

Product guide

Premier Advance is a unit-linked regular payment 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 making your payments 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 payment 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 make your payments.

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 make your payments 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 make your payments monthly, quarterly, half-yearly or yearly. The frequency of your payments can be changed on any payment due date in-line with the new frequency.
- You can increase your payment on any payment due date providing there are at least five years of the payment term remaining.
- You can make additional lump sum 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 cash-in 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 payment 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 payment 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 lump sum 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 lump sum payment is:

Currency	Payment
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 payments 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 payments for the first 18 months (and the first 18 months of any payment increase) are allocated to initial units. After this 18 month period, payments are allocated to accumulation units. Any additional lump sum payments are also allocated to accumulation units. The same unit price applies to both types of unit. The next section explains how much of your payment 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 payments, initial units will be allocated to your plan according to the tiered structure outlined below:

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

- Payments made after the first 18 months (or after the first 18 months of any payment increase) will purchase accumulation units at a rate of 100%.
- Any additional lump sum payments will purchase accumulation units at a rate of 93%.

What are the plan 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.
- Annual management charges and other fund expenses are 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.

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

• Other charges that may apply

- If you make a payment by credit card, we will make a charge of between 1% and 1.95% of each payment to cover the charges imposed by the credit card company. The exact amount of the charge depends on your country of residence.
- If you make a lump sum payment, a one-off initial charge of 7% will be taken.
- Initial units applied to your plan above 100% are 'enhanced initial units' and may be subject to a charge if you reduce or stop making your payments in the first five years.

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

All of the enhanced units will be recovered if:

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

Please see the Premier Advance – Policy Conditions for a full explanation of this charge.

- Currently, there is no charge to switch between funds, 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), if greater.

- If you decide to cash-in the whole of your plan early, a cash-in charge will be applied to the initial units as shown in the table below.

Your plan will not have a cash-in value until you have paid at least 12 months' worth of payments.

Cash-in 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:

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

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

Can I take a break from making payments?

- After the first 18 months you can:
 - suspend your payments if you would like to. You can suspend payments for a period of up to 12 months. They can be restarted at anytime.
 - make your plan paid-up and make no further payments.
- 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, including:
 - how long you invest for
 - how well the investments perform
 - the charges
 - any withdrawals you take
 - any loyalty bonuses you receive.

We can't guarantee the cash-in 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 you make your payments.
- 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 cash-in charge will apply. Please see 'What are the plan charges?' on page 4 or the Premier Advance – Policy Conditions for more information.

What happens if I die?

- If you set the plan up on your life, the plan will end if you die. We will pay an extra 1% on top of the cash-in value of your plan at your death.

- You can set up the plan on up to four lives, so it continues after the first death. We will pay an extra 1% on top of the cash-in value of the plan on the death of the last survivor only and the plan will then end.
- The death benefit is not a guaranteed amount as it will depend on the plan value.

What about tax?

- You may in certain circumstances be subject to currency or tax restrictions and/or legislation, which may affect your application for any benefits from the plan. We recommend that you consult your legal, tax or financial adviser regarding your own position, as we do not provide legal, taxation or investment advice. Information relating to tax in this product guide is based on our understanding of current tax legislation. **Please note that tax legislation may change.**
- We are 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.
- The Isle of Man Government has entered in to a number of exchange of information agreements. Under these agreements, we are required to provide certain policyholder information to the Isle of Man Treasury Department, who will report to other participating jurisdictions with whom they have agreements.

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 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
customerservices@fpiom.com

 Write to us at
Friends Provident International Limited
Royal Court
Castletown
Isle of Man
British Isles IM9 1RA

How to complain

 Please write to:
Service Improvement Department
Friends Provident International
Royal Court
Castletown
Isle of Man
British Isles IM9 1RA

 Telephone: **+44 (0) 1624 821 212**

 Fax: **+44 (0) 1624 824 405**

 Email: **serviceimprovement@fpiom.com**

- Making a complaint will not affect your legal rights.

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.

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