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11 July 2013

Dear <<Salutation>>

### **IMPORTANT NOTIFICATION THAT REQUIRES YOUR ATTENTION**

**Suspension of the OFS International Balanced broker fund Acc1 & Acc2**  
**Policy number – <<Policy number>>**  
**Policy status - <<Policy Status>>**

You currently invest in the **OFS International Balanced <Acc1><Acc2>** broker fund via your <<Product>>policy. The broker fund is managed by OFS (Asset Management) Limited and was originally added to the SPILA internal fund range for the purposes of exclusive promotion by OFS Financial Advisers to their client base. However the fund is available to any Scottish Provident International policyholder, either through recommendation of their own financial adviser, or directly, should they become aware of the fund and wish to invest in it.

The broker fund currently invests directly in 2 underlying Private Client Portfolio (PCP) funds:

- PCP Aggressive fund
- PCP Balanced fund

We are writing to advise that the directors of The Private Client Portfolio (the “company”) have had to temporarily suspend the pricing of both funds due to the fact that LM Investment Management Limited, the manager of the LM range of funds in which both the Aggressive fund and the Balanced fund invest assets, was placed into voluntary administration in Australia on 19 March 2013. The LM range of funds have been suspended whilst the administrator completes its review work through the manager of the LM funds.

The directors of the company have advised that the suspension will impact all existing shareholders of the funds including those who have submitted redemption requests to redeem their holdings. They advise that all reasonable steps will be taken to bring the suspension to an end as soon as possible and will be subject to regular reviews by the directors.

#### **How the suspension impacts the OFS International Balanced broker fund**

As a consequence of the PCP funds being suspended, this means that we are unable to calculate a price for our OFS International Balanced broker fund and therefore also had to immediately suspend the fund. Effective suspension date was 26 June 2013. This has been done to protect the interests of our own policyholders.

#### **What this means for our policyholders**

Whilst in suspension policyholders will be unable to make a switch into, or out of, the OFS International Balanced broker fund. They will also be unable to surrender units from, or pay premiums into, the fund. The fund effectively becomes ‘frozen’ during this period.

**What about regular premium payments?**

As the suspended fund cannot currently accept subscriptions, during the suspension period it is important that any policies paying regular premiums into the OFS International Balanced broker fund are allocated to an alternative fund available. If this applies to your policy, the fund will be the SPILA Deposit fund in the same currency your policy is denominated in.

The premium redirection will also apply to any policies not currently paying premiums but which recommence premiums or make a single premium top-up during the suspension period that are allocated either partially or wholly into the OFS International Balanced fund, unless the policyholder provides instructions otherwise.

*\*Important - The SPILA Deposit Fund is a money market fund and therefore of a lower risk asset class than the Global Strategic Balanced fund. Although it is likely to be a less volatile fund, the returns on these types of funds are also likely to be lower due to the current interest rates available.*

Enclosed for your information is a valuation for your policy dated 25 June 2013. This will detail with the value you held in the fund just prior to its suspension.

**Providing you with updates**

We are dependent on receiving information from the directors of The Private Client Portfolio as to the current position with the PCP funds, so I am afraid that we are unable to provide you with a definite timeline as to when the funds may start pricing again, and ultimately the OFS International Balanced broker fund.

We understand this is a worrying time for you so we will write to you again when any updates are issued from PCP.

**Queries**

Should you have any queries about your policy, or with regards to this matter, please contact your financial adviser in the first instance. Where we hold details of your nominated adviser firm who services your policy, a copy of this letter will be sent to them for their information.

Should you have any other general queries about your policy our Customer Service Team can also be contacted by email: [csc@rl360.com](mailto:csc@rl360.com) or by telephone on: +44 (0)1624 681682, and will be pleased to assist you.

Kind regards,



Natalie Hall  
Director of Marketing

Enclosure: Policy valuation

cc. <<Agent name>>