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October 2014

Dear Policyholder

**Policy Number:** «Plan\_No»

## **FPIL Glanmore Property Fund (“P27”)**

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

We are writing to you as you are invested in the above named mirror fund and to advise that we have received an update from the chairman of the Board of the underlying fund into which P27 invests.

The Board of The Glanmore Property Fund Limited (“The Company”) has confirmed that, following their Annual General Meeting held on 23 September 2014, they have decided to further extend the redemption period of The Glanmore Property Fund.

The Company have confirmed an extension to the postponement of redemption requests by a further 15 months with immediate effect.

As a result of this decision, any new redemption requests could now potentially have to wait up to 87 months, following completion of the standard notice period. Glanmore’s directors also have the authority to increase or decrease this time period, depending on circumstances.

The Company has stated:

### **“Fund Progress**

*Since the last AGM, we have made some progress in stabilising the Fund and a return to growing the share price. Over the last 12 months, the Fund has continued to reduce its borrowings in accordance with the terms of the loans and this has opportunistically coincided with an improving market. The sales strategy has been to sell office and industrial assets which have seen the earliest improvement in yields and retain the shopping centre portfolio until later in the cycle. Over the 12 months to June 2014, the Fund has sold 21 assets for £136.8m. These sales were 8.8% ahead of the June 2013 valuation. The residual portfolio of assets has seen 3.6% growth in valuations over a similar time period. At June quarter day, the residual portfolio of 18 assets had a value of £156.9m. Borrowing currently totals £117.6m plus £6m for profit share which reflects a loan to value 78.9%. Of this borrowing, £8.8m (7.1%) expires in December 2014 with the remainder expiring in October 2015. The Board continues to look at a variety of strategies to alleviate the level of borrowings but in*

*the absence of a suitable alternative loan, the strategy is to continue to sell assets to meet the amortisation targets until the current borrowings are paid back in full.*

### **Redemptions**

*Currently the redemptions continue to be postponed. The terms of the loan facilities preclude any redemption from being paid until the loans and facility costs have been paid back in full. All monies, therefore, from sales go towards paying back the loans. Once the loans have been repaid in full, the Board can consider re-opening the redemption queue.”*

### **How does this affect my investment in the P27 Glanmore Property Mirror Fund?**

- a. The Friends Provident International Limited Glanmore Property fund (P27) will remain suspended until further notice.
- b. The value shown on any policy statements you receive will be based on the last unit price, which was published on our systems prior to the fund's suspension. Please be aware that this unit price does not reflect the actual value that may be achievable, should the suspension be lifted. To keep investors informed, the Friends Provident International website provides the most recent *indicative* unit price. This is based on the latest information received from Glanmore on the net asset value of the underlying fund. (Please visit [www.fpiinternational.com](http://www.fpiinternational.com) – Select 'Funds' from the top menu, then 'Glanmore News' from the left).
- c. The redemption period on the mirror fund will be 87 months for new redemption instructions, in line with the underlying fund. For those clients that have already given us instructions to sell units, the redemption period is extended by a further 15 months. This means that the earliest date for redemptions to be settled would be 01 January 2016 or 87 months from receipt of the completed instruction (whichever is the later).

We understand that this continuing period of uncertainty is difficult and frustrating for our customers. Additionally, we acknowledge that this has been a lengthy wait, which is unfortunately not under our control.

If you have any questions regarding the information in this letter in connection with your policy with us, please contact, one of the following departments that correspond with your region:

General telephone number: + 44 1624 821212

Asia-Pacific Team	asiapacific@fpiom.com
Middle East Team	me&africa@fpiom.com
Rest of the World Team	rowservicing@fpiom.com
Latin America Team	latam.servicing@fpiom.com

Yours sincerely,

Investment Proposition International  
Friends Provident International Limited

***Fund prices may fluctuate and are not guaranteed. Investment involves risks. Past performance should not be viewed as a reliable guide of future performance.***

***Please refer to the principal brochure of the scheme for details including charges and risk factors.***

***All policyholders will receive the protection of the Life Assurance (Compensation of Policyholders) Regulations 1991 of the Isle of Man, wherever their place of residence. Investors should be aware that specific investor protection and compensation schemes that may exist in relation to collective investments and deposit accounts are unlikely to apply in the event of failure of such an investment held within insurance contracts.***

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