

Key Features of the **keyfacts**[®] Parmenion Offshore Bond

WHAT IS THE PARMENION OFFSHORE BOND?

The Parmenion Offshore Bond (“Bond”) is an offshore insurance bond consisting of a series of whole of life single premium policies issued by Isle of Man Assurance Limited (IOMA) (“we” or “us”).

IT’S AIMS

The aim of the Parmenion Offshore Bond is to:

- Provide the Bondholder (“you”) with capital growth over the medium to long term.
- Provide the option of taking a regular withdrawal of capital

YOUR COMMITMENTS

- You agree to invest a lump sum of at least £25,000
- You must keep at least 2% of the value of the Bond in cash at all times.
- The value of your Bond cannot fall below £5,000.

RISKS

- The actual proceeds of your Parmenion Offshore Bond will depend upon the performance of the underlying investments which you have selected. The value of the investments can fall as well as rise and you may get back less than your original investment.
- If you use your right to cancel within 30 days of the issue of your Policy document, you will get back the amount you invested less any fall in the value of the underlying assets of your Bond at the time we receive your notice to cancel.
- If you surrender your Bond, you may get back less than you invested.
- If you make regular withdrawals which exceed the growth in the value of your Bond, the value of your investment will be eroded.
- Past Performance is not necessarily a guide to the future.
- If there is no recognised market for an investment allocated to your Bond it may be difficult to deal in that investment or to obtain a reliable valuation or information about the risks to which it may be exposed. If IOMA is unable to dispose of an asset allocated to your Bond for any reason it may, in its discretion, deem you to have requested that your Bond be surrendered. If this is the only remaining asset (other than cash) IOMA will then transfer this asset to you in satisfaction of the Bond surrender.
- You should view your investment as being for the medium to long term.
- The taxation position of the Parmenion Offshore Bond in the Isle of Man is not guaranteed and may be changed by legislation. You should consult a professional for any required tax advice.
- Bond charges may be increased in the future.

YOUR PERSONAL ILLUSTRATION

- The enclosed Illustration shows how the Parmenion Offshore Bond may work for you. This is an illustration only and is not intended as a forecast, projection or warranty of investment performance by IOMA. The actual performance will depend entirely on the investment performance of the underlying investments.

QUESTIONS AND ANSWERS

1. WHAT IS THE PARMENION OFFSHORE BOND?

The Parmenion Offshore Bond is an insurance bond consisting of a series of whole of life single premium policies issued by Isle of Man Assurance Limited (IOMA).

The Bond will be divided into 20 identical individual segments. You may however elect to have your Bond divided into up to 100 segments of the same amount, as long as the segments contain a minimum of £2,000 each.

Your premium will be invested in collective funds, which constitutes the Parmenion asset classes and their respective weightings in your portfolio, as specified by you.

2. WHO ARE PARMENION?

Parmenion is a UK based firm that is regulated by the FSA and the owner and operator of the Parmenion service. Your Bond is linked to the Parmenion service for portfolio reporting and investment request purposes.

This arrangement will enable you to view valuations and other reports about your investments held on Parmenion, including both your Parmenion Offshore Bond and any other investments you may hold with the Parmenion service.

You or your financial adviser may provide investment requests through Parmenion that will be passed to IOMA. All instructions must be approved by IOMA and IOMA reserve the right to refuse to action any Parmenion requests made by you or your financial adviser.

3. HOW DO I APPLY FOR A PARMENION OFFSHORE BOND?

Before applying for a Parmenion Offshore Bond you should consult your financial adviser and read this document. You must then:-

- Complete the Parmenion Offshore Bond Application Form.
- Complete the Parmenion Investment Services Agreement
- Provide the proof of identity documents and residential address documents as detailed in the application form and, where necessary, evidence the source of funds for your investment.

Your financial adviser can assist you with this process. The application forms and supporting documentation should be sent to the address on the forms.

4. HOW DO I PAY THE PREMIUM?

Payment must be made in Sterling by cheque, banker's draft, direct debit or Telegraphic Transfer.

Cheque and Banker's Draft

You may pay the premium by cheque or Banker's draft made payable to Isle of Man Assurance Limited. Please attach these to your application.

If the cheque is not drawn on your personal account you may be asked to verify the source of the funds.

Direct Debit or Telegraphic Transfer

Please have these paid to:

Account Name: Isle of Man Assurance Limited - Settlement

Account Number: 58146347

Branch Sort Code: 16-58-80

Bank: Royal Bank of Scotland International Limited

Address: PO Box 151, Royal Bank House, 2 Victoria Street, Douglas, Isle of Man, IM99 1NJ

5. WHAT ARE THE CANCELLATION RIGHTS?

After your proposal has been accepted you will receive a Notice of Your Right to Cancel which must be returned to IOMA within 30 days of receipt if you should change your mind about your investment. If you do not exercise your right to cancel you will receive your policy document from IOMA.

If you exercise your right to cancel within 30 days of the issue of your cancellation notice, you will get back the amount you invested less any fall in the value of the underlying assets of your Bond between the date of investment and the date on which we receive your notice to cancel.

6. WHO CAN INVEST IN THE PARMENION OFFSHORE BOND?

Anyone over the age of 18. Investments can be made by individuals, Trustees or Corporate applications. The Bond may have joint policyholders.

7. HOW MUCH CAN I INVEST?

The minimum initial investment is £25,000.

Additional premiums can be paid into an existing Parmenion Offshore Bond at any time subject to a minimum of £5,000.

8. CAN I MAKE WITHDRAWALS AND ARRANGE REGULAR WITHDRAWALS FROM MY PARMENION OFFSHORE BOND?

You may make a withdrawal at any time subject to a minimum encashment of £100.

You can take regular withdrawals from your Parmenion Offshore Bond monthly, quarterly, half-yearly or annually, subject to a minimum withdrawal of £100 each time. Any withdrawals must not reduce the value of your Bond to below £5,000

9. WHAT HAPPENS IF THE CASH BALANCE FALLS BELOW 2% OF THE VALUE OF THE BOND?

All withdrawals are subject to there being sufficient cash or readily realisable investments to make such payments. Where there is insufficient cash to make a lump sum or regular payment, IOMA may adopt the following procedure:

- Review balances once a month on the last working day of that month.
- Where cash is negative, restore the cash position to 2% (plus, if applicable, the value of the next three planned monthly withdrawals) by way of selling assets in the Bond.

- The balance calculations will take into account any unsettled sales and purchases at the date of the review.
- The minimum sale value will be £50.
- IOMA reserves the right to sell assets at its discretion.
- When deciding, at its discretion, which asset to sell IOMA will usually rebalance the portfolio to the agreed asset class weightings.

10. WHAT IS THE MINIMUM REQUIRED VALUE OF MY PARMENION OFFSHORE BOND?

The balance of the Parmenion Offshore Bond must not fall below £5,000. If it does, IOMA may terminate the Bond and transfer the value (less charges and any outstanding liabilities under the Bond) to you.

If IOMA cannot easily dispose of the underlying assets in order to encash all or part of the Bond, IOMA may return any assets allocated to the Bond, net of charges, in full settlement.

11. HOW IS MY MONEY INVESTED?

Each premium is invested in your Parmenion Offshore Bond net of initial charges and commissions. The value of your Bond is calculated by reference to the value of those assets owned by IOMA, which are allocated to your Bond. These assets form part of the long-term business fund of IOMA.

12. WHAT INVESTMENTS CAN I HOLD?

Cash and Parmenion asset class weightings you have selected.

The underlying investments of the Parmenion Offshore Bond are restricted to cash and collective funds, which constitute the Parmenion asset class weightings you have selected.

Your financial adviser may provide investment requests on your behalf to IOMA through Parmenion. All investment instructions must be approved by IOMA and IOMA reserves the right to refuse to action any Parmenion request made by you or your financial adviser if it is not in accordance with the terms of the Parmenion Offshore Bond.

13. DOES THE POLICY INCLUDE LIFE COVER?

Individuals may apply for a single or joint life Policy. In the event of the death of the life assured the Parmenion Offshore Bond will terminate with the payment of the sum assured. In the case of joint or multiple lives assured the death benefit will become payable on the death of the last survivor. The option will be specified on the schedule to the policies within the Parmenion Offshore Bond. The death benefit will be equal to 100% of the realised value of the underlying assets plus £100.

14. WHAT ARE THE CHARGES AND COMMISSIONS OF THE PARMENION OFFSHORE BOND?

The Parmenion Offshore Bond commission structure is separated into three groups:

IOMA's Charging Structure

Establishment fee of 0.3% of the premium on establishment of the Bond, subject to a minimum payment of £150.00

Ongoing annual management charge of 0.25% of the value of the Bond is charged on a quarterly basis, subject to a minimum payment of £125.00 per annum

These fees are levied directly by IOMA.

Parmenion's Commission Structure

Initial Transaction Commission of 0.25% of the value of the portfolio at inception (minimum nil)

On going Platform Transaction Commission of 0.25% of the value of the portfolio paid monthly in arrears,

A Discretionary Investment Management fee, where supplied, of 0.30% of the value of the portfolio plus VAT paid monthly in arrears,

Purchase/Switch Dealing Commission of 0.90% of the value of the asset purchased

Parmenion will invest into collective securities which levy their own charges and may receive a periodic rebate of these charges. Any such rebate will be used to offset the Platform Transaction Commissions and Discretionary Management Fees charged.

Adviser Commission

Advisers may be paid commission as specified on the application form. This will include:

Initial Fund Commission of up to 3.0% of the value of the portfolio, on inception.

Ongoing annual commission of up to 1.0% of the value of the portfolio paid quarterly in arrears.

Dealing commission of up to 2.1% of the value of the asset purchased.

All these commissions are charged to the Bondholder and paid to the IFA.

All charges are allowed for in the attached illustration.

15. HOW CAN I FOLLOW THE PROGRESS OF MY POLICY?

IOMA will post to you a printed report annually

Parmenion's web site provides online access to a range of valuation and other reports. Once applications are approved Parmenion will write to you to inform you of how to access this service.

16. WHERE CAN I OBTAIN FURTHER INFORMATION?

Your Independent Financial Advisor will be happy to answer any further questions you may have including those about any compensation arrangements which may apply.

For issues regarding the terms and conditions of the Parmenion Offshore Bond please contact:

IOMA Client Services

Tel: +44 (0)1624 681 327

Website: www.ioma.co.im

For issues regarding Parmenion's services please contact:

David Woodburn

Tel: 01225 731 382

Website: www.parmenion.co.uk

FURTHER INFORMATION

TAX

Isle of Man Assurance Limited is not liable to any Income Tax, Capital Gains Tax or Corporation Tax in respect of the assets allocated to your Bond. The only exception may be withholding tax, which is tax withheld by some countries on dividend income and interest.

The UK Finance Act 1998 ('the Act') contains provisions pursuant to 'personal portfolio bonds'. While every effort has been made to ensure that the Parmenion Offshore Bond does not constitute a 'personal portfolio bond', Isle of Man Assurance Limited will not provide any advice as to the tax implications of investing in the Bond.

Your tax position will depend upon a number of factors including your personal circumstances and you must obtain advice from your own financial advisor, both at the outset and throughout the life of your Parmenion Offshore Bond. In particular you should ensure that you are able to satisfy any local tax, exchange control or insurance legislation or regulations applicable.

The UK Finance Act 1998 requires that, in certain circumstances, Isle of Man Assurance Limited must disclose information concerning UK resident policyholders to the UK Inland Revenue. This disclosure may be required when an event occurs which results in a gain being realised. Disclosure will be dependent upon the amount of any gain and whether or not we are aware, or believe, that the policyholder was resident in the UK at the time the event occurred.

DATA PROTECTION

The personal details provided by you will be held on our system and may be used in the future to provide you with information on this and other products.

LAW

Your policy is construed in accordance with the laws of the Isle of Man.

ISLE OF MAN ASSURANCE LIMITED

The Isle of Man & General Life Assurance Company was formed in 1971. In 1982 it changed its name to Isle of Man Assurance Limited. Isle of Man Assurance Limited is registered as a company in the Isle of Man.

REGULATION

IOMA is authorised by the Isle of Man Government Insurance and Pensions Authority and is also regulated by the Financial Services Authority for UK business. However, Isle of Man Assurance Limited is not subject to the same regulatory system as that applicable in the United Kingdom. Holders of policies issued by Isle of Man Assurance will not be protected by the United Kingdom Financial Services Compensation Scheme if the company should become unable to meet its liabilities to them. However, the Isle of Man Life Assurance (Compensation of Policyholders) Regulations 1991 protects investors by providing a statutory guarantee equal to 90% of the amount of any liability of the insurance company under any life policy. This compensation would be received in the unlikely event that the insurer became unable to meet its liabilities.

The Financial Services Authority is the independent financial services regulator. It requires us, IOMA, to give you this important information to help you decide whether our Parmenion Offshore Bond is right for you. You should read this document carefully so that you understand what you are buying, and keep it safe for future reference.

QUERIES AND COMPLAINTS

For further information, or if you wish to complain about any aspect of the service you have received, please contact Isle of Man Assurance Limited. If your complaint is not dealt with to your satisfaction you can complain to the Isle of Man Financial Services Ombudsman Scheme. Copies of IOMA's internal complaints handling procedures are available upon request.

IMPORTANT NOTES

IOMA will class all Parmenion Offshore Bond policyholders as Retail Clients.

This is a brief guide to the features of the Parmenion Offshore Bond. Full details are contained in the 'Policy' which is a legally binding contract between you and Isle of Man Assurance Limited.

References to legislation and taxation in this leaflet are based on Isle of Man Assurance Limited's understanding of current law, which may change without notice.

Isle of Man Assurance Limited is a member of the IOMA Group
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