

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.

## R233 Fundsmith Equity (GBP) (Invests in Fundsmith Equity R GBP Acc)

<b>Product Type</b> (Specified Investment Product)	ILP Sub-Fund <sup>1</sup>	<b>Launch Date</b>	April 2021
<b>Management Company</b>	Fundsmith LLP	<b>Custodian</b>	AllFunds Bank S.A.U
<b>Capital Guaranteed</b>	No	<b>Dealing Frequency</b>	Every UK Business Day
<b>Name of Guarantor</b>	N/A	<b>Expense Ratio for the underlying fund</b>	1.54% (as at 19/01/2024)

### SUB-FUND SUITABILITY

#### WHO IS THE SUB-FUND SUITABLE FOR?

-The Sub-Fund is only suitable for investors who have a long-term investment horizon, and who are seeking exposure to shares of companies on a global basis.

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

-Refer to the 'Investment Objectives and Policy' section of the underlying fund's prospectus for further information on the suitability of the ILP 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 Fundsmith Equity Fund\* ('the Fund' or 'underlying fund'), apart from a proportionately small amount which may be held in cash 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 Fund is a sub-fund of the Fundsmith Equity Fund, incorporated in England and Wales as an Open-Ended Investment Company with variable capital, whose effective date of authorisation by the FCA was 19th October 2010.

-Refer to the 'Investment Objectives and Policy' section of the underlying fund's prospectus for further information on the suitability of the ILP Sub-Fund.

<sup>1</sup> 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, Fundsmith Equity Fund.

Investment Strategy	
<p>-The Fund's objective is to achieve long-term (over 5 years) growth in value, investing in shares of companies on a global basis. The Fund's approach is to be a long-term investor in its chosen Stocks and it will not adopt short-term trading strategies.</p> <p>-The Fund aims to invest in businesses:</p> <ul style="list-style-type: none"> <li>• that can sustain a high return on operating capital employed;</li> <li>• whose advantages are difficult to replicate;</li> <li>• which do not require significant borrowing to generate returns;</li> <li>• with a high degree of certainty of growth from reinvestment of their cash flows at high rates of return;</li> <li>• that are resilient to change, particularly technological innovation; and</li> <li>• whose valuation is considered attractive.</li> </ul> <p>-The Fund will not invest in units of other UCITS or other collective investment schemes.</p> <p>-The Company will not invest in derivatives and will not hedge any currency exposure arising from within the operations of an investee business nor from the holding of an investment denominated in a currency other than sterling.</p> <p>-The application of these investment criteria significantly limits the number of potential investments that the ACD and the Investment Manager will consider to be appropriate investments for the Company's portfolio. It is envisaged that the investment portfolio of the Company will be concentrated, generally comprising between 20 and 30 Stocks.</p>	<p>Refer to the 'Investment Objectives and Policy' section of the underlying fund's prospectus for further information on the investment strategy of the Fund.</p>
Parties Involved	
<p><b>WHO ARE YOU INVESTING WITH?</b></p> <p><b>Authorised Corporate Director ("ACD") of the underlying fund:</b> Fundsmith LLP</p> <p><b>Investment Manager of the underlying fund:</b> Fundsmith Investment Services Ltd</p> <p><b>Depository of the underlying fund:</b> State Street Trustees Limited</p>	<p>-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.</p>
KEY RISKS	
<p><b>WHAT ARE THE KEY RISKS OF THIS INVESTMENT?</b></p> <p>-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.</p> <p>-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.</p> <p><b>These risk factors may cause you to lose some or all of your investment:</b></p>	<p><b>Further Information</b></p> <p>-Refer to the 'Valuations and Pricing' section of your Policy Conditions for further information.</p> <p>-Refer to the 'Risk Factors' section of the underlying fund's prospectus for further information on the risks of the Fund.</p>

**Market and Credit Risks**

**Investment risk:** There is no guarantee that the Fund will achieve its objective. A capital loss of some or all of the amount invested may occur.

**Political and/or environmental risks:** The investee companies may operate in countries where the ownership rights may be uncertain and development of the resources of investee companies may be subject to disruption due to factors including civil disturbances, industrial action, interruption of power supplies, as well as adverse climatic conditions.

**Currency risk:** The values, in pounds sterling terms, of investments that are not denominated in pounds sterling may rise and fall purely on account of exchange rate fluctuations, which will have a related effect on the price of Shares. The Company will not hedge currency exposures.

**Liquidity Risks**

**Liquidity risks:** 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**

**Concentration risk:** The Fund's investment approach is to invest in a relatively small number of securities. This may result in portfolio concentration in sectors, countries, or other groupings. These potential concentrations mean that a loss arising in a single investment may cause a proportionately greater loss to the Company than if a larger number of investments were made.

**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 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 19/01/24 and are payable by the ILP Sub-Fund from invested proceeds)**

Annual Management Charge (AMC)	1.50%
Additional Expenses	0.04%
Expense Ratio	1.54%
Performance Fee	Nil

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

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

**VALUATIONS AND EXITING FROM THIS INVESTMENT**

**HOW OFTEN ARE VALUATIONS AVAILABLE?**

- Every UK Business Day
- Latest fund prices can be obtained from <https://www.fpinternational.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

**Further Information**

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

\*Refer to the section on 'Fees and Charges' in the

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 an alternative Fund(s) by sending us a completed Switch/Redirection 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

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](mailto:singapore.enquiries@fpiom.com)

### APPENDIX : GLOSSARY OF TERMS

#### Collective Investment Scheme

An arrangement that enables a number of investors to 'pool' their assets and have these professionally managed by an independent manager.

#### Derivatives

Also known as Financial Derivative Instruments (FDI). Financial contracts whose value is tied to an underlying asset. Derivatives include futures and options.

#### Equities/Stocks

Ownership positions in companies that can be traded in public markets. Often produce current income which may be paid in the form of dividends. In the event of the company going bankrupt equity holders' claims are subordinate to the claims of preferred stockholders and bondholders.

#### 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 ILP sub-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](http://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](https://www.esma.europa.eu/sites/default/files/library/2015/11/10_674.pdf)

#### Open-Ended Investment Company

An open-ended collective investment vehicle, structured as an investment company, where new shares are created or redeemed, depending on demand from investors.

#### 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.

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