

KEY FACTS

of Scottish Provident International's Choice

Introduction

This document is designed to provide you with important information on Choice. You should read it carefully and talk to your financial adviser if you have any questions. For further details and charges you can also refer to the Choice principal brochure.

What is Choice?

- Choice is a multi-asset investment bond. It is structured as a lump sum, unit-linked, whole-of-life assurance policy. You do not have to invest for a specific length of time, although a minimum investment horizon of 5 years is usually expected. Encashment charges may be applicable in the early years.

What are its aims?

- To make your investment grow.
- To provide investment choice through a wide range of assets.
- To allow you to pursue a personal investment strategy on your own or with the help of your chosen Investment Adviser.
- To provide regular withdrawals from your policy, if you choose.

What commitment do you make?

- You agree to invest a single lump sum to start Choice.
- You should be prepared to maintain the investment for at least five years.
- You may invest additional lump sums in the future.
- You are obliged to notify us of a change of address, residence or citizenship.

What will you get back if you cash in Choice?

- This will depend on the amount you invested, the performance of the fund(s) and assets you have chosen over the lifetime of your policy and any cash withdrawals you may have taken.



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Can you take your money out?

- You can take some or all your money out at any time.
- You can choose to take regular withdrawals from your policy and these can start or stop at any time.
- You will need to complete a surrender or withdrawal instruction form and return it to us to take money out of Choice.
- If you encash Choice during the Establishment Period any Establishment Fee still due will be deducted from the money paid to you.

What happens if you die?

- If you are the sole investor and life assured, your personal representatives will receive 101% of the surrender value of the policy.
- If there are two or more lives assured payment will be made on the death of the last survivor.

Can you share your policy with someone else?

- Yes, you can invest in Choice together with someone else, for example your husband, wife or partner.

Can you change your choice of assets?

- This can be done at any time. Scottish Provident International will act on your instruction or that of your Appointed Investment Adviser.
- Further details on appointing an Investment Adviser are given on the Investment Adviser Appointment Form.
- There are charges for each sale, purchase, placement or alteration of assets. Details can be found in the 'Choice - the facts'.

How will you know how your investment is getting on?

- You will receive regular Valuation Reports on your investment 4 times in every policy year. A full analysis of your holdings will be provided, valued in the currency you selected on your application, together with details of all transactions which have taken place since the last report.
- You can request information about your investment at any other time and interim report can be provided.

How do you find out more about the terms and conditions of Choice?

- This document contains a summary of important information about Choice. For more detailed information on the contractual terms and conditions, please refer to the Choice brochure and 'Choice - the facts' or the Policy Conditions, which are available from your independent financial adviser.

Further Information

Investments

Investments made can be made in any freely available currency. The policy can be denominated in Sterling, US Dollar, Japanese Yen, Euro or Hong Kong Dollars.

Investments can be made by cheque, banker's draft, telegraphic transfer, share transfer or share exchange.

Investment Fund Assets

The following indicates the range of allowable assets:

- Stock, shares and fixed interest securities
- Eurobonds
- Currency deposits
- Scottish Provident International own funds
- Approved authorised Unit Trusts, OEICs, UCITs, SICAVs and Investment Trusts

Commodities and stocks not quoted on a recognised stock exchange are not permitted.

Funds not authorised or registered in Hong Kong are not available to Hong Kong residents.

Scottish Provident International Life Assurance Limited ("SPILA")

Choice is offered by SPILA, a wholly owned subsidiary of Resolution plc and one of the most respected offshore providers based in the Isle of Man. The Island is recognised as a centre of excellence in the financial services industry, having obtained an extensive list of awards over the past 16 years, and reaffirming its position as a leading global offshore centre.

SPILA was established in 1991 and currently has funds under management in excess of £1.25 billion*. Resolution plc, the UK's leading life insurance consolidator, was formed in September 2005 from the merger of Resolution Life Group Limited and Britannic Group plc. The strength of Resolution provides SPILA with a solid platform on which to develop our business, whilst sustaining an ongoing commitment to providing top quality services for existing investors.

For further information on SPILA please contact our Head Office at Provident House, Ballacottier Business Park, Cooil Road, Douglas, Isle of Man, IM2 2SP.

* Funds under management as at 1 July 2006

Availability

Choice is only available to Hong Kong residents aged 18 or over, provided they are not subject to any legislation which prohibits this type of investment. However, SPILA reserves the right to offer Choice to residents of other jurisdictions acceptable to SPILA from time to time. Choice is not available to citizens of the United States[†]. In addition, if you purchase a policy and later become resident in the United States[†] there will be restrictions placed on your policy while you are resident there. These include the inability to make additional payments and the inability to switch the funds placed with SPILA among the investment options as otherwise permitted under the policy.

† United States means the United States of America, its territories and possessions, any state of the United States and the District of Columbia.

Tax

Under Isle of Man Law, SPILA bears no liability to tax in respect of policyholder funds so, apart from any withholding tax deducted at source on income from assets held in some countries, your investment grows without any further deductions of tax.

The tax treatment of any gain or proceeds you take from Choice will depend upon your country of residence or domicile and personal circumstances at the time. For example, if you become a UK resident you will have a possible income tax liability on a chargeable event (such as a surrender or a withdrawal exceeding 5% of total investments paid in any policy year.) which is reportable through Self Assessment. You should be aware that when you create a chargeable event, SPILA is required to provide details of the chargeable event to Her Majesty's Revenue & Customs (HMRC) if the value of the gain is in excess of half the basic rate threshold.

Choice is a Personal Portfolio Bond as defined in the Personal Portfolio Bond (Tax) Regulations 1999 (United Kingdom). As such a policyholder who becomes UK resident will be liable to taxation on a deemed gain of 15% of this investment on an annual basis. If the policyholder becomes resident in the UK the asset selection will be restricted so that it is no longer defined as a personal portfolio bond.

If you become a US taxpayer, you should be aware that Choice does not qualify as a life insurance or an annuity contract for US tax purposes. As a result, increases in the cash value would be subject to current federal income taxation and death benefit proceeds would not be excludable from the recipient's income.

You are advised to discuss your own tax position with your financial adviser.

Advice

SPILA markets its products only through independent financial advisers and is unable to provide individual investment advice to investors.

Your adviser is independent of SPILA and is able to provide advice on products from a variety of companies. Your adviser acts as your agent in your dealings with SPILA and will receive ongoing information concerning your investment and may instruct the company on your behalf.

Law

The policy is subject to the law of the Isle of Man as stated in the policy conditions issued by SPILA.

Queries and Complaints

For further information or to complain about any aspect of the service provided by SPILA you should contact the Customer Services Co-ordinator at the address below. On receipt of a complaint, SPILA will issue an acknowledgement of receipt which will be followed by an investigation. This will be completed as soon as possible and will culminate in the production of a report on the findings which will be communicated to you.

Complaints about SPILA's products or service will be dealt with in accordance with the Complaints Handling Policy, a copy of which is available on request. In the event a dispute cannot be resolved, Customers have the right to refer the matter to the Isle of Man Financial Services Ombudsman Scheme.

Data Protection

Information supplied to SPILA in connection with your policy will be held in both electronic and paper records. This information may be disclosed to and processed by companies within the same Group as SPILA, its reinsurers or any third parties which provide services relating to the policy. This may include sensitive personal data. If this happens, your details will stay confidential and will not be used for any other purpose.

You have the right to see certain information held by us on payment of a fee, and you should make your request in writing to our Registered Office address.

Compensation

SPILA investors receive the protection of the Isle of Man Life Assurance (Compensation to Policyholders) Regulations 1991. SPILA reserves the right to adjust the returns from the investments to cater for any levy or charge made on SPILA under these regulations or similar legislation.

Important Note

The rules and regulations made by the Financial Services Authority and made under the UK Financial Services and Markets Act 2000 for the protection of investors may not apply to persons outside the UK.

It is important to know that unit prices reflect the value of the underlying assets of the funds and so can go down and well as up. Past performance is not necessarily a guide to future performance. Where a fund invests in overseas securities, the unit prices may also rise and fall purely on account of exchange rate fluctuations.

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Scottish Provident International Life Assurance Limited is a wholly owned subsidiary of Resolution plc and a provider of investment, life assurance and retirement planning products.

Scottish Provident International Life Assurance Limited is regulated by the Isle of Man Government Insurance and Pensions Authority. Registered Office: Provident House, Ballacottier Business Park, Cooil Road, Douglas, Isle of Man, British Isles IM2 2SP. Telephone: +44(0)1624 681681. Fax: +44(0)1624 677336 or Website: www.spila.com. This website contains products that are not authorised in Hong Kong and are not available to Hong Kong investors.

The appointed representative of the Company in Hong Kong is Scottish Provident International Life Assurance Limited's Branch office: Scottish Provident International Life Assurance Limited, Suite 2320, 23rd Floor, Jardine House, No 1 Connaught Place, Central, Hong Kong. Telephone: +852 2956 1880. Fax: +852 2956 2329.

Telephone calls may be recorded.

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