



IOMA LIFESTYLE PROTECTORS

Designed for use with the Lifestyle Pension (Isle of Man)
A Qualifying Recognised Overseas Pension Scheme ('QROPS')

Introduction

The Isle of Man has one of the most advanced environments in the world for handling QROPS transfers. The tax system is modern and flexible, the regulatory environment robust, and the legal system comparable to that of the UK.

In particular, section 50C of the Income Tax Act 1970, known simply as 50C, is one of the most sophisticated pieces of tax legislation available in connection with QROPS, allowing for enhanced lump sum payments over and above what you might expect from other jurisdictions.

The 50C rules require that at least 70% of the **'tax-relieved'** fund must be used to provide an income for life. For transfers out of UK schemes the tax-relieved fund is the amount transferred and *not* the value at the point of taking benefits. Any value exceeding 70% of the tax relieved fund may be taken as a tax-free lump sum, meaning that any subsequent growth after transfer may be also taken as a tax free lump sum. This means that it is possible to receive a tax-free lump sum which exceeds 30% of the value of your pension pot at retirement.

But what if it doesn't grow? What if the fund drops? You may have been attracted to the 50C scheme because of its potential to pay a larger lump sum and find that in fact you have not even retained 70% of your initial transfer value, what you would have initially considered to be your minimum income component.

That's where the Lifestyle Protectors come in. These are designed to protect the downside of your investment so that you can always retain the income element you transferred over. At the same time your scheme can also participate in upside performance so that you may get access to that enhanced lump sum after all.

You can choose protection levels of either 70%, to tie in with the 50C requirements, or 80% if you are a little more cautious. This protection is provided by Barclays Bank PLC.

*And what about the upside? By way of example, if you'd selected Lifestyle Protector 70 in October 2001 it would have enjoyed annualised growth of **12.76%*** over the following ten years, some of which have been the most difficult investment conditions in recent history. So, those enhanced lump sums are a distinct possibility too.*

[*Source: Barclays Capital]

IOMA Lifestyle Protectors at a Glance

The IOMA Lifestyle Protectors are investment products designed to benefit from capital growth linked to the markets, with the comfort of protection against large market falls.

There are two investment options:

- **IOMA Lifestyle Protector 70**
 - Designed to protect 70% of the initial investment, and lock-in 70% of the growth each time the investment's Offer Price reaches a new high
- **IOMA Lifestyle Protector 80**
 - Designed to protect 80% of the initial investment, and lock-in 80% of the growth each time the investment's Offer Price reaches a new high

Lifestyle Protector Features

- Return conditional upon the performance of a diversified index, with the comfort of a Protected Price
- Performance linked to a single investment strategy, whilst returns are linked to several asset classes
- An investment product that gives more exposure to the market when markets are rising and more exposure to the safety of cash when markets are falling
- Sterling denominated investment
- Protection is provided by Barclays Bank PLC

Underlying Assets

Investment Asset

The Investment Asset of the IOMA Lifestyle Protectors is the Barclays GBP ARMOUR Index. The Barclays GBP ARMOUR Index derives its returns from up to six traditional asset classes, where allocation is adapted monthly to those assets that have enjoyed the best performance over the previous month (see ARMOUR Index section for more information).

Protection Asset

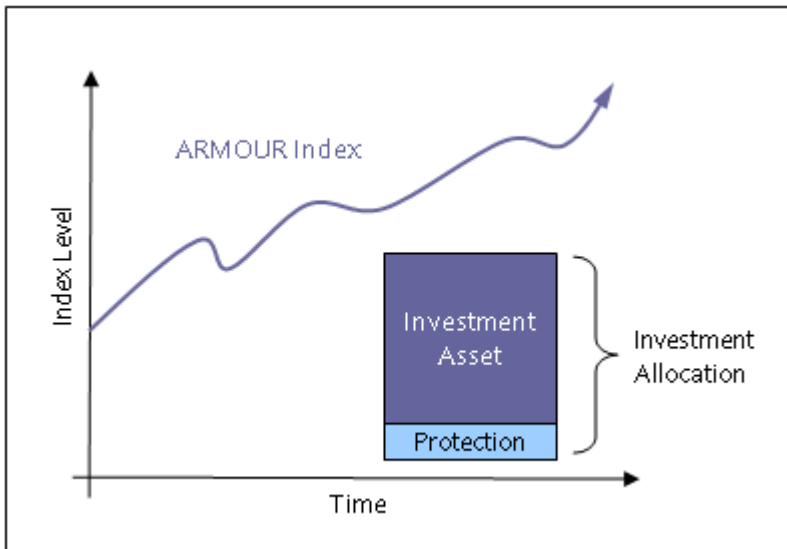
The Protection Asset of the IOMA Lifestyle Protectors is the Barclays GBP Overnight Index. This index provides a return typical of what you might receive from a Sterling (GBP) current account.

How does an IOMA Lifestyle Protector Work?

The example below is for illustrative purposes only, and is not a prediction of future potential returns.

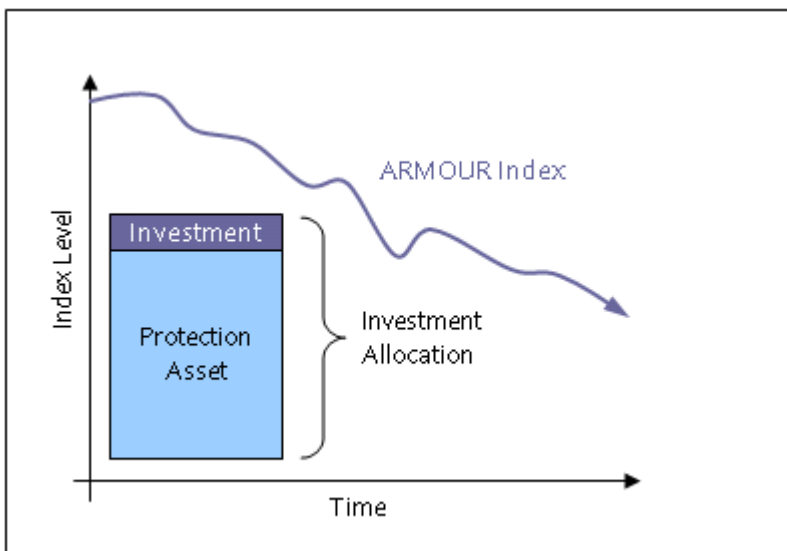
Rising Market

When the market is consistently rising and stable, the IOMA Lifestyle Protectors will typically have a much greater percentage allocation to the Investment Asset. The percentage allocation to the Investment Asset is subject to a maximum of 100%.



Declining Market

During periods of a declining market, the IOMA Lifestyle Protectors will typically have a greater percentage allocation to the Protection Asset. If the markets were to fall considerably, the investments may become significantly invested in the Protection Asset. This means that the investments may not be able to benefit as much from a subsequent recovery in the markets.



How the Protected Price is determined

The investments have an Offer Price¹, the price at which you can buy the investment; a NAV Price, the price at which you can sell an existing holding of investments; and a Protected Price, which is the minimum future NAV Price regardless of market performance.

¹ The Offer Price is determined by dividing the investment's NAV by 96.5%, so if the NAV Price is £0.965, the Offer Price is £1.00

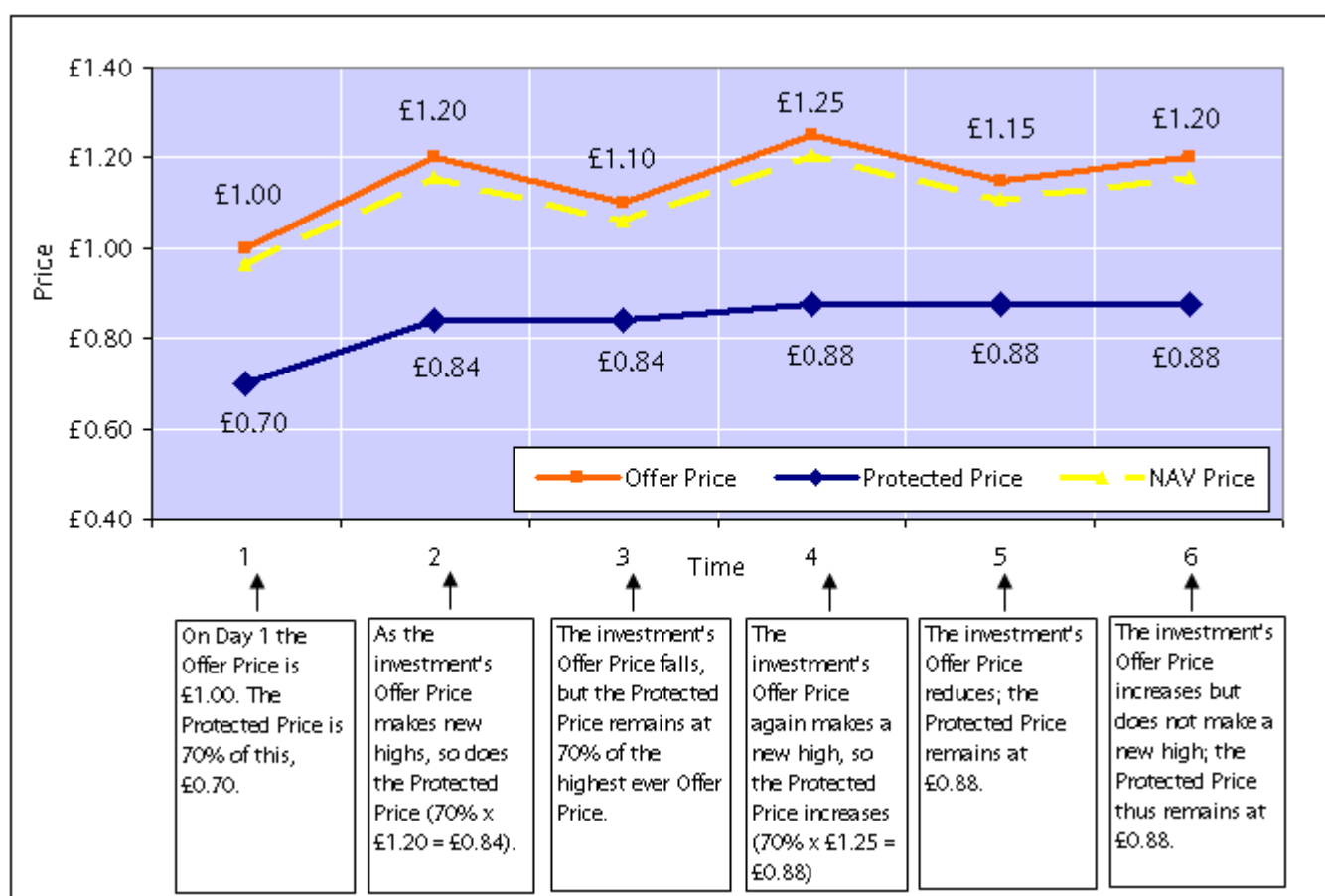
The example below relates to Investment Option 1: IOMA Lifestyle Protector 70

- o Protection at 70% of the highest ever Offer Price

The Protected Price is 70% of the highest ever Offer Price of the investments. When the Offer Price of the investment rises above its previous highest point, the Protected Price also increases. This means that at all times, 70% of the increases in the investment's Offer Price above its previous highest point are locked in, increasing the level of protection.

The Protected Price is provided by Barclays Bank PLC. As at 16 December 2011 Barclays Bank Plc was rated 'A+' by Standard & Poor's; 'Aa3' by Moody's; and 'A' by Fitch.

The chart below illustrates the relationship between the Offer Price and Protected Price, as the NAV Price of the IOMA Lifestyle Protector 70 changes.



The data shown above is for illustrative purposes only, and is not a prediction of future potential returns.

Based on the chart above, you can observe how the Protected Price can lock-in growth as the investment's Offer Price increases.

ARMOUR Index

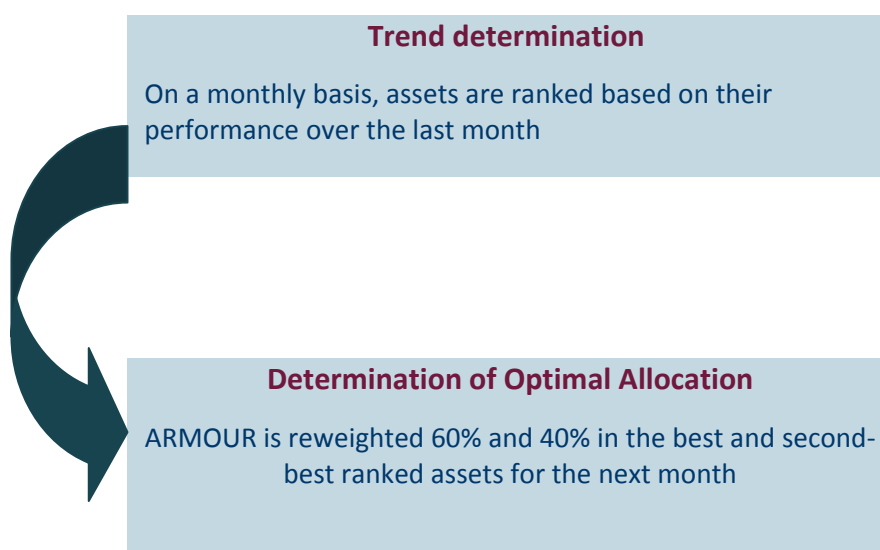
Investing in a diversified basket of assets has traditionally been a popular approach taken by investors to reduce volatility and enhance the returns of their portfolio. However applying a static weighting to each asset may not be optimal as asset classes often perform differently in various market environments.

The ARMOUR strategy recognises these changing scenarios and re-allocates between assets on the basis of their most recent trend. The strategy dynamically rebalances its investments into assets which are performing well and out of those which have recently experienced low or negative performance. The strategy derives its returns from up to six different assets, including Developed Equities, Bonds, Emerging Market Equities, Commodities, Gold and Cash and each month the investment is divided between the two best performing assets of the previous month.

Asset Class Summary

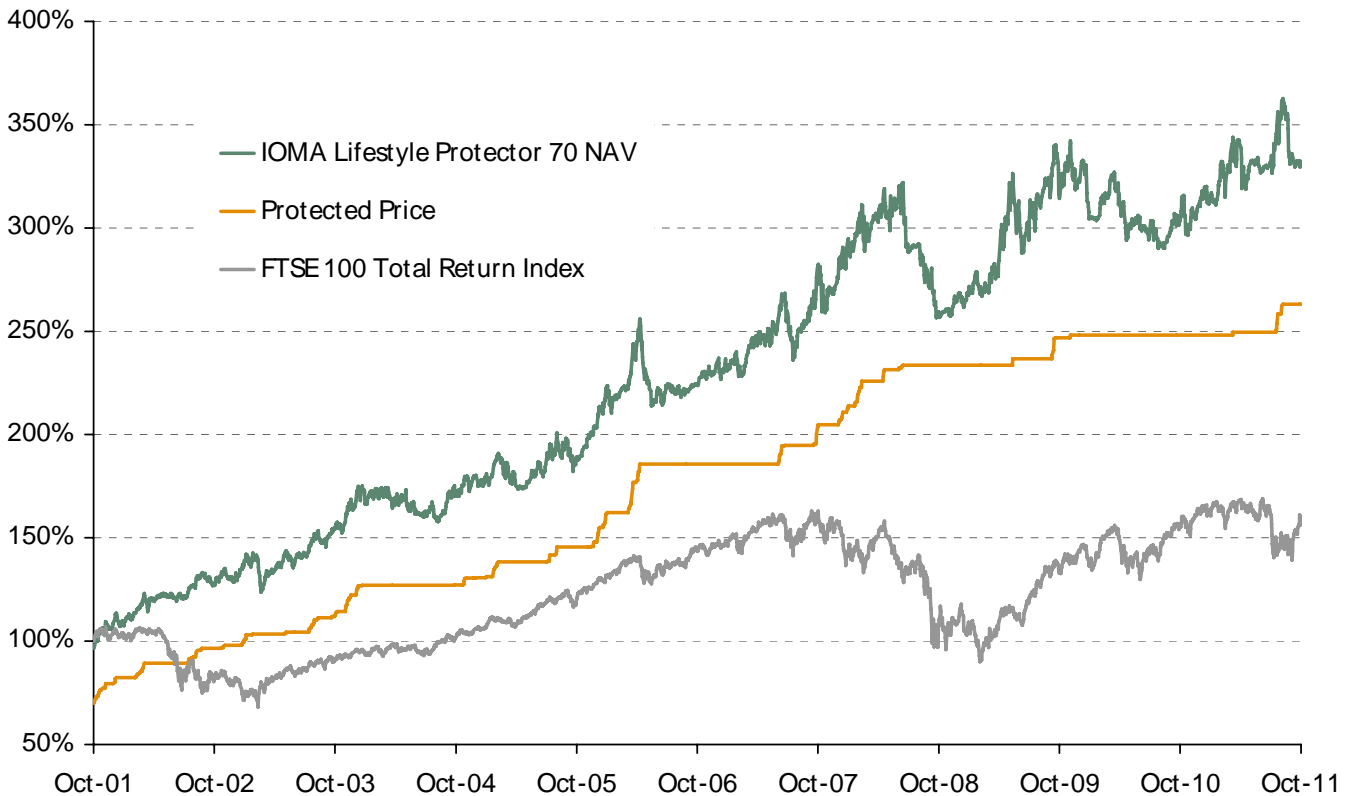
	Asset Class	Underlying
1	Equities	FTSE 100 Total Return Index
2	Emerging Markets	iShares MSCI Emerging Markets
3	Commodities	S&P GSCI TR Index
4	Gold	SPDR Gold Trust
5	Bonds	Barclays Nominal Swap 10 Year GBP TR Index
6	Cash	Libor 1 Month

The allocation within the ARMOUR strategy adapts according to changes in trends:



Simulated Past Performance

Option 1: IOMA Lifestyle Protector 70



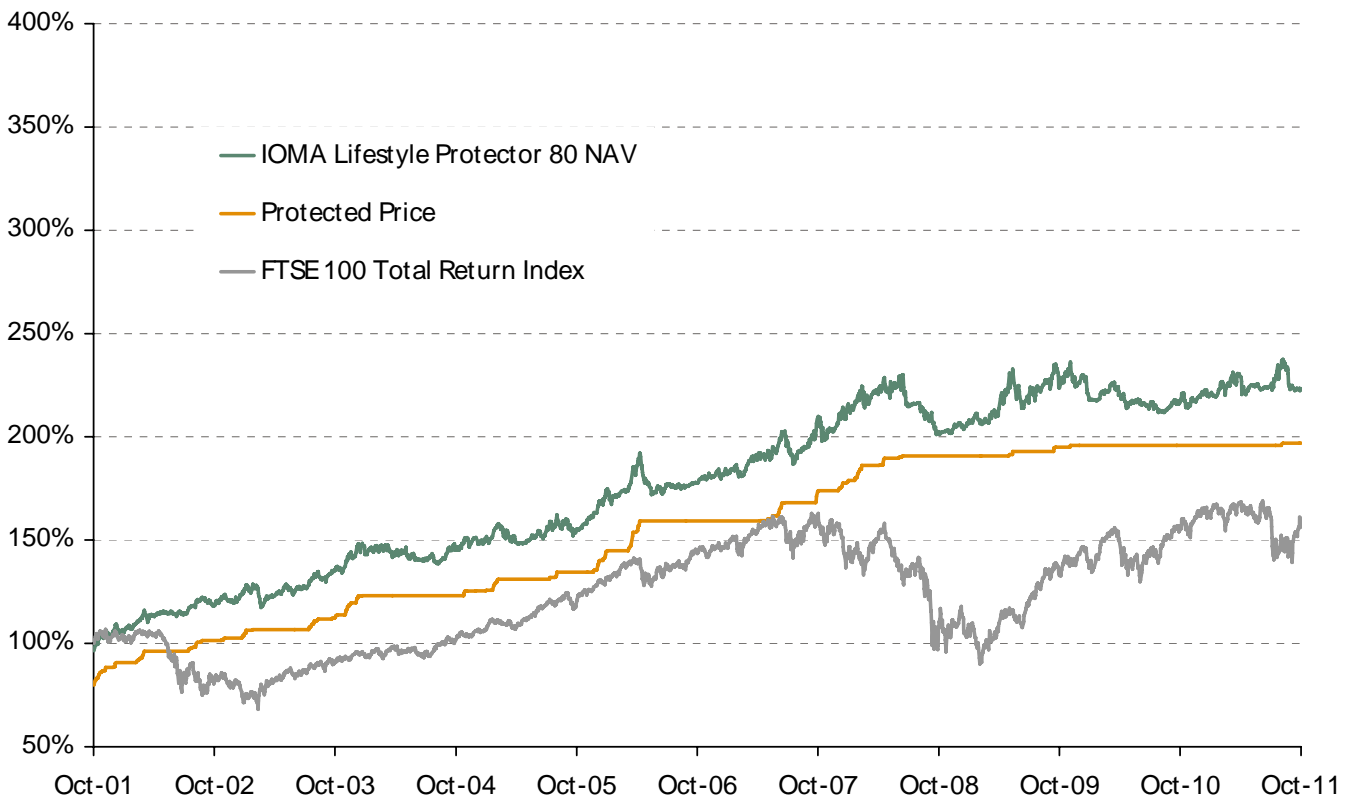
Source: Barclays Capital, as at 31 October 2011.

IOMA Lifestyle Protector 70 simulated past performance calculated as total return net of fees. Data from simulated past performance is no indication of future performance.

Option 1: Simulated Past Performance Summary

	Annualised Return (31 Oct 2001 to 31 Oct 2011)
IOMA Lifestyle Protector 70	12.76%
FTSE 100 Total Return Index	4.57%

Option 2: IOMA Lifestyle Protector 80



Source: Barclays Capital, as at 31 October 2011.

IOMA Lifestyle Protector 80 simulated past performance calculated as total return net of fees. Data from simulated past performance is no indication of future performance.

Option 2: Simulated Past Performance Summary

	Annualised Return (31 Oct 2001 to 31 Oct 2011)
IOMA Lifestyle Protector 80	8.37%
FTSE 100 Total Return Index	4.57%

Fees & Charges

The IOMA Lifestyle Protectors are designed for an initial charge of 3.5% to be taken. In particular the respective Protection Prices of 70% and 80% relate to the **total gross investment amount** assuming 3.5% of upfront charges, hence a net investment amount of 96.5%. A net investment amount different to 96.5%, will change the protection level when compared to the gross investment amount.

All ongoing fees and commissions are taken into account in the daily NAV. For further information please contact IOMA Pensions.

Points for Consideration

Market Conditions

In unfavourable markets, if the investments becomes substantially or completely invested in the Protection Asset, it may take a prolonged period of time and/or extensive market improvement before the investments' exposure to the Investment Asset reaches a significant level. In such a scenario the investments would perform more like a cash investment.

Credit Risk

The investments are Notes issued by Barclays Bank PLC ("Barclays") bearing the credit risk of Barclays and aims to achieve medium to long-term growth while protecting the unit price from falling below 70% or 80% of the highest-ever unit price. You are investing in a type of loan to Barclays Bank plc. The payments the bank makes in return provide the investment return.

The Protected Price is not guaranteed and is dependent on Barclays being able to satisfy its payment obligations. Barclays Bank PLC is authorised and regulated by the UK Financial Services Authority and was rated 'A+' by Standard & Poor's; 'Aa3' by Moody's; and 'A' by Fitch (as at 16 December 2011).



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For further information, or if you wish to complain about any aspect of the service you have received, please contact the Compliance Department at IOMA Horizons Limited. In the event that we are unable to resolve a complaint it can be referred to the Isle of Man Pensions Ombudsman or the Financial Services Ombudsman Service for the Isle of Man. Copies of our internal complaints handling procedures are available on request.

The Lifestyle Pension (Isle of Man) is a tax approved Isle of Man personal pension plan IT33B/ 281(B), and registered with the Isle of Man Insurance and Pensions Authority registration number DA806. It is also a Qualifying Recognised Overseas Pension Scheme for UK tax purposes with Her Majesty's Revenue & Customs reference number 503958. The Lifestyle Pension (Isle of Man) is not a UK Registered Pension Scheme and IOMA Horizons Limited are not authorised and regulated by the Financial Services Authority for the provision of personal pensions.

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