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**Financial Adviser**

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«AgentCountry»

20 August 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 merger of L36 JPMorgan Indonesia (the “Affected Mirror Fund”) into R08 JPMorgan ASEAN (the “Receiving Mirror Fund”)**

We are writing to you as your policy or contract holds units in the Friends Provident International Limited (“FPIL”) Affected Mirror Fund.

We have received notification from JPMorgan Funds (Asia) Limited (“JPMorgan”) that the JPMorgan Indonesia Fund (the “Merging Underlying Fund”), which is the underlying fund of the Affected Mirror Fund, will merge (the “Underlying Fund Merger”) into JPMorgan ASEAN Fund (the “Receiving Underlying Fund”), with effect from **20 September 2024** (the “Effective Date”).

### Background

JPMorgan has advised that, as the net asset value of the Merging Underlying Fund has fallen below its small fund size threshold of 70 million USD for a sustained period, it is considered to have limited growth potential.

JPMorgan believes the Underlying Fund Merger is in the best interest of unit holders, as it will create a larger pool of assets, providing potential economies of scale and enhanced efficiency due to the lower ongoing charge figure of the Receiving Underlying Fund. In addition, JPMorgan notes that the Receiving Underlying Fund invests in countries comprising the Association of South East Asian Nations, offering a better diversification than the Merging Underlying Fund, which is a single country emerging markets fund.

### The Underlying Fund Merger

Units in the Merging Underlying Fund will be exchanged for units in the Receiving Underlying Fund, (after deduction of such amount as determined to be appropriate to meet all outstanding liabilities of the Merging Underlying Fund) on the Effective Date.

The net asset value per unit of the Merging Underlying Fund and the Receiving Underlying Fund on the Merger Date may not necessarily be the same. Therefore, while the overall value of the investor’s holdings (except for rounding adjustments, if any) will remain the same, investors may receive a different number of units in the Receiving Underlying Fund from what was previously held in the Merging Underlying Fund.

Units in the Receiving Underlying Fund received as a result of the Underlying Fund Merger will be available for dealing from 23 September 2024.

Subscriptions and switches in from new investors into the Merging Underlying Fund will no longer be accepted with effect from 20 June 2024. Existing regular premium subscriptions to the Merging Underlying Fund will still be permissible, provided there is no increase in scheduled contribution amount, and redemption requests will be accepted until 12 September 2024.

Prior to the Effective Date, the Merging Underlying Fund will commence rebalancing of its assets in preparation of the Underlying Fund Merger. All or part of the Merging Underlying Fund's assets will be held in cash for a short period in preparation for the Underlying Fund Merger, resulting in the Merging Underlying Fund not following its investment policy and investment restrictions, and having less market exposure which may have a positive or negative impact on performance. It is expected that JPMorgan will commence the rebalancing no earlier than 15 business days prior to the Merger Effective Date.

The transaction costs associated with portfolio rebalancing of the Merging Underlying Fund, estimated to be approximately 0.18% of the net asset value of the Merging Underlying Fund as of 27 May 2024, will be borne by the Merging Underlying Fund. Unitholders who remain in the Merging Underlying Fund when such portfolio rebalancing is carried out will be impacted.

The legal and administrative expenses associated with the Underlying Fund Merger are estimated to be approximately 0.10% of the net asset value of the Merging Underlying Fund as of 27 May 2024 and will also be borne by the Merging Underlying Fund.

Should there be any significant redemption from the Merging Underlying Fund prior to the Underlying Fund Merger, JPMorgan may apply liquidity risk management tools to ensure unitholders in the Merging Underlying Fund are treated fairly.

Where the net capital inflow to the Receiving Underlying Fund (including any cash transfer from the Merging Underlying Fund) exceeds the threshold pre-determined by the Underlying Fund Manager from time to time, JPMorgan may make adjustment to the next asset value per unit of the Receiving Underlying Fund upwards on the Underlying Fund Merger Effective Date in accordance with the base terms of the Receiving Underlying Fund, which may in turn impact the number of units in the Receiving Underlying Fund unitholders may receive.

#### The Mirror Fund Merger

In line with the Underlying Fund Merger, the Affected Mirror Fund has been closed to new investment. Existing premiums can continue to be paid into the Affected Mirror Fund until **3pm UK time on 11 September 2024** (the "**Deadline**"), however cannot be increased from their current level.

Please refer to the enclosed **Appendix** for comparative information between the Affected Mirror Fund and the Receiving Mirror Fund.

For the notional units you hold in the Affected Mirror Fund, you will receive an equal amount by value, subject to any necessary rounding, of notional units in the Receiving Mirror Fund ("the Mirror Fund Merger") as at the Effective Date.

The exchange ratio of the Mirror Fund Merger will be the result of the ratio between the notional unit price of the Affected Mirror Fund as at the Effective Date, and the notional unit price of the Receiving Mirror Fund as of the Effective Date. The price of the Affected Mirror Fund and the Receiving Mirror Fund as at the Effective Date will be calculated by FPIL, by reference to the net asset value of the underlying funds.

Whilst the overall value of notional units held will remain the same, policyholders may receive a different number of notional units in the Receiving Mirror Fund than they previously held in the Affected Mirror Fund.

If we have not received any alternative instruction from you by the Deadline, we will redirect future regular premiums (where applicable) to the Receiving Mirror Fund from 12 September 2024; your existing units in the Affected Mirror Fund will be exchanged for units in the Receiving Mirror Fund on the Effective Date.

Dealing of Receiving Mirror Fund units allocated to your policy as a result of the Mirror Fund Merger will be permitted from **23 September 2024**.

**Whilst appropriate due diligence has been carried out on the Receiving Mirror Fund we do not accept any liability for the future performance of this, or any other FPIL mirror fund.**

**These changes will happen automatically within your policy or contract and you do not need to take any action if you agree with the choice of Receiving Mirror Fund.**

#### Your options

However, you can choose to switch your current holdings in the Affected Mirror Fund and/or redirect your premiums or contributions, into a different fund in the FPIL range if you wish to do so.

You can do this at any time, but if you wish to override the transfer or redirection to the Receiving Mirror Fund, you must provide us with alternative instructions by the Deadline. This can be done online through the FPI Portal - simply log in at <https://portal.fpinternational.com>.

No FPIL charges will arise from these transactions.

**We recommend that you seek the advice of your usual investment 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.***

***All policyholders will receive the protection of the Life Assurance (Compensation of Policyholders) Regulations 1991 of the Isle of Man, wherever their place of residence. Investors should be aware that specific investor protection and compensation schemes that may exist in relation to collective investments and deposit accounts are unlikely to apply in the event of failure of such an investment held within insurance contracts.***

## Appendix - Comparison of Affected Mirror Fund and the corresponding Receiving Mirror Fund

	Affected Mirror Fund	Receiving Mirror Fund
<b>Name and code of FPIL mirror fund</b>	L36 JPMorgan Indonesia	R08 JPMorgan ASEAN
<b>Name of underlying fund</b>	JPMorgan Indonesia	JPMorgan ASEAN
<b>Currency of investment-linked fund and underlying fund</b>	USD	USD
<b>Share class of underlying fund</b>	Accumulation	Accumulation
<b>ISIN code of underlying fund</b>	HK0000055662	HK0000055555
<p><b>Investment objective and investment policy of the underlying fund</b></p> <p><i>Any terms not defined herein shall have the same meaning as set out in the current prospectus of the underlying fund of the relevant mirror fund</i></p>	<p>The investment objective of the underlying fund is to provide investors with long-term capital appreciation through a portfolio consisting primarily (i.e. at least 70% of its total net asset value) of equity securities linked to the Indonesian economy. These include, but are not restricted to, securities traded on the stock exchanges of Indonesia. The underlying fund is not subject to any limitation on the portion of its total net asset value that may be invested in any sector or any limitation on the market capitalisation of the companies in which it may invest.</p> <p>The Investment Manager of the underlying fund integrates financially material environmental, social and governance factors as part of the underlying fund's investment process.</p> <p>The underlying fund may also invest in derivatives such as interest rate forward contracts, currency forward contracts, options, warrants and futures for both investment and hedging purposes.</p>	<p>The investment policy of the underlying fund is to enable investors to participate in a managed portfolio consisting primarily (i.e. at least 70% of its total net asset value) of equity securities with significant assets in, or significant earnings derived from one or more of the countries comprising the Association of South East Asian Nations. The underlying fund is not subject to any limitation on the portion of its total net asset value that may be invested in any sector or any limitation on the market capitalisation of the companies in which it may invest.</p> <p>The Manager of the underlying fund will aim to achieve capital growth in US dollar terms.</p> <p>The underlying fund's aggregate exposure (direct and indirect) to China A-Shares and B-Shares (including eligible China A-Shares invested via the Shanghai-Hong Kong Stock Connect and/or Shenzhen-Hong Kong Stock Connect) may not exceed 10% of its total net asset value.</p> <p>The Investment Manager of the underlying fund integrates financially material environmental, social and governance factors as part of the underlying fund's investment process.</p> <p>The underlying fund may also invest in derivatives such as options, warrants and futures for investment purposes.</p> <p>The underlying fund may also invest in derivatives such as options, warrants and futures for investment purposes.</p> <p>The underlying fund will have limited Renminbi (RMB) denominated underlying investments.</p>

<b>Investment restrictions and guidelines of the underlying fund</b>	The investment restrictions and guidelines of the Merging Underlying Fund and the Receiving Underlying Fund are similar. Additional investment restrictions and guidelines applicable to the Merging Underlying Fund and the Receiving Underlying Fund are set out as below:	
	The value of the underlying fund's holding of securities linked to the Indonesian economy shall not be less than 70% of its total net asset value in securities and other investments.	The value of the underlying fund's holding of securities of companies which are based in or operate principally in the Association of South East Asian Nations shall not be less than 70% of its total net asset value in securities and other investments.
<b>Key risk Factors of the underlying fund</b>	<ul style="list-style-type: none"> <li>• Investment risk</li> <li>• Equity risk</li> <li>• Emerging markets risk</li> <li>• Smaller companies risk</li> <li>• Currency risk</li> <li>• Liquidity risk</li> <li>• Derivatives risk</li> </ul>	
	<ul style="list-style-type: none"> <li>• Risk of concentration in investments in Indonesia</li> <li>• Risk associated with high volatility of the equity markets in Indonesia</li> </ul>	<ul style="list-style-type: none"> <li>• Risk of concentration in investments in countries comprising the Association of South East Asian Nations</li> <li>• Risk associated with high volatility of certain equity markets in countries comprising the Association of South East Asian Nations</li> <li>• Class currency risk</li> </ul>
<b>Manager of underlying fund</b>	JPMorgan Funds (Asia) Limited	
<b>Investment Manager of underlying fund</b>	JPMorgan Asset Management (Asia Pacific) Limited	
<b>Sub-Manager of underlying fund</b>	JPMorgan Asset Management (Singapore) Limited	JPMorgan Asset Management (Singapore) Limited JPMorgan Asset Management (UK) Limited
<b>Annual Management Charge (AMC) of the underlying fund</b>	Up to 2.25% of the net asset value of the underlying fund; currently 1.50%	Up to 2.25% of the net asset value of the underlying fund; currently 1.50%
<b>Ongoing Charges Figure (OCF) of the underlying fund</b>	1.85%	1.57%
<b>Risk/reward profile**</b>	5	4

\* Ongoing Charge ("OCF") includes the Annual Management Charge plus other operational expenses, so better reflects the total costs applied to the underlying fund. The ongoing charges figure detailed above is based on the annualised expenses for the period from 1 October 2023 to 31 March 2024 and may vary from year to year.

\*\* 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.

