Financial Adviser

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July 2022

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

Dear Policyholder

Policy Number: «PolicyNumber»
Your financial adviser: «AgentName»

Notification of change to the underlying funds of:

1. **R144 Aberdeen Standard SICAV I Global Innovation Equity**
2. **R111 Aberdeen Standard SICAV I Asia Pacific Equity**

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 received notification from the Board of Directors of Aberdeen Standard SICAV I ("Abrdn") of the following upcoming changes to the underlying funds of the ILP sub-funds. These changes will take effect from **1 August 2022** (the "Effective Date").

Recently there has been identified a clear increase in client focus on Environmental, Social and Governance ("ESG") issues and wider sustainability, and that integrating ESG considerations is a key part of the investment process. Abrdn has advised that it is making changes to the underlying funds of the ILP sub-funds, to either further promote the underlying fund ESG characteristics, or to shift to run as a Sustainable Fund. Please refer to **Appendix 2 & 3** for details of the relevant ESG investment strategies.

Summary of changes

From the Effective Date, the underlying funds of the ILP sub-funds will be classified as Article 8 under the EU's Sustainable Finance Disclosure Regulation ("SFDR"), changing from Article 6. Article 8 funds are those that promote social and/or environmental characteristics, invest in companies that follow good governance, give binding commitments but do not have a sustainable investment objective.

The underlying funds of the ILP sub-funds will incorporate positive and negative screening based on ESG factors and societal norms, such as the 10 Principles of the UN Global Compact. In addition, securities with the highest ESG risks will be screened out via Abrdn's proprietary ESG house score along with quantitative and qualitative inputs and asset class specific screens.

To align with the updated ESG characteristics, the investment objective and policy of the underlying funds of the ILP sub-funds will be updated accordingly; a summary which can be seen in **Appendix 1**. Abrdn has advised that the amendments to the investment objective and policy will not materially alter the primary investments of the underlying funds of the ILP sub-funds.

The name of the underlying fund of R111 Aberdeen Standard SICAV I Asia Pacific Equity is being updated to include the new Sustainability focus; the ILP sub-fund name will be amended to **R111 Aberdeen Standard SICAV I Asia Pacific Sustainable Equity** from the Effective Date.

In order to comply with their new investment mandate, the underlying fund portfolios of the ILP sub-funds may need rebalancing; the costs associated with this are detailed in **Appendix 1**. The underlying funds of the ILP sub-funds may now use financial derivative instruments for investment purposes (other than for hedging and/or to manage foreign exchange risks), even if it is expected that their use will be very limited.

The noted changes do not materially alter the risk profile of the underlying funds of the ILP sub-funds; however, the "ESG Investment Policy Risk", as detailed in **Appendix 4**, will apply as a result.

You do not need to take any action as a result of this letter if you wish to remain invested in these 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 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.

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 FPIL 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.

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Appendix 1

ILP sub-fund 1	Before the Effective Date	From the Effective Date
ILP sub-fund name	R144 Aberdeen Standard SICAV I Global Innovation Equity	No change
Underlying Fund Name	Aberdeen Standard SICAV I – Global Innovation Equity	No change
Underlying Fund Investment Process:	Active Equities - Thematic	No change
Underlying Fund Objective	The underlying fund's investment objective is long term total return to be achieved by investing at least two-thirds of the Underlying fund's assets in equities and equity-related securities of companies of all sizes who business models are focused on and/or benefit from all forms of innovation.	The underlying fund's investment objective is long term total return to be achieved by investing at 70% of the underlying fund's assets in equities and equity-related securities of companies of all sizes who business models are focused on and/or benefit from all forms of innovation, listed on global stock exchanges including Emerging Markets.
SFDR Classification	Article 6	Article 8
	From the Effective Date	
Estimated rebalancing costs (% of AUM of the underlying fund) as at 31/12/21	0.00%	
Category (see **Appendix 2**)	Promoting ESG Funds	

ILP sub-fund 2	Before the Effective Date	From the Effective Date
ILP sub-fund name	R111 Aberdeen Standard SICAV I Asia Pacific Equity	R111 Aberdeen Standard SICAV I Asia Pacific Sustainable Equity
Underlying Fund Name	Aberdeen Standard SICAV I – Asia Pacific Equity Fund	Aberdeen Standard SICAV I – Asia Pacific Sustainable Equity Fund
Underlying Fund Investment Process:	Active Equities – Long Term Quality	Active Equities - Values Led Investing
Underlying Fund Objective and Policy	The underlying fund's investment objective is long term total return to be achieved by investing at least 90% of the Underlying fund's assets in equities and equity-related securities of companies with their registered office in Asia Pacific countries (excluding Japan);	The underlying fund's investment objective is long term total return to be achieved by investing at least 90% of the Underlying fund's assets in equities and equity-related securities of companies listed, incorporated or domiciled in Asia Pacific countries (excluding Japan) or companies

	and/or, of companies which have the preponderance of their business activities in Asia Pacific countries (excluding Japan); and/or, of holding companies that have the preponderance of their assets in companies with their registered office in Asia Pacific countries (excluding Japan) listed, incorporated or domiciled in Asia Pacific countries (excluding Japan) or companies that derive a significant proportion of their revenues or profits from Asia Pacific countries (excluding Japan) operations; or have significant proportion of their assets there. The underlying fund may invest up to 30% of its net assets in Mainland China equity and equity-related securities, although only up to 20% of its net assets may be invested directly through QFI regime, the Shanghai-Hong Kong and Shenzhen-Hong Kong Stock Connect programme or by any other available means.	that derive a significant proportion of their revenues or profits from Asia Pacific countries (excluding Japan) operations; or have significant proportion of their assets there. The underlying fund may invest up to 30% of its net assets in Mainland China equity and equity-related securities, although only up to 20% of its net assets may be invested directly through available QFI regime, the Shanghai-Hong Kong and Shenzhen-Hong Kong Stock Connect programme or by any other available means.
SFDR Classification	Article 6	Article 8
	From the Effective Date	
Estimated rebalancing costs (% of AUM of the underlying fund) as at 30/04/2022	0.01%	
Category (see **Appendix 3**)	Sustainable	

Appendix 2 - ESG investment strategy Category

Promoting ESG Funds – applicable to underlying fund Aberdeen Standard SICAV I Global Innovation Fund

Abrdn has confirmed the below, regarding Promoting ESG Funds, which has been extracted from the shareholder circular of the underlying funds of Affected Investment-linked Fund 1:

> "Investment in all equity and equity-related securities will follow abrdn's "Promoting ESG Equity Investment Approach", specifically tailored for and named after the relevant Fund.
>
> Through the application of this approach the Promoting ESG Funds target a lower carbon intensity than the benchmark at the portfolio level. The Promoting ESG Funds also target an ESG Rating (based on the weighted average of each company's MSCI ESG rating) that is equal to or better than the benchmark at the portfolio level, with the exception of Aberdeen Standard SICAV I - Asian Smaller Companies Fund and Aberdeen Standard SICAV I – Emerging Markets Smaller Companies Fund.
>
> This approach utilises abrdn's equity investment process, which enables portfolio managers to qualitatively identify and avoid ESG laggards. To complement this research, the abrdn ESG House Score is used to quantitatively identify and exclude those companies exposed to the highest ESG risks. Additionally, abrdn apply a set of company exclusions which are related to the UN Global Compact, Controversial Weapons, Tobacco Manufacturing and Thermal Coal. More detail on this overall process is captured within abrdn's Promoting ESG Equity Investment Approach, which is published at www.abrdn.com under "Sustainable Investing".
>
> Financial derivative instruments, money-market instruments and cash may not adhere to this approach."

Appendix 3 - ESG investment strategy Category

Sustainable Funds – applicable to underlying fund Aberdeen Standard SICAV I Asia Pacific Sustainable Equity Fund

Abrdn has confirmed that the below, regarding Sustainable Funds which has been extracted from the shareholder circular of the underlying funds of Affected Investment-linked Fund:

> "Investment in all equity and equity-related securities will follow abrdn's "Asia Pacific Sustainable Equity Investment Approach".
>
> Through the application of this approach the Fund targets an ESG rating (based on the weighted average of each company's MSCI ESG rating) that is equal to or better, and a lower carbon intensity, than the benchmark at the portfolio level.
>
> This approach utilises abrdn's equity investment process, which enables portfolio managers to qualitatively identify and focus investment in sustainable leaders and improvers. Sustainable leaders are viewed as companies with the best in class environmental, social and governance (ESG) credentials or products and services which address global environmental and societal challenges, whilst improvers are typically companies with average governance, ESG management practices and disclosure with potential for improvement. We consider the quality of a company's management team and analyse the ESG opportunities and risks impacting the business and appraise how well these are managed. We assign

the ESG Quality Rating, a proprietary score (1 indicates best in class and 5 indicates laggards) to articulate the quality attributes of each company. Through this positive assessment, the Fund will invest in companies with an ESG Quality Rating of 3 or better.

To complement the qualitative research in the preceding paragraph, the abrdn ESG House Score is used to quantitatively identify and exclude those companies exposed to the highest ESG risks. The ESG House Score is a proprietary scoring system developed by our central ESG investment team in collaboration with the quantitative investment team, and is used to identify companies with potentially high or poorly managed ESG risks. The score is calculated by combining a variety of data inputs within a proprietary framework in which different ESG factors are weighted according to how material they are for each sector. This allows us to see how companies rank in a global context. The Fund looks to exclude at least the bottom 10% of companies with the lowest ESG House Score in the benchmark. If investing in a company that is not in the benchmark, Abrdn must have an ESG House Score that is equal to or higher than the ESG House Score of bottom 10% of companies in the benchmark.

Additionally, abrdn apply a set of company exclusions which are related to the UN Global Compact (to exclude companies which fail to uphold one or more of the 10 Principles of the UN Global Compact as determined by a combination of external data sources, including MSCI and our own internal research), Norges Bank Investment Management (NBIM), Weapons, Tobacco, Gambling, Thermal Coal, Oil & Gas and Electricity Generation. More detail on this overall process is captured within abrdn's Sustainable Equity Investment Approach, which is published at www.abrdn.com under "Sustainable Investing".

Engagement with management teams of the companies in the Fund's' investment universe is used to evaluate the ownership structures, governance and management quality of those companies in order to inform portfolio construction on an ongoing basis, before and after investment.

The Asia Pacific Sustainable Equity Investment Approach reduces the benchmark investable universe by a minimum of 20%.

Financial derivative instruments, money-market instruments and cash may not adhere to this approach."

Appendix 4 - ESG Investment Policy Risk

Abrdn has confirmed that the below, regarding Sustainable Funds which has been extracted from the shareholder circular of the underlying funds of Affected Investment-linked Fund:

"•Applying ESG and sustainability criteria in the investment process may result in the exclusion of securities in which the Fund might otherwise invest. Such securities could be part of the benchmark against which the Fund is managed, or be within the universe of potential investments. This may have a positive or negative impact on performance and may mean that the Fund's performance profile differs to that of funds which are managed against the same benchmark or invest in a similar universe of potential investments but without applying ESG or sustainability criteria.

•In assessing the eligibility of an issuer based on ESG research, there is a dependence upon information and data from third party ESG research data providers and internal analyses, which may be subjective, incomplete, inaccurate or unavailable. In addition, there is a lack of common or harmonised definitions and labels regarding ESG and sustainability criteria. As a result, there is a risk of incorrectly or subjectively assessing a security or issuer or there is a risk that the Fund could have exposure to issuers who do not meet the relevant criteria.

•Furthermore, the lack of common or harmonised definitions and labels regarding ESG and sustainability criteria may result in different approaches by managers when integrating ESG and sustainability criteria into investment decisions. This means that it may be difficult to compare funds with ostensibly similar objectives and that the Fund will employ different security selection and exclusion criteria. Consequently, the performance profile of otherwise similar funds may deviate more substantially than might otherwise be expected.

•Additionally, in the absence of common or harmonised definitions and labels, a degree of subjectivity is required and this will mean that a fund may invest in a security that another manager or an investor would not.

•The use of ESG criteria may also result in the Fund being concentrated in companies with ESG focus and its value may be volatile than that of funds having a more diverse portfolio of investments.”