

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.

R220 FPIL BMO Global Convertible Bond
(invests in BMO Investment (LUX) I Fund - BMO Global Convertible Bond A Inc USD)

Product Type (Specified Investment Product)	ILP Sub-Fund ¹	Launch Date	April 2018
Manager	FundRock Management Company 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	1.26% (as at 27/01/21)

SUB-FUND SUITABILITY

WHO IS THE SUB-FUND SUITABLE FOR?

The ILP Sub-Fund is only suitable for investors who seek long term income and capital growth through investment in convertible debt securities issued globally. Investors must therefore be willing to accept a long-term investment with low to medium volatility, credit risk, interest rate risk and currency 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 section on ‘Fees and Charges’ in the relevant Product Summary.
 -Please refer to the ‘Risk Factors’ and ‘Appendix VII’ 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 BMO Investment (LUX) I Fund - BMO Global Convertible 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%.

*The Fund is constituted as a limited liability company organised as a société d’investissement à capital variable (“SICAV”) under the laws of the Grand Duchy of Luxembourg. Its home regulator is the Commission de Surveillance du Secteur Financier (“CSSF”).

-Please refer to the ‘Description of the Fund’ section of the underlying fund’s 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 investment objective of the Fund is to achieve high returns by investing its assets through a balanced portfolio consisting of convertible securities.</p> <p>-The Fund will invest its assets in a balanced portfolio consisting of convertible debt securities and synthetic convertibles which offer the most attractive risk/reward characteristics in terms of upward participation and downward protection.</p> <p>-At least two thirds of the Fund's total assets will be invested in convertible debt securities issued by corporations located in Europe, the United States, Japan and Asia.</p>	<p>-Please refer to the 'Appendix VII' section of the underlying fund's prospectus for further information on the investment strategy of the Fund.</p>
Parties Involved	
<p>WHO ARE YOU INVESTING WITH?</p> <p>Management Company of the underlying fund: FundRock Management Company S.A.</p> <p>Investment Manager of the underlying fund: BMO Asset Management Ltd</p> <p>Custodian of the underlying fund: State Street Bank Luxembourg S.C.A.</p>	<p>-Please refer to the 'Management, Administration and Advisers' 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>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 'Valuations and Pricing' section of your Policy Conditions for further information.</p> <p>-Please refer to the 'Risk Factors' and 'Appendix VII' sections 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>
Market and Credit Risks	
<p>You are exposed to market risk</p> <p>-Risk spreading is achieved through the Fund holding a balanced portfolio of securities. However, the investments of the Fund will be subject to market fluctuations and other risks normally associated with any investment and there can be no assurance that the Fund's investment objective will be achieved. The value of Shares and the level of distributions may go down as well as up.</p> <p>You are exposed to interest rate risk</p> <p>-Interest rate risk is the risk that the value of a fund's investment will go down when interest rates rise. Normally the value of a fund's investments varies inversely with changes in interest rates so that in periods of rising interest rates, the value of a fund's portfolio declines.</p> <p>You are exposed to maturity risk</p> <p>-Generally, longer term securities are more susceptible to changes in value as a result of interest-rate changes than are shorter-term securities.</p>	

<p>You are exposed to foreign exchange risk -Changes in exchange rates between currencies may also cause the value of the investment to diminish or increase. The net asset value of each class of shares, as expressed in its base currency, will fluctuate in accordance with changes in the foreign exchange rate between the base currency and the currencies in which the underlying securities in the Fund are denominated, limited by the extent to which the foreign exchange risk is hedged away and which may vary from share class to share class.</p> <p>You are exposed to legal and regulatory risk -The Fund must comply with regulatory constraints or changes in the laws affecting it or its investment restrictions, which might require a change in the investment policy and objectives followed by the Fund. Furthermore, such changes in the laws may have an impact on the market sentiment which may in turn affect the performance of the Fund. It is impossible to predict whether such an impact caused by any change of law will be positive or negative for the Fund. In the worst case scenario, a shareholder may lose all its investments in the Fund.</p> <p>You are exposed to credit risk -The issuer of a bond may default with respect to the payment of principal and interest.</p> <p>You are exposed to credit ratings risk -Credit ratings of debt securities represent the rating agencies' opinions regarding their credit quality and are not guarantees of quality. Rating agencies evaluate the safety of principal and interest payments and do not evaluate the risks of fluctuations in market value, therefore, credit ratings may not fully reflect the true risks of an investment. The rating assigned by a rating agency may not necessarily reflect the occurrence of subsequent events so that an issuer's current financial condition at any given time may be better or worse than a rating indicates. In the event of any downgrade of credit ratings of a debt security which forms part of the portfolio such security, at the Investment Manager's discretion may either be held by the Portfolio, or be sold by the Portfolio immediately. Loss may be incurred by the portfolio in either case.</p> <p>You are exposed to non-investment grade debt securities risk -Non-investment grade convertible debt securities may be included in the Fund. Credit risk is more pronounced for investments in debt securities that are rated below investment grade or which are of comparable quality. The risk of default may be greater and the market for these securities may be less active, making it more difficult to sell the securities at reasonable prices, and also making valuation of the securities more difficult.</p> <p>You are exposed to the risk of Eurozone crisis. -As a result of the crisis of confidence in the markets which has caused bond yield spreads (the cost of borrowing in the debt capital markets) and credit default spreads (the cost of purchasing credit protection) to increase, most notably in relation to certain Eurozone countries, certain countries in the European Union ("EU") have had to accept "bailouts" from banks and lines of credit from supra-governmental agencies such as the International Monetary Fund and the recently created European Financial Stability Facility. The European Central Bank (has also been intervening to purchase Eurozone debt in an attempt to stabilise markets and reduce borrowing costs. Notwithstanding the measures which leaders of countries in the Eurozone have agreed, and future measures which may be introduced, it is possible that a country may leave the Eurozone and return to a national currency, and as a result may leave the EU and/or that the euro, the European single currency, will cease to exist in its current form and/or lose its legal status in one or more countries in which it currently has such status. The effect of such potential events on the Fund is impossible to predict.</p>	
Liquidity Risks	
<p>You are exposed to 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.</p>	

Product-Specific Risks

You are exposed to convertible securities risk

-Convertible securities include bonds, debentures and corporate notes that are convertible into equity securities. Prior to conversion, convertible securities have the same general characteristics as non-convertible debt securities, which provide a stable stream of income with generally higher yields than those of equity securities of the same or similar issuers. The price of a convertible security will normally vary with changes in the price of the underlying stock, although the higher yield tends to make the convertible security less volatile than the underlying stock. As with debt securities, the market value of convertible securities tends to decline as interest rates increase and increase as interest rates decline. While convertible securities generally offer lower interest or dividend yields than non-convertible debt securities of similar quality, they enable investors to benefit from increases in the market price of the underlying common stock.

You are exposed to derivatives risk

-The Fund may engage in transactions in financial derivative instruments for the purposes of efficient portfolio management. The term "efficient portfolio management" refers to transactions that are entered into with the aim of reducing risk, reducing cost or generating additional capital for the Fund with an appropriate level of risk, taking into account the risk profile of the Fund.

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 27/01/21 and are payable by the ILP Sub-Fund from invested proceeds).

Annual Management Charge (AMC)	1.00%
Additional Expenses	0.26%
Expense Ratio*	1.26%
Performance Fee	Nil

***Please note that with effect from 15 May 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 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 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?

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APPENDIX : GLOSSARY OF TERMS

Convertible Debt

Security which can be exchanged for a specified amount of another, related security, at the option of the issuer and/or the holder.

Convertible Securities

A corporate security (usually bonds or preferred stock) that can be exchanged for another form of security (usually common stock).

Credit rating

A rating used to measure the quality of a bond, in particular the bond issuer's ability to meet its debt obligations. The highest rating is usually AAA, and the lowest is D. Investment grade bonds are those that are rated BBB above or equivalent and sub-investment grade bonds are those rated below BBB or equivalent.

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).

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.

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_1321.pdf.

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.

Synthetic Convertible

Combination of usable bonds and warrants (that expire on or after the bonds' maturity) that resembles a convertible bond.

Yield

The estimated rate of income that will be paid by a share. A share's yield is calculated by dividing the dividend that a share pays by the share's current price. Yields are expressed as a percentage of the current price. For example, a share with a current price of 300p and an annual dividend of 12p has a current yield of 4% (i.e. $12 / 300 = 4\%$).

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