

Friends First Investment Bond Product Overview



Bond Details

The Friends First Investment Bond is a single premium open-ended investment bond that offers clients the opportunity to invest in a wide range of Equities, Commercial Property, Government Gilts, Corporate Bonds and Absolute Return

| Fund | Management Charge (FMC) |
|---|-------------------------|
| <ul style="list-style-type: none"> Magnet Funds¹ <ul style="list-style-type: none"> Magnet Stable 0.95% Magnet Portfolio 0.95% Magnet Adventurous 1.2% Managed Funds <ul style="list-style-type: none"> F&C Managed 0.75% KBI Managed 1.11% Protected Funds <ul style="list-style-type: none"> Protected Equity+ Fund, Series 3² 1.35% Absolute Return Strategies¹ <ul style="list-style-type: none"> Insight Currency 2.0% Market Neutral Equity 1.35% Equity <ul style="list-style-type: none"> International <ul style="list-style-type: none"> Indexed Global (Ex Euro) Equity 0.70% International Equity 0.75% KBI Global High Yield Equity 0.85% European <ul style="list-style-type: none"> Indexed Euro Equity 0.70% European Equity 0.75% KBI Eurozone High Yield Equity 0.85% Regional <ul style="list-style-type: none"> Irish Equity 0.75% Explorer (Emerging Markets) 1.25% Ethical <ul style="list-style-type: none"> Stewardship (Ethical) 1.125% Property³ <ul style="list-style-type: none"> Irish Commercial Property 0.75% UK Select Property 0.75% Fixed Interest/Bonds <ul style="list-style-type: none"> European Corporate Bond 0.75% European Long Bond 0.75% Fixed Interest 0.75% Index Linked 0.75% Cash <ul style="list-style-type: none"> Cash 0.75% Deposit⁴ 0.75% | |

Strategies. The aim of the bond is to provide a means for investors to provide a means for investors to achieve strong returns in the medium to long term, through a diverse range of funds.

Plan Management Charge (PMC)

This is met by unit cancellation at the end of each month and is no more than 0.4% p.a.

Surrender Penalties (Early Exit Charge)

An exit charge of no more than 5% is applied to early encashments, full or partial, made in the first 4 years of the policy. The charge is expressed as a percentage of the encashment value and decreases over the term of the policy. The charge does not apply to regular withdrawals of 7.5% or less of the original investment. The bond may be partially surrendered at any time. The minimum withdrawal for partial surrender is €500, provided the fund value after the withdrawal is at least €2,000.

Switching

There are unlimited free fund switches on the Friends First Investment Bond.

Income Facility

It is possible to receive a regular income from an investment in the Bond. The maximum income that may be taken is 7.5% of the original investment, with no exit charge. However, a regular income of up to 10% may be taken but the full amount will be subject to an exit charge. Income payments will stop if the fund value falls below €2,000.

The frequency at which this facility can be availed of is:

| Investment Amount | Income Frequency |
|-----------------------|---|
| €12,000 to €29,999.99 | Annually or half-yearly |
| €30,000 + | Annually, half-yearly, quarterly or monthly |

Age Limits

Minimum entry age:

19 on next birthday

Maximum entry age:

85 on next birthday

Death Benefit

On death, during the life of the policy, the policyholder's estate will receive 101% of the bid value of the fund. For joint life policies, this is linked to the second death.

Taxation

Tax Relief on Investment

There is no tax relief available on any investment under this plan.

Tax Relief on Funds

The fund(s) selected will grow free of income, capital gains and DIRT tax.

Exit Tax

When some or all of the investment is withdrawn, it may be subject to an exit tax on the growth portion of the withdrawal. Exit tax will also be deducted on the 8th anniversary, and every 8th anniversary thereafter in accordance with Revenue guidelines. The Exit Tax is currently 30% (March 2011). The net amount will be received.

Government Levy

Investments in life assurance policies are currently subject to a government levy of 1%. We will deduct this levy from the policy and pass it onto the Revenue.

FUND WARNINGS:

- Performance Fees:** The growth of the Insight Currency fund will be subject to a 20% monthly performance fee which only applies when the growth rate exceeds 7% p.a. The Market Neutral Equity fund will be subject to a performance fee of 10% of any growth achieved above cash returns (specifically 3-month EURIBID). The Magnet Range may include some of these funds.
- The price protection on the Protected Equity+ Fund, Series 3 is provided by Deutsche Bank AG.
- The property fund managers reserve the right to place a withdrawal limit or/and to defer encashment for up to six months or such time as is necessary to facilitate the sale of assets if required.
- Money invested in the Deposit fund is placed with one or more Banks. The payment of interest and security of capital is provided by the Bank(s). The Bank(s) and not Friends First are providing the security on the Deposit fund. Please refer to the Fund Factsheet.



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Friends First Investment Bond

| Allocation and Charges Table | Standard | Choice 1 | Choice 2 | Choice 3 | Choice 4 |
|---|----------------|----------|----------|----------|----------|
| Plan Management Charge (PMC) | 0.4% | 0.3% | 0.2% | 0.1% | 0.0% |
| Fund Management Charge (FMC) (Standard) | 0.75% | 0.75% | 0.75% | 0.75% | 0.75% |
| Total Charges | 1.15% | 1.05% | 0.95% | 0.85% | 0.75% |
| Initial Commission (Maximum) | 3.5% | 3.5% | 3.5% | 3.5% | 3.5% |
| | | | | | |
| Premium Bands After Commission (3.5%) | | | | | |
| €1,250,000 + | 101.25% | 100.25% | 99.25% | 98.25% | 97.25% |
| €125,000 - €1,249,999.99 | 101.00% | 100.00% | 99.00% | 98.00% | 97.00% |
| €60,000.00 - €124,999.99 | 100.50% | 99.50% | 98.50% | 97.50% | 96.50% |
| €25,000.00 - €59,999.99 | 100.00% | 99.00% | 98.00% | 97.00% | 96.00% |
| €12,000.00 - €24,999.99 | 99.00% | 98.00% | 97.00% | 96.00% | 95.00% |
| | | | | | |
| Surrender Penalties (Early Exit Charges) | | | | | |
| Year 1 | 5% | 4% | 3% | 2% | 1% |
| Year 2 | 4% | 3% | 2% | 1% | |
| Year 3 | 3% | 2% | 1% | | |
| Year 4 | 2% | 1% | | | |

Commission

- Initial standard (full) commission is 3.5% for all plan choices.
- The various choices give varying Plan Management Charges (PMC) and allow for different allocation rates.
- If no PMC is selected on the application form, then the standard choice, as above, will be applied.
- Initial commission flexibility is available on a one for one basis, i.e. for every 1% commission sacrificed the allocation rate will be increased by 1%.
- Fund Based Commission (FBC) flexibility is available on a one for one basis, i.e. for every 0.1% fund based commission sacrificed the total charges will be reduced by 0.1%. The choice of FBC will increase the total charges. Commission of up to 0.5% is allowed.

Examples

Standard

Investment of €125k in the Managed Fund

Allocation Rate = 101% - 104.5%

Initial Commission = 3.5% - 0%

PMC = 0.4%

FMC = 0.75%

(Surrender Penalties: Year 1=5%, Year 2=4%, Year 3=3%, Year 4=2%)

Choice 4

Investment of €125k in the Managed Fund

Allocation Rate = 97% - 100.5%

Initial Commission = 3.5% - 0%

PMC = 0%

FMC = 0.75%

(Surrender Penalties: Year 1=1%)

Warning: Past performance is not a reliable guide to future performance.
Warning: The value of your investment may go down as well as up.
Warning: Funds may be affected by changes in currency exchange rates.
Warning: The income you get from this investment may go down as well as up.



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