

**FINANCIAL FOUNDATIONS PLC**  
**SUPPLEMENTAL MEMORANDUM**  
**Dated 17<sup>th</sup> March 2006**

**THE INSTITUTIONAL SHARE CLASSES**

*The details set out below are supplemental to the Offering Document for the Company dated 17<sup>th</sup> March 2006 (the “Offering Document”).*

**Important Note:** *Terms used in this supplemental document and not otherwise defined have the meanings ascribed thereto in the Offering Document. This document should be read in conjunction with the Offering Document, which contains information about the Company, including the risks of an investment in the Company. The information contained in this Supplemental Memorandum relates only to the Institutional Share Classes. Save as contained in this Supplemental Memorandum, the information contained in the Offering Document relating to Shares applies equally to the Institutional Share Classes. Investors should note that some information contained in the Offering Document is repeated in this supplemental document for ease of reference.*

**Company:**

Financial Foundations PLC

**Share Class:**

Shares in the following Share Classes are participating redeemable preference shares of nominal value US\$0.01 or €0.01 in the Company:

- Euro Institutional Share Class (€0.01)
- US Dollar Institutional Share Class (US\$0.01)

(together, the “Institutional Share Classes”)

**Current Share Classes:**

The Company currently has seven share classes, the above Institutional Share Classes and the following Share Classes:

- Euro Ten Year Share Class
- US Dollar Ten Year Share Class
- Euro Direct Share Class
- US Dollar Direct Share Class
- Euro Retail Share Class

**Investment Objectives, Investment Policies and Restrictions:**

The investment objectives, investment policies and restrictions for all of the Institutional Share Classes are as detailed in the Offering Document. Investors should note that each class of shares in the Company may differ in relation to the currency in which the Shares are denominated, the method of subscription for Shares and the charging structure, details of which are set out in the Supplementary Memorandum for the relevant class of Shares.

**Minimum Investment Amount:**

Investors in each of the Institutional Share Classes must subscribe a minimum initial amount of US\$25,000 (for the Dollar Institutional Share Class) or €25,000 (for the Euro Institutional Share Class).

Subsequent subscriptions must also be in a minimum amount of US\$25,000 (for the Dollar Institutional Share Class) or €25,000 (for the Euro Institutional Share Class).

**No Initial Charge or Subscription Fee:**

Investors in the Institutional Share Classes will not be required to pay an Initial Charge or Subscription Fee.

**Offering Period:**

The initial offer period for subscription for the Institutional Class Shares shall be the period commencing on 17<sup>th</sup> March 2006 and ending on 28<sup>th</sup> April 2006 (“the Initial Offer Period”). During the Initial Offer Period, Shares will be available at a subscription price of US\$100 or €100 each, as appropriate, inclusive of a premium per share of US\$99.99 and €99.99.

**Share Issue:**

Following the initial offer period, Shares may be purchased on any Dealing Day (generally the first Business Day of each calendar month or such other day as the Directors may from time to time determine).

**Share Price and Initial Charge:**

Institutional Class Shares issued after the Initial Offer Period will be available at a the Issue Price on the relevant Dealing Day and will be issued to two decimal places.

**Redemptions:**

Shares may be redeemed on any Dealing Day at the Redemption Price applicable on that Dealing Day.

**Eligible Investors:**

The Institutional Class Shares are offered to Institutional Investors who are Experienced Investors as defined in the Offering Document.