June 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 regarding the underlying fund of R185 – Barings Eastern Europe

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

The underlying fund of the Affected ILP sub-fund is Barings Eastern Europe Fund A USD Acc – ISIN code IE00B6TJN447 (the "**Underlying Base Fund**"), a sub-fund of Barings Global Umbrella Fund (the "**Underlying Base Umbrella**").

We have received notification regarding the Underlying Base Fund from the board of directors (the "**Directors**") of Baring International Fund Managers (Ireland) Limited (the "**Manager**"), who, in consultation with Baring Asset Management Limited (the "**Investment Manager**") has advised of upcoming changes, in light of ongoing exceptional and adverse market conditions relating to the current situation in Russia and Ukraine, and the corresponding suspension of the Underlying Base Fund of the Affected ILP sub-fund since March 2022.

Background

The Underlying Base Fund has a number of impacted assets (the "**Impacted Assets**") which are Russian, Belarusian and Ukrainian assets of the Underlying Base Fund that have been directly and/or indirectly impacted by the Russian invasion into Ukraine by way of imposed sanctions/have become illiquid/untradeable or which are difficult to value accurately at this time.

The value of the Impacted Assets in the Underlying Base Fund were written down to zero in March 2022 in order to apply a fair valuation for the best interests of investors.

Transfer of Liquid Assets to a New Underlying Fund ("The Transaction")

The Directors have decided in consultation with the Investment Manager that it is in the best interest of unitholders of the Underlying Base Fund to transfer the non-Impacted Assets (the "**Liquid Assets**") to a new fund (the "**New Underlying Fund**") with effect from **21 July 2023** (the "**Effective Date**") (together the "**Transaction**"). The New Underlying Fund will be a sub-fund of Barings International Umbrella Fund (the "**New Underlying Umbrella**") an umbrella fund constituted as a unit trust established pursuant to the Unit Trusts Act, 1990, and authorised by the Central Bank as a UCITS under the Regulations.

The benefit of the Transaction to the Base Fund for unitholders is that the New Underlying Fund will continue to be managed with the same investment objective and policy as the Underlying Base Fund, which enables Underlying Base Fund unitholders to benefit from the ongoing performance of the Liquid Assets whilst retaining (through the Underlying Base Fund) an interest in the Impacted Assets should their value return in the future. The Impacted Assets will remain in the Underlying Base Fund as a sub-fund of the Underlying Base Umbrella.

The New Underlying Fund will retain the name *Barings Eastern Europe Fund A USD Acc* and the existing fund ISIN code *IE00B6TJN447* under the New Underlying Umbrella. From the Effective Date, the Underlying Base Fund will be re-named as *Barings Eastern Europe (SP) A USD Acc*, with a new ISIN code *IE000LKBCGY5*, remaining in the Underlying Base Umbrella.

Please read the enclosed Appendix for a summary comparison of the features of the Underlying Base Fund and the New Underlying Fund from the Effective Date. While there are some differences between the Underlying Base Fund and the New Underlying Fund, it is not expected that there will be any material difference in the rights of the Underlying Base Fund unitholders before and after the Transaction takes effect.

On the Effective Date, the Underlying Base Fund unitholders will be issued the equivalent number of new units ("**New Units**") in the New Underlying Fund, calculated using an Exchange Ratio, which will be calculated for each class as follows:

> *The net asset value per unit for the relevant class of the Underlying Base Fund (determined at 12pm (Irish time) on the Effective Date (the "**Valuation Point**")), excluding the Impacted Assets, divided by the initial offer price of the relevant unit class / share class in the New Underlying Fund (determined at the Valuation Point).*

It is intended that the initial offer price per unit of the New Underlying Fund will be set to match the net asset value ("**NAV**") per unit of the Underlying Base Fund as at the Valuation Point, (excluding the value of the Impacted Assets, which is currently valued at zero) with the result that the Exchange Ratio is expected to be 1:1.

The issue of New Units in the New Underlying Fund will not be subject to any charges. Underlying Base Fund unitholders will continue to hold the same number of existing units in the Underlying Base Fund.

All associated costs of the Transaction will be borne by the Manager.

On implementation of the Transaction, the Underlying Base Fund shall cease operations on the first Business Day following the Effective Date and Time. Following this date, the Manager will fully wind up all the affairs of the Underlying Base Fund, once trading of the Impacted Assets allows. Subject to the proviso below, any surplus of assets remaining after the discharge of outstanding liabilities in relation to the Underlying Base Fund, which includes the Impacted Assets, (the "**Surplus**") will be distributed in cash pro rata to the Underlying Base Fund unitholders on the register of the unitholders of the Underlying Base Fund on the Effective Date and Time.

At such time, if, however, the Surplus is such that the cost of distribution of such Surplus would be excessive in proportion to the value of the Surplus, then the Underlying Base Fund shall arrange for the Surplus to be transferred to the New Underlying Fund within thirty (30) days of the calculation of the Surplus (but no further New Units shall be issued to former unitholders in the Underlying Base Fund as a result of the transfer of the Surplus).

Creation of new ILP sub-fund for Liquid Assets

Accordingly, a new FPIL investment-linked policy sub-fund **R247 Barings Eastern Europe (USD)** (the "**New ILP sub-fund**") will be created from the Effective Date, linked to the New Underlying Fund.

Investors in the Affected ILP sub-fund will receive an equivalent allocation of units in the New ILP sub-fund on a 1:1 basis equal to their unit holding in the Affected ILP sub-fund as at the Effective Date, at a NAV price calculated at the Valuation Point, in the same manner as for the New Underlying Fund. The New ILP sub-fund will be active for subscriptions, switching into, switching out of, and surrender from **24 July 2023** (the "**Dealing Date**").

Following the Effective Date, the Affected ILP sub-fund will be renamed **R185 Barings Eastern Europe Side-Pocket (USD)** and will remain suspended and zero priced, in line with the Underlying Base Fund, to which it will remain linked, with the same number of existing units as at the time of the Transaction.

Upon such time a realised value, if any, is received from the Underlying Base Fund in respect of the Impacted Assets, this will be allocated to the Affected ILP sub-fund accordingly. We will update policyholders regarding the manner of any allocation at the time of any such event.

Charges

From the date of suspension of the Underlying Base Fund in March 2022 to the Effective Date, management fees are only chargeable on the portion of Liquid Assets.

Contractual FPIL policy charges, calculated as stated in the policy Terms and Conditions, are deducted across ILP sub-fund held on a policy. Where an ILP sub-fund is suspended and zero priced, the charges in relation to the suspended ILP sub-fund holding are deferred until such time as a NAV price can be applied.

The accrued deferred charges in relation of the Affected ILP sub-fund holding will therefore be deducted from the New ILP following the Dealing Date. These will be deducted as a single transaction, calculated using the NAV price of the Valuation Point once this is known

Upon the Transaction taking effect, management fees of the Underlying Base Fund will be waived. Separately, the Manager will bear all the ongoing operation costs and expenses of the Underlying Base Fund upon the Transaction taking effect, until it can dispose of the Impacted Assets and terminate the Underlying Base Fund.

FPIL policy charges applicable to the Impacted Assets remaining in the ILP sub-fund will continue to be deferred, until such time as a NAV price, if any, can be applied to the ILP sub-fund. We will update policyholders regarding the manner of any deduction which may be applicable at the time of any such event.

Action required by policyholders paying regular premiums into the Affected ILP sub-fund prior to suspension

Our letter of 2 March 2022 advised that any future premium allocation (if applicable) which would have been applied to the Affected ILP sub-fund, would be automatically redirected into R175 JPM USD Money Market VNAV (the "Default ILP sub-fund"). Where a policy held the maximum permissible 10 investment linked funds in March 2022, the allocation originally to the Affected ILP sub-fund was instead diverted to the investment-linked fund held in the policy with the highest value. Policyholders could instead provide alternative premium redirection instructions if preferred.

Following the Dealing Date, please note that the direction of future regular premiums will not automatically divert into the New ILP sub-fund. You do not need to take any action if you wish to continue paying premiums according to your current premium direction instructions.

Should you wish to redirect future regular premiums to the New ILP sub-fund, or to any other ILP sub-fund(s) available under your policy, this can be done free of charge, by completing a Switch/Redirection instruction form and returning it to us, or through our online services portal.

Redemption and/or Switch Instructions submitted for the Affected ILP sub-fund

Any redemption and/or switching instructions submitted for the Affected ILP sub-fund received prior to the close of business on **17 July 2023** (the "**Cut-off Time**") will be processed **from the New ILP sub-fund from the Dealing Date**. For the avoidance of doubt, policyholders in the Affected ILP sub-fund will continue to hold the same number of existing units in the Affected ILP sub-fund as they hold immediately prior to the Effective Date upon their redemption and switching requests being processed in the New ILP. However, please note that Affected ILP sub-fund policyholders will not be able to redeem or switch from the Affected ILP sub-fund after the Cut-off Time.

Redemption of units, switching and investment in the New ILP sub-fund will be available from the Dealing Date.

These changes will happen automatically within your policy or contract and you do not need to take any action.

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.

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.

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APPENDIX – Comparison between the Affected ILP sub-fund and the New ILP sub-fund from the Effective Date

	Affected ILP sub-fund	**New ILP sub-fund**
Name and code of ILP sub-fund	R185 Barings Eastern Europe Side-Pocket (USD)	R247 Barings Eastern Europe (USD)
Name of corresponding underlying fund	Barings Eastern Europe (SP) A USD Acc *(the Underlying Base Fund)* A sub-fund of Barings Global Umbrella Fund	Barings Eastern Europe A USD Acc *(the New Underlying Fund)* A sub-fund of Barings International Umbrella Fund
ISIN of underlying fund	IE00LKBCGY5	IE00B6TJN447
Launch Date of underlying fund	30 September 1996	The New Underlying Fund will only be launched upon the Effective Date and upon the receipt of the Liquid Assets from the Underlying Base Fund.
Domiciliation of underlying fund	Ireland	Same
Regulatory Status of underlying fund	UCITS (undertaking for collective investment in transferable securities authorised pursuant to the Regulations)	Same
Accounting Year End of underlying fund	30 April	Same
Manager of underlying fund	Baring International Fund Managers (Ireland) Limited	Same
Investment Manager of underlying fund	Baring Asset Management Limited	Same
Base Currency of underlying fund	US Dollars	Same
Business Day of underlying fund	Any day other than Saturday or Sunday on which banks in both Ireland and the United Kingdom are open for business.	Same
Dealing Day of underlying fund	(i) each Business Day (unless the determination of the Net Asset Value of the Underlying Base Fund has been suspended for the reasons specified in the underlying fund prospectus and provided that if the day is a Business Day other than one which is as defined in the relevant Supplement, the Manager will provide advance notice of this fact to all unitholders in the Underlying Base Fund or (ii) any other day which the Manager may have determined, with the prior written approval of the Depositary, subject to advance notice to all unitholders in the Underlying Base	Same

	Fund and provided there is at least one Dealing Day per fortnight. ***AS NOTED ABOVE DEALING IS CURRENTLY SUSPENDED IN THE UNDERLYING BASE FUND.***	
Investment Objective and Policies of the underlying fund	The investment objective of the Underlying Base Fund is to achieve long-term capital appreciation through investment in a diversified portfolio of securities of issuers located in or with a significant exposure to the emerging markets of Europe. The Underlying Base Fund will seek to achieve its investment objective by investing at least 70% of its total assets at any one time in equities and equity-related securities, such as convertible bonds and warrants, of companies incorporated in, or exercising the predominant part of their economic activity in Armenia, Azerbaijan, Belarus, Kazakhstan, Kyrgyzstan, Moldova, Russia, Tajikistan, Turkmenistan, Ukraine and Uzbekistan ("Commonwealth of Independent States") and in other emerging European countries such as Albania, Bulgaria, Bosnia and Herzegovina, Croatia, the Czech Republic, Estonia, Georgia, Greece, Hungary, Kosovo, Latvia, Lithuania, Macedonia, Montenegro, Poland, Romania, Serbia, Slovenia, Slovakia and Turkey, or quoted or traded on the stock exchanges in those countries. There is no limit to the extent of direct investment in Russia. Investment may also be made in securities listed or traded on recognised exchanges or markets in other countries where the issuer is located in or has a significant exposure to emerging European countries and in government and corporate debt securities. A description of equity-related securities can be found in the underlying prospectus under the section headed "Investment Policy: General". For this purpose, total assets exclude cash and ancillary liquidities. For the remainder of the Underlying Base Fund's total assets, the Underlying Base Fund may invest outside of emerging markets including developed and frontier markets as well	The investment objective of the New Underlying Fund is to achieve long-term capital appreciation through investment in a diversified portfolio of securities of issuers located in or with a significant exposure to the emerging markets of Europe. The New Underlying Fund will seek to achieve its investment objective by investing at least 70% of its total assets at any one time in equities and equity-related securities, such as convertible bonds and warrants (which may only be acquired passively through corporate actions and are not expected to exceed 5% of the New Underlying Fund's Net Asset Value), of companies incorporated in, or exercising the predominant part of their economic activity in Armenia, Azerbaijan, Belarus, Kazakhstan, Kyrgyzstan, Moldova, Russia, Tajikistan, Turkmenistan, Ukraine and Uzbekistan ("Commonwealth of Independent States") and in other emerging European countries such as Albania, Bulgaria, Bosnia and Herzegovina, Croatia, the Czech Republic, Estonia, Georgia, Greece, Hungary, Kosovo, Latvia, Lithuania, Macedonia, Montenegro, Poland, Romania, Serbia, Slovenia, Slovakia and Turkey, or quoted or traded on the stock exchanges in those countries. There is no limit to the extent of direct investment in Russia and any such securities which are listed or traded in Russia must be listed or traded on the Moscow Exchange. Investment may also be made in securities listed or traded on recognised exchanges or markets in other countries where the issuer is located in or has a significant exposure to emerging European countries and in fixed and floating debt instruments issued by

	as in fixed income instruments and cash. Debt securities acquired for the Underlying Base Fund will generally be rated not lower than B- by Standard & Poor's ("S&P") or another internationally recognised rating agency or will be, in the opinion of the Manager, of similar credit status. The Manager may 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 Base Fund. In addition, the Manager will not invest more than 5% of the assets of the Underlying Base Fund in debt securities of any one corporate issuer rated lower than BBB- by S&P or another internationally recognised rating agency or which are, in the opinion of the Manager, of similar credit status. The policy of the Manager is to maintain diversification in terms of the countries to which investment exposure is maintained but, save as indicated above; there is no limit to the proportion of the assets which may be invested in any one country. Investment by foreign investors in many developing countries is currently restricted. Indirect foreign investment, may, however, be permitted or facilitated in certain of those countries through investment funds which have been specifically authorised for the purpose. Subject to the restrictions set out in Appendix I of the underlying prospectus, it is the policy of the Manager to invest in such funds from time to time, and similar investment funds offering exposure to any particular emerging European markets where such funds are considered attractive investments in their own right. The Underlying Base Fund adheres to the investment restrictions required to qualify as "equity fund" pursuant to section 2 paragraph 6 GITA and continuously invests more than 50% of its Net Asset Value in equity participations within the meaning of section 2 paragraph 8 GITA.	government and corporate issuers, such as bonds. A description of equity-related securities can be found under the section headed "Investment Policy: General" of the underlying Prospectus. For the remainder of the New Underlying Fund's total assets, the New Underlying Fund may invest outside of emerging markets including developed and frontier markets as well as in fixed and floating income instruments issued by governments and corporate issuers, such as bonds, and cash. Debt securities acquired for the New Underlying Fund will generally be rated not lower than B- by Standard & Poor's ("S&P") or another internationally recognised rating agency or will be, in the opinion of the Investment Manager, of similar credit status. The Investment Manager may 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 New Underlying Fund. In addition, the Investment Manager will not invest more than 5% of the assets of the New Underlying Fund in debt securities of any one corporate issuer rated lower than BBB- by S&P or another internationally recognised rating agency or which are, in the opinion of the Investment Manager, of similar credit status. The policy of the Investment Manager is to maintain diversification in terms of the countries to which investment exposure is maintained but, save as indicated above; there is no limit to the proportion of the assets which may be invested in any one country and there is no specific focus on any sector or industry. Investment by foreign investors in many developing countries is currently restricted. Indirect foreign investment, may, however, be permitted or facilitated in certain of

	The Underlying Base Fund may also invest in FDIs for investment purposes and for efficient portfolio management, which includes hedging. **Strategy** The Investment Manager believes that equity markets contain unrecognised growth potential and seeks to identify this through the analysis of a company's business model whilst incorporating wider economic and social governance trends, often referred to as fundamental analysis. Equity investment teams at the Investment Manager share a common investment approach, best described as Growth at a Reasonable Price (GARP). GARP seeks to identify reasonably priced growth companies whose qualities are unrecognised by market participants by performing structured fundamental analysis with a disciplined investment process. Based on the region, country or sector bias of a Base Fund, analysis of potential growth companies' includes their future financial performance as well as their business model and management style, while focussing on long-term earnings growth of three to five years The Investment Manager's strategy favours companies with well-established or improving business franchises, profitability focused management and strong balance sheets that enable the company to execute its business strategy. The Investment Manager regards these companies as higher quality as they provide transparency and allow investment professionals to forecast earnings with greater confidence. This allows the investment manager to offer funds which should exhibit lower volatility over time.	those countries through investment funds which have been specifically authorised for the purpose. Subject to the restrictions set out in Appendix I of the underlying prospectus, it is the policy of the Investment Manager to invest in such funds from time to time, and similar investment funds offering exposure to any particular emerging European markets where such funds are considered attractive investments in their own right. The New Underlying Fund adheres to the investment restrictions required to qualify as "equity fund" pursuant to section 2 paragraph 6 GITA and continuously invests more than 50% of its Net Asset Value in equity participations within the meaning of section 2 paragraph 8 GITA. The New Underlying Fund is categorised as an Article 6 fund under the Sustainable Finance Disclosure Regulation. The New Underlying Fund may also invest in FDIs for investment purposes and for efficient portfolio management, which includes hedging. **Strategy** The Investment Manager believes that equity markets contain unrecognised growth potential and seeks to identify this through the analysis of a company's business model whilst incorporating wider ESG trends often referred to as fundamental analysis. ESG trends may evolve over time and may include environmental footprint, societal impact of products/services and effectiveness of supervisory/management boards. Equity investment teams at the Investment Manager share a common investment approach, best described as Growth at a Reasonable Price ("GARP"). GARP seeks to identify reasonably priced growth companies whose qualities are unrecognised by

		market participants by performing structured fundamental analysis with a disciplined investment process. Based on the region, country or sector bias of the New Underlying Fund, analysis of potential growth companies' includes their future financial performance as well as their business model and management style, while focussing on long-term earnings growth of three to five years. The Investment Manager's strategy favours companies with well-established or improving business franchises, profitability focused management and strong balance sheets that enable the company to execute its business strategy. The Investment Manager regards these companies as higher quality as they provide transparency and allow investment professionals to forecast earnings with greater confidence. This allows the Investment Manager to offer funds which should exhibit lower volatility over time.
Annual Management Charge (AMC) of the underlying fund	1.50%	1.50%
Administration, Depositary and Operating Fee of the underlying fund	0.45%	0.45%
Ongoing Charges Figure (OCF) of the underlying fund	1.95%	1.95%
Risk/reward profile*	5	5

***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. The information given in the risk/reward profile is for reference only.

Friends Provident International