Friends Provident International
فريندز بروفيدنت انترناشيونال

Keep it in Reserve

For adviser use only. Not for use with customers.

Flexibility. Choice. Consolidation.

We are very proud to offer the multiple award-winning Reserve portfolio bond as part of our product range.

INTERNATIONAL ADVISER
INTERNATIONAL LIFE AWARDS '17
WINNER
MIDDLE EAST
BEST SINGLE PREMIUM BOND
LAST WORD

Reserve has been designed to help customers achieve their medium- to long-term investment goals. It is suitable for people who have a lump sum to invest for at least five years, particularly those seeking capital growth, the flexibility to access their savings, or a combination of these.

With Reserve, customers can invest to build up capital and, as life moves on and priorities change, use the bond's flexibility to adapt to support new aspirations. Customers can re-balance their portfolio whenever they need to, either by adjusting existing investments or exploring new options.

Reserve can provide flexibility and tax efficiency, plus access to the world's investment markets through a diverse range of assets. By consolidating investments in one place and keeping the administration to a minimum, we make investing with us as easy as possible.

Customers can invest from as little as **USD75,000** (or equivalent, in a range of currencies) and access a very wide range of assets including stocks and shares, bonds, commodities, alternatives and mutual funds. In fact, your customer can access most investments available on a recognized exchange, meaning portfolio construction can be optimised to meet their needs.

If you have customers looking to preserve and build their wealth, for example to fund their retirement, invest in a dream home, pass on wealth to future generations or to supplement their income, Reserve is the ideal solution.

Friends Provident International has been developing sophisticated investment solutions for the expatriate market for 40 years.

Flexibility

We understand that expatriate customers' circumstances can change quickly and that their investments need to evolve accordingly. Whether they are saving for a particular life goal, such as retirement, they need a plan with the flexibility to adapt quickly and easily.

That's why Reserve has been developed with all the flexibility a customer will ever need. From the choice of investment currency, to the way they choose to pay plan charges, to the range of investments at their disposal, Reserve offers investors the opportunity to tailor their investment to suit their needs.

Investors are able to switch their investment holdings at any time and can choose from a range of assets such as mutual funds, ETFs, structured notes, commodities – the list is almost endless.

We set up Reserve as a series of identical policies to give customers even more flexibility. This may help from a tax perspective, when customers need to encash part of their investment. Alternatively, depending on their circumstances, customers can encash a part of each policy on an ad hoc basis or take regular withdrawals, paid directly to their bank account.

Reserve investors can appoint either an investment adviser or a discretionary fund manager.

An investment adviser will choose appropriate funds for the customer and in some circumstances may place deals on their behalf.

A discretionary fund manager will manage and hold custody of the investment.

For maximum flexibility, Reserve can be set up on the customer's own life, on the life of another person or on up to 10 lives.

Choice

Investments

Investors have a huge choice of investments that can be included within their Reserve bond, including:

Collective investments

- UK authorised unit trusts
- UK investment trusts
- Open-ended investment companies
- Overseas collective investment schemes including open-ended investment companies, unit trusts, arrangements creating co-ownership rights, hedge funds and exchange-traded funds
- 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 investments are held with a discretionary fund manager
- Cash, including bank and building society deposits.

Note: For the precise terms of allowable investments, please refer to the Reserve Product Guide.

Investment charges

If the customer invests 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 the funds are listed on a stock exchange, stockbroker, settlement and safe custody fees will apply.

If an investment adviser is appointed to choose and place deals on a customer's behalf, the customer can agree to pay them by regular withdrawals from their Reserve bond based on a fixed fee per quarter or a percentage of the value of the investments at each valuation over the term of the policy.

Plan charges

Reserve offers customers the flexibility to choose how they pay their plan charges. There are a couple of ways in which they can do this.

Establishment charge structure

If the establishment charge structure is chosen, an establishment charge is taken, as a percentage of the original investment and any additional investment(s). Customers may opt for an establishment charge period of five, eight or 10 years.

This charge is taken at outset or quarterly from the general transaction account (GTA) – which is the cash element of a Reserve investment – during the establishment charge period the customer has chosen.

Annual policy charge structure

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

The annual policy charge is equivalent to a percentage of the fund value or the total investment, whichever is higher. This charge is taken at the end of each calendar quarter.

This charge does not apply if the establishment charge structure is chosen.

An initial charge is a percentage of the original investment, and any additional investment(s), taken at outset, or quarterly from the GTA over an initial charge period of five years.

The initial charge will not apply if the establishment charge option is chosen.

Consolidation

Apart from the convenience and versatility offered by the Reserve portfolio bond it is an ideal 'wrapper' for many expatriate investors, as it can be used to hold a wide range of different assets.

Holding multiple assets in one wrapper means simplified, consolidated reporting for the customer as this is taken care of by FPI. This means that there is generally no requirement for customers to complete a tax return on the dividends received from underlying investments every year, because it is a non-incoming producing asset.

In addition, customers receive a single valuation for all the underlying investments rather than having to add them all up to calculate their net worth..

This is a brief summary of how the many benefits of the Reserve portfolio bond tick all the right boxes for expatriate investors.

For further information, please speak with your Regional Sales Manager.

FPI does not give financial, legal or taxation advice. If you have any enquiries please refer them to a suitably qualified professional.

Friends Provident International does not condone tax evasion and the company's products and services may not be used to evade taxes.

This factsheet is intended for general information purposes only and does not constitute legal or taxation advice. It is based upon our understanding of current UK legislation as at February 2018 and may be subject to change in future.

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