INVESTMENT FUND GUIDE HONG KONG

(FOR EXISTING POLICYHOLDERS ONLY)

RL360°

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IMPORTANT INFORMATION

This guide is only applicable to holders of policies issued by Scottish Provident International Life Assurance Limited (SPILA) which is now known as RL360 Insurance Company Limited (RL360), where the investment choices were limited to the SPILA internal fund range.

The content of the guide is intended as a general information source only and further information is available from our secure Online Service Centre website at www.rl360.com or by contacting our Hong Kong branch office at hongkong@rl360.com or by telephone on +852 3929 4333. Due to the technical nature of the subject matter, we have created a glossary of words used to aid understanding. However, if you are at all unsure of the meaning of any of the content, you should consult your financial adviser. We strongly recommend that the advice of a suitably qualified financial adviser is sought before making any investment decisions.

INTRODUCTION

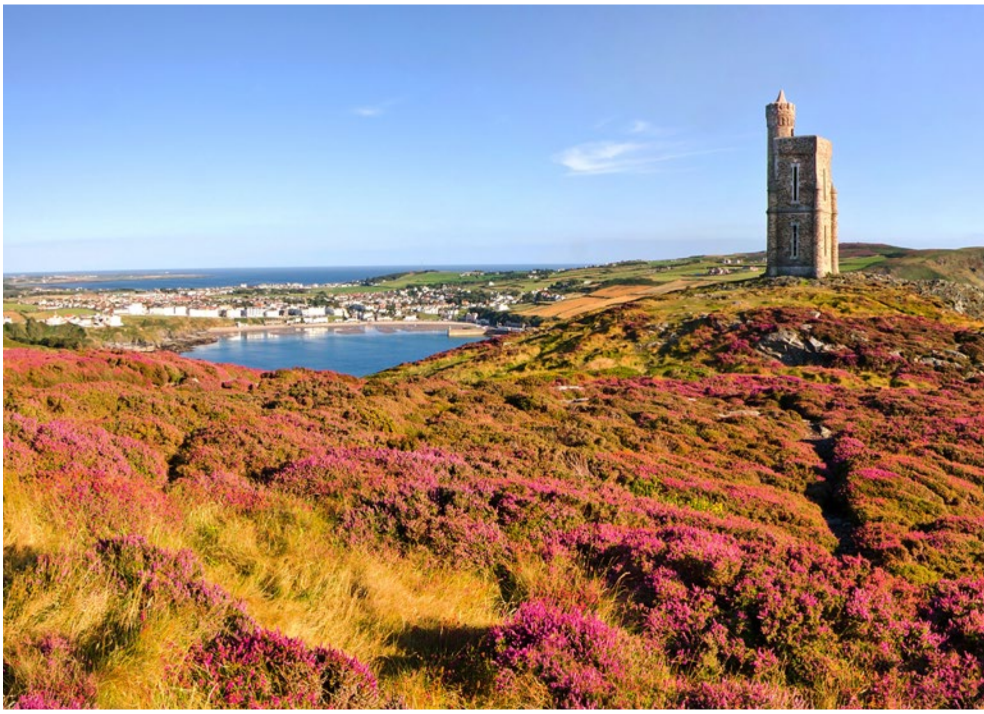
MATCHING VISION WITH PRECISION

While we take a global approach to providing well-rounded financial solutions, we've also earned a reputation for creating highly flexible, bespoke plans with some very fine and distinctive points. We like to think our people are rather fine and distinctive too, taking personal responsibility for delivering all-encompassing premium administration and support.

All of which helps explain why we don't aim for just a degree of outperformance, but for 360 degrees of excellence.

THE SCOTTISH PROVIDENT INTERNATIONAL FUND RANGE

The Scottish Provident International internal fund range is made up of carefully selected equity, specialist, bond, deposit and risk rated managed funds. The range is designed to meet the needs and attitudes of existing policyholders who took out insurance products underwritten by SPILA prior to the launch of RL360.



ASSESSING YOUR OPTIONS

The world of investment can present exciting and rewarding opportunities for offshore investors. However, we appreciate that selecting the most appropriate investments may appear to be a complicated process.

There is no definitive answer to structuring an investment portfolio – it is really a question of selecting those investments which meet the investor's own needs and requirements over the short, medium and long-term. The flexibility to review those investments as needs change is also essential.

Investors all face a similar dilemma, how to achieve optimum growth together with the comfort of knowing the initial investment and growth are secure. Unfortunately, as with many things in life, the perfect situation is difficult to achieve, and a suitable compromise needs to be made between security and the potential to maximise growth.

SECURITY

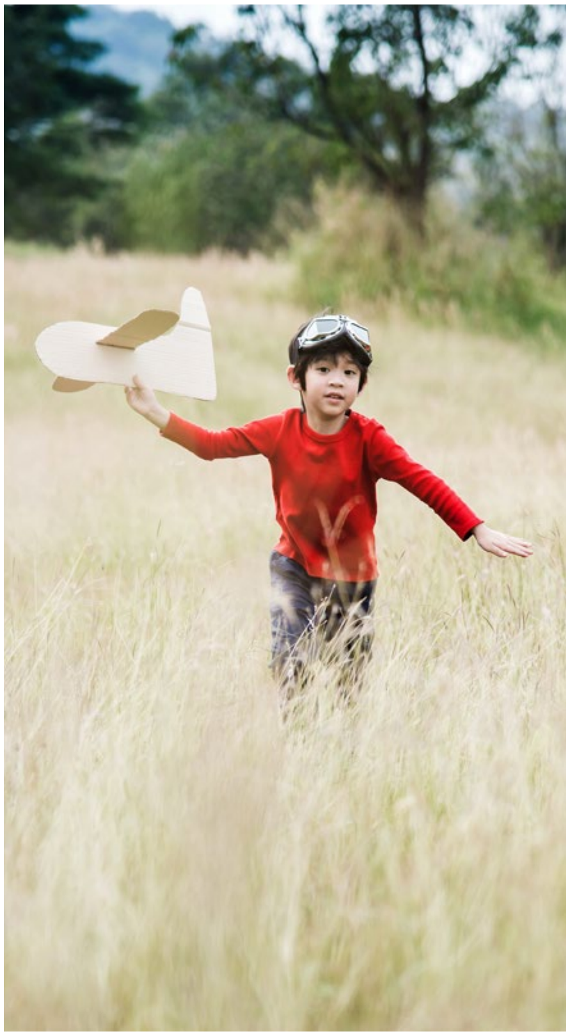
Historically one of the places investors may have felt provided a good level of security to invest their money was a large deposit taking institution, such as a bank. Putting their money there, the investor felt that both capital and any growth were secure. However in a slowing economy, low rates of return combined with the effect of inflation, which can erode the value of money over the long term, means that putting money into deposit based investments may only be suitable in the short-term. So what about long-term performance?

PERFORMANCE

To achieve higher levels of growth over the longer term, asset backed investments such as stocks and shares may provide the solution. These types of investment generally outperform deposit based investments over the medium to long-term. However, it must be recognised that in general, higher rates of return are linked to investing in higher risk investments.

SOLUTION

The solution, therefore, is to reach a balance between the potential growth and security of investment - whilst at the same time considering the investor's short and longer term financial needs. This compromise can vary from investor to investor as different individuals will have different attitudes to risk and reward. It is, therefore, necessary for each investor to be able to choose from a wide variety of investments which offer varying degrees of investment risk and potential returns. The fund range offered is designed to enable a suitable portfolio to be structured.



FINDING THE RIGHT SOLUTION

When building up a portfolio, it might be advisable to spread the investment over a variety of funds - some of which are designed to offer the required level of security and others which offer greater growth potential, creating the preferred balance between risk and reward.

As personal needs change or new investment opportunities arise, it is important for clients and advisers to be able to easily review the portfolio to ensure that the investor's objectives are still being met. With all of our policies, investors can easily switch between Scottish Provident International funds. Depending on which policy is selected, investors can switch up to 12 or 24 times per year free of charge.

To help the Investor decide which fund or funds are most suitable for them, we have given each fund a risk versus potential reward rating of between One and Five.

Rating One indicated by one red dot, represents a low risk versus potential reward. These funds generally have a more cautious approach, with little or no exposure to equity markets, such as cash or bond assets. These can provide more security for very cautious investors in the short term, but investments in this category will usually produce a lower overall return. It is important to note that low returns can be eroded over time by inflation.

Rating Five, as indicated by five red dots, represents a high risk versus potential reward. These funds have a high exposure to less developed, emerging equity markets. Over the long term, exposure to equity markets can provide the potential for higher investment returns, however, it also brings a much higher degree of investment risk, and usually more volatile performance returns over time.

The risk versus potential reward rating is designed to give an indication of the weighting of each Scottish Provident International fund relative to the other funds we offer. It should not, however, be used in isolation as the investor's personal circumstances and attitude to risk need to be taken into consideration. Other factors such as investment term are also important.

For investors who prefer to leave it to the professionals, there is a range of Managed Funds graded adventurous, balanced and cautious. These funds may also be used as the core holding of a portfolio around which a range of other funds with different risk ratings can be added to build up the desired investment mix. For investors who have a particular interest in specific areas, the Scottish Provident International Equity and Specialist Funds provide a wide range of attractive investment opportunities.

The page overleaf shows the risk versus potential reward ratings for each Scottish Provident International fund.

Low risk	●○○○○
Low/Medium risk	●●○○○
Medium risk	●●●○○
Medium/high risk	●●●●○
High risk	●●●●●

FUND
RISK RATINGS

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Deposit (Sterling, US Dollar, Euro)

●●○○○
Cautious Managed
European Bond
North American Bond
UK Bond
World Bond

●●●○○
Balanced Managed
High Yield Bond
UK Prime Equity

●●●●○
Adventurous Managed
European Equity
Japan Growth
North American Equity
UK Equity
UK Equity Opportunities
World Equity

●●●●●
China Opportunities
Far East (excluding Japan)
Global Emerging Markets
Global Technology

The risk ratings shown to the left have been set by us, having taken due account of the asset mix of each fund. The risk ratings apply to investments made in the base currency of the funds and do not take into account the effect of any exchange rate fluctuations.

The Scottish Provident International internal funds are only available to existing policyholders who took out insurance products underwritten by SPILA prior to the launch of RL360.

All funds are priced daily.

We make no warranty as to the performance of the funds. The risk ratings supplied in this brochure are for guidance only. Any investment decisions regarding the suitability of the funds should be taken in consultation with your Financial Adviser having considered your individual circumstances and attitude to risk.

MANAGED
FUND RANGE

For investors wishing to gain exposure to a well diversified portfolio of funds, the Managed Funds may offer a convenient solution.

The Managed Funds are classified by currency (US Dollar and Sterling) and by risk type, namely Cautious, Balanced and Adventurous. By categorising the funds in this way, investors can choose the managed fund which best reflects their attitude to risk. The Cautious funds, as their name suggests, tend to have a greater bias towards cash and bonds; the Adventurous funds are more equity orientated.

Cautious Managed Funds

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Investment Objective - The Cautious Managed Funds aim to provide a degree of capital security with scope for long term capital appreciation. Accordingly, these funds have the lowest risk rating of the Managed Funds and are designed for those investors who have a conservative attitude to risk.

Investment Strategy - The funds typically have a strong bias towards government and corporate bonds (both UK and international) and cash. Equity investment tends to focus on the major stockmarkets of the US, UK and Europe, with very limited exposure to the developing markets of Far East Asia and Latin America. The bond/equity mix will vary over time according to the Adviser's view of the investment markets but will at all times retain its low risk stance.

Balanced Managed Funds

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Investment Objective - The Balanced Managed Funds combine 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 Strategy - The funds' broad mix of investment assets is designed to reduce the risks inherent in any one asset class or geographical location. However, the Sterling Balanced Fund will retain a core holding in the UK Equity market while its US Dollar counterpart will maintain a greater bias towards the US Equity market. In both funds, the holdings are complemented by global equities, along with international bonds, with a higher level of exposure to the Far East and emerging markets.

Global asset allocation and propositions will change depending on the Fund Manager's view of prevailing world markets, while maintaining the funds' overall risk profile.

Adventurous Managed Funds

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Investment Objective - These funds are designed for investors who are prepared to accept a higher degree of risk in return for the potential of greater capital appreciation. There is a mix of the main international equity funds.

Investment Strategy - The funds are geared towards long term capital growth. Equity investment will typically focus on the stockmarkets of the US, UK and Europe, with a significant proportion of the fund dedicated to the riskier markets of Japan, Far East and the developing world economies such as India, Latin America and Eastern Europe.

With a higher proportion of equity funds (and therefore a higher degree of risk), the Adventurous Managed Funds are actively managed to take full advantage of global investment opportunities as they arise.

EQUITY
FUND RANGE

European Equity Fund (EUR)

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Investment Objective - The fund aims for capital appreciation and invests, directly or otherwise, in a broad spread of European securities. This will include a selection of investments from the many different stock markets and will include companies of all sizes.

Investment Strategy - The fund is invested primarily in the major European stockmarkets, with selective exposure in a number of the smaller and emerging markets across the region.

The fund is well diversified and has exposure to a broad range of sectors offering potential for above average capital growth. The focus is on appropriate themes, such as defensive, interest sensitive or cyclical stocks, according to the underlying economic backdrop in each country. In the smaller markets, and particularly in the emerging markets, the fund concentrates on specific stock ideas.

Far East (excluding Japan) Fund (USD)

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Investment Objective - Aims for capital growth by investing in a range of Asian and Pacific markets excluding Japan.

Investment Strategy - The strategy of the fund is centred on the growth of the South East Asia and Pacific Rim areas. Thus the fund has a geographic diversification in an area of high volatility which is a key element in reducing single country risk.

Japan Growth Fund (USD)

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Investment Objective - The fund aims for capital growth by investing in Japanese securities.

Investment Strategy - The fund will invest in companies quoted on the 1st and 2nd sections of the Japanese Stock markets. The fund uses a bottom-up approach to stock selection, focusing on companies with positive earnings growth in order to achieve superior long-term performance.

North American Equity Fund (USD)

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Investment Objective - The fund aims for capital growth from a portfolio of North American equities and invests in the USA - the world's largest economy with its strong tradition of free enterprise - and Canada with its wealth of energy and natural resources. The fund may also invest in Latin American markets.

Investment Strategy - The core philosophy of the fund is to invest in established companies, predominantly in the USA but also in Canada and Latin America. The Fund Manager will seek out companies whose product range, area of operation or management focus mark them out as having significantly above average potential.

As a result, individual stock selection is the key rather than a top-down emphasis on industries. Asset allocation is approximately 70% large cap, 20% small cap opportunity and 10% technology stocks.

UK Equity Fund (GBP)

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Investment Objective - The fund aims for long-term capital growth through investment, directly or otherwise, in a portfolio of UK companies. The balance between large 'blue chip', medium sized and smaller companies will reflect the investment climate and of their respective growth prospects.

Investment Strategy - The core philosophy of the fund is to seek out strong management in a broad selection of companies which offer excellent growth prospects for profits, earnings and dividends.

The portfolio is concentrated in a relatively small number of holdings so that the benefits of careful stock selection can be ultimately reflected in both superior income and capital performance.

Involvement at an early stage of a company's growth is desirable, hence the portfolio has a naturally heavy bias towards smaller/ medium sized capitalisation stocks. However, a number of larger FTSE 100 stocks also fits this criteria of above-average growth, hence these are included in the fund.

EQUITY
FUND RANGE (CONTINUED)

UK Prime Equity Fund (GBP)

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Investment Objective - To provide an above average total return of capital growth and income, by investing chiefly in a portfolio of well known UK companies, primarily constituents of the FTSE 100 Index and other companies considered to be blue chip. The income yield on the portfolio will be broadly in line with the average for the UK equity market.

Investment Strategy - The underlying theme will be bottom-up and will place great importance upon stock selection whilst being aware of macro or top down influences.

The portfolio will maintain a relatively small number of companies, with the majority of the portfolio's value held in the 20 largest holdings, in most instances, in order to benefit from good stock selection. In addition to equities the fund may invest in any other permitted investments, including convertibles and warrants.

Although the fund will look for the solid and reliable qualities of blue chip companies, this does not mean that exciting and interesting opportunities cannot be found. In order to capitalise on such opportunities, up to 40% of the fund's value may be invested in constituents of the FTSE 250 Share Index. The lower capitalisation of such companies does not prevent them from having the attributes of a blue chip company and the aim is to select those that will display excellent earnings and dividend growth over the long-term.

World Equity Fund (USD)

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Investment Objective - The fund aims for capital appreciation from an internationally diversified portfolio of growth shares, mainly in the USA, the UK, Europe and the Far East.

Investment Strategy - The fund, while investing in the world's major stockmarkets, maintains a diverse geographic spread of investments including holdings in a number of emerging countries. This asset spread is based on the MSCI World Index.

In the leading markets such as the USA, Japan and Europe, individual country portfolios are relatively well diversified although emphasis is placed on themes in each market such as cyclical or interest rate sensitive stocks. In the emerging markets it is most likely that investment will concentrate on blue chip stocks.

SPECIALIST
FUND RANGE

China Opportunities Fund (USD)

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Investment Objective - Aims for capital growth by investing in companies which are domiciled in China or either invest in or trade with China.

As the stockmarkets in China develop, the fund will increasingly invest directly in companies which are domiciled in China.

Investment Strategy - The strategy of the fund is to use a process of stock selection which focuses on the positive growth prospects and the opening up of opportunities within China. Diversification is sought mainly throughout the Pacific Rim region in companies which either invest or trade with China, in order to reduce the element of risk normally associated with single countries at the development stage. In addition liquidity is considered a priority.

Global Emerging Markets Fund (USD)

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Investment Objective - The fund aims to secure long term capital growth through investment in the smaller and emerging countries of the world.

Investment Strategy - Investments will be predominantly in key emerging markets. These include Asian Pacific and Latin American regions. In addition, there will be exposure to Eastern Europe, Africa and the Middle East.

The fund will seek to achieve above average returns through investment in a selection of investment funds. The asset allocation will ensure a consistent diversification across the main markets exploiting the opportunities available.

Global Technology Fund (USD)

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Investment Objective - Aims for above average long-term capital growth from an international portfolio of equities involved in high technology industries, often at the frontiers of science. The USA is the prime area of investment, but Japan and the UK are also important.

Investment Strategy - Technology is the key to improving productivity and to companies remaining competitive.

The strategy seeks to have a diversified portfolio across the main technology sub-sectors. The portfolio will be balanced between blue chip and small/medium sized company equities.

UK Equity Opportunities Fund (GBP)

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Investment Objective - The fund aims to maximise capital growth from a portfolio of securities which the advisers believe will offer exceptional scope for capital appreciation.

Investment Strategy - The emphasis of the fund is on the UK stockmarket, however, the advisers also have the flexibility to invest overseas. Typically, the fund will be heavily exposed to medium and smaller companies and, therefore, carries a higher than average degree of risk. Investment in this fund should be regarded as long-term.

BOND
FUND RANGE

European Bond Fund (EUR)

Investment Objective - The fund aims to produce a steady rate of return over the medium to long-term from the European fixed interest markets.

Investment Strategy - The fund will invest, directly or otherwise, in the bond markets of Europe. The emphasis will be on the major markets including Germany and France, but the smaller markets within Europe such as those of the Scandinavian countries, may also be included whenever they are believed to offer attractive returns.

High Yield Bond Fund (GBP)

Investment Objective - The fund aims to generate a high level of income from world-wide investment and in any economic sector, through a portfolio of high yielding international fixed interest securities.

Investment Strategy - The fund holds a diversified portfolio of securities with an emphasis on corporate bonds. The fund is actively managed. A value based approach to investment is employed focusing on high yield instruments. Whilst aiming for high income the fund also provides scope for capital growth through investing in convertibles, which provide equity-like exposure. The fund does not distribute income. All income is accumulated and reflected in the unit price.

North American Bond Fund (USD)

Investment Objective - The fund aims to produce a steady rate of return over the medium to long-term from North American fixed interest markets.

Investment Strategy - The fund will invest primarily in the fixed interest markets of the USA, but a proportion may also be held in Canada.

UK Bond Fund (GBP)

Investment Objective - The fund aims to produce a steady rate of return over the medium to long-term from the UK fixed interest market.

Investment Strategy - The fund will invest primarily in British Government securities known as gilts. However, other fixed interest securities, including corporate bonds will be used.

World Bond Fund (USD)

Investment Objective - The fund aims to produce a steady rate of return over the medium to long-term from global fixed interest markets.

Investment Strategy - The fund will invest in fixed interest securities in the leading bond markets of the world including the UK, the rest of Europe, North America and the Far East. A proportion of the fund may also be invested in the emerging bond markets around the globe.

The main strategy of the fund is to identify long-term movements in economic trends and position the fund so as to take maximum advantage of the different trends in interest rates in the economies of the world.

DEPOSIT
FUND RANGE

Deposit Fund (GBP, USD or EUR)

There are three Deposit Funds which aim to offer a steady return within a secure environment in line with available money market interest rates.

These Deposit Funds invest in cash deposits and other short-term financial instruments, such as certificates of deposit.

The three funds are:

Dollar Deposit Fund (USD) - Invests in US Dollar denominated instruments.

Sterling Deposit Fund (GBP) - Invests in Sterling denominated instruments.

Euro Deposit Fund (EUR) - This fund currently invests in Euro denominated instruments.

GLOSSARY

1st and 2nd Sections of the Japanese Stock Market
Refers to the Tokyo Stock Exchange or TSE. Stocks listed on the TSE are separated into the First Section (for large companies), the Second Section (for mid-sized companies), and the "Mothers" section (for high-growth startup companies).

Actively managed
Active management (also called active investing) refers to a portfolio management strategy where the manager makes specific investments with the goal of outperforming an investment benchmark index.

Appreciation
An increase in the value of an asset over time.

Asset
A resource with economic value that an individual, corporation or country owns or controls with the expectation that it will provide future benefit.

Asset allocation
An investment strategy that aims to balance risk and reward by apportioning a portfolio's assets according to an individual's goals, risk tolerance and investment horizon.

Asset price
The amount one pays for an asset when buying it. The price represents the amount of value the market has assigned, fairly or unfairly, to an asset.

Benchmark
A standard against which the performance of a security, mutual fund or investment manager can be measured. Generally, broad market and market-segment stock and bond indexes are used for this purpose.

Blue chip
A nationally recognised, well-established and financially sound company. Blue chips generally sell high-quality, widely accepted products and services. Blue chip companies are known to weather downturns and operate profitably in the face of adverse economic conditions, which helps to contribute to their long record of stable and reliable growth.

Bond
A bond is a debt investment in which an investor loans money to an entity (typically corporate or governmental) which borrows the funds for a defined period of time at a variable or fixed interest rate. Bonds are used by companies, municipalities, states and sovereign governments to raise money and finance a variety of projects and activities. Owners of bonds are debtholders, or creditors, of the issuer.

Bottom-up approach
An investment approach that de-emphasizes the significance of economic and market cycles. This approach focuses on the analysis of individual stocks. In bottom-up investing, therefore, the investor focuses his or her attention on a specific company rather than on the industry in which that company operates or on the economy as a whole.

Capitalisation
A company's outstanding shares multiplied by its share price, better known as "market capitalisation".

Certificate of deposit (CD)
A savings certificate entitling the bearer to receive interest. A CD bears a maturity date, a specified fixed interest rate and can be issued in any denomination. CDs are generally issued by commercial banks and are insured by the FDIC. The term of a CD generally ranges from one month to five years.

Collective investment
A collective investment vehicle is a way of investing money alongside other investors in order to benefit from the inherent advantages of working as part of a group.

Convertible
A bond or preferred stock that may, under specified conditions, be exchanged for common stock or another security, usually of the same corporation.

Corporate bond
A corporate bond is a bond issued by a corporation. It is a bond that a corporation issues to raise money in order to expand its business. The term is usually applied to longer-term debt instruments, generally with a maturity date falling at least a year after their issue date.

Cyclical stocks
Cyclical stocks tend to rise in value during an upturn in the economy and fall during a downturn. They usually include stock in industries that flourish in good times, including airlines, automobiles, and travel and leisure.

GLOSSARY
(CONTINUED)

Defensive/Defensive strategy
A conservative method of portfolio allocation and management aimed at minimizing the risk of losing principal. A defensive investment strategy entails regular portfolio rebalancing to maintain one's intended asset allocation; buying high-quality, short-maturity bonds and blue-chip stocks; diversifying across both sectors and countries; placing stop loss orders; and holding cash and cash equivalents in down markets. Such strategies are meant to protect investors against significant losses from major market downturns.

Denominated
To be expressed in terms of a particular currency unit.

Depository receipt
A negotiable financial instrument issued by a bank to represent a foreign company's publicly traded securities. The depositary receipt trades on a local stock exchange

Diversification
A portfolio strategy designed to reduce exposure to risk by combining a variety of investments, such as stocks, bonds, and real estate, which are unlikely to all move in the same direction. The goal of diversification is to reduce the risk in a portfolio. Volatility is limited by the fact that not all asset classes or industries or individual companies move up and down in value at the same time or at the same rate. Diversification reduces both the upside and downside potential and allows for more consistent performance under a wide range of economic conditions.

Domicile
The term domicile refers to the country of residence. In terms of fund entities, it may refer to where they are incorporated, for example there are a lot of funds that are incorporated in the Bahamas or Cayman Islands, this may be for tax efficiency reasons, or a range of other regulatory efficiencies. Likewise fund managers may domicile themselves as appropriate to most efficiently structure their operations from a tax, regulatory, and commercial effectiveness perspective.

Emerging markets
An emerging market is a country that has some characteristics of a developed market, but does not meet standards to be a developed market. This includes countries that may become developed markets in the future or were in the past. The economies of China and India are considered to be the largest.

Equity
A stock or any other security representing an ownership interest.

Exchange rate
An exchange rate (also known as the foreign-exchange rate, forex rate or FX rate) between two currencies is the rate at which one currency will be exchanged for another.

Exposure
Market exposure (or exposure) is a financial term which measures the proportion of money invested in the same industry sector. For example, a stock portfolio with a total worth of $500,000, with $100,000 in semiconductor industry stocks, would have a 20% exposure in "chip" stocks.

Fixed interest
A Fixed interest security is a debt instrument such as a bond, debenture or gilt-edged bond that investors use to loan money to a company in exchange for interest payments. A fixed-interest security pays a specified rate of interest that does not change over the life of the instrument. The face value is returned when the security matures.

FTSE 100 Index
The Financial Times Stock Exchange 100 Index, also called FTSE 100, FTSE, or, informally, the "footsie", is a share index of the 100 companies listed on the London Stock Exchange with the highest market capitalisation.

FTSE 250 Share Index/ FTSE Mid 250 Index
The FTSE 250 Index is a capitalisation-weighted index consisting of the 101st to the 350th largest companies listed on the London Stock Exchange.

Gilt
Gilt-edged securities are bonds issued by some national governments. The term is of British origin, and originally referred to the debt securities issued by the Bank of England, which had a gilt (or gilded) edge.

Government bond
A government bond is a bond issued by a national government, generally with a promise to pay periodic interest payments and to repay the face value on the maturity date. Government bonds are usually denominated in the country's own currency.

GLOSSARY
(CONTINUED)

High yielding
A high-yield bond (non-investment-grade bond, speculative-grade bond, or junk bond) is a bond that is rated below investment grade. These bonds have a higher risk of default or other adverse credit events, but typically pay higher yields than better quality bonds in order to make them attractive to investors.

Income
An income fund is a mutual fund whose goal is to provide an income from investments. Income funds are often assumed to be bond funds, but they may be stock funds instead, more accurately called equity income funds. Typically these hold stocks with a good history of paying dividends. In fact, a typical income fund holds both stocks and bonds, to gain some of the strengths of both.

Instrument
A financial instrument is a tradable asset of any kind; either cash, evidence of an ownership interest in an entity, or a contractual right to receive or deliver cash or another financial instrument.

Interest rate sensitive stock
Any stock with a price that is extremely sensitive to changes in interest rates. Interest sensitive stocks are shares that will see large price changes relative to small movements in the risk free rate.

International fund
A mutual fund that can invest in companies located anywhere outside of its investors' country of residence.

Investment philosophy
Basic standards and beliefs guiding one's investing practices. Factors influencing one's investment philosophy include risk tolerance, investment goals, and personal beliefs about what guides markets.

Investment risk
The chance that an investment's actual return will be different than expected. Risk includes the possibility of losing some or all of the original investment.

Large cap
Companies are usually classified as either large cap, medium (or mid) cap, small cap, or micro cap, depending on their market capitalization, but the dividing lines are somewhat arbitrary. As a general guideline, the market capitalisation is $5 billion or more for large caps, $1 billion to $5 billion for medium caps, $250 million to $1 billion for small caps, and less than $250 million for micro caps.

Liquidity
The degree to which an asset or security can be quickly bought or sold in the market without affecting the asset's price.

Long term
Holding an asset for an extended period of time. Depending on the type of security, a long-term asset can be held for as little as one year or for as long as 30 years or more.

Macro (macro environment)
The conditions that exist in the economy as a whole, rather than in a particular sector or region. In general, the macro environment will include trends in gross domestic product (GDP), inflation, employment, spending, and monetary and fiscal policy.

Managed fund
A mutual fund that employs a fund manager who makes investment decisions.

Mid cap
Companies are usually classified as either large cap, medium (or mid) cap, small cap, or micro cap, depending on their market capitalization, but the dividing lines are somewhat arbitrary. As a general guideline, the market capitalisation is $5 billion or more for large caps, $1 billion to $5 billion for medium caps, $250 million to $1 billion for small caps, and less than $250 million for micro caps.

Money market
A segment of the financial market in which financial instruments with high liquidity and very short maturities are traded. The money market is used by participants as a means for borrowing and lending in the short term, from several days to just under a year.

MSCI World Index
The MSCI World is a stock market index of 1,643 'world' stocks. It is maintained by MSCI Inc., formerly Morgan Stanley Capital International, and is often used as a common benchmark for 'world' or 'global' stock funds. The index includes a collection of stocks of all the developed markets in the world, as defined by MSCI. The index includes securities from 23 countries but excludes stocks from emerging and frontier economies making it less worldwide than the name suggests.

GLOSSARY
(CONTINUED)

Portfolio of assets
Portfolio is a financial term denoting a collection of investments held by an investment company, hedge fund, financial institution or individual.

Rate of return
The gain or loss on an investment over a specified period, expressed as a percentage increase over the initial investment cost. Gains on investments are considered to be any income received from the security plus realized capital gains.

Risk/reward
A financial analysis comparing the potential gains from a project or property against the potential losses. The greater the risk, the greater the reward should be.

Sector
An industry or market sharing common characteristics. Investors use sectors to place stocks and other investments into categories like technology, health care, energy, utilities and telecommunications. Each sector has unique characteristics and a different risk profile.

Security
A security is a financial instrument that represents: an ownership position in a publicly-traded corporation (stock), a creditor relationship with governmental body or a corporation (bond), or rights to ownership as represented by an option.

Settlement
Settlement of securities is a business process whereby securities or interests in securities are delivered, usually against (in simultaneous exchange for) payment of money, to fulfil contractual obligations, such as those arising under securities trades.

Small cap
Companies are usually classified as either large cap, medium (or mid) cap, small cap, or micro cap, depending on their market capitalisation, but the dividing lines are somewhat arbitrary. As a general guideline, the market capitalisation is $5 billion or more for large caps, $1 billion to $5 billion for medium caps, $250 million to $1 billion for small caps, and less than $250 million for micro caps.

Specialist fund
A mutual fund investing primarily in the securities of a particular industry, sector, type of security or geographic region. Because of the lack of diversification, specialized funds are higher risk but potentially higher reward than most other types of mutual funds.

Stock
A portion of ownership in a corporation. The holder of a stock is entitled to the company's earnings and is responsible for its risk for the portion of the company that each stock represents.

Stock market
The market in which shares of publicly held companies are issued and traded either through exchanges or over-the-counter markets.

Technology stocks
A company engaged in a technology-related business. Software, computer hardware, and biotechnology are examples of tech stocks.

Top-down approach
An investment approach that involves looking at the "big picture" in the economy and financial world and then breaking those components down into finer details. After looking at the big picture conditions around the world, the different industrial sectors are analyzed in order to select those that are forecasted to outperform the market. From this point, the stocks of specific companies are further analyzed and those that are believed to be successful are chosen as investments.

Volatility
A statistical measure of the dispersion of returns for a given security or market index. Volatility can either be measured by using the standard deviation or variance between returns from that same security or market index. Commonly, the higher the volatility, the riskier the security.

IMPORTANT NOTES

The majority of the Scottish Provident International internal funds utilise underlying collective vehicles to provide exposure to the investment markets appropriate to their investment objectives. The funds are structured in this way to ensure efficient management of the assets.

It is important to know that unit prices reflect the value of the underlying assets of the funds. These can go down as well as up and are not guaranteed. Past performance is not indicative of future performance. Where a fund invests in overseas securities, the unit price may also rise and fall purely on account of exchange rate fluctuations. RL360 Insurance Company Limited is not responsible for, and will not compensate policyholders in relation to, the performance of their underlying funds.

Any investment decisions regarding suitability of funds should be taken in consultation with an Independent Financial Adviser having considered attitude to risk and personal circumstances.

Owners of policies issued by RL360 Insurance Company Limited receive the protection of the Isle of Man Compensation of Policyholders protection scheme, which covers an amount equal to 90% (subject to the provisions of the scheme) of RL360's liability where it is unable to meet its financial obligations. RL360 reserves the right to adjust the returns to cater for any levy or charge made on it under the regulations or similar legislation.

This document should be read in conjunction with the appropriate Policy Brochure and supporting information, which contain full details of the charges and are available from your adviser or from us at our Registered Office.

We make no warranty as to the performance of the funds.

The documentation of this scheme has been authorised by the Securities & Futures Commission in Hong Kong, pursuant to Section 105 of the Securities and Futures Ordinance. Authorisation does not imply official recommendation. In giving this authorisation, the Commission has made no assessment of, nor does it take responsibility for, the financial soundness or merits of the scheme nor has it verified the accuracy or truthfulness of statements made, or opinions expressed, in the documentation.

The scheme is governed by, and shall be construed in accordance with, the law of the Isle of Man but the policyholder has the right to bring legal action in a Hong Kong court.

The information contained in this guide is based on the Company's understanding of the relevant Isle of Man legislation together with the Code on Investment-Linked Assurance Schemes issued by the Securities and Futures Commission in Hong Kong as at March 2024. The Company accepts responsibility for the accuracy of the information shown in this brochure.

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