



HANSARD INTERNATIONAL

Universal Retirement Programme

E N G L I S H



Hansard International Limited ('the Company') is authorised under the Isle of Man Insurance Act 1986. Its activities are regulated by the Isle of Man Insurance Supervisor, who monitors that the Company is managed properly and that adequate financial resources are provided for the transaction of life assurance business. This contract is not available to residents of the Isle of Man.

The Company is registered at Anglo International House, Bank Hill, North Quay, Douglas, Isle of Man, IM99 1QL, British Isles.

This brochure does not constitute an offer.

No liability can be accepted for any country's tax or legislative measures which might affect the contract described in this brochure. Please ensure that you understand the tax, exchange control and insurance legislation which exists in your current country of residence and in the country where you expect to reside when you take the benefits. In particular, please satisfy yourself that under such legislation in your current country of residence, you are allowed to effect this contract, an offshore, recurrent single contribution unit-linked life assurance policy. Such legislation may affect the amount or form of benefits received. Please note, legislation may change between the start of the contract and its encashment. The effect of such changes, if any, cannot be predicted.

This brochure contains detailed information about the Universal Retirement Programme and you may safely rely on this information. The Company cannot, however, accept any responsibility for or be bound by any contradictory or supplementary information about the Universal Retirement Programme provided to you by any third party.

Universal Retirement Programme



Hansard International Limited

Hansard International Limited, based in the Isle of Man, is an established offshore life assurance company. The majority of Hansard International's clients are expatriates, although local professionals around the world are increasingly recognising the opportunities available to them through Hansard.

Hansard International and Tax

Hansard International's aim is to provide products which are tax-efficient and flexible enough to cope with changes in circumstances. Hansard International is exempt from tax in the Isle of Man. This results in client funds growing virtually free of corporation, income and capital gains tax. In addition, no Isle of Man tax is deducted when funds are withdrawn from a Hansard International contract.

The Isle of Man A Secure Haven

The Isle of Man is one of the world's leading offshore financial centres. The Island has been granted Designated Territory status under the UK's Financial Services Act 1986. This means that the financial regulations in place meet standards similar to those in the UK. In addition, the Isle of Man has the only statutory compensation scheme of any offshore centre, incorporated in the Life Assurance (Compensation of Policyholders) Regulations 1991. These regulations provide for clients to receive up to 90% of the amounts due under their contracts in the unlikely event that an Isle of Man life assurance company were to become unable to meet its liabilities.

A Confidential Environment

Aside from the security provided by the regulatory framework, dealings in the Isle of Man are conducted in an environment that respects the right of individuals to carry on their business affairs in private. Unless otherwise required by law, Hansard International will not release any details of client affairs to third parties, including tax authorities.





Universal Retirement Programme

A Planned Retirement Programme for the International Investor

As an expatriate, you probably receive a higher level of income than your counterparts at home, and may further benefit from a less onerous tax regime – so often fundamental reasons for working abroad.

To take full advantage of this favourable position and to secure long-term benefits requires sound financial planning.

Most expatriates give a high priority to the accumulation of capital for retirement provision, as they are frequently unable to participate in authorised pension schemes in their home country.

Hansard International has designed the Universal Retirement Programme to satisfy this requirement of long-term financial planning and to enable you to provide for your pension needs in a tax-efficient and convenient manner.

Your Universal Retirement Programme is linked to the performance of units in Hansard International's funds.

Key Features of the Universal Retirement Programme

- ❑ Programmes can be tailored to suit personal requirements
- ❑ Contributions accumulate virtually free of tax – offshore
- ❑ Contributions may be made and your Programme denominated in any one of over 25 major currencies
- ❑ 100% of contributions allocated to units – 105% after 10 years' level, regular contributions
- ❑ 101% allocation for single contributions over £50,000
- ❑ Bonus units are allocated to regular contribution contracts
- ❑ At the selected retirement age you may choose to take the maturity proceeds as a tax-free lump sum
- ❑ Supervision and policyholder protection are assured by the Isle of Man Government
- ❑ Enjoy the security of a major international financial institution
- ❑ Access to over 100 professionally managed investment funds
- ❑ The fund choice may be reviewed and altered at any time
- ❑ Trust and trustee facilities available
- ❑ Award-winning Managed Funds available
- ❑ Additional life cover available
- ❑ Waiver of contribution protection available



How your Universal Retirement Programme Works

At the commencement of your Universal Retirement Programme you select your retirement date. This can be as little as ten years from outset or to a maximum of your sixty-fifth birthday; you decide.

Whilst your Universal Retirement Programme is designed for long-term provision of retirement benefits, it does offer flexibility in the event of changes in your circumstances. After making regular contributions for at least two years, you may increase or decrease your regular contribution and, should your circumstances require it, you may even cease contributions for a period, provided you do not exhaust the value of the accumulator units attributed to your contract. Any increase in contributions is normally directed to a new contract.

To increase the future value of your retirement fund you may make additional lump sum contributions to your Universal Retirement Programme at any time. Each such contribution will be applied to set up a separate investment contract with no additional service fee.

Once invested, your contributions will accumulate in a virtually tax-free environment, and when you retire, you may take a lump sum payment without deduction of Isle of Man tax.



Currencies and the Universal Retirement Programme

Universal Retirement Programmes may be denominated and contributions made in any one of over 25 currencies, including US Dollars, UK Sterling, Deutschmarks, French, Belgian or Swiss Francs, Japanese Yen, Italian Lire, Spanish Pesetas, Swedish Krona and Euro.

Fund links for the Universal Retirement Programme are available in around ten different currencies and are detailed in the Hansard International Funds Brochure.

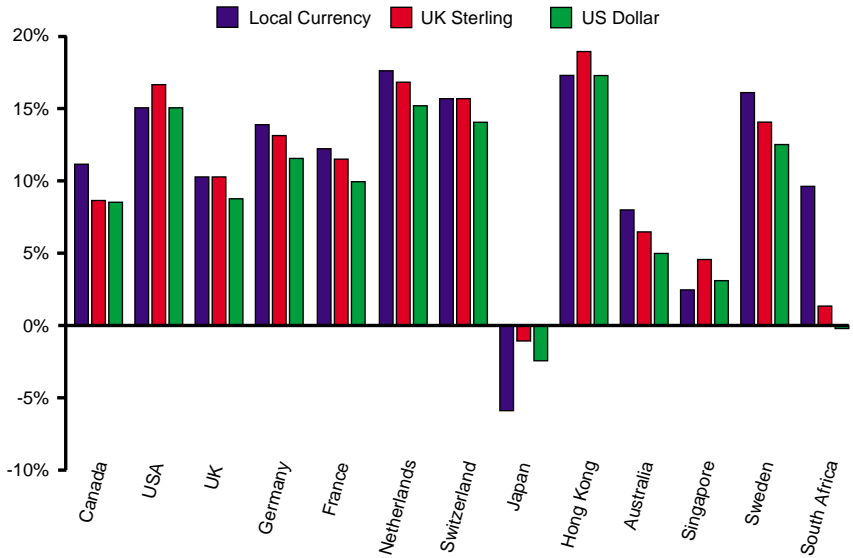
Where the contract currency differs from that of the contributions or the funds chosen, Hansard International will arrange the currency conversion at the company exchange rates then prevailing. Details of these rates are available on request. Clients should note that losses or gains can arise as a result of exchange rate fluctuations.



Universal Retirement Programme

Average Annual Total Returns from Stock Markets

Figures show geometric average, Ten Year period ending 30 June 2000



The graph above illustrates the average annual growth on the world's major stock markets over the past ten years.

The World of International Investment



Capitalisation of the world's major stock markets in billions of US Dollars, as at 30 June 2000. World total in excess of 33,822 billion US Dollars.



Your Choice of Funds

The Hansard International fund range consists of over 100 investment fund links, chosen to cover the majority of the world's investment markets. The range includes single country, regional and industry funds, Managed Funds, Deposit Funds and Fixed Interest Funds.

Each fund link has a flame rating which is a guide to the degree of risk involved. A high risk fund (i.e. one with five flames) is expected to give very volatile returns. When the value of investments in such a fund increases, profits may be large, but losses can also be large if the market falls.

Universal Retirement Programme contributions can be split among the available fund links, currently up to a maximum of six. Furthermore, the investment strategy can be changed at any time either by switching existing holdings from one set of funds to another, or by directing future contributions into a new choice of fund(s).

The performance of the Universal Retirement Programme is determined by the performance of the investments underlying the fund links chosen. This performance is measured by the unit price; unit prices can fall as well as rise.

Hansard International also currently offers a range of mirror funds in association with external fund managers. Full details of these funds are available on request.

Information regarding the fund links available can be found in the Hansard International Funds Brochure, which should be read before a choice of funds is made.



Award -winning Funds and Service

Hansard has won a number of awards for both its funds and its service.

The fund range includes managed funds advised by Hansard Fund Managers Limited, the award-winning fund management team based in the City of London. Hansard Fund Managers Limited is part of the Quilter Group, which is a wholly owned subsidiary of the Morgan Stanley Dean Witter Group. The Hansard Group has won over 70 Micropal awards in recent years as well as eight first places from Lipper, the Reuters-owned financial analysis company, and many of these fund performance awards relate to funds managed by Hansard Fund Managers Limited.



Universal Retirement Programme

Tax and the Universal Retirement Programme

Hansard International is exempt from Isle of Man tax. Client funds thus grow free of Isle of Man income, corporation and capital gains tax, and proceeds are paid without deduction of tax by the Isle of Man Government.

Some of the available funds invest in countries that levy withholding tax on investment income. These taxes are deducted at source and cannot be reclaimed.

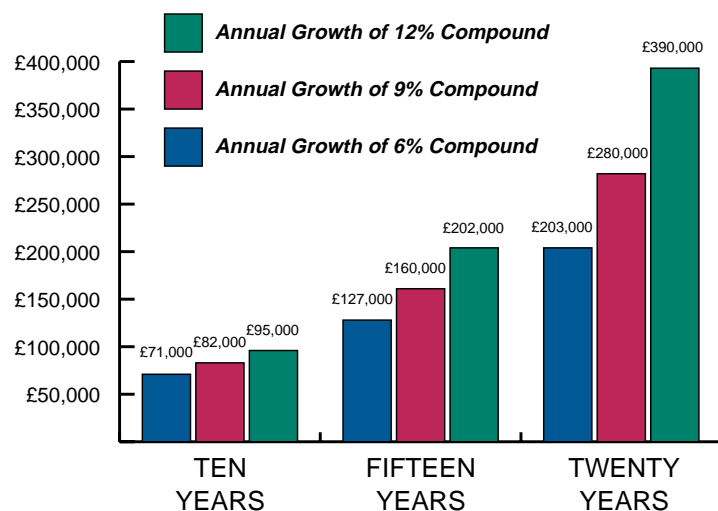
Clients are always encouraged to seek professional advice regarding tax matters.

Monitoring the Performance of your Investment

Selected unit prices appear regularly in the *Financial Times* and can also be found on the Internet (at www.hansard.com).

Each year an annual Account Statement is issued showing the number of units allocated to individual Universal Retirement Programme contracts. The progress of your contract can be followed by reference to your Account Statement and the published unit prices. In addition to the Account Statement, a fund review is supplied, containing the investment managers' observations on the current and prospective positions of the principal sectors of the international investment market.

Indicated Returns from the Universal Retirement Programme



The graph above shows the possible maturity benefits from an investment of £500 per month in a regular contribution Universal Retirement Programme with alternative terms of ten, fifteen and twenty years. The compound accumulator unit price growth rates used of 6%, 9% and 12% are net of fund-related charges. Clients are advised to obtain from their intermediary a personal illustration which relates to their own circumstances. Such illustrations include important explanatory notes concerning the basis used.



Description

The Universal Retirement Programme, available from Hansard International Limited, is a regular contribution unit-linked contract designed for retirement benefit planning. Once contributions have been made for two years, future contributions may be increased, reduced or waived. Any increase in contribution will normally be directed to a new contract. A single contribution version of the Universal Retirement Programme is also available.

Eligibility

Clients must be at least 18 years of age and not resident in the Isle of Man at the time of application. The Universal Retirement Programme can be written on a single or joint-life first-death basis. Applications cannot currently be accepted from residents of France, the United States of America or the United Kingdom.

Minimum Contributions

Regular contributions may be made at any level from £150 per month or £900 per year. Regular contributions may also be made quarterly or half-yearly if required. The minimum single contribution is £10,000, or £1,000 if a regular or single contribution Universal Retirement Programme contract has already been established. Clients may make contributions in most freely convertible currencies, with the minimum contribution level being set at the date the contract is put into force by converting the Sterling limit to the chosen contract currency.

Currencies

The Universal Retirement Programme contract can be denominated in any one of over 25 major currencies. Clients may change the currency denomination of the contract at any time, at the prevailing company exchange rate.

Retirement Date

The retirement date, when the contract matures, must be agreed at outset for regular contribution contracts. Normally there should be at least ten years between the start of the contract and retirement; however, terms are available for shorter periods. The term for Universal Retirement Programmes cannot extend beyond a client's 65th birthday. Terms should be a complete number of years.

The single contribution Universal Retirement Programme is a whole-of-life contract and there is thus no minimum term.

Sum Assured

On death before the agreed retirement age the standard sum assured due on regular contribution contracts is the full value of the initial, accumulator and bonus units. The value is calculated using the unit bid prices determined at the next subscription day following the receipt of a valid death claim. With regular contribution contracts clients may choose, subject to satisfactory underwriting, to fix a minimum sum assured of up to 100% of the regular contributions due to be made to the contract. The cost of any life cover is met by a monthly charge based on the difference between the agreed minimum sum assured and the regular contribution contract value.

For single contribution contracts, 101% of the value of units at the bid price, determined at the next subscription day following the receipt of a valid death claim, is paid. Where the client was age 75 or over at the start of the policy, the sum assured is restricted to the encashment value, calculated using the previously mentioned unit bid prices.



Optional Waiver of Contribution Benefit

This optional benefit, available only on regular contribution contracts, ensures that in the event of the client's inability to work due to illness or accident, regular contributions continue to be made. The benefit begins once the client has been unable to work for 180 days following the incidence of the qualifying disability and continues until the earlier of the return to work, the maturity date, the death of the client, or the client attaining age 60.

In the case of a joint-life contract this benefit can only apply to one life, and selection of the relevant life must be made at outset.

Where the waiver of contribution benefit is selected, the cost is met by a monthly charge based on the age of the client, the place of residence, and the amount of the regular contributions being protected.

Unit Allocation

Units are allocated to regular contribution contracts at the appropriate unit offer price for 100% of all the contributions received. Once contributions have been made at a constant level for a continuous ten-year period units are allocated for 105% of future contributions made at this level. For an initial period, initial units are allocated. Initial units can be encashed only at the agreed retirement date. Prior to this date, initial units have no value on encashment. The initial period, in months, is calculated as $(0.6n + 9)$ rounded up, where 'n' is the Universal Retirement Programme term in years. The minimum initial period is 15 months and the maximum is 24 months. Accumulator units are allocated thereafter.

For single contribution Universal Retirement Programmes accumulator units are allocated at the appropriate offer price for 100% of all the contributions received. The allocation rate rises to 101% for single contributions of £50,000 and above.

Bonus Units

Bonus accumulator units are earned at the rate of 0.75% per year for all accumulator units allocated to regular contribution contracts, provided that regular contributions are maintained. Bonus units are allocated at each contract anniversary and are redeemable on maturity or prior death. Otherwise, bonus units have no value on encashment.

Funds

Units may be allocated from your choice of funds selected from the full Hansard International range; currently, a maximum of six fund links is available to you under any one contract.

Clustering

Increased flexibility can be achieved by issuing a Universal Retirement Programme in a cluster. With a clustered contract, the contributions received are split equally among a number of identical, legally free-standing contracts. The Universal Retirement Programme can consist of up to ten such 'mini-contracts' provided that a contribution of £20 per month (£200 per year) is made to each mini-contract.

For single contribution Universal Retirement Programmes, at least £200 must be directed to each mini-contract.

This facility must be chosen at the start of the contract, if required.

Switching

Fund switching is possible at any time on a bid-to-bid basis. For regular contribution contracts, the first switch transaction in any contract year is free; subsequent switches attract a charge per fund switch, subject to a minimum charge per switch transaction. For the purposes of this charge, the number of switches in a transaction is taken to be the higher



of the number of funds switched out of or into. Future regular contributions can be redirected to a different choice of fund(s) at any time without charge.

For single contribution contracts, all switches are currently free of charge. Hansard International reserves the right to levy a charge in certain circumstances.

Maturity Value

At the end of the selected term the proceeds of a regular contribution Universal Retirement Programme will be the full value of the initial and accumulator units plus the value of any bonus accumulator units allocated, calculated at the appropriate unit bid prices determined immediately prior to maturity.

Encashment Value

Regular Contribution Universal Retirement Programme

The full value of accumulator units is paid on early full or partial encashment of a regular contribution Universal Retirement Programme contract after payment of the first two years' contributions.

The value is calculated using the appropriate unit bid prices determined at the next subscription day following the receipt of a valid encashment request. No value is given for accumulator units allocated from regular contributions where a Universal Retirement Programme is encashed before its second anniversary. Initial and bonus units are redeemable only on maturity or prior death. Where the client elects to encash the contract before the maturity date, initial and bonus units will, therefore, have no value. The minimum partial encashment at any time is £50.

Encashment Value

Single Contribution Universal Retirement Programme.

Full or partial encashments can be made at any time, for the value of encashed units, less the balance of the year's management charge (on the amount realised), subject to the following notes.

The value is calculated using the appropriate unit bid prices determined at the next subscription day following the receipt of a valid encashment request. Units relating to single contributions which have been invested for less than three complete years are subject to an additional charge on encashment. This charge is 3% of the value of units encashed where the related contribution has been invested for up to one year, reducing by 1% for each complete year of investment.

The minimum partial encashment at any time is £500. On full encashment the balance of the year's service fee and annual management charge will be levied.

Paid-Up Value

The regular contribution Universal Retirement Programme may be made paid-up (i.e. contributions to date remain invested but no further contributions are made) at any time after two years, provided that sufficient accumulator units are allocated to the contract to cover future charges. In this event the sum assured reverts to the standard level and the service fee increases slightly. A paid-up contract may allow contributions and death benefits to resume at former levels, at any time prior to maturity, subject to satisfactory underwriting and the company's agreement.



Charges

All of the available funds have a bid-to-offer differential of 7% plus a rounding adjustment. There is an annual management charge deducted continuously through the year, currently 1% per year for accumulator units and 8% per year for initial units. Mirror fund managers levy their own charges in addition, which may vary at any time without notice. These management charges are taken into account in the unit price. An annual service fee is deducted monthly. When a client holds both a single contribution and a regular contribution Universal Retirement Programme, the service fee is charged only on the regular contribution Universal Retirement Programme.

The allocation of bonus units effectively reduces the 1% annual management charge for accumulator units to 0.25% for regular contribution contracts. There is a charge for life cover and the Waiver of Contribution Benefit, if selected, levied by unit deduction.

In the early years of the contract charges are carried forward, without interest, until there are sufficient accumulator units to meet them.

Monetary charges are expressed in £ Sterling and increase each year, normally in July, to reflect inflation, in accordance with the contract Terms and Conditions. For the charges applicable to this contract, please refer to the relevant Product Profile available on request from your financial advisor.

Lower Contribution Variant

Regular contributions from £100 per month (£600 per year) upwards will be accepted where the term of the Universal Retirement Programme is at least ten years.

Short-Term Programmes

The regular contribution Universal Retirement Programme is also available for terms of between five and nine years. The minimum contribution remains £150 per month (£900 per year) and the initial period (see Unit Allocation on page 8) is as described in the table below:

Term (Years)	Initial Period (Months)
5	7
6	7
7	8
8	8
9	9

Variation of Terms

The terms on which single contributions are accepted under the single contribution Universal Retirement Programme may vary at any time.



Who Will Advise Me Before I Invest?

Before investing, you should secure the services of a professional intermediary who will discuss whether this product is suitable for your needs. Your intermediary may also be able to provide advice on a contribution level and fund selection appropriate for your circumstances.

Hansard International products are available only through intermediaries and on the basis that the intermediary is, in all cases, acting on the client's behalf. If desired, Hansard International can normally provide a list of intermediaries in your area.

Written illustrations of indicated benefits are available which demonstrate the possible returns from this contract on specified assumptions. Your intermediary will be able to provide such an illustration.

How Do I Establish A Universal Retirement Programme?

Having decided that the Universal Retirement Programme is a suitable and appropriate contract for your requirements, you should:

- ❑ Decide the amount you wish to contribute
- ❑ Decide the period over which you wish to invest, remembering that if you cease making contributions earlier than agreed your benefits may be significantly reduced
- ❑ Choose your fund links (currently a maximum of six applies), and decide how your contributions are to be split among the fund links chosen
- ❑ Choose the currency in which your contract should be denominated

Then, complete the application form and send it to your professional intermediary, or to Hansard International Limited, together with your preferred method of contribution, made payable direct to Hansard International Limited. If additional life cover and/or the Waiver of Contribution option is chosen, an Underwriting Application Form should also be completed.

Hansard International is required by law to ensure that it does not receive funds connected with any illegal activity. Certain enquiries may therefore be necessary to ascertain the source of funds and the identity of clients.

Can I Exchange My Current Investments?

If you hold shares or other assets that can readily be sold on an exchange, Hansard International can usually arrange to sell them on your behalf, at the rates available to institutional investors. Once sold, any proceeds received in excess of your stated investment can be returned to you, or added to your Universal Retirement Programme.

If you are considering surrendering existing life insurance/pension policies to effect this contract, you should discuss the implications – and in particular, any financial penalties – with your professional intermediary before arranging the surrender.



Universal Retirement Programme – Important Notes

The value of this contract depends on the performance of the funds that are chosen. Fund performance is measured by the progress of the unit price; unit prices can fall as well as rise. Unit price fluctuation may result in losses, especially in the short term, and gains or losses may arise as a result of exchange rate fluctuations.

The information provided in this brochure is based on Hansard International's current understanding of legislation. No liability can be accepted for changes in the law, practice or tax regulations of any country.

The Technical Guide is a summary of specific parts of the Terms and Conditions for the product described, and this information can therefore be relied on. Hansard International cannot, however, accept responsibility for or be bound by any contradictory or supplementary information provided by any third party about this product.

Hansard International does not give advice on the suitability or otherwise of its products for individual clients. Hansard products are available only through professional intermediaries on the basis that the intermediary is, in all respects, acting on behalf of the client.

If a client becomes resident in the Isle of Man or the United States of America while the Hansard policy is in force, this may affect the status of the policy.

If the client becomes resident in the Isle of Man, Hansard International is required to terminate the policy by way of a deemed surrender on the day it becomes aware of such residence.

If the client becomes resident in the United States of America, Hansard International may not be able to accept further contributions or instructions to vary the fund choice until after the client ceases to be a resident of the United States of America.

The relevant Terms and Conditions set out the full details of the contract between the client and Hansard International Limited. Copies of the Terms and Conditions are available on request.

Monetary charges are expressed in £ Sterling and increase each year, normally in July, to reflect inflation, in accordance with the contract Terms and Conditions.

This contract is covered by the terms of the Isle of Man Life Assurance (Compensation of Policyholders) Regulations 1991. Hansard International reserves the right to adjust the returns from investments to cater for any levy or charge made on it under these regulations or any similar legislation.

Contributions to regular contribution Universal Retirement Programme should be made continuously for at least half the agreed term. If contributions cease before that time, the encashment value could be less than the amount invested. Once agreed, the term cannot be reduced.

The monetary amounts and charges given in this brochure were correct at the time of publication. To verify the figures applicable at the time you apply for a contract, you should ask your financial advisor for a copy of the most recent Product Profile for the Universal Retirement Programme.

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