

Comparing growth and charges

Your Premier Advance plan value is determined by the value of the funds you invest in, minus any charges. The level of growth needed to outweigh these charges may not be as high as you think.

The plan charges

We split our charges into two types:

- 1 for managing your plan;
- 2 for the funds you invest in.

Product charges apply from the start of your plan and continue until the end of your payment term.

- A quarterly charge of **1.5%**, taken from your initial units.
- A monthly plan charge of **USD 6** (or currency equivalent) taken from your accumulation units.

Fund charges are reflected in the unit price of the funds you choose.

- An annual fund administration charge of **1.2%** of your plan value.

Please see the Premier Advance product guide or speak to your adviser for more information.

Covering the plan charges

You might be surprised at the amount of growth needed to cover the plan charges.

If you make your payments on time and in full and take no withdrawals over the life of your plan, the levels of growth per year you might need are:

Monthly payments	Plan term			
	10 years	15 years	20 years	25 years
USD 500	2.80%	1.90%	1.49%	1.26%
USD 750	2.61%	1.81%	1.43%	1.22%
USD 1,250	2.44%	1.71%	1.37%	1.18%
USD 2,000	2.30%	1.65%	1.34%	1.16%

If you invested **USD 2,000** a month over a 25 year term, **1.16%** annual growth could offset the plan charges.

The longer you invest for, the less growth you need to cover charges.

These figures are based on our prevailing standard allocation rates. They include our product charges and annual fund administration charge, but do not include annual management charges or other fund expenses that are taken by the underlying fund manager. These will vary depending on which funds you choose.

Reduction in yield

Reduction in yield (RIY) is a common measurement given to show the effect on the rate of growth from the total charges applied to a policy.

If you invested **USD 2,000** a month, make your payments in full, on time and make no withdrawals over the life of your plan, the charges would have the effect of reducing your growth rate by the following amounts:

Unit growth rate	Plan term			
	10 years	15 years	20 years	25 years
5%	2.43%	1.82%	1.51%	1.32%
7%	2.53%	1.92%	1.61%	1.41%

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If you invested **USD 2,000** a month over a 25 year term, and your unit growth rate is **7% per year**, the charges have the effect of reducing your return to **5.59%**.

Investment solutions, tailored to you

To give your Premier Advance plan the best chance of growing, you can invest in a range of funds depending on your level of experience and attitude to risk.

Find out more in the Premier Advance brochure, or speak to your adviser.

Remember that investment involves risk. Fund prices may go up and down depending on the underlying investment performance, and the value of your investment cannot be guaranteed. You could get back less than you pay in.

Find out more about Premier Advance on the Products section of our website, www.fpinternational.ae, or speak to your adviser.

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