

«ClientName»
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Financial Adviser

«AgentName»
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«AgentPC»
«AgentCountry»

February 2023

**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:

1. **R181 Aviva Investors Multi-Strategy Target Return (USD HDG)**
2. **R182 Aviva Investors Multi-Strategy Target Return (EUR)**
3. **R183 Aviva Investors Multi-Strategy Target Return (SGD HDG)**
4. **R198 Aviva Investors Multi-Strategy Target Return (GBP HDG)**

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 Aviva Investors (the "Company") of the following upcoming changes to its Aviva Investors Multi-Strategy Target Return Fund, which is the underlying fund (the "Underlying Fund") of the currency variants of the ILP sub-funds. These changes will take effect from **17 March 2023** (the "Effective Date").

Amendment of investment policy

The Underlying Fund currently invests up to 5% of total net assets in asset-backed securities and mortgage-backed securities ("ABS/MBS"). The Company has advised that the investment policy of the Underlying Fund will be amended in order to increase the exposure to ABS/MBS up to 10% of total assets from the Effective Date. Please refer to the enclosed **Appendix** for full details of the amendment.

Derivatives and techniques

From the Effective Date, the "Derivatives and Techniques" section of the Prospectus of the Underlying Fund will be updated in order to reflect the use of interest rate swap strategies. Please refer to the enclosed **Appendix** for full details of the amendment.

Expected level of leverage

From the Effective Date the expected level of leverage of the Underlying Fund will be increased from 700% to 1200% of the Net Asset Value ("NAV") of the Underlying Fund, although it is possible that this level may be higher from time to time. Full details of the amendment can be found in the enclosed **Appendix**.

The Company has stated that the increase of expected level of leverage of the Underlying Fund will allow access to strategies that help the Investment Manager deliver the investment strategy, by facilitating alpha generation and increasing portfolio diversification. It is not anticipated that the

volatility of the Underlying Fund will increase as a result of this change, nor will the risk profile be affected:

- The Underlying Fund uses Value at Risk (VaR) to calculate its global exposure, and the VaR internal guideline will remain unchanged;
- The stated synthetic risk and reward indicator (currently 4) of the Underlying Fund is not expected to change as a result of the leverage increase, and the proposals will not alter the stated aim of managing volatility to a target of less than half the volatility of global equities, as set out in the investment objective in the Underlying Fund Prospectus;
- The Investment Manager of the Underlying Fund has also considered the impact of the proposals on the liquidity profile of the Underlying Fund and as a result of these proposals the Investment Manager has not needed to revise its liquidity management processes;
- The Investment Manager of the Underlying Fund will continue to monitor the drivers of leverage and risk at portfolio and individual strategy level to ensure that the Underlying Fund continues to operate within its risk parameters.

For the avoidance of doubt, please note that the risk limits of the Underlying Fund of the ILP sub-funds remain unchanged.

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

Appendix – Changes to the Investment Objectives and Policy section of the Prospectus of the Underlying Fund of the ILP sub-funds from the Effective Date

Current	From the Effective Date
<p>Investment policy</p> <p>The Underlying Fund invests in equities, bonds, money market instruments and bank deposits from anywhere in the world.</p> <p>The Underlying Fund may also invest in UCITS, other UCIs and closed end funds, including real estate investment trusts (REITs).</p> <p>The Underlying Fund may also take exposure to commodities (including but not limited to Gold) and/or carbon credit through transferable securities (such as ETC), ETFs or derivatives on eligible financial indices:</p> <ul style="list-style-type: none"> • No exposure to any single commodity and/or carbon credit linked instrument may exceed 5% of the Underlying Fund’s NAV on an individual basis, • The aggregate value of all exposures to gold shall not exceed 8% of the Underlying Fund’s NAV, • The aggregate value of all exposures to carbon credits shall not exceed 5% of the Underlying Fund’s NAV, and • The aggregate value of all commodity and carbon credits exposures shall not exceed 10% of the Underlying Fund’s NAV. <p>The Underlying Fund may invest in China A-Shares through Shanghai Hong Kong Stock Connect and through Shenzhen Hong Kong Stock Connect.</p>	<p>Investment policy</p> <p>The Underlying Fund invests in equities, bonds, money market instruments and bank deposits from anywhere in the world.</p> <p>The Underlying Fund may also invest in UCITS, other UCIs and closed-end funds, including real estate investment trusts (REITs).</p> <p>The Underlying Fund may also take exposure to commodities (including but not limited to Gold) and/or carbon credit through transferable securities (such as ETC), ETFs or derivatives on eligible financial indices:</p> <ul style="list-style-type: none"> • No exposure to any single commodity and/or carbon credit linked instrument may exceed 5% of the Underlying Fund’s NAV on an individual basis, • The aggregate value of all exposures to gold shall not exceed 8% of the Underlying Fund’s NAV, • The aggregate value of all exposures to carbon credits shall not exceed 5% of the Underlying Fund’s NAV, and • The aggregate value of all commodity and carbon credit exposures shall not exceed 10% of the Underlying Fund’s NAV. <p>The Underlying Fund may invest in China A-Shares through Shanghai Hong Kong Stock Connect and through Shenzhen Hong Kong Stock Connect.</p> <p>The Underlying Fund may invest up to 10% in mortgage and asset backed securities and up to 5% in contingent convertible bonds. For full details of the risks applicable to investing in these bonds, please refer to section “Risk Descriptions” in the Underlying Fund Prospectus.</p>
<p>Derivatives and Techniques policy</p> <p>The Underlying Fund makes extensive use of derivatives for investment purposes by taking long and synthetic short positions in indices, securities and baskets of securities.</p> <p>The Underlying Fund’s derivatives may include futures, options, swap contracts, swaptions, total return swaps, currency forwards (deliverable or non-deliverable), foreign exchange options and credit default swaps. In order to limit exposure, the aggregate long exposure via derivatives to excluded securities will be monitored on a quarterly basis so as not to exceed 7.5% of the delta weighted notional value. If this level is exceeded, it will be reduced back within tolerance by the following quarter.</p>	<p>Derivatives and Techniques policy</p> <p>The Underlying Fund makes extensive use of derivatives for investment purposes by taking long and synthetic short positions in indices, securities and baskets of securities and relative value interest rate swap strategies (to manage duration, to manage the yield curve via steepening/flattening or other yield curve management strategies). Interest rate swap strategies and other derivative instruments (particularly shorter-dated investments) may give rise to higher levels of leverage and are important tools to manage risk as well as provide opportunities for generating investment returns. Consequently, the Underlying Fund’s leverage may rise when the Investment Manager of the Underlying Fund deems it most appropriate to use such instruments to adjust the</p>

<p>The Underlying Fund may also use derivatives for hedging and for efficient portfolio management.</p>	<p>Underlying Fund's interest rate exposure according to market conditions.</p> <p>The Underlying Fund's derivatives may include futures, options, swap contracts, swaptions, total return swaps, currency forwards (deliverable or non-deliverable), foreign exchange options and credit default swaps and interest rate swaps.</p> <p>In order to limit exposure, the aggregate long exposure via derivatives to excluded securities will be monitored on a quarterly basis so as not to exceed 7.5% of the delta weighted notional value. If this level is exceeded, it will be reduced back within tolerance by the following quarter.</p> <p>The Underlying Fund may also use derivatives for hedging and for efficient portfolio management.</p>
<p>Expected Level of Leverage 700% of the NAV of the Underlying Fund, although it is possible that this level be higher from time to time.</p>	<p>Expected Level of Leverage 1200% of the NAV of the Underlying Fund, although it is possible that this level be higher from time to time.</p> <p>The expected level of leverage is calculated using the sum of notionals approach. The volume and type of derivatives used by the Underlying Fund may cause the sum of the notionals figure to vary significantly over time. It should be noted that this figure is not an indicator of economic leverage within the sub-fund. A figure for leverage based on the sum of the notionals of the derivatives used may appear high as it does not take into account the effect of any netting or hedging arrangements that the Underlying Fund has in place even though these netting and hedging arrangements may reduce exposure.</p> <p>There may be circumstances of higher leverage consumption, for example with higher usage of shorter-dated interest rate swaps. Whilst shorter duration strategies are more leverage intensive than those with a longer duration, this higher leverage does not equate to higher volatility. The interest rate swaps market is one of the most liquid within financial markets, with daily turnover of OTC interest rate derivatives at high levels.</p> <p>The Investment Manager of the Underlying Fund therefore considers that the use of these strategies does not impact on the Underlying Fund's overall liquidity profile.</p>

Friends Provident International Limited: Registered and Head Office: Royal Court, Castletown, Isle of Man, British Isles, IM9 1RA. Telephone: +44 (0)1624 821212 | Fax: +44 (0)1624 824405 | Website: www.fpinternational.com. Isle of Man incorporated company number 11494C. Authorised and regulated by the Isle of Man Financial Services Authority, Provider of life assurance and investment products. Authorised by the Prudential Regulation Authority. Subject to regulation by the Financial Conduct Authority and limited regulation by the Prudential Regulation Authority. Details about the extent of our regulation by the Prudential Regulation Authority are available from us on request. **Singapore branch:** 182 Cecil Street, Level 17 Frasers Tower, Singapore 069547. Telephone: +65 6320 1088 | Website: www.fpinternational.sg. Registered in Singapore No. T06FC6835J. Licensed by the Monetary Authority of Singapore to conduct life insurance business in Singapore. Member of the Life Insurance Association of Singapore. Member of the Singapore Financial Dispute Resolution Scheme. **Hong Kong branch:** 803, 8/F., One Kowloon, No.1 Wang Yuen Street, Kowloon Bay, Hong Kong. Telephone: +852 2524 2027 | Fax: +852 2868 4983 | Website: www.fpinternational.com.hk. Authorised by the Insurance Authority of Hong Kong to conduct long-term insurance business in Hong Kong. **Dubai branch:** PO Box 215113, Emaar Square, Building 6, Floor 5, Dubai, United Arab Emirates. Telephone: +9714 436 2800 | Fax: +9714 438 0144 | Website: www.fpinternational.ae. Registered in the United Arab Emirates with the UAE Insurance Authority as an insurance company. Registration date, 18 April 2007 (Registration No. 76). Registered with the Ministry of Economy as a foreign company to conduct life assurance and funds accumulation operations (Registration No. 2013). Friends Provident International is a registered trademark and trading name of Friends Provident International Limited.