



Mirror Funds

February 2006

This document should be issued and read in conjunction with the Annual Charges leaflet, Fund Prices leaflet and Product brochure.

Access to these funds is only available through the Isle of Man product range.



FRIENDS PROVIDENT
INTERNATIONAL

Friends Provident International Limited operates a range of funds known as Mirror Funds. The concept is simple: agreements have been set up with investment houses worldwide allowing us to link to specially selected funds chosen on the basis of performance and investment expertise. These Mirror Funds can only be accessed using Friends Provident International Limited's investment plans.

Definition of a mirror fund

For each fund managed by external investment managers Friends Provident International Limited has set up its own fund which invests solely in the underlying fund, apart from a proportionately small amount which may be held as a cash balance. Friends Provident International Limited is the absolute legal and beneficial owner of all the assets which relate to each fund. Policyholders have no rights or entitlement to these underlying assets. The price of the Friends Provident International fund will be different from the corresponding fund but should move broadly in line with it. We currently offer funds managed by a range of the world's leading investment houses.

Please note that there are fees charged to your investment in the Mirror Funds that would affect its return. For details, please refer to the relevant product brochure.

Charges

Underlying Charges

As is common with this type of investment, the normal charges of the underlying assets also apply (i.e. initial charges and annual management fees). However, our managers purchase units at a substantial discount, which is then passed on to the benefit of the policyholder.

The underlying charges can vary between 0.1% and 3.35%, dependent upon the funds chosen. Please refer to the Annual Charges leaflet for full details.

Units in the funds are normally bought and sold using the 'bid' (selling) price. However, some products do contain a 7% bid/offer spread - please refer to the individual product brochures for details.

Closure of a mirror fund

Sometimes we may close a mirror fund if we reasonably believe it would be in policyholders' best interests to do so, or if the underlying fund will no longer be available. If we do decide to close a fund, we will give policyholders written notice of at least three months (or such shorter notice period as approved by the Hong Kong Securities and Futures Commission) before the fund is to close.

Advantages of the mirror fund range

Specialist expertise

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

Extensive choice

- Access to every geographic area, including all major and emerging markets.
- Wide range of investment vehicles to choose from - equity, bond, deposit, managed, thematic and alternative strategy funds.

Easy access

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

Flexibility

- Unlimited switching at any time. This facility allows you to change your investment risk profile or benefit from changing market opportunities. Please refer to the individual product brochures for details on charges, if any.
- Ability to construct a 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.

GUIDE TO THE RISK/REWARD PROFILE

Grade 1

Funds offering conservative return similar to money market rates.

Grade 2

Low risk funds offering security and potential growth.

Grade 3

These funds take a balanced approach to investment by holding a diverse portfolio of assets.

Grade 4

A more focused equity exposure provides good growth potential with the risk of short-term volatility.

Grade 5

These aggressive funds balance the risk of high volatility with the potential for high capital growth.

Baring Asia Growth

OBJECTIVE

To provide long-term capital growth. The fund will hold equity investments in Asia, India, Indonesia, Korea, Malaysia, the Philippines, Singapore, Taiwan and Thailand.

GRADE 4 FUND CODE: J03
CURRENCY: US Dollars LAUNCH DATE: August 1990

Baring Australia

OBJECTIVE

To achieve long-term capital growth by holding a diversified portfolio of quoted or traded equity investments in companies incorporated in Australia or quoted or traded on any Australian stock exchange; or over the counter market, or in companies with significant proportion of their assets or other interests in Australia.

GRADE 4 FUND CODE: M56
CURRENCY: US Dollars LAUNCH DATE: April 1984

Baring Eastern Europe

OBJECTIVE

To achieve long-term capital appreciation through investment in a diversified portfolio of securities of issuers located in or with a significant exposure to the emerging markets of Europe. Investors should be aware of the additional risks associated with funds which invest in emerging and developing markets.

GRADE 5 FUND CODE: P48
CURRENCY: US Dollars LAUNCH DATE: December 2004

Baring High Yield Bond

OBJECTIVE

To provide a high yield in dollar terms. The fund will invest in three main bond markets: US Corporate Markets, Emerging (Developing) Markets, Higher Yielding OECD Markets.

GRADE 3 FUND CODE: J27
CURRENCY: US Dollars LAUNCH DATE: October 1995

Baring Hong Kong & China

OBJECTIVE

To provide long-term capital growth. The fund will hold equity investments in companies incorporated in Hong Kong or China, or quoted or traded on any Hong Kong or China stock exchange.

GRADE 4 FUND CODE: M55
CURRENCY: US Dollars LAUNCH DATE: April 1984

Baring International Bond

OBJECTIVE

To provide an attractive level of income and long-term capital growth. The fund will hold fixed interest securities, and occasionally may also include securities with floating interest rates.

GRADE 2 FUND CODE: M57
CURRENCY: US Dollars LAUNCH DATE: April 1984

Baring Korea Feeder

OBJECTIVE

To provide long-term capital growth. The fund will hold equity investments in companies incorporated in Korea or any Korean stock exchange.

GRADE 5 FUND CODE: J46
CURRENCY: US Dollars LAUNCH DATE: July 1996

Fidelity Euro Bond

OBJECTIVE

The fund aims to achieve an income with the possibility of capital growth. It invests primarily in bonds issued in countries which are members of EMU and primarily denominated in Euro or in the national currency of an EMU country. Initially, this will be the eleven members but if other countries join EMU in the future then investment in these countries may also be considered.

GRADE 2 FUND CODE: J87
CURRENCY: Euro LAUNCH DATE: June 1999

Fidelity Euro Blue Chip

OBJECTIVE

The fund is designed to capitalise on the investment opportunities arising from a unified Europe. Investing in the eleven founder members of Euroland. As new member states join the EMU then investment in these countries may also be considered.

GRADE 4 FUND CODE: J84
CURRENCY: Euro LAUNCH DATE: February 1999

Fidelity Telecommunications

OBJECTIVE

Aims to provide investors with long-term capital growth, principally through investments in the equity securities of companies throughout the world which are involved in the development, manufacture or sale of telecommunications services or equipment.

GRADE 4 FUND CODE: J97
CURRENCY: Euro LAUNCH DATE: March 2000

Fleming JF USD

OBJECTIVE

The fund is specifically formed to provide investors with an efficient vehicle for holding liquid assets denominated in a range of currencies, and will aim to secure long-term capital gains.

GRADE 1 FUND CODE: J42
CURRENCY: US Dollars LAUNCH DATE: February 1996

Franklin Mutual European

OBJECTIVE

The fund aims to provide capital appreciation by investing in equities of companies incorporated or having their principal business activities in European countries.

GRADE 4 FUND CODE: P51
CURRENCY: Euro LAUNCH DATE: March 2005

Franklin US Government

OBJECTIVE

Safety of principal primarily through investing in debt obligations issued or guaranteed by the United States government and its agencies.

GRADE 2 FUND CODE: M84
CURRENCY: US Dollars LAUNCH DATE: October 2003

GAM Japan

OBJECTIVE

To provide capital appreciation through investing primarily in quoted securities in Japan.

GRADE 4 FUND CODE: J93
CURRENCY: US Dollars LAUNCH DATE: December 1999

HSBC BRIC Freestyle

OBJECTIVE

The fund aims to achieve long-term returns from capital growth and income through a concentrated portfolio of investments in equity and equity-equivalent securities of companies in Brazil, Russia, India and China, including Hong Kong SAR (BRIC).

Performance fee: 20% per annum of profit in excess of 5% per annum (for details of the performance fee, please refer to the fund prospectus).

GRADE 5 FUND CODE: P58
CURRENCY: US Dollars LAUNCH DATE: July 2005

HSBC Chinese Equity

OBJECTIVE

To provide medium to long-term capital growth primarily in securities quoted on an official stock exchange or traded on a regulated market in China.

GRADE 5 FUND CODE: J55
CURRENCY: US Dollars LAUNCH DATE: January 1997

HSBC Hong Kong Equity

OBJECTIVE

To provide capital appreciation through a managed portfolio of shares in companies quoted on the Hong Kong stock exchange.

GRADE 4 FUND CODE: J56
CURRENCY: US Dollars LAUNCH DATE: January 1997

Invesco Asian Equity

OBJECTIVE

To achieve capital growth in the Asia Pacific region, excluding Japan, Australia and New Zealand. It will invest mainly in shares of companies quoted on Asia's smaller stock markets. It may also include shares of companies quoted elsewhere which derive revenues from, or have substantial interests in, Asia. The fund will invest in securities listed or traded on recognised markets.

GRADE 4 FUND CODE: J02
CURRENCY: US Dollars LAUNCH DATE: August 1990

Invesco Bond

OBJECTIVE

To provide long-term returns through investments in fixed interest and floating rate securities throughout the world while maintaining a high income yield. The fund will invest in the EU, Australia, Canada, Iceland, Japan, New Zealand, Switzerland and USA.

GRADE 2 FUND CODE: J01
CURRENCY: US Dollars LAUNCH DATE: August 1990

Invesco Emerging Markets Equity

OBJECTIVE

To provide long-term capital growth by investing in blue chip equities and convertible securities. The fund will invest in emerging markets throughout the world, including Latin America, Europe and Asia.

GRADE 5 FUND CODE: J38
CURRENCY: US Dollars LAUNCH DATE: October 1995

Invesco Global Health Care

OBJECTIVE

To achieve long-term capital growth by investing in healthcare companies worldwide, mainly in the USA.

GRADE 4 FUND CODE: J57
CURRENCY: US Dollars LAUNCH DATE: January 1997

Invesco Global Small Cap Equity

OBJECTIVE

To provide long-term capital growth in international securities. The fund will invest in international smaller companies, new industries and companies involved in takeover, mergers or public flotations.

GRADE 4 FUND CODE: M87
CURRENCY: US Dollars LAUNCH DATE: April 1986

Invesco Global Technology

OBJECTIVE

To achieve long-term capital growth by investing in small and medium sized high technology companies, mainly in the USA.

GRADE 4 FUND CODE: J58
CURRENCY: US Dollars LAUNCH DATE: January 1997

Invesco UK Equity

OBJECTIVE

Invested to achieve capital growth in the UK.

GRADE 4 FUND CODE: J73
CURRENCY: US Dollars LAUNCH DATE: August 1997

Invesco US Equity

OBJECTIVE

To provide long-term capital growth in funds which invest in North America, mainly in the USA.

GRADE 4 FUND CODE: M86
CURRENCY: US Dollars LAUNCH DATE: April 1986

Investec GS Continental European Equity

OBJECTIVE

To provide long-term capital growth. The fund will invest in Continental European equity instruments, including those of France, Germany, Spain, Italy and Switzerland.

GRADE 4 FUND CODE: J36
CURRENCY: US Dollars LAUNCH DATE: October 1995

Investec GS Global Energy

OBJECTIVE

The fund seeks to achieve capital growth principally through investment in companies throughout the world involved in the exploration, production or distribution of oil, gas and other energy sources.

GRADE 4 FUND CODE: P47
CURRENCY: US Dollars LAUNCH DATE: December 2004

Investec GS Global Equity

OBJECTIVE

This fund is designed for investors who want to invest in a spread of the world's equity markets, the majority of the fund is invested in large companies listed on the world's principal stock markets.

GRADE 3 FUND CODE: J06
CURRENCY: US Dollars LAUNCH DATE: August 1990

Investec GS Global High Income Bond

OBJECTIVE

To generate a high level of current income by means of investment in high yielding fixed or floating rate securities of varying maturities denominated in a spread of the world's major and minor traded currencies.

GRADE 2 FUND CODE: J43
CURRENCY: US Dollars LAUNCH DATE: February 1996

Investec GS Global Strategic Value

OBJECTIVE

The fund aims to provide long-term capital growth, primarily through investment in companies from around the world, which are expected to enhance underlying profitability and shareholder value through operational or structural improvements to their business.

GRADE 4 FUND CODE: J74
CURRENCY: US Dollars LAUNCH DATE: August 1997

Investec GS Global Growth

OBJECTIVE

The fund aims to provide long-term capital growth through investment in global equities with a bias towards growth stocks.

GRADE 4 FUND CODE: J92
CURRENCY: US Dollars LAUNCH DATE: September 1999

Investec GS Sterling Money

OBJECTIVE

Money funds provide ideal opportunities for use either as a 'safe haven' for cash reserves matched to an investor's home currency or as a way of exploiting the potential returns available from both exchange rate movements and interest on foreign currencies.

GRADE 1 FUND CODE: M65
CURRENCY: Sterling LAUNCH DATE: February 1987

Investec GS US Dollar Money

OBJECTIVE

Money funds provide ideal opportunities for use either as a 'safe haven' for cash reserves matched to an investor's home currency or as a way of exploiting the potential returns available from both exchange rate movements and interest on foreign currencies.

GRADE 1 FUND CODE: M66
CURRENCY: US Dollars LAUNCH DATE: February 1987

JF Eastern

OBJECTIVE

To provide long-term capital growth. The fund will invest primarily in the Tiger & Asean economies of Hong Kong, Korea, Taiwan, Thailand, Singapore and Malaysia, the Philippines and Indonesia. Japan, Australia and New Zealand are not included.

GRADE 4 FUND CODE: J34
CURRENCY: US Dollars LAUNCH DATE: October 1995

JF India

OBJECTIVE

This fund enables investors to participate in a portfolio of shares linked primarily to the Indian economy. It may also access the stockmarkets of neighbouring countries such as Pakistan, Bangladesh and Sri Lanka. The aim of the fund is to provide long-term capital growth.

GRADE 5 FUND CODE: J30
CURRENCY: US Dollars LAUNCH DATE: December 1993

JF Pacific Securities

OBJECTIVE

To provide long-term capital appreciation through investment primarily in the shares of leading companies in the Asia-Pacific region, including Japan and Australia.

GRADE 4 FUND CODE: J32
CURRENCY: US Dollars LAUNCH DATE: April 1994

JF Pacific Technology

OBJECTIVE

To provide long-term capital growth through a portfolio consisting primarily of securities of high technology companies in the Pacific region, including Japan. To invest in quality high technology companies, whose growth prospects appear better than market consensus is recognising at the time.

GRADE 5 FUND CODE: J95
CURRENCY: US Dollars LAUNCH DATE: March 2000

JF Thailand

OBJECTIVE

To provide an opportunity for investors to participate in a portfolio consisting primarily of securities of companies based in or operating principally in Thailand. The aim of the fund is to provide long-term capital growth.

GRADE 5 FUND CODE: J47
CURRENCY: US Dollars LAUNCH DATE: July 1996

Man AHL Diversified Futures Ltd

OBJECTIVE

The fund aims to achieve substantial medium-term growth of capital with absolute risk adjusted returns through the investment in a diversified portfolio of international futures contracts.

Incentive fee: 20% per annum of profit high-on-high (for details of the incentive fee, please refer to the fund prospectus).

GRADE 5 FUND CODE: S198
CURRENCY: US Dollars LAUNCH DATE: December 1998

Merrill Lynch Japan Opportunities

OBJECTIVE

The fund seeks to maximise capital growth expressed in US Dollars through investing primarily in smaller capitalisation companies in Japan.

GRADE 4 FUND CODE: P56
CURRENCY: US Dollars LAUNCH DATE: MARCH 2005

Merrill Lynch US Flexible Equity

OBJECTIVE

This fund seeks to maximise capital growth expressed in US Dollars by investing primarily in the quoted equities of companies in the United States. It will invest in securities that exhibit either growth or value investment characteristics, placing an emphasis as appropriate to the market outlook.

GRADE 4 FUND CODE: J77
CURRENCY: US Dollars LAUNCH DATE: MARCH 1998

Merrill Lynch World Gold

OBJECTIVE

The fund seeks to maximise capital growth expressed in US Dollars through investing primarily in gold mining shares throughout the world. It may also hold other precious-metal shares, base-metal shares and other mining-related shares. Investors should be aware of the above-average volatility inherent in such investments. Currency is normally left unhedged.

GRADE 4 FUND CODE: M82
CURRENCY: US Dollars LAUNCH DATE: October 2003

Principal European Equity

OBJECTIVE

The fund aims to provide long-term capital growth through investment in Western Europe stock markets, investing in the blue chip equity securities of companies who predominantly do business in Germany, the Netherlands, Switzerland, France, Sweden, the UK and Italy.

GRADE 4 FUND CODE: J76
CURRENCY: US Dollars LAUNCH DATE: March 1998

Principal Global Equity

OBJECTIVE

The fund aims to achieve long-term capital growth through investment in the world's major stock markets, by investing in the blue chip equity securities of companies which are believed to be undervalued and have potential for significant earnings growth.

GRADE 3 FUND CODE: J75
CURRENCY: US Dollars LAUNCH DATE: March 1998

Schroder Asian Bond

OBJECTIVE

To provide a return of capital growth primarily through investment in a portfolio of bonds and other fixed and floating rate securities issued by governments, government agencies, supranational and corporate issuers in Asia excluding Japan.

GRADE 3 FUND CODE: M83
CURRENCY: US Dollars LAUNCH DATE: October 2003

Schroder Japan

OBJECTIVE

Aims to provide long-term capital growth through active investment in a wide range of equities and convertibles across all the Japanese markets. From time to time the Managers may choose to invest in other equity derivatives such as warrants.

GRADE 4 FUND CODE: J71
CURRENCY: US Dollars LAUNCH DATE: August 1997

Schroder Latin American

OBJECTIVE

To provide capital growth primarily through investment in equity securities of Latin American companies.

GRADE 5 FUND CODE: J37
CURRENCY: US Dollars LAUNCH DATE: October 1995

Schroder US Smaller Companies

OBJECTIVE

To provide capital growth through investment in securities of smaller companies listed on the principal stock exchanges in the USA.

GRADE 4 FUND CODE: J39
CURRENCY: US Dollars LAUNCH DATE: November 1995

Templeton Emerging Markets

OBJECTIVE

The fund aims to take advantage of the opportunities existing in the world's emerging markets or developing stock markets and seeks long-term capital growth by investing mainly in equity securities of companies active in these markets.

GRADE 5 FUND CODE: J60
CURRENCY: US Dollars LAUNCH DATE: February 1997

Templeton Global

OBJECTIVE

To provide long-term capital growth. The fund will invest in the shares of companies located all over the world.

GRADE 3 FUND CODE: J72
CURRENCY: US Dollars LAUNCH DATE: August 1997

Templeton Latin America

OBJECTIVE

The fund aims to provide long-term capital appreciation by investing in companies incorporated or having their principal business activities in the Latin American region.

GRADE 5 FUND CODE: P52
CURRENCY: US Dollars LAUNCH DATE: March 2005

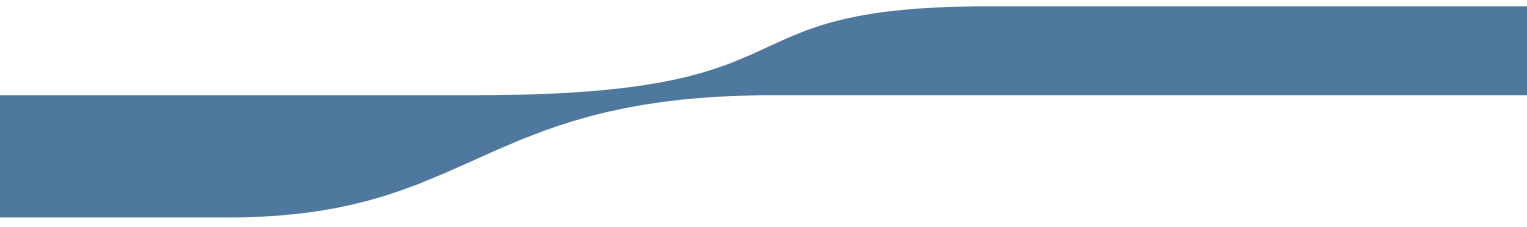
Value Partners High-Dividend Stocks

OBJECTIVE

To provide capital appreciation by investing primarily in a portfolio of relatively higher-yielding debt and equity securities in the Asian region.

Incentive fee: 15% per annum of profit high-on-high (for details of the incentive fee, please refer to the fund prospectus).

GRADE 4 FUND CODE: P40
CURRENCY: US Dollars LAUNCH DATE: May 2004



Important Notes

Source: Friends Provident International Limited.

Past performance should not be viewed as an indication of future performance. Fund prices may go up and down depending upon underlying investment performance, and the value of your investment cannot be guaranteed. Investments held within a fund may not be denominated in the currency of that fund and the value of those assets can go up and down simply because of movements in currency exchange rates. All fund performance quoted is net of annual charges. You may get back less than you paid in.

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

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.

Hong Kong resident Policyholders will be protected by the non-exclusive jurisdiction of the Hong Kong Courts.

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.

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FUND INFORMATION

For each fund managed by external fund managers, Friends Provident International Limited has created its own fund which invests exclusively in the underlying fund(s), apart from a proportionately small amount of liquidity, which may be held as a cash balance. Friends Provident International Limited is the absolute legal and beneficial owner of all the assets which relate to each fund. Policyholders have no rights or entitlement to these underlying assets. The unit price of the Friends Provident International Limited fund will be different from the underlying fund, but should move broadly in line with it.

The unit-linked products through which you may invest in these funds are not designed for early surrender and a discontinuance charge may be applied. These funds are intended for medium to long-term investment.

Friends Provident International Limited
Registered & Head Office: Royal Court, Castletown, Isle of Man, British Isles, IM9 1RA
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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 rules and regulations made by the Financial Services Authority for the protection of investors will not normally apply to persons resident outside the United Kingdom

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