

Product Description

Type of Policy

Premier Advance is a unit-linked, whole of life, offshore life assurance plan.

Policies

Premier Advance will be issued as a series of 10 identical policies. These can be used, for example, for making gifts to your spouse or children, or tax efficiency should you take up residence in a country where the proceeds of investment-linked assurance policies are subject to tax.

If you would like to have your Premier Advance issued as one single policy, you can indicate your choice to us in the Application Form.

Once the Plan has been issued the number of policies cannot be altered.

Eligibility

Plan Owner – must be at least 18 years of age (and no older than 69) to start the Plan.

Lives Assured – There is no minimum or maximum age restriction. However, at least one of the Lives Assured must be 75 years of age or under on the Plan Option Date.

Plan Term

This is the length of the savings term.

- Minimum: 5 years
- Maximum: 25 years

The new term of any regular premium increase must match the original Option Date.

Death Benefit

Premier Advance provides a sum assured of 101 % of the bid value of the units.

Lives Assured

The maximum number of Lives Assured is four. If there is more than one Life Assured then the death benefit will be paid on a 'last survivor' basis.

Currency

Premier Advance can be denominated and premiums paid in US dollars (USD), sterling (GBP), euro (EUR), Hong Kong dollars (HKD) or UAE dirhams (AED).

The currency in which you pay your premiums will be the currency in which your plan is valued, unless specified otherwise. Once issued, both the plan currency and the valuation currency can be changed if required.

Any payments of benefits or withdrawals you wish to take will normally be made in the selected valuation currency, unless you request otherwise.

Funds

Available Funds

Premier Advance can invest in a selection of any of the funds within the Friends Provident International Limited (FPIL) mirror fund range.

Maximum Funds

The maximum number of funds that can be linked to the Plan is 10 at any one time.

Mirror fund prices

Performance details and prices of the available mirror funds are in our Fund Prices leaflet, which is published monthly, and on our website www.fpinternational.com/fundcentre

Premier Advance

Investments

Premium Payment Flexibility

You can pay your premiums monthly, quarterly, half-yearly or yearly. The frequency of your payments can be changed on any premium due date, provided the due date is in line with the new frequency requested.

Minimum Regular Premium

The minimum premium for Premier Advance depends on the premium frequency and currency chosen as detailed below:

Minimum Premium					
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

Minimum Additional Single Premium

Additional single premium payments can be made to an existing Plan (whether premium-paying or paid up) at any time provided there are at least 5 years remaining to the Option Date.

The minimum additional single premium payment is as follows:

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

Additional single premium payments can only be added to existing plans.

Initial and Accumulation units

Units within your funds are allocated either as Initial Units or Accumulation Units. The first 18 months' premiums and the first 18 months of any increased premiums are allocated to Initial Units. These are subject to an additional quarterly charge levied by deduction of units.

Additional single premium payments are allocated to Accumulation Units.

Units

Each of the FPIL mirror funds is divided into 'units'.

The premium paid will be multiplied by the appropriate allocation rate and will be applied to purchase units in the mirror fund chosen, on the next dealing day following receipt of cleared payment.

Allocation Rates

Initial Units will be allocated to your Plan according to a tiered structure as follows:

Plan Currency	Premium (monthly)				
USD	300 - 499	500 - 749	750 - 1,249	1,250 - 1,999	2,000+
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%	105%	110%	110%	115%
6	100%	105%	110%	110%	115%
7	100%	105%	110%	110%	115%
8	100%	105%	110%	110%	115%
9	100%	105%	110%	110%	115%
10	100%	105%	110%	115%	120%
11	100%	105%	110%	115.5%	120.5%
12	100%	105%	110%	116%	121%
13	100%	105%	110%	116.5%	121.5%
14	100%	105%	110%	117%	122%
15	100%	105%	110%	117.5%	122.5%
16	100%	105%	110%	118%	123%
17	100%	105%	110%	118.5%	123.5%
18	100%	105%	110%	119%	124%
19	100%	105%	110%	119.5%	124.5%
20	100%	105%	110%	120%	125%
21	100%	105%	110%	120.5%	125.5%
22	100%	105%	110%	121%	126%
23	100%	105%	110%	121.5%	126.5%
24	100%	105%	110%	122%	127%
25	100%	105%	110%	122.5%	127.5%

Quarterly, half-yearly and yearly premiums will be calculated on a pro-rata basis, as follows: Quarterly (3 x monthly premium), Half-yearly (6 x monthly premium) and Yearly (12 x monthly premium).

Additional single premium payments will be allocated to Accumulation Units at a rate of 93%.

Flexibility

Premium Increase

Premium increases may be made at any premium due date, provided there are five or more years remaining to the Option Date. The first 18 months of any increased premiums (the 'Subsequent Initial Period') will be allocated to Initial Units after which 100% of the premium will be applied to Accumulation Units.

Premium increase minimum levels are as follows:

Minimum Increase Levels					
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

If a premium increase takes the new premium into a higher allocation band then the full amount of the premium increase will be invested at the higher Initial Unit allocation rate.

Premium Reduction

Premium reductions can be made at any premium due date once the first 18 months' premiums (the 'Initial Unit Period') have been paid. You may be subject to a charge if the reduction takes place within the first five years (see '**Enhanced Initial Unit Recovery Charge**' section).

Premiums can be reduced to any level provided the reduced premium is above the minimum premium level that applies at the time (see '**Minimum Regular Premium**' section).

Premium Holidays

Once the first Initial Unit Period is complete you can take a premium holiday at any time for a maximum of 12 months (consecutive or non-consecutive) without charge. A premium holiday will effectively make the Plan paid up for a limited period only.

Charges will continue to be deducted during any premium holiday and the plan must retain the minimum value (see '**Minimum Plan Value**' section) throughout the premium holiday otherwise the plan will lapse.

Paid Up Plans

Plans can be made paid up at any point after the first Initial Unit Period (the plan remains in force although no premiums are received). You may be subject to a charge if the plan is made paid up within the first five years (see '**Enhanced Initial Unit Recovery Charge**' section).

If the value of a paid-up plan falls below the minimum plan value (see '**Minimum Plan Value**' section) the plan will lapse. Premiums can be restarted at a later date if required.

Enhanced Initial Unit Recovery Charge

Enhanced Initial Units applied to the original premium as a result of additional allocation above 100% may be subject to a full or proportionate recovery on premium decreases, premium holidays and paid ups during the first five years.

Full Enhanced Initial Unit Recovery Charge

All enhanced Initial Units in respect of the original premium will be deducted.

Proportionate Enhanced Initial Unit Recovery Charge

Enhanced Initial Units in respect of the original premium will be subject to a proportionate charge.

Enhanced Initial Units in respect of the original premium will be recovered if any of the events detailed below take place.

Full recovery events

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

Proportionate recovery events

- You pay premiums at a level less than the original premium for more than 12 consecutive or non-consecutive months

You can contact us at any time during the first five years for an Initial Unit recovery charge illustration.

The charging point is the point where any Initial Unit Recovery charge becomes due. Any applicable charge deduction will take place 90 days after the charging point.

After the fifth anniversary of your plan you have full flexibility to alter your premiums without charge.

Premier Advance

Regular or one-off withdrawals

Withdrawals from your Premier Advance plan can be taken on a regular or one-off basis.

Regular withdrawals can be taken monthly, quarterly, half-yearly, yearly or on a termly basis (to accommodate those using them to pay education fees). Withdrawals can only be taken from Accumulation Units and are free of charge.

The minimum withdrawal per payment depends on the Plan currency, as detailed below:

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

Withdrawals can be taken whilst premiums are being paid, during premium holidays or after the Plan has been made paid up.

If there are insufficient Accumulation Units to make a payment on the selected date or the plan value will fall below the minimum allowed (see '**Minimum Plan Value**' section) after the withdrawal is made then the withdrawal will not be allowed and regular withdrawals will cease.

Surrenders

Plans that cease to pay premiums, in whole or in part, during the first Initial Unit Period will be surrendered (the Plan will no longer remain in force and all appropriate benefits, minus any Surrender charge, will be paid out).

If you wish to surrender your Plan, written notice should be sent to Friends Provident International Limited along with the Policy Documents and all other relevant documentation.

Option Date

The Option Date is the date the savings term comes to an end and will be selected at the commencement of the Plan. On the Option Date you will have the following choices:

- Make the Plan "paid up" without charge with the accumulated unit holding remaining invested in the Plan.
- Surrender the Plan without penalty and take the unit value in cash.

Minimum Plan Value

The minimum plan values applicable are as detailed below:

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

Additional Features

Loyalty Bonus

After the tenth Plan anniversary, loyalty bonus units to the value of 0.5% per year of the total plan value will be added to your plan on a monthly basis. The total plan value also includes the value of any units created as a result of increased regular or single premiums.

The loyalty bonus will only apply to plans with a premium payment term of more than ten years and that are premium-paying at the date of each bonus calculation. The loyalty bonus will be used to allocate additional Accumulation Units at the bid price.

Lifestyling

Our Lifestyling feature is specially designed for investors who:

- do not want to actively make decisions on timing their investment strategy
- are looking to reduce the impact of a possible market downturn eroding previous gains just ahead of when they are expecting their policy to mature.

To meet the need for greater security at your selected Option Date, we offer three "lifestyle" investment strategies – over 3, 5 or 10 years to the Option Date. For each strategy we automatically switch your funds every month from your original investment options into a low risk graded global fixed interest fund and also a money market cash fund. The closer the period to the Option Date, the lower the proportion of your funds that are exposed to the volatility of the stock markets.

Switches and Redirections

Units can be switched – and future premiums easily redirected – between our full range of mirror funds at any time.

Currently no charge is imposed for switching between any of the funds within our mirror fund range. Although we do reserve the right to impose a charge of up to 1% of the amount involved or USD15, GBP10, EUR15, HKD120 or AED55 whichever is greater, upon one month's written notice.

Summary of charges																					
Initial charge	Quarterly charge of 1.5% of the then value of the Initial Unit holding, taken by cancelling Initial Units on the quarterly anniversary of the Plan commencement. The Initial Unit Period is 18 months on all Premier Advance Plans. The Initial Charge will continue until the Option Date.																				
Plan charge	<p>The plan charge is taken by cancellation of Accumulation Units at monthly intervals based on the plan commencement date. The plan charge is USD6, GBP4, EUR6, HKD48 or AED22 per month and will continue until the Plan is terminated. During the Initial Unit Period, where no Accumulation Units are available, the plan charge will be accrued without interest until Accumulation Units become available. Once Accumulation Units become available, any accrued plan charges will be deducted from Accumulation Units immediately.</p> <p>In the event of a surrender or death claim where no Accumulation Units are available, Initial Units will be deducted to cover the sum of all plan charges outstanding at the date of a surrender or death claim. The amount of Initial Units deducted is calculated as total plan charges outstanding / (0.985^q), where q is equal to the number of quarters remaining until the Option Date at the date of the surrender or death claim. Initial Units will be cancelled in your mirror funds in proportion to the value of mirror funds in your policy at the time of surrender or death claim. The charge is taken prior to any applicable surrender charge being applied.</p>																				
Additional single premium charge	Additional single premiums will be subject to a charge of 7% of the premium, which will be deducted before the premium is applied to Accumulation Units.																				
Enhanced Initial Unit Recovery Charge	Enhanced Initial Units applied to the original premium as a result of additional allocation above 100% may be subject to a full or proportionate recovery on premium decreases, premium holidays and paid ups during the first five years.																				
Surrender charge	Premier Advance will not acquire a surrender value until after the first Plan anniversary date and at least 12 months' worth of premiums have been paid. If a surrender occurs during the first five years and your original premium has not been paid in full for at least 48 months then all remaining enhanced Initial Units in respect of the original premium (if applicable) will be deducted before the surrender charge is applied. If the Plan is surrendered before the Option Date, a Surrender charge will be taken as a percentage of the Initial Units allocated to the plan. The charge will depend upon the outstanding term (part years will be rounded up to the next whole year) as outlined in the table below:																				
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%
Credit card charge	Where premiums are paid by credit card, we will make a charge of 1% of each premium to cover charges imposed by the issuing company.																				
Other charges	Fees or transmission charges for incoming or outgoing payments may be taken by banking partners. We do not levy any additional payment charges but reserve the right to pass on any fees or charges taken by banking partners.																				

Premier Advance

Mirror fund charges	
Administration charge	0.1% per month (1.2% per year) of the bid value of each mirror fund each year, debited directly to the mirror fund on each valuation day.
Bid/offer spread	Nil
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 USD15, GBP10, EUR15, HKD120 or AED55 whichever is greater.
Other fund-related	<p>We will be entitled to take from each FPIL mirror fund a number of expenses. These expenses will be reflected in the price of the mirror fund and are as follows:</p> <ul style="list-style-type: none">Any costs, expenses and charges incurred by us in acquiring, managing, maintaining, valuing or disposing of the assets relating to that mirror fund, not covered by the administration charge described above.Any expense, charge, tax, levy or fiscal enforcement not taken into account elsewhere, which we reasonably consider is a liability relating to that mirror fund.
Underlying fund charges	
External fund annual management charge	Between 0.1% and 3.35% each year, depending on the mirror fund chosen. Please refer to the relevant investment house for information. This charge is reflected in the price of the mirror fund.

Note: FPIL reserve the right to change its charges if there are any changes in circumstances. We will give you one month's prior written notice of any changes. For full details of when we may increase charges, please refer to the Policy Conditions. Any charge or fee will be calculated in the currency of the appropriate FPIL mirror fund selected by you.

Surrender and Tax treatment

This guide must be read in conjunction with the current Premier Advance product brochure (www.friendslife.co.uk/doclib/xim16b.pdf) and the 'Savings and Investments – A helpful guide to the journey' brochure (www.friendslife.co.uk/doclib/ximsandi.pdf).

Payment of Proceeds

We expect to make the proceeds of any Plan available normally within 10 working days following receipt of all necessary documentation, except where the circumstances are beyond our control. We must reserve the right to delay payment of surrender where this could result in the need to sell assets which may not be readily realisable. However, we would invoke this restriction only in the most extreme circumstances. No interest will be payable in respect of any delay in payment of the death benefit, surrender value or withdrawal sum under any circumstances.

Tax Treatment

Friends Provident International Limited is not liable to income tax, capital gains tax or corporation tax on its policyholders' funds. Some dividends may be received net of withholding tax, deducted at source in the country of origin, but once inside your Plan they can accumulate free of tax.

The personal tax consequences of investing in the Plan will depend on many factors. You may have a personal tax liability in respect of the proceeds of the Plan. This will largely depend on your country of residence. It is therefore important that professional guidance is sought before proceeding with an investment.

Important note for proposed policyholders who are planning to become resident in the UK.

Friends Provident International Limited is under a statutory obligation to report to the UK Inland Revenue certain events where benefits are received from the Plan by a UK resident individual, company or trust. For further information, please contact us or your usual Independent Financial Adviser.

How to apply

Make sure you receive independent advice

FPIL does not provide legal, taxation or investment advice. You should obtain advice that is independent and directly relevant to the specific legislation within your country of residence. If you do not have a financial or legal adviser, then we strongly recommend that you appoint one.

Premier Advance is available to anyone (as the owner of the Plan) aged 18 and over who is able to apply for an international investment.

However, please satisfy yourself that, under any taxation, exchange control or insurance legislation which exists in your current country of residence, you are able to affect the Plan. It is also wise to consult your usual Independent Financial Adviser before entering into an investment of this nature.

Simply complete the application form and return it to your Independent Financial Adviser together with full details of the proposed investment selection for the Plan.

You should also include any other relevant supplementary forms as well as documentary proof of identity and address such as a certified copy of a current valid passport and a utilities bill.

Your policy documents will be sent to you as soon as your Plan has been established. Then, at least once a year, we will send you a statement confirming your current investment holding.

The information given in this document is based on the understanding of Friends Provident International Limited of current law and taxation practice, which may 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.

Important Information

A copy of the relevant policy document and provisions may be obtained from FPIL on request.

Investment involves risk and each class of investment will involve its own individual level of risk. We recommend that you discuss specific risks associated with individual investments with your Financial Adviser before making any investment decisions.

Mirror fund prices may go up and down depending upon the underlying investment performance or, where investments held within a mirror fund are not denominated in the currency of that mirror fund, simply because of movements in currency exchange rates.

All mirror fund performance is quoted net of annual charges. However, mirror fund performance should not be viewed as an indication of future performance – the value of your investment cannot be guaranteed and you may get back less than you paid in.

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 deposits accounts are unlikely to apply in the event of failure of such an investment held within insurance contracts.

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

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Friends Provident International Limited

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Incorporated company limited by shares

Registered in the Isle of Man No. 11494

Authorised by the Isle of Man Insurance & 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)

and as a foreign company (Registration No. 2013)

Authorised by the United Arab Emirates Insurance Authority to conduct life insurance and savings business

Registered in Singapore No. F06835G

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

