

For Immediate Release  
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## **AVERAGE STUDENT DEBT INCREASES TO £12,500**

### **Guaranteed minimum payments allow parents to plan ahead with a TEP**

New research\* predicts that the average student debt will increase by 13% from 2002 to reach £12,500 in 2003. For parents who wish to assist their children with the costs associated with gaining a university education, ensuring that a minimum guaranteed payment is available on any money invested will now be even more vital. Traded Endowment Policies (TEPs) may offer the security parents require and leading TEP market maker, Policy Portfolio, is offering a free factsheet: 'University Funding – plan ahead with a TEP' to explain how this investment vehicle can offer guaranteed capital security.

"Having a minimum guaranteed payment from an investment is essential when planning to cover the costs of university fees, as a drop in funds which occurs when the money is needed could be disastrous," said Brian Goldstein, Managing Director of Policy Portfolio. "One solution may be to invest in Traded Endowment Policies." The advantage of TEPs lies in their built in security: once given, bonuses allocated throughout the investment term cannot be taken away. They are guaranteed and in many cases these bonuses are greater than the amount paid for a TEP– so the initial investment cannot be lost."

TEPs are ideal investments when planning ahead for a specific event as they can be selected to provide a lump sum on certain dates, for example, when a child reaches university age and at intervals throughout the course. Coupled with this is their flexibility, allowing the investor to choose how much capital they wish to invest and the level of monthly premiums that best suit their circumstances.

**For a free factsheet: 'University Funding – plan ahead with a TEP'  
call Policy Portfolio on 020 7597 6700**

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## **NOTES FOR EDITORS**

\*Figures from Barclays show that students graduated from university with debts averaging £10,997 in 2002 and debts are predicted to reach £12,500 in 2003.

### **Key features of TEPs:**

- Combines: flexibility and low risk.
- Guaranteed minimum: A fixed amount of money which has been determined at the outset – the sum assured – is guaranteed and will be paid at maturity.
- Bonuses: Life companies declare an annual bonus, which is added to the accumulated bonuses. Once given these cannot be taken away.
- Flexibility: Investors choose how much to invest and when they want the policy to mature. A TEP can be sold prior to maturity.
- Tailor-made: Investors choose the balance they require between capital Investment and ongoing premiums.
- Cash for future needs: Since the maturity date is known in advance TEPs are an ideal way to plan for retirement, university costs, school fees, paying off a mortgage, wedding expenses etc.

### **Policy Portfolio plc**

Launched in 1988, Policy Portfolio was the first market maker in the Traded Endowment Policies (TEPs) market, is regulated by the Financial Services Authority and was a founder member of the Association of Policy Market Makers (APMM). For those wishing to invest in a traded endowment, Policy Portfolio has available one of the largest and most comprehensive ranges of policies. Alternatively for those wishing to sell, Policy Portfolio pays on average 10% to 15% more than Life Companies surrender values, sometimes up to 30% and in some cases even more. Policies must be with profit endowments or whole of life which are at least 6 years old and have a surrender value greater than £2,000.