

# Dealing and settlement charges

You have access to a wide range of investment instruments available within a personalised or collective version of Reserve. This document details the dealing costs and stock exchanges available for investing into these instruments. These charges are current as at 01 April 2018.

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

Please read this document with the product brochure, product guide or Key Facts document, and policy conditions available from your 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 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 2018) 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	0.20%	EUR 30.00		GBP 45.00	0.085%	EUR 34.10
Australia	0.30%	AUD 120.00	EUR 100.00 Delivery fee; EUR 7.50 Compliance fee	GBP 45.00	0.025%	AUD 54.20
Belgium	0.10%	EUR 15.00		GBP 45.00 (Eq.)** GBP 45.00 (F.I.)**	0.03% (Eq.)** 0.02% (F.I.)**	EUR 34.10
Canada	0.25%	CAD 40.00		GBP 20.00	0.02%	CAD 54.10
Denmark	0.15%	DKK 150.00		GBP 50.00	0.05%	DKK 254.00
Finland	0.15%	EUR 20.00		GBP 40.00	0.08%	EUR 34.10
France	0.10%	EUR 15.00	0.20 % (Buys) local tax	GBP 40.00	0.025%	EUR 34.10
Germany	0.10%	EUR 20.00		GBP 35.00	0.025%	EUR 34.10
Hong Kong	0.20%	HKD 275.00		GBP 45.00	0.035%	HKD 329.00
Ireland	0.10%	EUR 20.00	+ EUR 1.25 PTM Levy > EUR 12,500.00	GBP 25.00	0.02%	EUR 34.10
Italy	0.10%	EUR 20.00	0.12 % (Buys) local tax	GBP 35.00	0.03%	EUR 34.10
Japan	0.30%	JPY 2,000.00	EUR 45.00 Delivery fee; GBP 7.50 Compliance fee	GBP 30.00	0.03%	JPY 4,430.00
*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 30.50
Netherlands	0.10%	EUR 15.00		GBP 30.00	0.02%	EUR 34.10
Norway	0.15%	NOK 160.00		GBP 60.00	0.03%	NOK 329.00
Singapore	0.30%	SGD 125.00		GBP 40.00	0.04%	SGD 55.50
South Africa	0.30%	ZAR 370.00		GBP 30.00	0.04%	ZAR 505.00
Spain	0.20%	EUR 16.00		GBP 55.00	0.05%	EUR 34.10
Sweden	0.15%	SEK 185.00		GBP 50.00	0.03%	SEK 348.00
Switzerland	0.10%	CHF 24.00	0.01% Exchange fee	GBP 40.00	0.03%	CHF 39.40
UK	0.10%	GBP 15.00	0.50% local tax + GBP 1.00 PTM Levy > GBP 10,000.00	GBP 20.00	0.015%	GBP 30.50
US***	0.10%	USD 15.00	Sales – 0.003% Sec fee	Sales – 0.003% Sec fee	0.01% (Eq.)** 0.015% (F.I.)**	USD 41.10
US****	0.10%	USD 15.00	Sales – 0.003% Sec fee	Sales – 0.003% Sec fee	0.01% (Eq.)** 0.015% (F.I.)**	USD 42.00

† 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).

\*\*\* Pertains to policy form references: RCP4, REC4, RECU4, RCC4, REP4, REPU4 or higher

\*\*\*\* All policy references not mentioned above

## 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 2018:

- 5,000 ABC exchange traded fund shares at a price of EUR 5.00 – German Market
- GBP 50,000 XYZ 10% 2025 Bond at a price of GBP 1.00 – Clearstream

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

#### ABC exchange traded fund

**Transaction fee**

$(5,000 \times \text{EUR } 5.00) \times 0.10\% = \text{EUR } 25.00$

**Trade settlement fee**

GBP 35.00 converted @ 1.14 (GBP to EUR) = EUR 39.90

**Dealing charge**

EUR 34.10

**Total cost = EUR 99.00**

#### XYZ 10% 2025 Bond

**Transaction fee**

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

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

= GBP 110.00

**Compliance fee** GBP 7.50

**Trade settlement fee** GBP 20.00

**Dealing charge** GBP 30.50

**Total cost = GBP 168.00**

#### 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**

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

**XYZ 10% 2025 Bond**

GBP 55,000 (market value)  $\times 0.015\%/12 = \text{GBP } 0.69$  converted into Friends Provident International valuation currency (USD) @ 1.40 (GBP to USD) = USD 0.97

**Therefore, safekeeping fees of USD 1.20 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

The information given in this document is based on Friends Provident International's current understanding of Isle of Man and UK law and taxation as at 01 April 2018.

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.

**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](http://www.fpinternational.com/legal/privacy-and-cookies.jsp) to view the full policy, or this can be provided on request.

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 Isle of Man.

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