.2% per annum, debited directly to each fund on the valuation day. We reserve the right to increase this Charge at any time at our discretion upon three months' written notice to you.

### Units

Each of our funds is notionally divided into 'units' and the amount of premium allocated will determine the number of units within the Account. The net value of the underlying assets (allowing for any charges) and any accumulated income is reflected in the price of the units. By multiplying the relevant bid price by the number of units you can readily calculate the progress of your investment at any given time. Your premium will be used to buy units in your selected fund(s) at the bid price on the next dealing day after your payment has been received and cleared.

### External fund charges

As is common with this type of investment, Initial Charges and annual Management Fees are applied to the underlying assets. However, our dealers purchase at a substantial discount, which is then passed on to the benefit of the policyholder. Full details of the underlying assets are available from the relevant investment house, which you should contact for more information.

### Bid/Offer Spread

Investment in fund units is made at the ruling bid price on the next working day following crediting of your premium. There is no difference between the buying and selling price of fund units.

## CURRENCY

You may pay your premium in either sterling, US dollars, euro or HK dollars. When you take out an Account you can elect to receive all future valuations in any one of these currencies. The valuation currency can be changed at any time; however, premiums can be paid only in the original selected currency. If no selection is made, valuations will be shown in the currency of your premium.

Payments of benefits or withdrawals will normally be made in the selected valuation currency. Alternatively, upon request, benefits may be paid in any freely convertible currency, worldwide. Where you make investments into funds which are in a different currency from your premium payment, it should be noted that losses could be incurred due to adverse exchange rate movements.

## BENEFITS ON DEATH

The sum assured payable on death is 101% of the surrender value of the Account.

## FUNDS

The prices of some of the funds managed by Friends Provident International are available on our Web site - [www.fpinternational.com](http://www.fpinternational.com) - and in the Hong Kong Economic Times. For each fund managed by other investment managers, Friends Provident International has set up its own fund which invests exclusively in the underlying fund, apart from a proportionately small amount maintained as a cash balance. This means that the price of the Friends Provident International fund will be different from the corresponding fund but will mainly move in line with it. Performance details and prices of the available funds are given in our Fund Prices leaflet, published monthly.

## SWITCHING FACILITY

Capital can be switched between funds at any time. Currently no charge is made although we do reserve the right to impose a charge, upon three months written notice to you, of up to 1% of the amount involved or £10, US\$20, €14 or HK\$150, if greater. Investments will be switched between funds on a bid to bid basis on the next dealing day following receipt of your written instructions.

## REGULAR WITHDRAWALS AND PARTIAL SURRENDERS

As long as you maintain a minimum set Account value of - currently - £5,000, US\$10,000, €7,000 or HK\$75,000, you can elect to take regular withdrawals or cash a proportion of your units at any time. The minimum regular withdrawal or partial surrender is £200, US\$400, €280 or HK\$3,000.

There is no Discontinuance Charge for regular withdrawals or partial surrenders up to and including 10% per annum (cumulative) of your initial premium. Regular withdrawals or partial surrender within the first five years of more than 10% per annum (cumulative) of your initial premium will be subject to a Discontinuance Charge equal to 7.5% of the bid value of your Account in year one, reducing by 1.5% per annum to nil after year five.

## FULL SURRENDER

Full surrender within the first five years will be subject to a Discontinuance Charge equal to 7.5% of the bid value of your Account in year one, reducing by 1.5% per annum to nil after year five.

To surrender your Account, written notice should be sent to Friends Provident International with the policy documents and all relevant documentation. We expect to make the proceeds of the Account available normally within 10 working days following receipt of all necessary documentation, except where the circumstances are beyond our control. We must reserve the right to delay payment of a surrender where this would result in the need to sell assets such as property, which are not always readily realisable. However, we would invoke this restriction only in the most extreme circumstances.

## TAX TREATMENT

Friends Provident International is not liable to income tax, capital gains tax or corporation tax on its policyholders' funds. Some dividends may be received net of withholding tax, deducted at source in the country of origin, but once inside your Account they can accumulate free of tax.

The personal tax consequences of investing in the Account will depend on many factors. You may have a personal tax liability in respect of the proceeds of the Account. This will largely depend on your country of residence. It is therefore important that professional guidance is sought before proceeding with an investment.

### **Important note for proposed policyholders who are, or are planning to become, resident in the UK**

Friends Provident International is under a statutory obligation to report to the UK Inland Revenue certain events where benefits are received from the plan by a UK resident individual, company or trust. For further information, please contact us or your usual financial adviser.

## TERMS AND CONDITIONS

A written statement of all the terms and conditions of the **Elite Investment Account** can be obtained from Friends Provident International on request.

## TRANSFER OF INVESTMENTS

We retain the right at our absolute discretion to transfer the investments to any of our internal funds, subject to a minimum of three months' notice in writing.

## HOW TO APPLY

The **Elite Investment Account** is available to anyone aged 18 or over who is able to invest offshore, except residents of the Isle of Man and the United States of America. However, please satisfy yourself that, under any taxation, exchange control or insurance legislation which exists in your current country of residence, you are able to effect the Account which is an offshore life assurance policy. It is also wise to consult your Financial Adviser before entering into an investment of this nature.

Simply complete the application form and return it to your Financial Adviser, together with your cheque, made payable to **Friends Provident International Limited**, or completed Bank Instruction Letter. You should also include documentary proof of identity, such as a current valid passport.

After your premium has been received and cleared through our bank, your individual policy documents will be sent to you. Then, at least once a year, we will send you a statement confirming your current investment holding.

## A WORD OF ADVICE

*It is important to remember that, as with most investments, the value of your investment is not guaranteed and can go down as well as up. Therefore we suggest that you only invest money that can be committed in the medium to long term. You should also bear in mind that securities held within a fund may not be denominated in the currency of that fund, so unit prices may fall purely on account of exchange rate fluctuations.*

## SUMMARY OF CHARGES

<b>Bid/Offer Spread</b>	NIL	
<b>Establishment</b>	NIL	
<b>Account Fee</b>	NIL	
<b>Administration Charge</b>	1.2% per annum, debited directly to each fund on the valuation day	
<b>External Fund Charges</b>	Between 0.1% and 2.9%, dependent upon the fund chosen	
<b>Regular Withdrawals or Partial Surrenders of more than 10% of initial premium</b>	<b>Discontinuance Charge</b> (applies for first five years only)	7.5% of bid value in year one, reducing by 1.5% per annum to nil after year five
<b>Full Surrender</b>	<b>Discontinuance Charge</b> (applies for first five years only)	7.5% of bid value in year one, reducing by 1.5% per annum to nil after year five

Friends Provident International Limited reserves the right to change its charges at any time at its discretion upon three months' written notice to you.



**THE INFORMATION GIVEN IN THIS BROCHURE** is based on the understanding of Friends Provident International Limited of current law and Isle of Man taxation practice, which may change in the future. No liability can be accepted for any personal tax consequences of this scheme and for the effect of future tax or legislative changes.

Fund prices may go down and up depending upon investment performance. Past performance is not necessarily a guide to the future. Please note that securities held within a fund may not be denominated in the currency of that fund and, as a result, fund prices may rise and fall purely on account of exchange rate fluctuations.

The rules and regulations made by the Financial Services Authority under the Financial Services and Markets Act 2000 for the protection of investors may not apply. Holders of policies issued by the Company will not be protected by the Financial Services Compensation Scheme if the Company should become unable to meet its liabilities to them. Policyholders will receive the protection of the Life Assurance (Compensation of Policyholders) Regulations 1991 of the Isle of Man.

Complaints we cannot settle can be referred to the Financial Services Ombudsman Scheme for the Isle of Man or the Financial Ombudsman Scheme in the UK, depending on the parties involved.

Some telephone communications with the Company are recorded and may be randomly monitored or intruded into.

Copyright © 2003 Friends Provident International Limited. All rights reserved.

#### **LEGAL INTERPRETATION**

Each policy is governed by and shall be construed in accordance with the law of the Isle of Man.

# ELITE INVESTMENT ACCOUNT



## FRIENDS PROVIDENT INTERNATIONAL

*Friends Provident International Limited*

*Registered & Head Office: Royal Court, Castletown, Isle of Man, British Isles, IM9 1RA*

*Telephone: +44 1624 821212 Facsimile: +44 1624 824405*

*Incorporated company limited by shares. Registered in the Isle of Man No. 11494*

*Regulated by the Financial Services Authority for UK business. Provider of life assurance and investment products.*

*The appointed representative of the Company in Hong Kong is Friends Provident International Limited's branch office:*

*Friends Provident International Limited*

*2905-2909 Two Pacific Place, 88 Queensway, Hong Kong*

*Telephone: +852 2524 2027 Facsimile: +852 2868 4983*