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May 2016

Dear Policyholder

Policy Number: «Plan_No»

Notification of changes to the underlying fund of J43 Investec GS Global Strategic Income

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

We are writing to you as an investor in the above named Fund.

Friends Provident International Limited (“Friends Provident International”) has been notified by Investec Asset Management (the “Company”) that the Investec GSF Global Strategic Income Fund into which J43 Investec GS Global Strategic Income invests will be merging into the Investec GSF Global Multi-Asset Income Fund. This merger will take effect from **17 June 2016**, and will result in changes to both the underlying fund and **J43 Investec GS Global Strategic Income**.

The Company explains the rationale for the merger as follows:

“Background and rationale for the merger

The Merging Fund’s primary objective is to generate a high level of income by investing primarily in fixed income investments from around the world. With global interest rates at record lows, and in some cases negative, fixed income investments are providing a lower level of income than they have done historically.

Therefore the Investment Manager believes that in order to seek to achieve a high and sustainable level of income it is better to invest in a broader range of investments than simply fixed income investments.

The Receiving Fund is a multi-asset fund investing in a broad range of investments, including equities and derivatives, in addition to fixed income instruments. The Investment

Manager believes that this wide investment universe gives it a better opportunity of achieving its income objective whilst offering potential for capital growth with relatively low volatility. Investor should note that there is no guarantee that the investment objective and strategy of the Receiving Fund can be achieved and low volatility does not necessarily mean low risk.

As a result the Directors are of the opinion that merger with the Receiving Fund is in the best interests of Shareholders seeking a high and sustainable level of income with relatively low volatility.

Further, the merger may lead to increased economies of scale and cost efficiencies in the Receiving Fund for the benefit of Shareholders.

Please note that the merger will lead to the closure of the Merging Fund and your shares in the Merging Fund will be cancelled and exchanged for shares in the Receiving Fund.”

To facilitate the merger, dealing on both the underlying funds and J43 Investec GS Global Strategic Income will be **temporarily suspended from 14 June to 17 June 2016**. Please note that due to an Isle of Man bank holiday on Friday 10 June 2016, that instructions received for J43 Investec GS Global Strategic Income **after the cut off time on Thursday 09 June 2016** will not transact until the next available dealing date of Monday 20 June 2016.

A summary of the changes are detailed in the following table:

	Before 17 June 2016	From 17 June 2016
Mirror Fund Code and Name	J43 Investec GS Global Strategic Income	J43 Investec GS Global Multi-Asset Income
Currency	USD	USD
Investment objective and policy of the underlying fund	<p>The Fund has, as its primary objective, the generation of a high level of current income by means of investment in high yielding fixed and floating rate securities of varying maturities denominated in a spread of the world's major and minor traded currencies.</p> <p>Capital appreciation is sought only when the Investment Manager feels it is consistent with the primary income objective of the Fund. Capital appreciation could arise principally as the result of a specific or general fall in interest rates, an improvement</p>	<p>The Fund aims to provide income with the opportunity for long-term capital growth.</p> <p>The Fund will invest primarily in a diversified portfolio of fixed interest instruments, equities and derivatives, the underlying assets of which are fixed interest instruments and equities. Normally, the Fund's maximum equity exposure will be limited to 50% of its assets.</p> <p>The Fund may also have an exposure up to 100% in fixed interest instruments; up to 10% in cash deposits; up to 10% in collective investment schemes</p>

	<p>in the credit ratings of individual or groups of fixed interest bearing securities or by means of positive relative currency movements (through the extensive use of currency forwards).</p> <p>The Fund primarily invests in (i) bonds and (ii) currencies (indirectly via derivatives). The active currency positions implemented by the Fund may not be correlated with the underlying assets of the Fund (being bonds).</p> <p>The securities purchased will mainly consist of higher yielding issues by worldwide (including emerging countries) governments, government agencies, supranational institutions and companies. The currency mix of denominations will be varied, reflecting the Investment Manager's assessment of likely exchange rate movements.</p> <p>The Fund will also be allowed to use derivatives for efficient portfolio management, hedging and/or investment purposes. The Fund may invest extensively in derivatives for investment purposes.</p> <p>The Fund does not use a specific derivative strategy but will rather use derivatives for gaining exposure in accordance with the investment policies, as well as efficiently managing the investments of the Fund. Derivatives that may be used by this Fund include (but are not limited to) currency forwards and other related currency derivatives (e.g.</p>	<p>and up to 15% in real estate investment trusts (REITs).</p> <p>Fixed interest instruments held may be (i) issued by companies, institutions, governments, government agencies or supranational bodies around the world (including but not limited to emerging and frontier type markets), (ii) of any duration, and (iii) of Investment Grade and/or Non-Investment Grade. The Fund may have an exposure up to 100% in fixed interest instruments, up to 50% in high yield debt; up to 50% in emerging markets debts.</p> <p>The Fund will also primarily invest in currencies (indirectly via derivatives). The active currency positions implemented by the Fund may not be correlated with the underlying assets of the Fund.</p> <p>The Fund's exposure to Contingent Convertibles (CoCos) will not represent more than 10% of the assets of the Fund.</p> <p>The Fund may hold other transferable securities, money market instruments, cash or near cash, derivatives, deposits and units in collective investment schemes.</p> <p>The Fund may use derivatives for efficient portfolio management, hedging and/or investment purposes. The Fund may invest extensively in derivatives for investment purposes.</p> <p>The Fund does not use a</p>
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	<p>currency options) (for hedging and/or taking active currency positions), interest rate swaps and bond futures (to manage duration), total return swaps (for tax efficiency), credit-linked notes (to access markets where instruments are restricted) and/or credit default swaps (to hedge credit risk and/or as an alternative way to gain exposure to credit risk). The Fund may be leveraged through the use of derivatives. The expected range of leverage level is 0%-100% and the maximum expected leverage level is 100% of the Fund's net asset value, calculated using the commitment approach. Using the sum of notionals method, the expected range of leverage level is 0%-400% and the maximum expected leverage level is 400% of the Fund's net asset value.</p> <p>When, in the opinion of the Investment Manager, the general trend in interest rates is upward, a substantial portion of the Fund's assets is likely to be held in the form of short dated bonds and other short-term instruments, such as certificates of deposit.</p>	<p>specific derivative strategy but will rather use derivatives for gaining exposure in accordance with the investment policies, as well as efficiently managing the investments of the Fund. Derivatives that may be used by this Fund include (but are not limited to) currency forwards and other related currency derivatives (e.g. currency options) (for hedging and/or taking active currency positions), interest rate swaps and bond futures (to manage duration), equity futures and other related equity derivatives (e.g. total return swaps) (for hedging and/or efficiency purposes) and/or credit default swaps (to hedge credit risk and/or as an alternative way to gain exposure to credit risk). The Fund may be leveraged through the use of derivatives. The expected range of leverage level is 0%-100% and the maximum expected leverage level is 200% of the Fund's net asset value, calculated using the commitment approach. Using the sum of notionals method, the expected range of leverage level is 0%-400% and the maximum expected leverage level is 400% of the Fund's net asset value.</p> <p>The Fund may enter into securities lending transactions as detailed in Section 10.2B of the Prospectus. The securities lending transactions do not exceed 50% of the net asset value of the Fund. The Investment Manager currently has no intention to enter into repurchase and/or reverse repurchase transactions.</p>
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Annual Management Fee (AMC) of the underlying fund	1.00%	1.25%
Ongoing Charges Figure (OCF) of the underlying fund	1.45%	1.91%
Risk-reward profile (determined by Friends Provident International for reference only)	2	3

Please note that the AMC, OCF and Risk Profile for J43 Investec GS Global Strategic Income will increase after the merger, however there are other funds available to you.

You do not need to take any action as a result of this letter if you wish to remain invested in this fund. You can however choose to switch to a different investment from the range available to you should you wish to do so, and no Friends Provident International charges will arise from this transaction.

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

Factsheets are available through the Fund Centre section of our website (www.fpiinternational.com) for the alternative funds available to you. Full details on the underlying funds into which the Friends Provident International fund range invests can be found in the fund prospectus, which is available on request.

Who should you contact if you have any questions?

If you have any questions regarding your policy with us, please contact, by either phone or email, one of the following departments that correspond with your region:

General telephone number: + 44 1624 821212

Rest of the World Team – rowservicing@fpiom.com

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