

Dear Policyholder

Notification of merger of the underlying fund of R227 Schroder Middle East (“the Merging Mirror Fund”)

**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.
IF IN DOUBT PLEASE SEEK PROFESSIONAL ADVICE.**

We are writing to you as your policy holds units in the Friends Provident International Limited (“FPIL”) mirror fund named above.

We have received notification from Schroder Investment Management (Europe) S.A. (the “Company”) of its decision to merge the Schroder International Selection Fund – Middle East (the “Merging Fund”) which is the underlying fund of the above named mirror fund, into the Schroder International Selection Fund – Frontier Markets Equity (the “Receiving Fund”) with effect from 21 February 2022 (the “Merger Date”).

Background to the merger

The Merging Fund and the Receiving Fund have a similar investment approach and risk profile, with the Receiving Fund having a much greater sum under management, of approximately USD 403 million as of 30 September 2021, compared to approximately USD 57 million under management in the Merging Fund as at the same date. Given the relevant size of the two funds, the Company believe that a merger into the Receiving Fund will offer investors of the Merging Fund an alternative fund with greater fund size, which can offer the potential for additional economies of scale following the merger.

Between 15 January 2022 and 21 February 2022 (the “Rebalancing Period”), the Merging Fund will dispose of any assets that are not in line with the Receiving Fund’s investment portfolio (i.e. non-common holdings); which is estimated to be approximately 50% of the net asset value of the Merging Fund, and proceeds from the disposal of these non-common holdings will be transferred into the Receiving Fund in cash on 21 February 2022.

Therefore, during the Rebalancing Period, the portfolio of the Merging Fund may not be able to comply with the investment objective and policy of the Merging Fund as disclosed in the underlying fund Prospectus.

Subscriptions from existing investors will only be accepted into the Merging Fund by the Company until 31 January 2022, and switch instructions cannot be placed during the Rebalancing Period. In line with this, we will stop accepting any new investment instruction, or request to increase regular premium payments, to the Merging Mirror Fund from the date of this letter onwards.

The Receiving Fund is the underlying fund to the FPIL mirror fund **R162 Schroder Frontier Markets Equity** (the “Receiving Mirror Fund”). We have therefore taken the decision to switch holdings and redirect future regular premiums from the Merging Mirror Fund into the Receiving Mirror Fund.

Unless we receive alternative instructions, regular premiums will be redirected from **31 January 2022** and current holdings will be switched on **21 February 2022**. Please refer to the [Appendix](#) for comparative details of the Merging Mirror Fund and the Receiving Mirror Fund.

Whilst appropriate due diligence has been carried out on the Receiving Mirror Fund we do not accept any liability for the future performance of this, or any other FPIL fund.

These changes will happen automatically within your policy or contract and you do not need to take any action if you agree with the choice of Default Fund that we have selected.

However, you can choose to switch your current holdings in the Merging Mirror Fund and/or redirect your premiums or contributions, into a different fund in the FPIL range from the Receiving Mirror Fund if you wish to do so. You can do this at any time, but if you wish to override the transfer or redirection to the Receiving Mirror Fund that we have selected, you must provide us with alternative instructions by the following cut off dates:

- Redirection of future regular premiums: 3pm UK time on 28 January 2022
- Switch current holdings: 3pm UK time on 11 February 2022

No FPIL charges will arise from these transactions.

FPIL Fact sheets are available through our interactive Fund centre research tool on our website for the alternative funds available to you www.fpinternational.sg/fundcentre. Full details on the underlying funds into which the FPIL fund range invests can be found in the fund prospectuses, which are also available from the Product Highlight Sheet (PHS) page on our website www.fpinternational.sg/phs.

We recommend that you seek the advice of your usual financial adviser before making any investment decisions.

Who should you contact if you have any questions?

If you have any questions regarding your policy with us, please get in touch by either phone or email:

General telephone number - + 44 1624 821212

Email – customer.services@fpiom.com

If you have any questions regarding the operation of the FPIL funds or the underlying mirror funds, please email our Investment Marketing team in the Isle of Man at Fundqueries.Intl@fpiom.com

Yours sincerely



Investment Marketing Manager
Friends Provident International Limited

Important Information

Fund prices may fluctuate and are not guaranteed. Investment involves risk. Past performance should not be viewed as a reliable guide of future performance.

Please refer to the principal brochure of the scheme for details including charges and risk factors.

All policyholders will receive the protection of the Life Assurance (Compensation of Policyholders) Regulations 1991 of the Isle of Man, whatever their place of residence. Investors should be aware that specific investor protection and compensation schemes that may exist in relation to collective investments and deposit accounts are unlikely to apply in the event of failure of such an investment held within insurance contracts.

Appendix – Comparison of the Merging Fund and the Receiving Fund

	Merging Fund	Receiving Fund
Name and Code of FPIL Mirror Fund	R227 Schroder Middle East	R162 Schroder Frontier Markets Equity
Name of corresponding underlying fund	Schroder International Selection Fund – Middle East	Schroder International Selection Fund – Frontier Markets Equity
Name of management company of corresponding underlying fund	Schroder Investment Management (Europe) S.A.	Schroder Investment Management (Europe) S.A.
Share class of corresponding underlying fund	A Accumulation	A Accumulation
Currency of Mirror Fund	USD	USD
Currency of corresponding underlying fund	USD	USD
Investment Objective	<p>The Fund aims to provide capital growth in excess of the MSCI Arabian Markets and Turkey (Net TR) index with Saudi Arabia capped at 20% after fees have been deducted over a three to five year period¹ by investing in equity and equity related securities of Middle Eastern companies, including companies in emerging Mediterranean markets and North Africa.</p> <p>¹For clarification purpose, this means to exceed a medium to long term return of the stated index after fees have been deducted. The three to five year period is considered as a medium to long term period, and is the period over which an investor should assess the Fund's performance.</p>	<p>The Fund aims to provide capital growth in excess of the MSCI Frontier Emerging Markets (FEM) index (Net TR) with Emerging Markets capped at 10% after fees have been deducted over a three to five year period¹ by investing in equity and equity related securities of Frontier Emerging Markets companies.</p> <p>¹For clarification purpose, this means to exceed a medium to long term return of the stated index after fees have been deducted. The three to five year period is considered as a medium to long term period, and is the period over which an investor should assess the Fund's performance. The stated index's maximum total exposure to emerging markets is capped at 10% of its total exposure.</p>
Investment Policy	<p>The Fund is actively managed and invests at least two-thirds of its assets in equity and equity related securities of Middle Eastern companies, including companies in emerging Mediterranean markets and North Africa.</p> <p>The Fund typically holds 30-70 companies.</p> <p>The Fund is not subject to any limitation on the portion of its net asset value that may be invested in any country in the Middle East or sector. The Fund is not subject to any limitation on the market capitalisation of the companies that it may invest in.</p> <p>The Fund may also invest up to one-third of its assets directly or indirectly in other securities (including other asset</p>	<p>The Fund is actively managed and invests at least two-thirds of its assets in equity and equity related securities of Frontier Emerging Markets companies worldwide.</p> <p>The Fund typically holds 50-70 companies.</p> <p>The Fund is not subject to any limitation on the portion of its net asset value that may be invested in any frontier market country or sector. The Fund is not subject to any limitation on the market capitalisation of the companies that it may invest in.</p> <p>'Frontier Emerging markets' are countries included in the MSCI Frontier Emerging Markets (FEM) index or any other recognised frontier markets financial</p>

	<p>classes), countries, regions, industries or currencies, Investment Funds, warrants and Money Market Investments, and hold cash (subject to the restrictions provided in Appendix I of the Fund Prospectus).</p> <p>Under exceptional circumstances (e.g. market crash or major crisis), the Fund may be invested temporarily up to 100% of its net asset value in liquid assets such as bank deposits, certificates of deposit, commercial paper and treasury bills for cash flow management.</p> <p>The Fund may use derivatives with the aim of achieving investment gains, reducing risk or managing the Fund more efficiently. Derivatives can be used for instance to create market exposures through equity, currency, volatility or index related financial derivative instruments and include over-the-counter and/or exchange traded options, futures, contracts for difference, warrants, swaps, forward contracts and/or a combination of the above.</p>	<p>index, or additional countries that the Investment Manager deems to be Frontier Emerging Market countries.</p> <p>The Fund may also invest up to one-third of its assets directly or indirectly in other securities (including other asset classes), countries, regions, industries or currencies, Investment Funds, warrants and Money Market Investments, and hold cash (subject to the restrictions provided in Appendix I of the Fund Prospectus).</p> <p>Under exceptional circumstances (e.g. market crash or major crisis), the Fund may be invested temporarily up to 100% of its net asset value in liquid assets such as bank deposits, certificates of deposit, commercial paper and treasury bills for cash flow management.</p> <p>The Fund may use derivatives with the aim of achieving investment gains, reducing risk or managing the Fund more efficiently. Derivatives can be used for instance to create market exposures through equity, currency, volatility or index related financial derivative instruments and include over-the-counter and/or exchange traded options, futures, contracts for difference, warrants, swaps, forward contracts and/or a combination of the above.</p>
Annual Management Charge (AMC) of corresponding underlying fund	Maximum 1.50% of net asset value per annum	Maximum 1.50% of net asset value per annum
Ongoing Charges Figure (OCF) of corresponding underlying fund*	2.00%	1.97%
Risk/reward profile**	5	5

*Ongoing Charge ("OCF") includes the Annual Management Charge plus other operational expenses, so better reflects the total costs applied to the fund.

** The risk/reward profile is determined by Friends Provident International from information provided by the underlying fund houses and is based on the following characteristics of the underlying fund:

- volatility;
- asset type; and
- geographical region.

The risk/reward profile will be reviewed and, if appropriate, revised at least yearly by Friends Provident International as a result of our ongoing research analysis. The information given in the risk/reward profile is for reference only.