



# The Protected Asset TEP Fund plc

The world's largest and most successful TEP Fund\*

Fund Fact Sheet – February 2010



## Sterling Class

Launch Date: 16/03/2001  
Launch Price: £1.00  
Min. Invest: £10,000  
Sedol No: 3039603  
ISIN No: GB0030396039

## US Dollar Class

Launch Date: 01/12/2003  
Launch Price: \$1.00  
Min. Invest: \$15,000  
Sedol No: 3377682  
ISIN No: GB0033776823

## Euro Class

Launch Date: 01/12/2003  
Launch Price: €1.00  
Min. Invest: €15,000  
Sedol No: 3377671  
ISIN No: GB0033776716

## General Information

(Applicable to all classes)

Domicile: Isle of Man  
Investment Class: TEPs  
Dealing: Monthly (1st)  
Initial Charge: Nil  
Redemption Fee: Nil  
Annual Management Fee: 0.975 %

## Fund Size

£213.7m (PATF Original Fund only)†  
As at February 1st 2010

## Traded Endowment Policies (TEPs)

TEPs are endowment policies that are bought and sold by investors or policyholders and Market Makers.

Full details of PATF can be found in the Scheme Particulars which are available upon request.

## Investment Objectives

PATF is designed to provide investors with capital growth and relatively low risk through investment in a diversified portfolio of traded endowment policies. The Fund's investment policy is to achieve above average capital growth by creating and actively managing a carefully structured portfolio of with profit endowment policies.

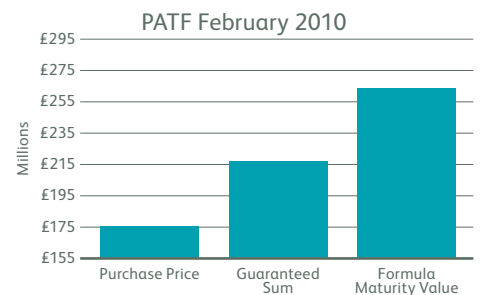
PATF is a Qualifying Type Experienced Investor Fund and complies with the requirements of the Isle of Man Financial Supervision (Experienced Investor Fund) (Exemption) Order 1999, as amended and as modified in its application to the Fund.

## Capital Guarantees

With-profit endowment policies provide a guaranteed return on the initial sum assured and usually pay annual bonuses. Once these bonuses are declared they cannot be removed. The sum assured and declared bonuses are guaranteed by the life company.

The chart shows the comparison between the average purchase price of policies acquired by PATF, compared to the average guaranteed sum contained within these policies and their estimated formula maturity value, if the current rates of bonuses remain unaltered, and the policies are held to maturity.

This chart reflects the Fund's current TEP composition and is no indication of any future portfolio construction. The Fund holds a significant number of policies with different maturity values, determined by life offices' level of bonus rates. Therefore the difference between purchase price, guaranteed sum and formula maturity will change over time.



## Fund Statistics

Fund Price at NAV (of the underlying policies as at February 1st):

Sterling Class	US Dollar Class	Euro Class
£1.2813	\$1.0945	€0.8910

## Currency Classes

Qualifying Investors can access the Fund in Sterling, US Dollar and Euros. The Fund seeks to protect US Dollar and Euro investors from adverse currency movements. Hedging facilities are transacted through Allied Irish Bank which offers competitive spreads on hedging instruments. JC Rathbone Associates Ltd (JCRA) provide currency hedging advice to the Fund. JCRA has developed since 1989 into the largest independent financial risk management consultancy company in the UK and advise on the most effective mechanism to hedge exposure.

## Single Price and Strategy

The Fund has a single dealing price so as not to disadvantage either buyers or sellers. The investment strategy is to hold policies to maturity for long term investors.

\* Based on size and longevity as at April 2009.

† Gross assets only and does not take account of any current liabilities. Previous months have combined PATF Original Fund and PATFNo.2 Sub-fund.

# Fund Performance and Asset Allocation

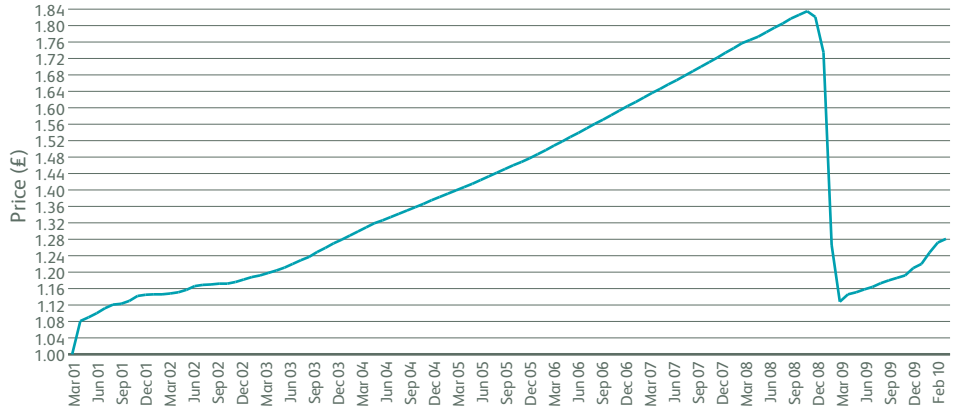
## Long Term Performance

The Fund has shown positive growth over the long term, achieving in November 2008, 73.50% growth since launch.

However with the market turmoil at the end of 2008, the Fund became a forced seller of policies.

This resulted in the temporary re-valuation from Net Asset Value (NAV) to Net Realisable Value (NRV).

Share Prices of the Protected Asset TEP Fund plc (Sterling Class)

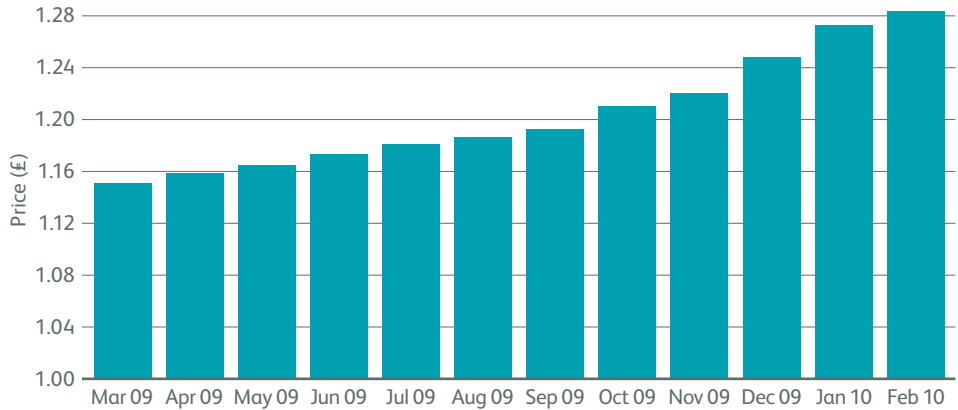


## Twelve Months Performance

The chart represents the performance of the Fund from March 2009 – February 2010.

Despite continuing market uncertainty, the Fund has shown consistent growth, demonstrating the stability and performance of the TEP asset class.

Share Prices of the Protected Asset TEP Fund plc (Sterling Class)



## Past Performance

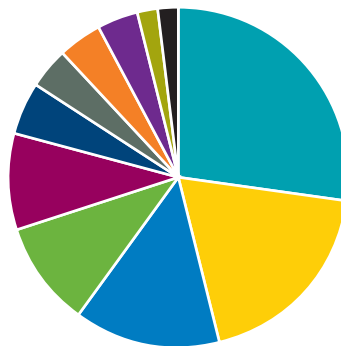
From August 20th the Fund returned to Net Asset Value (NAV) valuation methodology.

Period	1 Month	3 Months	6 Months	1 Year	5 Years	Since Launch
£ Growth %	0.71 %	5.02 %	8.04 %	11.79 %	-8.39 %	28.13 %
\$ Growth %	0.71 %	6.24 %	9.92 %	12.57 %	1.46 %	9.45 %
€ Growth %	0.77 %	7.21 %	12.37 %	17.61 %	-17.48 %	-10.90 %

## Asset Allocation

PATF is designed to provide capital growth, and relatively low risk through investment in a diversified portfolio of traded endowment policies.

The Fund only invests in policies issued by well established companies which normally invest in diversified portfolios of investments that typically comprise Treasury bonds, equities, property and other investments.



Standard Life	27 %
Norwich Union	19 %
Prudential	14 %
General Accident	9 %
Clerical Medical	9 %
Co-operative	6 %
Scottish Amicable	4 %
Royal London	4 %
Other Life Offices	4 %
Scottish Widows	2 %
Sun Life of Canada	2 %

## Important

Any investor into PATF must be a Qualifying Investor as defined in the Order and the Fund's Scheme Particulars and, prior to investment, must have signed a statement acknowledging that they are a Qualifying Investor and that they have read and understood the Scheme Particulars and accept the risks associated with such an investment. The value of shares and the income produced by them can fall as well as rise. Investors may not get back the value of their original investment. Past performance is not necessarily a guide to future

performance. Any reference to a guarantee relates to the underlying policies and not to the share price of PATF. An investment in PATF should be regarded as medium to long in nature. PATF is not subject to any form of authorisation or approval in the Isle of Man and investors are not protected by any statutory compensation arrangements in the event of PATF's failure.

**Fund Manager:** Abacus Financial Services Ltd.  
**Auditors:** KPMG Audit LLC  
**Custodian:** BNP Paribas Trust Company (Guernsey) Limited  
**Policy Provider:** TIS Group Ltd. Via AAP Ltd.  
**Bankers:** Royal Bank of Scotland International Limited  
**Promoter:** Protected Distribution Limited  
 Email: info@pdinternational.com