

Key features of UltimaSave

Reference
XIN53/C 12.11

Friends Provident International provides this important information to help you to decide whether UltimaSave is right for you. You should read this document carefully so that you understand what you are buying, and then keep it safe for future reference.

UltimaSave is a unit-linked regular contribution savings plan, which can be taken out with or without specified life cover, suitable for customers seeking to build a substantial cash sum over a fixed term of five to 35 years.

UltimaSave is only available to those who are aged between 18 and 69, not residing in the UK, and willing and able to accept the risks as described in the 'Risks' section.

Its aims

- To build up a substantial cash sum over a fixed term of five to 35 years, for you to spend as you wish.
- To allow you to invest in funds to suit your investment needs.
- To allow you to take regular withdrawals at maturity.

Your commitment

- To save a regular monthly, quarterly, half-yearly or annual amount, subject to the minimum contributions shown in the table below, over your chosen fixed savings term (five to 35 years). You can increase or decrease the amount you save at any time.

Contribution frequency	Minimum regular contribution		
Monthly	EUR100	GBP75	USD150
Quarterly	EUR300	GBP225	USD450
Half Yearly	EUR600	GBP450	USD900
Annually	EUR1,200	GBP900	USD1,800

- To get the most from your plan, you should aim to save regularly for the full term.

Risks

- We don't guarantee what you'll get back in the future as this depends on how well the investments perform.
- The value of the plan and any income from it can go up and down. You could get back less than you've paid in.
- Some funds, particularly those investing in the stock market, carry a higher level of risk than others.

Please see our fund guide for more details.

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- If you invest in a fund denominated in a currency different to the contract currency, the value can go up and down simply because of changes in the currency exchange rate.
- The deductions we make for administering your plan and providing life cover may turn out to be higher or lower than anticipated.
- If you cash-in your plan in the early years you're likely to get back less than you have paid in because of the effect of charges.
- If you decide to cancel your plan during the 30-day cancellation period, you will get back less than you've paid in if you've made a lump-sum payment and the investment value has fallen or there has been an adverse movement in currency exchange rates.
- Inflation will reduce the spending power of any money you get back in the future.
- You may have received an illustration. When your plan matures, you may get back less than your illustration shows. This could happen for several reasons, for example if:
 - investment performance is lower than shown
 - our charges are higher than shown
 - you take out more money than shown.

Questions and answers

What is UltimaSave?

- It's a regular contribution savings plan, with an option to add lump-sum payments, that offers the potential to build up a substantial cash sum over a fixed term of five to 35 years.
- It gives you access to the world's investment markets through a diverse range of professionally managed funds.

- It's a unit-linked savings plan. We divide each fund into units and your payment buys units in the funds you choose. You can invest in up to ten funds at any one time. The price of a unit depends on the value of the investments in the fund.
- We work out the value of your plan based on the total number of units you have in each fund. If the unit prices go up and down, the value of your plan will fluctuate accordingly.
- At maturity, it can provide you with a regular income if you decide to take regular withdrawals.
- It provides the option to include specified life cover.

How flexible is it?

- You can set up the plan on your own life, on another person's life, or jointly on two lives.
- You choose the fixed savings term at the start, it can be any whole number of years from five up to a maximum of 35, provided you are aged 79 or under at the end of the term.
- You choose the contract currency in which you would like your plan to be denominated. This can be either in EUR, GBP or USD. All statements, correspondence and payments will be denominated in your chosen contract currency.
- Your contributions can be paid in any foreign exchange currency, however, if this is different from your plan's denomination currency, the cost of conversion will be deducted from your payment.
- You can reduce your regular contribution at any time, provided it doesn't fall below the minimum allowed. If you set up your plan with specified life cover, this will also reduce proportionately unless you request otherwise.

- For plans with terms of less than ten years, the total amount payable over the term of the plan must be at least EUR15,000, GBP10,000, USD20,000. For example, the minimum monthly contribution in EUR to a plan with a term of five years would be EUR250 (EUR15,000 divided by 60 months' contributions is EUR250).
- When you set up your plan, you can choose to automatically increase your contributions at each anniversary of the plan. The rate of increase can be any whole percentage between 2% and 7%. If you have set up your plan with specified life cover, this will also increase by the same percentage.
- You can increase your regular contribution at any time provided the increase is not made within five years of the maturity date. The minimum amount you can increase your regular contribution by is detailed in the table below. If you set up your plan with specified life cover, this will also increase by the same percentage.

Contribution frequency	Minimum additional regular contribution		
	EUR	GBP	USD
Monthly	EUR30	GBP20	USD40
Quarterly	EUR90	GBP60	USD120
Half Yearly	EUR180	GBP120	USD240
Annually	EUR360	GBP240	USD480

- You can take a 'contribution holiday', after three full years' contributions have been paid. You can restart contributions at any time and do not have to pay any missed contributions unless you wish to do so.

- You can also add a lump-sum payment at any time provided the payment is not made within five years of the maturity date. The minimum lump-sum payment is: EUR650, GBP500, USD1,000.
- You can cash it in (in full or in part) at any time after you have made contributions for a whole year; an early cash-in charge may apply. **Please see 'What are the charges?'**
- At the end of your plan term, you can:
 - extend the plan term by a minimum of five years and continue to pay contributions;
 - extend the plan term and make no further contributions, with an option to take regular withdrawals;
 - take the maturity value as a cash lump-sum.

What might I get back?

- You'll get back the cash-in value of your plan at the time you decide to cash it in.
- The cash-in value will depend on several things. For example, how long you invest for, how well the investments perform, the charges and any withdrawals you take. We don't guarantee the value of your plan as it can go up and down.
- If you have received an illustration, this may show example cash-in values.

Where can I invest my money?

- We offer a wide range of funds denominated in EUR, GBP or USD. The funds invest in assets which are denominated in the same currency in which the funds are priced, therefore minimising exchange rate costs and risks. **Please see our fund guide for more details.**
- If you want to, you can switch between funds in whole or in part free of charge; restrictions may apply.

- If you want to, you can redirect contributions into different funds in whole or part at any time free of charge.
- You also have the opportunity to select the Portfolio Strategy which is designed to offer a professionally managed portfolio by F&C Asset Management that gradually switches your money and any future contributions from higher risk funds into lower risk funds as the plan maturity date approaches. This allows for growth potential during the early years while providing a level of protection towards the end of the plan.

F&C manage the underlying assets by rebalancing continually according to market conditions and the economic conditions at the time.

This option invests your money and any future contributions, depending on your plan's remaining time to maturity, into one of five pre-selected funds denominated in EUR. As your plan maturity date approaches, your money is switched from a relatively higher risk fund to a lower risk fund as shown in the table below:

Fund	Years to plan maturity date	Objective	Risk grade
FPI Dynamic EUR	19+	The investment objective of the Dynamic Fund is to achieve capital appreciation and reduce volatility over the long term through a broadly diversified mix of growth holdings including both traditional and alternative assets.	4
FPI Growth EUR	10 to 19	The investment objective of the Growth Fund is to achieve capital appreciation and reduce volatility over the medium to long term through a broadly diversified mix of holdings including both traditional and alternative growth assets as well as long duration EU Government Bonds.	3
FPI Balanced EUR	4 to 10	The investment objective of the Balanced Fund is to achieve capital appreciation and reduce volatility over the medium term through investing in EU Government Bonds and a broadly diversified mix of traditional and alternative growth assets.	3
FPI Cautious EUR	1 to 4	The investment objective of the Cautious Fund is to achieve some level of capital appreciation and reduce volatility through investing predominantly in EU Government Bonds and a broadly diversified mix of traditional and alternative growth assets.	2
FPI Preservation EUR	0 to 1	The investment objective of the Preservation Fund is to provide a level of capital appreciation consistent with cash returns from major European clearing banks with very little volatility through investing in EU Government Bonds, cash or cash equivalent vehicles. However, it is possible, in certain circumstances that the value of the fund may fall.	1

Your decision to invest your money in the Portfolio Strategy should be based on the full details contained in the prospectus/scheme particulars of the underlying funds, copies of which are available from Friends Provident International's UK office. **Please see our fund guide for information about the risk grades shown in the table opposite.**

Can I take money out?

- You can cash in your plan in full.
- You can cash in your plan in part provided the cash-in value left isn't below: EUR3,750 GBP2,500, USD5,000.
- If you cash in more than 10% of the plan value in any policy year before maturity, we will make a charge. **Please see 'What are the charges?' for more information.**
- If you cash in your plan in part, the minimum withdrawal is: EUR375, GBP250, USD500.
- If you take regular withdrawals at maturity, you choose how much (minimum EUR375, GBP250, USD500 each payment) and how often (every month, quarter, half-year or year) you want us to pay the money to your bank account. We'll stop the withdrawals if the cash-in value left falls below the minimum allowed.
- If you take money out, or if you take withdrawals in excess of the rate at which your investment grows, the value of your plan will reduce.
- If you cash in your plan in full or part, or take regular withdrawals at maturity, we'll cash in units to make the payments. This can be from any fund (or funds) you specify or proportionately across all your funds.

What happens to the plan if I die?

- If you set the plan up on your life, without specified life cover, it will end if you die. We'll pay a lump sum equal to 101% of the plan value of units at your death.
- You can set up the plan on two lives, without specified life cover, so it continues after the first death. We'll pay a lump-sum equal to 101% of the plan value of units on the second death only and the plan will then end.

- If you set the plan up on your life with specified life cover, the plan will end if you die. We'll pay a lump-sum equal to 100% of the plan value of units at your death, or the sum assured, whichever is greater.
- If you set the plan up on two lives with specified life cover, the plan will end on the first death. We'll pay a lump-sum equal to 100% of the plan value of units at your death, or the sum assured, whichever is greater.
- If your plan is set up without specified life cover, the death benefit isn't a guaranteed monetary amount; it is 101% of the value of the units at that time.
- No early cash-in charge applies on death.

What are the charges?

Policy fee

- A policy fee, as shown in the table below, is deducted from your regular contribution before it is used to buy units in the funds you choose.
- The policy fee does not apply to lump-sum payments.

Contribution frequency	Policy fee		
	EUR	GBP	USD
Monthly	4.50	3.00	6.00
Quarterly	13.50	9.00	18.00
Half-Yearly	27.00	18.00	36.00
Annually	54.00	36.00	72.00

Initial charge

- A percentage of your regular contribution, or lump-sum payment, buys units in the funds you choose. The more you contribute, the higher the percentage allocation:

Contribution	Percentage
EUR100 – 374 per month 300 – 1,124 per quarter 600 – 2,249 per half year 1,200 – 4,499 per annum GBP75 – 249 per month 225 – 749 per quarter 450 – 1,499 per half year 900 – 2,999 per annum USD150 – 499 per month 450 – 1,499 per quarter 900 – 2,999 per half year 1,800 – 5,999 per annum	97%
EUR375 – 899 per month 1,125 – 2,699 per quarter 2,250 – 5,399 per half year 4,500 – 10,799 per annum GBP250 – 599 per month 750 – 1,799 per quarter 1,500 – 3,599 per half year 3,000 – 7,199 per annum USD500 – 1,199 per month 1,500 – 3,599 per quarter 3,000 – 7,199 per half year 6,000 – 14,399 per annum	97.5%
EUR900+ per month 2,700+ per quarter 5,400+ per half year 10,800+ per annum GBP600+ per month 1,800+ per quarter 3,600+ per half year 7,200+ per annum USD1,200+ per month 3,600+ per quarter 7,200+ per half year 14,400+ per annum	98%
Lump-sum payment	93%

Policy administration fee and fund management charge

- We charge for managing your plan. We take charges in the following ways:
 - As a policy administration fee of 1.5% a year of your unit value over the term of your plan taken monthly by cancelling units. The policy administration fee does not apply to any lump-sum payments.
 - As a fund annual management charge reflected in your unit value over the term of your plan. **The charge will depend on the fund(s) chosen so please see our fund menu for more details.**
 - As a fund annual management charge of 1.75% reflected in your unit value over the term of your plan if you select the Portfolio Strategy.

Early cash-in charge

- If you cash-in units before the end of your chosen term we may take an early cash-in charge. The charge is deducted from the value of units before cancelling them to pay your withdrawal amount.
- We express the early cash-in charge as a percentage of the value of units we cancel to make your payment. If your plan is cashed-in during the first three years, the following early cash-in charges will apply:

Year units cashed in:	1	2	3
Early cash-in charge:	100%	75%	50%

After three full years' contributions have been paid:

Years until maturity	Early cash-in charge %
1	1
2	2
3	3
4	4
5	5
6	7
7	9
8	11
9	13
10	15
11	17
12	19
13	21
14	23
15	25
16	27
17	29
18	31
19	33
20+	35

- During the first three years of the plan, you can cash in up to 10% of the plan value per year without penalty, subject to the minimum withdrawal amount. If the cash-in value exceeds 10% then the full cash-in amount will be subject to the early cash-in charge.
- After contributions have been paid for three full years, it is only the amount in excess of the 10% allowance that will be subject to the early cash-in charge.
- The 10% allowance cannot be carried over to the next plan year.

- If you increase your regular contribution or if it is increased automatically, the additional contribution is treated as a new policy for the purpose of determining the early cash-in charge.
- If you cash in your plan within five years of the maturity date and regular contributions have been paid for at least 10 years, the early cash-in charge will not apply.
- The early cash-in charge does not apply to withdrawals from lump-sum payments or to money taken out after the maturity date.

Optional management authority

- If you want to, under an Optional Management Authority agreement, you can allow your adviser to choose, and if appropriate, switch the funds you invest in. For this service, you pay your adviser, by regular withdrawals, a percentage of your unit value over the term of your plan, taken by cancelling units on the plan anniversary. The percentage, which must be agreed between you and your adviser, can be 0.25% a year, 0.5% a year, 0.75% a year or 1% a year.

Bonus units

- We reward you for being a long-term investor by adding a loyalty bonus in the following ways:
 - After the fifth anniversary of your plan, and provided all contributions have been paid bonus units of 0.25% a year of the unit value of your plan will be added monthly over the remaining term, for as long as contributions continue.
 - If you increase your regular contribution, after the fifth anniversary of making the increase, and provided that all additional regular contributions have been paid, bonus units of 0.25% a year of the unit value of your plan, attributable to your additional contributions, will be added monthly over the remaining term, for as long as the additional contributions continue.
- The loyalty bonus does not apply to any lump-sum payments.
- Bonus units will not be added while you take a 'contribution holiday'.

Cost of Life Cover

- If you set up your plan with specified life cover, the cost is met out of your unit value over the term of your plan, taken monthly by canceling units. The cost varies depending on the age of the life (or lives) assured, by how much the sum assured exceeds the plan value and our mortality assumptions at the time.

What about tax?

- UltimaSave is intended to qualify as Overseas Life Assurance Business (OLAB) under UK tax legislation. As such, with the exception of the Monthly Distribution Fund and funds investing in UK land, Friends Provident International will pay no tax on the underlying funds. The income and dividends from some of the underlying investments may, depending on the country of investment, be liable to tax deducted at source. However, once added to the OLAB funds there are no tax deductions.
- Any personal tax liability will depend on the investor's country of residence and personal circumstances.
- Policyholders should consult a tax adviser if they require more detailed information on their tax position.

How do I apply?

- Investors should complete the application form, and return it to their financial adviser.
- Payments will only be accepted by credit card, standing order or direct debit (GBP only).

Can I change my mind?


- If you decide that you do not want to keep the plan, let us know in writing within 30 days and we will give you your money back. If you've made a lump-sum payment and the investment value has fallen, the amount you get back will be less than you have paid in. Please remember to include your full name and address and state that you wish to cancel your UltimaSave.
- If you don't cancel within 30 days, your plan will continue as set out in these Key Features and in the Policy Conditions.

How will I know how my plan is doing?

- We will send you a yearly statement to show how your investment is performing.
- You can also:
 - ask for an up-to-date statement at any time
 - see how the funds are performing on our website at **www.fpinternational.com**

How to contact us

- Your Financial Adviser will normally be your first point of contact. If you have any questions you can phone, fax, e-mail or write to us.

 Call us on **+44 (0)1722 415088**. Monday to Friday, between 8am and 5.00pm (GMT). We may record calls in order to improve our service.

 Fax us on **+44 (0)1722 332005**

 E-mail us at **fp.int@friendsprovident.co.uk**

 Write to us at **Friends Provident International, UK House, Castle Street, Salisbury, Wiltshire SP1 3SH, England.**

- To cash in your UltimaSave, or to switch from one fund to another, please write to us at the address above.

Other information

How to complain

- Please write to our Customer Relations Manager at Friends Provident International, UK House, Castle Street, Salisbury, Wiltshire SP1 3SH, England. If you are not satisfied with our response you may contact:

**Financial Ombudsman Service (FOS),
South Quay Plaza, 183 Marsh Wall, London,
E14 9SR, United Kingdom**

Telephone: **+44 (0) 845 080 1800**

Website: **www.financial-ombudsman.org.uk**

- If you are not satisfied with our response and were resident in Malta at the time of inception of the plan, you may contact the Consumer Complaints Manager – Malta Financial Services Authority.
- Making a complaint will not affect your legal rights.

Terms and conditions

- This leaflet sets out the main points about UltimaSave. It does not include all the definitions, exclusions, terms and conditions. If you would like a copy of the full terms and conditions please ask your Financial Adviser or contact us directly. You may also view the full terms and conditions on our website at www.fpinternational.com.
- Although the terms described in this guide are those normally intended to apply, they may be varied at the discretion of Friends Provident International before UltimaSave commences. In this case, the investor will be contacted and asked if they wish to proceed.

Law

- The information in this guide is based on Friends Provident International's understanding of law and practice of England and Wales as at April 2009. Whilst every effort has been made to ensure that this information is correct, we cannot accept any responsibility for its interpretation or for any future changes in law or practice.
- The law of England and Wales is applicable to this contract unless stated otherwise in your UltimaSave Policy Schedule.

Legislations

- Policyholders may in certain circumstances be subject to currency or tax restrictions and/or legislation, which may affect their application or any benefits from the contract. We recommend that Policyholders consult their legal, tax or financial adviser regarding their own position, as Friends Provident International does not provide legal, taxation or investment advice. Please note, tax legislation may change.

Language

- The literature and the terms and conditions are in English and all other communication with you will be in English.

Compensation

- Policyholders effecting UltimaSave whilst resident in an EEA Member state, the Channel Islands or the Isle of Man at bond commencement, will be afforded the protection of The UK Financial Services Compensation Scheme (FSCS).
- Policyholders resident in other countries at the date of bond commencement will not have any protection under the FSCS.
- The scheme covers most insurance contracts for 90% of the claim, with no upper limit. You can get further information from the Financial Services Authority or from the Financial Services Compensation Scheme.

Client categorisation

Friends Provident International categorises each investment customer as a 'retail client'. This gives you the highest level of protection available under the Financial Services Authority's (FSA) Conduct of Business Rules.

About Friends Provident International

- Friends Provident International is a business name of Friends Life Limited for business conducted outside the United Kingdom. Friends Life Limited's main business is providing life assurance and investment products. It is entered on the FSA register, number 196142.

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Friends Life Limited is authorised by the Financial Services Authority
to carry on Class I and Class III business in Cyprus and Malta.

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