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December 2015

Dear Policyholder

Policy Number: «Plan_No»

Update regarding P27 FPIL Glanmore Property Fund

**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.
IF IN DOUBT PLEASE SEEK PROFESSIONAL ADVICE.**

We are writing to you as an investor in the Friends Provident International fund named above.

The Glanmore Property Fund (the "Company") have advised that the Board have been reviewing the underlying fund's strategy and exploring the option of converting the underlying fund from an open ended structure to a closed ended UK REIT. The Board have reached an agreement and will propose a Reorganisation of the underlying fund at an Extraordinary General Meeting ("EGM") of the Shareholders to be held on **20 January 2016**. They will also propose the appointment of a new investment manager and investment adviser.

If the Reorganisation of the underlying fund is approved at the EGM on 20 January 2016, the changes will be effective from **02 February 2016** (the "Effective Date").

Should the Reorganisation not be passed at the EGM, then the Company will commence an orderly wind down of the Fund.

The Company state:

- *"The Board has considered the position of the Fund and is of the opinion that in order for the Fund to achieve its objectives as an investment company it should adopt a more streamlined and cost efficient corporate structure that has a fixed capital base consistent with its property investment activities and the payment of dividends whilst allowing the Fund to attract further equity investment. This will require a fundamental alteration of the structure of the Fund and the replacement of the Fund's current advisors and service providers."*
- *"The Board considers that the Reorganisation is in the best interests of the Fund and Shareholders as it represents an opportunity for the Fund to capitalise on the cash generative nature of its existing investments and the potential for growth in the UK property*

sector. The Board expects that the Reorganisation would provide the Fund with the opportunity to raise new capital and to enter into leveraged investments, which would in turn enable future growth of the Fund's portfolio.”

- *“The Board has concluded that there are two options for the Fund: (i) to proceed with the Reorganisation; or (ii) to commence the orderly wind down of the Fund in anticipation of the voluntary winding up of the Fund.”*
- *“If the Reorganisation becomes effective, the suspension of redemptions will be lifted immediately prior to the Reorganisation becoming effective and Shareholders will be permitted to redeem their Participating Shares at that point. If the requisite approval of the Scheme and the Reorganisation is not forthcoming at the Court Meeting and the EGM, or if the Reorganisation does not proceed for any other reason (including if the net asset value of the Fund would be reduced below the Minimum NAV), the Board has determined that it would, in that situation, continue the suspension of redemptions of Participating Shares and commence an orderly disposal of the Fund's assets prior to a formal winding up of the Fund.”*

Friends Provident International have reviewed the proposals made by the Company. As it is not possible for the P27 FPIL Glanmore Property Fund to invest in an underlying UK REIT closed – ended fund structure, should the proposed restructure take place, we will place an instruction with The Company to redeem all shares in the fund and the P27 FPIL Glanmore Property Fund will be closed. It is anticipated that any proceeds would be released to Friends Provident International within 3 months of the Effective Date.

Should the proposals be voted down at the EGM in January, the Board will liquidate the assets and appoint an insolvency practitioner to wind up the underlying Fund. The Company have given an approximate timeline for this process of a minimum of 12 months from the Effective Date.

The P27 FPIL Glanmore Property Fund will remain suspended pending the completion of the redemption of assets or the winding up of the underlying fund and any existing redemption request will be paid out once the fund closure process completes.

Once the results of the EGM have been announced by the Company, we will write to all policyholders again with an update on the closure of this fund.

You do not have to take any action at this time, however we recommend that you seek the advice of your usual financial adviser if you have any questions relating to your investment in this fund.

If you have any questions regarding your policy with us, please contact, by either phone or email, one of the following departments that correspond with your region:

General telephone number: + 44 1624 821212

Rest of the World Team – rowservicing@fpiom.com

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