

These notes are for Investment Professionals only and are not directed at, nor should be relied upon by private investors.

Advisers are reminded to check carefully to ensure that they have identified the correct life office or with profit sub-fund. There has been and continues to be considerable merger and restructuring activity involving with profit funds, and changes of name, ownership and structure are not uncommon.

With Profit Fund:	Liverpool Victoria Friendly Society (not Income Bond)
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## Structure & Background

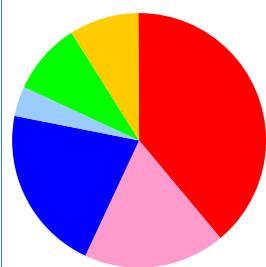
Liverpool Victoria Friendly Society is an incorporated friendly society. Its subsidiaries include Liverpool Victoria Life Company Limited, which includes the RNPFN Fund. For the avoidance of doubt, this note does NOT refer to WP bonds contained in the RNPFN Fund, which are dealt with separately. This note does not deal with WP Income Bonds issued by the Society, which are covered by a separate note. This note also does not relate to the Society's "All-in-1" bond, which is a product with underpinned by an algorithm-driven smoothed managed fund.

Cazalet Consulting Indicators	Status	Comment
Investment Freedom	✓	Liverpool Victoria has very considerable investment freedom, which allows it to maintain a greater exposure to equities than almost any other WP fund.
Smoothing Capability	✓	The Society's considerable financial strength, together with the relatively benign nature of its in-force WP liabilities means that it has considerable resources to smooth claims values in the event of future adverse market conditions.
Impact of Charges & Additions	✓	Liverpool Victoria's WP bonds have explicit charges. There are no charges for guarantees.
Cazalet Consulting Rating	10/10	Rating applies to entire WP fund except the WP Income Bond.

Further details of the Cazalet Consulting Indicators can be found in the With Profits Analyser User Guide

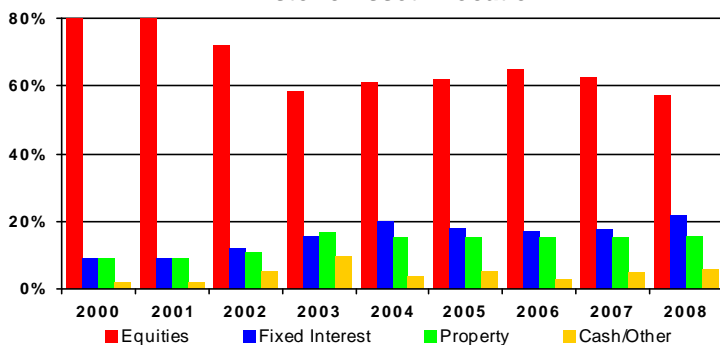
## Underlying Asset Allocation Applying to With Profit Bonds (Reviewed Oct 2008)

### Latest Asset Allocation



- UK Equities
- Overseas Equities
- Gilts
- Corporate Bonds
- Property
- Cash/Other

### Historic Asset Allocation



## Gross, Unsmoothed Investment Returns on the Assets Backing With Profit Bond Asset Shares (%)

2000	2001	2002	2003	2004	2005	2006	2007	8 yr cumulative compound p.a.
-2.0	-8.5	-14.1	14.1	11.3	19.7	11.2	5.8	4.1

### FSA Compliance

It may not be enough for an adviser to base a with profits recommendation on asset mix, charges, financial strength and smoothing ability criteria alone. A compliant advice process demands that the adviser establishes the level and incidence of guarantees on a with profits contract and their value to the client on a case by case basis and assesses these in the context of the client's appetite for risk and investment and financial planning objectives.

An adviser could be held to be in breach of the FSA's conduct of business rules if he or she has not fully taken account of the level value and incidence of guarantees and/or options embedded in the with profits contract as well as having taken account of the client's appetite for risk, and financial planning objectives, together with the with profits contract's asset mix, charges, scope for smoothing, financial strength and the generality of what is set out in the with profit fund's "Principles & Practices of Financial Management". The data and Cazalet With Profit Rating score set above specifically relate to the with profits bond contracts within this life office and might not apply to other with profit fund or sub-funds with the same group, and also might not apply to other with profit contracts within this life office.

This is supporting literature which can be used as part of a review process. This fact sheet must not be solely relied on for a compliant review of a with profit bond policy, nor should it be used as a substitute for the Principles and Practices of Financial Management ("PPFM"). In order to fully understand the suitability of this product for your customer needs please refer to either the with profit fund's PPFM or to the full Cazalet With Profit Ratings Notes (visit [www.cazalet-consulting.com](http://www.cazalet-consulting.com) for contact information). This information is sourced from Cazalet Consulting and is provided to you by Fidelity International ("Fidelity") and is used at your own risk. You agree that neither Cazalet Consulting nor Fidelity is responsible for any losses arising from any use of this information and that the information must not be relied upon by you, the user without appropriate verification.

## Liverpool Victoria Friendly Society Annual Bonus Rate

The current annual bonus rate is 3.75% for Income Bonds. This rate is net of any investment management charges, but not net of charges taken by cancelling units.

Bonus rates and charging formats may vary between different WP bonds issued by the same life office and, accordingly, the bonus rate and accompanying information set out above should be treated as applying to the selected WP bond series and format only, and possibly might not apply to other WP bond series and/or formats in-force within Liverpool Victoria Friendly Society.

This information is provided for guidance only. Bonus rates may change at any time, and intermediaries are advised to check the latest bonus rate directly with the life office.

## Liverpool Victoria Friendly Society Spot Guarantee Claims

Liverpool Victoria's with profit Income Bonds do not have spot guarantees.

Please note, however, that it is usual for claims windows to be exercised at the discretion of the life office, and it is possible that current practice may change in future. Practices may vary between different types of bond issued by the same life office. Intermediaries should not rely on this information, which is provided for guidance only, and are advised to carefully check the contract terms before giving advice with regard to the presence or absence of spot guarantees, and also are advised to check the latest position with the life office, as a claim made outside of any window applying from time to time may be treated as invalid.