

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.

**R206 FPIL Quilter Investors Compass 3 Portfolio (USD)**  
**(invests in Quilter Investors ICAV - Quilter Investors Compass 3 Portfolio N USD Acc)**

<b>Product Type</b> (Specified Investment Product)	ILP Sub-Fund <sup>1</sup>	<b>Launch Date</b>	December 2018
<b>Manager</b>	Quilter Investors ICAV	<b>Custodian</b>	HSBC Plc
<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>	2.16% (as at 31/12/20)

**SUB-FUND SUITABILITY**

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

The ILP Sub-Fund is only suitable for investors who have a long term investment horizon and are prepared to accept a moderately high level of volatility. 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 'Quilter Investors Compass 3Portfolio' supplement 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 Quilter Investors Compass 3 Portfolio 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 a fund constituted in the form of an umbrella type open-ended investment company with variable capital and segregated liability between sub-funds and incorporated with limited liability under the laws of Ireland with registered number 271517, authorised by the Central Bank on 10 October 1997 as a UCITS, pursuant to the UCITS Regulations.

The investment objective and strategy of this Fund is to generate a long-term total return.

Please refer to the 'Quilter Investors Compass 3 Portfolio' supplement - 'Investment Objective and Policies' section of the underlying fund's prospectus for further information on the features of the Fund.

<sup>1</sup> 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 aims to achieve long-term total return comprised of income and capital growth by gaining global exposure to a wide range of asset classes.</p> <p>The Fund will provide global exposure by investing in a diversified portfolio of assets with up to 75% of net assets in company shares (i.e. equities) and similar investments. In addition the Fund will invest in bonds and similar debt investments, money-market instruments and cash and cash equivalents.</p> <p>The Fund may invest directly in such assets or indirectly by investing in collective investment schemes and investment trusts. The Fund may also indirectly invest in property and/or commodities (e.g. metals, agriculture, energy).</p>	<p>Please refer to the ‘Quilter Investors Compass 3 Portfolio’ supplement - ‘Investment Objective and Policies’ 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>Manager of the underlying fund:</b> Quilter Investors ICAV  <b>Investment Manager of the underlying fund:</b> Quilter Investors Limited  <b>Depository of the underlying fund:</b> Citi Depository Services Ireland Designated Activity Company</p>	<p>Please 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><u>Additional Information</u></b>  Please refer to the ‘Valuations and Pricing’ section of your Policy Conditions for further information. Please 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	
<p><b>You are exposed to investment risk</b>  -There is no guarantee that the Fund will achieve its objective. A capital loss of some or all of the amount invested may occur.</p> <p><b>You are exposed to credit risk</b>  -The issuer of a bond or similar investment within the Fund may not pay income or repay capital to the Fund when due. Bonds which are rated below investment grade are considered to have a high risk exposure with respect to meeting their payment obligations.</p> <p><b>You are exposed to interest rate risk</b>  -Investments in bonds are affected by interest rates and inflation trends which may affect the value of the Fund.</p> <p><b>You are exposed to emerging markets risk</b>  -Less developed countries may face more political, economic or structural challenges than</p>	

<p>developed countries.</p> <p><b>You are exposed to currency risk</b> -The hedging process may not give a precise hedge and some currency risk may remain. In addition, where the Fund holds assets denominated in currencies other than US Dollars, the value of your shares may rise and fall as a result of the exchange rate movements.</p>									
<b>Liquidity Risks</b>									
<p><b>You are exposed to liquidity risks</b> -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.</p>									
<b>Product-Specific Risks</b>									
<p><b>You are exposed to derivatives risks</b> -The Fund uses derivatives to generate returns and/or to reduce costs and the overall risk of the Fund. Using derivatives can involve a higher level of risk. A small movement in the price of an underlying investment may result in a disproportionately large movement in the price of the derivative investment. Derivatives also involve counterparty risk where the institutions acting as counterparty to derivatives may not meet its contractual obligations.</p> <p><b>You are exposed to strategy risk</b> -As the Fund primarily invests in other collective investment schemes, which themselves invest in assets such as bonds, company shares, cash and currencies, it will be subject to the collective risks of these other funds. This may include Emerging Markets risk and sub-investment grade credit risk.</p> <p><b>You are exposed to capital erosion risk</b> -The Fund takes charges from capital of the Fund. Investors should be aware that there is potential for capital erosion if insufficient capital growth is achieved by the Fund to cover the charges. Capital erosion may have the effect of reducing the level of income generated.</p>									
<b>FEES AND CHARGES</b>									
<p><b>WHAT ARE THE FEES AND CHARGES OF THIS INVESTMENT?</b></p> <p>Charges are deducted by both FPIL and the underlying investment managers at each valuation point before calculating the unit price, as set out below.</p> <p><b>FPIL charges (payable directly by you)</b></p> <p>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.</p> <p><b>Underlying investment managers' charges (these charges are as at 31/12/2020 and are payable by the ILP Sub-Fund from invested proceeds)</b></p> <table border="1" data-bbox="56 1680 690 1806"> <tr> <td>Annual Management Charge (AMC)</td> <td>1.35%</td> </tr> <tr> <td>Additional Expenses</td> <td>0.81%</td> </tr> <tr> <td>Expense Ratio *</td> <td>2.16%</td> </tr> <tr> <td>Performance Fee</td> <td>Nil</td> </tr> </table> <p><b>*The Expense Ratio above is quoted in the underlying fund prospectus as the Ongoing Charges Figure ("OCF").</b></p>	Annual Management Charge (AMC)	1.35%	Additional Expenses	0.81%	Expense Ratio *	2.16%	Performance Fee	Nil	<p>For full details of the charges that may apply please refer to the section on 'Fees and Charges' in the relevant Product Summary.</p> <p>Please refer to the 'Charges' section of your Policy Conditions for further information.</p>
Annual Management Charge (AMC)	1.35%								
Additional Expenses	0.81%								
Expense Ratio *	2.16%								
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 <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 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?**

**Email Address**  
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**Telephone**  
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**Postal Address**  
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 Singapore 069547

**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 produce an income and can be less risky than other types of assets they offer a lower return.

**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**

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.

**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.

**ILP**

Investment-linked policy

**ILP Sub-Fund**

Investment-linked policy sub-fund refers to each separate sub-fund within an ILP to which a policyholder can choose to allocate his or her premiums under the ILP.

**Investment Grade**

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

**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](http://www.esma.europa.eu/system/files/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.

**UCITS**

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

**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.

**Volatility**

The relative rate at which the price of a security or fund moves up and down. Volatility is found by calculating the annualised standard deviation of daily change in price. If the price of a stock moves up and down rapidly over short time periods, it has high volatility. If the price almost never changes, it has low volatility.

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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](http://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](http://www.fpinternational.sg). Registered in Singapore No T06FC6835]. 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.

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