

November 2022

**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.  
IF IN DOUBT PLEASE SEEK PROFESSIONAL ADVICE.**

Dear Policyholder

### **Notification of changes to the underlying fund of R153 Ninety One GS European Equity**

We are writing to you as your policy holds units in the Friends Provident International Limited (“FPIL”) investment-linked policy sub-fund (“ILP sub-fund”) named above. We have received notification from the Directors of the Ninety One Global Strategy Fund (the “Company”) of the following upcoming changes to the underlying fund of the ILP sub-fund. These changes will take effect from **30 November 2022** (the “Effective Date”).

From the Effective Date, the underlying fund of the ILP sub-fund will be categorised as a fund promoting environmental and social characteristics, within the meaning of Article 8 under the European Union’s Sustainable Finance Disclosure Regulation (“SFDR”). The SFDR is part of a package of legislative measures and seeks to strengthen disclosures made by asset managers and certain other financial services firms to their clients on the Environmental, Social and Governance (“ESG”) characteristics of financial products.

As a result, the investment objective and strategy of the underlying fund of the ILP sub-fund will be updated to reflect the new disclosures in the investment policy and additional information on its approach to sustainability.

**Please refer to the enclosed Appendix for further details of the changes.**

The Company has advised that the categorisation and related disclosures reflect and clarify how the underlying fund of the ILP sub-fund is currently being managed and does not affect its risk or return profile. There will be no significant restructuring of the underlying fund of the ILP sub-fund’s portfolio nor will there be any associated transaction costs incurred on the Effective Date as a result of the updates.

The Company is also clarifying the investment objective of the underlying fund of the ILP sub-fund, and updating the wording of the investment objective and policy to be more in line with current expectations. These changes are also set out in the **Appendix** to this letter. Again, these updates neither change the underlying Investment Manager’s investment philosophy and investment process, nor is expected to alter the risk or return profile of the underlying fund of the ILP sub-fund.

**You do not need to take any action as a result of this letter** if you wish to remain invested in the ILP sub-fund. Should you wish to select alternative fund(s), you are free to do so, without charge. This can be done online through the FPI Portal; simply log in at <https://portal.fpinternational.com>. Factsheets for the available range of ILP sub-funds can be found via our interactive Fund Centre research tool on our website [www.fpinternational.sg/fundcentre](http://www.fpinternational.sg/fundcentre). Full information of the underlying funds are detailed in the relevant fund prospectus, which are available on the Product Highlight Sheet page of our website [www.fpinternational.sg/phs](http://www.fpinternational.sg/phs).

**We recommend that you seek the advice of your usual financial adviser before making any investment decisions.**

**Who should you contact if you have any questions?**

If you have any questions regarding your policy with us, please get in touch by calling us on +44 1624 821212, or by email at [customer.services@fpiom.com](mailto:customer.services@fpiom.com).

If you have any questions regarding the operation of the FPIL ILP sub-funds, or the underlying funds, please email our Investment Marketing team at [Fundqueries.Intl@fpiom.com](mailto:Fundqueries.Intl@fpiom.com)

Yours sincerely



Chris Corkish  
Investment Marketing Manager

### Important Information

**Fund prices may fluctuate and are not guaranteed. Investment involves risk. Past performance should not be viewed as a reliable guide of future performance.**

**Please refer to the principal brochure of the scheme for details including charges and risk factors.**

**All policyholders will receive the protection of the Life Assurance (Compensation of Policyholders) Regulations 1991 of the Isle of Man, whatever their place of residence. Investors should be aware that specific investor protection and compensation schemes that may exist in relation to collective investments and deposit accounts are unlikely to apply in the event of failure of such an investment held within insurance contracts.**

## Appendix - Updates to investment objective and policy of the underlying fund of the ILP sub-fund from the Effective Date

Current investment objective and policy of the underlying fund of the ILP sub-fund	Updated investment objective and policy of the underlying fund of the ILP sub-fund from the Effective Date
<p>The underlying fund aims to achieve long-term capital growth primarily through investment in companies either listed and/or domiciled in Europe, or established outside of Europe but carrying out a significant portion of their business activities in Europe.</p>	<p>The underlying fund aims to provide capital growth (i.e., to grow the value of your investment) with the opportunity for income over the long-term.</p> <p>The underlying fund invests primarily in equities (e.g. shares) of companies either listed and/or domiciled in Europe, or established outside of Europe but carrying out a significant portion of their business activities in Europe.</p> <p>The underlying fund will be actively managed. The underlying fund Investment Manager will have full discretion in its choice of companies either by size or industry.</p> <p>Investment opportunities are identified using in-depth analysis and research on individual companies.</p> <p>The underlying fund promotes environmental and social characteristics in line with Article 8 of the SFDR as described in the Sub-Fund's Sustainability Disclosures.</p> <p>The underlying fund will not invest in certain sectors or investments. Details of these excluded areas can be found on the underlying fund website <a href="http://www.ninetyone.com">www.ninetyone.com</a> in a section entitled "Sustainability-related Disclosures pursuant to Article 10 of the SFDR." Over time, the underlying fund Investment Manager may, in its discretion and in accordance with the underlying fund's investment objective and policy, elect to apply additional exclusions to be disclosed on the underlying fund website, as they are implemented.</p>

### Sustainability disclosure

A summarised version of the environmental characteristics promoted by the underlying fund of the ILP sub-fund and the investment strategy used to do this is described below. Full details will be found in the sustainability disclosures in Appendix 3 of the revised underlying fund Prospectus, which will be published from the Effective Date.

The underlying fund of the ILP sub-fund promotes environmental characteristics by maintaining a portfolio that in aggregate has a lower blended environmental intensity compared with its benchmark. The underlying fund of the ILP sub-fund does this by making investments in companies that meet the standards of the underlying fund Investment Manager's proprietary sustainability assessments and by excluding investments in certain sectors or business areas.

'Blended environmental intensity' is a proprietary metric representing an equally weighted combination of Scope 1 and Scope 2 greenhouse gas emissions intensity, landfill waste intensity, and water usage intensity.

The underlying fund Investment Manager's proprietary sustainability assessments use the following frameworks to determine whether investee companies meet the standards required by the underlying fund Investment Manager. This analysis uses a variety of qualitative information and available data.

#### 1. Sector Sustainability Frameworks

These frameworks aim to identify key sustainability issues across three pillars (i) efficient utilisation of resources, (ii) social license to operate, and (iii) governance, determine their materiality, establish measurement metrics and prioritise sustainability-related engagement with companies.

#### 2. Carbon Scorecard

The carbon scorecard aims to monitor the path towards net zero of high portfolio emitters. It provides an engagement roadmap to encourage companies on their journey (from disclosure to setting emission targets, through to net zero alignment).

The underlying fund of the ILP sub-fund will not invest in companies that derive more than 5% of their revenue from the following business activities:

- thermal coal extraction or power generation;
- the production of crude oil from oil sands;
- the manufacture and sale of tobacco products; or
- the management or ownership of adult entertainment production or distribution.

Furthermore, the underlying fund of the ILP sub-fund will not invest in companies that:

- are directly involved in the manufacture and production of controversial weapons (including biological and chemical weapons, cluster munitions, and landmines);
- are directly involved in the manufacture and production of nuclear weapons; or
- the underlying fund's Investment Manager deems to be in violation of global norms, in particular the UN's Global Compact principles, based on a qualitative assessment of companies that are identified using third party data sources.