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Financial Adviser

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April 2024

**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 R148 Schroder ISF US Smaller Companies Impact (USD)

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

We have been notified by the directors and the management company of Schroder International Selection Fund (the "Company") of the following changes to the underlying fund of the ILP sub-fund. These changes took effect from **14 March 2024** (the "Effective Date").

Summary of Changes

The investment objective, policy, and sustainability criteria of the underlying fund of the ILP sub-fund have been updated and enhanced to better reflect the impact investment process used by the Company. In addition, the comparator benchmark of the underlying fund of the ILP sub-fund has been removed.

Updates to investment objective, policy and sustainability criteria

Under the EU Sustainable Finance Disclosure Regulation ("SFDR") the underlying fund of the ILP sub-fund is classified as an Article 9 fund and invests in sustainable investments, which are investments that are expected to contribute towards the advancement of an environmental or social objective linked to one or more of the UN Sustainable Development Goals ("SDGs").

The underlying fund of the ILP sub-fund also holds investments that the Investment Manager of the underlying fund deems to be neutral under its sustainability criteria, such as cash and money market investments and derivatives used with the aim of reducing risk (hedging) or managing the underlying fund of the ILP sub-fund more efficiently. The underlying fund of the ILP sub-fund is part of the Company's Impact Driven strategies, and as such, it applies highly selective investment criteria. References to reflect this impact investment process have been added to the investment objective, investment policy, sustainability criteria and the pre-contractual disclosure of the underlying fund of the ILP sub-fund.

Removal of comparator benchmark

The underlying fund of the ILP sub-fund transitioned from SFDR Article 8 to SFDR Article 9 on 16 August 2022. The S&P Small Cap 600 (Net TR) Lagged Index was a comparator benchmark of the underlying fund of the ILP sub-fund before this transition, as this benchmark was appropriate when using the sustainability scoring system for Article 8 accreditation. However, following the transition of the underlying fund of the ILP sub-fund to Article 9, the underlying fund of the ILP sub-fund no longer applies a

sustainability scoring method and the S&P Small Cap 600 (Net TR) Lagged Index is no longer relevant as a comparator.

Please refer to the enclosed [Appendix](#) for comparison details of the changes to the underlying fund of the ILP sub-fund.

The Company state that there are no other changes to the investment style, investment philosophy, investment strategy and the operation and/or manner in which the underlying fund of the ILP sub-fund is being managed following these changes. All other key features of the underlying fund of the ILP sub-fund, including the relevant risk indicators, remain the same.

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. Full information on the underlying funds are 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
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.

Appendix – Comparison changes to the underlying fund of the ILP sub-fund

Before the Effective Date	From the Effective Date
<p>Investment Objective</p> <p>The underlying fund aims to provide capital growth in excess of the Russell 2000 Lagged (Net TR) index after fees have been deducted over a three to five year period by investing in equity and equity related securities of small-sized US companies which help to advance the UN SDGs and which the Investment Manager of the underlying fund deems to be sustainable investments.</p>	<p>Investment Objective</p> <p>The underlying fund aims to provide capital growth in excess of the Russell 2000 Lagged (Net TR) index after fees have been deducted over a three to five year period by investing in equity and equity related securities of small-sized US companies whose activities the Investment Manager of the underlying fund considers create positive social or environmental impact and which the Investment Manager of the underlying fund deems to be sustainable investments.</p>
<p>Investment Policy</p> <p>The underlying fund is actively managed and invests its assets in (i) sustainable investments, which are investments that the Investment Manager of the underlying fund expects to contribute towards the advancement of an environmental or social objective linked to one or more of the UN SDGs, and to deliver returns to shareholders over the long term (please see the Fund Characteristics section of the underlying fund Prospectus for more details), and (ii) investments that the Investment Manager of the underlying fund deems to be neutral under its sustainability criteria).</p> <p>The Investment Manager of the underlying fund will select companies from a universe of eligible companies that have been determined as meeting the Investment Manager’s impact criteria. The impact criteria include an assessment of the company’s contribution to the UN SDGs. This means that the extent to which companies deliver a direct or indirect positive impact to society in order to advance the UN SDGs together with the impact that these actions could have on a company’s value are considered in the assessment of companies.</p> <p>The underlying 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>The underlying fund invests in companies that do not cause significant environmental or social harm and have good governance practices, as determined by the underlying fund Investment Manager’s rating criteria (please see the Fund Characteristics section of the underlying fund Prospectus for more details).</p> <p>The Investment Manager of the underlying fund may also engage with companies held by the underlying fund to challenge identified areas of weakness on sustainability issues. More details on the underlying fund Investment Manager’s</p>	<p>Investment Policy</p> <p>The underlying fund is actively managed and invests its assets in (i) sustainable investments, which are investments that the Investment Manager of the underlying fund expects to contribute towards the advancement of an environmental or social objective linked to one or more of the UN SDGs, and to deliver returns to shareholders over the long term (please see the Fund Characteristics section of the underlying fund Prospectus for more details), and (ii) investments that the Investment Manager of the underlying fund deems to be neutral under its sustainability criteria, such as cash and Money Market Investments and derivatives used with the aim of reducing risk (hedging) or managing the underlying fund more efficiently.</p> <p>The Investment Manager of the underlying fund will select companies from a universe of eligible companies that have been determined as meeting the Investment Manager of the underlying fund’s impact criteria. The impact criteria include an assessment of the company’s contribution to the UN SDGs alongside the Investment Manager of the underlying fund’s assessment of the company’s impact via its proprietary impact investment management framework and tools (including an impact scorecard).</p> <p>The underlying fund is part of Schroders’ Impact Driven strategies. As such, it applies highly selective investment criteria and its investment process is aligned with the Operating Principles for Impact Management which means that an assessment of impact is embedded in the steps of the investment process. All sustainable investments in the underlying fund are subject to this framework.</p> <p>The underlying 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>

approach to sustainability and its engagement with companies are available on the underlying fund's webpage <https://www.schroders.com/en-lu/lu/individual/what-we-do/sustainable-investing/our-sustainable-investment-policies-disclosures-voting-reports/disclosures-and-statements/>.

The underlying fund invests at least two-thirds of its assets in a concentrated range of equity and equity related securities of small-sized US companies. These are companies which, at the time of purchase, are considered to be in the bottom 30% by market capitalisation of the US equities market. The underlying fund typically holds 40 – 60 companies.

The underlying 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 underlying fund Prospectus).

The underlying fund may use derivatives with the aim of achieving investment gains, reducing risk or managing the underlying fund more efficiently.

The underlying fund invests in companies that do not cause significant environmental or social harm and have good governance practices, as determined by the Investment Manager of the underlying fund's rating criteria (please see the Fund Characteristics section of the of the underlying fund Prospectus for more details).

The Investment Manager of the underlying fund may also engage with companies held by the underlying fund to seek to improve sustainability practices and enhance social and environmental impacts generated by underlying investee companies.

More details on the Investment Manager of the underlying fund's approach to sustainability and its engagement with companies are available on the underlying fund's webpage <https://www.schroders.com/en-lu/lu/individual/what-we-do/sustainableinvesting/our-sustainable-investment-policies-disclosures-voting-reports/disclosures-and-statements/>.

The underlying fund invests at least two-thirds of its assets in a concentrated range of equity and equity related securities of small-sized US companies. These are companies which, at the time of purchase, are considered to be in the bottom 30% by market capitalisation of the US equities market. The underlying fund typically holds 40 – 60 companies.

The underlying 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 underlying fund Prospectus).

The underlying fund may use derivatives with the aim of achieving investment gains, reducing risk or managing the underlying fund more efficiently.

Sustainability criteria

The Investment Manager of the underlying fund applies sustainability criteria when selecting investments for the underlying fund.

Investments are composed of companies whose products and services solve one of the UN SDG gaps or that operate in a mainstream industry that indirectly solves one of the UN SDG gaps.

In order to identify companies with a direct link to a UN SDG, the Investment Manager of the underlying fund uses a proprietary screening tool to map company revenue to UN SDGs. The tool splits revenue into numerous different categories linked to UN SDGs. While the Investment Manager of the underlying fund uses the tool to

Sustainability criteria

The Investment Manager of the underlying fund applies sustainability criteria when selecting investments for the Fund.

Investments are composed of companies whose products and services contribute positively to at least one of the UN SDGs. In order to identify companies with a direct link to a UN SDG, the Investment Manager of the underlying fund applies a two step approach:

- The first is a revenue based approach that considers whether a certain percentage of the relevant company's revenues, capital expenditure or operating expenditure

assess individual companies, it also enables it to measure the overall revenue link to UN SDGs on a consolidated portfolio level. The Investment Manager of the underlying fund has identified three types of companies that will make up the portfolio.

The first type are highly innovative companies whose business model solves a direct need within the UN SDGs. These are growth companies whose solution to an UN SDG gap can be scaled.

The second type are companies that are already generating revenues that have an impact, but do not articulate or highlight that impact. These are companies the Investment Manager of the underlying fund can identify due to its deep understanding of the US Small Cap universe where it sees a re-rating opportunity. In so doing the companies can better articulate and become more transparent about their impact opportunity. This is expected to be the largest group in the underlying fund's portfolio.

The third type will tend to have the lowest level of revenue link. These are companies who require a business model transition in order to survive. These are companies the Investment Manager of the underlying fund believes have the ability and desire to transition and where it sees the ability to help guide such companies on that journey. Each investment must have some revenue linking to an UN SDG. Based on where the investment falls within the three types the level of linked revenue will vary.

The Investment Manager of the underlying fund ensures that at least 90% of the portion of the Fund's Net Asset Value composed of investments in companies is rated against the sustainability criteria. As a result of the application of sustainability criteria, at least 20% of the underlying fund's potential investment universe is excluded from the selection of investments.

For the purposes of this test, the potential investment universe is the core universe of issuers that the Investment Manager of the underlying fund may select for the underlying fund prior to the application of sustainability criteria, in accordance with the other limitations of the underlying fund Investment Objective and Policy. This universe is comprised of equity and equity related securities of small-sized US companies or companies which derive a significant proportion of their revenues or profits from small-sized US companies.

contributes to an environmental or social objective (as applicable).

- The second is a detailed impact assessment of the company via the completion of a proprietary impact scorecard. The Investment Manager of the underlying fund considers different aspects of impact such as: what outcome and UN SDGs the company is contributing to; who is served by the outcome (such as the relevant stakeholder or industry); an assessment of our expected contribution (including Schrodgers influence and engagement); and consideration of impact risks. The assessment typically includes Key Performance Indicators (KPIs) that are used to track the company's impact over time.

The company and impact scorecard are then validated and approved by Schrodgers' Impact Assessment Group (IAG), in order for the company to be eligible for inclusion in the underlying fund's investible universe. The IAG consists of members from Schrodgers' impact and sustainable investment teams and members of the investment team. There may be some limited instances where step 2 and the IAG approval may follow subsequently (such as a particularly time sensitive investment).

The Investment Manager of the underlying fund has identified three types of companies that will typically be considered for inclusion in the portfolio of the underlying fund.

The first type are highly innovative companies whose business model solves a direct need within the UN SDGs. These are growth companies whose solution to an UN SDG gap can be scaled.

The second type are companies that are already generating revenues that have an impact, but do not articulate or highlight that impact. These are companies the Investment Manager of the underlying fund can identify due to its deep understanding of the US Small Cap universe where it sees a re-rating opportunity. In so doing the companies can better articulate and become more transparent about their impact opportunity. This is expected to be the largest group in the underlying fund's portfolio.

The third type will tend to have the lowest level of revenue link. These are companies whose business models are transitioning towards higher impact activities and where the Investment Manager of the underlying fund sees the ability to help guide such companies on that journey with active engagement. This is expected to be the smallest group in the underlying fund's portfolio. Each investment must have some revenue linking to an UN SDG. Based on where the investment

	<p>falls within the three types the level of linked revenue will vary.</p> <p>The Investment Manager of the underlying fund ensures that at least 90% of the portion of the underlying fund's Net Asset Value composed of investments in companies is rated against the sustainability criteria. As a result of the application of sustainability criteria, at least 20% of the underlying fund's potential investment universe is excluded from the selection of investments.</p> <p>For the purposes of this test, the potential investment universe is the core universe of issuers that the Investment Manager of the underlying fund may select for the underlying fund prior to the application of sustainability criteria, in accordance with the other limitations of the underlying fund Investment Objective and Policy. This universe is comprised of equity and equity related securities of small-sized US companies or companies which derive a significant proportion of their revenues or profits from small-sized US companies.</p>
<p>Benchmark</p> <p>The underlying fund's performance should be assessed against its target benchmark being to exceed the Russell 2000 Lagged (Net TR) index and compared against the Morningstar US Small-Cap Equity Category and the S&P Small Cap 600 Lagged (Net TR) index. The underlying fund's investment universe is expected to overlap materially with the components of the target benchmark and the S&P Small Cap 600 Lagged (Net TR) index. The comparator benchmark is only included for performance comparison purposes and does not determine how the Investment Manager of the underlying fund invests the underlying fund's assets. The Investment Manager of the underlying fund invests on a discretionary basis and there are no restrictions on the extent to which the underlying fund's portfolio and performance may deviate from the target benchmark or the S&P Small Cap 600 Lagged (Net TR) index. The Investment Manager of the underlying fund will invest in companies or sectors not included in the target benchmark or the S&P Small Cap 600 Lagged (Net TR) index in order to take advantage of specific investment opportunities.</p> <p>The target benchmark has been selected because it is representative of the type of investments in which the underlying fund is likely to invest and it is, therefore, an appropriate target in relation to the return that the underlying fund aims to provide. The comparator benchmark has been selected because the Investment Manager of the underlying fund believes that it is a suitable comparison for performance purposes given the underlying fund's investment objective and policy.</p>	<p>Benchmark</p> <p>The underlying fund's performance should be assessed against its target benchmark being to exceed the Russell 2000 Lagged (Net TR) index and compared against the Morningstar US Small-Cap Equity Category. The underlying fund's investment universe is expected to overlap materially with the components of the target benchmark. The comparator benchmark is only included for performance comparison purposes and does not determine how the Investment Manager of the underlying fund invests the underlying fund's assets. The Investment Manager of the underlying fund invests on a discretionary basis and there are no restrictions on the extent to which the underlying fund's portfolio and performance may deviate from the target benchmark. The Investment Manager of the underlying fund will invest in companies or sectors not included in the target benchmark in order to take advantage of specific investment opportunities.</p> <p>The target benchmark has been selected because it is representative of the type of investments in which the underlying fund is likely to invest and it is, therefore, an appropriate target in relation to the return that the underlying fund aims to provide. The comparator benchmark has been selected because the Investment Manager of the underlying fund believes that it is a suitable comparison for performance purposes given the underlying 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 underlying fund.</p>

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Any terms not defined herein shall have the same meaning as set out in the current prospectus of the underlying fund of the Affected ILP sub-fund

SAMPLE