

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.

R179 FPIL Franklin US Government
(invests in Franklin Templeton Investment Funds – Franklin U.S. Government Fund A
(Mdis) USD)

Product Type (Specified Investment Product)	ILP Sub-Fund ¹	Launch Date	July 2015
Manager	Franklin Templeton International Services S.à r.l.	Custodian	HSBC Plc
Capital Guaranteed	No	Dealing Frequency	Every UK Business Day
Name of Guarantor	N/A	Expense Ratio for the underlying fund	1.28% (as at 24/01/21)

SUB-FUND SUITABILITY

WHO IS THE SUB-FUND SUITABLE FOR?

The ILP Sub-Fund is only suitable for investors who seek a degree of safety of principal investments as well as income; seek to invest in debt securities of the U.S. government and its agencies; and plan to hold their investment for the medium to long term. The principal may be at risk.

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 'Fees and Charges' section in the relevant Product Summary.
 -Please refer to the 'Fund Information, Objectives and Investment Policies' section of the underlying fund's Luxembourg 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 Franklin Templeton Investment Funds – Franklin U.S. Government 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%.

*This is an open-ended collective investment scheme (referred to as an "undertaking for collective investment in transferable securities" or UCITS) constituted in Luxembourg that aims to provide you with a degree of safety of principal investments as well as income by investing in debt securities of the U.S. government and its agencies.

-Please refer to the 'Investment Objective, Focus and Approach of the Funds' section of the underlying fund's Singapore Prospectus for further information on the features of the Fund.

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.

Investment Strategy	
<p>-The Fund’s investment objective is income and safety of principal. The Fund seeks to achieve its objective primarily through a policy of investing in debt obligations issued or guaranteed by the US government and its agencies, including purchasing mortgage- and asset-backed securities. The Fund will have an allocation to fixed income securities of at least 75%. The Fund may invest 100% of its assets in transferable securities and Money Market Instruments issued or guaranteed by the US Government, its agencies and related entities, in accordance with the applicable risk diversification requirements contained in Appendix B “Investment Restrictions” of the Luxembourg Prospectus, including but not limited to, the United States Treasury, the U.S. Federal Reserve, the Government National Mortgage Association (GNMA), and up to 20% in both the Federal Home Loan Mortgage Corporation (Freddie Mac) and the Federal National Mortgage Association (FNMA).</p> <p>-The Fund may use financial derivative instruments for the purpose of efficient portfolio management and interest rate hedging. Such financial derivative instruments may include, inter alia, swaps, forwards and futures contracts (including, but not limited to, futures on interest rates).</p> <p>-The Fund may also make distribution from capital, net realised and net unrealised capital gains as well as income gross of expenses. Whilst this might allow more income to be distributed, it may also have the effect of reducing capital.</p>	<p>-Please refer to the ‘Fund Information, Objectives and Investment Policies’ section of the underlying fund’s Luxembourg Prospectus and the ‘Investment Objective, Focus and Approach of the Funds’ section of the underlying fund’s Singapore Prospectus for further information on the investment strategy of the Fund.</p>
Parties Involved	
<p>WHO ARE YOU INVESTING WITH?</p> <p>Investment Company of the underlying fund: Franklin Templeton Investment Funds</p> <p>Investment Manager of the underlying fund: Franklin Advisers, Inc.</p> <p>Management Company of the underlying fund: Franklin Templeton International Services S.à r.l.</p> <p>Depository of the underlying fund: J.P. Morgan Bank Luxembourg S.A.</p> <p>Singapore representative of the underlying fund: Templeton Asset Management Ltd.</p>	<p>-Please refer to the ‘Management and Administration’ section of the underlying fund’s Singapore Prospectus for further information on the roles and responsibilities of these entities and what happens if they become insolvent.</p>
KEY RISKS	
<p>WHAT ARE THE KEY RISKS OF THIS INVESTMENT?</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>These risk factors may cause you to lose some or all of your investment:</p>	<p><u>Additional Information</u></p> <p>-Please refer to the ‘Valuations and Pricing’ section of your Policy Conditions for further information.</p> <p>-Please refer to the ‘Risk Factors’ section of the underlying fund’s Singapore Prospectus, the ‘Risk Considerations’ and ‘Fund Information, Objectives and Investment Policies’ sections of the underlying fund’s Luxembourg Prospectus for further information on the risks of the Fund.</p> <p>-Please refer to the ‘Risks’ section of the relevant Product</p>

	Summary for further information.
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Market and Credit Risks	
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<p>Your investments are subject to interest rate risk in the U.S. -Movements in U.S. interest rates tend to be driven by prevailing economic and political conditions as well as issuer-specific factors and may negatively affect the value of your investments. Debt securities with longer-term maturities tend to be more sensitive to interest rate changes than shorter-term securities.</p> <p>You are exposed to credit risks of issuers -If an issuer fails to make principal and interest payments when due, the value of your investments in such issuers will be adversely affected. The Fund invests primarily in debt securities which are backed by the full faith and credit of the U.S. government and its agencies, making the likelihood of default minimal compared to corporate securities or lesser rated government securities.</p>	
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Liquidity Risks	
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<p>You are exposed to liquidity risks -The Fund may not be able to easily sell its securities during an economic event or due to deterioration in the credit worthiness of issuers in which it invests.</p> <p>-Shares of the Fund may be redeemed on any Dealing Day. However, during a period when trading on relevant exchanges or the over-the-counter market is substantially restricted or when market conditions make it impracticable to dispose of or value any of the Fund's investments, redemption of the shares may be suspended.</p> <p>-Redemption of shares in the underlying fund may be deferred when more than 10% of the value of the Fund's shares are redeemed or exchanged on any one Dealing Day. This may in turn delay redemption of units in the ILP Sub-Fund.</p>	
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Product-Specific Risks	
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<p>Your investments are subject to prepayment and extension risk -With mortgage and asset-backed securities, principal is paid back over the life of the security rather than at maturity. Such securities are subject to prepayment risk, when interest rates fall, resulting in a shortening of maturities and foregone future interest payments, as well as to extension risk when interest rates rise, resulting in longer maturities and greater sensitivity to changes in interest rates.</p> <p>Your investments are in a single market -The Fund invests primarily in a single market, and as a result is subject to higher concentration risk and potentially greater volatility compared to funds following a more diversified policy.</p>	
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FEES AND CHARGES	
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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 24/01/21 and are payable by the ILP Sub-Fund from invested proceeds)

Annual Management Charge (AMC)	0.95%
Additional Expenses	0.33%
Expense Ratio*	1.28%
Performance Fee	Nil

*Please note that with effect from 01 September 2015, 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 'Fees and Charges' section in the relevant 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 'Appendix D - Determination of the Net Asset Value of Shares - Swing Pricing Adjustment' section of the underlying fund's Luxembourg Prospectus for further information.

*For full details of the charges that may apply please refer to the 'Fees and Charges' section in the relevant Product Summary.

CONTACT INFORMATION
HOW DO YOU CONTACT US?
Email Address

singapore.enquiries@fpiom.com

Telephone

+(00)65 6320 1088

Postal Address

Friends Provident International Limited (Singapore Branch)
182 Cecil Street,
Level 17 Frasers Tower,
Singapore 069547

APPENDIX : GLOSSARY OF TERMS**Asset-Backed Security (ABS)**

Is a security that is backed by a pool of loans or receivables. These include: auto loans, consumer loans, commercial assets (planes, receivables), credit cards, home equity loans, and manufactured housing loans.

Debt Security

A debt investment, with which the investor loans money to an entity (company or government) that borrows the funds for a defined period of time at a specified interest rate. The indebted entity issues investors a certificate, or bond, that states the interest rate (coupon rate) that will be paid and when the loaned funds are to be returned (maturity date).

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 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.

Hedge / Hedging

Any transaction with the objective of limiting exposure to risk such as changes in exchange rates or prices.

Interest Rate

The measure of the amount paid to the lender by the borrower in return for the initial loan. For example, if the interest rate is 7% and the borrower has borrowed \$100 they will pay interest of \$7 per year. (The average of interest rate offered by financial institutions to one another over the short term is known as LIBOR (the London Inter Bank Offered Rate).

Mortgage Backed Securities

A type of asset-backed security that is secured by a mortgage or collection of mortgages. These securities must also be grouped in one of the top two ratings as determined by an accredited credit rating agency, and usually pay periodic payments that are similar to coupon payments.

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.

Open-Ended Collective Investment Scheme

An open ended arrangement that enables a number of investors to 'pool' their assets and have these professionally managed by

an independent manager.

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.

Undertakings for Collective Investment (UCITs)

A type of collective investment (or fund) Undertakings for Collective Investment in Transferable Securities (UCITS) allow financial institutions to operate freely throughout the European Union on the basis of a single authorisation from one member state.

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