

Shareholder letter

<Title / Name>
<Address 1>
<Address 3>
<Address 4>
<Postcode>
<Country>

<Date>

Dear <name>

I am writing to you on behalf of the Protected Asset TEP Fund Plc and the Board of Directors to share some positive news on the status of the Fund.

When I last wrote to you in December 2008 we were faced with a unique set of challenges. The global economic turmoil impacted many investors across the world. This resulted in unprecedented levels of redemption requests, which in turn meant that the Fund became a forced seller of policies.

As the Fund is designed to purchase and hold policies until maturity, and values its assets on that basis, the Directors were forced to change the valuation methodology of the Fund to a Net Realisable Value (NRV) basis. This decision was a temporary re-evaluation of the underlying policies to reflect the values received through the surrender of policies back to the life companies.

The fair treatment and protection of shareholders was uppermost in our minds at that time. Whilst this prudent decision was a difficult one, the Fund has weathered the storm well and has seen an increase in its share price for the last six months.

I am also pleased to inform you that the Fund is no longer a forced seller of policies, and that it is our intention to return to a Net Asset Value (NAV) valuation methodology.

The Directors will continue to maintain a prudent and conservative oversight of the Fund and will be mindful of the developing economic conditions whilst transitioning to full NAV. This measured approach, such as the option to consider a discretionary redemption penalty, has served to protect the interests of investors over the past eight years. Therefore we will continue to ensure that each decision is fully supported by the Funds auditors and actuaries at all times. For more information about the Fund, please go to the relevant Scheme Particulars at <http://www.patf.co.im/schemeparticulars.htm> or <http://www.patfno2.co.im/schemeparticulars.htm>

I'm sure, like me, you will welcome this positive move. However I, and the rest of the Directors, would like to take this opportunity to thank you for your support during these challenging times, and we look forward to continuing our relationship with you in the future.

Yours Sincerely

The Earl Cowley
Chairman
2009

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