

# Dealing and settlement charges

You have access to a wide range of investment instruments available within Reserve +. This document details the dealing costs and stock exchanges available for investing into these instruments. These charges are current as at 01 April 2021.

Included are collective investments, equities, fixed-interest securities, exchange traded funds and structured products.

Please read this document with the Reserve + Product brochure, Product guide and Policy conditions available from your UAE licensed financial adviser.

The terms and conditions will tell you the type of investments your contract can hold and whether the investment instruments covered in this document are available to you. Your UAE licensed financial adviser can answer any questions you have.

## An outline of the charges

We will take a dealing charge each time an asset is bought or sold. Any dealing charges will be debited from the General Transaction Account in the currency of the deal, on the last day of the calendar quarter in which the deal is confirmed by us.

The current charges detailed below are correct as at the publication date of this document (April 2021) and will move in line with Isle of Man inflation:

Country	Stockbroker charges			Safe custody charges		Our dealing charges
	Transaction fee <sup>†</sup>	Minimum fee <sup>†</sup>	Miscellaneous fees (if applicable)	Trade settlement fee (GBP)	Safekeeping fee (per year – charged monthly)	
Austria	0.10%	EUR 20.00		GBP 45.00	0.085%	EUR 41.70
Australia	0.15%	AUD 50.00		GBP 45.00	0.025%	AUD 64.50
Belgium	0.08%	EUR 12.00		GBP 45.00 (Eq.)** GBP 45.00 (F.I.)**	0.03% (Eq.)** 0.02% (F.I.)**	EUR 41.70
Canada	0.08%	CAD 20.00		GBP 20.00	0.02%	CAD 63.50
Denmark	0.08%	DKK 100.00		GBP 50.00	0.05%	DKK 310.00
Finland	0.08%	EUR 15.00		GBP 40.00	0.08%	EUR 41.70
France	0.08%	EUR 12.00	0.20 % (Buys) local tax	GBP 40.00	0.025%	EUR 41.70
Germany	0.08%	EUR 12.00		GBP 35.00	0.025%	EUR 41.70
Hong Kong	0.15%	HKD 200.00		GBP 60.00	0.035%	HKD 390.00
Ireland	0.12%	EUR 20.00	+ EUR 1.25 PTM Levy > EUR 12,500.00	GBP 25.00	0.02%	EUR 41.70
Italy	0.08%	EUR 15.00	0.12 % (Buys) local tax	GBP 35.00	0.03%	EUR 41.70
Japan	0.15%	JPY 1,500.00		GBP 30.00	0.03%	JPY 5,380.00
*Luxembourg (Clearstream)	0.40% on first GBP 20,000 (GBP 80.00); 0.10% on balance	GBP 25.00	GBP 7.50 Compliance fee	GBP 20.00 (Eq.)** GBP 20.00 (F.I.)**	0.02% (Eq.)** 0.015% (F.I.)**	GBP 36.00
Netherlands	0.08%	EUR 12.00		GBP 30.00	0.02%	EUR 41.70
Norway	0.08%	NOK 100.00		GBP 60.00	0.03%	NOK 427.00
Singapore	0.15%	SGD 100.00		GBP 55.00	0.04%	SGD 67.00
Spain	0.10%	EUR 20.00		GBP 55.00	0.05%	EUR 41.70
Sweden	0.08%	SEK 100.00		GBP 50.00	0.03%	SEK 423.00
Switzerland	0.08%	CHF 15.00	0.01% Exchange fee	GBP 40.00	0.03%	CHF 46.20
UK	0.08%	GBP 12.00	0.50% local tax + GBP 1.00 PTM Levy > GBP 10,000.00	GBP 20.00	0.015%	GBP 36.00
US	0.06%	USD 10.00	Sales – 0.003% Sec fee	GBP 20.00	0.01% (Eq.)** 0.015% (F.I.)**	USD 48.60

† Stockbroker charges (including transaction fees, minimum fees and miscellaneous fees) set by the governments and exchanges are indicative only and are subject to change as well as new fees being introduced.

\* All fixed-interest securities are delivered and held via Clearstream.

\*\* (Eq.): Equities; (F.I.): Fixed-interest securities.

Collective investment trades (currently EUR 8 per trade converted into settlement currency).

Structured products (safe custody charges above apply, stockbroker charges above do not apply).

## The following example illustrates how these charges will be calculated in practice.

Mr Smith holds a USD denominated policy and he makes the following purchases on 01 April 2021

- **Example 1** – 5,000 ABC exchange traded fund shares at a price of USD 5.00 – US Market
- **Example 2** – GBP 50,000 XYZ 10% Bond at a price of GBP 1.00 – Clearstream

### The cost of purchasing these assets would be calculated as follows:

#### Example 1 – Exchange traded asset ABC exchange traded fund

**Stockbroker transaction fee**  
 $(5,000 \times \text{USD } 5.00) \times 0.06\% = \text{USD } 15.00$

**Custodian trade settlement fee**  
 $\text{GBP } 20.00 @ 1.35 = \text{USD } 27.00$

**Dealing charge**  
 $\text{USD } 48.60$

**Total cost = USD 90.60**

#### Example 2 – Fixed interest security XYZ 10% 2025 Bond

**Transaction fee**  
 $(\text{GBP } 20,000 \times \text{GBP } 1.00) \times 0.40\% = \text{GBP } 80.00$

$(\text{GBP } 30,000 \times \text{GBP } 1.00) \times 0.10\% = \text{GBP } 30.00$

Total =  $\text{GBP } 110.00$

**Compliance fee**  $\text{GBP } 7.50$

**Custodian trade settlement fee**  
 $\text{GBP } 20.00$

**Dealing charge**  $\text{GBP } 36.00$

**Total cost = GBP 173.50**

#### Safe Custody charges

Assuming that these are the only assets held at the end of the month and the value of each had risen by 10%, safekeeping fees would be calculated as follows:

**ABC exchange traded fund**  
 $\text{USD } 27,500$  (market value)  $\times 0.01\%/12 = \text{USD } 0.23$

**XYZ 10% 2025 Bond**  
 $\text{GBP } 55,000$  (market value)  $\times 0.015\%/12 = \text{GBP } 0.69$

Converted into Friends Provident International valuation currency (USD) @ 1.35 =  $\text{USD } 0.93$

**Therefore, safekeeping fees of USD 1.16 would be charged for the month.**

**Note: Fixed-interest securities are traded through our local stockbroker on a different charging structure to the table shown on page 2.**

## Glossary

### Investment Fee

A charge taken on all trades in the settlement currency of the trade. For equities, exchange traded funds, investment trusts and structured products, the investment fee amount depends on the underlying depository to/from which the delivery is being made. For collective investment trades the investment fee value depends on dealing costs charged by our appointed Custodian.

### Safekeeping Fee

A monthly charge based upon the market value of assets, which may vary depending on depository.

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## 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 April 2021.

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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