«ClientName»
«ClientAdd1»
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«ClientAdd5»
«ClientPC»
«ClientCountry»

Financial Adviser
«AgentName»
«AgentAdd1»
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«AgentAdd5»
«AgentPC»
«AgentCountry»

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.
IF IN DOUBT, PLEASE SEEK PROFESSIONAL ADVICE.

May 2023

Dear Policyholder

Policy Number: «Policy_No»
Your financial adviser: «AgentName»

Notification of changes regarding the underlying fund of L12 Fidelity EMEA

We are writing to you as your policy holds units in the Friends Provident International Limited ("FPIL") Fund named above (the Affected Mirror Fund").

Following Russia's invasion of Ukraine in February 2022, worldwide sanctions and the actions of governments and market counterparties, combined with the partial closure of the Russian Stock Exchange, resulted in an inability of market participants to trade and achieve settlement in Russian equities. These factors prevented the disposal of affected Russian assets (the "Russian Assets) held in the underlying fund of the Affected Mirror Fund.

The value of the affected Russian Assets in the underlying fund of the Affected Mirror Fund were written down to zero in order to apply a fair valuation for the best interests of investors. They formed 25.3% of the portfolio value as at 25 February 2022.

Split of the underlying fund of the Affected Mirror Fund to create a new side pocket share class for Russian Assets

The board of directors of Fidelity Funds ("Fidelity") together with FIL Investment Management (Luxembourg) S.A., as management company of the underlying Fund ("Fidelity Management Company"), advised it has decided to create a new share class of the underlying fund of the Affected Mirror Fund to hold its Russian Assets ("the New Share Class") with effect from **5 June 2023** (the "Effective Date"). Fidelity considers this to be in the best interest of investors while maintaining fair treatment for all shareholders of the underlying fund.

The New Share Class will exist only for the purpose of holding the Russian Assets, will be closed for subscriptions, switches and redemptions, and will be liquidated upon the disposal of the Russian Assets. The Russian Assets in the New Share Class will continue to be valued according to the valuation policy of the underlying fund and as at 5 May 2023, the Russian Assets are valued at zero.

Should value, and normal trading, return to enable disposal of the Russian Assets, the Russian Assets will be disposed of (and proceeds distributed), at a time or times and price considered to be in the best interests of shareholders, and in a manner to ensure fair and equal treatment of shareholders.

The New Share Class will not be charged any annual management fee or charges of the underlying fund's central administration. The New Share Class may be charged class specific charges and other costs related to the underlying fund where these are to the benefit of all investors in the underlying fund. The existing share class will continue to incur the costs as set out in the Prospectus of the underlying fund.

Such costs allocated and charged to the New Share Class will first be funded by Fidelity Management Company and will be reimbursed to Fidelity Management Company by the underlying fund once the Russian Assets are tradable and have value. Fidelity Management Company will bear the costs allocated to the New Share Class if the liquidating value is not sufficient to cover them. Fidelity Management Company reserves the right, at any time, to review and adjust the basis upon which any costs and charges which would normally be incurred by the underlying fund are allocated to the New Share Class. FPIL will contact affected policyholders with further information in such circumstance.

The creation of the New Share Class within the underlying fund provides the necessary solution to distinguish (including for the purposes of the calculation of the Net Asset Value ("NAV") of the underlying fund) the Russian Assets from the other investments of the underlying fund. Whilst there is no legal segregation of assets and liabilities between share classes of the underlying fund, accounting segregation between share classes is in place so that the liabilities which will arise in connection with the operation of the New Share Class will only be allocated to this class. The accounting treatment applied will be the same as the methodology used between share classes in other underlying funds of the Fidelity Funds.

On the Effective Date, all shareholders of the underlying fund will receive the relevant allocation of an equivalent number of the New Share Class (fractional to two decimal places) to their existing shares, on a 1:1 basis (i.e. one share in the underlying fund will be allocated one share in the corresponding New Share Class).

Creation of new Mirror Fund for Russian Assets

Accordingly, a new FPIL Mirror Fund **L99 Fidelity EMEA Side-Pocket (USD)** (the "New Mirror Fund") will be created, with the New Share Class as its underlying fund. The New Mirror Fund will not be open to receive premium subscriptions or to be switched into, or permitted to switch out or redeemed. The New Mirror Fund will remain suspended in line with the New Share Class and will have a zero NAV.

Investors in the Affected Mirror Fund will receive an equivalent allocation of units in the New Mirror Fund on a 1:1 basis equal to their unit holding in the Affected Mirror Fund as at the Effective Date. However, any units of the Affected Mirror Fund switched out, or redeemed, prior to the Effective Date will not receive an equivalent allocation of those units in the New Mirror Fund.

It is expected that the allocated unit holding in the New Mirror Fund will be reflected on policies by 1 July 2023. As the New Mirror Fund holding is expected to remain suspended to trading and have a zero value price, it is expected that there will be no impact to policyholders as a result of this delay. In the event that the New Share Class resumes pricing and or trading before 1 July 2023, FPIL will contact affected policyholders with an update.

Upon such time a realised value, if any, is received from Fidelity in respect of the Russian Assets held by the New Share Class, this will be allocated to the equivalent holding in the New Mirror Fund accordingly. We will update policyholders regarding the manner of any allocation at the time of any such event. As FPIL policy and fund charges cannot be deducted from a suspended Mirror Fund, these will be deferred until the New Mirror Fund has value.

Ongoing management of liquid assets of the underlying fund of the Affected Mirror Fund

The remaining assets (i.e. non-Russian Assets) of the underlying fund of the Affected Mirror Fund will be managed in accordance with the existing investment objective and policy on the basis that the value proposition and commercial viability of the investment strategy is considered by Fidelity to continue to be valid in the medium to long term. The underlying fund of the Affected Mirror Fund continues to be priced and is not suspended to redemptions.

The underlying fund of the Affected Mirror Fund will not make any further investments in Russian securities until further notice. The investment objective and policy of the underlying fund of the Affected Mirror Fund, and its pricing and dealing processes, will not be changed at this stage.

Temporary suspension of premium subscriptions into the Affected Mirror Fund

In order to implement the operational requirements of creating the New Share Class, Fidelity has suspended subscription investments into the underlying fund of the Affected Mirror Fund with effect from close of business Thursday 4 May 2023, until 2 June 2023 inclusive (the “Suspension Period”).

The Affected Mirror Fund has therefore also been suspended to new investment from **Friday 5 May 2023 until 5 June 2023** and no new investments, regular premiums, or switches in will be accepted to the Affected Mirror Fund in the Suspension Period.

As a result of the above, with effect from 5 May 2023 any premium allocation which would usually be applied to the Affected Mirror Fund have been automatically redirected to an alternative mirror fund in the range. For this purpose, we have selected **J42 JPM USD Money Market VNAV** (the “Default Mirror Fund”). Where a policy currently holds the maximum permissible 10 funds, the allocation has instead been diverted to the fund holding on the policy with the highest value as at 5 May 2023.

Following the end of the Suspension Period, please note that the direction of future regular premiums **will not** automatically revert back to the Affected Mirror Fund. Should you wish to select an alternative fund to receive future regular premiums (if any), you are free to do so at any time, without charge. This can be done online through the FPI Portal - simply log in at https://portal.fpinternational.com.

These changes will happen automatically within your policy and you do not need to take any action if you agree with the stated changes.

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

Switch-in and/or request to apply additional single or regular premium into the Affected Mirror Fund

If a new switch-in request or request for additional single or regular premium into the Affected Mirror Fund is submitted during the Suspension Period, 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 the request.

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

FPIL Fact sheets are available through our interactive Fund centre research tool on our website for the alternative funds available to you www.fpinternational.com/fundcentre. Full details on the underlying funds into which the FPIL fund range invests can be found in the fund prospectuses which are available from the fund managers of the corresponding underlying fund of the mirror funds.

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
Friends Provident International Limited

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 meets 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.

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