

For Immediate Release  
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## **TEPS – INVESTMENT FOR THE RISK AVERSE**

**- For a free factsheet 'TEPs – Safety and Security in an Uncertain Market'  
Call Policy Portfolio on 0208 343 4567 -**

In recent weeks there has been further sharp falls in the UK stock market with billions of pounds wiped off share prices following the tragic events of 11<sup>th</sup> September. Many investors may now be wary about equities and their volatility and be looking for investments which offer safety and security with growth; all characteristics of Traded Endowment Policies (TEPs).

Brian Goldstein, Managing Director of Policy Portfolio, founder of the TEP market, said: "The appeal of TEPs lies in their ability to offer stable and secure growth without the degree of risk associated with other investment vehicles. Investors in TEPs can do so in the knowledge that in most circumstances they cannot lose their initial investment provided they continue to pay all premiums and keep the policy in force until maturity. This is because the basic sum assured and bonuses allocated at the time of purchase are guaranteed, in other words, they are "locked in" to that particular policy and cannot be taken away. In some cases they exceed the initial purchase price of the policy."

As the expenses incurred in the early years of the endowment's term have nearly all been met by the original policyholder, TEPs are popular as investments in their latter years when most of the investment growth takes place. TEPs bought through Policy Portfolio since 1988 which matured during the two years ending October 2001 achieved an average annualised growth rate of **10.03%**. These gains can often be taken tax-free by using capital gains tax allowances.



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Goldstein concluded: "The investment climate is likely to remain uncertain in the foreseeable future and could intensify the existing fears of the investing public. These conditions can often stimulate a flight to safety of the type that has characterised the investment market in recent times and increase the demand for TEPs, a product which represents solidity and stability in an unpredictable and insecure environment."

**For further information on TEPs call Policy Portfolio on 0208 343 4567  
or visit [www.policyportfolio.co.uk](http://www.policyportfolio.co.uk)**

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## **NOTES FOR EDITORS**

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

- Combines: low risk with potential for high returns.
  - No set up costs: As the policy set up costs have been paid by the previous owner, TEP investors derive full benefit from the high growth rate of the policy during its final years.
  - Strong stable growth: Achieved through bonus payments accrued by life offices investing premiums in shares, property, fixed interest securities and cash.
  - 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.
  - Tax: Policies are available as either Qualifying or Non Qualifying, each having a different tax treatment. Investors are able to choose a policy that is most appropriate for their particular circumstances.
  - Charges: No additional costs to initial purchase price and future premium payments.
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**Policy Portfolio plc**

Launched in 1988, Policy Portfolio was the first market maker in the Traded Endowment Policies (TEPs) market. Policy Portfolio is regulated by the Personal Investment Authority and was a founder member of the Association of Policy Market Makers (APMM). For those wishing to sell, Policy Portfolio regularly pays up to 30% more than the surrender value from the Life Company and in the case of whole life policies as much as 50%. Policies must be with profits endowments or whole life, which are at least 6 years old and have a surrender value greater than £2,000. Alternatively, for those wishing to invest in a traded endowment, Policy Portfolio has available one of the largest and most comprehensive ranges of policies.

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