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31 January 2014

Dear <Salutation>

IMPORTANT NOTIFICATION THAT REQUIRES YOUR ATTENTION

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

Further to our communication dated 14 November 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, we received a distribution payment from the underlying liquid investments of the Global Strategic Balanced broker fund which equated to 20.15% of the suspended value. Since then we have been running a system process which would allow us to apply these proceeds to your policy by way of unit allocation in the SPI USD Balanced Managed fund.

I am pleased to advise that this process has now completed and your unit holding in the Global Strategic Balanced broker fund was transferred into the SPI USD Balanced Managed fund.

Reference to any unit holding in the suspended Global Strategic Balanced broker fund within your policy has now been removed. By removing a suspended fund from a policy, all restrictions that are imposed on a policy due to a suspended fund being held are fully lifted.

The next step

As your policy had fallen below the 'permitted policy value' this means that we have had to proceed with the following course of action.

Under the terms and conditions of your policy, where a policy falls below our permitted policy value the policy will immediately lapse and only the surrender value, if any, at the time, will apply. The permitted policy minimums which applied to your policy were as follows: £2,500 / US\$4,000 / €4,000 / JPY425,000 / HK\$30,000.

As a result we have processed an automatic surrender of your policy and the proceeds are now waiting to be paid out to you.

What does surrendering mean?

By surrendering your policy no further regular fees that would normally apply to an active policy, and of which could currently be applicable to your policy, will be taken. This may include fees such as Admin Charge and/or Initial Unit Charge.

If regular premiums were being paid by you into your policy, these will cease to be collected by RL360° with immediate effect. By surrendering your policy this means that you no longer hold an active policy with RL360°.

Please note that the surrender value proceeds payable will not include any surrender penalties that may have applied to your policy. These will be fully waived by RL360°. If you have already reached the end of your saving term, any bonus due will be payable to you within the proceeds.

Payment of your policy proceeds

The surrender took place on <surrender date>. The surrender value of your policy was <surrender value>. In order for you to receive your surrender proceeds please complete the enclosed *Automatic surrender payment request* form and return to us as soon as possible. Once we receive this, a cheque for the proceeds of your policy will be issued to you.

Future payments from the suspended Global Strategic broker fund

Should the underlying fund of the Global Strategic Balanced broker fund – the Strategic Growth fund – realise any further liquid payments, we will now retain a ledger of holdings in order to pay out any future distributions to affected policyholders. Please be aware that the Directors of the underlying fund suspect that the liquidation of the Strategic Growth fund may take a significant period of time to fully complete.

What is the probability of further recoveries from the underlying suspended fund?

We are reliant on receiving updates from the Directors of the underlying asset – the Strategic Growth fund – and to date we do not have any further information from them on what the likelihood of further recoveries may be, albeit that they are not imminent.

It would be normal practise that should a policyholder wish to fully surrender their policy they would have to waive their rights to any further monies recovered, however that will not be the case in this instance. Even though we have had to automatically surrender your policy, should we receive any further payments for the Global Strategic Balanced broker fund we will calculate your entitlement based on your unit holding as at 13 December 2013 and send a cheque to your last known address. It is therefore vitally important that you continue to inform us (even though your policy is now surrendered) should you change your correspondence address to ensure we are able to communicate with you on this matter.

Please note that should further monies from the fund be recovered and paid to you, you may need to reassess the actual surrender value of the policy and whether any gain should be notified to your tax authority.

We will continue to keep you informed as and when we receive any relevant updates from the Directors of the Strategic Growth fund writing to you at your last known address.

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: hongkong@rl360.com or by telephone on: +852 3929 4333, and they will be pleased to assist you.

Kind regards,



Natalie Hall
Director of Marketing

Enclosure: Automatic surrender payment form

<cc. Agent>