

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.

**R117 FPIL Barings Developed and Emerging Markets High Yield Bond Fund
(invests in Barings Developed and Emerging Markets High Yield Bond Fund Class A USD
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Product Type (Specified Investment Product)	ILP Sub-Fund ¹	Launch Date	February 2012
Manager	Baring International Fund Managers (Ireland) Limited	Custodian	HSBC Plc
Capital Guaranteed	No	Dealing Frequency	Every UK Business Day
Name of Guarantor	N/A	Expense Ratio for the underlying fund	1.45% (as at 24/07/2020)

SUB-FUND SUITABILITY

WHO IS THE SUB-FUND SUITABLE FOR?

-The ILP Sub-Fund is considered to be suitable for investors seeking a high level of current yield in dollar terms over a medium to long term investment horizon (at least 5 years) and who understand and are prepared to accept that the value of the ILP Sub-Fund may rise and fall more frequently and to a greater extent than other types of investment. Please note the ILP Sub-Fund does not distribute income and where applicable will re-invest any income received from the underlying fund.

-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.

Additional Information

-For details of surrender charges please refer to the section on ‘Fees and Charges’ in the relevant Product Summary.
-Please refer to the ‘Investment Objectives and Policies’ and ‘Risk Considerations’ sections 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 Barings Developed and Emerging Markets High Yield Bond 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%.

*Barings Developed and Emerging Markets High Yield Bond Fund is a sub-fund of Barings Global Umbrella Fund, which is a unit trust domiciled in Ireland. Its home regulator is the Central Bank of Ireland.

-Please refer to the ‘Introduction’ and ‘Investment Objectives and Policies’ sections of the underlying fund’s prospectus for further information on the features of the Fund.

Investment Strategy

-The primary investment objective of the Fund is to produce a high level of current yield in dollar terms, commensurate with an acceptable level of risk as determined by the Manager in its reasonable discretion. Any capital appreciation will be incidental.

-Please refer to the ‘Investment Policy: General’ and ‘Investment

¹ For ILP sub-fund that feeds 100% into an underlying CIS fund, some information provided below could be similar to the underlying CIS fund. In this instance this ILP sub-fund will be at minimum feed 99.25% into the underlying CIS fund.

<p>-The Fund will seek to achieve its primary investment objective by investing at least 70% of its total assets at any one time in a combination of debt and loan securities (including credit linked securities) of corporations and governments (including any agency of government or central bank) of any member state of the OECD and of any developing or emerging markets. For this purpose, total assets exclude cash and ancillary liquidities.</p> <p>-The Manager will not invest more than 5% of the assets of the Fund in securities of any one corporate issuer rated lower than BBB- by S&P or another internationally recognised rating agency or which are, in the opinion of the Manager, of similar credit status. Subject to that limit, and in order to achieve a high level of current yield, the Manager intends to invest principally in sub-investment grade securities that are rated not lower than B- by S&P or another internationally recognised rating agency or which are, in the opinion of the Manager, of similar credit status. The Manager may also invest in lower grade securities but it is their policy that the value of all such securities does not comprise more than 10% of the net asset value of Fund.</p> <p>-It is the Manager's intention that approximately two-thirds of the Fund will be invested in securities issued by corporations (including US corporations) and governments of any member state of the OECD which are listed or dealt in on a stock exchange or other regulated market in an OECD member state. It is the intention of the Manager that the remaining one-third of the Fund be invested in securities of issuers operating in developing or emerging countries. The Manager may, however, change the asset allocation of the Fund if they consider it to be in the interests of Unitholders to do so.</p> <p>-The Manager may invest in securities of issuers operating in developing or emerging countries which have been listed in Appendix II of the underlying fund's prospectus and may invest in securities which are listed or dealt in on a stock exchange or other regulated market in any such developing or emerging country, but without the prior consent of the Central Bank, the Manager will not invest more than 10% of the assets of the Fund in securities of issuers operating in each such country or in securities listed or dealt in on stock exchanges or regulated markets in each such country, nor will the Manager invest more than 10% of the assets of the Fund in securities listed or dealt in on a stock exchange or regulated market in China.</p> <p>-As part of its investment in emerging or developing markets, the Manager may also (without being subject to the limits set out in the preceding paragraph) invest in securities of any issuer operating in any developing or emerging country listed in Appendix II of the underlying fund's prospectus which are listed or dealt in on a stock exchange or other regulated market in a Member State of the European Union or the OECD. Such securities will normally be in the form of Eurobonds which will be listed on the Luxembourg Stock Exchange or dealt in through the markets organised under the rules of the International Securities Market Association.</p> <p>-Subject to the foregoing, the policy of the Manager is to maintain diversification in terms of the countries to which investment exposure is maintained and there is no general limit to the proportion of the assets which may be invested in any one country or region.</p> <p>-The Fund may invest in various FDIs for investment purposes or for efficient portfolio management.</p>	<p>Objectives and Policies' and 'Appendix I-Investment Restrictions' sections of the underlying fund's prospectus for further information on the investment strategy of the Fund.</p> <p>-Please refer to the 'Investment Policy: General' section of the underlying fund's prospectus for further information on the Fund's use of derivatives and to 'Appendix II' for details of the exchanges and markets the Fund can invest in.</p> <p>-Please refer to the 'Investment Objectives and Policies' section of the underlying fund's prospectus for further information on Leverage and Value at Risk approach.</p>
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Parties Involved	
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<p>WHO ARE YOU INVESTING WITH?</p> <p>Fund Manager of the underlying fund: Baring International Fund Managers (Ireland) Limited</p> <p>Investment Manager of the underlying fund: Baring Asset Management Limited (internal delegation, in the United Kingdom)</p> <p>Depository of the underlying fund: Northern Trust Fiduciary Services (Ireland) Limited</p>	<p>-Please refer to the 'Manager, Investment Manager, Depository and Administrator' 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>
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KEY RISKS	
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<p>WHAT ARE THE KEY RISKS OF THIS INVESTMENT?</p>	<p>Additional Information</p>
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<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, a 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 fund are treated fairly. This can have a negative effect on a 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>These risk factors may cause you to lose some or all of your investment:</p>	<p>-Please refer to the 'Valuations and Pricing' section of your Policy Conditions for further information.</p> <p>-Please refer to the 'Risk Considerations' section of the underlying fund's prospectus for further information on the risks of the Fund.</p> <p>-Please refer to the 'Risks' section of the relevant Product Summary for further information</p>
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Market and Credit Risks

<p>You are exposed to risk associated with sub-investment grade securities</p> <p>-The Fund will invest principally in sub-investment grade securities. These securities are subject to lower creditworthiness and higher risk of default than investment grade securities.</p> <p>-The value of sub-investment grade securities tends to go up and down more quickly than investment grade securities, reflecting short-term corporate and market developments. Investment grade securities respond primarily to fluctuations in the general level of interest rates. There are fewer investors in sub-investment grade securities and hence investment in these securities may be more susceptible to liquidity risk.</p> <p>-The trading volume in certain international bond markets may be appreciably below that of the world's largest markets, such as the United States. Accordingly, investment in such markets may be less liquid and their prices may be more volatile than comparable investments in securities trading in markets with larger trading volumes. Moreover, the settlement periods in certain markets may be longer than in others which may affect portfolio liquidity.</p> <p>You are exposed to interest rate risk</p> <p>-The fixed income securities in which the Fund invests are interest rate sensitive, which means that their value will fluctuate as interest rates fluctuate. An increase in interest rates will generally reduce the value of the fixed income securities.</p> <p>You are exposed to credit risk and downgrading risk</p> <p>-There can be no assurance that the issuers or guarantor, if any, of securities or other instruments in which the Fund may invest will not be subject to credit difficulties, leading to either the downgrading of such securities or instruments, or to the loss of some or all of the sums invested in such securities or instruments or payments due on such securities or instruments.</p> <p>-Investment grade securities may be subject to risk of being downgraded to sub-investment grade securities. In the event of a downgrading in the credit rating of such securities or instruments or the issuers of securities or instruments in which the Fund may invest, the Fund's investment value in such securities or instruments may be adversely affected. The Managers may or may not be able to dispose of the securities or instruments that are being downgraded.</p> <p>You are exposed to emerging market investment risk</p> <p>-The Fund may invest in securities of issues operating in emerging markets. Investing in emerging markets may involve additional risks than investing in more developed markets. These include liquidity risks, the possibility of a lower standard of corporate governance (i.e. generally less government supervision and regulation on stock exchanges, brokers and listed companies in most emerging markets), increased political risk (i.e. interference in political and bureaucratic processes and high levels of state intervention in society) and the likelihood of a high degree of volatility.</p> <p>You are exposed to counterparty risk</p> <p>-Counterparty risk is the risk that an organization does not pay out on a bond or other trade or</p>	
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transaction when it is supposed to. If a counterparty fails to honour its obligations in a timely manner and the Fund is delayed or prevented from exercising its rights with respect to the investments in its portfolio, it may experience a decline in the value of its position, lose income and/or incur costs associated with asserting its rights.

You are exposed to investment risk

-The Fund is an investment fund and is not in the nature of a bank deposit. There is no guarantee of repayment of principal. Investment in the Fund is subject to fluctuations in value and you may suffer a loss.

You are exposed to currency risk

-The Fund's assets and liabilities may be denominated in currencies different from the base currency. The Fund may be affected favourably or unfavourably by exchange control regulations or changes in the exchange rates between the base currency and other currencies. A Unit Class may be designated in a currency other than the base currency of the Fund. Changes in the exchange rate between the base currency and such designated currency may lead to a depreciation of the value of such Units as expressed in the designated currency.

Liquidity Risks

You are exposed to liquidity risk

-Market liquidity in the emerging markets may be lower than the more developed markets so that the purchase and sale of holding may take longer. The Fund may also encounter difficulties in disposing of securities or derivatives at their fair market price.

Product-Specific Risks

You are exposed to risks associated with derivatives

-The Fund may have exposure to derivatives for investment purposes or for efficient portfolio management. Given the leverage effect embedded in derivatives, such investments may result in higher volatility or a significant loss in the Fund's assets within a short period of time.

-Furthermore, there is no guarantee that the Fund's use of derivatives for hedging will be entirely effective and in adverse situations, where the use of derivatives becomes ineffective, the Fund may suffer significant loss.

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 in the table 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 24/07/20 and are payable by the ILP Sub-Fund from invested proceeds)

Annual Management Charge (AMC)	1.00%
Additional Expenses	0.45%
Expense Ratio	1.45%
Performance Fee	Nil

Please note that with effect from 04/03/2014, the Total Expense Ratio (TER) has been replaced by the Ongoing Charges Figure ("OCF"), which is quoted above as Expense Ratio.

-For full details of the charges that may apply please refer to the section on 'Fees and Charges' in the Product Summary.
-Please 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 <http://www.fpinternational.sg/fund-centre/>

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

There is a Cooling off period of 14 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*:

<u>Realisation price</u>	<u>Number of units sold</u>		<u>Gross Realisation Proceeds</u>
S\$0.93	X 100,000	=	S\$93,000
<u>Gross Realisation Proceeds</u>	<u>Realisation Fee</u>	=	<u>Net Realisation Proceeds</u>
S\$93,000	- S\$3,720	=	S\$89,280

Additional Information

-Please refer to the 'Valuations and Pricing' section of your Policy Conditions and the 'Calculation of Net Asset Value' section of the underlying fund's prospectus for further information.
 *For full details of the charges that may apply please refer to the section on 'Fees and Charges' in the relevant Product Summary.

CONTACT INFORMATION

HOW DO YOU CONTACT US?

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APPENDIX : GLOSSARY OF TERMS

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

Efficient Portfolio Management (EPM)
 EPM is a set of standards for prudent management of investment funds. The standards call for economically appropriate transactions that reduce risk, reduce cost or generate additional capital or income. For example, a currency overlay strategy using derivative instruments could be used to reduce volatility in asset returns resulting from currency fluctuations or be used to take advantage of these fluctuations to gain extra return.

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

Investment Grade

A rating that indicates that a municipal or corporate bond has a relatively low risk of default.

Leverage

The use of financial instruments to increase the potential return of an investment.

Net Asset Value (NAV)

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

OECD

Organisation for Economic Co-operation and Development.

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 <http://www.fpinternational.sg/fund-centre/product-highlight-sheets.jsp>.

Details of the calculation methodology can be found in full at http://www.esma.europa.eu/system/files/10_674.pdf.

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.

Umbrella Fund

An investment company which has a group of sub-funds (pools) each having its own investment portfolio. The purpose of this structure is to provide investment flexibility and widen investor choice.

Unit Trust

An open-ended collective investment vehicle where units can be created or redeemed, depending on demand from investors.

Value at Risk (VAR)

A statistical technique used to measure and quantify the level of financial risk within a firm or investment portfolio over a specific time frame.

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