

# Investment-linked Fund Prices

February 2010

Investment-linked fund prices as at the last price available on 31 January 2010.

This document is to be used in Hong Kong only and should be issued and read in conjunction with the Principal Brochure, which consists of the Annual Charges leaflet, Investment-linked Funds leaflet and Product Brochure.

## Key features and risk

- Friends Provident International Limited (FPIL) issues investment-linked assurance policies which are insurance policies providing access to the investment-linked funds.
- Your investment is not segregated from the assets of FPIL, and is therefore subject to the credit risk of FPIL.
- You are not investing in the underlying funds of the investment-linked funds and you have no rights or entitlements to these underlying assets.
- The return on your investment is calculated with reference to the fluctuations on the performance of the underlying funds.
- Investment involves risk and each investment-linked fund will involve its own individual investment objective and level of risk. These are described on page 8.
- FPIL's investment-linked assurance policies are intended for medium to long-term investment. Early termination of your policy may result in significant investment loss.
- You should not purchase an investment-linked assurance policy unless you understand it and it has been explained to you how it is suitable for you. The final decision is yours.

For details, including fees and charges of the policy, please refer to the relevant Principal Brochure.

## Investment-linked fund information

Friends Provident International Limited (FPIL) operates a range of investment-linked funds. The concept is simple: agreements have been set up with investment houses worldwide allowing us to link to specially selected underlying funds chosen on the basis of performance and investment expertise. FPIL has set up its own investment-linked fund which invests solely in such underlying fund, apart from a proportionately small amount which may be held as a cash balance.

These investment-linked funds are intended for medium to long-term investment and can only be accessed using FPIL's investment-linked assurance policies. These policies are also intended for medium to long-term investment and are not therefore designed for early surrender (see **Policy information** on page 11). Substantial surrender charges/penalties will be applied in the event of early surrender. There may also be restrictions on the amount of withdrawals available from a policy and you should refer to the relevant Principal Brochure for more information. A withdrawal charge of up to 7.5% of the bid value of the amount of withdrawal may be applied.

Our policyholders invest their premiums into FPIL's investment-linked assurance policies. According to policyholders' chosen investment-linked funds, FPIL invests these premiums collectively in the underlying funds. Units are notionally allocated to your policy solely for the purpose of calculating the benefits which we will pay to you. FPIL is the absolute legal and beneficial owner of all the assets which relate to each investment-linked fund. Policyholders have no rights or entitlements to these underlying assets. The price of the FPIL investment-linked fund will be different from the underlying fund, but should move broadly in line with it.

The underlying investments of the investment-linked funds are unit trusts authorized by the Hong Kong Securities and Futures Commission. Such authorization does not imply official recommendation. In giving the authorizations, the Commission has made no assessment of, nor does it take responsibility for, the financial soundness or merits of the unit trusts, nor has it verified the accuracy or truthfulness of statements or opinion expressed in the documentations.

Units in the investment-linked funds are normally bought and sold using the 'bid' (selling) price. However, some legacy products do contain a bid/offer spread — please refer to the individual product brochures for details.

### **Please note that there are fees for the policy and investment-linked funds that would in turn affect the return on your policy, which may be lower than the return on the underlying funds.**

Please refer to the corresponding prospectuses of the underlying funds, which will be made available by FPIL's Hong Kong office. These prospectuses will help you to understand the underlying funds, their investment objectives and strategies, the risks that may affect your investment, whether your financial goals are matched, etc. Please do not rely on these documents alone. We recommend that you discuss fully both the suitability of the Investment-linked assurance policies and the specific risks associated with your investments within these policies with your Financial Adviser before making any investment decisions.

Investment-linked fund prices may go up and down depending upon the underlying investment performance or, where investments held within an investment-linked fund are not denominated in the currency of that investment-linked fund, simply because of movements in currency exchange rates. Where we publish performance information, the figures are quoted net of all annual fund charges. However, past performance should not be viewed as an indication of future performance – the value of your investment cannot be guaranteed and you may get back less than you paid in.

### **Valuation frequency and availability of unit prices**

Valuations are carried out on all business days in the Isle of Man as appropriate for the individual investment-linked fund. Unit prices are issued daily at approximately 5 p.m. (UK time). Please note that some underlying funds do not price on a daily basis – any affected investment-linked funds have been clearly marked on pages 9 and 10 of this document.

### **Investment-linked fund price roundings**

In pricing each investment-linked fund in the FPIL investment-linked fund range, we may reasonably round any calculations by an adjustment of not more than 0.001%. All rounding adjustments accrue to the benefit of the policyholders who invest in that investment-linked fund.

The maximum offer price and the minimum bid price are calculated each valuation day. The maximum offer price is rounded up to two decimal places and the minimum bid price is rounded down to two decimal places.

### **Key to the symbols used in this leaflet**

3: Investment-linked funds closed to new investors.

Investment-linked funds deal on a daily basis except where indicated: <sup>7</sup> Deals weekly.

<sup>a</sup> The underlying fund of this investment-linked fund is authorized by the Hong Kong Securities and Futures Commission (SFC) under the Code on Unit Trusts and Mutual Funds, but not authorized or regulated under the SFC Code on Real Estate Investment Trusts. Such authorization does not imply official recommendation.

Investment-linked Fund Details					Discrete One Year Performance as at 31 January														
FPI investment-linked fund code/name [currency]	Launch Date	Bid Price	Offer Price	Sterling performance					US Dollar performance					Euro performance					
				2010	2009	2008	2007	2006	2010	2009	2008	2007	2006	2010	2009	2008	2007	2006	
Deposit																			
M66	Investec GS U.S. Dollar Money [US dollars]	2/1987	1.990	2.140	-12.2%	38.3%	2.9%	-6.5%	7.4%	-0.9%	0.9%	3.5%	3.4%	1.6%	-7.4%	14.1%	-9.8%	-3.3%	8.6%
M65	Investec GS Sterling Money [Sterling]	2/1987	3.531	3.797	-0.6%	3.3%	3.7%	3.0%	3.0%	11.7%	-25.0%	3.8%	13.4%	-3.0%	4.6%	-15.0%	-9.3%	6.3%	3.9%
J42	JPMorgan USD [US dollars]	2/1996	1.227	1.320	-12.3%	38.9%	2.9%	-6.4%	7.5%	-1.0%	1.3%	3.5%	3.6%	1.7%	-7.5%	14.6%	-9.8%	-3.2%	8.7%
Emerging Markets																			
R11	Aberdeen Global Emerging Markets Smaller Cos [US dollars]	4/2007	0.982	1.056	67.6%	-22.3%	-2.1%*	N/A	N/A	89.2%	-43.3%	-1.6%*	N/A	N/A	76.9%	-35.8%	-11.8%*	N/A	N/A
P54	Aberdeen Global Indian Equity [US dollars]	3/2005	1.676	1.803	59.0%	-31.5%	22.0%	9.4%	45.3%*	79.6%	-50.0%	22.7%	21.0%	35.2%*	67.8%	-43.4%	6.9%	13.1%	46.5%*
R62	Allianz RCM BRIC Equity [US dollars]	3/2008	0.662	0.712	72.7%	-49.4%*	N/A	N/A	N/A	95.1%	-63.5%*	N/A	N/A	N/A	82.3%	-57.8%*	N/A	N/A	N/AA
P89	Fortis Equity Brazil [US dollars]	4/2007	1.112	1.196	75.9%	-34.9%	26.0%*	N/A	N/A	98.7%	-52.5%	26.7%*	N/A	N/A	85.7%	-46.2%	13.6%*	N/A	N/A
J38	Invesco Emerging Markets Equity [US dollars]	10/1995	1.871	2.012	48.3%	-32.5%	18.3%	5.1%	61.6%	67.5%	-50.8%	19.0%	16.3%	53.0%	56.6%	-44.3%	3.7%	8.7%	63.5%
J30	JF India [US dollars]	12/1993	3.803	4.090	53.5%	-42.9%	38.6%	24.9%	67.1%	73.4%	-58.3%	39.4%	38.2%	58.1%	62.0%	-52.9%	21.4%	29.2%	69.0%
J37	Schroder Latin American [US dollars]	10/1995	4.001	4.303	55.3%	-33.9%	25.7%	9.9%	83.8%	75.4%	-51.8%	26.5%	21.6%	73.9%	63.9%	-45.5%	10.1%	13.7%	85.8%
R52	Schroder Middle East [US dollars]	3/2008	0.587	0.632	22.4%	-36.7%*	N/A	N/A	N/A	38.3%	-54.3%*	N/A	N/A	N/A	29.2%	-47.1%*	N/A	N/A	N/A
P58	Templeton BRIC [US dollars]	7/2005	1.558	1.676	64.9%	-43.0%	26.4%	12.0%	39.2%*	86.2%	-58.4%	27.2%	23.9%	37.4%*	74.0%	-53.0%	10.8%	15.9%	36.2%*
J60	Templeton Emerging Markets [US dollars]	2/1997	1.358	1.461	52.4%	-30.2%	8.0%	2.6%	45.9%	72.1%	-49.1%	8.7%	13.5%	38.1%	60.8%	-42.4%	-5.4%	6.1%	47.6%
P52	Templeton Latin America [US dollars]	3/2005	2.228	2.396	64.8%	-28.1%	27.1%	14.9%	62.2%*	86.2%	-47.5%	27.9%	27.1%	50.9%*	74.0%	-40.6%	11.4%	18.8%	63.5%*
Europe																			
P48	Baring Eastern Europe [US dollars]	12/2004	1.722	1.852	105.0%	-57.1%	20.2%	13.3%	78.4%	131.5%	-68.7%	20.9%	25.4%	68.8%	116.4%	-64.6%	5.3%	17.2%	80.4%
J84	Fidelity Euro Blue Chip [Euro]	2/1999	0.903	0.972	15.1%	-26.3%	4.1%	8.8%	29.5%	29.7%	-46.4%	4.5%	20.0%	22.2%	21.8%	-39.0%	-8.5%	12.8%	31.3%
P51	Franklin Mutual European [Euro]	3/2005	0.954	1.026	13.3%	-19.8%	4.2%	13.3%	18.5%*	27.6%	-41.7%	4.7%	25.1%	10.0%*	19.9%	-33.7%	-8.3%	17.5%	19.8%*
J36	Investec GS Continental European Equity [US dollars]	10/1995	1.561	1.679	17.2%	-32.3%	-0.8%	5.7%	29.3%	32.4%	-50.6%	-0.2%	16.9%	22.3%	23.7%	-44.1%	-13.1%	9.3%	30.8%
J76	Principal European Equity [US dollars]	3/1998	1.156	1.244	19.3%	-25.4%	-2.6%	12.7%	29.8%	34.8%	-45.6%	-2.0%	24.7%	22.8%	26.0%	-38.4%	-14.7%	16.6%	31.3%
Far East & Pacific																			
P65	Aberdeen Global Asia-Pacific Equity [US dollars]	10/2006	1.085	1.167	47.8%	-23.7%	12.3%	6.0%*	N/A	67.0%	-44.3%	12.9%	11.2%*	N/A	56.0%	-37.0%	-1.6%	8.6%*	N/A
J08	Allianz RCM Little Dragons [US dollars]	8/1990	3.721	4.002	46.7%	-30.6%	13.7%	24.3%	28.6%	65.6%	-49.4%	14.4%	37.5%	21.7%	54.8%	-42.7%	-0.3%	28.5%	30.1%

Source: Friends Provident International Limited. Performance on an offer to offer basis over 1 year periods for the last 5 years.

Investment-linked Fund Details					Discrete One Year Performance as at 31 January															
FPIL investment-linked fund code/name [currency]					Sterling performance					US Dollar performance					Euro performance					
					2010	2009	2008	2007	2006	2010	2009	2008	2007	2006	2010	2009	2008	2007	2006	
Launch Date	Bid Price	Offer Price																		
<b>Far East &amp; Pacific (continued)</b>																				
P50	Allianz RCM Oriental Income [US dollars]	3/2005	1.285	1.382	25.0%	-9.3%	7.8%	-1.9%	35.0%*	41.2%	-33.8%	8.5%	8.5%	25.6%*	31.9%	-25.1%	-5.5%	1.5%	36.1%*	
R44	Allianz RCM Total Return Asian Equity [US dollars]	10/2007	0.552	0.594	41.0%	-27.7%	-27.8%*	N/A	N/A	59.2%	-47.2%	-29.3%*	N/A	N/A	48.8%	-40.3%	-32.7%*	N/A	N/A	
J03	Baring Asia Growth [US dollars]	8/1990	2.358	2.536	43.6%	-31.7%	19.8%	18.2%	30.5%	62.1%	-50.2%	20.6%	30.7%	23.5%	51.5%	-43.6%	5.0%	22.2%	32.0%	
R17	CAAM ASEAN New Markets [US dollars]	5/2007	0.551	0.593	42.7%	-49.4%	1.2%*	N/A	N/A	61.1%	-63.1%	-0.2%*	N/A	N/A	50.6%	-58.3%	-8.4%*	N/A	N/A	
R30	First State Asian Equity Plus [US dollars]	10/2007	0.816	0.878	38.3%	-11.8%	-10.8%*	N/A	N/A	56.2%	-35.7%	-12.6%*	N/A	N/A	46.0%	-27.3%	-16.9%*	N/A	N/A	
J02	Invesco Asian Equity [US dollars]	8/1990	1.369	1.473	51.6%	-29.2%	11.4%	21.0%	11.5%	71.3%	-48.3%	12.1%	33.9%	5.5%	60.1%	-41.6%	-2.4%	25.2%	12.8%	
R08	JF ASEAN [US dollars]	4/2007	0.795	0.855	56.1%	-39.0%	8.4%*	N/A	N/A	76.3%	-55.5%	9.0%*	N/A	N/A	64.8%	-49.7%	-2.3%*	N/A	N/A	
J34	JF Eastern [US dollars]	10/1995	1.967	2.116	53.9%	-31.3%	14.7%	7.4%	34.0%	73.9%	-49.9%	15.4%	18.9%	26.8%	62.5%	-43.3%	0.5%	11.1%	35.5%	
P66	JF Eastern Smaller Companies [US dollars]	10/2006	0.978	1.052	82.6%	-42.6%	6.9%	7.9%*	N/A	106.3%	-58.1%	7.5%	13.2%*	N/A	92.8%	-52.6%	-6.4%	10.6%*	N/A	
J32	JF Pacific Securities [US dollars]	4/1994	2.230	2.398	30.3%	-9.5%	5.1%	-2.0%	32.8%	47.1%	-34.0%	5.7%	8.4%	25.7%	37.5%	-25.3%	-7.9%	1.3%	34.3%	
P95	Martin Currie GF Asia-Pacific (EUR) [Euro]	3/2007	0.776	0.835	27.7%	-28.3%	16.2%*	N/A	N/A	43.9%	-47.9%	16.5%*	N/A	N/A	35.1%	-40.7%	4.3%*	N/A	N/A	
P94	Martin Currie GF Asia-Pacific (USD) [US dollars]	3/2007	0.786	0.846	23.0%	-28.2%	15.8%*	N/A	N/A	38.9%	-47.6%	16.3%*	N/A	N/A	29.8%	-40.8%	3.5%*	N/A	N/A	
P40	Value Partners High Dividend Stocks <sup>7</sup> [US dollars]	5/2004	1.939	2.085	61.5%	-18.2%	16.6%	20.1%	19.7%	82.4%	-40.3%	17.3%	32.9%	13.3%	70.5%	-32.5%	2.2%	24.2%	21.1%	
<b>Far East &amp; Pacific Single Country</b>																				
P33	Aberdeen Global Chinese Equity [US dollars]	3/2003	2.839	3.053	42.7%	-25.2%	18.7%	19.1%	24.4%	61.2%	-45.4%	19.4%	31.8%	17.7%	50.6%	-38.3%	4.0%	23.2%	25.8%	
J48	Allianz RCM Philippines [US dollars]	7/1996	0.288	0.310	46.8%	-40.9%	-3.9%	65.6%	12.1%	65.8%	-56.9%	-3.3%	83.3%	6.1%	54.9%	-51.3%	-15.8%	71.3%	13.4%	
M56	Baring Australia [US dollars]	4/1984	8.719	9.376	69.5%	-36.0%	23.5%	8.0%	25.5%	91.5%	-53.3%	24.2%	19.5%	18.7%	78.9%	-47.1%	8.2%	11.7%	26.9%	
M55	Baring Hong Kong & China [US dollars]	4/1984	62.199	66.881	44.9%	-26.7%	32.0%	57.5%	35.3%	63.6%	-46.5%	32.9%	74.3%	28.1%	52.9%	-39.5%	15.7%	63.0%	36.9%	
J46	Baring Korea Feeder [US dollars]	7/1996	1.751	1.883	44.8%	-39.8%	18.4%	-9.5%	64.2%	63.6%	-56.1%	19.1%	0.1%	55.4%	52.9%	-50.4%	3.7%	-6.4%	66.1%	
R51	First State China Growth [US dollars]	3/2008	1.025	1.103	66.1%	-18.5%*	N/A	N/A	N/A	87.6%	-41.2%*	N/A	N/A	N/A	75.3%	-31.9%*	N/A	N/A	N/A	
R31	First State Greater China Growth [US dollars]	10/2007	0.909	0.978	35.7%	-29.4%	23.1%*	N/A	N/A	53.3%	-48.5%	23.8%*	N/A	N/A	43.3%	-41.7%	11.0%*	N/A	N/A	
P96	Fortis Equity China [US dollars]	4/2007	0.968	1.041	30.2%	-35.8%	51.7%*	N/A	N/A	44.8%	-53.4%	54.4%*	N/A	N/A	42.8%	-51.7%	39.7%*	N/A	N/A	
J55	HSBC Chinese Equity [US dollars]	1/1997	2.418	2.600	40.2%	-29.0%	24.1%	37.7%	36.7%	58.3%	-48.2%	24.8%	52.4%	29.3%	48.0%	-41.4%	8.7%	42.5%	38.2%	
J56	HSBC Hong Kong Equity [US dollars]	1/1997	1.638	1.762	38.8%	-24.3%	17.9%	17.3%	28.4%	56.8%	-44.8%	18.7%	29.7%	21.5%	46.5%	-37.5%	3.3%	21.3%	29.9%	

Source: Friends Provident International Limited. Performance on an offer to offer basis over 1 year periods for the last 5 years.

Investment-linked Fund Details				Discrete One Year Performance as at 31 January															
FPIL investment-linked fund code/name [currency]	Launch Date	Bid Price	Offer Price	Sterling performance					US Dollar performance					Euro performance					
				2010	2009	2008	2007	2006	2010	2009	2008	2007	2006	2010	2009	2008	2007	2006	
<b>Far East &amp; Pacific Single Country (continued)</b>																			
R09	JF Taiwan [US dollars]	4/2007	0.795	0.855	50.5%	-25.9%	-7.5%*	N/A	N/A	70.0%	-45.9%	-7.0%*	N/A	N/A	58.9%	-38.8%	-16.6%*	N/A	N/A
J47	JF Thailand [US dollars]	7/1996	1.089	1.172	59.1%	-30.9%	41.7%	-9.6%	14.2%	79.8%	-49.6%	42.6%	0.0%	8.1%	68.0%	-43.0%	24.2%	-6.5%	15.5%
<b>Global Equity</b>																			
M87	Invesco Global Small Cap Equity [US dollars]	4/1986	6.572	7.067	42.1%	-23.8%	-6.7%	8.9%	22.7%	60.5%	-44.4%	-6.2%	20.5%	16.1%	50.0%	-37.1%	-18.3%	12.6%	24.1%
J06	Investec GS Global Equity [US dollars]	8/1990	2.278	2.450	17.3%	-23.5%	-5.4%	6.0%	25.3%	32.4%	-44.2%	-4.8%	17.3%	18.6%	23.8%	-36.9%	-17.1%	9.6%	26.7%
J74	Investec GS Global Strategic Equity [US dollars]	8/1997	1.561	1.679	19.3%	-27.7%	-6.2%	5.1%	33.3%	34.8%	-47.3%	-5.6%	16.2%	26.1%	25.9%	-40.3%	-17.8%	8.7%	34.8%
R22	M&G Global Basics [US dollars]	5/2007	0.756	0.813	33.3%	-25.5%	0.8%*	N/A	N/A	50.6%	-45.7%	-0.6%*	N/A	N/A	40.7%	-38.5%	-8.8%*	N/A	N/A
R23	M&G Global Leaders US dollars]	5/2007	0.619	0.666	24.1%	-26.7%	-9.9%*	N/A	N/A	40.2%	-46.5%	-11.2%*	N/A	N/A	31.0%	-39.5%	-18.5%*	N/A	N/A
J75	Principal Global Equity [US dollars]	3/1998	0.899	0.967	11.5%	-20.1%	-3.1%	0.0%	33.0%	25.9%	-41.7%	-2.5%	10.6%	25.9%	17.7%	-34.0%	-15.1%	3.4%	34.5%
R33	Schroder Global Equity Yield (EUR) [Euro]	10/2007	0.651	0.700	15.2%	-17.9%	-9.1%*	N/A	N/A	29.8%	-40.4%	-11.5%*	N/A	N/A	22.0%	-32.2%	-15.4%*	N/A	N/A
R32	Schroder Global Equity Yield (USD) [US dollars]	10/2007	0.633	0.681	14.6%	-17.0%	-11.3%*	N/A	N/A	29.5%	-39.5%	-13.1%*	N/A	N/A	21.0%	-31.5%	-17.3%*	N/A	N/A
J72	Templeton Global [US dollars]	8/1997	1.089	1.172	21.6%	-27.0%	-4.3%	9.7%	19.2%	37.4%	-46.8%	-3.7%	21.4%	12.8%	28.4%	-39.8%	-16.1%	13.5%	20.5%
<b>International Bond</b>																			
J27	Baring High Yield Bond [US dollars]	10/1995	1.982	2.132	21.5%	1.2%	3.2%	-4.8%	9.2%	37.3%	-26.2%	3.8%	5.4%	3.3%	28.3%	-16.5%	-9.6%	-1.5%	10.4%
P87	Baring International Bond (EUR) [Euro]	3/2007	0.954	1.026	-3.3%	27.8%	5.8%*	N/A	N/A	8.9%	-7.1%	6.0%*	N/A	N/A	2.3%	5.7%	-5.1%*	N/A	N/A
M57	Baring International Bond (USD) [US dollars]	4/1984	5.512	5.927	-2.2%	31.4%	14.2%	-9.9%	-2.3%	10.5%	-4.1%	14.9%	-0.3%	-7.5%	3.2%	8.4%	0.0%	-6.8%	-1.2%
J87	Fidelity Euro Bond [Euro]	6/1999	1.150	1.237	12.5%	6.7%	11.8%	-4.9%	0.0%	26.8%	-22.5%	12.3%	4.9%	-5.6%	19.1%	-11.8%	-1.7%	-1.4%	1.4%
P97	Fortis Bond Best Selection World Emerging [US dollars]	4/2007	1.033	1.111	-7.6%	39.6%	5.8%	-8.3%	4.5%	4.3%	1.8%	6.4%	1.4%	-1.1%	-2.5%	15.2%	-7.3%	-5.2%	5.7%
M84	Franklin US Government [US dollars]	10/2003	1.024	1.102	-7.2%	43.4%	1.9%	-10.3%	9.8%	3.2%	4.1%	3.8%	2.1%	-1.1%	1.8%	7.9%	-7.4%	-8.3%	13.5%
J01	Invesco Bond [US dollars]	8/1990	3.146	3.383	-5.8%	38.0%	13.3%	-8.6%	-0.5%	6.4%	0.6%	14.0%	1.1%	-5.9%	-0.5%	13.8%	-0.7%	-5.5%	0.6%
P74	Invesco Euro Corporate Bond [Euro]	3/2007	1.096	1.179	20.3%	15.4%	8.1%*	N/A	N/A	35.6%	-16.1%	8.4%*	N/A	N/A	27.3%	-4.5%	-3.0%*	N/A	N/A
J43	Investec GS Global Strategic Income [US dollars]	2/1996	1.912	2.056	16.8%	13.7%	5.7%	-7.4%	7.5%	31.9%	-17.1%	6.3%	2.4%	1.7%	23.3%	-6.2%	-7.4%	-4.2%	8.7%
P88	Mellon Global Bond (EUR) [Euro]	3/2007	1.010	1.087	-4.9%	32.1%	10.2%*	N/A	N/A	7.2%	-4.0%	10.5%*	N/A	N/A	0.6%	9.2%	-1.1%*	N/A	N/A

Source: Friends Provident International Limited. Performance on an offer to offer basis over 1 year periods for the last 5 years.

INVESTMENT-LINKED FUND DETAILS					DISCRETE ONE YEAR PERFORMANCE AS AT 31 JANUARY														
FPIL investment-linked fund code/name [currency]					Sterling performance					US Dollar performance					Euro performance				
					2010	2009	2008	2007	2006	2010	2009	2008	2007	2006	2010	2009	2008	2007	2006
Launch Date	Bid Price	Offer Price																	
<b>International Bond (continued)</b>																			
P67	Mellon Global Bond (USD) [US dollars]	10/2006	1.118	1.203	-5.1%	33.1%	12.0%	-2.2%*	N/A	7.2%	-2.9%	12.7%	2.6%*	N/A	0.2%	9.8%	-1.9%	0.2%*	N/A
M83	Schroder Asian Bond [US dollars]	10/2003	1.066	1.147	-4.8%	18.9%	10.2%	-6.8%	6.4%	7.5%	-13.3%	10.9%	3.1%	0.7%	0.5%	-1.9%	-3.4%	-3.6%	7.6%
P91	Schroder Global Corporate Bond (EUR) [Euro]	3/2007	1.039	1.118	11.8%	16.5%	9.3%*	N/A	N/A	26.0%	-15.3%	9.6%*	N/A	N/A	18.3%	-3.7%	-1.9%*	N/A	N/A
P90	Schroder Global Corporate Bond (USD) [US dollars]	3/2007	1.036	1.115	4.2%	30.9%	-1.2%*	N/A	N/A	17.7%	-4.5%	-0.8%*	N/A	N/A	10.0%	8.0%	-11.7%*	N/A	N/A
P93	Schroder Strategic Bond (EUR) [Euro]	3/2007	1.001	1.077	2.1%	15.2%	16.7%*	N/A	N/A	15.0%	-16.3%	17.0%*	N/A	N/A	8.0%	-4.8%	4.7%*	N/A	N/A
P92	Schroder Strategic Bond (USD) [US dollars]	3/2007	1.000	1.076	-4.5%	29.1%	5.6%*	N/A	N/A	7.8%	-5.8%	6.0%*	N/A	N/A	0.8%	6.5%	-5.6%*	N/A	
<b>Japan</b>																			
R63	Allianz RCM Japan [US dollars]	3/2008	0.737	0.793	3.9%	-6.3%*	N/A	N/A	N/A	17.3%	-32.4%*	N/A	N/A	N/A	9.6%	-21.8%*	N/A	N/A	N/A
P56	BlackRock Japan Opportunities [US dollars]	3/2005	0.593	0.638	5.6%	2.9%	-30.5%	-29.4%	40.3%*	19.3%	-25.0%	-30.0%	-21.9%	30.5%*	11.4%	-15.1%	-39.1%	-27.0%	41.4%*
J93	GAM Japan [US dollars]	12/1999	0.552	0.594	3.1%	-12.2%	-13.5%	-12.2%	43.2%	16.5%	-35.9%	-13.0%	-2.9%	35.5%	8.8%	-27.5%	-24.2%	-9.2%	44.9%
J71	Schroder Japanese Large Cap [US dollars]	8/1997	0.655	0.705	7.2%	-8.7%	-14.3%	-14.9%	28.9%	21.1%	-33.4%	-13.8%	-5.8%	22.0%	13.2%	-24.7%	-24.9%	-12.0%	30.4%
<b>North America</b>																			
J77	BlackRock US Flexible Equity [US dollars]	3/1998	0.788	0.848	6.2%	-9.2%	-5.9%	-4.3%	28.4%	19.9%	-33.7%	-5.3%	5.9%	21.5%	12.1%	-25.0%	-17.5%	-1.0%	29.8%
M86	Invesco US Equity [US dollars]	4/1986	3.797	4.083	2.7%	-9.7%	-10.9%	-0.8%	10.5%	16.0%	-34.1%	-10.4%	9.8%	4.6%	8.4%	-25.5%	-21.9%	2.6%	11.8%
J39	Schroder US Smaller Companies [US dollars]	11/1995	2.519	2.709	13.6%	-7.9%	-2.6%	0.0%	22.2%	28.3%	-32.8%	-2.0%	10.6%	15.7%	19.9%	-24.0%	-14.6%	3.4%	23.6%
<b>Property</b>																			
P79	Fidelity Global Property (EUR) <sup>a</sup> [Euro]	3/2007	0.491	0.529	24.0%	-33.7%	-18.1%*	N/A	N/A	39.8%	-51.8%	-17.9%*	N/A	N/A	31.3%	-45.2%	-26.5%*	N/A	N/A
P78	Fidelity Global Property (USD) <sup>a</sup> [US dollars]	3/2007	0.509	0.548	24.7%	-34.0%	-19.5%*	N/A	N/A	40.9%	-51.9%	-19.2%*	N/A	N/A	31.7%	-45.5%	-28.1%*	N/A	N/A
P61	Henderson Horizon Asia-Pacific Property Equities <sup>a</sup> [US dollars]	4/2006	0.826	0.889	34.8%	-28.8%	-8.2%	8.1%*	N/A	52.2%	-48.1%	-7.6%	21.8%*	N/A	42.3%	-41.3%	-19.6%	13.9%*	N/A
P83	Schroder Global Property Securities (EUR) <sup>a</sup> [Euro]	3/2007	0.531	0.571	32.9%	-34.8%	-16.1%*	N/A	N/A	49.7%	-52.6%	-15.9%*	N/A	N/A	40.6%	-46.1%	-24.7%*	N/A	N/A
P82	Schroder Global Property Securities (USD) <sup>a</sup> [US dollars]	3/2007	0.532	0.573	23.1%	-29.1%	-20.6%*	N/A	N/A	39.1%	-48.3%	-20.3%*	N/A	N/A	30.0%	-41.5%	-29.0%*	N/A	N/A

Source: Friends Provident International Limited. Performance on an offer to offer basis over 1 year periods for the last 5 years.

Investment-linked fund details					Discrete one year performance as at 31 January														
FPI investment-linked fund code/name [currency]	Launch Date	Bid Price	Offer Price	Sterling performance					US Dollar performance					Euro performance					
				2010	2009	2008	2007	2006	2010	2009	2008	2007	2006	2010	2009	2008	2007	2006	
<b>Specialist</b>																			
S198	Man AHL Diversified Futures Ltd <sup>7</sup> [US dollars]	12/1998	3.951	25.754	-27.0%	57.8%	15.2%	0.3%	26.8%	-17.5%	15.1%	15.9%	10.9%	20.0%	-22.9%	30.2%	0.9%	3.7%	28.3%
R41	Morgan Stanley FX Alpha Plus RC400 (EUR) [Euro]	10/2007	0.888	0.955	-6.7%	15.6%	8.7%*	N/A	N/A	5.1%	-16.0%	5.8%*	N/A	N/A	-1.2%	-4.4%	1.2%*	N/A	N/A
R39	Morgan Stanley FX Alpha Plus RC400 (USD) [USD]	10/2007	0.881	0.948	-12.4%	29.9%	3.2%*	N/A	N/A	-1.0%	-5.2%	1.1%*	N/A	N/A	-7.5%	7.2%	-3.8%*	N/A	N/A
R43	Morgan Stanley FX Alpha Plus RC800 (EUR) [Euro]	10/2007	0.831	0.894	-6.3%	7.2%	9.3%*	N/A	N/A	5.5%	-22.1%	6.4%*	N/A	N/A	-0.9%	-11.4%	1.8%*	N/A	N/A
<b>Theme</b>																			
J96	Aberdeen Global Technology [US dollars]	3/2000	0.233	0.251	30.7%	-11.7%	-3.5%	-5.8%	22.0%	47.6%	-35.6%	-2.9%	4.2%	15.5%	38.0%	-27.2%	-15.5%	-2.6%	23.4%
P69	BlackRock New Energy [US dollars]	10/2006	0.777	0.836	1.5%	-28.4%	25.2%	5.5%*	N/A	14.7%	-47.7%	26.0%	10.7%*	N/A	7.2%	-40.9%	9.7%	8.1%*	N/A
M82	BlackRock World Gold [US dollars]	10/2003	1.939	2.086	24.3%	-19.6%	45.8%	-5.6%	66.8%	40.4%	-41.4%	46.6%	4.5%	57.8%	31.2%	-33.7%	27.7%	-2.3%	68.7%
P70	BlackRock World Mining [US dollars]	10/2006	1.090	1.173	72.2%	-48.9%	47.3%	4.1%*	N/A	94.5%	-62.7%	48.2%	9.2%*	N/A	81.8%	-57.8%	29.0%	6.7%*	N/A
P98	CAAM Aqua Global [US dollars]	4/2007	0.708	0.762	13.2%	-12.0%	-7.6%*	N/A	N/A	27.9%	-35.8%	-7.1%*	N/A	N/A	19.5%	-27.4%	-16.7%*	N/A	N/A
R12	DWS Global Agribusiness [US dollars]	4/2007	0.862	0.927	51.1%	-30.4%	6.4%*	N/A	N/A	70.7%	-49.3%	7.0%*	N/A	N/A	59.5%	-42.6%	-4.1%*	N/A	N/A
J97	Fidelity Global Telecommunications [Euro]	3/2000	0.306	0.330	6.4%	-16.4%	10.8%	19.9%	22.4%	19.9%	-39.2%	11.3%	32.3%	15.6%	12.6%	-30.9%	-2.5%	24.3%	24.1%
R25	Invesco Asia Infrastructure [US dollars]	5/2007	0.767	0.825	30.9%	-32.0%	14.1%*	N/A	N/A	47.8%	-50.4%	12.5%*	N/A	N/A	38.2%	-43.9%	3.3%*	N/A	N/A
J57	Invesco Global Health Care [US dollars]	1/1997	1.395	1.501	7.3%	4.0%	1.9%	-9.4%	20.4%	21.2%	-24.1%	2.5%	0.3%	13.9%	13.3%	-14.2%	-10.7%	-6.3%	21.7%
J58	Invesco Global Technology [US dollars]	1/1997	0.697	0.750	26.7%	-16.6%	-10.4%	-7.9%	20.0%	43.1%	-39.1%	-9.8%	1.9%	13.6%	33.8%	-31.2%	-21.5%	-4.7%	21.4%
P47	Investec GS Global Energy [US dollars]	12/2004	1.598	1.719	26.0%	-18.0%	17.1%	-15.4%	93.4%	42.3%	-40.2%	17.9%	-6.4%	83.0%	33.0%	-32.3%	2.6%	-12.5%	95.6%
J95	JF Pacific Technology [US dollars]	3/2000	0.590	0.635	33.9%	-10.5%	2.1%	-3.4%	37.3%	51.2%	-34.7%	2.7%	6.8%	29.9%	41.3%	-26.1%	-10.5%	-0.1%	38.9%
P60	Martin Currie GF Global Resources [US dollars]	4/2006	1.103	1.187	24.8%	-19.7%	23.1%	3.0%*	N/A	41.0%	-41.4%	23.9%	16.0%*	N/A	31.7%	-33.7%	7.9%	8.4%*	N/A
R35	Schroder Agriculture <sup>3</sup> [US dollars]	10/2007	0.749	0.806	-11.9%	-2.0%	15.7%*	N/A	N/A	-0.5%	-28.5%	13.3%*	N/A	N/A	-7.0%	-19.1%	7.8%*	N/A	N/A
R34	Schroder Global Climate Change Equity [US dollars]	10/2007	0.690	0.743	20.9%	-15.7%	-9.7%*	N/A	N/A	36.6%	-38.5%	-11.5%*	N/A	N/A	27.6%	-30.5%	-15.8%*	N/A	N/A
<b>UK</b>																			
J73	Invesco UK Equity [US dollars]	8/1997	1.456	1.566	20.8%	-27.8%	-10.0%	10.3%	20.9%	36.4%	-47.3%	-9.5%	22.1%	14.5%	27.5%	-40.4%	-21.2%	14.1%	22.3%
P55	Martin Currie GF UK Growth [Sterling]	3/2005	0.826	0.889	15.5%	-24.6%	-15.9%	3.7%	17.1%*	29.8%	-45.3%	-15.8%	14.1%	8.4%*	21.6%	-38.0%	-26.4%	7.0%	17.7%*

Source: Friends Provident International Limited. Performance on an offer to offer basis over 1 year periods for the last 5 years.

Performance marked \* does not represent a full year performance in that year. It is the performance since launch to the performance year ended date.

# Risk Factors

Investment involves risk and each investment-linked fund will involve its own individual level of risk:

- Eq** Where an underlying fund invests in equities, it entails risk, as individual stock prices can move up and down more dramatically than other forms of investment. Shares, when sold, may be worth less than their original cost and you may get back less than you paid in.
- Li** Some underlying funds invest in asset classes that are considered illiquid, in that sometimes they may not be so easy to sell. It should be recognised that an investment in an investment-linked fund of this type may have liquidity constraints that may lead to delays in the sale of investment-linked fund units.
- FI** Where an underlying fund invests in fixed interest securities the value can go up and down as interest rates change. For example, if interest rates rise, the value is likely to fall.
- B** Some underlying funds invest in company bonds. High yielding bonds are usually lower grade. These carry an increased risk to both the income and capital value of the investment-linked fund – for example, if the company issuing the bond has financial difficulties and stops trading.
- Com** Some underlying funds invest in commodity markets and investment values can move up and down sharply depending on levels of speculation and supply and demand.
- EM** Where an underlying fund invests in emerging markets, investment values can move sharply down or up. These markets tend not to be so well regulated as developed markets and political unrest is more likely.
- D** Many underlying funds can now use derivative instruments as an investment tool. A derivatives instrument normally is a contract between two or more parties and, used in underlying funds, derives its value based on the value of an underlying asset at a particular point in time. The main types of derivatives are futures, forwards, options and swaps, with these instruments generally being used to hedge (reduce) risk, but can also be used for speculative purposes (at increased risk). Losses can be greater than the money put into these instruments.
- H** Hedge funds and funds of hedge funds aim to produce returns superior to those of bonds and equities irrespective of market direction, therefore profiting throughout the changing world economic cycles of Recession, Recovery, Boom and Slowdown. Because hedge funds have more flexibility in their investment strategies, often using derivatives instruments, they can carry the same risk as outlined above.

## Guide to the Risk/Reward Profile of FPIL's investment-linked funds on pages 9 and 10

The Risk/Reward Profile is derived from information provided by the underlying fund houses and is based on the following characteristics of the underlying fund:

- volatility;
- asset type; and
- geographical region.

The information given in the Risk/Reward Profile is for reference only and the Hong Kong Securities and Futures Commission has not assessed or approved it, nor has it verified the accuracy of such information.

- Grade 1:** Investment-linked funds offering conservative return similar to money market rates. **The underlying funds that these investment-linked funds invest in may be exposed to the following risk factors: FI.**
- Grade 2:** Low-risk investment-linked funds offering security and potential growth. **The underlying funds that these investment-linked funds invest in may be exposed to the following risk factors: FI, B.**
- Grade 3:** These investment-linked funds take a balanced approach to investment by holding a diverse portfolio of assets. **The underlying funds that these investment-linked funds invest in may be exposed to the following risk factors: Eq, FI, B.**
- Grade 4:** A more focused equity exposure provides good growth potential with the risk of short-term volatility. **The underlying funds that these investment-linked funds invest in may be exposed to the following risk factors: Eq, Li, FI, B, Com.**
- Grade 5:** These aggressive investment-linked funds balance the risk of high volatility with the potential for high capital growth. **The underlying funds that these investment-linked funds invest in may be exposed to the following risk factors: Eq, Li, FI, B, EM, Com, D, H.**

# Investment-linked Funds: Risk/Reward Profile

## Grade 1

Investec GS Sterling Money

Investec GS US Dollar Money

JPMorgan USD

## Grade 2

Baring International Bond (EUR)

Invesco Euro Corporate Bond

Schroder Global Corporate Bond (USD)

Baring International Bond (USD)

Investec GS Global Strategic Income

Schroder Strategic Bond (EUR)

Fidelity Euro Bond

Mellon Global Bond (EUR)

Schroder Strategic Bond (USD)

Franklin US Government

Mellon Global Bond (USD)

Invesco Bond

Schroder Global Corporate Bond (EUR)

## Grade 3

Allianz RCM Oriental Income

Morgan Stanley FX Alpha Plus RC400 (EUR)

Schroder Asian Bond

Baring High Yield Bond

Morgan Stanley FX Alpha Plus RC400 (USD)

Templeton Global

Investec GS Global Equity

Principal Global Equity

## Grade 4

Aberdeen Global Asia-Pacific Equity

Fidelity Euro Blue Chip

Invesco Global Health Care

Martin Currie GF Asia-Pacific (USD)

Aberdeen Global Chinese Equity

Fidelity Global Property (EUR) <sup>a</sup>

Invesco Global Small Cap Equity

Martin Currie GF Global Resources

Aberdeen Global Technology

Fidelity Global Property (USD) <sup>a</sup>

Invesco Global Technology

Martin Currie GF UK Growth

Allianz RCM Japan

Fidelity Global Telecommunications

Invesco UK Equity

Morgan Stanley FX Alpha Plus RC800 (EUR)

Allianz RCM Little Dragons

First State Asian Equity Plus

Invesco US Equity

Principal European Equity

Allianz RCM Total Return Asian Equity

First State Greater China Growth

Investec GS Continental European Equity

Schroder Global Climate Change Equity

Baring Asia Growth

Fortis Bond Best Selection World Emerging

Investec GS Global Energy

Schroder Global Equity Yield (EUR)

Baring Australia

Franklin Mutual European

Investec GS Global Strategic Equity

Schroder Global Equity Yield (USD)

Baring Hong Kong & China

GAM Japan

JF Eastern

Schroder Global Property Securities (EUR) <sup>a</sup>

BlackRock Japan Opportunities

Henderson Horizon Asia-Pacific Property Equities <sup>a</sup>

JF Pacific Securities

Schroder Global Property Securities (USD) <sup>a</sup>

BlackRock US Flexible Equity

HSBC Hong Kong Equity

M&G Global Basics

Schroder Japanese Large Cap

BlackRock World Gold

Invesco Asian Equity

M&G Global Leaders

Schroder US Smaller Companies

CAAM Aqua Global

Invesco Asia Infrastructure

Martin Currie GF Asia-Pacific (EUR)

Value Partners High-Dividend Stocks <sup>7</sup>

Continued on page 10

## Investment-linked Funds: Risk/Reward Profile *(continued)*

### Grade 5

Aberdeen Global Emerging Markets Smaller Companies

Aberdeen Global Indian Equity

Allianz RCM Philippines

Allianz RCM BRIC Equity

Baring Eastern Europe

Baring Korea Feeder

BlackRock New Energy

BlackRock World Mining

CAAM ASEAN New Markets

DWS Global Agribusiness

First State China Growth

Fortis Equity Brazil

Fortis Equity China

HSBC Chinese Equity

Invesco Emerging Markets Equity

JF ASEAN

JF Eastern Smaller Companies

JF India

JF Pacific Technology

JF Taiwan

JF Thailand

Man AHL Diversified Futures Ltd <sup>7</sup>

Schroder Agriculture <sup>3</sup>

Schroder Latin American

Schroder Middle East

Templeton BRIC

Templeton Emerging Markets

Templeton Latin America

## Cautionary notes

### Policy information

The documentation of Friends Provident International Limited's (FPIL) investment-linked assurance policies has been authorized by the Hong Kong Securities and Futures Commission pursuant to Section 105(1) of the Securities and Futures Ordinance. Such authorization does not imply official recommendation. In giving the authorizations, the Commission has made no assessment of, nor does it take responsibility for, the financial soundness or merits of the investment-linked assurance policies, nor has it verified the accuracy or truthfulness of statements or opinion expressed in the documentations. The constitutive documents of the investment-linked assurance policies are available for inspection at FPIL's Hong Kong office at the address given on the back of this document.

Each policy is governed by and shall be construed in accordance with the law of the Isle of Man. However, this will not preclude the right to bring legal action in a Hong Kong court.

#### Illustration of Surrender Value

Applicants will be required to sign an illustration document as part of the application for a policy. This document includes a table of figures which shows the impact of fees and charges on the policy and their effect on surrender values. The figures are based on certain assumptions as stated in the document.

FPIL's investment-linked assurance policies are intended for medium to long-term investment and are not therefore designed for early surrender. If you do surrender early, a discontinuance charge will be applied. Early termination of your policy may result in significant investment loss.

If you have invested in an FPIL Reserve, or a similar personalised bond from FPIL, and include these investment-linked funds in your portfolio of assets, please be aware that the Administration Charge of, currently, 1.2% of the bid value of each investment-linked fund each year, will be applied. This Charge is debited directly to the investment-linked fund on each valuation day.

Investment-linked assurance policies may not be suitable for everyone. We recommend that you read the Principal Brochure and all associated documents carefully and discuss fully both the suitability of these investment-linked assurance policies and the specific risks associated with your chosen investments within these policies with your Financial Adviser before making any investment decisions.

### Policyholder protection

To ensure the protection of policyholders' interests the Isle of Man Insurance and Pensions Authority (the regulator) has put in place a number of statutory measures:

- **Ring fencing of assets** — in accordance with the Insurance Act 2008 (the Act) FPIL keeps policyholders' premiums received in a special 'long-term business fund', which can only be used to meet the claims and long-term liabilities of policyholders. FPIL also holds funds in excess of its long-term liabilities, and submits independently audited annual solvency reports to the regulator, in accordance with the Act.
- **A policyholder compensation fund** — in the event that the above measures fail, and the insurer is unable to meet its liabilities, all policyholders will receive the protection of the Life Assurance (Compensation of Policyholders) Regulations 1991 of the Isle of Man, wherever their place of residence. The Regulations ensure that in the unlikely event of FPIL becoming insolvent, a levy would be made against all other Isle of Man resident life assurance companies so that up to 90% of our liabilities to eligible policyholders would be met (without any upper monetary limit).

Investors should be aware that specific investor protection and compensation schemes that may exist in relation to collective investments and deposits accounts are unlikely to apply in the event of failure of such an investment held within investment-linked assurance policies.

Complaints we cannot settle can be referred to the Financial Services Ombudsman Scheme for the Isle of Man.

Please note that some telephone communications with FPIL are monitored and may be randomly interrupted.

Copyright © 2010 Friends Provident International Limited. All rights reserved.

Friends Provident International Limited

Registered & Head Office: Royal Court, Castletown, Isle of Man, British Isles, IM9 1RA  
Telephone: +44(0) 1624 821212 Fax: +44(0) 1624 824405

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

Authorised by the Isle of Man Insurance & Pensions Authority and regulated by the  
Financial Services Authority for the conduct of investment business in the UK  
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

Suites 1203-1211, Two Pacific Place, 88 Queensway, Hong Kong  
Telephone: +852 2524 2027 Fax: +852 2868 4983  
Website: [www.fpinternational.com.hk](http://www.fpinternational.com.hk)

Authorised by the Office of the Commissioner of Insurance to conduct long-term insurance business in Hong Kong

