

«ClientName»
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«ClientPC»
«ClientCountry»

Financial Adviser

«AgentName»
«AgentAdd1»
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«AgentAdd5»
«AgentPC»
«AgentCountry»

29 December 2022

**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 closure of the below Friends Provident International Mirror Funds:
L04 Templeton Global Total Return (USD) (the “Affected Mirror Fund 1”)
L03 Templeton Global Total Return (EUR) (the “Affected Mirror Fund 2”)
L05 Templeton Global Bond (EUR) (the “Affected Mirror Fund 3”)
L06 Templeton Global Bond (USD) (the “Affected Mirror Fund 4”)
(together the “Affected Mirror Funds 1-4”)

We are writing to you as your policy or contract holds units in one or more of the Friends Provident International Limited (“FPIL”) Affected Mirror Funds 1-4.

We continually monitor our mirror fund range in order to achieve the quality and diversity for our international investors. Following a review, we will be realigning the mirror fund range that is available to you. This action aims to provide an updated and comprehensive selection of mirror funds to our policyholders.

As a result, FPIL has made the decision to remove the Affected Mirror Funds 1-4 from the mirror fund range on the following dates:

Affected Mirror Fund	Closure Date (the “Effective Date”)
L04 Templeton Global Total Return (USD)	29 March 2023
L03 Templeton Global Total Return (EUR) L05 Templeton Global Bond (EUR) L06 Templeton Global Bond (USD)	4 April 2023

We will stop accepting any new investment instruction to the Affected Mirror Funds 1-4 from the date of this letter onwards.

Action required by policyholders paying regular premiums into the Affected Mirror Funds 1-4:

You are free to re-direct future regular premiums, without charge, to any other Mirror Fund(s) available under your policy by completing a Switch/Redirection instruction form, a copy of which is available on request, and returning it to our office or through our online services portal on or before 3pm (UK time) on the date detailed in the table below under Deadline for Alternative Instructions.

If you fail to submit an instruction by the Deadline, we will direct, without charge, all your regular premiums received for the Affected Mirror Funds 1-4 to the mirror fund called **P67 Mellon Global Bond (USD)** (the “Default Mirror Fund”) on the Effective Switch Date shown in the table below:

Affected Mirror Fund	Deadline for Alternative Instructions	Effective Switch Date
L04 Templeton Global Total Return (USD)	23 March 2023	27 March 2023
L03 Templeton Global Total Return (EUR) L05 Templeton Global Bond (EUR) L06 Templeton Global Bond (USD)	29 March 2023	31 March 2023

We select the Default Mirror Fund based on various factors, which include but are not limited to (1) investment objective and strategy, (2) assets mix, (3) risk profile and (4) currency denomination. Please refer to the Appendix for details of the Default Mirror Fund.

We have selected **P67 Mellon Global Bond (USD)** to act as the Default Mirror Fund as this shows a high level of similarity in investment objective and portfolio allocation to the Affected Mirror Funds 1-4.

Please refer to the **Appendix** for comparative information between the Affected Mirror Funds 1-4 and the Default Mirror Fund.

Action required by policyholders with existing investments in the Affected Mirror Funds 1-4:

You are free to switch your existing investments out of the Affected Mirror Funds 1-4 at any time up to the Deadline, without charge, to other Mirror Fund(s) available under your policy. You can do this by completing a Switch/Redirection instruction form and returning it to us, or through our online services portal by the Deadline. If we have not received any instruction from you by the Deadline, we will automatically switch your existing investments in the Affected Mirror Funds 1-4 into the Default Mirror Fund on the Effective Switch Date, without charge.

Action required by policyholders who request a switch-in and/or request for additional single or regular premium into the Affected Mirror Funds 1-4:

If a new switch-in request or request for additional single or regular premium into the Affected Mirror Funds 1-4 is submitted from the date of this letter, we will contact you or your independent financial adviser for an alternative instruction. If we are unable to contact either you or your independent financial adviser to obtain an alternative instruction we will not process it.

All costs relating to the arrangement herein, including, without limitation, expenses relating to the removal of the Affected Mirror Funds 1-4 will be borne by FPIL.

We recommend that you seek the advice of your usual independent financial adviser before making any investment decisions.

Factsheets for the available FPIL mirror funds can be found via our interactive Fund Centre research tool on our website www.fpinternational.com/fundcentre. Full details on the underlying funds of the Mirror Funds can be found in the fund prospectus, which is available on request.

Getting in touch

If you have any questions regarding your policy, 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 funds or the underlying funds, please contact our Investment Marketing team at Fundqueries.Intl@fpiom.com.

Yours sincerely



Chris Corkish
Investment Marketing Manager

Fund prices may fluctuate and are not guaranteed. Investment involves risks. 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.

Should Friends Provident International be unable to meet its liabilities to its policyholders, they will receive the protection of the Life Assurance (Compensation of Policyholders) Regulations 1991 of the Isle of Man. However 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 of the Affected Mirror Funds 1-4 and the Default Mirror Fund

	Affected Mirror Fund 1	Default Mirror Fund
Name and code of Mirror Fund	L04 Templeton Global Total Return (USD)	P67 Mellon Global Bond (USD)
Name of corresponding underlying fund of the Mirror Fund	Franklin Templeton Investment Funds - Templeton Global Total Return Fund	BNY Mellon Global Funds PLC – BNY Mellon Global Bond Fund
Name of management company of underlying fund	Franklin Templeton International Services S.à.r.l.	BNY Mellon Fund Management (Luxembourg) S.A.
Share class of underlying fund	A-Acc	A-Acc
Currency of Mirror Fund	USD	USD
Currency of underlying fund	USD	USD
Investment objective and investment policy/strategy of the underlying fund	<p>The underlying fund's principal investment objective is to maximise, consistent with prudent investment management, total investment return consisting of a combination of interest income, capital appreciation, and currency gains.</p> <p>The underlying fund seeks to achieve its objective by investing principally in a portfolio of fixed and floating-rate debt securities and debt obligations (including investment grade and non-investment grade securities) issued by governments and government-related issuers or corporate entities worldwide. The underlying fund may also purchase debt obligations issued by supranational entities organised or supported by several national governments, such as the International Bank for Reconstruction and Development or the European Investment Bank.</p> <p>The underlying fund employs a proprietary Environmental, Social and Governance ("ESG") rating methodology to assess government bond issuers, which is derived from a composite of subcategories determined to be material to macroeconomic</p>	<p>The underlying fund aims to maximise total returns from income and capital growth through investment primarily (meaning at least 90% of the underlying fund's assets) in a portfolio of international, sovereign, government, agency, corporate, bank and asset-backed debt and debt-related securities and in derivatives.</p> <p>The underlying fund will primarily invest, meaning at least 90% of the underlying fund's net asset value, in a portfolio of international, sovereign, government, supranational agency, corporate, bank and other bonds (including mortgage and corporate bonds) and other debt and debt-related securities (such as debentures, notes (including corporate, sovereign, floating and fixed rate notes with a minimum term of one year or more) asset and mortgage-backed securities, certificates of deposit, commercial paper and American and/or global depository receipts) listed or traded on eligible markets located worldwide and in financial derivative instruments.</p> <p>No more than 10% of the underlying fund's net asset value will be listed or traded on eligible</p>

	<p>performance. The research team assigns scores on all invested countries by overlaying their views on a benchmark created by global indexes for current scores. Projected numbers in anticipation of how conditions will change in the medium term are emphasized as part of the research process.</p> <p>The underlying fund may also utilise financial derivative instruments for hedging, efficient portfolio management and investment purposes.</p> <p>The underlying fund may also, in accordance with the investment restrictions, invest in securities or structured products (such as credit-linked securities, commercial and residential mortgage-backed securities as well as collateralised debt obligations, including collateralised loan obligations) where the security is linked to or derives its value from another security or is linked to assets or currencies of any country.</p> <p>The underlying fund may also purchase mortgage- and asset-backed securities and convertible bonds. The underlying fund can invest less than 30% of its net assets in Mainland China through the Bond Connect or directly (also referred to as CIBM direct).</p> <p>The underlying fund may hold up to 10% of its net assets in securities in default, may purchase fixed income securities and debt obligations denominated in any currency and may hold equity securities to the extent that such securities result from the conversion or exchange of a preferred stock or debt obligation. The underlying fund may also invest up to 10% of its net assets in units of Undertakings for the Collective Investment in Transferable Securities (“UCITS”) or other Undertakings for the Collective Investments (“UCIs”). The underlying fund may also participate in mortgage dollar roll transactions.</p>	<p>markets located in emerging market regions.</p> <p>The minimum credit rating of the debt and debt-related instruments in which the underlying fund may invest at time of purchase is BBB-, (or its equivalent), as rated by a recognised rating agency. In the case of a split rating, the highest rating will be considered. If an instrument is unrated, it must be of equivalent quality as determined by the investment manager.</p> <p>In addition, the underlying fund will not invest more than 10% of its net asset value in aggregate in collective investment schemes.</p> <p>The underlying fund may also invest up to 10% of its net asset value in debt and debt-related securities in the People’s Republic of China (“PRC”) traded in the China interbank bond market (“CIBM”) via Bond Connect (as further described in Appendix VI to the prospectus of the underlying fund.)</p> <p>The consideration of sustainability risk forms an important part of the due diligence process implemented by the investment manager.</p> <p>When assessing the sustainability risk associated with underlying investments, the investment manager is assessing the risk that the value of such underlying investments could be materially negatively impacted by an Environmental, Social and Governance (“ESG”) event or condition (“ESG Event”). The investment manager has access to a variety of ESG related data points provided by third party data which assists with the identification of potential ESG-related issues that an issuer may be facing. This includes but is not limited to exposure to activities that may be deemed harmful to the environment or society. This data, along with data from the investment manager’s own proprietary responsible investment</p>
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	<p>The underlying fund may use futures contracts on US Treasury securities to help manage risks relating to interest rates and other market factors, to increase liquidity, and to quickly and efficiently allow new cash to be invested in the securities markets or, if cash is needed to meet shareholder redemption requests, to remove the underlying fund assets from exposure to the market.</p> <p>The underlying fund may invest up to 25% of its net assets in debt securities issued or guaranteed by a single sovereign issuer (including its government, public or local authority) with a credit rating below investment grade at the time of purchase.</p>	<p>research resources, forms a central part of the investment manager's consideration and assessment of the level of sustainability risk that an investment may be subject to.</p> <p>This assessment is integrated in to the security level research process, which is based upon fundamental analysis of individual investment opportunities across a number of different factors including:</p> <ul style="list-style-type: none"> – Fundamental financial or economic characteristics – Valuation – Risk/reward profile – The ESG characteristics of the issuer, including understanding how such considerations can impact economic returns.
Annual Management Charge (AMC) of the underlying fund	1.05% of net asset value per annum.	1.00% of net asset value per annum.
Ongoing Charges Figure (OCF) of the underlying fund**	1.39%	1.14%
Risk/reward profile***	4	2

**Ongoing Charge ("OCF") includes the Annual Management Charge plus other operational expenses, as at period ending 31 December 2021, so better reflects the total costs applied to the underlying fund.

***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.

	Affected Mirror Fund 2	Default Mirror Fund
Name and code of Mirror Fund	L03 Templeton Global Total Return (EUR)	P67 Mellon Global Bond (USD)
Name of corresponding underlying fund of the Mirror Fund	Franklin Templeton Investment Funds - Templeton Global Total Return Fund	BNY Mellon Global Funds PLC – BNY Mellon Global Bond Fund
Name of management company of underlying fund	Franklin Templeton International Services S.à.r.l.	BNY Mellon Fund Management (Luxembourg) S.A.
Share class of underlying fund	A-Acc	A-Acc
Currency of Mirror Fund*	EUR	USD
Currency of underlying fund	EUR	USD
Investment objective and investment policy/strategy of the underlying fund	<p>The underlying fund's principal investment objective is to maximise, consistent with prudent investment management, total investment return consisting of a combination of interest income, capital appreciation, and currency gains.</p> <p>The underlying fund seeks to achieve its objective by investing principally in a portfolio of fixed and floating-rate debt securities and debt obligations (including investment grade and non-investment grade securities) issued by governments and government-related issuers or corporate entities worldwide. The underlying fund may also purchase debt obligations issued by supranational entities organised or supported by several national governments, such as the International Bank for Reconstruction and Development or the European Investment Bank.</p> <p>The underlying fund employs a proprietary Environmental, Social and Governance ("ESG") rating methodology to assess government bond issuers, which is derived from a composite of subcategories determined to be material to macroeconomic performance. The research team assigns scores on all invested countries by overlaying their views on a benchmark created by global indexes for current scores. Projected numbers in anticipation</p>	<p>The underlying fund aims to maximise total returns from income and capital growth through investment primarily (meaning at least 90% of the underlying fund's assets) in a portfolio of international, sovereign, government, agency, corporate, bank and asset-backed debt and debt-related securities and in derivatives.</p> <p>The underlying fund will primarily invest, meaning at least 90% of the underlying fund's net asset value, in a portfolio of international, sovereign, government, supranational agency, corporate, bank and other bonds (including mortgage and corporate bonds) and other debt and debt-related securities (such as debentures, notes (including corporate, sovereign, floating and fixed rate notes with a minimum term of one year or more) asset and mortgage-backed securities, certificates of deposit, commercial paper and American and/or global depository receipts) listed or traded on eligible markets located worldwide and in financial derivative instruments.</p> <p>No more than 10% of the underlying fund's net asset value will be listed or traded on eligible markets located in emerging market regions.</p> <p>The minimum credit rating of the debt and debt-related instruments in which the underlying fund may invest at time of purchase is BBB-,</p>

	<p>of how conditions will change in the medium term are emphasized as part of the research process.</p> <p>The underlying fund may also utilise financial derivative instruments for hedging, efficient portfolio management and investment purposes.</p> <p>The underlying fund may also, in accordance with the investment restrictions, invest in securities or structured products (such as credit-linked securities, commercial and residential mortgage-backed securities as well as collateralised debt obligations, including collateralised loan obligations) where the security is linked to or derives its value from another security or is linked to assets or currencies of any country.</p> <p>The underlying fund may also purchase mortgage- and asset-backed securities and convertible bonds. The underlying fund can invest less than 30% of its net assets in Mainland China through the Bond Connect or directly (also referred to as CIBM direct).</p> <p>The underlying fund may hold up to 10% of its net assets in securities in default, may purchase fixed income securities and debt obligations denominated in any currency and may hold equity securities to the extent that such securities result from the conversion or exchange of a preferred stock or debt obligation. The underlying fund may also invest up to 10% of its net assets in units of Undertakings for the Collective Investment in Transferable Securities (“UCITS”) or other Undertakings for the Collective Investments (“UCIs”). The underlying fund may also participate in mortgage dollar roll transactions.</p> <p>The underlying fund may use futures contracts on US Treasury securities to help manage risks relating to interest rates and other market factors, to increase</p>	<p>(or its equivalent), as rated by a recognised rating agency. In the case of a split rating, the highest rating will be considered. If an instrument is unrated, it must be of equivalent quality as determined by the investment manager.</p> <p>In addition, the underlying fund will not invest more than 10% of its net asset value in aggregate in collective investment schemes.</p> <p>The underlying fund may also invest up to 10% of its net asset value in debt and debt-related securities in the People’s Republic of China (“PRC”) traded in the China interbank bond market (“CIBM”) via Bond Connect (as further described in Appendix VI to the prospectus of the underlying fund.)</p> <p>The consideration of sustainability risk forms an important part of the due diligence process implemented by the investment manager.</p> <p>When assessing the sustainability risk associated with underlying investments, the investment manager is assessing the risk that the value of such underlying investments could be materially negatively impacted by an Environmental, Social and Governance (“ESG”) event or condition (“ESG Event”). The investment manager has access to a variety of ESG related data points provided by third party data which assists with the identification of potential ESG-related issues that an issuer may be facing. This includes but is not limited to exposure to activities that may be deemed harmful to the environment or society. This data, along with data from the investment manager’s own proprietary responsible investment research resources, forms a central part of the investment manager’s consideration and assessment of the level of sustainability risk that an investment may be subject to.</p>
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	<p>liquidity, and to quickly and efficiently allow new cash to be invested in the securities markets or, if cash is needed to meet shareholder redemption requests, to remove the underlying fund assets from exposure to the market.</p> <p>The underlying fund may invest up to 25% of its net assets in debt securities issued or guaranteed by a single sovereign issuer (including its government, public or local authority) with a credit rating below investment grade at the time of purchase.</p>	<p>This assessment is integrated in to the security level research process, which is based upon fundamental analysis of individual investment opportunities across a number of different factors including:</p> <ul style="list-style-type: none"> – Fundamental financial or economic characteristics – Valuation – Risk/reward profile – The ESG characteristics of the issuer, including understanding how such considerations can impact economic returns.
Annual Management Charge (AMC) of the underlying fund	1.05% of net asset value per annum.	1.00% of net asset value per annum.
Ongoing Charges Figure (OCF) of the underlying fund**	1.39%	1.14%
Risk/reward profile***	4	2

*Policyholders should note that while the Affected Mirror Fund 2 is denominated in EUR, the Default Mirror Fund is denominated in USD. This means there will be a different foreign exchange risk exposure, and that any exchange rate movements between these two currencies may affect the policy performance. If your policy currency is not in USD, your investment will be subject to foreign exchange risk when switching into the Default Mirror Fund.

**Ongoing Charge (“OCF”) includes the Annual Management Charge plus other operational expenses, as at period ending 31 December 2021, so better reflects the total costs applied to the underlying fund.

***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.

	Affected Mirror Fund 3	Default Mirror Fund
Name and code of Mirror Fund	L05 Templeton Global Bond (EUR)	P67 Mellon Global Bond (USD)
Name of corresponding underlying fund of the Mirror Fund	Franklin Templeton Investment Funds - Templeton Global Bond Fund	BNY Mellon Global Funds PLC – BNY Mellon Global Bond Fund
Name of management company of underlying fund	Franklin Templeton International Services S.à.r.l.	BNY Mellon Fund Management (Luxembourg) S.A.
Share class of underlying fund	A-Acc	A-Acc
Currency of Mirror Fund*	EUR	USD
Currency of underlying fund	EUR	USD
Investment objective and investment policy/strategy of the underlying fund	<p>The underlying fund's principal investment objective is to maximise, consistent with prudent investment management, total investment return consisting of a combination of interest income, capital appreciation and currency gains.</p> <p>The underlying fund seeks to achieve its objective by investing principally in a portfolio of fixed or floating-rate debt securities (including non-investment grade securities) and debt obligations issued by government or government-related issuers worldwide. The underlying fund may also, in accordance with the investment restrictions, invest in debt securities (including non-investment grade securities) of corporate issuers. The underlying fund may also purchase debt obligations issued by supranational entities organised or supported by several national governments, such as the International Bank for Reconstruction and Development or the European Investment Bank.</p> <p>The underlying fund may invest less than 30% of its net assets in Mainland China through the Bond Connect or directly (also referred to as CIBM direct).</p> <p>The underlying fund employs a proprietary Environmental, Social and Governance ("ESG") rating methodology to assess each</p>	<p>The underlying fund aims to maximise total returns from income and capital growth through investment primarily (meaning at least 90% of the underlying fund's assets) in a portfolio of international, sovereign, government, agency, corporate, bank and asset-backed debt and debt-related securities and in derivatives.</p> <p>The underlying fund will primarily invest, meaning at least 90% of the underlying fund's net asset value, in a portfolio of international, sovereign, government, supranational agency, corporate, bank and other bonds (including mortgage and corporate bonds) and other debt and debt-related securities (such as debentures, notes (including corporate, sovereign, floating and fixed rate notes with a minimum term of one year or more) asset and mortgage-backed securities, certificates of deposit, commercial paper and American and/or global depository receipts) listed or traded on eligible markets located worldwide and in financial derivative instruments.</p> <p>No more than 10% of the underlying fund's net asset value will be listed or traded on eligible markets located in emerging market regions.</p> <p>The minimum credit rating of the debt and debt-related instruments in which the underlying fund may</p>

	<p>country that issues sovereign bonds that are existing or potential investments for the underlying fund.</p> <p>The ESG methodology is applied to 100% of the sovereign debt holdings in the underlying fund's portfolio and is binding for the portfolio construction.</p> <p>Preference is given to countries with higher ESG ratings or projected neutral to improving ESG ratings. The weighted average base ESG score of the issuers in the underlying fund's portfolio is higher than the average base ESG score of the underlying fund's investment universe.</p> <p>The investment manager monitors countries that (i) are below the minimum ESG threshold (the lowest 20% of ESG rated countries) and (ii) present meaningful projected deteriorating scores, with a view to evaluate the potential divestment of sovereign bonds issued by countries that demonstrate no improvement over time.</p> <p>The underlying fund may also utilise financial derivative instruments for hedging, efficient portfolio management and investment purposes.</p> <p>The ESG methodology is applied to the notional value of derivatives used to gain long positions in interest rates, currencies or credit exposures. Use of financial derivative instruments may result in negative exposures in a specific yield curve/duration, currency or credit. The underlying fund may also invest in securities or structured products (such as credit-linked securities, mortgage- and asset-backed securities) where the security is linked to or derives its value from another security or is linked to assets or currencies of any country.</p>	<p>invest at time of purchase is BBB-, (or its equivalent), as rated by a recognised rating agency. In the case of a split rating, the highest rating will be considered. If an instrument is unrated, it must be of equivalent quality as determined by the investment manager.</p> <p>In addition, the underlying fund will not invest more than 10% of its net asset value in aggregate in collective investment schemes.</p> <p>The underlying fund may also invest up to 10% of its net asset value in debt and debt-related securities in the People's Republic of China ("PRC") traded in the China interbank bond market ("CIBM") via Bond Connect (as further described in Appendix VI to the prospectus of the underlying fund.)</p> <p>The consideration of sustainability risk forms an important part of the due diligence process implemented by the investment manager.</p> <p>When assessing the sustainability risk associated with underlying investments, the investment manager is assessing the risk that the value of such underlying investments could be materially negatively impacted by an Environmental, Social and Governance ("ESG") event or condition ("ESG Event"). The investment manager has access to a variety of ESG related data points provided by third party data which assists with the identification of potential ESG-related issues that an issuer may be facing. This includes but is not limited to exposure to activities that may be deemed harmful to the environment or society. This data, along with data from the investment manager's own proprietary responsible investment research resources, forms a central part of the investment manager's consideration and assessment of the level of sustainability risk that an investment may be subject to.</p>
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	<p>The underlying fund may hold up to 10% of its net assets in securities in default.</p> <p>The underlying fund may purchase fixed income securities and debt obligations denominated in any currency, including convertible bonds and may hold equity securities to the extent that such securities result from the conversion or exchange of a preferred stock or debt obligation.</p> <p>The underlying fund may also invest up to 10% of its net assets in units of Undertakings for the Collective Investment in Transferable Securities (“UCITS”) or other Undertakings for the Collective Investments (“UCIs”) for cash management purposes only.</p> <p>The ESG methodology is not applied to UCITS / UCI used for cash management purposes.</p>	<p>This assessment is integrated in to the security level research process, which is based upon fundamental analysis of individual investment opportunities across a number of different factors including:</p> <ul style="list-style-type: none"> – Fundamental financial or economic characteristics – Valuation – Risk/reward profile – The ESG characteristics of the issuer, including understanding how such considerations can impact economic returns.
Annual Management Charge (AMC) of the underlying fund	1.05% of net asset value per annum.	1.00% of net asset value per annum.
Ongoing Charges Figure (OCF) of the underlying fund	1.38%	1.14%
Risk/reward profile**	4	2

*Policyholders should note that while the Affected Mirror Fund 3 is denominated in EUR, the Default Mirror Fund is denominated in USD. This means there will be a different foreign exchange risk exposure, and that any exchange rate movements between these two currencies may affect the policy performance. If your policy currency is not in USD, your investment will be subject to foreign exchange risk when switching into the Default Mirror Fund.

**Ongoing Charge (“OCF”) includes the Annual Management Charge plus other operational expenses, as at period ending 31 December 2021, so better reflects the total costs applied to the underlying fund.

***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.

	Affected Mirror Fund 4	Default Mirror Fund
Name and code of Mirror Fund	L06 Templeton Global Bond (USD)	P67 Mellon Global Bond (USD)
Name of corresponding underlying fund of the Mirror Fund	Franklin Templeton Investment Funds - Templeton Global Bond Fund	BNY Mellon Global Funds PLC – BNY Mellon Global Bond Fund
Name of management company of underlying fund	Franklin Templeton International Services S.à.r.l.	BNY Mellon Fund Management (Luxembourg) S.A.
Share class of underlying fund	A-Acc	A-Acc
Currency of Mirror Fund	USD	USD
Currency of underlying fund	USD	USD
Investment objective and investment policy/strategy of the underlying fund	<p>The underlying fund's principal investment objective is to maximise, consistent with prudent investment management, total investment return consisting of a combination of interest income, capital appreciation and currency gains.</p> <p>The underlying fund seeks to achieve its objective by investing principally in a portfolio of fixed or floating-rate debt securities (including non-investment grade securities) and debt obligations issued by government or government-related issuers worldwide. The underlying fund may also, in accordance with the investment restrictions, invest in debt securities (including non-investment grade securities) of corporate issuers. The underlying fund may also purchase debt obligations issued by supranational entities organised or supported by several national governments, such as the International Bank for Reconstruction and Development or the European Investment Bank.</p> <p>The underlying fund may invest less than 30% of its net assets in Mainland China through the Bond Connect or directly (also referred to as CIBM direct).</p> <p>The underlying fund employs a proprietary Environmental, Social and Governance ("ESG") rating methodology to assess each</p>	<p>The underlying fund aims to maximise total returns from income and capital growth through investment primarily (meaning at least 90% of the underlying fund's assets) in a portfolio of international, sovereign, government, agency, corporate, bank and asset-backed debt and debt-related securities and in derivatives.</p> <p>The underlying fund will primarily invest, meaning at least 90% of the underlying fund's net asset value, in a portfolio of international, sovereign, government, supranational agency, corporate, bank and other bonds (including mortgage and corporate bonds) and other debt and debt-related securities (such as debentures, notes (including corporate, sovereign, floating and fixed rate notes with a minimum term of one year or more) asset and mortgage-backed securities, certificates of deposit, commercial paper and American and/or global depository receipts) listed or traded on eligible markets located worldwide and in financial derivative instruments.</p> <p>No more than 10% of the underlying fund's net asset value will be listed or traded on eligible markets located in emerging market regions.</p> <p>The minimum credit rating of the debt and debt-related instruments in which the underlying fund may</p>

	<p>country that issues sovereign bonds that are existing or potential investments for the underlying fund.</p> <p>The ESG methodology is applied to 100% of the sovereign debt holdings in the underlying fund's portfolio and is binding for the portfolio construction.</p> <p>Preference is given to countries with higher ESG ratings or projected neutral to improving ESG ratings. The weighted average base ESG score of the issuers in the underlying fund's portfolio is higher than the average base ESG score of the underlying fund's investment universe.</p> <p>The investment manager monitors countries that (i) are below the minimum ESG threshold (the lowest 20% of ESG rated countries) and (ii) present meaningful projected deteriorating scores, with a view to evaluate the potential divestment of sovereign bonds issued by countries that demonstrate no improvement over time.</p> <p>The underlying fund may also utilise financial derivative instruments for hedging, efficient portfolio management and investment purposes.</p> <p>The ESG methodology is applied to the notional value of derivatives used to gain long positions in interest rates, currencies or credit exposures. Use of financial derivative instruments may result in negative exposures in a specific yield curve/duration, currency or credit. The underlying fund may also invest in securities or structured products (such as credit-linked securities, mortgage- and asset-backed securities) where the security is linked to or derives its value from another security or is linked to assets or currencies of any country.</p>	<p>invest at time of purchase is BBB-, (or its equivalent), as rated by a recognised rating agency. In the case of a split rating, the highest rating will be considered. If an instrument is unrated, it must be of equivalent quality as determined by the investment manager.</p> <p>In addition, the underlying fund will not invest more than 10% of its net asset value in aggregate in collective investment schemes.</p> <p>The underlying fund may also invest up to 10% of its net asset value in debt and debt-related securities in the People's Republic of China ("PRC") traded in the China interbank bond market ("CIBM") via Bond Connect (as further described in Appendix VI to the prospectus of the underlying fund.)</p> <p>The consideration of sustainability risk forms an important part of the due diligence process implemented by the investment manager.</p> <p>When assessing the sustainability risk associated with underlying investments, the investment manager is assessing the risk that the value of such underlying investments could be materially negatively impacted by an Environmental, Social and Governance ("ESG") event or condition ("ESG Event"). The investment manager has access to a variety of ESG related data points provided by third party data which assists with the identification of potential ESG-related issues that an issuer may be facing. This includes but is not limited to exposure to activities that may be deemed harmful to the environment or society. This data, along with data from the investment manager's own proprietary responsible investment research resources, forms a central part of the investment manager's consideration and assessment of the level of sustainability risk that an investment may be subject to.</p>
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Annual Management Charge (AMC) of the underlying fund	1.05% of net asset value per annum.	1.00% of net asset value per annum.
Ongoing Charges Figure (OCF) of the underlying fund**	1.38%	1.14%
Risk/reward profile***	4	2

**Ongoing Charge (“OCF”) includes the Annual Management Charge plus other operational expenses, as at period ending 31 December 2021, so better reflects the total costs applied to the underlying fund.

**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.

