

<Policyholder Name>
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14 November 2013

Dear <Salutation>

IMPORTANT NOTIFICATION THAT REQUIRES YOUR ATTENTION

Update on the Suspension of the Global Strategic Balanced broker fund (the 'Broker' fund) Policy number - <Policy Number>

Further to our communication dated 18 September 2013 regarding the suspension of the Global Strategic Balanced broker fund in which you invest through the above policy, we write to you with a further update.

As previously advised, the proposal to split the liquid and illiquid assets of the underlying Strategic Growth fund into separate cells was approved at a shareholder meeting held on 14 August 2013, and we can now confirm that the Directors have completed the split.

We have placed an instruction to sell all of our holding within the liquid cell. Please note that this represents only a small proportion of the underlying Strategic Growth fund. In relation to the Broker fund this equates to 20.15 % of the total fund value.

The next steps

With no additional information regarding timescales for when further liquid proceeds may become available, we will be taking the following actions to allow you the swiftest possible access to the recovered proceeds. We believe these actions are in the best interests of our policyholders at this time.

Beginning immediately we will undertake the process of applying the sale proceeds from the liquid cell to the Broker fund.

Having applied the proceeds, we will temporarily lift the suspension and re-price the Broker fund. The unit price will be based on the new value of the Broker fund, which will effectively be equal to the sale proceeds received from the liquid cell. You will notice a significant drop in the unit price compared with the last price before the suspension. All Annual Management Charges relating to the Broker fund, which should have accrued over the suspension period, will be waived by Royal London 360° and will not be factored in to the new unit price. The new price will be applied from the point of the original suspension, which was 25 February 2013, onwards.

Standard charges relating to your policy (such as the monthly policy fee & management charge – depending on your policy), which have not been taken during the period of the suspension, will begin to be deducted once the Broker fund has re-priced. Percentage charges will be based on the reduced value of the Broker fund within your policy.

In order to 'catch up' with all relevant transactions on affected policies it will take our systems a series of working days to complete this process due to the length of time the Broker fund has been suspended. We expect the process to take 3-4 weeks to fully complete.

Important: During this period (i.e. between the date of this letter and when we next write to you confirming the process is complete), you will not be able to access your unit holding in the Broker fund. You will not be able to withdraw, switch or surrender the value in the Broker fund. It will remain 'frozen' in your policy. This will not, however, affect any other funds which you hold in your policy in addition to the Broker fund.

Once the catch up process has completed we will then switch the remaining units you hold in the Broker fund into the SPI USD Balanced Managed S1 fund. This actively pricing fund will become part of your policy, and at that point you will be able to switch the holding as you would do with any other fund.

The SPI USD Balanced Managed S1 fund is the closest alternative available to your policy, according to investment objective. The fund is part of our legacy Scottish Provident International internal fund range. The day to day management of the range is overseen by the Royal London 360° Finance & Investment Committee.

Investment Objective of the USD Balanced Managed S1 fund

The Balanced Managed fund combines bond funds with a larger proportion of equity funds with the objective of long term capital growth. Because of the greater focus on equity investment, these funds are slightly higher risk than their Cautious counterparts but still spread risk efficiently through a well diversified portfolio of assets.

Investment objective of the Global Strategic Balanced Managed broker fund

The objective of the fund is to maximise capital growth over the medium to long term. The fund will adopt a medium risk investment strategy with a portfolio of internationally based investments.

Once the process has completed, we will write to you again to provide a copy of your updated valuation statement. At that time we will explain how any future asset recoveries from the underlying Strategic Growth fund may be applied to your policy, and any further options you may have.

Queries

We understand you may have queries regarding this letter, and we would urge you to discuss them with your financial adviser. Where we hold details on file, a copy of this letter has been sent to the adviser firm we have recorded as being your nominated servicing agent for your policy.

Should you wish to contact us directly regarding this matter, our Customer Service Team can be contacted by email: csc@r1360.com or by telephone on: +44 (0)1624 681682, and they will be pleased to assist you.

Kind regards,



Natalie Hall
Director of Marketing

<cc. Agent>