

Reserve

FOR PROFESSIONAL ADVISER USE ONLY

The keys to RESERVE are flexibility, adaptability and choice. The product itself, its investment links, and even the way the charges are taken, have all been designed to give maximum freedom of choice to the investor.

KEY PRODUCT FEATURES	KEY INVESTOR BENEFITS
Investment flexibility	Maximise investment opportunities by constructing a balanced portfolio from a wide menu of international pooled funds and cash
Sophisticated administration services	An experienced team from Friends Provident International Limited oversees the day-to-day running of the portfolio, leaving you free to concentrate on investment strategy, not investment administration
Professional investment management	Option to delegate management of your investment to your own appointed Investment Adviser
Access to capital	Built-in flexibility of Reserve allows you to take regular or irregular withdrawals, any time you wish
Wide range of currency choices	You may pay your contributions in any freely convertible currency
Buying power of a major financial institution	Most transactions are carried out on beneficial terms with investment houses and stockbrokers worldwide - discounts allow you to alter your portfolio in a highly cost-effective manner
Secure base in the Isle of Man	Virtually tax free accumulation of your savings (some dividends may be received net of withholding tax, deducted at source in the country of origin, but once inside your Reserve they can accumulate free of tax)
Friends Provident International Limited	Confidence of investing with one of the leading offshore life companies, which is also a member of one of the UK's largest insurers



Application

Reserve offers the investor access to international investment markets. Investors can construct a portfolio according to their personal risk profile, with access to external funds and assets.

Type of policy

An offshore unit-linked policy. The policy can be written as either a Whole of Life policy or a Capital Redemption Bond.

Eligibility

Anyone who is eligible to invest in offshore funds, with the exception of persons resident in the United States of America.

Maximum age at entry

One of the Lives Assured should be younger than age 75.

Currencies

Premiums may be paid in any of the currencies listed below. The exchange rates quoted are used for determining product limits such as minimum premiums.

Sterling	1.0	HK Dollars	12.0
US Dollars	1.5	Swedish Krona	15.0
Euro	1.5	Swiss Francs	2.5

At outset the client can elect to receive all future valuations in any of these currencies. The valuation currency can be changed at any time, although premiums can be paid only in the original selected currency. Payment of benefits or withdrawals will normally be made in the valuation currency, unless otherwise specified.

Minimum initial premium

- Whole of Life: £50,000 (or currency equivalent)
- Capital Redemption: £100,000 (or currency equivalent)

Minimum additional investments (top ups)

£10,000 (or currency equivalent).

Funds

Reserve may invest in up to 50 different assets or funds. If the policy is non-discretionary managed the minimum investment holding in any one fund is £5,000 (or currency equivalent). Asset Exchange is available.

Dealing costs

If your plan is on a non-Discretionary Managed basis a Dealing Charge of £23.50 (or currency equivalent) will apply for each buy or sell transaction. No Dealing Charges will apply to a Discretionary Managed policy.

Multiple policies

Your plan can be issued with between five and 100 policies, subject to a minimum per policy of £5,000 (or currency equivalent).

Death benefit

- Whole of Life: The lesser of 101% of Surrender value, or Surrender value plus £10,000 (or currency equivalent).
- Capital Redemption: Not applicable.

Surrender value

Your plan may be surrendered at any time for its current bid value less Discontinuance Charge (refer to the Summary of Charges).

Withdrawals

Penalty-free withdrawals. Minimum amount £250. The value of your portfolio **must not** fall below £10,000 or below 10% of the premium during the initial charging period.

Taxation

Personal

Reserve is an offshore life policy and the taxation of the benefits will depend on the client's country of residence at the time they are taken. Benefits are payable without deduction of tax. The above information is based on our current understanding of UK legislation, which may change in the future. Full details about the possible implications of UK legislation are available on request.

Company

Friends Provident International Limited is not liable to any income tax, capital gains tax or corporation tax in respect of its policyholders' funds. Some dividends may be received net of withholding taxes, but once inside Reserve the capital accumulates entirely free of tax.

Important Note for proposed policyholders who are, or are planning to become, resident in the UK

Friends Provident International Limited is under a statutory obligation to report to the UK Inland Revenue certain events where benefits are received from Reserve by a UK-resident individual, company or trust. For further information, please contact us or your usual Financial Adviser.

SUMMARY OF CHARGES

Establishment Charge

The following examples show the effect of a rebate in IFA initial commission.

OPTION 1: The initial commission rebated reduces the Establishment Charge. The following Establishment Charge figures are based on no IFA initial commission.

Establishment Charge taken on commencement		<i>OR</i>	Establishment Charge per annum for the first 5 years		<i>OR</i>	Establishment Charge per annum for the first 8 years	
Premium Band	% of Initial Premium		Premium Band	% of Initial Premium		Premium Band	% of Initial Premium
£50,000 - £99,999	1.5%		£50,000 - £99,999	0.35%		£50,000 - £99,999	0.25%
£100,000 plus	1.0%		£100,000 plus	0.25%		£100,000 plus	0.18%

OPTION 2: For 5 or 8 years, the initial commission rebated increases the allocation on the premium. The following Establishment Charge and allocation figures are based on no IFA initial commission.

Establishment Charge per annum for the first 5 years			<i>OR</i>	Establishment Charge per annum for the first 8 years		
Premium Band	% of Initial Premium	Allocation		Premium Band	% of Initial Premium	Allocation
£50,000 - £99,999	1.926%	107%		£50,000 - £99,999	1.28%	107%
£100,000 plus	1.826%	107%		£100,000 plus	1.21%	107%

For fuller details please request a Personal Charging Structure, **a copy of which must accompany every submitted application.**

Administration Charge

£106.50 (or currency equivalent) per quarter (an additional charge may be made to allow for trail commission)

Full Surrender

A Discontinuance Charge equal to the value of the outstanding Establishment Charges remaining (if any)

Dealing Charge

Discretionary Managed policies: Nil

Non-Discretionary Managed policies: £23.50 (or currency equivalent) for every sale, purchase or alteration to assets of your portfolio

All charges are applicable as at 1 January 2009. All fixed-amount charges are linked to Isle of Man inflation. Friends Provident International Limited reserves the right to change its charges at any time at its discretion upon three months' written notice to you.

Fixed amount charges in currencies other than Sterling are set by the Appointed Actuary four times each year, 28 days prior to each calendar quarter. The amounts are based on the Sterling charges but can vary from quarter to quarter depending on movements in exchange rates.

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Past performance should not be viewed as an indication of future performance, fund prices may go up and down depending upon investment performance and are not guaranteed. Investors may get back less than they paid in. All fund performance quoted is net of annual charges. Please note that securities held within a fund may not be denominated in the currency of that fund and, as a result, fund prices may rise and fall purely on account of exchange rate fluctuations.

The rules and regulations made by the Financial Services Authority for the protection of investors will not normally apply to persons resident outside the United Kingdom.

This document should be read in conjunction with the current Principal Brochure of Reserve and the relevant Technical Guide, which detail the charges and terms and conditions of Reserve. A copy of the Policy Conditions may be obtained from Friends Provident International on request.

Each Policy is governed by and shall be construed in accordance with the law of the Isle of Man.

The product is intended for medium to long-term investment and is not therefore designed for early surrender. A discontinuance charge will be applied.

All policyholders will receive the protection of the Life Assurance (Compensation of Policyholders) Regulations 1991 of the Isle of Man, wherever their place of residence.

Complaints we cannot settle can be referred to the Financial Services Ombudsman Scheme for the Isle of Man or the Financial Ombudsman Service in the UK, depending on the parties involved.

Some telephone communications with the Company are recorded and may be randomly monitored or intruded into.

This document is available for distribution only in the UK. For use by independent financial advisers only.

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Registered in the Isle of Man No. 11494.
Authorised by the Isle of Man Insurance & Pensions Authority and regulated by the Financial Services Authority for the conduct of investment business in the UK.
Provider of life assurance and investment products.



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