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Financial Adviser

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«AgentCountry»

March 2025

**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 R172 Schroder Strategic Bond (USD)

We are writing to you as your policy holds the Friends Provident International Limited (“FPIL”) investment-linked policy sub-fund (“ILP sub-fund”) named above. We have been notified by Schroder International Selection Fund (the “Company”) of the following changes to the underlying fund of the ILP sub-fund. These changes will take effect from **8 April 2025** (the “Effective Date”).

Updates to investment policy

From the Effective Date the underlying fund of the ILP sub-fund will incorporate environmental and/or social characteristic(s), within the meaning of Article 8 of the Sustainable Finance Disclosure Regulation (“SFDR”). 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 Company believes that incorporating sustainability factors into the strategy of the underlying fund of the ILP sub-fund aligns with the increasing desire among investors for strategies that can clearly demonstrate their sustainability credentials.

Details of the environmental and/or social characteristics of the underlying fund of the ILP sub-fund and how it seeks to achieve them will be disclosed in the investment policy and sustainability criteria sections in the underlying fund prospectus, which will be updated from the Effective Date.

Please refer to the enclosed **Appendix** for full details of the changes being made to the investment policy and benchmark sections of the underlying fund of the ILP sub-fund, and the new sustainability criteria information.

The Company states that there are no other changes to the investment objective, investment style, investment philosophy, investment strategy, and the operation and/or manner in which the underlying fund of the ILP sub-fund will be managed following these changes. All other key features of the underlying fund of the ILP sub-fund, including the risk profile and fees, will remain the same.

These changes will take effect automatically and 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-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. Full information on the underlying funds is 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
Head of Investment Marketing

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 – Details of changes to the underlying fund (the “Fund”) of the ILP sub-fund from the Effective Date.

Any terms not defined herein shall have the same meaning as set out in the underlying fund prospectus.

<p>Investment Policy of underlying fund of the ILP sub-fund from the Effective Date</p> <p><i>New wording is shown in bold text</i></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, supranationals 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); and - 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. <p>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).</p> <p>The Fund may also invest up to one-third of its assets directly or indirectly in other securities (including other asset classes), countries, regions, industries or currencies, Investment Funds, warrants and Money Market Investments, and hold cash (subject to the restrictions provided in Appendix I of the Prospectus).</p> <p>The Fund may use derivatives, long and short, with the aim of achieving investment gains, reducing risk or managing the Fund more efficiently.</p> <p>The Fund maintains a higher overall sustainability score than the Bloomberg Multiverse ex Treasury A+ to B- USD Hedged index, based on the Investment Manager's rating system. More details on the investment process used to achieve this can be found in the Fund Characteristics section of the Prospectus.</p> <p>The Fund does not directly invest in certain activities, industries or groups of issuers above the limits listed under “Sustainability-Related Disclosure” on the underlying fund's webpage https://www.schroders.com/en-lu/lu/individual/fund-centre *</p>
<p>Benchmark of underlying fund of the ILP sub-fund from the Effective Date</p> <p><i>New wording is shown in bold text</i></p>	<p>Benchmark</p> <p>The Fund's performance should be assessed against its target benchmark being to exceed the ICE BofA 3 Month US Treasury Bill Index and compared against the Bloomberg Multiverse ex Treasury A+ to B- USD Hedged Index. The Investment Manager invests on a discretionary basis and is not limited to investing in accordance with the composition of the target benchmark.</p> <p>The Fund's investment universe is expected to overlap materially with the components of the comparator benchmark. The comparator benchmark is only included for performance comparison purposes and does not determine how the Investment Manager invests the Fund's assets. The Investment Manager invests on a discretionary basis and there are no restrictions on the extent to which the Fund's portfolio and performance may deviate from the comparator benchmark. The Investment Manager will invest in companies or sectors not included in the target or comparator benchmarks in order to take advantage of specific investment opportunities.</p>

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<p>Benchmark cont.</p>	<p>The target benchmark has been selected because the target return of the Fund is to deliver the return of that benchmark as stated in the investment objective. The comparator benchmark has been selected because the Investment Manager believes that the benchmark is a suitable comparison for performance purposes given the Fund’s investment objective and policy.</p> <p>The benchmark(s) does/do not take into account the environmental and social characteristics or sustainable objective (as relevant) of the Fund.</p>
<p>Risk Considerations of underlying fund of the ILP sub-fund from the Effective Date</p> <p><i>New wording is shown in bold text</i></p>	<p>The Fund uses significant leverage through financial derivative instruments, which will magnify both gains and losses on its investments and result in greater fluctuations of its Net Asset Value. This significantly increases the risk of the Fund compared to an unleveraged fund. Leverage occurs when the overall economic exposure of the underlying fund exceeds its amount of assets invested.</p> <p>The reference in the Investment Policy to a fund investing two-thirds of its assets in a certain way applies in normal market conditions. See paragraph (A) at the start of this Appendix for further information.</p> <p>The level of distribution costs in certain jurisdictions may impact the ability of the Investment Manager to meet the Fund’s investment objective across all Share Classes after fees have been deducted.</p> <p>The Fund has environmental and/or social characteristics (within the meaning of Article 8 SFDR). A Fund with these characteristics may have limited exposure to some companies, industries or sectors as a result and the Fund may forego certain investment opportunities, or dispose of certain holdings, that do not align with its sustainability criteria chosen by the Investment Manager. As Investors may differ in their views of what constitutes sustainable investing, the Fund may also invest in companies that do not reflect the beliefs and values of any particular Investor. Please refer to Appendix II for more details on sustainability risks.</p>
<p>Sustainability Criteria of underlying fund of the ILP sub-fund from the Effective Date</p> <p><i>New wording is shown in bold text</i></p>	<p>The Investment Manager applies governance and sustainability criteria when selecting investments for the Fund.</p> <p>The strategy aims to identify issuers demonstrating good or improving sustainability credentials, and those that impose a high cost on the environment and society. This involves:</p> <ul style="list-style-type: none"> – The exclusion of issuers with certain exposure to specific activities that the Investment Manager considers environmentally destructive or socially damaging, violate human rights and/ or have demonstrated gross misconduct; and – The inclusion of issuers that the Investment Manager considers are well placed to deliver stable and improving sustainability trajectories relative to their industry peers. As part of the selection process, the Investment Manager also considers companies’ commitment to sustainable themes such as responsible finance, waste management, climate change mitigation, education, health and wellbeing and circular packaging. <p>The Investment Manager may also engage with companies to encourage transparency, the transition to a circular economy with lower carbon emissions intensity and responsible social behaviour that promotes sustainable growth and alpha generation.</p> <p>In assessing sustainability factors for sovereign issuers, the Investment Manager considers that countries with stable and non-corrupt governments are likely to be more willing and able to service their debts, while political considerations, including the impact of social and governance factors, can influence a country’s inflation and currency profile and thus have a material impact on the real value of debt.</p>

<p>Sustainability Criteria cont.</p>	<p>The primary sources of information used to perform this analysis are the Investment Manager's proprietary tools and research, third-party research, NGO reports and expert networks. For corporate issuers, the Investment Manager also performs its own analysis of publicly available information provided by the companies, including information provided in company sustainability reports and other relevant company material.</p> <p>More details on the Investment Manager's approach to sustainability and its engagement with companies are available on the webpage https://www.schroders.com/enlu/lu/individual/what-we-do/sustainable-investing/our-sustainable-investment-policiesdisclosures-voting-reports/disclosures-and-statements/ *</p> <p>The Fund maintains a higher overall sustainability score than its investment universe, based on the Investment Manager's rating system. The Investment Manager ensures that at least:</p> <ul style="list-style-type: none"> – 90% of the portion of the NAV composed of fixed or floating rate securities and money market instruments with an investment grade credit rating; sovereign debt issued by developed countries; and equities issued by large companies domiciled in developed countries; and – 75% of the portion of the NAV composed of fixed or floating rate securities and money market instruments with a high yield credit rating; sovereign debt issued by emerging countries; equities issued by large companies domiciled in emerging countries; and equities issued by small and medium companies, <p>is rated against the sustainability criteria. For the purposes of this test, small companies are those with market capitalisation below €5 billion, medium companies are those between €5 billion and €10 billion and large companies are those above €10 billion.</p>
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