

Structured Investment Controlled Opportunity Growth Structure (COGS) Net



16 April 2010

Overview

Controlled Opportunity Growth Structure (COGS) is a Structured Investment from the category of Defined Return Investments and forms a part of the Select Investment Range. For more information on Structured Investments and their availability, please refer to the relevant Key Feature Documents or Select Investment Range guide and Select Investment List documents from your financial adviser or from our website at www.alicowm.co.uk.

COGS offers exposure to the performance of the FTSE 100 index over five years. It offers a choice of risk/reward options including an option to guarantee a return of at least the Amount Allocated to the investment. If you choose a higher level of exposure to falls in the index, you will have a greater exposure to gains.

How it works

COGS works on the principle of Participation Factor which is the level of participation that you choose in the increase or decrease of FTSE 100 over a five year investment period. By choosing the level of capital you place at risk, which is your Negative Participation Factor (NPF), you set your level of opportunity for growth - your Positive Participation Factor (PPF). At the end of five years, Alico will measure the growth of the FTSE 100 index by comparing its closing level on the Final Date (10 June 2015) compared to the closing level of the index on the Strike Date (28 May 2010). If the index has fallen over the period, your investment will be decreased by the percentage fall in the FTSE 100 multiplied by your chosen NPF. If the index rises over the period, your investment will be increased by the percentage rise in the FTSE 100 multiplied by your chosen PPF.

You may choose one of the following combinations:

| Type of Controlled Opportunity Growth Structure (COGS) | Negative Participation Factor (NPF) | Positive Participation Factor (PPF) |
|--|-------------------------------------|-------------------------------------|
| Controlled Opportunity Growth Structure - 0% (Net) | 0% | 80% |
| Controlled Opportunity Growth Structure - 10% (Net) | 10% | 90% |
| Controlled Opportunity Growth Structure - 20% (Net) | 20% | 100% |
| Controlled Opportunity Growth Structure - 30% (Net) | 30% | 110% |
| Controlled Opportunity Growth Structure - 40% (Net) | 40% | 120% |
| Controlled Opportunity Growth Structure - 50% (Net) | 50% | 130% |
| Controlled Opportunity Growth Structure - 60% (Net) | 60% | 140% |
| Controlled Opportunity Growth Structure - 70% (Net) | 70% | 150% |
| Controlled Opportunity Growth Structure - 80% (Net) | 80% | 160% |
| Controlled Opportunity Growth Structure - 90% (Net) | 90% | 170% |
| Controlled Opportunity Growth Structure - 100% (Net) | 100% | 180% |

For example if you choose to invest in the 'Controlled Opportunity Growth Structure - 40% (Net)' from the list above, you will have chosen an NPF of 40% (which means that the PPF is 120%). Based on an investment of £10,000 (Amount Allocated), the table below shows examples of the amount that will be available at the Maturity Date.

Amount available on Maturity Date = Amount Allocated + [Percentage growth x Participation Factor x Amount Allocated]

| Index at start | Index after five years | Percentage growth | Participation Factor NPF | Participation Factor PPF | Amount available on the Maturity Date |
|----------------|------------------------|-------------------|--------------------------|--------------------------|---------------------------------------|
| 5000 | 2500 | -50% | 40% | - | £8,000 |
| 5000 | 4000 | -20% | 40% | - | £9,200 |
| 5000 | 4800 | -4% | 40% | - | £9,840 |
| 5000 | 5200 | 4% | - | 120% | £10,480 |
| 5000 | 6000 | 20% | - | 120% | £12,400 |
| 5000 | 7500 | 50% | - | 120% | £16,000 |

Suitability

This investment is suitable for those who are already invested in the UK stockmarket (and intend to stay there for the next five years). These investors understand its risks, but would like to reduce the level of possible negative returns and/or increase the levels of possible positive returns. Alternatively it might suit a new investor, with a five year time horizon, looking for a stockmarket investment with some degree of protection against market falls.

Key information

| | | |
|--------------------|---|---|
| Minimum Investment | £5000 | The minimum investment into COGS is £5000. For additional investments, you will need to complete a separate Application Form. |
| Index | FTSE 100 | The performance of this index will determine your investment performance. |
| Offer period | 26 April - 21 May 2010 | This is the period when you can put money into this investment. From the date of your investment up to 28 May 2010 monies will be held in the Cash Holding Fund. We reserve the right to close or withdraw this Structured Investment before the end of the offer period if oversubscribed. |
| Strike Date | 28 May 2010 | The closing level of the Index rounded down to the nearest point on this day (the Strike Level) will be the starting point and we will measure the index performance against this starting level. |
| Final Date | 10 June 2015 | The closing level of the Index rounded down to the nearest point on this day (the Final Level) will be measured against the Strike Level to determine the performance of your investment. |
| Maturity Date | 17 June 2015 | This is the day that the investment will mature. You can choose to reinvest the proceeds or withdraw the funds from the product the business day following the Maturity Date. |
| Counterparty | London International Financial Futures and Options Exchange (LIFFE) | This is the exchange from which we will buy the assets to meet your payout. However Alico Wealth Management guarantee to meet the payment even if the Counterparty goes bankrupt. |

How to invest

Within the product application form under the Investment Choices section, there are specific spaces for Structured Investments. Please detail the type of Controlled Opportunity Growth Structure that you would like to invest in from the list on the previous page.

Important points

1. Your capital is at risk as investment performance may vary significantly.
2. This investment is intended to be held until the Maturity Date. If you exit from this Structured Investment before the Maturity Date you will forfeit the link to the index. Your surrender value will take into account the charges for the full period, together with the fact that we use the market value of the assets to determine what you get back. Your surrender value will depend on the participation factors you have chosen. Alico reserves the right to decline a request for early surrender where it is difficult or impossible for the Company to realise assets held as reserves in respect of the Structured Investment at an acceptable price or at all.
3. You may get back less than you invested if you exit this investment prior to its Maturity Date.
4. Unlike other investments in FTSE 100 related assets, this investment does not pay dividends and the terms we offer take this into account. You should remember this when comparing this investment with other assets.
5. Unless you have chosen the 0% NPF option, you will lose part of your investment if the index falls in relation to your chosen NPF. You could lose a large part of your investment if the index falls substantially.
6. Once we have received your completed Application Form, you will not be able to change your Participation Factors.
7. A Structured Investment holding may not be partially encashed. If you wish to leave a Structured Investment before the end of its investment period, you must surrender your full holding of the investment.
8. An indicative early surrender value can be obtained by contacting us. Any early surrenders will usually be processed on the Wednesday after receiving instructions. The first opportunity you will have to cancel or surrender from COGS will be Wednesday 2 June 2010.
9. The Asset Charge that applies to COGS has been taken into account when setting up the returns available.
10. Ongoing Adviser Remuneration will not be available from this Structured Investment.
11. The Controlled Opportunity Growth Structure is available to all the products within the Select Portfolio. Please note that the Controlled Opportunity Growth Structure - 0% (Gross) is not available within the ISA.

Alico Wealth Management does not provide advice on selecting investments - investors should consult their financial adviser on the merits of any particular investment or fund. While Alico Wealth Management has used all reasonable endeavours to ensure the accuracy of the information contained in this factsheet, it neither accepts any liability in respect of the investment decisions of investors nor any loss arising from such decisions. Alico Wealth Management is a trading style of American Life Insurance Company (Alico), a private limited company incorporated with limited liability in Delaware, USA No. 0123730. Head Office: One Alico Plaza, Wilmington, Delaware, USA 19801. Registered in England No. BR000230. Branch Office: 22 Addiscombe Road, Croydon, CR9 5AZ. Authorised and regulated by the Financial Services Authority (FSA Reference Number 139417).

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