Prepared on 26/04/2024

**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.**

# R231 BlackRock Emerging Markets Corporate Bond (USD)
# (Invests in BGF Emerging Markets Corporate Bond Fund Class A2 USD Acc)

| | | | |
|---|---|---|---|
| **Product Type** (Specified Investment Product) | ILP Sub-Fund[1] | **Launch Date** | March 2021 |
| **Management Company** | BlackRock (Luxembourg) S.A. | **Custodian** | AllFunds Bank S.A.U |
| **Capital Guaranteed** | No | **Dealing Frequency** | Every UK Business Day |
| **Name of Guarantor** | N/A | **Expense Ratio for the underlying fund** | 1.59% (as at 23/02/2024) |

## SUB-FUND SUITABILITY

| | |
|---|---|
| **WHO IS THE SUB-FUND SUITABLE FOR?**<br>The Sub-Fund is only suitable for investors who seek a combination of capital growth and income, through investing in bonds and money market instruments.<br><br>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.<br><br>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**<br>-Refer to the section on 'Fees and Charges' in the relevant Product Summary.<br><br>-Refer to the 'Investment Objective, Policy and Strategy' section of the underlying fund's Singapore prospectus for further information on suitability of the fund. |

## KEY FEATURES OF THE SUB-FUND

| | |
|---|---|
| **WHAT ARE YOU INVESTING IN?**<br>You are investing in an ILP Sub-Fund that invests in the BGF Emerging Markets Corporate 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%.<br><br>The underlying fund of the ILP Sub-Fund is an accumulation fund, which means the fund will automatically reinvest any dividends.<br><br>*The underlying Fund is a Sub-Fund of BlackRock Global Funds ("BGF"). BGF is an Open-Ended Investment Company incorporated in Luxembourg and its home regulator is the Commission de Surveillance du Secteur Financier (CSSF). | -Refer to the 'Structure of the Funds' section of the underlying fund's Singapore prospectus for further information on the structure of the Fund. |

[1] For ILP sub-fund that feeds 100% into an underlying fund, some information provided below could be similar to the underlying fund. In this instance, the ILP sub-fund will at minimum feed 99.25% into the underlying fund, Blackrock Emerging Markets Corporate Bond Fund.

PRODUCT HIGHLIGHTS SHEET

Friends Provident International

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| Investment Strategy | |
|---|---|
| -The Fund seeks to maximise total return. The Fund invests at least 70% of total assets in fixed income transferable securities issued by companies domiciled in, or exercising the predominant part of their economic activity in, emerging markets. Currency exposure is flexibly managed.<br><br>-The Fund is a CIBM Fund and may gain direct exposure for no more than 20% if its total assets to onshore bonds distributed in Mainland China in the CIBM via the Foreign Access Regime and/or Bond Connect and/or other means as may be permitted by the relevant regulations from time to time.<br><br>-The Fund's exposure to Contingent Convertible Bonds is limited to 20% of total assets and the Fund's exposure to Distressed Securities is limited to 10% of its total assets.<br><br>-The Fund may use Derivatives for investment purposes and for the purposes of Efficient Portfolio Management. | -Refer to the 'Investment Objective, Policy and Strategy' section of the underlying fund's Singapore prospectus for further information on the features of the Fund. |
| **Parties Involved** | |
| **WHO ARE YOU INVESTING WITH?**<br><br>**Management Company of the underlying fund:** BlackRock (Luxembourg) S.A<br><br>**Investment Adviser of the underlying fund:** BlackRock Financial Management, Inc<br><br>**Depositary of the underlying fund:** Bank of New York Mellon SA/NV, Luxembourg Branch<br><br>**Singapore Representative of the underlying fund:** BlackRock (Singapore) Limited | -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. |
| **KEY RISKS** | |
| **WHAT ARE THE KEY RISKS OF THIS INVESTMENT?**<br>-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.<br><br>-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.<br><br>**These risk factors may cause you to lose some or all of your investment:** | **<u>Further Information</u>**<br>-Refer to the 'Valuations and Pricing' section of your Policy Conditions for further information. |
| **Market and Credit Risks** | |
| **Investment risks:** There is no guarantee that the Fund will achieve its objective. A capital loss of some or all of the amount invested may occur.<br><br>**Counterparty risks:** A Fund will be exposed to the credit risk of the parties with which it transacts and may also bear the risk of settlement default. Credit risk is the risk that the counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the relevant Fund.<br><br>**Emerging Markets risks:** Emerging markets are typically those of poorer or less developed countries, which exhibit lower levels of economic and/or capital market development, and higher levels of share price and currency volatility. | -Refer to the 'Specific Risk Factors' section of the underlying fund's prospectus for further information on the risks of the Fund. |

**Currency risks:** 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.

## Liquidity Risks

**Liquidity risks:** Trading volumes in the underlying investments of the Funds may fluctuate significantly depending on market sentiment. There is a risk that investments made by the Funds may become less liquid in response to market developments, adverse investor perceptions or regulatory and government intervention (including the possibility of widespread trading suspensions implemented by domestic regulators)

## Product-Specific Risks

**Derivatives risks:** Risks associated with FDI include counterparty/credit risk, liquidity risk, valuation risk, volatility risk and over-the-counter transaction risk. The leverage effect of FDI can result in a loss significantly greater than the amount invested and extensive exposure to FDI may lead to a significant loss by the Relevant Funds.

**Fixed Income risks:** Debt Securities are subject to both actual and perceived measures
of creditworthiness. The "downgrading" of a rated Debt Security or its issuer or adverse publicity and investor perception, which may not be based on fundamental analysis, could decrease the value and liquidity of the security, particularly in a thinly traded market.

**Contingent Convertible risks:** A contingent convertible bond is a type of complex Debt Security which may be converted into the issuer's equity or be partly or wholly written off if a pre-specified trigger event occurs

**Bond Downgrade risks:** A Fund may invest in highly rated / investment grade bonds, however, where a bond is subsequently downgraded it may continue to be held in order to avoid a distressed sale.

## 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 23/02/24 and are payable by the ILP Sub-Fund from invested proceeds)**

| | |
|---|---|
| Annual Management Charge (AMC) | 1.40% |
| Additional Expenses | 0.19% |
| Expense Ratio | 1.59% |
| Performance Fee | Nil |

-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.

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## 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@fpiom.com

## APPENDIX : GLOSSARY OF TERMS

**Contingent Convertible Bonds**

Contingent convertible capital instruments or bonds (CoCos) are hybrid instruments that are automatically transformed into equity or are written off in the event of a capital shortfall.

**Derivatives**

Also known as Financial Derivative Instruments (FDI). Financial contracts whose value is tied to an underlying asset. Derivatives include futures and options.

**Distressed Securities**

Distressed securities are financial instruments issued by a company that is near to—or currently going through—bankruptcy.

**Efficient Portfolio Management (EPM)**

EPM is a set of standards for prudent management of investment Funds. The standards call for economically appropriate transactions that reduce risk, reduce cost or generate additional capital or income. For example, a currency overlay strategy using Derivative instruments could be used to reduce volatility in asset returns resulting from currency fluctuations or be used to take advantage of these fluctuations to gain extra return.

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**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.

**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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