

Product guide

Premier Advance is a unit-linked regular premium savings plan designed to be held as a medium to long term investment.

It is available if you are at least 18 years of age but less than 70 at the commencement date. There is no minimum or maximum age for the lives assured, but one of them must be less than 76 at the end of the original payment term.

We've provided this information to help you to decide whether Premier Advance is right for you. You should read this document carefully so that you understand what you are buying, and keep it safe for future reference.

Its aims

- To help you build a cash sum for you to spend as you wish at the end of your chosen payment term.
- To allow you to invest in a range of funds to suit your investment needs.
- To increase the value of your investment.

Your commitment

- To make regular payments throughout the payment term.
- To view your plan as a medium to long term investment.

Risks

- We can't guarantee what your plan will be worth in the future. This will depend on a number of different factors, which include:
 - the investment performance of the fund(s) you invest in
 - the charges we take and any changes to these charges
 - the amount of money you take out
 - any future changes to tax rules.
- The value of the plan can go up and down. You may get back less than you've paid in.
- The investment funds available to you carry different levels of risk and invest in different types of investments, including stocks and shares. The value of some funds will go up and down more than others.
- If you invest in a fund denominated in a currency different to the plan currency, the value can go up and down simply because of changes in the currency exchange rate.
- Inflation will reduce the spending power of any money you get back in the future.
- If you stop paying your premiums in the early years, you may get back less than you've paid because of the effect of charges and if there is a market downturn.

Questions and answers

What is Premier Advance?

- It's a unit-linked regular premium savings plan that gives you access to some of the world's leading fund managers through its broad range of professionally managed funds.
- It includes an element of life cover.
- It offers an ongoing loyalty bonus after the tenth year, provided you continue to pay your premiums.

How flexible is it?

- You can set up the plan on your own life, on another person's life, or jointly on up to four lives.
- You choose how long you wish to pay for – the minimum term is 5 years and the maximum 25 years.
- You select the currency in which you pay your premiums and the currency in which you would like your plan denominated. This can be in:

- US dollars (USD)
- UK pounds sterling (GBP)
- Euro (EUR)
- Hong Kong dollars (HKD)
- UAE dirhams (AED)

All statements, correspondence and payments will be in your chosen currency unless stated otherwise on your application. The currency can be changed at a later date if required.

- You can pay your premiums monthly, quarterly, half-yearly or yearly. The frequency of your premiums can be changed on any premium due date in-line with the new frequency.
- You can increase your premium on any premium due date providing there are at least five years of the payment term remaining.
- You can make additional single premium payments into your plan at any time providing there are at least five years of the payment term remaining.
- You can cash in your plan at any time – although a surrender charge may apply.

- You can set up your plan (at outset) as a series of ten identical policies to give you more flexibility. For example, you could cash-in some policies and keep the others going. The number of policies cannot be changed once your plan has started.
- You can take regular or one-off withdrawals.
- You can switch between funds.

How much can I pay in?

- The minimum regular premium depends on your chosen frequency and currency as follows:

Frequency	USD	GBP	EUR	HKD	AED
Monthly	300	200	300	2,400	1,098
Quarterly	900	600	900	7,200	3,294
Half-yearly	1,800	1,200	1,800	14,400	6,588
Yearly	3,600	2,400	3,600	28,800	13,176

- You can increase your premium as long as there are at least five years of the payment term remaining. The minimum increase levels are:

Frequency	USD	GBP	EUR	HKD	AED
Monthly	50	33	50	400	183
Quarterly	150	100	150	1,200	549
Half-yearly	300	200	300	2,400	1,098
Yearly	600	400	600	4,800	2,196

- Additional single premium payments can be made to an existing plan as long as there are at least five years of the payment term remaining. The minimum additional single premium payment is:

Currency	Premium
USD	3,000
GBP	2,000
EUR	3,000
HKD	24,000
AED	11,000

Where are my payments invested?

- Your payments will be invested in the fund(s) you choose.
- We offer a wide range of funds which have been carefully selected by our in-house investment experts. Full details of the funds, including latest performance data, prices and risk ratings, as well as a range of tools to help you focus your research and analysis, can be found in the Fund Centre section of our website. However, we recommend you discuss your selection with your financial adviser before making any investment decisions.
- You can invest in up to ten funds at any one time. The funds are denominated in GBP, USD or EUR.
- We divide each fund into units and your premiums buy units in the funds you choose. The price of a unit depends on the value of investments in the fund.
- Units within your funds are allocated as either 'initial units' or 'accumulation units'. Your premiums for the first 18 months (and the first 18 months of any premium increase) are allocated to initial units. After this 18 month period, premiums are allocated to accumulation units. Any additional single premium payments are also allocated to accumulation units. The same unit price applies to both types of unit. Please see the next section which explains how much of your premium is allocated to units.
- You can switch funds at any time.
- To try and safeguard your savings we offer 'lifestyle investment strategies' to try and mitigate risk as you approach the end of your payment term. These strategies gradually transfer your savings from your original funds in to cash and lower risk fixed interest investments. This means your investment will be less exposed to potential falls in value if there is a market downturn. The strategy can be started 3, 5 or 10 years before the end of your payment term.

How much of my payment is allocated to units?

- For monthly premiums, initial units will be allocated to your plan according to the tiered structure outlined below:

Plan Currency	Premium (monthly)				
	USD	300 – 499	500 – 749	750 – 1,249	1,250 – 1,999
GBP	200 – 332	333 – 499	500 – 832	833 – 1,332	1,333+
EUR	300 – 499	500 – 749	750 – 1,249	1,250 – 1,999	2,000+
HKD	2,400 – 3,999	4,000 – 5,999	6,000 – 9,999	10,000 – 15,999	16,000+
AED	1,098 – 1,832	1,833 – 2,749	2,750 – 4,582	4,583 – 7,332	7,333+
Term	Initial Unit Allocation Rate				
5	100.0%	105.0%	110.0%	110.0%	115.0%
6	100.0%	105.0%	110.0%	110.0%	115.0%
7	100.0%	105.0%	110.0%	110.0%	115.0%
8	100.0%	105.0%	110.0%	110.0%	115.0%
9	100.0%	105.0%	110.0%	110.0%	115.0%
10	100.0%	105.0%	110.0%	115.0%	120.0%
11	100.0%	105.0%	110.0%	115.5%	120.5%
12	100.0%	105.0%	110.0%	116.0%	121.0%
13	100.0%	105.0%	110.0%	116.5%	121.5%
14	100.0%	105.0%	110.0%	117.0%	122.0%
15	100.0%	105.0%	110.0%	117.5%	122.5%
16	100.0%	105.0%	110.0%	118.0%	123.0%
17	100.0%	105.0%	110.0%	118.5%	123.5%
18	100.0%	105.0%	110.0%	119.0%	124.0%
19	100.0%	105.0%	110.0%	119.5%	124.5%
20	100.0%	105.0%	110.0%	120.0%	125.0%
21	100.0%	105.0%	110.0%	120.5%	125.5%
22	100.0%	105.0%	110.0%	121.0%	126.0%
23	100.0%	105.0%	110.0%	121.5%	126.5%
24	100.0%	105.0%	110.0%	122.0%	127.0%
25	100.0%	105.0%	110.0%	122.5%	127.5%

- To calculate the premium bands for other premium frequencies, multiply the monthly amount above by 3, 6 or 12 for quarterly, half-yearly and yearly frequencies respectively.
- If a premium increase takes the total premium into a higher allocation band, the full amount of the premium increase will be invested at the higher rate.

- Premiums paid after the first 18 months (or after the first 18 months of any premium increase) will purchase accumulation units at a rate of 100%.
- Any additional single premium payments will purchase accumulation units at a rate of 93%.

What are the charges?

We charge for managing your plan and the funds you invest in.

• Product charges for administering your plan

- An **initial charge** of 1.5% is taken each quarter from your initial unit holding over the term of your plan. This charge is taken by cancelling initial units on the quarterly anniversary of the plan commencement date.
- A **monthly plan charge** of USD 6 (GBP 4, EUR 6, HKD 48 or AED 22). This charge is taken by cancellation of accumulation units at monthly intervals based on the plan commencement date. During periods where no accumulation units are available the plan charge will be accrued without interest. Once accumulation units become available accrued charges will be deducted immediately.

Both charges apply from the start of your plan and continue until the end of the payment term. If you decide at the end of your payment term to leave your plan invested the monthly plan charge will continue.

• Fund charges

- An **annual fund administration charge** of 1.2% of the plan value.
- An **annual management charge** is imposed by the underlying fund manager and the amount depends on which fund is chosen. Please refer to the Fund Centre section of our website for more information.

Both fund charges are reflected in the unit price of the funds you choose and are debited directly from the fund on each valuation day.

• Other charges that may apply

- **Credit card.** Where a premium is paid by credit card, we will make a charge of between 1% and 1.95% of each premium to cover the charges imposed by the credit card company. The exact amount of the charge depends on your country of residence.
- **Additional single premium charge.** If you pay in an additional single premium, a one-off initial charge of 7% will apply.
- **Enhanced initial unit recovery charge.** Initial units applied to your plan above 100% are 'enhanced initial units'. These enhanced initial units may be subject to a charge if you reduce or stop paying your premiums in the first five years.

A proportion of the enhanced units will be recovered if you reduce your original premium and continue to pay this reduced premium for more than 12 (consecutive or non-consecutive) months or surrender individual policies.

All of the enhanced units will be recovered if:

- your premiums are not paid for more than 12 months (consecutive or non-consecutive) as a result of a premium holiday or making the plan paid-up.
- you surrender your plan during the first five years and have not paid your original premium in full for at least 48 months.

Please see the policy conditions for a full explanation of this charge.

- **Fund switch charge.** Currently no charge is made, although we reserve the right to impose a charge, upon one month's written notice to you, of up to 1% of the amount involved or USD 15 (GBP 10, EUR 15, HKD 120 or AED 55) whichever is greater.
- **Surrender charge.** If your plan does not run its full payment term a surrender charge will be applied to the initial units as shown in the table on the next page.

Please note your plan will not have a surrender value until at least 12 month's worth of premiums have been paid.

Surrender charge

Outstanding Term	Plan Term																				
	25	24	23	22	21	20	19	18	17	16	15	14	13	12	11	10	9	8	7	6	5
25	100%																				
24	93%	100%																			
23	90%	90%	100%																		
22	87%	87%	87%	100%																	
21	84%	84%	84%	84%	100%																
20	81%	81%	81%	81%	81%	100%															
19	78%	78%	78%	78%	78%	78%	100%														
18	75%	75%	75%	75%	75%	75%	75%	100%													
17	72%	72%	72%	72%	72%	72%	72%	72%	100%												
16	68%	68%	68%	68%	68%	68%	68%	68%	68%	100%											
15	64%	64%	64%	64%	64%	64%	64%	64%	64%	64%	100%										
14	60%	60%	60%	60%	60%	60%	60%	60%	60%	60%	60%	100%									
13	57%	57%	57%	57%	57%	57%	57%	57%	57%	57%	57%	57%	100%								
12	54%	54%	54%	54%	54%	54%	54%	54%	54%	54%	54%	54%	54%	100%							
11	51%	51%	51%	51%	51%	51%	51%	51%	51%	51%	51%	51%	51%	51%	100%						
10	48%	48%	48%	48%	48%	48%	48%	48%	48%	48%	48%	48%	48%	48%	48%	100%					
9	45%	45%	45%	45%	45%	45%	45%	45%	45%	45%	45%	45%	45%	45%	45%	45%	100%				
8	42%	42%	42%	42%	42%	42%	42%	42%	42%	42%	42%	42%	42%	42%	42%	42%	42%	100%			
7	39%	39%	39%	39%	39%	39%	39%	39%	39%	39%	39%	39%	39%	39%	39%	39%	39%	39%	100%		
6	36%	36%	36%	36%	36%	36%	36%	36%	36%	36%	36%	36%	36%	36%	36%	36%	36%	36%	36%	100%	
5	30%	30%	30%	30%	30%	30%	30%	30%	30%	30%	30%	30%	30%	30%	30%	30%	30%	30%	30%	30%	100%
4	24%	24%	24%	24%	24%	24%	24%	24%	24%	24%	24%	24%	24%	24%	24%	24%	24%	24%	24%	24%	24%
3	18%	18%	18%	18%	18%	18%	18%	18%	18%	18%	18%	18%	18%	18%	18%	18%	18%	18%	18%	18%	18%
2	12%	12%	12%	12%	12%	12%	12%	12%	12%	12%	12%	12%	12%	12%	12%	12%	12%	12%	12%	12%	12%
1	6%	6%	6%	6%	6%	6%	6%	6%	6%	6%	6%	6%	6%	6%	6%	6%	6%	6%	6%	6%	6%

Can I take withdrawals?

- One-off or regular withdrawals can be taken from your plan, depending on your needs.
- The minimum withdrawal depends on the plan currency as follows:
- The withdrawal will not be made if there are insufficient accumulation units, or if the plan falls below the minimum plan value as a result of the proposed withdrawal. The minimum plan value is as follows:

Currency	Withdrawal
USD	750
GBP	500
EUR	750
HKD	6,000
AED	2,750

Currency	Plan value
USD	2,000
GBP	1,333
EUR	2,000
HKD	16,000
AED	7,333

- Regular withdrawals can be taken monthly, quarterly, termly (every four months), half-yearly or yearly.
- Withdrawals are free of charge, but can only be taken from accumulation units.

Can I take a break from paying premiums?

- After the first 18 months you can:
 - suspend your premiums if you would like to. You can suspend premiums for a period of up to 12 months. They can be restarted at anytime.
 - make your plan paid-up and pay no further premiums.
- In both these scenarios your plan value will continue to rise or fall in-line with the investment performance of the funds you invest in. Charges will continue to be taken from your plan and this may erode the overall value of the plan. You may also be subject to an 'Enhanced initial unit recovery charge'.

What might I get back?

- You'll get back the value of the plan at the time you decide to cash it in.
- The value will depend on several things. For example, how long you invest for, how well the investments perform, the charges, any withdrawals you take and any loyalty bonus added. We can't guarantee the value as it can go up and down.
- After the tenth plan anniversary, loyalty bonus units to the value of 0.5% a year will be added to your plan. This 0.5% bonus will be paid in monthly instalments over the course of the year. The bonus will continue to be paid as long as premiums are being paid.
- Please see your illustration for an idea of what you might get back.

What if I cash in my plan early?

- Your plan is designed to run until the end of the payment term. If you cash in your plan before the end of the term a surrender charge will apply. Please see 'What are the charges?' or the policy conditions for a full explanation.

What happens if I die?

- If you set the plan up on your life the plan will end if you die. We will pay a lump sum equal to 101% of the plan value at your death.
- You can set up the plan on up to four lives, so it continues after the first death. We will pay 101% of the plan value on the death of the last survivor only and the plan will then end.
- The death benefit is not a guaranteed amount because we cannot guarantee the value of your plan. It will depend on the value of the units at the date of death.

What about tax?

- Friends Provident International is a tax-exempt insurance company registered in the Isle of Man. Consequently, we are not subject to income tax, capital gains tax or corporation tax in the Isle of Man or the UK. Our funds accumulate free of tax (apart from any withholding tax on investment income, deducted at source in the country of origin).
- Tax rules are subject to change and the extent of your tax liability depends on your country of residence and personal circumstances. We recommend that you consult a financial or tax adviser for professional guidance.

Important note for proposed plan holders who are planning to become resident in the UK


- We are under a statutory obligation to report to UK HM Revenue & Customs certain events where benefits are received from the plan by a UK resident individual, company or trust.


How do I apply?

- Simply complete the application form and return it to your financial adviser.
- Include any other relevant supplementary forms as well as documentary proof of identity and address.
- Your plan documents will be sent to you as soon as your plan has been set up. We will then send you a statement each year, on your plan anniversary, to show how your plan is performing.


How to contact us

- Your financial adviser will normally be your first point of contact, however, if you have any questions you can phone, fax, email or write to us.

 Call us on **+44 (0) 1624 821 212** Monday to Friday, between 9am and 5pm (GMT/BST). We may record calls in order to improve our service.

 Fax us on **+44 (0)1624 824 405**

 Email us at
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 Write to us at
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This product guide covers the main points about Premier Advance but does not include all the definitions, exclusions, terms and conditions. If you would like a copy of the policy conditions please ask your financial adviser or contact us directly. Further information is also available on our website.

The information in this document is based on our current understanding of law and taxation practice, which may change in the future.

Friends Provident International Limited

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Incorporated company limited by shares.

Registered in the Isle of Man, number 11494.

Authorised by the Isle of Man Insurance and Pensions Authority.

Provider of life assurance and investment products.

Authorised by the Office of the Commissioner of Insurance to conduct long-term insurance business in Hong Kong.

Registered in the United Arab Emirates as an insurance company (Registration No. 76).

Registered with the Ministry of Economy as a foreign company (Registration No. 2013): Registration date 19 April 2007.

Authorised by the United Arab Emirates Insurance Authority to conduct life assurance and funds accumulation operations.

Registered in Singapore No. F06835G.

Licensed by the Monetary Authority of Singapore to conduct life insurance business in Singapore.

Friends Provident International is a registered trade mark of the Friends Life group.