

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.

R192 FPIL Schroder Asian Bond Total Return

(invests in Schroder International Selection Fund – Asian Bond Total Return A Acc USD)

Product Type (Specified Investment Product)	ILP Sub-Fund ¹	Launch Date	September 2016
Manager	Schroder Investment Management (Europe) S.A	Custodian	HSBC Plc
Capital Guaranteed	No	Dealing Frequency	Every UK Business Day
Name of Guarantor	N/A	Expense Ratio for the underlying fund	1.37% (as at 19/02/19)

SUB-FUND SUITABILITY

WHO IS THE SUB-FUND SUITABLE FOR?

The ILP Sub-Fund is only suitable for investors who seek capital growth and income; and understand the risks of investing in Asian bonds and currencies.

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 Strategies / Product Suitability’ section of the underlying fund’s Singapore 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 Schroder International Selection Fund-Asian Bond Total Return* (“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 a fund which is domiciled in Luxembourg. It is an umbrella structured open-ended investment company with limited liability in Luxembourg, organised as a “société anonyme” and qualifies as a Société d’Investissement à Capital Variable (“SICAV”) under Part I of the law on undertakings for collective investment dated 17 December 2010 as amended.

-The Fund aims to provide capital growth and income by investing in fixed and floating rate securities issued by governments, government agencies, supra-nationals and companies in Asia.

-Please refer to the ‘Important Information’, ‘The Fund’, ‘The Sub-Funds’ and the ‘Investment Objectives and Strategies / Product Suitability’ sections 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.

<p>Accumulation Shares accumulate net income received from the Fund’s investments, meaning it is kept in the Fund and its value is reflected in the price of the Shares in the Classes.</p>	
Investment Strategy	
<p>-The Fund invests at least two-thirds of its assets in fixed and floating rate securities, derivatives related to these securities and currencies. The fixed and floating rate securities are issued by governments, government agencies, supra-nationals and companies in Asia. For the purposes of this Fund, Asia includes the following west Asian countries: Bahrain, Israel, Lebanon, Oman, Qatar, Saudi Arabia, Turkey and United Arab Emirates.</p> <p>-The Fund is designed to participate in rising markets whilst aiming to mitigate losses in falling markets through the use of derivatives. The mitigation of losses cannot be guaranteed.</p> <p>-The Fund may invest in mainland China through the Renminbi Qualified Foreign Institutional Investor (“RQFII”) scheme or Regulated Markets.</p> <p>-The Fund may invest up to 50% of its assets in securities that have a below investment grade credit rating (as measured by Standard & Poor’s or any equivalent grade of other credit rating agencies for rated bonds and implied Schrodgers ratings for non-rated bonds). The Fund may (exceptionally) hold 100% of its assets in money market instruments or cash.</p> <p>-The Fund may use derivatives (including total return swaps), long and short, with the aim of achieving investment gains, reducing risk or managing the Fund more efficiently.</p>	<p>-Please refer to the ‘Investment Objectives and Strategies / Product Suitability’ sections 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>The Fund is a sub-fund of Schroder International Selection Fund.</p> <p>Management Company of the Fund: Schroder Investment Management (Europe) S.A.</p> <p>Investment Manager of the Fund: Schroder Investment Management (Singapore) Ltd.</p> <p>Custodian of the Fund: J.P. Morgan Bank Luxembourg S.A.</p> <p>The Singapore Representative of the Fund: Schroder Investment Management (Singapore) Ltd.</p>	<p>-Please refer to ‘The Fund’ and ‘Management and Administration’ sections 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>Additional Information</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, Investments, Derivatives and Supplementary Information’ and ‘Annexure II Further Risk Factors’ sections of the underlying fund’s Singapore 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>
Market and Credit Risks	
<p>You are exposed to market risk in Asia excluding Japan -The value of investments by the Fund may go up or down due to changing economic, political or market conditions, or due to an issuer's individual situation.</p> <p>You are exposed to credit risk -A decline in the financial health of an issuer could cause the value of its bonds to fall or become worthless.</p>	<p>-Please refer to the 'Risk Factors, Investments, Derivatives and Supplementary Information' section of the underlying fund's Singapore Prospectus for further information.</p>
Liquidity Risks	
<p>You are exposed to liquidity risk -The liquidity of the Fund may be limited if a significant portion of the assets of the Fund is to be sold to meet redemption requests on a short time frame. During this period, the portfolio allocation may be modified to prioritise liquidity.</p>	<p>-Please refer to the 'Important Information' and the 'Risk Factors, Investments, Derivatives and Supplementary Information' sections of the underlying fund's Singapore Prospectus for further information.</p>
Product-Specific Risks	
<p>You are exposed to emerging and frontier markets risk -Emerging markets, and especially frontier markets, generally carry greater political, legal, counterparty and operational risk.</p> <p>You are exposed to counterparty risk -The counterparty to a derivative or other contractual agreement or synthetic financial product could become unable to honour its commitments to the Fund, potentially creating a partial or total loss for the Fund.</p> <p>You are exposed to derivatives risk -The Fund may use financial derivative instruments as part of the investment process. The use of futures, options, warrants, forwards, swaps or swap options involves increased risk. The Fund's ability to use such instruments successfully depends on the Investment Manager's ability to accurately predict movements in stock prices, interest rates, currency exchange rates or other economic factors and the availability of liquid markets. If the Investment Manager's predictions are wrong, or if the financial derivative instruments do not work as anticipated, the Fund could suffer greater losses than if the Fund had not used such instruments.</p> <p>You are exposed to operational risk -Failures at service providers could lead to disruptions of fund operations or losses.</p> <p>You are exposed to onshore renminbi currency risk -Currency control decisions made by the Chinese government could affect the value of the Fund's investments and could cause the Fund to defer or suspend redemptions of its Shares.</p> <p>You are exposed to negative yields risk -When interest rates are very low or negative, the Fund's yield may be zero or negative, and you may not get back all of your investment.</p>	<p>-Please refer to the 'Risk Factors, Investments, Derivatives and Supplementary Information' section of the underlying fund's Singapore Prospectus for further information.</p>

You are exposed to China country risk
 -Changes in China’s political, legal, economic or tax policies could cause losses or higher costs for the Fund.

You are exposed to currency risk
 -The Fund can be exposed to different currencies. Changes in foreign exchange rates could create losses.

You are exposed to high yield bond risk
 -High yield bonds (normally lower rated or unrated) generally carry greater market, credit and liquidity risk.

You are exposed to leverage risk
 -The Fund uses derivatives for leverage, which makes it more sensitive to certain market or interest rate movements and may cause above-average volatility and risk of loss.

You are exposed to interest rate risk
 -A rise in interest rates generally causes bond prices to fall.

You are exposed to money market and deposit risk
 -A failure of a deposit institution or an issuer of a money market instrument could create losses.

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 19/02/19 and are payable by the ILP Sub-Fund from invested proceeds).

Annual Management Charge (AMC)	1.00%
Additional Expenses	0.37%
Expense Ratio*	1.37%
Performance Fee	Nil

***Please note that with effect from 16 February 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 section on ‘Fees and Charges’ 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.

Additional Information

-Please refer to the ‘Valuations and Pricing’ section of your Policy Conditions 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.

-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

CONTACT INFORMATION

HOW DO YOU CONTACT US?

Email Address

singapore.enquiries@fpiom.com

Telephone

+(00)65 6320 1088

Fax

+(00)65 6327 4020

Postal Address

Friends Provident International Limited (Singapore Branch)

4 Shenton Way

#11-04/06

SGX Centre 2

Singapore 068807

APPENDIX : GLOSSARY OF TERMS

Bond/Fixed Interest Security

A bond is a type of investment that represents a written promise to repay a debt at an agreed time and to pay an agreed rate of interest on that debt. It provides periodic payments (which may be fixed or variable) and the return of capital at maturity. Generally, because these types of assets guarantee an income and are less risky than other types of assets they offer a lower return.

Currency Forwards

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.

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.

Financial Derivative Instruments (FDI)

Also known as Derivatives. Financial contracts whose value is tied to an underlying asset. Derivatives include futures and options.

Floating Rate Security

A bond with a variable interest rate. For example, a note may have an interest rate of "EURIBOR + 1%" and pay whatever the EURIBOR rate happens to be at the time plus 1%.

Forward

A contract between two parties to buy or sell an asset at a specified future date at a price agreed today.

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.

High-Yield Bond

Often called junk bonds, these are low grade fixed income securities of companies that show significant upside potential. The bond has to pay a high yield due to significant credit risk.

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).

Leverage

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

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_1321.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.

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.

RQFII

RQFII is the renminbi qualified foreign institutional investor scheme. Launched in December 2011 it allowed a small number of Chinese financial firms to establish renminbi-denominated funds in Hong Kong for investment in the mainland. The aim being to allow overseas investors to use offshore renminbi deposits to invest in mainland securities markets.

Societe d'Investissement a Capital Variable (SICAV)

A Luxembourg incorporated company that is responsible for the management of a mutual fund and manages a portfolio of securities.

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.

Swap

The exchange of one security for another to change the maturity (bonds), quality of issues (stocks or bonds), or because investment objectives have changed.

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.

Warrant

A security that entitles the holder to buy the underlying stock of the issuing company at a fixed exercise price until the expiry date.

Copyright © 2019 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: 4 Shenton Way, #11-04/06 SGX Centre 2, Singapore 068807. Telephone: +65 6320 1088 | Fax: +65 6327 4020 | 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_R192 07.19