

Investment with Steady Returns: UK Traded Endowment Policies

On 21 Feb 2009, I conducted a Financial Planning Talk at Queenstown CC, where more than 150 people attended.

During the talk, I shared about how a person can diversify his/her investments by investing into Different Classes of Assets, including French Fine Wine Investment, UK Traded Endowment, Land Banking, Gold and Silver.

I was surprised that most people have not heard of UK Traded Endowment, as this investment has been allowed by MAS for retail investors to invest since 1 July 2004, and has more than 30 years history in UK, highly regulated and protected by UK Laws.

Below I share some information about What are Traded Endowment Policies.

When you invest in Traded Endowment Policies (TEPs), you are actually "buying time" as you're buying over existing with-profits endowment policies which were sold by the original policyholders before the maturity date, for reasons that may include debt clearance, re-mortgaging, cash requirements, and more.

Instead of waiting 30 years for an endowment policy to mature, you can choose to invest in TEPs with as short as 3 years to maturity!

Full Ownership

As a TEP investor, the policy will be legally assigned to you, making you the rightful owner of the policy. As the new policy owner, you will be fully entitled to the sum assured plus the attaching bonus, and all future bonuses and policy benefits. You may choose to reassign, surrender, sell or "will" the policy at any time.

Now is actually a very good time to invest into Traded Endowment. Why?

One simple way to Make money from investing is to Buy Low and Sell High.

Now is a very good opportunity and time to invest into UK Traded Endowment and here are the reasons why:

1. Sterling pounds is trading at the lowest level against S\$ in over 20 years. Of course, no one can guarantee that this is the lowest level it can get, but the chances of the exchange rate to be higher in say, 5 years' time from now is very high and the chances of the exchange rate to be lower than current level is extremely unlikely in 5 years' time.

2. Most of the UK Insurers have already cut bonus on their Endowment policies. What it means is that the chance that UK Insurers might cut bonus further is low. In other words, the chance that UK Insurer can deliver the returns based on current Low bonus rates is very, very high.

3. In recent months, many financial institutions have collapsed. The unique thing about UK Traded Endowment is the Statutory Guarantee provided by the Financial Services Compensation Scheme. Even in the worst case scenario should the UK Insurer collapses, you still get back at least 90% of the Cash Value of the Endowment policy.

I cannot think of any other investment that offers such a high level of Protection and Guarantee.

4. UK Traded Endowment has been allowed by MAS (Monetary Authority of Singapore) for retail investors to invest in since 1 July 2004. This shows that UK Traded Endowment has passed through the scrutiny of MAS and come out ok.

5. Because of weak market conditions, it is possible to invest into UK Traded Endowment policies at a Low price now. Low price is bad for the sellers, but it is really good news for investors, who are buying the UK Traded Endowment policies.

Buy Low is one of the ways to reduce your risks. It is always good to buy things for a good bargain and at a great discount. Thus, I'm getting very excited, what about you?

If you like to find out more about UK Traded Endowment as a possible investment alternative for you, you can go to www.TradedEndowment.com

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No Health or Age Requirement

Anyone above 21 can invest in TEPs regardless of health conditions.

Flexible Term

You can choose the investment term according to your needs. There are 3-years to maturity policies to long term policies with more than 15-years to maturity. Thus, TEP is an excellent vehicle for financial planning and can be tailored for your needs, whether it is for children education, retirement planning or just to make your money work for you.

No yearly management & service fee

Once the policy has been legally assigned to you, you become the new owner of the policy. All bonuses declared by the insurance company go directly to you. Unlike Unit Trust/Mutual Funds, there is no yearly management or service fee to marginalise your returns.

High Guaranteed Cash Value

Every TEP that you invest in has a "Capital Guarantee" value in the form of the sum assured plus the attaching bonuses. These values once allocated cannot be reduced and removed. Attractive

Maturity Bonuses

In endowment policies, maximum benefits are derived at the tail end of the policies. If you buy a 25-year TEP with 5 years to maturity, you are investing in a policy that has been in force for 20 years; you are effectively buying priceless

investment time. The yearly bonuses declared by the insurance company will provide steady growth for the remaining term of your policy; while at maturity, you will receive a final terminal bonus that is usually substantially larger than the annual bonuses.

With a high capital guarantee, low risk and great returns, it is not a surprise that Traded Endowment Policies (TEPs) have been popular with investors in England and Europe.

Now You Can Invest in Traded Endowment (TEP) right here in Singapore! It is now available in Singapore for you to invest in. Whether planning for children education, your retirement funds or simply to make your money work harder for you, TEPs can be catered to meet your different needs at different stages of your life.