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Financial Adviser

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April 2024

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

Dear Policyholder

**Policy Number: «Policy_No»
Your Financial Adviser: «AgentName»**

**Notification of changes to the underlying fund of:
R166 Schroder Global Multi-Asset Income (GBP HDG)
R167 Schroder Global Multi-Asset Income (USD)
(Together the “Affected ILP sub-funds”)**

We are writing to you as your policy holds units in one or more of the Friends Provident International Limited (“FPIL”) investment-linked policy sub-funds (“ILP sub-funds”) named above.

We have been notified by the directors and the management company of Schroder International Selection Fund (the “Company”) of the following upcoming changes to the underlying fund of the Affected ILP sub-funds. These changes will take effect from **8 May 2024** (the “Effective Date”).

Changes to investment objective and comparator benchmark

The Company has advised that from the Effective Date, the investment objective of the underlying fund of the Affected ILP sub-funds will be updated to remove the income target of 3 – 5% per annum. Accordingly, performance of the underlying fund of the Affected ILP sub-funds will no longer be assessed against such income target. The use of the comparator benchmark will also be updated.

Background and rationale

According to the Company, for over a decade market conditions enabled explicit income ranges to be featured in the objective of the underlying fund of the Affected ILP sub-funds to indicate what an investor could expect as a distribution. However, with the winding down of government quantitative easing, yields have risen sharply and interest rate volatility is unlikely to remain as static going forwards. As a result, the level of income the underlying fund of the Affected ILP sub-funds is able to generate could change significantly and move outside of the target range.

Investment objective changes

In order to prevent the actual dividend payments of the underlying fund of the Affected ILP sub-funds from falling outside of the target range, the income target of 3 - 5% per annum will be removed from the investment objective of the underlying fund of the Affected ILP sub-funds from the Effective Date. Accordingly, the performance of the underlying fund of the Affected ILP sub-funds will no longer be assessed against such income target.

The underlying fund of the Affected ILP sub-funds will continue to aim to deliver income in addition to capital growth, but the reference to a three to five year period in respect of capital growth will be removed from the investment objective of the underlying fund of the Affected ILP sub-funds.

Please note that the underlying fund (in its currency variants) of the Affected ILP sub-funds is an accumulation share class. As such, dividend payments referenced herein are reinvested back into the underlying fund of the Affected ILP sub-funds and are not distributed to shareholders. Reinvested dividends are used by the underlying fund to generate additional capital growth and income of the underlying fund of the Affected ILP sub-funds.

[Update on the use of comparator benchmark](#)

The existing comparator benchmark of the underlying fund of the Affected ILP sub-funds, which is presently used for volatility and sustainability purposes, will also be used as a performance comparator from the Effective Date.

Please refer to the enclosed [Appendix](#) for comparison details of the changes to the underlying fund of the Affected ILP sub-funds. The Company state that, save for the amendments detailed herein, all other key features of the underlying fund of the Affected ILP sub-funds will remain the same; there will be no material change to the risks applicable to the underlying fund of the Affected ILP sub-funds, or in the operation and/or manner in which it is managed.

You do not need to take any action as a result of this letter if you wish to remain invested in the Affected ILP sub-funds. 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. Full information on the underlying funds are detailed in the relevant fund prospectuses, which are available on the Product Highlight Sheet page of our website 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.

If you have any questions regarding the operation of the ILP sub-funds, or the underlying funds, please email our Investment Marketing team at 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 1 – Comparison changes to the underlying fund of the Affected ILP sub-funds

Before the Effective Date	From the Effective Date
<p>Investment Objective</p> <p>The underlying fund aims to deliver an income of 3-5% per annum and capital growth over a three to five year period ^{Note} after fees have been deducted by investing in a diversified range of assets and markets worldwide.</p> <p>^{Note} For clarification purpose, the three to five year period is considered as a medium to long term period, and is the period over which an investor should assess the underlying fund's performance.</p>	<p>Investment Objective</p> <p>The underlying fund aims to deliver income and capital growth by investing in a diversified range of assets and markets worldwide.</p>
<p>Benchmark</p> <p>The underlying fund's performance should be assessed against the income target of 3-5% per year. The underlying fund's volatility should be compared against 30% MSCI AC World Index (USD), 40% Barclays Global Aggregate Corporate Bond Index (USD) and 30% Barclays Global High Yield excl CMBS & EMG 2% index (USD). The comparator benchmark is only included for volatility comparison purposes and does not determine how the Investment Manager of the underlying fund invests the underlying fund's assets. The underlying fund's investment universe is expected to have limited overlap with the components of the comparator benchmark. The Investment Manager of the underlying fund invests on a discretionary basis and there are no restrictions on the extent to which the underlying fund's portfolio and performance may deviate from the comparator benchmark. The Investment Manager of the underlying fund will invest in companies or sectors not included in the comparator benchmark.</p> <p>The comparator benchmark has been selected because the Investment Manager of the underlying fund believes that the benchmark is a suitable comparison for volatility purposes given the underlying fund's investment objective and policy. The benchmark(s) does/do not take into account the environmental and social characteristics or sustainable objective (as relevant) of the underlying fund.</p>	<p>Benchmark</p> <p>The underlying fund does not have a target benchmark. The underlying fund's performance and volatility should be compared against 30% MSCI AC World Index (USD), 40% Barclays Global Aggregate Corporate Bond Index (USD) and 30% Barclays Global High Yield excl CMBS & EMG 2% index (USD). The comparator benchmark is only included for performance and volatility comparison purposes and does not determine how the Investment Manager of the underlying fund invests the underlying fund's assets. The underlying fund's investment universe is expected to have limited overlap with the components of the comparator benchmark. The Investment Manager of the underlying fund invests on a discretionary basis and there are no restrictions on the extent to which the underlying fund's portfolio and performance may deviate from the comparator benchmark. The Investment Manager of the underlying fund will invest in companies or sectors not included in the comparator benchmark.</p> <p>The comparator benchmark has been selected because the Investment Manager of the underlying fund believes that the benchmark is a suitable comparison for volatility purposes given the underlying fund's investment objective and policy. The benchmark(s) does/do not take into account the environmental and social characteristics or sustainable objective (as relevant) of the underlying fund.</p>

Any terms not defined herein shall have the same meaning as set out in the current prospectus of the underlying fund of the Affected ILP sub-funds

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