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**Financial Adviser**

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July 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 changes to the underlying funds of:**

**L75 - BlackRock SF - Managed Index Portfolios Defensive (USD)**  
**L72 - BlackRock SF - Managed Index Portfolios Defensive (GBP)**  
**L76 - BlackRock SF - Managed Index Portfolios Moderate (USD)**  
**L73 - BlackRock SF - Managed Index Portfolios Moderate (GBP)**  
**L77 - BlackRock SF - Managed Index Portfolios Growth (USD)**  
**L74 - BlackRock SF - Managed Index Portfolios Growth (GBP)**  
**(together the “Affected Mirror Funds”)**

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 named above.

We have been notified by BlackRock Strategic Funds (“BlackRock”) of the following upcoming changes to the underlying funds of the Affected Mirror Funds. These changes will take effect from **18 August 2022** (the “Effective Date”).

**Summary of Changes**

From the Effective Date, the investment strategy of the underlying funds of the Affected Mirror Funds will change to adopt environmental, social and governance (“ESG”) principles. The underlying funds of the Affected Mirror Funds will continue to follow the same investment objective but going forward will do so in a manner that is consistent with the principles of ESG focused investing.

From the Effective Date, the underlying funds of the Affected Mirror Funds will be classified as Article 8 under the EU’s Sustainable Finance Disclosure Regulation (“SFDR”), changing from Article 6. Article 8 funds are those that promote social and/or environmental characteristics, invest in companies that follow good governance, give binding commitments but do not have a sustainable investment objective.

### ESG Commitments from the Effective Date

- More than 90% of the issuers of securities that the underlying funds of the Affected Mirror Funds invest in are ESG rated or have been analysed for ESG purposes.
- The underlying funds of the Affected Mirror Funds will invest a minimum of 80% of their total assets in underlying funds that pursue ESG strategies or attributes.
- Where investing in sovereign bond funds, the underlying funds of the Affected Mirror Funds will invest a minimum of 80% of their total assets in underlying sovereign bond funds with an ESG sovereign rating of BB or higher.
- The underlying funds of the Affected Mirror Funds will seek to reduce carbon emissions relative to the MSCI ACWI Index and Bloomberg Multiverse Index by 30% and have an ongoing reduction in their emissions intensity.

Full details of the changes to the investment objective and policy of the underlying funds of the Affected Mirror Funds can be seen in the **Appendix** to this letter.

There are no other changes to the underlying funds of the Affected Mirror Funds and **you do not need to take any action as a result of this letter** if you wish to remain invested in the Affected Mirror Funds. Should you wish to select alternative fund(s), you are free to do so, without charge. This can be done online through the FPI Portal - simply log in at <https://portal.fpinternational.com>.

**We recommend that you seek the advice of your usual 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](http://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](mailto: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](mailto: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.**

## Appendix

Terms not defined in the table below shall have the same meaning as set out in the underlying fund prospectus currently in force (available at [www.blackrock.com](http://www.blackrock.com)).

	<b>From the Effective Date</b>
Affected Mirror Funds	L76 - BlackRock SF - Managed Index Portfolios Moderate (USD) L73 - BlackRock SF - Managed Index Portfolios Moderate (GBP)
Underlying fund objective and policy <i>(additions are underlined)</i>	<p>The BlackRock Managed Index Portfolios – Moderate aims to deliver a total return, which is a combination of capital growth and income, commensurate with a moderate level of risk <u>and in a manner consistent with the principles of environmental, social and governance (ESG) investing.</u></p> <p>The Fund will seek to achieve its investment objective by obtaining indirect exposure to a broad range of asset classes, which may include equity and equity-related securities, fixed income and fixed income-related securities, alternative assets, cash and near-cash instruments. <u>The Fund will invest in accordance with the ESG Policy as set out below.</u></p> <p>Exposure to these asset classes will be achieved through investments in units of undertakings for collective investment, including but not limited to Exchange Traded Funds and other Index Funds managed by an affiliate of the BlackRock Group and, when determined appropriate, the Fund may invest directly in derivatives, cash and near-cash instruments. The Fund will not be subject to any geographic restrictions. It is intended that the Fund's direct and indirect exposure to equities will not exceed 70% of its Net Asset Value, however, this exposure may vary over time. The Fund's direct and indirect exposure to non-investment grade fixed income securities will not exceed 20% of its Net Asset Value. The Fund may take indirect exposure to Hard Commodities (but not Soft Commodities) through investments in undertakings for collective investment (including exchange traded funds) and derivatives on commodity indices. The Fund may also, at times, take indirect exposure to the price of commodities through investments in exchange traded notes and other debt instruments listed or traded on regulated markets (which do not embed a derivative). The currency exposure of the Fund is flexibly managed.</p> <p>There can be no guarantee that the Fund will attain a moderate level of risk, especially during periods of unusually high or low volatility in the equity and fixed income markets. Generally, the Fund will seek to be positioned such that the Fund's risk as measured by annualised volatility over a 5 year period falls within the range of 5%-10%, however, the Fund's risk profile may fall outside the stated range from time to time.</p> <p><b><u>ESG Policy</u></b> <u>More than 90% of the issuers of the holdings (excluding MMFs) of the Fund are ESG rated or have been analysed for ESG purposes.</u></p> <p><u>The Fund seeks to invest at least 80% of total assets in CIS which pursue a positive ESG objective or outcome, or, in the case of government bond exposures, track benchmark indices incorporating ESG requirements or comprised of bonds issued by governments that have an ESG sovereign rating of at least BB (as defined by third</u></p>

	<p>party ESG data vendors), and in both cases being CIS with status aligned with the SFDR Regulation.</p> <p><u>The climate objective of the Fund is to seek to reduce its carbon emissions intensity relative to the MSCI ACWI Index and Bloomberg Multiverse Index (the "Index") by 30%. The Fund intends to have an ongoing reduction in its emission intensity.</u></p> <p><u>The weighted average ESG rating of the Fund will be higher than the ESG rating of the index.</u></p> <p><b>Benchmark Use</b> The Fund is actively managed, and the Investment Adviser has discretion to select the Fund's investments and is not constrained by any benchmark in this process. <u>Investors may use the Index for the purposes of measuring performance of the Fund against the relevant commitments set out in the ESG policy.</u></p>
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	<b>From the Effective Date</b>
Affected Mirror Funds	L75 - BlackRock SF - Managed Index Portfolios Defensive (USD) L72 - BlackRock SF - Managed Index Portfolios Defensive (GBP)
Underlying fund objective and policy <i>(additions are underlined)</i>	<p>The BlackRock Managed Index Portfolios – Defensive aims to deliver a total return, which is a combination of capital growth and income, commensurate with a defensive level of risk <u>and in a manner consistent with the principles of environmental, social and governance (ESG) investing.</u></p> <p>The Fund will seek to achieve its investment objective by obtaining indirect exposure to a broad range of asset classes, which may include equity and equity-related securities, fixed income and fixed income-related securities, alternative assets, cash and near-cash instruments. <u>The Fund will invest in accordance with the ESG Policy as set out below.</u></p> <p>Exposure to these asset classes will be achieved through investments in units of undertakings for collective investment, including but not limited to Exchange Traded Funds and other Index Funds managed by an affiliate of the BlackRock Group and, when determined appropriate, the Fund may invest directly in derivatives, cash and near-cash instruments. The Fund will not be subject to any geographic restrictions. It is intended that the Fund's direct and indirect exposure to equities will not exceed 30% of its Net Asset Value, however, this exposure may vary over time.</p> <p>The Fund's direct and indirect exposure to non-investment grade fixed income securities will not exceed 20% of its Net Asset Value. The Fund may take indirect exposure to Hard Commodities (but not Soft Commodities) through investments in undertakings for collective investment (including exchange traded funds) and derivatives on commodity indices. The Fund may also, at times, take indirect exposure to the price of commodities through investments in exchange traded notes and other debt instruments listed or traded on regulated markets (which do not embed a derivative). The currency exposure of the Fund is flexibly managed.</p> <p>There can be no guarantee that the Fund will attain a defensive level of risk, especially during periods of unusually high or low volatility in</p>

	<p>the equity and fixed income markets. Generally, the Fund will seek to be positioned such that the Fund's risk as measured by annualized volatility over a 5 year period falls within the range of 2%-5%, however, the Fund's risk profile may fall outside the stated range from time to time.</p> <p><b>ESG Policy</b>  <u>More than 90% of the issuers of the holdings (excluding MMFs) of the Fund are ESG rated or have been analysed for ESG purposes.</u></p> <p><u>The Fund seeks to invest at least 80% of total assets in CIS which pursue a positive ESG objective or outcome, or, in the case of government bond exposures, track benchmark indices incorporating ESG requirements or comprised of bonds issued by governments that have an ESG sovereign rating of at least BB (as defined by third party ESG data vendors), and in both cases being CIS with status aligned with the SFDR Regulation.</u></p> <p><u>The climate objective of the Fund is to seek to reduce its carbon emissions intensity relative to the MSCI ACWI Index and Bloomberg Multiverse Index (the "Index") by 30%. The Fund intends to have an ongoing reduction in its emission intensity.</u></p> <p><u>The weighted average ESG rating of the Fund will be higher than the ESG rating of the index.</u></p> <p><b>Benchmark Use</b>  The Fund is actively managed, and the Investment Adviser has discretion to select the Fund's investments and is not constrained by any benchmark in this process. <u>Investors may use the Index for the purposes of measuring performance of the Fund against the relevant commitments set out in the ESG policy.</u></p>
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	<b>From the Effective Date</b>
Affected Mirror Funds	L77 - BlackRock SF - Managed Index Portfolios Growth (USD) L74 - BlackRock SF - Managed Index Portfolios Growth (GBP)
Underlying fund objective and policy ( <i>additions are underlined</i> )	<p>The BlackRock Managed Index Portfolios – Growth aims to deliver a total return, which is a combination of capital growth and income, commensurate with a relatively high level of risk <u>and in a manner consistent with the principles of environmental, social and governance (ESG) investing.</u></p> <p>The Fund will seek to achieve its investment objective by obtaining indirect exposure to a broad range of asset classes, which may include equity and equity-related securities, fixed income and fixed income-related securities, alternative assets, cash and near-cash instruments. <u>The Fund will invest in accordance with the ESG Policy as set out below.</u></p> <p>Exposure to these asset classes will be achieved through investments in units of undertakings for collective investment, including but not limited to Exchange Traded Funds and other Index Funds managed by an affiliate of the BlackRock Group and, when determined appropriate, the Fund may invest directly in derivatives, cash and near-cash instruments. The Fund will not be subject to any geographic restrictions. It is intended that the Fund's direct and indirect exposure to equities will not exceed 90% of its Net Asset</p>

Value, however, this exposure may vary over time. The Fund's direct and indirect exposure to non-investment grade fixed income securities will not exceed 20% of its Net Asset Value. The Fund may take indirect exposure to Hard Commodities (but not Soft Commodities) through investments in undertakings for collective investment (including exchange traded funds) and derivatives on commodity indices. The Fund may also, at times, take indirect exposure to the price of commodities through investments in exchange traded notes and other debt instruments listed or traded on regulated markets (which do not embed a derivative). The currency exposure of the Fund is flexibly managed.

There can be no guarantee that the Fund will attain a relatively high level of risk, especially during periods of unusually high or low volatility in the equity and fixed income markets. Generally, the Fund will seek to be positioned such that the Fund's risk as measured by annualised volatility over a 5 year period falls within the range of 10%-15%, however, the Fund's risk profile may fall outside the stated range from time to time.

#### **ESG Policy**

More than 90% of the issuers of the holdings (excluding MMFs) of the Fund are ESG rated or have been analysed for ESG purposes.

The Fund seeks to invest at least 80% of total assets in CIS which pursue a positive ESG objective or outcome, or, in the case of government bond exposures, track benchmark indices incorporating ESG requirements or comprised of bonds issued by governments that have an ESG sovereign rating of at least BB (as defined by third party ESG data vendors), and in both cases being CIS with status aligned with the SFDR Regulation.

The climate objective of the Fund is to seek to reduce its carbon emissions intensity relative to the MSCI ACWI Index and Bloomberg Multiverse Index (the "Index") by 30%. The Fund intends to have an ongoing reduction in its emission intensity.

The weighted average ESG rating of the Fund will be higher than the ESG rating of the index.

#### **Benchmark Use**

The Fund is actively managed, and the Investment Adviser has discretion to select the Fund's investments and is not constrained by any benchmark in this process. Investors may use the Index for the purposes of measuring performance of the Fund against the relevant commitments set out in the ESG policy.