

August 2023

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

Dear Policyholder

### **Notification of changes to the underlying fund of R147 Allianz Total Return Asian Equity**

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 received notification from the representatives of Allianz Global Investors Fund (SICAV) (the “Company”) of the following upcoming changes to the underlying fund of the ILP sub-fund. These changes will take effect from **29 September 2023** (the “Effective Date”).

#### **Changes to the investment objective and investment restrictions**

The Company has advised that in order to increase the integration of Environment, Social and Governance (“ESG”) factors consideration in the investment process, changes to the investment objective and investment restrictions of the underlying fund of the ILP sub-fund will be implemented from the Effective Date. **Please refer to the enclosed Appendix** for a comparison of the current and updated investment objective and investment restrictions.

#### **Changes to investment strategy**

From the Effective Date the investment strategy of the underlying fund of the ILP sub-fund will be adopting the Sustainability Key Performance Indicator Strategy (Relative) (“KPI Strategy (Relative)”). **Please refer to the enclosed Appendix** for details of the minimum exclusion criteria applicable to KPI Strategy (Relative).

After repositioning, in addition to the current investment objective to seek long-term capital growth by investing in the equity markets of the Republic of Korea, Taiwan, Thailand, Hong Kong, Malaysia, Indonesia, the Philippines, Singapore and the PRC, the underlying fund of the ILP sub-fund will also seek to outperform its Benchmark by at least 20% in minimising the portfolios weighted average of the investee companies’ annual greenhouse gas emissions intensity in terms of annual sales over its Benchmark (“Sustainability KPI”) with the adoption of the KPI Strategy (Relative).

With the adoption of the KPI Strategy (Relative), a minimum of 80% of the portfolio of the underlying fund of the ILP sub-fund, shall be evaluated by the “Weighted Average GHG Intensity (Sales)”. Portfolio in this respect does not comprise derivatives and instruments that are non-evaluated by nature (e.g., cash and Deposits).

GHG Intensity represents an issuer’s annual greenhouse gas emissions. Sales represents an issuer’s annual sales. GHG Intensity (in terms of sales) of an issuer is the issuer’s annual greenhouse gas emission (in metric tons of carbon dioxide equivalents (tCO<sub>2</sub>e) per millions of annual sales). This ratio of greenhouse gas emission normalised by sales facilitates comparison between issuers of different sizes. Weighted Average GHG Intensity (in terms of sales) is the weighted average of the GHG Intensity (in terms of sales) of the issuers of the securities composing the portfolio adjusted by their relative weights to the portfolio.

This means that the GHG Intensity (in terms of sales) of an issuer of a security is a key consideration of the investment process. In the portfolio construction process of the underlying fund of the ILP sub-fund, more GHG-efficient issuers in terms of the issuers’ sales would be more likely to be selected by the underlying fund Investment Manager, such that the underlying fund of the ILP sub-fund could achieve its Sustainability KPI as specified above. Third party data will be used to determine the GHG Intensity (in terms of sales) of an issuer.



Apart from the changes mentioned above, the other current investment policy and restrictions of the underlying fund of the ILP sub-fund will continue to apply.

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

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'.

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

	Present approach	New approach from the Effective Date
Investment Objective of the underlying fund of the ILP sub-fund	Long-term capital growth and income by investing in the equity markets of the Republic of Korea, Taiwan, Thailand, Hong Kong, Malaysia, Indonesia, the Philippines, Singapore and the PRC	Long-term capital growth and income by investing in the equity markets of the Republic of Korea, Taiwan, Thailand, Hong Kong, Malaysia, Indonesia, the Philippines, Singapore and the PRC, as well as, to achieve the sustainability KPI (as defined in the “Investment Restrictions” below) with the adoption of the Sustainability Key Performance Indicator Strategy (Relative) (“KPI Strategy (Relative)”)
Investment Restrictions of the underlying fund of the ILP sub-fund	Such restrictions do not currently exist	<ul style="list-style-type: none"> <li>• KPI Strategy (Relative) (including exclusion criteria) applies.</li> <li>• Min. 80% of the underlying fund’s portfolio shall be evaluated by the “Weighted Average GHG Intensity (in terms of sales)”. Portfolio in this respect does not comprise derivatives and instruments that are non-evaluated by nature (e.g., cash and Deposits).</li> <li>• The Sustainability KPI is that the Weighted Average GHG Intensity (in terms of sales) of the portfolio shall be at least 20% lower than that of the underlying fund’s Benchmark within the same period (i.e outperformance of the underlying fund’s portfolio Weighted Average GHG Intensity (in terms of sales) compared to its Benchmark’s Weighted Average GHG Intensity (in terms of sales)).</li> </ul>

### Minimum exclusion criteria applicable to KPI Strategy (Relative):

- Securities issued by issuers having a severe violation / breach of principles and guidelines such as the Principles of the United Nations Global Compact, the OECD Guidelines for Multinational Enterprises, and the United Nations Guiding Principles on Business and Human Rights on the grounds of problematic practices around human rights, labour rights, environment, and corruption issues,
- Securities issued by issuers involved in controversial weapons (anti-personnel mines, cluster munitions, chemical weapons, biological weapons, depleted uranium, white phosphorus, and nuclear weapons),
- Securities issued by issuers that derive more than 10% of their revenues from weapons, military equipment and services,
- Securities issued by issuers that derive more than 10% of their revenue from thermal coal extraction,
- Securities issued by utility issuers that generate more than 20% of their revenues from coal, and
- Securities issued by issuers involved in the production of tobacco, and securities issued by issuers involved in the distribution of tobacco with more than 5% of their revenues.