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4 October 2013

Dear <Policyholder>

**Important notification that requires your attention. You may wish to take some action.**

**Subject - Blackrock UK Dynamic Fund Merger**  
**Policy number – <Policy number>**

We are writing to notify you that BlackRock have recently merged their BlackRock UK Dynamic Fund into their BlackRock UK Fund. As you invest in BlackRock UK Dynamic Fund via your Kudos policy, we are writing to let you know what this means to you and your policy.

**Reason for and advantage of the merger**

BlackRock continually review their fund range to ensure that the investment characteristics and positioning of their funds remain both relevant to, and consistent with, the current investment environment and expectations of their investors.

Following a review of the funds within their UK equity suite, BlackRock concluded that they had a significant overlap in both the investment focus and the underlying assets of the UK Dynamic Fund and the UK Fund. They therefore believed it to be beneficial to amalgamate the two funds, allowing their UK Equity Portfolio management team to take a more focused approach to each UK equity fund in the suite.

By combining the two funds BlackRock expect that this will result in some economies of scale which will be advantageous to investors. They also believe that the BlackRock UK Fund is a viable, recently stronger performer and cost neutral alternative to the BlackRock UK Dynamic Fund for investors who wish to continue investing in a core UK equity fund.

**Investment objective information for the merging funds**

Although the investment strategies of the two merging funds are very similar, the UK Dynamic Fund had an emphasis on shares of companies which exhibited either growth or value characteristics whereas the UK Fund's investment policy emphasises shares with growth characteristics only.

Both funds invest at least half of their portfolios in FTSE 100 stocks and have the freedom to invest their remaining assets in mid or small cap stocks. The UK Fund is BlackRock's UK equity team's core fund offering.

**Investment objective of the BlackRock UK Dynamic Fund (merging fund):**

*The aim of the BlackRock UK Dynamic Fund is to achieve long terms capital growth for investors. The Fund invests primarily in the shares of companies incorporated or listed in the UK which we consider exhibit either growth or value investment characteristics, placing an emphasis as the market outlook warrants. The Fund may also invest in collective investment schemes.*

Annual Management Charge is 1.50%

**Investment objective of the BlackRock UK Fund (receiving fund)**

*To achieve long-term capital growth for investors. The Fund invests primarily in the shares of larger companies incorporated or listed in the UK. The Fund may also invest in collective investment schemes.*

Annual Management Charge is 1.50%.

**What next?**

Due to the merger, your holding in the BlackRock UK Dynamic Fund has been automatically transferred into the BlackRock UK Fund. As the merging fund has a lower unit price than the receiving fund you will notice that you now hold less units in your policy, although the value transferred between funds is the same amount.

If you are happy to continue investing in the Fund then you do not need to do anything. Please note that your regular premium has also been redirected.

If you do not wish to continue investing in the BlackRock UK Fund you can choose to switch into any alternative investment option available to Kudos, free of any switch charge. Enclosed is a *Kudos fund performance bulletin* detailing the current fund range available. At this point, you may wish to speak with your servicing financial adviser to discuss your investment options.

Should you wish to choose an alternative fund please find enclosed a *Fund Switch Request* form which should be completed and returned to us. Alternatively, if you are a registered user of our Online Service Centre and fund switching facility, you can now conduct switches online fast and efficiently and make changes to the direction of your regular premium payments.

Should you have any questions about your policy please contact your servicing financial adviser in the first instance. For general queries our Customer Service Team can also be contacted by telephone on +44 (0)1624 681682 or by email [csc@rl360.com](mailto:csc@rl360.com) and they will be pleased to assist you further.

Kind regards,



Natalie Hall  
Director of Marketing

<cc. Agent>

Enclosures: Kudos fund performance bulletin, Fund Switch Request form

**Did you know you can track your policy and manage your investments online?**

If you haven't already, register for our Online Service Centre where you can access your policy summary, valuation and see a full transaction history, including premium payments, withdrawals, charges and switches.

Using our online service you can also quickly, easily and securely alter the balance of your investment mix at any time – so no more hand written switch forms and the need to fax within office hours – you can take control whenever you need.

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