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27 February 2018

Dear <Salutation>

**SCHRODERS FUND UPDATE – AND IMPACT ON YOUR RL360 POLICY**  
**<PRODUCT> <POLICY NUMBER>**

We have been advised by Schroders that they are making a strategic change to one of their funds that your RL360 policy invests in. We wanted to make you aware of these changes and explain your options for switching to a new fund if you prefer.

**Schroder International Selection Fund - Asian Bond Absolute Return (the “fund”) | A change from absolute return to total return**

Asian bond markets have previously been relatively volatile versus bond markets in the US and Europe because of their historically low level of market development. However, over the past 10 years, Asian bond markets have grown in sophistication and depth and their relative volatility has dropped significantly. Schroders believe that an absolute return strategy, which aims to preserve capital over a 12 month period, served well in the past when the relative volatility was higher. A total return strategy, which has a longer investment horizon, will be better able to provide for investors looking to capitalise on opportunities in Asian bond markets in the future. Therefore, the fund will change from an absolute return strategy to a total return strategy.

In addition, it will now be able to invest in bonds from a wider range of Asian countries, as the definition of Asia will be expanded to include the west Asian countries listed in the new investment policy.

In line with the above, the fund will change its name to Schroder International Selection Fund - Asian Bond Total Return. These changes, along with a reduction in Annual Management Charge, will take effect from 1 March 2018.

**Your options**

If you are happy to continue investing in this fund, you don't need to do anything. However, if you would prefer to switch to a new fund, it's free of charge and very easy to do.

**Switching funds**

Visit the interactive fund centre for your product at [www.rl360.com/fundcentres](http://www.rl360.com/fundcentres) to help you decide on a new fund. After that:

Switch online	Send us your changes
If you are a registered user of our Online Service Centre and have signed up for online switching, login to your account at <a href="http://www.rl360.com">www.rl360.com</a> and submit your switch (and premium redirection where applicable) online fast and efficiently.	Download a copy of our Switch Form which you will find on the fund centre page, complete it and fax or post it back to us using the details on the form.

You may want to discuss the options with your Financial Adviser before deciding.

If you have 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](mailto:csc@rl360.com) and one of our team will be happy to help.

Kind regards



Andrew Dudgeon  
Product and Investment Marketing Manager

<cc. Financial adviser>

## SUMMARY OF CURRENT AND NEW FUND DETAILS

	Current details	New details
<b>Fund name</b>	Schroder International Selection Fund - Asian Bond Absolute Return	Schroder International Selection Fund - Asian Bond Total Return
<b>Investment Objective</b>	<p>The Fund aims to provide an absolute return of capital growth and income by investing in fixed and floating rate securities issued by governments, government agencies, supra-nationals and companies in Asia (excluding Japan).</p> <p>Absolute return means the Fund seeks to provide a positive return over a 12 month period in all market conditions, but this cannot be guaranteed and your capital is at risk.</p>	<p>The Fund aims to provide capital growth and income by investing in fixed and floating rate securities issued by governments, government agencies, supra-nationals and companies in Asia.</p>
<b>Investment Policy</b>	<p>The Fund invests at least two-thirds of its assets in fixed and floating rate securities issued by governments, government agencies, supra-nationals and companies in Asia (excluding Japan), derivatives related to the above instruments and currencies. As the Fund is index-unconstrained it is managed without reference to an index. The Fund may invest in mainland China through the Renminbi Qualified Foreign Institutional Investor ("RQFII") scheme or Regulated Markets.</p> <p>The Fund may invest up to 50% of its assets in securities that have a below investment grade credit rating (as measured by Standard &amp; Poor's or any equivalent grade of other credit rating agencies for rated bonds and implied Schroders ratings for non-rated bonds).</p> <p>The Fund may also invest in money market instruments. In aiming to deliver an absolute return, a substantial part of the Fund may be held in cash which may include short term developed market government bonds.</p> <p>The Fund may use derivatives (including total return swaps), long and short, with the aim of achieving investment gains, reducing risk or managing the Fund more efficiently. Where the Fund uses total return swaps, the underlying consists of instruments in which the Fund may invest according to its Investment Objective and Investment Policy. In particular, total return swaps may be used to gain long and short exposure on fixed and floating rate securities. The gross exposure of total return swaps will not exceed 60% and is expected to remain within the range of 0% to 30% of the Net Asset Value. In certain circumstances this proportion may be higher.</p>	<p>The Fund invests at least two-thirds of its assets in fixed and floating rate securities, derivatives related to these securities and currencies. The fixed and floating rate securities are issued by governments, government agencies, supra-nationals and companies in Asia. For the purposes of this Fund, Asia includes the following west Asian countries: Bahrain, Israel, Lebanon, Oman, Qatar, Saudi Arabia, Turkey and United Arab Emirates.</p> <p>The Fund is designed to participate in rising markets whilst aiming to mitigate losses in falling markets through the use of derivatives. The mitigation of losses cannot be guaranteed. The Fund may invest in mainland China through the Renminbi Qualified Foreign Institutional Investor ("RQFII") scheme or Regulated Markets.</p> <p>The Fund may invest up to 50% of its assets in securities that have a below investment grade credit rating (as measured by Standard &amp; Poor's or any equivalent grade of other credit rating agencies for rated bonds and implied Schroders ratings for non-rated bonds). The Fund may (exceptionally) hold 100% of its assets in money market instruments or cash.</p> <p>The Fund may use derivatives (including total return swaps), long and short, with the aim of achieving investment gains, reducing risk or managing the Fund more efficiently. Where the Fund uses total return swaps, the underlying consists of instruments in which the Fund may invest according to its Investment Objective and Investment Policy. In particular, total return swaps may be used to gain long and short exposure on fixed and floating rate securities. The gross exposure of total return swaps will not exceed 60% and is expected to remain within the range of 0% to 30% of the Net Asset Value. In certain circumstances this proportion may be higher.</p>
<b>Management Fee</b>	1.25%	1.00%