

<Policyholder Name>
<Policyholder Address>
<Policyholder Address>
<Policyholder Address>
<Policyholder Address>
<Policyholder Address>
<Policyholder Address>
<Policyholder Address>

14 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 we have enclosed an up to date valuation for your policy.

The valuation shows that you now hold units in the SPI USD Balanced Managed fund. If you already invest in this fund then the units from the liquid payment have been added to your existing units.

From this point forward you will no longer see a unit holding in the suspended Global Strategic Balanced broker fund within your policy as we have removed this fund from our administration system. Instead we will now retain a ledger of holdings for any future distributions. The reason for this action is that the Directors of the underlying assets suspect that the liquidation of the Global Strategic Balanced broker fund may take a significant period of time to fully complete. By removing the suspended portion this allows us to continue the administration of your policy without having to impose restrictions in terms of fund switching, and without compromising your ability to make future payments or withdrawals as required.

Your options

You now have full access to the 20.15% distribution payment recovered from the underlying fund of the Global Strategic Balanced broker fund, and you therefore have the following options:

- **Keep your policy running** - you can either leave the proceeds invested in the SPI USD Balanced Managed fund, or you can choose to switch the holding into any other fund from the SPILA internal fund range.

You can of course choose to make fund switches within your policy at any time by simply completing a *Fund Switch Instruction* form and returning to us for processing. If you are registered for 'online switching' you can conduct switches online fast and efficiently without the need to complete any forms.

- **Take a withdrawal** - should you wish to make a withdrawal from your policy, you can complete a *Withdrawal Request* form and return it to us for processing. Please note that the remaining value must be above the permitted policy minimum of HK\$30,000/£2,500/US\$4,000/€4,000/JPY425,000.
 - **Surrender your policy** - you may wish to fully surrender your policy. Should you choose to surrender within 2 months from the date of this letter, we will waive all surrender penalties that would normally apply to your policy. Should you wish to take this course of action please complete the enclosed Surrender form and return it to us for processing by the end of March 2014.

Should we already hold instructions from you to surrender your policy we will automatically process this for you. You do not need to resend your instructions.

If you elect to surrender your policy, should further monies be recovered, you may need to reassess the actual surrender value of the policy and whether any gain should be notified to your tax authority.

Please note: if you have continued to pay premiums during the suspension these have been redirected in to the USD Deposit fund. If you do not wish for this to continue please complete a *Fund Switch Instruction* form to redirect premiums in to your chosen fund.

We have enclosed a fund performance guide for the SPILA internal fund range for your information. An *Investment Guide* for the fund range and servicing forms such as *Withdrawal Request* and *Fund Switch Instruction* can also be located from the relevant Downloads section of our Public website at www.rl360.com

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 if you decide to fully 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 inform us should you change your correspondence address to ensure we are able to communicate with you on this matter.

However, should you wish to keep your policy running, any further distribution payments we receive will be applied to your policy by way of unit allocation to the SPI USD Balanced Managed fund.

We will continue to keep you informed as and when we receive any relevant updates from the Directors of the Strategic Growth fund.

Queries

We understand you may have queries regarding your options, 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

Enclosures: Q4 2013 Client fund performance bulletin, Surrender Request form,

<cc. Agent>