

September 2009

Dear Policyholder

**Policy Number:**

**Update on the FPIL Glanmore Property Fund (Code: P27)**

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

We are writing to you in connection with a recent shareholder letter we have received from The Glanmore Property Fund Limited, the underlying fund to the FPIL Glanmore Property Fund (Code: P27).

**Details of the shareholder letter from Glanmore**

On 23 June 2009 the shareholders in the underlying fund voted overwhelmingly in support of a proposal to raise £95 million through a share placing and open offer. The priority of the Directors is to reduce the underlying fund's level of bank loans compared to the property asset values (referred to as "gearing") to more acceptable levels, as set out in the fund manager's capital raising documentation.

However, it is expected that some of the capital raised in the offer will be used to begin to meet some of the first redemption requests already placed within the underlying fund, in date order. At this stage we have no clear indication as to the likely timescale for the meeting of all outstanding redemption requests, given the still fragile sentiment in the UK commercial property market. Therefore please note that redemptions in the underlying fund continue to be subject to a deferred period of **up to 48 months**.

The Directors of the underlying fund would like to draw your attention to the fact that the problems faced by the whole UK commercial property market in the past 18 months has meant that valuations of the property assets and consequently the fund share price, have dropped considerably in that time. As a result, the Directors state that the value of any shareholding is likely to have fallen significantly since any previous redemption requests were originally submitted. Please be aware that outstanding redemptions requests will be dealt on the prevailing and significantly lower share price valuation levels, rather than using the historic ones.

## **How does this impact the FPIL Glanmore Property Fund (P27)?**

The FPIL mirror fund has also seen its unit price fall significantly and being a pooled investment and holding shares in our own name, was not in a position to participate in the new capital raising exercise on behalf of individual investors.

FPIL will keep all redemption requests relating to the FPIL Glanmore Property Fund in place with the underlying fund administrators for the time being and will retain our place in the underlying fund's redemption queue.

In the light of these unprecedented market circumstances, if you have already lodged a redemption request from the mirror fund, you now have the opportunity to review any earlier decision. Should you wish to withdraw your redemption request, please either write to us, or e-mail us at the appropriate address below by 20 November 2009 and we will ensure that the redemption is not processed.

Redemptions in the underlying fund continue to be subject to a deferred period of up to 48 months. As a result, we have no alternative but to adopt the same restrictions for the FPIL mirror fund, so please bear this in mind when making your decision to remain in the fund or redeem.

Also you are reminded that FPIL will not be accepting new money into the mirror fund at this time.

***We strongly recommend that you discuss the matter with your professional adviser on the most appropriate course of action for you.***

## **Keeping You Informed**

Keeping you informed of developments in a timely fashion is of paramount importance and we remain committed to providing you with the latest news updates, prices and further information on the fund.

Simply visit our website at [www.fpinternational.com](http://www.fpinternational.com) and click on "Latest Customer News" for news items, and follow the prices and performance link for up to date performance information.

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 corresponds with your region, by either phone or email:

General telephone number: + 44 1624 821212  
Asia-Pacific Team – [asiapacific@fpiom.com](mailto:asiapacific@fpiom.com)

Middle East & Africa Team – me&africa@fpiom.com  
Rest of the World Team – rowservicing@fpiom.com  
Latin America Team – latam.servicing@fpiom.com

We understand that these issues are unsettling and very frustrating for our investors and thank you once again for your patience in this matter.

Yours sincerely,

Funds Marketing & Research  
Friends Provident International Limited

*Fund prices may fluctuate and are not guaranteed. Investment involves risk. Past performance is not indicative of future performance. Please refer to the principal brochure for details. For details and charges of the relevant underlying fund, please refer to the corresponding prospectus which will be made available by Friends Provident International.*