

# Appointment of Discretionary Manager

# For completion by the policyholder(s)

Please complete this form in English using block capitals and black ink. If you make a mistake, please cross it out and correct it, initialling any amendments. Please do not use correction fluid or any other method for deleting information.

To: Friends Provident International Limited.

## Appointment of discretionary fund manager and custodian

### Part A

Reserve policy number	<input type="text"/>
Name of discretionary fund manager ('the manager')	<input type="text"/>
Address of the manager	<input type="text"/> <input type="text"/>
Name of custodian ('the custodian')	<input type="text"/>
Address of the custodian	<input type="text"/> <input type="text"/>

- 1 I declare that I wish for the underlying assets held within my Reserve policy to be placed in a discretionary account, which will be managed on a discretionary basis by the manager. I further declare that I wish for the custodian or any legal or natural person appointed by the custodian to hold safe custody of these assets.
- 2 I acknowledge that these investments are held in the name of Friends Provident International and therefore I request Friends Provident International to enter into formal agreements ('the agreement') appointing the manager and custodian. I acknowledge that Friends Provident International may modify the agreement at its absolute discretion, for example, where the agreement allows for the provision of certain investments, which cannot be held within my Reserve policy.
- 3 I acknowledge that Friends Provident International is only prepared to enter into the agreement as a result of my request for Friends Provident International to appoint the manager to manage the assets and for the custodian to hold safe custody of the assets.
- 4 I agree that Friends Provident International shall not be responsible for any loss or liability to my Reserve policy, as a result of the actions, or failure to take action, on the manager's or custodian's part, or on the part of any legal or natural person appointed by the manager or custodian, which gives rise to any loss in value to my Reserve policy howsoever arising.
- 5 I and my estates promise to repay to or reimburse Friends Provident International in respect of all losses, damages, liabilities, actions, proceedings, claims, costs and expenses (including legal expenses) arising from the activities of the manager or custodian and any legal or natural person appointed by the manager or custodian (including, but not limited to, the cost of defending in any court of law such claim, demand or action against Friends Provident International and the cost of recovering the investments). I agree that if Friends Provident International is obliged to pay any money to the manager or custodian or any legal or natural person appointed by the manager or custodian under the terms of the agreement, such money shall be deducted from my Reserve policy.
- 6 I acknowledge that Friends Provident International may terminate the appointment.

### Part B

I acknowledge that the manager will deduct a fee of USD  GBP  Other  Amount  a quarter  
or  % a year

of the value of the discretionary account at the quarterly valuation point, plus VAT. I acknowledge that the provision of discretionary fund management services by UK and non-UK discretionary fund managers is subject to value added tax (VAT) at the applicable UK rate. I agree that if Friends Provident International is obliged to apply VAT for discretionary fund management services, such money shall be deducted from my Friends Provident International policy.

I also acknowledge that other fees, including but not limited buying and selling, safe custody and delivery charges will be deducted from the discretionary account, in accordance with the manager's and custodian's rates for such charges in force from time to time.

## Appointment of discretionary fund manager and custodian (continued)

### Part C – Investment Restrictions

The following lists detail the assets permitted within the collective investments and personalised assets versions of Reserve. It is important that you understand which version you will be investing in and do not invest outside of these parameters.

Each asset will be vetted on an individual basis against our criteria and we reserve the right to refuse any asset.

Friends Provident International is the beneficial owner of all of the assets held within the policy, which are held in Friends Provident International's name.

#### a) Collective investments

This option allows you to invest in the following:

- UK authorised unit trusts
- UK authorised investment trusts or an overseas equivalent (excluding warrants)
- UK real estate investment trusts or an overseas equivalent
- open-ended investment companies
- an interest in an overseas collective investment scheme†, that is structured as one of the following:
  - an open-ended investment company
  - a unit trust
  - offshore reporting and non-reporting funds
- hedge funds and exchange-traded funds are permitted provided they comply with one of the structures above
- authorised contractual schemes\*
- cash, including bank and building society deposits.

\* authorised contractual schemes – as defined by section 235A(1) of UK Financial Services and Markets Act 2000.

† 'Collective investment' as defined in section 235 of the UK Financial Services and Markets Act 2000

#### b) Personalised assets

The personalised assets option allows you to invest in the following:

- equities and fixed-interest securities (including Corporate/Government/Sukuks) quoted on most recognised stock exchanges
- UK authorised unit trusts or overseas equivalent
- open-ended investment companies
- UK authorised investments trusts or an overseas equivalent
- UK real estate investment trusts or an overseas equivalent
- hedge funds, funds of hedge funds and exchange-traded funds
- structured notes and deposits
- cash, including bank and building society deposits.

**In normal circumstances Friends Provident International will not accept the following assets:**

- shares in any company which is part of the group of companies of which Friends Provident International Limited is a member
- commodities
- real property
- futures and options
- precious metals
- UK National Savings and investments products
- US mutual funds, unless a fund is discretionary-managed
- Friends Provident International mirror funds.

## Appointment of discretionary fund manager and custodian (continued)

### Part D

I request that Friends Provident International appoints the manager to manage the assets contained in the discretionary account in accordance with the following investment and risk criteria:

**1 Investment criteria** (for example, cautious, balanced, aggressive)

**2 Risk criteria** (for example, low, medium, high)

**3 Investment restrictions**

I agree to the investment restrictions listed on page 3.

**4 Investor Status**

Retail  Non-Retail

To assist with client classification, Friends Provident International's definitions of a Retail and Non-Retail investor can be found below:

#### **Retail Investor**

A Retail investor is an investor who is not a Non-Retail (Qualified/Professional) Investor.

#### **Non-Retail Investor (Qualified/Professional)**

- 1 A government, governmental institutions and authorities, or the companies fully owned by any of the aforementioned.
- 2 International bodies and organizations.
- 3 A person or entity licensed to engage in a commercial business, provided that one of the purposes of its business is managing investments, including:
  - a) A person, body corporate, partnership, trust or other unincorporated association whose ordinary business or professional activity includes acquiring, underwriting, managing, holding or disposing of investments, whether as principal or agent or giving advice about investments;
  - b) Any director or partner of or consultant to a person referred to in paragraph (a);
  - c) A functionary to a professional investment vehicle or an associate of a functionary to a professional investment vehicle;
  - d) An employee, director or shareholder of or consultant to a person in (c) who is acquiring the investment as part of his remuneration or an incentive arrangement or by way of co-investment;
  - e) A trustee of a family trust settled by or for the benefit of one or more persons referred to in paragraphs (c) or (d);
  - f) A trustee or operator of any employment benefit or executive incentive scheme or trust established for the benefit of persons referred to in paragraphs (c) or (d) or their dependents;
  - g) A government, local authority, public authority or supranational body in the Isle of Man or elsewhere.
- 4 A natural person who declares that their annual income is not less than £250,000, or their net equity, with the exception of their main home, exceeds £1,000,000.

In addition all External Account Managers will be issued with a revised Permitted Investments Schedule, which will illustrate which asset types can be held by clients depending on their status as a Retail or Non-Retail investor.

	First (or only) policyholder	Second policyholder
Signature(s) of policyholder(s)	<input type="text"/>	<input type="text"/>
Date	<input type="text"/> <input type="text"/> <input type="text"/>	<input type="text"/> <input type="text"/> <input type="text"/>

Any references to 'we', 'us' and 'our', refer to Friends Provident International. Friends Provident International is a business name for Friends Provident International Limited.

The information given in this document is based on the understanding of Friends Provident International of current law and Isle of Man taxation practice, as at January 2019, which may change in the future. No liability can be accepted for any personal tax consequences of this policy or for the effect of future tax or legislative changes. We do not condone tax evasion and our products and services may not be used for evading your tax liabilities.

Investment involves 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 are protected by the Life Assurance (Compensation of Policyholders) Regulation 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 policies.

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

Some telephone communications with Friends Provident International are recorded and may be randomly monitored.

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

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**Friends Provident International Limited:** Registered and 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](http://www.fpinternational.com). Isle of Man incorporated company number 11494C. Authorised and regulated by the Isle of Man Financial Services Authority. Provider of life assurance and investment products. Authorised by the Prudential Regulation Authority. Subject to regulation by the Financial Conduct Authority and limited regulation by the Prudential Regulation Authority. Details about the extent of our regulation by the Prudential Regulation Authority are available from us on request. **Singapore branch:** 4 Shenton Way, #11-04/06 SGX Centre 2, Singapore 068807. Telephone: +65 6320 1088 | Fax: +65 6327 4020 | Website: [www.fpinternational.sg](http://www.fpinternational.sg). Registered in Singapore No. T06FC6835J. Licensed by the Monetary Authority of Singapore to conduct life insurance business in Singapore. Member of the Life Insurance Association of Singapore. Member of the Singapore Financial Dispute Resolution Scheme. **Hong Kong branch:** 803, 8/F., One Kowloon, No.1 Wang Yuen Street, Kowloon Bay, Hong Kong. Telephone: +852 2524 2027 | Fax: +852 2868 4983 | Website: [www.fpinternational.com.hk](http://www.fpinternational.com.hk). Authorised by the Insurance Authority of Hong Kong to conduct long-term insurance business in Hong Kong. **Dubai branch:** PO Box 215113, Emaar Square, Building 6, Floor 5, Dubai, United Arab Emirates. Telephone: +9714 436 2800 | Fax: +9714 438 0144 | Website: [www.fpinternational.ae](http://www.fpinternational.ae). Registered in the United Arab Emirates with the UAE Insurance Authority as an insurance company. Registration date, 18 April 2007 (Registration No. 76). Registered with the Ministry of Economy as a foreign company to conduct life assurance and funds accumulation operations (Registration No. 2013). Friends Provident International is a registered trademark and trading name of Friends Provident International Limited.