

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.

R172 FPIL Schroder Strategic Bond (USD) (Invests in Schroder International Selection Fund – Strategic Bond A Acc USD)

Product Type (Specified Investment Product)	ILP Sub-Fund ¹	Launch Date	March 2015
Management Company	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	1.31% (as at 09/02/23)

SUB-FUND SUITABILITY

WHO IS THE SUB-FUND SUITABLE FOR?

The Sub-Fund is only suitable for investors who seek capital growth through investing in fixed and Floating Rate Securities issued by governments, government agencies, supranationals and companies worldwide.

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.

Further Information

-Refer to the section on ‘Fees and Charges’ in the relevant Product Summary.

-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 – Strategic Bond Fund* (“the Fund” or “underlying Fund”), apart from a proportionately small amount which may be held in cash to optimise dealing efficiencies in the underlying fund. We endeavour to maintain a cash balance limit of up to 0.75%.

The underlying fund of the ILP Sub-Fund is an accumulation fund, which means the fund will automatically reinvest any dividends.

*This is a fund constituted in the form of an Open-Ended Investment Company established in Luxembourg and regulated by the Commission de Surveillance du Secteur Financier.

-Refer to the ‘Important Information’ section, ‘The Fund’, ‘The Sub-Funds’ and ‘Investment Objectives and Strategies / Product Suitability’ sections of the underlying Fund’s Singapore Prospectus for further information on the features of the Fund.

¹For an ILP Sub-Fund that feeds 100% into the underlying Fund, therefore some information provided below could be similar to the underlying Fund. In this instance, this ILP Sub-Fund will at minimum feed 99.25% into the underlying Fund, Schroder ISF Strategic Bond Fund.

Investment Strategy	
<p>-The Fund aims to provide an absolute return after fees have been deducted by investing in fixed and Floating Rate Securities. Absolute return means the Sub-Fund seeks to provide a positive return over a 12-month period in all market conditions, but this cannot be guaranteed and your capital is at risk.</p> <p>- The Fund is actively managed and invests at least two-thirds of its assets in fixed and Floating Rate Securities in various currencies issued by governments, government agencies, supra-nationals and companies worldwide.</p> <p>-The Fund may invest:</p> <ul style="list-style-type: none"> - up to 10% of its assets in Contingent Convertible Bonds; - up to 50% of its assets in securities with a Non-Investment Grade credit rating (as measured by Standard & Poor's or any equivalent grade of other credit rating agencies); - up to 100% of its assets in Asset-Backed Securities, commercial Mortgage-Backed Securities, and/or residential Mortgage Backed Securities issued worldwide with an Investment Grade or Sub-Investment Grade credit rating (as measured by Standard & Poor's or any equivalent grade of other credit rating agencies). Underlying assets may include credit card receivables, personal loans, auto loans, small business loans, leases, commercial mortgages and residential mortgages. - The Fund may invest up to 15% of its assets in mainland China through Regulated Markets (including the CIBM via Bond Connect or CIBM Direct). -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>-Refer to the 'Investment Objectives and Strategies / Product Suitability' and the 'Risk Factors, Investments, Derivatives and Supplementary Information' 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>Management Company of the underlying fund: Schroder Investment Management (Europe) S.A.</p> <p>Investment Manager of the underlying fund: Schroder Investment Management Limited</p> <p>Depositary of the underlying fund: J.P. Morgan SE</p> <p>The Singapore Representative of the underlying fund: Schroder Investment Management (Singapore) Ltd.</p>	<p>-Refer to the 'Management And Administration' section 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 (subject to the Appointed Actuary's agreement and provisions allowed for in the Policy Conditions) may 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>Further Information</p> <p>-Refer to the 'Valuations and Pricing' section of your Policy Conditions for further information.</p> <p>-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>

Market and Credit Risks

Market Risks: 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.

-Refer to the 'Risks' section of the relevant Product Summary for further information.

Credit Risks: A decline in the financial health of an issuer could cause the value of its Bonds to fall or become worthless.

Interest Rate Risks: A rise in Interest Rates generally causes Bond prices to fall.

Liquidity Risks

Liquidity Risks: The liquidity of the Sub-Fund may be limited if a significant portion of the assets of the Sub-Fund is to be sold to meet redemption requests in a short time frame. During this period, the portfolio allocation may be modified to prioritise liquidity.

Product-Specific Risks

Asset-Backed/Mortgage-Backed Securities Risks: Mortgage or Asset-Backed Securities may not receive in full the amounts owed to them by underlying borrowers.

Negative Yields Risks: 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.

Counterparty Risks: The Fund can be exposed to different currencies. Changes in foreign exchange rates could create losses

Money Market and Deposit Risks: A failure of a deposit institution or an issuer of a money market instrument could create losses.

Currency Risks: The Fund can be exposed to different currencies. Changes in foreign exchange rates could create losses.

Derivatives Risks: 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.

High Yield Bond Risks: High Yield Bonds (normally lower rated or unrated) generally carry greater market, credit and liquidity risk.

Leverage Risks: 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.

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.

-Refer to the section on 'Fees and Charges' in the relevant Product Summary.

-Refer to the 'Charges' section of your Policy Conditions for further information.

Underlying investment managers' charges (these charges are as at 09/02/23 and are payable by the ILP Sub-Fund from invested proceeds)

Annual Management Charge (AMC)	1.00%
Additional Expenses	0.31%
Expense Ratio	1.31%
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 30 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 an alternative Fund(s) by sending us a completed Switch/Redirection 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*:

Realisation price proceeds	Number of units sold	Gross Realisation
S\$0.93	x 100,000	= S\$93,000

Gross Realisation price proceeds	Realisation Fee	Net Realisation
S\$93,000	- S\$3,720	= S\$89,280

Further Information

-Refer to the 'Valuations and Pricing' section of your Policy Conditions for further information.

*Refer to the section on 'Fees and Charges' in the relevant Product Summary.

CONTACT INFORMATION
HOW DO YOU CONTACT US?

For enquiries in relation to the Fund or any FPIL ILP Sub-Fund contact the Singapore representative at Friends Provident International Limited (Singapore Branch), 182 Cecil Street, Level 17 Frasers Tower, Singapore 069547, telephone number: (65) 6320 1088, email singapore.enquiries@fpim.com

APPENDIX : GLOSSARY OF TERMS
Asset-Backed Securities

Similar to Mortgage-Backed Securities except that the assets backing it are a specified pool of underlying assets other than mortgage-based securities.

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.

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%.

High Yield Bond

Often called junk Bonds, these are low grade Fixed Interest 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.

Investment Grade

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

Leverage

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

Mortgage-Backed Securities

A type of Asset-Backed Security that is secured by a mortgage or collection of mortgages. These securities must also be grouped in one of the top two ratings as determined by an accredited credit rating agency, and usually pay periodic payments that are similar to coupon payments.

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 www.fpinternational.sg/phs. Details of the calculation methodology can be found in full at www.esma.europa.eu/sites/default/files/library/2015/11/10_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.

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