

This Product Highlights Sheet is an important document.

- It highlights the key terms and risks of the ILP Sub-Fund and complements the Product Summary. It is important to read the Product Summary before deciding whether to purchase the ILP Sub-Fund.
- If you do not have a copy, please contact us to ask for one.
- You should not invest in the ILP Sub-Fund if you do not understand it or are not comfortable with the accompanying risks.

R126 FPIL Vanguard US 500 Stock Index (Invests in Vanguard Investment Series – U.S. 500 Stock Index Fund USD)

Product Type (Specified Investment Product)	ILP Sub-Fund ¹	Launch Date	April 2012
Management Company	Vanguard Group (Ireland) Limited	Custodian	AllFunds Bank S.A.U
Capital Guaranteed	No	Dealing Frequency	Every UK Business Day
Name of Guarantor	N/A	Expense Ratio for the underlying fund	0.10% (as at 05/03/2024)

SUB-FUND SUITABILITY

WHO IS THE SUB-FUND SUITABLE FOR?

-The ILP Sub-Fund is only suitable for investors seeking low-cost participation in the stock market through a broadly diversified portfolio with a long-term investment horizon.

-It is important to remember that, as with most investments, the value of your investments are not guaranteed and can go down as well as up. Therefore we suggest that you only invest money that can be committed for the medium to long term. You should also bear in mind that securities held within a fund may not be denominated in the currency of that fund, so unit prices may fall purely on account of exchange rate fluctuations.

-Please note that Friends Provident International Limited (“FPIL”) investment products are intended for medium to long term investment and are not therefore designed for early surrender. If you do surrender early, a product surrender charge may be applied. Please note that the earlier you terminate your plan, the more you may lose.

Further Information

-Refer to the ‘Fees and Charges’ section in the relevant Product Summary.

-Refer to the ‘Appendix 1 – Vanguard U.S. 500 Stock Index Fund’ section of the underlying fund’s prospectus for further information on the suitability of the Sub-Fund.

KEY FEATURES OF THE SUB-FUND

WHAT ARE YOU INVESTING IN?

-You are investing in an ILP Sub-Fund that invests in the Vanguard Investment Series – U.S. 500 Stock Index Fund* (“the Fund” or “underlying fund”), apart from a proportionately small amount which may be held as a cash balance to optimise dealing efficiencies in the underlying fund. We endeavour to maintain a cash balance limit of up to 0.75%.

-The underlying fund of the ILP Sub-Fund is an accumulation fund, which means the fund will automatically reinvest any dividends.

*The Vanguard U.S. 500 Stock Index Fund is a sub-fund of the Vanguard Investment Series plc, which is an investment company with variable capital constituted as an umbrella fund with segregated liability between sub-funds under the laws of Ireland authorised and regulated by the Central Bank of Ireland pursuant to the European Communities (UCITS) Regulations 2011.

The Fund seeks to track the performance of the Standard & Poor’s 500 Index (the

-Refer to the ‘Appendix 1 – Vanguard U.S. 500 Stock Index Fund’ section of the underlying fund’s prospectus for further information on the features of the Fund.

¹ For an ILP Sub-Fund that feeds 100% into an underlying fund, some information provided below could be similar to the underlying fund. In this instance this ILP Sub-Fund will at minimum feed 99.25% into the underlying fund, Vanguard Investments Series – U.S. 500 Stock Index Fund.

“Index”), a widely recognised benchmark of U.S. stock market performance that is dominated by the stocks of large U.S. companies. Further information on the composition of the Index may be obtained at <http://supplemental.spindices.com/supplemental-data/europe>

Investment Strategy

-The Fund employs a “passive management”—or indexing—strategy designed to track the performance of the Index.

-To the extent practicable, the Fund uses a full replication strategy to select securities, so that the Fund invests in all the constituents of the Index, making the weight of such investments approximate those of the Index. When not practicable to fully replicate, the Fund uses a sampling process to invest in a portfolio of securities that consists of a representative sample of the component securities of the Index. Under normal circumstances, the Fund is expected to maintain broad risk characteristics consistent with that of the Index.

-The Fund’s investment policy is to remain substantially invested in common stocks and/or depositary receipts (including ADRs and GDRs) representing securities in the Index, in seeking to track the performance of the Index.

-The Fund may invest in short-term fixed income securities due to its uncommitted cash balances and the need to maintain liquidity to meet Shareholder redemptions.

-The Fund may invest in futures, forward currency exchange and option contracts for the purpose of efficient portfolio management within the limits and conditions specified in the Prospectus.

-Refer to the ‘Appendix 1 – Vanguard U.S. 500 Stock Index Fund’ section of the underlying fund’s prospectus for further information on the investment strategy of the Fund. For more information on the potential implications of this strategy to investors, please refer to the sections headed ‘Index Sampling Risk’ and ‘Index Tracking Risk’. Further details on the investment powers and restrictions for the Fund are available under ‘Investment Powers and Restrictions’ in Appendix 3 of the underlying fund’s prospectus.

Parties Involved

WHO ARE YOU INVESTING WITH?

Manager of the underlying fund: Vanguard Group (Ireland) Limited

Investment Manager of the underlying fund: Vanguard Global Advisers, LLC (“VGA”)

Custodian of the underlying fund: Brown Brothers Harriman Trustees Services (Ireland) Limited

-Refer to the ‘Management And Administration’ section of the underlying fund’s prospectus for further information on the roles and responsibilities of these entities and what happens if they become insolvent.

KEY RISKS

WHAT ARE THE KEY RISKS OF THIS INVESTMENT?

-The value of an investment is not guaranteed and can go up and down depending on performance. You could get back less than you have paid in. At times, the ILP Sub-Fund may, subject to the Appointed Actuary’s agreement and provisions allowed for in the Policy Conditions, need to change the way its price is calculated, to ensure that those moving into and out of the ILP Sub-Fund are treated fairly. This can have a negative effect on the ILP Sub-Fund’s price and performance.

-Fund managers have the ability, in exceptional circumstances, to suspend trading in their funds for as long as necessary. When this occurs we will need to delay the ‘cashing in’ or switching of units in the relevant fund. You may not be able to access your money during this period.

These risk factors may cause you to lose some or all of your investment:

Further Information

-Refer to the ‘Valuations and Pricing’ section of your Policy Conditions for information.

-Refer to the ‘Risk Factors’ section of the underlying fund’s prospectus for further information on the risks of the Fund.

-Refer to the ‘Risks’ section of the relevant Product Summary for further information.

Market and Credit Risks

Stock market risk: Funds that invest in stocks are subject to stock market risk, which is the chance that stock prices overall, will decline. Stock markets tend to move

in cycles, with periods of rising prices and periods of falling prices.

Country risk: The value of a Fund's assets may be affected by uncertainties such as changes in a country's government policies, taxation, restrictions on foreign investment, currency decisions, applicable laws and regulations, together with any natural disasters or political upheaval, which could weaken a country's securities markets.

Currency risk: The base currency value of the investments of a Fund designated in another currency may rise and fall due to exchange-rate fluctuations in respect of the relevant currencies. Adverse movements in currency exchange rates can result in a decrease in return and a loss of capital.

Liquidity Risks

Liquidity risk: There may be occasions when the manager is unable to sell some or all of the shares within the Fund, which could delay payment or redemption of proceeds.

Product-Specific Risks

Investment style risk: Funds are also subject to investment style risk, which is the chance that returns from the types of stocks in which a Fund invests will trail returns from the overall stock market. Specific types of stocks tend to go through cycles of doing better or worse than the stock market in general. These periods have, in the past, lasted for as long as several years and there can be no assurances that appreciation will occur.

Index sampling risk: As it may be inefficient or impracticable to hold all of the component securities of the index tracked by a Fund and to reflect their proportionate index weightings (an indexing strategy called 'full replication'), certain Funds instead use an index 'sampling' process of selecting securities. Where this limited replication strategy is employed, the Fund holds a representative sample of securities which approximates the full index in terms of key risk factors and other characteristics. These factors include price/earnings ratio, industry weights, country weights, market capitalization, dividend yield, and other financial characteristics of stocks. While a sampling Fund keeps currency, country, industry sector and sub-sector exposure within tight boundaries compared with that of its index, there is the risk that the securities selected for the Fund, in the aggregate, will not provide investment performance matching that of the relevant index.

Index tracking risk: Unless otherwise stated, a Fund is not expected to track or replicate the performance of its respective index at all times with perfect accuracy. Each Fund is, however, expected to provide investment results that, before expenses, generally correspond to the price and yield performance of its respective index. Although the Investment Manager will regularly monitor the level of correspondence of the performance of a Fund with the performance of the relevant index (i.e. the 'tracking accuracy'), there can be no assurance that any Fund will achieve any particular level of tracking accuracy.

Specific regional market risk: The Fund primarily invests in the US market and therefore has a narrower focus than those funds which invest more broadly across markets. The Fund typically offers less diversification and therefore is considered to be more risky.

-Refer to the Standard and Poor's website: www.standardandpoors.com and the underlying fund's prospectus for further information on the index and the risks associated with the Fund.

FEES AND CHARGES

WHAT ARE THE FEES AND CHARGES OF THIS INVESTMENT?

Charges are deducted by both FPIL and the underlying investment managers at each valuation point before calculating the unit price, as set out below.

FPIL charges (payable directly by you)

-You will need to pay an ILP Sub-Fund administration charge of 1.2%.
-There is currently no charge for switching funds although switching to a fund which differs from your plan currency may involve a cost associated with currency exchange. However, we reserve the right to charge for switches under certain

-Refer to the 'Fees and Charges' section in the relevant Product Summary.

-Refer to the 'Charges' section of your Policy Conditions for further information.

conditions.
-Any sales and/or redemption charges will be determined by the terms of your Policy Conditions.

-Underlying investment managers' charges (these charges are as at 05/03/24 and are payable by the ILP Sub-Fund from invested proceeds)

Annual Management Charge	0.10%
Additional Expenses	0.00%
Expense Ratio	0.10
Performance Fee	Nil

VALUATIONS AND EXITING FROM THIS INVESTMENT

HOW OFTEN ARE VALUATIONS AVAILABLE?

Every UK Business Day.

Latest fund prices can be obtained from <https://www.fpiinternational.sg/fundcentre>

HOW CAN YOU EXIT FROM THIS INVESTMENT AND WHAT ARE THE RISKS AND COSTS IN DOING SO?

-There is a Cooling off period of 30 days from when you receive your Policy Documents. If you decide to exit the policy during this time you should complete the cancellation form and send this back to the address provided, together with the original Policy Documents. We will refund any monies paid, less any shortfall (if any) which may result if the value of your investment falls by the time you tell us of your wish to cancel. If you elect to exit your policy after the Cooling off period has expired, penalties may be applied.

-If you no longer wish to invest in this FPIL ILP Sub-fund you have selected, you may switch all or part of your holdings into alternative fund(s) by sending us a completed Fund Transfer Request form, signed. Switching from one fund to another is done on a bid to bid basis, without charge (although we do reserve the right to charge). If you are switching between currencies, the relevant exchange rates will be applied and shown on your switch confirmation.

-The sale proceeds that you will receive will be the realisation price multiplied by the number of units sold, less any charges. An example (assuming a redemption charge of 4%) is as follows*:

Realisation price proceeds	Number of units sold	Gross Realisation
S\$0.93	x 100,000	= S\$93,000

Gross Realisation price proceeds	Realisation Fee	Net Realisation
S\$93,000	- S\$3,720	= S\$89,280

Further Information

-Refer to the 'Valuations and Pricing' section of your Policy Conditions for information.

*Refer to the 'Fees and Charges' section in the relevant Product Summary.

CONTACT INFORMATION

HOW DO YOU CONTACT US?

For enquiries in relation to the Fund or any FPIL ILP Sub-Fund contact the Singapore representative at Friends Provident International Limited (Singapore Branch), 182 Cecil Street, Level 17 Frasers Tower, Singapore 069547, telephone number: (65) 6320 1088, email singapore.enquiries@fpiom.com

APPENDIX : GLOSSARY OF TERMS

Expense Ratio

The Expense ratio provides customers with an indication of the overall costs of investing in a particular fund.

The expense ratio as calculated in accordance with the Investment Management Association of Singapore's guidelines on the disclosure of expense ratios. Different methods of calculation of Expense Ratio can be used, including Total Expense Ratio (TER) and Ongoing Charges Figure (OCF) but these are broadly the same.

Forward Currency Contracts/Exchange

With Forward Currency Contracts, the contract holders are obligated to buy or sell the currency at a specified price, at a specified quantity and on a specified future date. These contracts cannot be transferred.

Future

A financial contract obligating the buyer to purchase an asset (or the seller to sell an asset), such as a physical commodity or a financial instrument, at a predetermined future date and price.

Index

An arithmetic mean of selected stocks intended to represent the behaviour of the market or some component of it. One example is the MSCI who provide indices covering a wide range of countries, asset types and sectors.

Investment Company with Variable Capital

This is a type of open-ended collective investment

Net Asset Value (NAV)

Net Asset Value is the value of the net assets of the Fund after deduction of all expenses.

Ongoing Charges Figure (OCF)

A type of expense ratio. The ongoing charges figure is based on expenses for the previous year and is a ratio of the total ongoing charges to the fund's average net asset value over its last reporting period. This figure may vary from year to year. The charges you pay are used to pay the costs of the underlying fund, including the costs of marketing and distributing it. These charges reduce the potential growth of your investment.

For more information about charges, please consult the Prospectus for the underlying fund of the ILP Sub-Fund invested in, available from www.fpinternational.sg/phs. Details of the calculation methodology can be found in full at https://www.esma.europa.eu/sites/default/files/library/2015/11/10_674.pdf

Option

A privilege sold by one party to another that offers the buyer the right, but not the obligation, to buy (call) or sell (put) a security at an agreed-upon price during a certain period of time or on a specific date.

Specified Investment Product (SIP)

SIP is a class of investment products defined by the Monetary Authority of Singapore (MAS). Generally, (although not in all instances), financial advisers have to carry out more due diligence, including customer knowledge assessment, when advising about a SIP.

Copyright © 2024 Friends Provident International Limited. All rights reserved.

Friends Provident International Limited: Registered and Head Office: Royal Court, Castletown, Isle of Man, British Isles, IM9 1RA. Telephone: +44 (0) 1624 821212 | Fax: +44 (0) 1624 824405 | Website: www.fpinternational.com. Isle of Man incorporated company number 11494C. Authorised and regulated by the Isle of Man Financial Services Authority. Provider of life assurance and investment products. Authorised by the Prudential Regulation Authority. Subject to regulation by the Financial Conduct Authority and limited regulation by the Prudential Regulation Authority. Details about the extent of our regulation by the Prudential Regulation Authority are available from us on request. Singapore branch: 182 Cecil Street, Level 17 Frasers Tower, Singapore 069547. Telephone: +65 6320 1088 | Website: www.fpinternational.sg. Registered in Singapore No T06FC6835J. Licensed by the Monetary Authority of Singapore to conduct life insurance business in Singapore. Member of the Life Insurance Association of Singapore. Member of the Singapore Financial Dispute Resolution Scheme. Friends Provident International is a registered trademark and trading name of Friends Provident International Limited.

XSG/PHS_R126 04.24