

With Profits Update

2 August 2011

Charges are reviewed regularly to ensure that they are calculated fairly and reflect latest experience. Charges are set at cost and do not contain a profit margin. In June 2010, the guarantee charge calculation for Scottish Friendly Main Fund was reviewed. The charge has been increased from 0% per annum to 0.25% per annum. Policies have a guarantee that their payout will not be any less than the guaranteed benefit; the charge makes a contribution towards the cost of meeting this benefit. The charge has been independently reviewed by both the With Profits Actuary and the Independent Person who both confirm that it is a reasonable approach for the Society to have taken.