



Reserve Advance – charging structures

We try to keep the charges to a minimum so that you can make more of your money work for you. The charges we take ensure that we can offer you the service you expect no matter how long you hold your plan. This leaflet details the value of the charges and how they change. These charges are current as at 1 January 2010.

This summary should be read with the Reserve Advance brochure and key features document. Your financial adviser will be able to answer any questions you have.

If you decide that the Reserve Advance is the investment you are looking for, please ensure that you receive your Personal Charging Structure so that you are aware of all the charges that are taken from your investment.

When you invest, we allocate 100% of your investment to buy your chosen assets.

Day 1, 5 and 8 year Charging Structure

Annual Policy Charging Structure

Establishment Charge

Depending on which term you choose we will either take an Establishment Charge at the start or on the first day of each calendar quarter to cover the previous quarter's charge. These charges are based on the amount of money you invest and so will not change as the value of your investment does. The minimum charges are:

Premium from	Day 1	5 Year (p.a.)	8 Year (p.a.)
£50,000	1.5%	0.35%	0.25%
£100,000	1.0%	0.25%	0.18%

This charge is increased for any commission taken. The exact charge and how many are taken will be determined by your Personal Charging Structure.

Establishment charges will also be taken on each additional contribution.

The establishment charge is taken as a one off charge at outset and the rate is equal to the rate of commission paid.

Establishment charges will also be taken on each additional contribution.

Administration Charge

We will take a fixed amount on the first day of each calendar quarter to cover the previous quarter's charge for the lifetime of the policy. The current charge is £106.50 (or currency equivalent).

If you agree to your Financial Adviser receiving trail commission, then this charge will be increased to allow for this.

Policy Charge

A Policy charge equal to a percentage of the value of the policy is deducted at the end of the each calendar quarter in arrears. The charge is taken in the plan currency, for the lifetime of the policy.

Premium from	Annual Policy charge*
£250,000	0.35%
£350,000	0.25%
£500,000	0.2%
£1,000,000	0.15%

*Subject to a minimum policy charge of £106.50 (or currency equivalent) per quarter

If you agree to your Financial Adviser receiving trail commission, then this charge will be increased to allow for this.

Early Cash-In Charge

Any outstanding establishment charges will be taken.

No early cash-in charge applies.

Minimum Premium Amount

Whole of Life	£50,000
Capital Redemption	£100,000
Discretionary	£75,000
Part Discretionary	£500,000

Whole of Life	£250,000
Capital Redemption	£250,000
Discretionary	£250,000
Part Discretionary	£500,000

Minimum Additional Premium

£10,000

£100,000

Dealing Charge

This charge is taken as a fixed amount each time you buy or sell an asset in Reserve Advance. We will take any Dealing charges on the last day of the quarter of the deal in the currency of the deal. We will not charge this fee when you transfer money from a General Transaction Account in one currency to one in a different currency. The current dealing charge is £23.50 (or currency equivalent) per deal.

Ad-hoc Charge

An ad-hoc charge is taken in the valuation currency each time a request is made on any one of the alterations listed in the brochure. The current charge is £117.50 (or currency equivalent).

Inflation

Our appointed actuary increases the fixed sterling amounts once a year, 28 days before the end of December, in line with Isle of Man inflation. We may increase the charges if there are increases in our costs above inflation (for example, as a result of tighter regulation of the insurance industry).

The 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.

Mirror Fund Charge

If you have included Friends Provident International Limited mirror funds in your portfolio of assets, an annual management charge of, currently, 1.2% of the bid value of each mirror fund each year will be applied. This charge is debited directly to the mirror fund on each valuation day.

Asset Exchange Charge

We will take a charge in sterling for each individual asset you use to pay a premium into your Reserve Advance using the Asset Exchange option. If it is necessary to convert it into another currency we will do this at the exchange rate on the day the charge is taken.

Charge per asset - GBP100.00

Max total charge per premium – GBP1,000.00

External Fund Charges

With investments like Reserve Advance it is common for charges to be applied to the underlying assets. However, we have used our buying power to negotiate substantial discounts with fund management houses on the initial charges, which would be unavailable to the individual investor. These are then passed on to you. Full details of the underlying assets are available from the relevant investment house, whom you should contact for more information.

General Transactions Account

A General Transactions Account (GTA) will be opened in connection with your policy. If the General Transactions Account is overdrawn we will levy interest at the rate of 2% above the three month London Inter Bank Offered Rate (LIBOR) for the currency, where available.

Delivery and Receipt Charges

Any agents fees charges for receipt and delivery of securities (such as Eurobonds and equities) will be taken from your General Transactions Account.

Safe Custody on Securities

Any agents charges in respect of securities, which are held by safe custodian banks throughout the world, will be taken monthly from your General Transactions Account.

Stockbrokers fees

These are charges when you buy or sell assets. You will not see these listed separately in your statements, as they are included in the total value shown for each sale or purchase.

Important Information

The information given in this document is based on the understanding of Friends Provident International Limited of current law and Isle of Man taxation practice, which may change in the future. No liability can be accepted for any change in the future. No liability can be accepted for any personal tax consequences of this scheme or for the effect of future tax or legislative changes.

Investment involved risk. Past performance should not be viewed as a reliable guide of future performance. Fund prices may go up and down depending upon underlying investment performance, and the value of your investment cannot be guaranteed. 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 fund performance is quoted net of annual charges.

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.

Investors should be aware that specific investor protection and compensation schemes that may exist in relation to collective investments and deposit accounts are unlikely to apply in the event of failure of such an investment held within insurance contracts.

Complaints we cannot settle can be referred to the Financial Services Ombudsman Scheme for the Isle of Man.

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

The legal interpretation is that each policy is governed by and shall be construed in accordance with the law of the Isle of Man.

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Legal Interpretation

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

This document is only available for distribution in the UK

Friends Provident International Limited

Registered & Head Office: Royal Court, Castletown, Isle of Man, British Isles, IM9 1RA

Telephone: +44(0) 1624 821212 Fax: +44(0) 1624 824405

Website: www.fpinternational.com

Incorporated company limited by shares
Registered in the Isle of Man No. 11494

Authorised by the Isle of Man Insurance & Pensions Authority and authorised and regulated by the UK Financial Services Authority. As Friends Provident International Limited is a non-UK based insurer the regulatory system that applies, in some respects, is different from that of the United Kingdom.

