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Financial Adviser

«SERVICING_AGENT_NAME»
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7 October 2019

Dear «SALUTATION»

MERGER OF THE TEMPLETON THAILAND FUND AND IMPACT ON YOUR RL360 PLAN - «PLAN_NAME» - «POLICY_NO»

Franklin Templeton Investment Funds (“Franklin Templeton”) has announced that it will be closing its Templeton Thailand fund (“the merging fund”) by way of merger on Friday 13 December 2019. Your plan invests in the merging fund so we wanted to make you aware of the action we will be taking and explain your options for switching to a different fund if you prefer.

Reason for the merger

Franklin Templeton are planning to merge the Templeton Thailand fund into the Templeton Asian Growth fund. The merging fund as at 30 July 2019 was valued at USD 168 million and the Templeton Asian Growth fund was valued at USD 3,035 million. Franklin Templeton’s view is that certain economic factors will mean that Thailand’s economy will face several structural challenges, including a high household debt and rapidly aging population, which could dampen long term growth and reduce the opportunity set for investors in Thai equities. In comparison, they believe the Asia ex-Japan region provides a larger opportunity set, with several economies benefiting from stronger structural tailwinds than Thailand with more attractive growth potential in the medium to long term. They believe that shareholders should be able to benefit from the broader market exposure of the Templeton Asian Growth fund.

Whilst it is Franklin Templeton’s view that Thailand may be facing some economic challenges, not all fund managers operating Thailand funds are choosing to close their funds. As the Templeton Asian Growth fund is not a like-for-like alternative, we will be introducing the Fidelity Funds Thailand fund to your fund range instead, and will not be accepting the Templeton Asian Growth fund as the default alternative.

What happens next?

We have now closed the merging fund to new business and switches in with immediate effect. As you are an existing investor, you can continue to invest in the merging fund until 2pm (UK time) Wednesday 4 December 2019 at which point your holdings will be automatically switched, and any regular payment allocation redirected, into the Fidelity Funds Thailand Fund (“the receiving fund”).

A comparison of the merging fund and receiving fund can be found in the table overleaf.

Please note that although the switch value from the merging fund to the receiving fund will be the same, you will receive a different number of units in the receiving fund as the unit price is different to the merging fund. Once completed, details of the switch will be available to view via the transaction screen for your plan on our Online Service Centre. If you are not already registered to manage your plan online, you can sign-up at www.rl360.com.

Your options

If you are happy to invest in the Fidelity Funds Thailand fund, you don’t need to do anything. However, if you would prefer to switch to a different fund available to your plan, it’s free of charge and very easy to do. You may want to discuss the options with your financial adviser before deciding.

Switching funds is easy

Visit the fund centre for your product at www.rl360.com/fundcentres to help you decide on a new fund, or funds. After that choose one of the following options:

Switch online	Send us your changes
If you are a registered user of our Online Service Centre and have signed up for online switching, log into your account at www.rl360.com and submit your switch online fast and efficiently.	Download a copy of our Fund Switch Instruction Form, which you will find on the product fund centre page, complete it and fax or post it back to us using the details on the form.

Comparison of the merging fund and the receiving fund

	Merging fund details	Receiving fund details
Fund name	Templeton Thailand A Acc USD	Fidelity Funds Thailand A Acc USD
ISIN	LU0078275988	LU1224710803
Domicile	Luxembourg	Luxembourg
Launch date	20/06/97	19/05/15
Fund objective and strategy	<p>The fund's investment objective is capital appreciation. The Fund seeks to achieve its objective through a policy of investing primarily in equity securities of issuers incorporated in Thailand or issuers having their principal business activities in Thailand.</p> <p>The fund may also invest in equity securities of issuers having their assets, earnings or profits in Thailand. The fund invests in equities and other securities, including securities issued by the Thailand government and, to a lesser extent, warrants of issuers on the Thailand stock market.</p>	<p>The fund aims to achieve long-term capital growth primarily through investment in an actively managed portfolio of securities quoted on the Thai stock market.</p> <p>The manager will be looking for stocks that are undervalued and whose attractions are not yet generally appreciated by investors. Target stocks will be those that offer good potential for long-term growth, with "blue chips" forming only part of the portfolio.</p>
Morningstar Sector	Thailand Equity	Thailand Equity
Risk and reward rating (1 being low, 7 being high)	5	5
Annual Management Charge	1.60%	1.50%
Ongoing Charge *	2.48%	1.95%
3 Year Annualised Performance	12.37%	8.67%
3 Year Standard Deviation **	13.82%	13.33%

Notes: Information within this table is sourced from Morningstar® and is correct as at 30 September 2019.

* Ongoing Charge includes the Annual Management Charge plus other operational expenses, so better reflects the total costs applied to the fund.

** 3 Year Standard Deviation – Standard deviation is a statistical measurement which, when applied to a fund, expresses its volatility, or risk. It shows how widely a range of returns varied from the fund's average return over a particular selected period; in this case a 3 year period has been selected. If a fund had an average return of 5%, and its volatility was 15%, this would mean that the range of its returns over the period had swung between +20% and -10%. The 3 Year Standard Deviation figure shows the annualised standard deviation based on the monthly rates of return of the fund over the past 3 years ended 30 September 2019. This risk level is for reference only.

If you have any questions regarding this letter or any general queries, please get in touch. Call our Customer Service Team on +44 (0)1624 681682 or send an email to csc@rl360.com and one of our team will be happy to help.

Kind regards



Chris Corkish
Investment Marketing Manager