



4 May 2012

Dear Shareholder

**Redemption request at NAV**

We are writing to you as you currently have a redemption request registered with Blue Sea International Limited, the administrator to the Assured Fund ("the Fund") and we recognise that your circumstances may have changed since you requested redemption.

We would like to recap some of the current information on the Fund that has been published in our previous communications, so that you may be fully informed:

The gross sum insured of the policies held by the Fund currently stands at \$688m. Following the review of life expectancies, the modelled mortality should more closely follow the actual mortality experience. The Fund is predicted to grow both from the appreciation of the policy value over time and from actual maturities.

Based on the new life expectancies and assuming no currency movements, the predicted returns for each share classes are:

Share Class	Targeted Return
USD Class A	9.0%
USD Class B	8.0%
USD Class C	8.5%
USD Class D	8.5%
USD Class F	7.5%
GBP Class B	8.0%
GBP Class C	7.5%
Euro Class B	7.5%
Euro Class D	8.0%
CHF Class F	8.5%

Source: PSL 2012

Using Class A as the example, cumulatively this means the shareholders' return over future years will be:

Investment Period	Cumulative anticipated return
Year 1	9.00%
Year 2	18.81%
Year 3	29.50%
Year 4	41.16%
Year 5	53.86%

Source: PSL 2012

The table below gives the modelled cash flows for the coming years:

Year	Anticipated Cash Receipts from maturities (\$)
2012	78,018,304
2013	89,083,491
2014	89,229,064
2015	78,996,623
2016	67,770,169

Source: PSL 2012

All of the above information is based on the Fund's actuarial modelling using the most up to date data available. The actual performance and cash flow will depend on the mortality experience and therefore may vary from the information above.

#### Options for redeeming

- To continue to redeem at NAV, as you have currently requested. It is difficult to be certain as to when redemptions may be processed at full NAV as it depends on a number of factors, such as the receipt of maturity proceeds and the levels of inward investment. It may be as long as 3-4 years.

- To amend your request to Net Realisable Value (“NRV”). The NRV basis is designed to be equitable to those seeking to redeem their holding, whilst at the same time leaving the NAV for those remaining within the Fund unaffected. The policies will be sold for the best price and the net proceeds after compensating the Fund for any and all costs incurred in the redemption process will be paid to you as your redemption value. Typically, redeemers using the NRV basis will incur a 22% discount to the current listed share price, i.e. NAV. It must be borne in mind that this discount is only a best endeavours indication of the reduction to NAV as every trade is unique and therefore the discount may be more or less.
- To sell the shares to a third party. One company is currently providing this option and the price of the shares would be decided by the purchaser and seller. This method may provide liquidity quicker than by selling policies.

Due to the recent developments within the Fund, the board wish to give you an opportunity to cancel or amend your redemption request.

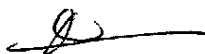
If you would like to cancel/amend your redemption instruction, please write to Chris Callow, Shareholder Services, Blue Sea International Limited, 31-37 North Quay, Douglas, Isle of Man, IM1 4LB.

Letters should be returned by 1 June 2012.

If you still wish to proceed with your redemption at NAV then you need take no further action and your request will remain in the NAV queue and will be processed after redemption at NAV are recommenced.

Should you have any questions with regard to this letter, please contact Chris Callow on 01624 627247 or by email at [chris.callow@blueseas.co.im](mailto:chris.callow@blueseas.co.im).

Yours sincerely



Mark Hindle  
Investment Director