

Charging structures

This document aims to inform you of the Reserve + charges and how they change.

These charges are correct as at 15 October 2020 for all new policies.

Please read this document with the Reserve + brochure and product guide. Your UAE licensed financial adviser will be able to answer any questions you have.

If you decide that Reserve + is the investment for you, your UAE licensed financial adviser will provide you with your illustration and personal charging structure. This will detail all charges that are taken from your investment.

We charge for setting up and administering your policy. This will take the form of an establishment charge structure.

The establishment charge period you choose when you start your policy will apply to any additional premiums paid.

Any additional premium will incur its own establishment charge with the charge rate applicable being calculated based on the total premium paid (including any previous additional premiums). Please speak to your UAE licensed financial adviser to determine which option best suits your needs.

Establishment charge structure

Establishment charge

Depending on which establishment charge period you choose, we will take an establishment charge either:

- on the start date of the policy or;
- on the first day of each calendar quarter during the establishment charge period.

The establishment charge is deducted from the General Transaction Account (GTA) in the policy currency and is based on the amount of money you invest, meaning it will not change as the value of your investment does. The standard establishment charges are:

Currency	Total Premium	Establishment charge period			
		Day One	Per Annum		
			5 Year	8 Year	10 Year
GBP	25,000-49,999	7.00%	1.60%	1.00%	0.85%
GBP	50,000-999,999	6.50%	1.40%	0.90%	0.73%
GBP	1,000,000+	5.50%	1.25%	0.81%	0.65%

When deciding your preferred establishment charge period, please remember that penalties may apply if you cash-in your policy during the establishment charge period. Your illustration and personal charging structure will detail the precise charge and establishment charge period.

You will be charged an establishment charge on each additional premium you pay. The establishment charge period you choose for any additional premiums may be different to that chosen at the start of the policy.

Administration charge

We will take a fixed amount on the first day of each calendar quarter for the lifetime of the policy.

Currency	Administration charge
GBP	136.25
USD	174.60
AUD	263.70
EUR	156.20

The administration charge will be taken from the GTA in the policy currency.

Early surrender charge

If you surrender your policy during an establishment charge period, an early surrender charge equal to the outstanding establishment charges will apply.

This charge does not apply if the Day One establishment charge period is chosen.

Minimum premium amount

Product variant	Investment management type	Minimum premium	
Whole of Life	Non-Discretionary	GBP	25,000*
	Discretionary	GBP	75,000*
	Part-Discretionary	GBP	150,000*

Minimum additional premium

GBP 5,000*.

In addition to your establishment charge, the following charges may also apply:

Dealing charge

We will take a dealing charge for each sale and purchase you make. This will be deducted from the GTA in the currency of the deal, on the last day of the calendar quarter in which the deal was placed. We will not charge this fee when you transfer money from a GTA in one currency to one in a different currency or if you have chosen to appoint a discretionary fund manager to your policy. The current charge is:

Currency	Dealing charge
GBP	35.00
USD	44.90
AUD	67.70
CAD	59.80
CHF	42.90
DKK	300.00
EUR	40.10
HKD	349.00
JPY	4,820.00
NOK	413.00
NZD	71.00
SEK	422.00
SGD	62.10
ZAR	686.00

* or currency equivalent.

Asset exchange charge

We will take a charge for each individual asset you use to make a payment into your Reserve + policy using the asset exchange option. If it is necessary to convert it into another currency we will do this at the exchange rate on the day the charge is taken.

Charge per asset	GBP 100.00*
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Ad hoc charge

A charge will be taken from the GTA in the policy currency each time an alteration is requested. Please speak to your UAE licensed financial adviser to find out more about any alterations which can be made to your Reserve + policy. The current charge is:

Currency	Ad hoc charge
GBP	159.50
USD	207.20
AUD	308.70
EUR	182.90

General Transaction Account

A General Transaction Account (GTA) will be opened in connection with your policy. If the account is overdrawn, we will take interest at the rate of 2% above the three-month London InterBank Offered Rate (LIBOR). If you have a discretionary fund manager for your policy, interest will not currently be applied if the account is overdrawn. We reserve the right to review this provision at any time.

Inflation

Our appointed actuary sets the fixed sterling amounts once a year, 28 days before the end of December, in line with Isle of Man inflation. We may increase the charges above the rate of inflation if there are increases in our costs above inflation.

The fixed amount charges in US dollars are set once a year, 28 days before the end of December. The fixed amount charges in currencies other than sterling and US dollars, are set by the appointed actuary four times each year, 28 days prior to the end of each calendar quarter. The amounts are based on the sterling charges but can vary from quarter to quarter depending on movements in exchange rates.

External fund charges

With investments like Reserve + it is common for charges to be applied to the underlying assets. We have used our buying power to negotiate discounts with fund management houses on the initial charges, which would be unavailable to the individual investor. These are then passed on to you. Please speak to your UAE licensed financial adviser for more information.

Investment adviser's fees

If you appoint an investment adviser to choose and, if appropriate, place deals on your behalf, you can agree to pay them, by regular withdrawals, a fixed fee per quarter or a percentage of the value of the investments at each valuation over the term of your policy.

Delivery and receipt charges

Any agents' charges for delivery and receipt of securities (such as fixed-interest securities and equities) will be taken from the GTA when you buy or sell an asset. Please speak to your UAE licensed financial adviser for further information.

Safe custody of securities

Any agents' charges in respect of securities, which are held by safe custodian banks throughout the world, will be taken monthly from the GTA.

Stockbroker's fees

These are charges when you buy or sell certain assets. You will not see them listed separately in your valuation. The stockbroker's fees are included in the total value shown for each sale or purchase and will be reflected in your trade contract note. Please speak to your UAE licensed financial adviser for further information.

Discretionary fund manager's fees

You can appoint an external manager to manage the investments within your policy, either on a discretionary or advisory basis, and to be the custodian of your investments. For this service the discretionary fund manager will charge a fixed fee or a percentage of the value of your investments. Expenses and charges will also apply in respect of services for safe keeping, handling and carrying out of transactions, in accordance with the external manager's published rates. We may apply a dealing charge when we send money to or receive money from the discretionary fund manager. Please refer to your discretionary fund manager's schedule of fees for more details.

Please remember that investment involves risk. Fund prices may go up and down depending upon underlying investment performance, and the value of your investment cannot be guaranteed. The value of investments can be impacted by foreign exchange rate movements.

*** or currency equivalent.**

Important information

This document sets out the charges that are likely to apply in respect of Reserve +. However, it is not a contractually binding document and should only be used as a general guide. Please see the Reserve + term and conditions, your policy schedule, your personal illustration and personal charging structure for more information on the specific charges that will apply to you.

The information given in this document is based on Friends Provident International's current understanding of United Arab Emirates and Isle of Man and UK law and taxation as at October 2020.

Friends Provident International does not condone tax evasion. The company's products and service may not be used to evade taxes. No liability can be accepted for any personal tax consequences of this scheme or for the effect of future tax or legislative changes.

Investments held within a fund may not be denominated in the currency of that fund and the value of those assets can go up and down simply because of movements in currency exchange rates.

All policyholders are protected by the Life Assurance (Compensation of Policyholders) Regulation 1991 of the Isle of Man, wherever their place of residence.

Each policy is governed by and construed in accordance with the laws of the United Arab Emirates.

An Arabic version of this document will be made available upon request.

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