

## An educated decision

People now travel all over the world to further their education. Perhaps the most popular destinations are the USA, Canada, Australia and the UK.

An overriding factor when learning overseas is the cost involved. Not only tuition fees but also living costs.

Delaying making provisions can affect not only your children's education but also your own standard of living. To avoid any of these problems it is vital to plan ahead.

### **SAVING EARLY CAN SECURE YOUR CHILDREN'S FUTURE**

Premier from Friends Provident International Limited is an ideal way to plan ahead for your children's education.

#### **Flexible withdrawal frequency**

Withdrawals can be taken at a frequency to suit you: termly to coincide with university terms, quarterly, monthly, annually or as one-off withdrawals.

#### **Flexible premiums**

Lump sum premiums can be added at any time.

#### **Flexible options**

Withdrawals can be taken from Accumulation Units at any time without penalty and can be taken whilst premiums are still being paid.

#### **Investment potential**

Premier has a tiered allocation structure with up to 125% allocation in the early years increasing growth potential.

#### **Flexible investment**

- Access to some of the world's leading investment managers.
- Facility to alter the investment portfolio at any time, at no cost.
- No minimum paid-up level to be maintained.
- Free premium holidays or paid-up facility after 18 months.

The great advantage with Premier is that should financial plans change at any point before the Plan matures, then the investor has the flexibility to increase or decrease premiums. Early encashment of the Plan may, however, be subject to a discontinuance charge. A penalty would also apply if premiums are stopped or reduced during the first 18 months. Please refer to the product brochure for full details. Obviously, to achieve the required payment levels the investor should be able to commit payments over the entire Plan term.



## MORE FEATURES

The Plan has other attractive features for educational fees planning:

- **Additional Life Cover** - can be chosen to provide added protection. This, too, is flexible and can be increased, decreased and changed from one life to two lives if necessary.
- **Premium Protection Cover** - will pay your premiums should you be unable to work through disability. This is flexible and can be included or stopped for one or two lives as required.

## PREMIER IN ACTION

### EXAMPLE 1

MR & MRS SMITH have a young son, Samuel, aged 3. The Smiths have decided to use the Premier Plan to provide a university education in the United Kingdom for their son when he is 18. To meet the costs of overseas education (including living costs) they have chosen four withdrawal dates, each a year apart. The current costs involved are £12,500 tuition fees plus living costs of £7,500, i.e. a total of £20,000.

However, if we assume 3% per annum inflation in costs in the UK, the amount required increases significantly. The four staggered payments become:

End of Plan Year	Amount required (£)
15	31,159
16	32,094
17	33,057
18	34,049

Assuming that the Premier Plan grows at 5% per annum, the initial monthly premium required to fund these future fees is £498, payable each month for a 15 year term. At 9% per annum growth the required monthly premium would be £348, payable for a 15 year term.

Premiums into Premier may be paid in Sterling, US Dollars, Euro or Hong Kong Dollars.

Past performance should not be viewed as an indication of future performance, fund prices may go up and down depending upon investment performance and are not guaranteed. You may get back less than you paid in. All fund performance quoted is net of annual charges. Please note that securities held within a fund may not be denominated in the currency of that fund and, as a result, fund prices may rise and fall purely on account of exchange rate fluctuations.

Holders of policies issued by the Company will not be protected by the Financial Services Compensation Scheme if the Company should become unable to meet its liabilities to them. Policyholders will receive the protection of the Life Assurance (Compensation of Policyholders) Regulations 1991 of the Isle of Man.

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Friends Provident International Limited  
Registered & Head Office: Royal Court, Castletown, Isle of Man, British Isles, IM9 1RA  
Telephone: +44(0) 1624 821212 Fax: +44(0) 1624 824405  
Website: [www.fpinternational.com](http://www.fpinternational.com)  
Incorporated company limited by shares.  
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Provider of life assurance and investment products.

**The rules and regulations made by the Financial Services Authority for the protection of investors will not normally apply to persons resident outside the United Kingdom**

The appointed representative of the Company in Hong Kong is  
Friends Provident International Limited's branch office:  
Friends Provident International Limited  
Suites 1203-1211, Two Pacific Place, 88 Queensway, Hong Kong  
Telephone: +852 2524 2027 Fax: +852 2868 4983

### EXAMPLE 2

MR & MRS KING want to provide a university education in the USA for their newly born daughter, Jenny, when she is 18. To cover the tuition and living costs, they have chosen withdrawal dates for each of the four years of the course.

At the moment the tuition fees are US\$20,000 and living costs are US\$10,000, i.e. a total of US\$30,000. Assuming 3% per annum inflation in the USA, the amounts grow considerably before the first payment fees are due. The table below shows the actual amounts required in the future.

End of Plan Year	Amount required (US\$)
18	51,073
19	52,605
20	54,183
21	55,809

Assuming that the Premier Plan grows at 5% per annum, the monthly premium required is the equivalent of US\$628, payable each month for the 18 year term. At 9% per annum growth the required monthly premium would be US\$410, payable for the 18 year term.



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