

October 2022

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

Dear Policyholder

### **Notification of merger of the underlying fund of R117 - Barings Developed and Emerging Markets High Yield Bond Fund**

We are writing to you as your policy holds units in the Friends Provident International Limited ("FPIL") investment-linked policy sub-fund ("ILP sub-fund") named above.

We have been notified by the Directors of Baring International Fund Managers (Ireland) Limited (the "Company") of the decision to merge Barings Developed and Emerging Markets High Yield Bond Fund, a sub-fund of **Barings Global Umbrella Fund** (the "Merging Underlying Fund"), which is the underlying fund of the ILP sub-fund, into Barings Developed and Emerging Markets High Yield Bond Fund, a sub-fund of **Barings Umbrella Fund plc** (the "Receiving Underlying Fund") (the "Underlying Fund Merger") with effect from **2 December 2022** (the "Effective Date").

#### **Background to the Underlying Fund Merger**

The Company has decided in consultation with the underlying fund Investment Manager that the Underlying Fund Merger is in the best interests of its unitholders, in order to simplify the Company's fund offering and improve the client experience. From the Effective Date, it is expected that the Merging Underlying Fund unitholders will pay the same or lower fees, charges and expenses for their holdings in their new shares of the Receiving Underlying Fund.

#### **Investment objective and policy**

The Receiving Underlying Fund has been set up with similar characteristics as the Merging Underlying Fund and therefore allowing long-term continuity and track record of the strategy. The Receiving Underlying Fund has been established solely for the purpose of continuing the investment objective and strategy of the Merging Underlying Fund; as a result, the Receiving Underlying Fund will only be launched upon receipt of all net assets from the Merging Underlying fund.

The investment policies, investment strategies, and risk profile of the Merging Underlying Fund and the Receiving Underlying Fund are materially the same, and it is the current intention of the Underlying Investment Managers to manage the Receiving Underlying Fund in the same manner as the Merging Underlying Fund immediately after the merger.

Please refer to the enclosed Appendix for comparative details of the Merging Underlying Fund and the Receiving Underlying Fund.

#### **Impact to unitholders of the ILP sub-fund**

The Company has confirmed that the ISIN code of the Merging Underlying Fund will be retained by the Receiving Underlying Fund. In view of this FPIL have taken the decision that the underlying fund of the ILP sub-fund will follow the Underlying Fund Merger.

Consequently, from the Effective Date the Receiving Underlying Fund will become the underlying fund of the ILP sub-fund; there will be no change to the name or fund code of the ILP sub-fund as a result of the Underlying Fund Merger.

The Merging Underlying Fund will continue to accept subscription, switching and redemption requests until Monday 28 November 2022; following the Effective Date, dealing in the Receiving Underlying Fund will be permitted from Monday 5 December 2022.



In line with this, a merging period (the “Merging Period”) will apply to the ILP sub-fund, during which time premium subscriptions, switching or redemption instructions will not be processed, and the fund will not be priced. The Merging Period being from 12pm UK time **Friday 25 November 2022 ending Monday 5 December 2022**.

It is intended that the initial offer price of the Receiving Underlying Fund will be set to match the net asset value per unit of the Merging Underlying Fund as at the valuation point on the Effective Date, with the result that the exchange ratio will be 1:1. The value of the holding of new shares which a merging fund unitholder will receive under the merger will equal the value of their holding of existing units immediately prior to the Effective Date and time. For the purposes of the Underlying Fund Merger, the valuation point on the Effective Date will be 12pm (Irish time).

Accordingly the number and value of units held in the ILP sub-fund following the merger will equal to the holding prior to the Effective Date. **No change to the unit holding will be appreciable on policies that remain invested in the ILP sub-fund during the merger.**

Following the completion of the Merging Period, the ILP sub-fund will resume pricing with the Receiving Underlying Fund becoming the new underlying fund link of the ILP sub-fund. Premium subscriptions, switching, and redemption instructions recommence from Monday 5 December 2022.

**These changes will happen automatically within your policy or contract and you do not need to take any action if you agree with the merger of the underlying fund of the ILP sub-fund.**

You can however choose to switch your current holdings in the ILP sub-fund and/or redirect your premiums or contributions into a different fund in the FPIL range, free of charge. You can do this at any time, but if you do not wish to remain in the ILP sub-fund for the Underlying Fund Merger, you must provide us with alternative instructions by **12pm UK time Friday 25 November 2022**.

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](http://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](http://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](mailto: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](mailto:Fundqueries.Intl@fpiom.com)

Yours sincerely

A handwritten signature in black ink, appearing to read 'Chris Corkish', is positioned above the printed name.

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 - Comparison of the Merging Underlying Fund and the Receiving Underlying Fund of the ILP sub-fund**

	<b>Before the Effective Date</b>	<b>From the Effective Date</b>
<b>Name and code of ILP sub-fund</b>	R117 Barings Developed and Emerging Markets High Yield Bond Fund	No change
<b>Name of corresponding underlying fund</b>	Barings Developed and Emerging Markets High Yield Bond Fund  A sub-fund of Barings Global Umbrella Fund	Barings Developed and Emerging Markets High Yield Bond Fund  A sub-fund of Barings Umbrella Fund plc
<b>ISIN of underlying fund</b>	IE00B6TMN219	Identical
<b>Share class of underlying fund</b>	Class A USD Acc	Tranche G USD Acc
<b>Launch Date of underlying fund</b>	19 July 1993	The Receiving Underlying Fund is yet to be launched.
<b>Domiciliation of underlying fund</b>	Ireland	Identical
<b>Regulatory Status of underlying fund</b>	UCITS	Identical
<b>Form of underlying fund</b>	Open-ended umbrella unit trust	Open-ended umbrella investment company structure
<b>Accounting Year End of underlying fund</b>	30 April	31 December
<b>Manager of underlying fund</b>	Baring International Fund Managers (Ireland) Limited	Same Entity
<b>Investment Manager of underlying fund</b>	Baring Asset Management Limited	Baring Asset Management Limited and Barings LLC
<b>Base Currency of underlying fund</b>	US Dollars	US Dollars
<b>Business Day of underlying fund</b>	Any day other than Saturday or Sunday on which banks in both Ireland and the United Kingdom are open for business	A day on which banks in Dublin and London and the New York Stock Exchange and London Stock Exchange are open for business
<b>Investment Objective and Policies of the underlying fund</b>	<b>Objectives</b> The primary investment objective of the underlying fund is to produce a high level of current yield in dollar terms, commensurate with an acceptable level of risk as determined by the underlying fund Manager in its reasonable discretion. Any capital appreciation will be incidental.	<b>Objectives</b> The primary investment objective of the Receiving Fund is to produce a high level of current income in dollar terms, commensurate with an acceptable level of risk as determined by the Investment Manager in its reasonable discretion. Any capital appreciation will be incidental.

	<p><b>Strategy</b></p> <p>The underlying fund will seek to achieve its primary investment objective by investing at least 70% of its total assets at any one time in a combination of debt and loan securities (including credit linked securities) of corporations and governments (including any agency of government or central bank) of any member state of the OECD and of any developing or emerging markets. For this purpose, total assets exclude cash and ancillary liquidities.</p> <p>The underlying fund Manager will not invest more than 5% of the assets of the underlying fund in securities of any one corporate issuer rated lower than BBB- by S&amp;P or another internationally recognised rating agency or which are, in the opinion of the underlying fund Manager, of similar credit status. Subject to that limit, and in order to achieve a high level of current yield, the underlying fund Manager intends to invest principally in Sub-Investment Grade securities that are rated not lower than B- by S&amp;P or another internationally recognised rating agency or which are, in the opinion of the underlying fund Manager, of similar credit status. The underlying fund Manager may also invest in lower grade securities but it is their policy that the value of all such securities does not comprise more than 10% of the Net Asset Value of the underlying fund. The underlying fund is also permitted to invest in CoCos. No more than 10% of the underlying fund's Net Asset Value may be invested in CoCos.</p> <p>It is the underlying fund Manager's intention that approximately two-thirds of the underlying fund will be invested in securities issued by corporations (including US corporations) and governments of any member state of the OECD which are listed or dealt in on a stock exchange or other regulated</p>	<p><b>Strategy</b></p> <p>The underlying fund will seek to achieve its primary investment objective by investing principally in a portfolio of high yield fixed and floating rate Corporate Debt Instruments and government debt instruments globally. The underlying fund may invest more than 20% of its Net Asset Value in emerging markets.</p> <p>The underlying fund Investment Manager will not invest more than 5% of the assets of the underlying fund in securities of any one corporate issuer rated Sub-Investment Grade by an internationally recognised rating agency or assigned an agency equivalent rating by the underlying fund Investment Manager, of similar credit status. Subject to that limit, and in order to achieve a high level of current income, the underlying fund Investment Manager intends to invest principally in Sub-Investment Grade securities that are rated not lower than B-. The Investment Manager may also invest less than 30% of its Net Asset Value in Sub-Investment Grade securities rated lower than B-.</p> <p>The underlying fund may also invest no more than 10% of its Net Asset Value in CoCos.</p> <p>Where an eligible asset is not rated by an internationally recognised rating agency, the underlying fund Investment Manager may determine its own assessment of credit quality and assign an agency equivalent rating to the asset. In the case of new issuance, expected ratings may be used and further issuer level ratings may be applied, if available, where security issue level ratings are unavailable. Subordinated issuer level ratings</p>
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	<p>market in an OECD member state. It is the intention of the underlying fund Manager that the remaining one-third of the underlying fund be invested in securities of issuers operating in developing or emerging countries. The underlying fund Manager may, however, change the asset allocation of the Merging Fund if they consider it to be in the interests of Unitholders to do so.</p> <p>The underlying fund Manager may invest in securities of issuers operating in developing or emerging countries which have been listed in Appendix II and may invest in securities which are listed or dealt in on a stock exchange or other regulated market in any such developing or emerging country, but without the prior consent of the Central Bank, the underlying fund Manager will not invest more than 10% of the assets of the underlying fund in securities of issuers operating in each such country or in securities listed or dealt in on stock exchanges or regulated markets in each such country, nor will the underlying fund Manager invest more than 10% of the assets of the underlying fund in securities listed or dealt in on a stock exchange or regulated market in China.</p> <p>As part of its investment in emerging or developing markets, the underlying fund Manager may also (without being subject to the limits set out in the preceding paragraph) invest in securities of any issuer operating in any developing or emerging country listed in Appendix II which are listed or dealt in on a stock exchange or other regulated market in a Member State of the European Union or the OECD. Such securities will normally be in the form of Eurobonds which will be listed on the Luxembourg Stock Exchange or dealt in through the markets organised under the rules</p>	<p>may also be used for unrated subordinated instruments.</p> <p>As part of its investment in emerging or developing markets, the underlying fund Investment Manager may invest in securities of any issuer operating in any developing or emerging country listed in Appendix B of the underlying fund's prospectus which are listed or dealt in on a stock exchange or other regulated market in any such country is a Member State of the European Union or the OECD, such securities will normally be in the form of Eurobonds which will be listed on the Luxembourg Stock Exchange or dealt in through the markets organised under the rules of the International Securities Market Association. The underlying fund generally aims to maintain a diversified portfolio and its exposure in securities of issuers operating in each such developing or emerging country, however, investment in securities listed or dealt in on stock exchanges or regulated markets in any such country will be less than 30% of its Net Asset Value.</p> <p>Subject to the foregoing, the policy of the underlying fund Investment Manager is to maintain diversification in terms of the countries to which investment exposure is maintained and there is no general limit to the proportion of the assets which may be invested in any one country or region.</p> <p>The underlying fund is not expected to invest more than 10% of its Net Asset Value in securities issued and/or guaranteed by a single sovereign issuer (including its government, public or local authority of that country) which is rated Sub-Investment Grade.</p>
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	<p>of the International Securities Market Association.</p> <p>Subject to the foregoing, the policy of the underlying fund Manager is to maintain diversification in terms of the countries to which investment exposure is maintained and there is no general limit to the proportion of the assets which may be invested in any one country or region.</p> <p>The underlying fund may invest in various FDIs as detailed in the underlying fund prospectus under the section headed "Investment Policy: General" for investment purposes or for efficient portfolio management. When FDIs are used the underlying fund will be leveraged through the leverage inherent in the use of FDIs.</p>	<p>The underlying fund may invest in units and/or shares in collective investment schemes (subject to a limit of 10% of Net Asset Value) where such investment is consistent with the investment objective of the underlying fund.</p> <p>The underlying fund may engage in transactions in FDI principally for investment, efficient portfolio management and/or for hedging purposes as described under "Efficient Portfolio Management" in Appendix C of the Prospectus and subject to the limits laid down by the Central Bank. The underlying fund may use futures, options, warrants, currency forward contracts, total return swaps and credit default swaps. The underlying fund's exposure to total return swaps is as set out in the supplement of the underlying fund.</p>
<b>Use of Derivatives</b>	<p>The underlying fund may use FDIs (including warrants, futures, options, currency forward contracts (including non-deliverable forwards), swap agreements, contracts for difference and credit linked securities) for efficient portfolio management (including hedging) and investment purposes.</p>	<p>The underlying fund may engage in transactions in FDIs principally for investment, efficient portfolio management and/or for hedging purposes subject to the limits laid down by the Central Bank of Ireland. The underlying fund may use futures, options, warrants, currency forward contracts, total return swaps and credit default swaps.</p> <p><i>Notwithstanding the drafting differences, the policy in respect of investment in FDIs of the Receiving Underlying Fund is the same as that of the Merging Underlying Fund.</i></p>
<b>Net Derivative Exposure</b>	<p>The net derivative exposure of the underlying fund may be up to 50% of the underlying fund's net asset value.</p>	<p>Identical</p>
<b>Risk Profile</b>	<p>The risk profile of the Merging Underlying Fund and the Receiving Underlying Fund will be the same before and immediately after the Underlying Fund Merger.</p>	
<b>Annual Management Charge (AMC) of the underlying fund</b>	<p>1.00%</p>	<p>1.25%</p>
<b>Administration, Depositary and</b>	<p>0.45%</p>	<p>0.20% *</p>

<b>Operating Fee of the underlying fund</b>		
<b>Ongoing Charges Figure (OCF) of the underlying fund</b>	1.45%	(estimated) 1.45%
<b>Risk/reward profile**</b>	3	3

\* Assuming the administration, depositary and operating fee is charged at the capped level of 0.20% of the Receiving Fund's net asset value attributable to the relevant Tranche.

The types of fees and expenses that are payable out of the assets of the Merging Underlying Fund and the Receiving Underlying Fund are the same, although the way in which such fees and expenses are charged are slightly different. The Merging Underlying Fund charges a fixed administration, depositary and operating fee, whereas such fee of the Receiving Underlying Fund is capped at 0.20% p.a. of the net asset value attributable to the relevant Tranche.

\*\* The risk/reward profile is determined by Friends Provident International from information provided by the underlying fund houses and is based on the following characteristics of the underlying fund:

- volatility;
- asset type; and
- geographical region.

The risk/reward profile will be reviewed and, if appropriate, revised at least yearly by Friends Provident International as a result of our ongoing research analysis.