

1 smart investment solution with access to 1,000's of funds, looked after in a place with 1,029 years of political stability could make for 1 happy client flying high at 24,000 feet and rising...



Contents

- 03 The 360° Advantage
- 04 PIMS, the Personal Investment Management Service
- 05 Management of tax, freedom to invest
- 06 Freedom from paperwork
- 07 Creating a truly diverse portfolio
- 10 PIMS Wealth Insurance
- 12 How to tailor your PIMS portfolio
- 14 Why Royal London 360°
- 15 Five steps to take full advantage of the PIMS solution
- 16 Important information



The 360° Advantage

Royal London 360° was established in 2008 through the coming together of two highly successful offshore life companies - Scottish Life International Insurance Company Limited and Scottish Provident International Life Assurance Company Limited. With combined industry experience of 30 years, and funds under management in excess of US\$3 billion*, the Company offers a broad range of offshore investment, savings and tax planning products to investors based around the world.

Royal London 360° is the international division of the Royal London Group. Royal London is the largest mutual life and pensions company in the UK with Group funds under management of £34.5 billion. Group businesses serve around 3.5 million customers and employ 2,900 people*.

Headquartered in the Isle of Man, one of the world's leading offshore financial jurisdictions, Royal London 360° benefits from a skilled workforce that is motivated to deliver the Company's ethos of providing premium administration services and support to advisers and investors alike.

360° represents a number of significant advantages; the international nature of our business; the way our employees think and take personal responsibility; and our adaptable approach to meeting your requirements. By choosing the Personal Investment Management Service you can be safe in the knowledge that your investment is in the hands of a Company that is willing to go further to ensure that your customer experience is superior, and that helps you achieve your financial objectives.

* Source: Royal London. All figures as at 30 September 2008.

PIMS, the Personal Investment Management Service

What is PIMS?

PIMS is an established portfolio service which enables you to hold all your collective investment schemes under one simple product wrapper. This wrapper can provide valuable tax benefits (depending on your individual circumstances), extensive investment flexibility and a reduced administrative burden.

It also offers a valuable wealth protection insurance option, payable on the death of the relevant life assured, covering all the assets held within PIMS.

This *Brochure* explains the fundamental product benefits of PIMS, outlines its unique wealth insurance facility and then guides you through the five easy steps to investing in PIMS with Royal London 360°.

PIMS is available in two versions – Select PIMS and Flexible PIMS.

Select PIMS investors will be able to invest into a selected range of funds, covering a wide and diverse variety of investment styles, accessible on preferential terms.

Flexible PIMS investors will be able to invest into the funds within the Select range and any other acceptable assets. Flexible PIMS has a slightly higher charging structure in recognition of the almost unlimited choice of collective investment schemes available.

For full details on the different PIMS versions please refer to page 7.

Management of tax, freedom to invest

PIMS benefits from the tax-efficient treatment enjoyed by offshore investment bonds issued in the Isle of Man.

As a PIMS investor, all your investments are held within a single insurance bond, so you have the freedom to switch and change your portfolio without any immediate capital gains tax concerns. Contrast this with holding direct investments in many jurisdictions around the world, including the UK, where redemptions, switches and reinvestments may very well be subject to a tax charge. This can often restrict your investment freedom as you may resist making any changes to your investments purely to avoid a tax charge.

Royal London 360 Insurance Company Limited is subject to Isle of Man tax laws. Therefore, any growth or income earned in your portfolio is not taxed (with the exception of any withholding tax charged by some countries to foreign investors on investment income).

However, you may have a personal liability to tax depending on the tax regime in your country of residence and/or your own personal circumstances.

Royal London 360 Insurance Company Limited is unable to provide individual tax guidance and we recommend that you always obtain professional advice.

Tax planning, and international tax planning in particular, is a complex area. Royal London 360 Insurance Company Limited cannot accept responsibility for any action or inaction leading to any adverse tax liability as a result of the information contained in this document. Please also bear in mind that the value of tax benefits may change in the future.

PIMS offers a highly attractive investment option for individuals, as well as being particularly suitable for trustees and pension scheme investors. PIMS could also prove to be a highly flexible alternative to those using traditional pension schemes to plan for retirement, allowing a high degree of investment choice and flexibility on how and when benefits are taken.

Freedom from paperwork

Investors in PIMS will also be relieved of the everyday burdens associated with running a pooled asset portfolio.

You have the comfort of knowing that, regardless of how many collective investment schemes and capital protected funds you are invested in, you will receive just one consolidated statement of value every six months.

This means keeping track of the value of your PIMS portfolio is simple, as you will receive a statement of value listing your various holdings twice yearly, at the end of June and December.

Efficient portfolio administration

A cash account is an essential part of an actively – managed investment portfolio. When you establish your PIMS portfolio, a special PIMS Cash Account is set up in your name. You will need to retain at least 3% of your overall investment value in this account during the first five years.

Please note

The PIMS Cash Account should be used to ensure that any withdrawals or costs, such as portfolio charges, will be met without the need to sell any of the investments held within your PIMS portfolio. If you take regular withdrawals from your portfolio, the payments will be met from your PIMS Cash Account. If there are insufficient funds in your cash account to meet these outgoings, your cash account will become overdrawn and you will incur interest charges on the overdrawn amount. To clear the overdraft you will have to sell investments to make up the difference and retain the minimum balance. Alternatively you can make additional minimum investments of GBP 5,000/USD 8,000/EUR 8,000. Further details can be found on page 2 of the *Key Features* document.

The PIMS Cash Account is a cash fund investing in offshore bank and building society deposits and money funds. It is not itself a bank or building society account which would typically offer complete capital security and easy access at any time without penalty.

Creating a truly diverse portfolio

PIMS offers a wide choice of investment types and asset classes to give you the tools you need to create and manage a fully diversified portfolio.

To assist you in constructing the right portfolio, PIMS is available in two versions: Select PIMS and Flexible PIMS.

Select PIMS

Select PIMS provides access to a select range of the most popular and well-respected specialist investment fund management houses in the industry (also available to investors in Flexible PIMS). This will enable you to access collective investment schemes offered by these fund management groups at a discount.

Flexible PIMS (available at an additional cost)

If you want access to an even wider selection of funds and the option to invest in cash deposits, Flexible PIMS provides a global fund supermarket from which you can select your investments. This is an extensive range containing thousands of collective investments covering the whole investment world - such a selection will enable you to complete your own diversified portfolio.

Select PIMS investors who want to switch into Flexible PIMS can do so on payment of a one-off portfolio switching charge. Details of charges can be found in the *Key Features* document.





PIMS Wealth Insurance

Protection for your portfolio and for your family

PIMS Wealth Insurance is a special form of life cover. In the event of the death of the relevant life assured it will provide a minimum benefit of at least 101% of the initial investment in PIMS. This minimum value, the PIMS Wealth Insurance benefit, will be revalued every six months to reflect any upward movement in portfolio value. In other words, the PIMS Wealth Insurance option will ensure that your wealth is protected should the relevant life assured die at a time when market volatility has substantially reduced the value of the investments held within PIMS.

Without PIMS Wealth Insurance, the death benefit payable would simply be the underlying value of the investments held within PIMS. This could be significantly less than the initial investment or less than the underlying investment had been some months or years previously, depending on the performance of stock markets. If you make a withdrawal, the amount of the withdrawal will be deducted from the current level of PIMS Wealth Insurance benefit at the date of withdrawal. Likewise, an additional investment will be added to your current level of PIMS Wealth Insurance benefit at the date of additional investment.

Please note

PIMS Wealth Insurance is an optional product benefit which is available for an additional monthly premium and which can only be selected when investing in PIMS at outset. You will not be able to take out PIMS Wealth Insurance at a later date.

The PIMS Wealth Insurance fee is calculated as a percentage charge of the value of your PIMS Wealth Insurance benefit every month. The percentage charge depends on whether PIMS Wealth Insurance has been taken on a single life, a joint life first death or a joint life last death basis. It also depends on the age and sex of the life (lives) assured.

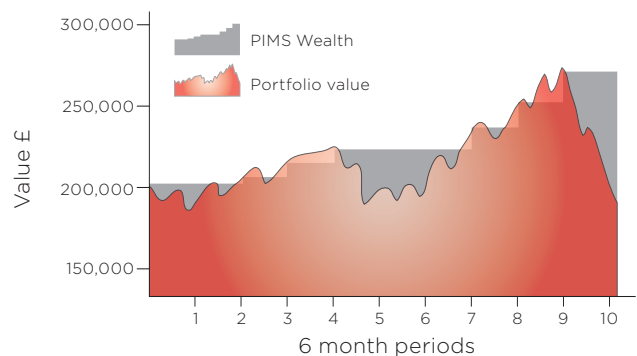
Table 1 below provides an example of the potential benefits if you select the PIMS Wealth Insurance option and how the portfolio value of your initial GBP 200,000 investment fluctuates over ten six-month periods. The figures shown in shaded rows in the first, fifth, sixth and tenth periods illustrate where the PIMS Wealth Insurance benefit would add value at the time of death over the portfolio value. The shaded areas in Chart 2 below also illustrate this value.

These figures are for illustrative purposes only. They are not minimum or maximum amounts. You might get back more or less than this. Please note that each of the lives assured applying for PIMS Wealth Insurance will be required to complete a health questionnaire. The maximum value which can be insured at outset within the PIMS Wealth Insurance option is GBP 1 million/USD 1.5 million/EUR 1.5 million. Full details of how the option works can be found in the *Key Features*.

Table 1: example of potential benefits of PIMS Wealth Insurance

Six month investment period	Portfolio value (£)	% rise or fall	PIMS wealth insurance benefit (£)
Initial investment	200,000		202,000
1st period	194,000	-3.0% ▼	202,000
2nd period	206,000	+6.2% ▲	206,000
3rd period	214,000	+3.9% ▲	214,000
4th period	224,000	+4.7% ▲	224,000
5th period	198,000	-11.6% ▼	224,000
6th period	201,000	+1.5% ▲	224,000
7th period	240,000	+19.4% ▲	240,000
8th period	252,000	+5.0% ▲	252,000
9th period	270,000	+7.1% ▲	270,000
10th period	190,000	-29.6% ▼	270,000

Chart 2: the value of PIMS Wealth Insurance



How to tailor your PIMS portfolio

Anyone aged 18 years or over can tailor their own PIMS portfolio. By controlling the tax, administration and risk content of your portfolio you can effectively tailor it to suit your own personal profile. The PIMS product is also attractive to investors living abroad, though restrictions do apply to certain countries (please ask your financial adviser for details).

The minimum investment is GBP 50,000/USD 80,000/EUR 80,000. There is no maximum. Once you have established your PIMS contract, you may make additional minimum investments of GBP 5,000/USD 8,000/EUR 8,000. You may invest by cheque, banker's draft or telegraphic transfer.

PIMS can be denominated in sterling, US dollars or euro. Investments can be made in any freely convertible currency. If you choose this option, payments will be converted to sterling, US dollars or euro (whichever you have chosen) prior to investment.

The cost of conversion will be met from your investment. Please read the 'Important information' section at the back of this *Brochure*.

Investments in excess of GBP 225,000 (or other currency equivalent) must be made by telegraphic transfer. Should you wish to make a payment in this way please contact our New Business team on the Isle of Man on +44 (0)1624 681 578 to obtain a reference number before proceeding with your transaction.

Trust, pension and corporate investment in PIMS

PIMS is not restricted to private investors. Trusts, some pension schemes and companies may also make a tax-efficient investment in PIMS. Please complete the relevant section of the *Application Form*.



Why Royal London 360°

Royal London 360° is a wholly owned subsidiary of the Royal London Group. Royal London is the largest mutual life and pensions company in the UK with Group funds under management of £34.5 billion. Group businesses serve around 3.5 million customers and employ 2,900 people*.

Royal London 360° was established in 2008 through the coming together of two highly successful offshore life companies – Scottish Life International Insurance Company Limited and Scottish Provident International Life Assurance Company Limited. With combined industry experience of 30 years, and funds under management in excess of US\$3 billion*, the Company offers a broad range of offshore investment, savings and tax planning products to investors based around the world.

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Statutory protection from the Isle of Man

The Isle of Man is one of the most highly regarded offshore financial centres in the world. It has been awarded the highest possible country risk rating of AAA by Standard & Poor's as at September 2008 (source: www.gov.im). The island is also highly regarded by others in the industry having been voted 'Best International Financial Centre' at the 2008 International Investment Awards.

Through Royal London 360°, PIMS is managed under the strict supervision of the Isle of Man Government Insurance and Pensions Authority. Investors receive the protection of the Isle of Man Life Assurance (Compensation of Policyholders) Regulations 1991 whose legislation is designed to provide statutory policyholder protection. Broadly, this protection is equivalent to that available for UK policyholders under UK legislation. Isle of Man legislation provides that, in the event of a 'failure of the insurer', the amount of compensation paid will be up to 90% of any liability without limits. This legislation is also applicable to corporate investors.

Five steps to take full advantage of the PIMS solution

STEP 1

Make sure you have read and understood this *Brochure* along with the accompanying *Key Features*. Please discuss with your financial adviser any aspects that need further clarification.

STEP 2

Personalised illustrations are available upon request.

STEP 3

Complete the Application Form, following any instructions noted. If you are investing by cheque you should make the cheque payable to 'Royal London 360 Insurance Company Limited' and enclose it with your Application Form. If you are investing by telegraphic transfer and require Royal London 360° to collect your premium you should ensure that you complete the relevant section in the Application Form and that your bank receives an instruction letter. Don't forget to complete the appropriate section if you wish to take out PIMS Wealth Insurance.

STEP 4

Ask your financial adviser to send the completed *Application Form* and payment to:

Royal London 360°
New Business Department
PO Box 154
Douglas
Isle of Man
IM99 1WS
British Isles

STEP 5

To confirm your successful application, we will send you a PIMS policy schedule and the *Terms and Conditions* document at outset. Thereafter, you will receive your consolidated PIMS portfolio valuation at the end of June and December each year.

Please note

As part of the Isle of Man's regulations on the Prevention of Money Laundering, all applicants will be required to identify the source of their investment. Source of Wealth questions are contained within Section 7 - Investment of the *Application Form* and must be completed by all applicants.

Important information

This brochure should be read in conjunction with the enclosed *Key Features* and *Application Form*.

Investment growth and protection of initial capital is provided by a range of highly rated, financially strong institutions and not by Royal London 360°. If any of these financial institutions with whom your money is invested were to default on their obligations, the protection and growth potential of your bond would be at risk.

Royal London 360° has a conservative credit-assessment policy and our standard practice is to use only financially strong institutions with a minimum short-term credit rating of A-1 (Standard & Poor's) or P-1 (Moody's).

These companies are independent credit rating agencies whose rigorous research is used to provide information on credit ratings, indices, risk evaluation, investment analysis, and information on stocks, bonds, mutual fund and other investment vehicles. They also offer opinions on the issuers' ability to honour short-term financial obligations. Standard & Poor's A-1 rating is the highest category possible, and the capacity to meet its financial commitment on the obligation is strong. Moody's P-1 rating (Prime-1) means issuers have a superior ability to repay short-term debt obligations.

Royal London 360 Insurance Company Limited is supervised by the Isle of Man Government Insurance and Pensions Authority. Accordingly, holders of policies issued by the company will not be protected by the United Kingdom Financial Services Compensation Scheme should the company become unable to meet its liabilities to them. However, investors do receive the protection of the Isle of Man Life Assurance (Compensation of Policyholders) Regulations 1991.

The company reserves the right to adjust the returns from the portfolio to cater for any levy or charge made on the company under these regulations or similar legislation.

The information contained in this brochure is based on Royal London 360°'s current understanding of the relevant areas of law and taxation as at December 2008. Whilst every care has been taken, the company cannot accept responsibility for its interpretation or any subsequent changes. The rates of and reliefs from taxation may change in the future and the actual tax due will depend on the personal circumstances of the investor(s). All returns are gross of tax (apart from any withholding taxes which cannot be reclaimed). The value of tax benefits depends on individual circumstances and may change in the future.

Investors should be aware that the value of investments can fall as well as rise and is not guaranteed.

Please note that past performance may not be repeated, therefore it must not be used as a guide to future performance.

Benefits may be affected by fluctuations in exchange rates.

In the unlikely event that Royal London 360° is unable to reinsure the risk associated with the additional life cover provided by PIMS Wealth Insurance, the provision of such insurance may be removed.

New Business

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