

EUROPEAN MOBILITY OFFSHORE BOND SERIES E KEY FEATURES



ITS AIMS

- To provide capital growth by investing in a range of investment funds which grow in a tax-efficient environment.
- To offer cash withdrawals to supplement your income.
- To provide a cash sum on death of the life assured.

YOUR INVESTMENT

- You can invest a single investment of £50,000 (or currency equivalent) or more.
- You can make additional investments.
- The European Mobility Offshore Bond Series E should be viewed as a medium to long-term investment (i.e. five years or more), so should be kept for as long as possible.

RISK FACTORS

- What you get back cannot be guaranteed and depends on the performance of the funds in which you have invested. Investment performance may fluctuate. You may not get back what you put in.
- Your return may be less than the amount illustrated if, for example:
 - Investment growth is less than illustrated
 - Withdrawals are greater than illustrated
 - Fluctuations in currency exchange rates affect the performance of the funds chosen
- Your circumstances may change, meaning you have to surrender the investment early, and you may not get back what you put in. Furthermore, if withdrawals exceed capital growth, your capital will also be eroded.
- If you decide not to proceed with the Policy within the 30 days cancellation period and there has been a fall in the value of your investment, this will be deducted from the amount returned to you. Should a rise in investment value occur, then the amount in excess of your original investment is retained by us. Where investment holdings deal infrequently, there may be a delay in paying you.
- As the policy is valued on a weekly basis, there may be a delay for cashing in your policy until the next weekly valuation date.

QUESTIONS AND ANSWERS

What is the European Mobility Offshore Bond Series E?

- It is a single investment, unit linked whole life insurance policy, designed to provide capital growth and to provide a small death benefit on the death of the life assured.
- This European Mobility Offshore Bond Series E is issued by La Mondiale Europartner S.A. which is based in the Grand Duchy of Luxembourg.
- This contract is specifically adapted for UK nationals living in Spain, temporarily or definitively.
- The contract is issued as a group of a defined number (20 for instance) of identical policies, each of which can be separately administered. The objective of these segments is for administrative flexibility and UK tax-efficiency, allowing a UK national to go back to his country and to benefit from the UK tax advantage of this insurance contract.
- After we have taken any initial charge, your money is invested in one or more funds, which you select from the range of funds available, or into a Guaranteed Return Fund. All the funds are divided into units, except the Guaranteed Return Fund.
- The Policy can be set up on a joint life basis: the death benefit would be payable on either the first or last death, in accordance with the choice made by you. It can be set up by up to six individuals, the trustees of a trust or by a company. By setting up the Investment Policy with multiple lives (up to six lives), it can continue after your death. Life cover will be paid out on the death of the last person covered, known as the last life assured. You should contact a specialised adviser if you want to use a trust in Spain.
- You must be at least 18 to apply for the Policy. There is no upper age limit.
- The minimum investment is £50,000 (or currency equivalent)

How flexible is it?

- You can add additional amounts at any time (the minimum additional investment is £10,000 (or currency equivalent)).
- You can have access to any investment funds allowed under Luxembourg insurance regulation and as listed by us.

- You can make withdrawals at any time, providing you leave at least £2,500 (or currency equivalent) in each segment of your Investment Policy.
- You may cash in your investment at any time.

Where is my money invested?

The Investment Policy allows you and your Independent Financial Adviser (IFA) to select and actively manage the investment portfolio in order to maximise investment opportunities presented by the international markets.

You may invest in one or more of a range of collective investment schemes depending on your attitude to risk. You can have access to any investment funds allowed under Luxembourg insurance regulation and as listed by us. Further details and the full list of the individual funds can be obtained by your financial adviser. However under Spanish law you should invest only into coordinated funds (such as those meeting the requirements of the European Directive 85/611/EEC) to benefit from specific tax for life-insurance.

You may also invest in a Guaranteed Fund. The Guaranteed Return Fund is an investment fund that gives a minimum rate guaranteed by the company and also a share of the profits within the fund that is known as the “bonus”. The Bonus is allocated no later than the 15th of February of the following year to all policies still in force. If monies invested in the Guaranteed Fund are redeemed, the bonus will be shared on a pro rata temporis basis, provided the policy is still in force at the time they are allocated. If the policy is surrendered before the date that the bonus is applied to the investment you will not be entitled to receive that Bonus.

Further details and the full list of the individual funds can be obtained by your financial adviser.

What might I get back?

You will get back the value of the Policy when you cash it in. The amount you get back (the encashment value) is not guaranteed and will depend on several factors, such as:

- How much you invested.
- The length of time it was invested for.
- The performance of the chosen investment funds.
- Any withdrawals you have taken.
- Our charges.

Your personal illustration gives you an indication of potential returns, however the value is not guaranteed.

Can I take money out?

You may take money out at any time, but this will lower the value of your Policy. You may make regular withdrawals, or take a partial encashment.

Once the Policy has commenced, you may make regular withdrawals on a monthly, quarterly, half-yearly or yearly basis. The minimum regular withdrawal is £500 (or currency equivalent). Payment will be made directly into your bank account. The minimum one-off withdrawal is £500 (or currency equivalent). The maximum you may withdraw depends on the value of your Investment Policy at that time. You must leave at least £2,500 (or currency equivalent) invested in each segment of the Investment Policy if you wish it to remain in force.

What happens to my investment if I die?

The Policy Schedule will state whether the death benefit will be paid on the first life assured to die or on a subsequent death. When the relevant life assured dies, the policy comes to an end. On notification of the relevant death we will sell all the underlying funds and place the proceeds into cash.

On the death of the relevant life assured and on receipt of all the required documentation, we will pay the combined surrender amount and death benefit as follows: 100.1% of the Policy’s surrender value during the first policy year, with 0.1% increase each subsequent year, with the maximum possible benefit being 101% ; where the total investment is greater than 10,000,000 € or if the life assured is aged 75 or over on death, 100.1% of the Policy’s surrender value is paid.

With regard to Inheritance Laws, it should be noted that those in Spain differ from UK Inheritance Tax Laws. In particular, the value of the contract as at the death of the policyholder is not considered under Spanish Inheritance Law as being included in his estate. Therefore, a beneficiary clause must be completed. If the policyholder is still alive, we will pay to the policyholder. Otherwise the value of the contract will be transferred to the beneficiaries named into the beneficiary clause.

These rules of succession are relevant to Inheritance Laws in Spain and could change if the policyholder is domiciled in another country. Please contact your Independent Financial Adviser for any advice with regard to your personal situation.

What are the charges?

We incur expenses in setting up and administering your Policy. These and any other charges are taken by making deductions from the Policy, and are detailed in your personal illustration.

When you pay your investment or additional investment we take an initial charge, shown on your Policy Schedule. The net amount is allocated to units in your chosen fund(s).

We also take an administration charge; the rate is shown on your Policy Schedule. We take the charge weekly by reducing the number of units proportionately in the funds in which your Policy is invested.

Further charges will be incurred in respect of the underlying investments in which you choose to invest. These are charged by the relevant fund manager. These charges will be explained further by your IFA, who will provide you with relevant documentation.

Guaranteed Return Fund

The Guaranteed Return Fund is not charged in the same way as other funds: as the fund is not unitised, therefore the charges will be shown by a reduction of the monetary value of the fund, representing the management charges.

Switch charge

We take a charge of 0.30% of the amount switched, subject to a maximum of £50 (or currency equivalent) per operation.

N.B. The first switch only out of the cash fund (from the inception of the policy) is free of charge

Currency conversion

You choose the currency in which your Policy is denominated, but you may pay investments or ask for withdrawals or encashments in another currency. Any currency conversions (i.e. in relation to payments by you to us, or payments by us to you) will take place at the European Central Bank conversion rate on the day of the transaction. We also take a handling charge of 0.35% of the amount converted.

What about tax?

No Luxembourg tax

Any growth or income achieved within your Policy will not be subject to income tax or capital gains tax in Luxembourg. Dividends received on any underlying assets may be subject to withholding tax, and investment gains made by investment managers may be subject to tax. Any tax paid by us is not reclaimable by any policyholder.

Tax on gains

This contract qualifies as a unit-linked life insurance contract under Spanish tax laws.

As a Spanish life insurance product, the European Mobility Offshore Bond Series E will be taxed at 18%(*) on all gains regardless of when the encashment takes place.

(*)This rate is representative of the current Spanish taxation laws and may change.

The gains will be based on the difference between the value of the policy at the date of the withdrawal or the surrender, and the initial or subsequent investment(s).

However this information assumes that investors only select funds that are acceptable to the Spanish authorities.

The UK cumulative annual allowance of 5% is no more possible in Spain. Each withdrawal will be taxed, as explained just above.

In case of withdrawal or full surrender and if you are Spanish tax resident, tax on gains will be deducted from the money you will be receiving and paid by us to the Spanish Tax Authority, via our tax representative in Spain.

Inheritance Tax

When the policyholder is not the beneficiary and in the event of the death of the assured person, the proceeds will be subject to Spanish Inheritance Tax Laws (Spanish Law 29/1987 relating to Inheritance Tax and Gift Taxation and its by-law approved by the royal decree number 1629/1991 of 8 November.

With regard to Inheritance Laws, it should be noted that those in Spain differ from UK Inheritance Tax Laws. In particular, the value of the contract as at the death of the policyholder is not considered under Spanish Inheritance Law as being included in his estate. Therefore, a beneficiary clause must be completed.

Another difference to UK law is the estate of the deceased is not taxed but the beneficiaries are : each beneficiary shall pay the tax individually. Inheritance and gift tax is progressive, the rates applicable are determined depending on the amount transferred to the beneficiary, his existing wealth and the closeness of the relationship with the deceased.

In the case of non-resident transferees, only assets situated in Spain are taken into account.

Please note that the rules regarding Inheritance Tax can be complex. To make sure your estate is disposed according to your wishes, and to protect the future interests of your heirs, you should discuss any potential inheritance tax implications with your legal or tax adviser.(in particular when resident in Spain). There is a tax agreement written between UK and Spain to avoid tax being applied twice by both countries and this will be taken into consideration by your tax consultant.

Current legislation may change and this may affect the tax status of Policy.

Any reference to taxation in these Key Features is based on our understanding of current taxation laws and practices in the Grand-Duchy of Luxembourg and in Spain.

Change of country of residence

Should you move to another country of residence, the tax regime of your contract may be altered depending on the type of assets you are invested in (please refer to the list of assets available to your contract). Before moving, please refer to your Independent Financial Adviser to ensure that your bond remains compliant with your new local tax rules. In every instance, you must advise us of your new country of residence

The impact of tax will depend on your individual circumstances. La Mondiale Europartner does not intend the above information to substitute for professional tax advice. We strongly recommend you to take specific advice on tax implications in your circumstances.

Can I change my mind?

Once we have accepted your application, we will send you a notice detailing your right to change your mind and how to cancel. You will have 30 days in which you may cancel your investment. If you decide to cancel, you should write to us at the address below.

If you decide that you do not want the Policy, we will give you your money back, less any fall in the value of your investment. Should a rise in investment value occur then this amount is retained by us.

We will give you back your money as soon as the investments held in your Policy have been sold, less any fall in value. Where investment holdings deal infrequently, there may be a delay in paying you.

How will I know how my Policy is doing?

We will send you yearly updates on the value of your Investment Policy. You may require more regular valuations at any time. Should you require more regular valuations, feel free to contact us or your IFA.

What is an Independent Financial Adviser?

Your Independent Financial Adviser (IFA) is the person who will provide the support needed throughout the duration of your Policy, whether it be for the Policy application, investment management or any future modifications to the policy.

Register of Insurance Policies in Spain

Spain has created a Register of Insurance Policies that covers the risk of death. The purpose of the Register is to inform any interested parties of the existence of an insurance contract covering the risk of death, in order to avoid that a beneficiary does not receive the payment because he does not know there is a life insurance in his favor. This Register is managed by the Spanish Ministry of Justice. We are required to provide the Register with the information.

HOW TO CONTACT US

If you require further information regarding your Investment Policy, please contact us at:

La Mondiale Europartner S.A. - Client Services Department,
B.P. 2122, L-1021 Luxembourg, Grand Duchy of Luxembourg

Tel +352 429 130 4300

Fax: +352 429 130 5056

E-mail: Helpdesk@lamondiale.lu

If you wish to make an additional investment, take a withdrawal, switch funds or cash in your Policy, please contact us through your IFA.

OTHER INFORMATION

How to complain

If you wish to make a complaint about any aspect of the service you have received, please contact us, at the following address :

La Mondiale Europartner S.A. - Client Services Department,
B.P. 2122, L-1021 Luxembourg, Grand Duchy of Luxembourg

E-mail: Helpdesk@lamondiale.lu

If any requests related to the policy have not been dealt with satisfactorily via the usual methods, intermediaries and customer service department of the insurer, you may contact the insurers's general management, at the address of the company below. Written and detailed complaints will be answered as soon as possible.

If you are not satisfied with the response you received, you may complain to our supervisor, the Luxembourg insurance authority : the Commissariat aux Assurances, 7, Boulevard Royal, L-2449 Luxembourg.

If you are Spanish resident and if your complaint is not resolved 2 months after it has been submitted to us, you would be able to address the Claiming Service of the Directorate General for Insurance and Pension Funds (Comisionado para la defensa de los Clientes de Servicios Financieros).

Terms and conditions

This key features document provides an overview of the main features of the European Mobility Offshore Bond Series E. It should be read with your personal illustration. Please read these carefully and keep them for future reference.

This key features document is only a summary. Full details of your Investment Policy can be found in the Policy Conditions and Policy Schedule. Should there, at any point in the future, be any changes to the current terms and conditions of your Investment Policy, you will be notified in writing by La Mondiale Europartner.

Governing law

Your Policy is governed by the law of the United Kingdom. However the European Mobility Offshore Bond Series E is also compliant with the Spanish regulatory requirements that are relevant to a life insurance product passporting into Spain under the European Freedom to Provide Services Act.

Protection

Holders of UK policies issued by La Mondiale Europartner will be protected by the Financial Services Compensation Scheme. You may be entitled to receive compensation from this scheme if we are unable to meet our liabilities in full and if you satisfied the qualifying criteria to be eligible for this scheme. Further details about the scheme are available from the Financial Services Compensation Scheme.

However, under the Luxembourg insurance law, a Luxembourg-based life assurance company must have sufficient assets deposited with an independent custodian bank to meet 100% of its liabilities (commonly referred to as “Technical Reserves”) toward its policyholders. The assets deposited with a Luxembourg based bank are under the supervision of the “ Commission de Surveillance du Secteur Financier” (The “CSSF”). This approach provides an outstanding level of protection and security for your investment.

Our Regulatory Body

We are supervised by the Commissariat aux Assurances, 7, Boulevard Royal, L-2449 Luxembourg.

Your money is invested in the funds of your choice. You may choose from a wide range of funds. The list of these funds and their description is available from your IFA.

Important: These Key Features are based on our understanding, at the date of printing, of applicable legislation, tax and practice in Spain. They may change without prior notification to meet any legal requirements.

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

I acknowledge that I have received and noted the Key Features of my Policy.

1st Applicant Name _____ Date ___/___/___ Signature _____

Signed in (Place and Country) _____

2nd Applicant Name _____ Date ___/___/___ Signature _____

Signed in (Place and Country) _____

1st Life assured (if not applicant) _____ Date ___/___/___ Signature _____

Signed in (Place and Country) _____

2nd Life assured (if not applicant) _____ Date ___/___/___ Signature _____

Signed in (Place and Country) _____