

Product guide

Reserve is an international investment policy suitable for customers with a lump sum to invest for a minimum of five years, who seek capital growth or regular withdrawals, or a combination of both.

Reserve is available to those who are aged 18 and over. For lives assured, the minimum age is 2 years old and at least one life assured must be 80 or younger.

We've provided this information to help you decide whether Reserve is right for you. You should read this document carefully so that you understand what you are buying, and keep it safe for future reference.

Its aims

- To allow you to invest in assets to suit your investment needs.
- To allow you to take regular or one-off withdrawals.

Your commitment

- To invest a lump-sum payment of at least GBP 50,000.
- To view your policy as an investment for at least five years, although you can cash it in whenever you want (an early cash-in charge may apply).

Risks

- What you get back in the future depends on how well the investments perform.
- The value of the policy can go up and down. You could get back less than you've paid in.
- When you cash in your policy, you may get back less than your illustration shows. This could happen for several reasons, for example, if:
 - investment returns are lower than shown
 - our charges are higher than shown
 - you take out more money than shown.
- Some assets carry a higher level of risk than others and may be subject to sudden and large falls in value. This could erode some or all of your capital.
- If you or your investment adviser deal excessively and your portfolio value is relatively small, then the value of your Reserve policy may be eroded and the costs may be disproportionately high.
- If you invest in an asset denominated in a currency different to the policy currency, the value can go up and down simply because of changes in the currency exchange rate.
- Inflation will reduce the spending power of any money you get back in the future.

Questions and answers

What is Reserve?

- It's an international lump-sum investment product that offers potential for capital growth over the medium to long term (five years +).
- It has two investment options – collective investments and personalised assets. Your financial adviser will be able to help with which is the most appropriate.
- It gives you access to the world's investment markets through unit trusts, investment trusts and open-ended investment companies. The personalised assets version could also include international equities, fixed interest securities, structured notes and deposits.
- It can provide you with regular withdrawals, although please note this will reduce your capital value.

How flexible is it?

- You can choose the policy currency in which you would like your policy to be denominated. This can be in any one of the following:
 - UK pounds sterling (GBP)
 - US dollars (USD)
 - Euro (EUR)
 - HK dollars (HKD)
 - Australian dollars (AUD)
 - Japanese yen (JPY)
 - Swedish krona (SEK)
 - Swiss francs (CHF).

- All payments will be in your chosen policy currency, unless requested otherwise.
- We set up General Transaction Accounts in the currencies you choose. These operate as cash accounts and receive any payments you make to us or we make to you. Any transactions such as charges to be taken, and the buying and selling of investments, will also pass through these accounts.
- Your lump-sum payment can be made in any freely convertible currency.
- You can make additional lump-sum payments into your policy at any time. The minimum additional payment is GBP 5,000 or GBP 10,000 for the annual policy charge option.
- You can cash it in (in full or in part) at any time; an early cash-in charge may apply. **Please see 'What are the policy charges?'**
- We set up your policy as a series of identical policies to give you more flexibility.
- You can appoint either an investment adviser or a discretionary fund manager:
 - You can appoint an investment adviser to choose, and if appropriate, place deals on your behalf.
 - You can nominate a discretionary fund manager to manage and hold custody of the investments.
- You can set up the policy on your own life, on another person's life, or on up to ten lives.

How much can I pay in?

- The minimum initial payment is as follows:

Currency	Establishment charge option			Annual policy charge
	Non-discretionary	Discretionary	Part discretionary [†]	
GBP	50,000	75,000	500,000	100,000
USD	75,000	112,500	750,000	150,000
EUR	75,000	112,500	750,000	150,000
HKD	600,000	900,000	6,000,000	1,200,000
AUD	150,000	225,000	1,500,000	300,000
JPY	10,000,000	15,000,000	100,000,000	20,000,000
SEK	650,000	975,000	6,500,000	1,300,000
CHF	125,000	187,500	1,250,000	250,000

[†] These minimums also apply to policies partially managed by a discretionary fund manager, taken out under the annual policy charge option.

- If you later wish to add to your policy, the minimum additional payment is as follows:

Currency	Establishment charge option	Annual policy charge option
GBP	5,000	10,000
USD	7,500	15,000
EUR	7,500	15,000
HKD	60,000	120,000
AUD	15,000	30,000
JPY	1,000,000	2,000,000
SEK	65,000	130,000
CHF	12,500	25,000

Where can I invest my money?

This depends on which investment option is selected:

Collective investments

- UK authorised unit trusts within the meaning of section 468 of UK's Income and Corporation Taxes Act 1988 (ICTA) 1988, and any subsequent amendments.
- UK investment trusts, excluding warrants, within the meaning of section 842 ICTA 1988, and any subsequent amendments.
- Open-ended investment companies within the meaning of section 236 of the UK Financial Services and Markets Act 2000, and any subsequent amendments.
- An interest in an overseas collective investment scheme (as defined in section 235 of the UK Financial Services and Markets Act 2000, and any subsequent amendments) that is structured as one of the following:
 - an open-ended investment company
 - a unit trust
 - any other arrangement creating co-ownership rights
 - hedge funds and exchange-traded funds, providing they comply with one of the structures above
- Cash, including bank and building society deposits.

Personalised assets

- Equities and fixed interest securities (including Sukuks) quoted on most recognised stock exchanges
- Unit trusts
- Open-ended investment companies
- Investment trusts
- Offshore reporting and non-reporting funds
- Hedge funds, funds of hedge funds and exchange traded funds
- Structured notes and structured deposits
- US, Canadian and Australian mutual funds where your investments are held with a discretionary fund manager
- Cash, including bank and building society deposits.

- You can exchange existing assets into your policy which comply with the structures opposite. The minimum value of an asset to be exchanged into your policy is GBP 5,000 (an asset exchange charge will apply).

We reserve the right to refuse some assets, such as:

- shares in the Aviva group
- commodities
- real property
- futures and options
- unquoted securities
- precious metals
- UK National Savings and Investments products.

This list is not exhaustive; we may refuse other assets which we believe are unsuitable.

What are the policy charges?

- We charge for setting up and administering your policy. You can choose between an establishment charge structure or an annual policy charge structure. All other charges mentioned apply to both charging structures.

Establishment charge structure

If the establishment charge structure is chosen, the establishment charge will apply.

- An establishment charge, as a percentage of your original investment and any additional investment(s), taken at outset, or quarterly from your General Transaction Account during your selected establishment charge period of five, eight or ten years. Note that an establishment charge will not apply if you have chosen the annual policy charge option.

Annual policy charge structure

If the annual policy charge structure is chosen then the annual policy charge and the initial charge will apply.

- An annual policy charge equal to a percentage of the fund value or the total investment, whichever is higher, is taken at the end of each calendar quarter. Note that an annual policy charge will not apply if you have chosen the establishment charge option.
- An initial charge, as a percentage of your original investment and any additional investment(s), taken at outset, or quarterly from your General Transaction Account over an initial charge period of five years. Note that an initial charge will not apply if you have chosen the establishment charge option.

Other charges

- A fixed administration charge taken quarterly from your General Transaction Account over the lifetime of your policy. The applicable charge is determined by the charging structure you choose and the amount of the initial investment you make.
- If you have agreed to your adviser receiving trail commission, you will pay an increased administration charge under the establishment charge structure, or an increased annual policy charge under the annual policy charge structure. The trail commission is calculated as a percentage of the value of your investments, taken quarterly from your General Transaction Account over the lifetime of your policy.
- An ad hoc charge taken from your General Transaction Account for additional services, for example:
 - a change of the life-assured
 - a request for a one-off valuation
 - changing, adding or removing a discretionary fund manager and/or custodian.
- If you cash in your policy in full and your original investment or any subsequent investment(s) are still within their establishment or initial charging period, an early cash-in charge will be taken from the final payment equal to any establishment or initial charges which would have been deducted had you not cashed in the policy.
- **More detail on all our charges is available in the ‘Reserve – charging structures’ document which can be obtained from your financial adviser.**
- **Your illustration will reflect the charges applicable to your policy, based on the charging structures you choose. Please see the ‘Personal charging structure’ section of your illustration.**
- You should ensure that you have enough cash in your General Transaction Account to pay for these charges. If the account is overdrawn, we will levy interest at the rate of 2% above the three-month London InterBank Offered Rate (LIBOR). Where a discretionary fund manager is appointed to the policy, interest will not currently be applied if the account is overdrawn. We reserve the right to review this provision at any time.

- If you don't appoint a discretionary fund manager to manage your investments, we will take the following charges from your General Transaction Account:
 - Fixed dealing charges each time you buy or sell an asset, taken in the currency of the deal on the last day of the calendar quarter in which we confirm completion of the deal. A calendar quarter is defined by the period of three consecutive months ending 31 March, 30 June, 30 September and 31 December.
 - A fixed charge of GBP 100 is taken for each individual asset you exchange into your policy.
 - Any charges deducted by our bank from payments made. **For more details, please see the ‘Dealing and settlement charges’ document, which can be obtained from your financial adviser.**
 - Any charges from our custodian relating to certain assets for which there are handling and safe custody fees. **For more details, please see the ‘Dealing and settlement charges’ document, which can be obtained from your financial adviser.**

What are the investment charges?

- If you invest in funds, the fund management group will deduct their own management and administration charges. There may be further underlying charges. **Please refer to the fund manager for more details.**
- If you purchase or sell a fund listed on a stock exchange, stockbroker, settlement and safe custody fees will apply.

What are the investment adviser charges?

- 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.

What are the discretionary fund manager's charges?

- You can appoint a discretionary fund 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 your discretionary fund manager's published rates. We may apply a dealing charge when we send money to or receive money from the external manager. **Please refer to your discretionary fund manager's schedule of charges for more details.**

Can I take money out?

- You can cash in your policy in full.
- You can cash in your policy in part or take withdrawals provided the cash-in value left isn't below GBP 10,000 or, if greater, 10% of the original investment or additional investment(s) which is still within its establishment or initial charging period.
- If you have made a withdrawal and wish to reinvest it, you can and no additional establishment charge will apply to the amount reinvested. Only one additional payment may be reinvested in respect of each withdrawal and the additional payment amount cannot be more than the amount withdrawn. The additional payment is subject to the minimum additional payment limits.
- If you cash in, in part, we'll cash in one or more policies to make the payment. We'll make the payment from your General Transaction Account.
- If you take withdrawals, they will be taken proportionately across all policies. We'll make the payment from your General Transaction Account.
- If you take regular withdrawals, you choose how much (minimum GBP 250 each payment) and how often (every month, quarter, half-year or year) you want us to pay the money into your bank account. We reserve the right to stop the withdrawals if the cash-in value left falls below the minimum allowed.
- If you take money out, in excess of the rate at which your investment grows, the value of your policy will reduce.
- We give example cash-in values in your illustration.

What might I get back?

- You'll get back the cash-in value of your policy at the time you decide to cash it in.
- The cash-in value will depend on several things, including how long you invest for, how well the investments perform, the charges and any withdrawals you take.

What happens to the policy if I die?

- If you set the policy up on your own life, the policy will end if you die. We'll pay a lump sum equal to 101% of the cash-in value, or, if lower, the cash-in value plus GBP 10,000, on your death.
- You can set up the policy on up to ten lives, so that it continues after the first death. We'll pay 101% of the cash-in value, or, if lower, the cash-in value plus GBP 10,000, on the death of the last survivor only and the policy will then end.
- The death benefit is not a guaranteed amount because we cannot guarantee the value of your policy. It will depend on the cash-in value at the time of death.

What about tax?

- Policyholders may in certain circumstances be subject to currency or tax restrictions and/or legislation, which may affect their application for any benefits from the policy. We recommend that policyholders consult their legal, tax or financial adviser regarding their own position, as Friends Provident International Limited does not provide legal, taxation or investment advice. Information relating to tax in this product guide is based on our understanding of current tax legislation. **Please note that tax legislation may change.**
- Friends Provident International Limited is a tax-exempt insurance company registered in the Isle of Man. Consequently, Friends Provident International is not subject to income tax, capital gains tax or corporation tax in the Isle of Man or the UK. Our funds accumulate free of tax (apart from any withholding tax on investment income, deducted at source in the country of origin).
- If you take withdrawals (including any to pay investment adviser charges) and later become UK resident, they will count towards the annual 5% withdrawal allowance that you are entitled to take from your policy. This allowance is based on the payment amounts that you invest in the policy. Withdrawals taken which exceed this cumulative allowance could result in a personal income tax liability.
- Asset exchanges may result in a tax liability, depending on your country of residence. Any liability must be met from your own resources.

- Tax rules are subject to change and the extent of your tax liability depends on your country of residence and personal circumstances. We recommend that you consult a financial or tax adviser for professional guidance. We do not condone tax evasion and our products and services may not be used for evading your tax liabilities.

Important notes on taxation if you plan to live in the UK

If you are planning to live in the UK in the future, we have a statutory obligation to report to HM Revenue & Customs certain events when you receive benefits from your Reserve plan.

If you choose the Personalised Assets option of Reserve we believe it will be classed as a Personal Portfolio Bond, as defined by section 517 of The Income Tax (Trading and Other Income) Act 2005 and any subsequent amendments thereof. If you become UK tax resident you will be subject to an annual tax liability based on annual, cumulative 'deemed gains'. To prevent your Reserve plan being subject to this tax, you can contact us before moving to the UK and request that the terms of your policy are changed, to restrict it to investing in collective investments.

If you choose the Collective Investments option, your investment will not be classed as a Personal Portfolio Bond, as defined by section 517 of The Income Tax (Trading and Other Income) Act 2005 and any subsequent amendments thereof.

This information is based on our understanding of current law and taxation practice as at May 2015, which may change in the future. No liability can be accepted for any personal tax consequences of this policy or for the effect of future tax or legislative changes. Please speak to your adviser before you invest to fully understand all the tax considerations.

How do I apply?

- Simply complete the application form and return it to your financial adviser along with the required documents.
For the required documents, please see the 'Reserve UAE application form', which can be obtained from your financial adviser.
- Payments will only be accepted by:
 - telegraphic transfer
 - banker's draft
 - cheque
 - asset exchange.

Other information

How to complain

 Please write to:
UAE Complaints Department
Friends Provident International
Emaar Square Building 6, Floor 5
PO Box 215113, Dubai
United Arab Emirates

 Call us on **+971 4 436 2800** Sunday to Thursday, between 9am and 5pm (GST). We may record calls in order to improve our service.

 Fax us on **+971 4 438 0144**

 Email us at
uaecomplaints@fpinternational.com

- Making a complaint will not affect your legal rights.
- Whilst resident in the United Arab Emirates, complaints we cannot settle can be referred to the United Arab Emirates Insurance Authority or if you wish to the Financial Services Ombudsman Scheme for the Isle of Man
- If you are not resident in the United Arab Emirates or are no longer resident in the United Arab Emirates, complaints we cannot settle can be referred to the Financial Services Ombudsman Scheme for the Isle of Man

How to contact us

- Your financial adviser will normally be your first point of contact. If you have any questions you can phone, fax, email or write to us.

 Call us on **+971 (0) 4436 2800** Monday to Friday, between 9am and 5pm (GST). We may record calls in order to improve our service.

 Fax us on **+971 (0) 4438 0144**

 Email us at
dubaipolicyservicing@fpinternational.com

 Write to us at
Friends Provident International Limited
Emaar Square Building 6
Floor 5
PO Box 215113
Dubai
United Arab Emirates

This document sets out the main points about Reserve. It does not include all the definitions, exclusions, terms and conditions. If you would like a copy of the policy conditions, please ask your financial adviser or contact us directly.

The information in this document is based on our current understanding of law and practice, which may change in the future.

Data Privacy

We take the responsibility of handling your personal data very seriously and we will only ask you for details required to process your requests to us. Please be aware of our privacy policy – please visit www.fpinternational.com/legal/privacy-and-cookies.jsp to view the full policy or this can be provided on request from our Data Protection Officer.

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