

October 2011

Dear Policyholder

Policy Number:

Suspension of FPIL VAM Property Fund (P30), and Subsequent Closure.

THIS LETTER REQUIRES YOUR IMMEDIATE ATTENTION.

We notified you in December 2010 that VAM Global Funds (the Fund Managers) had suspended dealing in the VAM Property Fund with effect from 31st October 2010, and that the fund would be closed once the assets in the fund had been liquidated. The suspension and closure was as a result of consistently high volumes of redemption requests, resulting in it no longer being economically viable to continue running the fund. The FPIL mirror fund (P30) was also suspended with immediate effect following VAM Global Funds' announcement.

Shareholder approval of the closure was received and the majority of assets in the underlying fund have been liquidated. To date, FPIL have received two payments in settlement of underlying asset sales held within the VAM Property fund, and switches have been actioned from the mirror fund P30 into Investec GS Sterling Money Fund (M65). You should have already received switch confirmations confirming the details of these switches. If you require further copies, please contact our Customer Service team, details of which are overleaf.

Following completion of these transfers, FPIL have now been informed by VAM Global Funds that the remaining assets have not been sold, and the price is to be written down to GBP 0.00. As a result of this decision, FPIL have agreed to hold the units remaining in this fund open for a period of 3 years, until 31 October 2014, but with a nil value. We propose to remove the remaining units from your policy and hold them off-line. By doing so, this will not reflect an incorrect value and also will not limit you to a reduced choice of 9 funds within your remaining investment.

If payment is received from the sale of any of the assets, your policy will be credited with the proportional value, based on the number of units held at 31 October 2011. Should no asset sales be possible by 31 October 2014, the fund will be written off with a nil value at that time, and no further payments will be made on this fund.

If you elect to surrender your policy after 31 October 2011, please be aware that by doing so you will waive any right to proceeds that may become available after the date of your surrender. If you submitted a surrender instruction before you became aware of these changes and prior to 31 October 2011, we will continue to hold this instruction and the units until 31 October 2014, unless you contact us to advise us that you wish to waive your rights.

These changes will happen automatically within your policy and you do not need to take any action. We strongly recommend that you seek the advice of your usual financial adviser before making any investment decisions.

If you have any questions regarding the operation of the mirror funds or the underlying funds, please contact our Funds Marketing & Research Department in the Isle of Man - fund.research@fpiom.com.

If you have any questions regarding the information in this letter in connection with your policy with us, please contact, by either phone or email, one of the following departments that corresponds 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

Funds Marketing & Research
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.