

October 2011

Dear Policyholder

**Policy Number:**

**Update regarding the Suspension and Subsequent Fund Closure of  
R76 FPIL Castlestone Aliquot Agriculture (USD) and R75 FPIL  
Castlestone Aliquot Commodity (USD)**

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

Further to our letter to you in August 2011 when we advised the suspension and subsequent closure of the two above named mirror funds managed by Castlestone, we have now received further updates from Castlestone on the progress of the liquidation of the underlying assets in these funds.

Castlestone have released the first substantial payment of net cash proceeds derived from the realisation of the portfolio. As a result of this action by Castlestone, FPIL will have to adopt a two phase approach for the closure of these mirror funds. This will mean that you will shortly receive confirmation that 90% of your unit holdings in the above named funds have been switched into FPIL JP Morgan USD Fund (J42), representing the first cash element / phase of the fund closure.

The residual portion of your holding will remain in the existing mirror funds (R75 or R76) until we receive the final settlement from Castlestone, at which time a further switch will take place to close the fund completely. At this time, Castlestone are not able to confirm a date when the final payment will take place.

**Will I be able to switch my investments into another mirror fund?**

Once you have been allocated units in FPIL JP Morgan USD Fund (J42) from the fund closure process, you may switch the new J42 holdings into another fund of your choice, as long as your policy stays within the 10 fund limit. Please **do not** send us any switch instructions out of J42 until you have received confirmation of your unit holding in the fund, as we cannot process them until completion of the transfer.

Please note that we cannot now accept any new fund switch instructions out of R75 or R76. If you have previously placed a switch instruction with us since the redemption restrictions were placed on the funds in August 2011, the new closure process will supersede this and the original switch instruction will be cancelled.

Surrender or Maturity requests currently being held will be honoured as soon as we have received settlement from Castlestone, but again, this will mean settlement by more than one payment.

*If your policy already holds 10 funds, and the JPMorgan USD (J42) fund is not already held within your policy, the proceeds from the Castlestone mirror fund will be reinvested across the existing funds that you hold at the time the partial closure is actioned.*

**The dealing restrictions on the mirror funds will remain in place until we complete the final closure process for all unit holders.**

*We recommend that you seek the advice of your usual financial adviser before making any investment decisions.*

**Who should you contact if you have any questions?**

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](mailto: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 correspond with your region:

General telephone number: + 44 1624 821212  
Asia-Pacific Team – [asiapacific@fpiom.com](mailto:asiapacific@fpiom.com)  
Middle East Team – [me&africa@fpiom.com](mailto:me&africa@fpiom.com)  
Rest of the World Team – [rowservicing@fpiom.com](mailto:rowservicing@fpiom.com)  
Latin America Team – [latam.servicing@fpiom.com](mailto:latam.servicing@fpiom.com)

We apologise for any inconvenience this may cause, however we are sure that you will appreciate that we have had no alternative but to take this course of action as a result of the restrictions that have been imposed on us by Castlestone.

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.***