

# What happens to my money when I send it to Friends Provident International

For Financial Advisers only.

A question often asked by investors using Friends Provident International for the first time is what happens to their money and what controls and checks are in place to ensure that it is safeguarded.

We have outlined the journey your money takes when investing with Friends Provident International.

## 01

Payment is made to Friends Provident International's bank account



## 02

The plan is issued upon receipt of the funds and upon completion of the application process



## 03

Friends Provident International instructs **HSBC** or **Citibank** custodians to purchase the investments chosen



**HSBC** or **Citibank** confirm instruction to fund house to place the requested trades

## 04



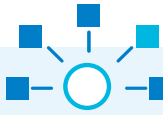
**HSBC** or **Citibank** confirm price and number of shares/units which are added to the Friends Provident International product

## 05

## How is client's money safeguarded?

Friends Provident International is authorised and regulated by the Isle of Man Financial Services Authority (FSA). In order to comply with the FSA's guidelines, there are strict business practices we must follow to ensure our plan owners' assets are safeguarded in the unlikely event that something untoward should happen to Friends Provident International.

These include:



### Separating the company's assets

Plan owner assets are ring-fenced from those of Friends Provident International. Therefore, Friends Provident International cannot use plan holder assets for its own purposes.



### What if something did happen to Friends Provident International?

If Friends Provident International was unable to meet its liabilities to its plan owners, the Isle of Man operates a protection scheme which works as a fail-safe to ensure plan owners are compensated. The scheme will pay a sum equal to 90% of the early exit value of the plan (subject to the provisions of the scheme).



### Regular Audit and Asset Reconciliation

Friends Provident International is subject to regular reviews from its Internal and External Auditors. Information also has to be provided to our regulators on a regular basis. This includes monthly reports, annual solvency information and annual accounts, all of which are audited. This is all required to demonstrate that Friends Provident International is financially stable.



### How we purchase investments

From the moment an investment is applied to a Friends Provident International plan, the monies will be sent to either Citibank or HSBC to purchase the units in the funds\* selected by the plan owner. Each stage of the process is monitored and verified through regular reconciliation processes.

\* the funds are legally owned by Friends Provident International, not the plan owner.

## Our custodians

Citibank is one of the largest institutional custodians in the world, with over \$28 trillion assets under custody. Citibank maintain trading floors in approximately 80 markets, clearing and custody networks in 63 markets and connections with 400 clearing systems. Citibank maintain one of the largest global financial infrastructures and facilitate approximately \$4 trillion of flows on average a day.

HSBC is one of the largest and most experienced securities services providers globally, with over \$8.3 trillion assets under custody and \$2.9 trillion of assets under administration. Their global custody network covers 95 different countries via 35 sub custodians.

## Important notes

For financial advisers only. Not to be distributed to, nor relied on by, retail clients.

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