

FINANCIAL FOUNDATIONS PLC
SUPPLEMENTAL MEMORANDUM
Dated 17th March 2006

THE TEN YEAR SHARE CLASSES

The details set out below are supplemental to the Offering Document for the Company dated 17th 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 Ten Year Share Classes. Save as contained in this Supplemental Memorandum, the information contained in the Offering Document relating to Shares applies equally to the Ten Year 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 Ten Year Share Class (€0.01)
- US Dollar Ten Year Share Class (US\$0.01)

(together, the "Ten Year Share Classes")

Current Share Classes:

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

- Euro Institutional Share Class
- US Dollar Institutional 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 Ten Year 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 Ten Year Share Classes must subscribe a minimum of US\$500 (for the Dollar Ten Year Share Class) or €500 per month (for the Euro Ten Year Share Class) for a minimum of 120 months (the "Subscription Period").

The first eight months' payments (i.e. 8 x US\$500, or 8 x €500, as appropriate) are paid to the Administrator as a subscription fee (the "Subscription Fee"). Such fee is irrecoverable in the event of full or partial redemption.

Where Dealing Days do not coincide with the date of receipt of the monthly payments, monies will be invested on the next Dealing Day following receipt of cleared funds.

At the end of the Subscription Period, Shareholders who wish to continue to hold their Shares will be offered the opportunity to switch free of charge into Shares in the Institutional Share Classes (as defined in the Offering Document) in the relevant currency, and may choose to continue monthly subscriptions into such new share class. Details of the Institutional Share Classes are contained in the offering document and the relevant Supplementary Memoranda.

The Administrator reserves the right to pay the full amount of the Subscription Fee to introducers by way of commission and to retain any balance for its absolute use and benefit.

Offering Period:

The initial offer period for subscription for the Ten Year Class Shares shall be the period commencing on 17th March 2006 and ending on 28th 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:

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

On the issue of Ten Year Class Shares the Administrator will levy an initial charge of 5% (the "Initial Charge") of the monthly subscription amount from month 9 onwards.

Redemptions and Exit Charge:

Shares may be redeemed on any Dealing Day at the Redemption Price applicable on that Dealing Day and the number of shares redeemed will be calculated to two decimal places.

Ten Year Class Shares are subject to an Exit Charge levied by the Fund at the rate of 5% of the redemption value on any full or partial redemptions made during the Subscription Period. Partial redemptions will also give rise to a pro-rata reduction in the Bonus Payment (as defined below) payable at the end of the Subscription Period.

Bonus Payment:

Shareholders in the Ten Year Share Classes will receive a payment equivalent to 70% of the Subscription Fee at the end of the Subscription Period. The Bonus Payment may be taken as cash or Shares in the Institutional Share Class in the relevant currency.

Shareholders who fail to subscribe the full amount of the Subscription Commitment or partially redeem their Shares during the Subscription Period shall receive a Bonus Payment, reduced pro-rata.

Shareholders redeeming in full before the end of the Subscription Period will also be entitled to a Bonus Payment, reduced pro-rata.

Subscription Commitment

Potential investors should note that they must sign a commitment to subscribe for the full Subscription Period (Ten Years) but will not become Shareholders in the Fund until payment of the ninth monthly payment of the Subscription Commitment.

Investors are contractually bound to pay the full amount of the Subscription Fee.

Initial Charges

The amount of all Initial Charges shall be held in a segregated account controlled by the Administrator for the benefit of Shareholders and shall not be considered to be part of the Fund's assets. Any surplus on this account after payment of Bonus Payments shall be for the absolute use and benefit of the Administrator. In the event of the closure of any of the Ten Year Share Classes or the liquidation of the Fund, the balance of the segregated account shall be distributed to Shareholders in the Ten Year Share Classes.

Eligible Investors:

The Ten Year Class Shares are offered to Individuals who require a savings programme which lasts for ten years. The Shares of this class are available only to Experienced Investors as defined in the Offering Document.