

The Protected Asset TEP Fund No.2

PATF2

FUND PERFORMANCE
AND FACT SHEET
JUNE 2004

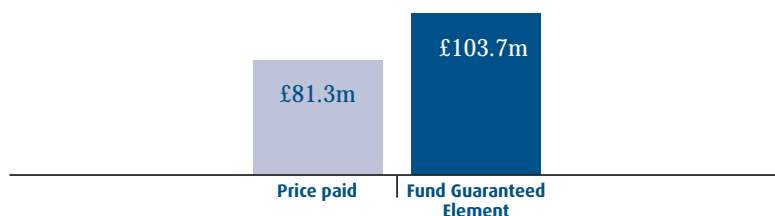
Investment Objective:

To provide investors with capital growth and low risk through investment in a diversified portfolio of with-profit Traded Endowment Policies (TEPs) issued by leading UK Life Assurance companies.

Capital Guarantees:

Endowment Policies have in-built guarantees represented by the sum assured and bonuses accumulated. These capital guarantees are paid by the Life Offices and cannot be taken away or reduced as long as the premiums are maintained to maturity.

The table below illustrates the comparison between the price paid for the policies in the original PATF Fund and the capital guarantees contained therein as at 1st June 2004. The capital guarantees are 28% greater than the purchase price.



Single Pricing:

To ensure neither buyers nor sellers are penalised, the Fund has no bid-offer spread.

Currency Classes:

Investors can access the Fund in Sterling, Euros and US Dollars. The Fund does not benefit from foreign exchange movements but seeks to protect Euro and US Dollar investors from adverse currency movements. Hedging facilities will be transacted through Allied Irish Bank who offer competitive spreads on hedging instruments and JC Rathbone Assoc. (JCRA) are appointed as the currency hedging advisor to the fund. JCRA has developed since 1989 into the largest foreign exchange exposure consultancy company in the UK and advise on the most effective mechanism to hedge exposure.

Fund Statistics: (most currency funds launched 15th May 2004)

As at:	June 15 th 2004	Fund Price:	£1.0842
Fund Size:	£8.8m		\$1.0064
			€1.0065

Fund Performance:

Currency Class	Launch Date	1 Mth	3 Mths	6 Mths	Since Launch
£	15/12/2003	0.90%	3.06%	8.42%	8.42%
\$	15/05/2004	0.64%	N/A	N/A	0.64%
€	15/05/2004	0.65%	N/A	N/A	0.65%

General Information (applicable to all classes)

Domicile: Isle of Man
Investment class:
Traded Endowment Policies

Sterling Class:

Launch date: 15/12/2003
Launch Price: £1.00
Min. Investment: £10,000
Sedol No: 3384314
ISIN No: GB0033843144

US Dollar Class:

Launch date: 15/05/2004
Launch Price: \$1.00
Min. Investment: \$15,000
Sedol No: 3434464
ISIN No: GB0034344464

Euro Class:

Launch date: 15/05/2004
Launch Price: €1.00
Min. Investment: €15,000
Sedol No: 3434435
ISIN No: GB0034344357

Traded Endowment Policies 'TEPs'

TEPs are endowment policies that are bought and sold by investors, policyholders and Market Makers.

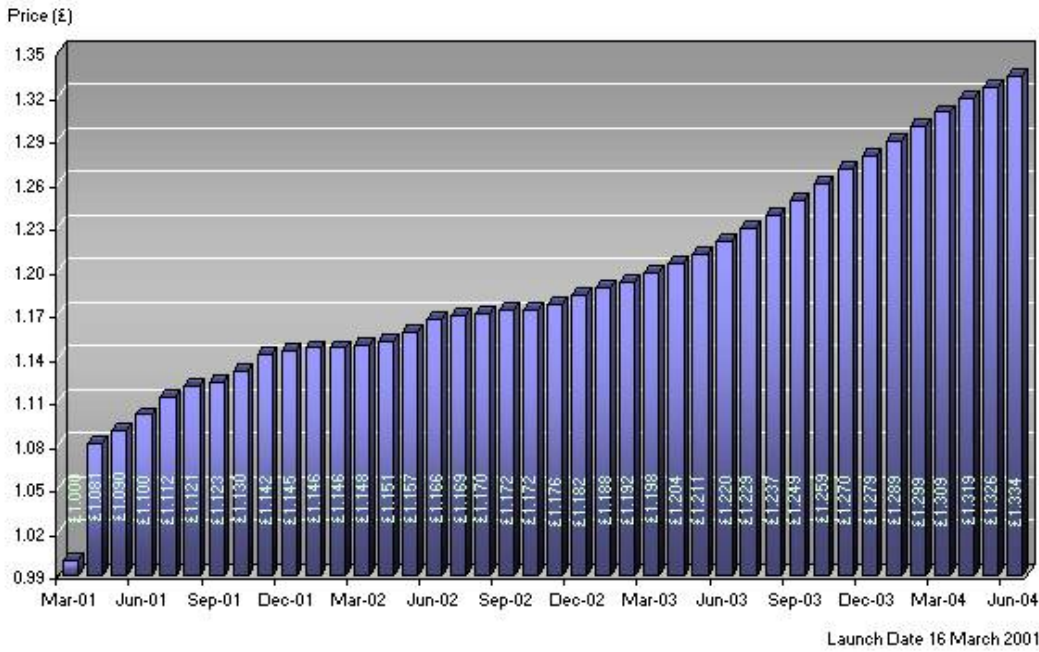
Investment in TEPs

TEPs can offer investors large in-built capital guarantees together with capital growth comparable to and exceeding similar low risk investments.

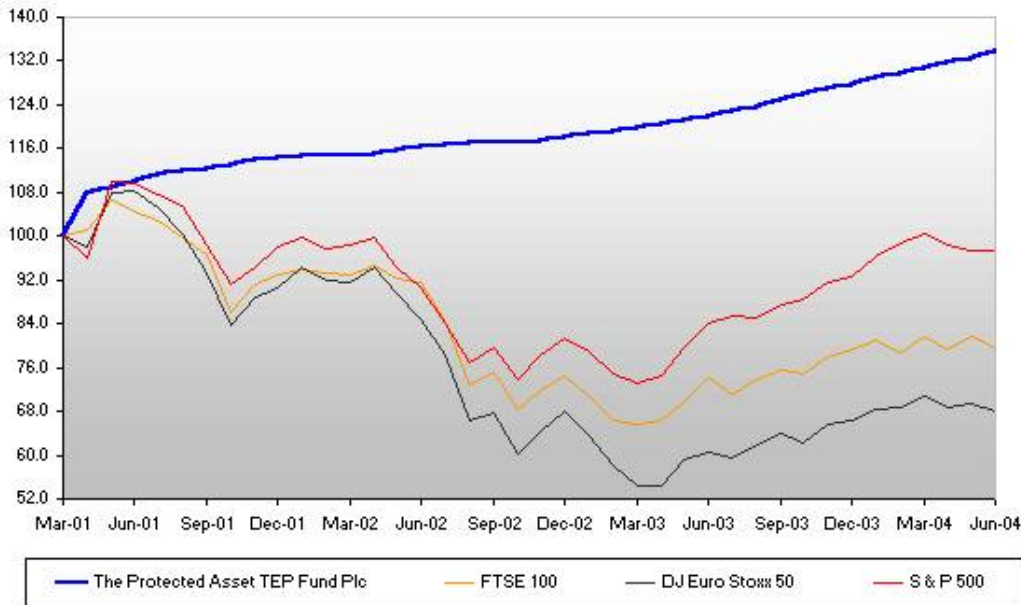
Risk and Reward

The capital guarantees contained within a TEP often exceed the price paid. PATF2 is designed as a medium to long term investment holding. Withdrawals are restricted in Year 1, a is a redemption fee for withdrawals in the first 5 years.

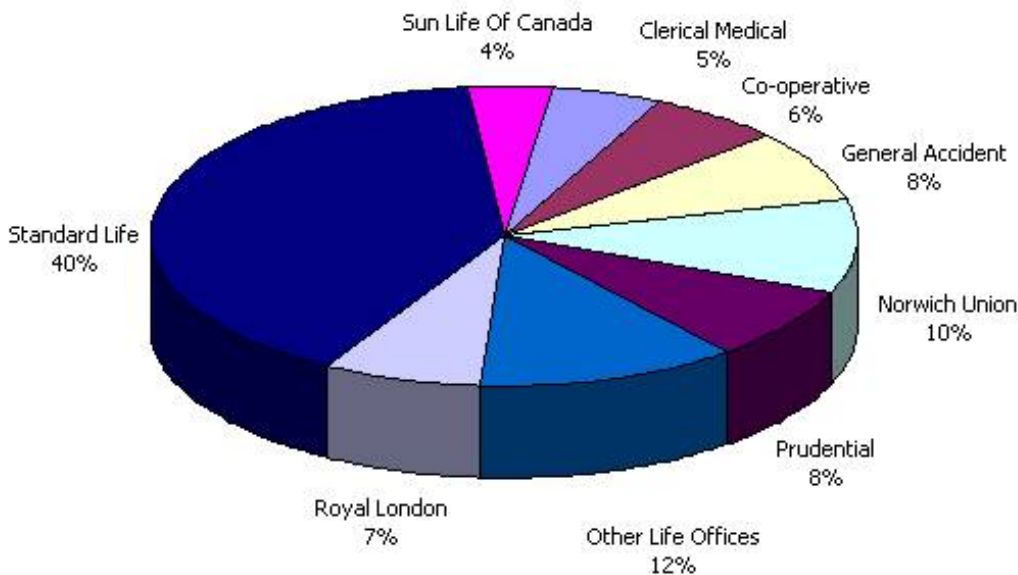
Share Prices of The Protected Asset TEP Fund Plc. (Sterling Class)



Comparison of The Protected Asset TEP Fund Plc (Sterling Class) against Major World Indices



Distribution of Assets Held by The Protected Asset TEP Fund Plc. (Sterling Class) as at 31st May 2004



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Important Note:

PATF No.2 is a sub fund of the original PATF and participates in a similar pool of policies as shown in the Pie Chart below. The 'share price movement' Bar Chart and 'world indices' graph relate to the performance record of original PATF, not PATF No.2 and are shown for illustration purpose only. The performance of PATF No.2 will differ from the original fund due to differing launch dates and fund structure but it is anticipated it will follow a similar trend.

This fact sheet is intended for use by professional advisors only. Investors should take independent financial advice from a professional adviser to determine whether making an investment in the fund is suitable.

Investors should read the fund listing particulars and assure themselves of the nature and risks associated with the fund. Past performance is not a guide to future returns and shares in the fund can go down as well as up.

Fund Administrator:
Abacus Financial Services Ltd.

Custodian:
RBSI Trustee Services (Guernsey) Ltd.

Bankers:
RBSI Ltd.

Auditors:
Deloitte & Touche

Policy Provider:
AAP Ltd.

Promoter:
Protected Distribution Ltd.,
Tortola, BVI.

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