

This statement provides you with key information about this product.

This statement is a part of the offering document.

You should not invest in this product based on this statement alone.

There is a 'Glossary' section at the end of this statement. For those words which are underlined, please refer to the 'Glossary' section for explanations.

Quick facts

Name of insurance company:	Friends Provident International Limited ('Friends Provident International')	Plan currency:	USD / GBP / EUR / HKD
Single or regular premium:	<ul style="list-style-type: none"> Regular premium <u>Additional Single Premium(s)</u> (Optional) 	Minimum investment:	
		For regular premium:	
		Monthly:	USD 300 / GBP 200 / EUR 300 / HKD 2,400;
Regular premium frequency:	Monthly, quarterly, half-yearly and yearly	Quarterly:	USD 900 / GBP 600 / EUR 900 / HKD 7,200;
Minimum premium payment term:	A selection of premium payment term of 7 to 25 years	Half-yearly:	USD 1,800 / GBP 1,200 / EUR 1,800 / HKD 14,400; and
Period with surrender charge:	The first half of the selected premium payment term (i.e. the period between the <u>Commencement Date</u> of the policy and the end of the premium payment term of the policy).	Yearly:	USD 3,600 / GBP 2,400 / EUR 3,600 / HKD 28,800.
		For each <u>Additional Single Premium</u>:	USD 3,000 / GBP 2,000 / EUR 3,000 / HKD 24,000.
Governing law of policy:	The Isle of Man	Maximum investment:	Subject to Friends Provident International's underwriting requirements
		Death benefit:	The higher of : (a) 105% of the <u>Policy Value</u> ; and (b) the total premiums you paid into the policy, less the total withdrawals you have made from the policy (if any).

Important

- This investment-linked assurance scheme ('ILAS policy') is a long-term investment-cum-life insurance product. It is only suitable for investors who:
 - understand that the principal will be at risk; and
 - have both investment and estate planning objectives as it is a packaged product that includes both investment and insurance element with death benefits payable to third party beneficiaries.
- This ILAS policy is **not** suitable for investors with short- or medium-term liquidity needs.
- **Fees and charges –**

Up to 14.3% of your premiums (after taking into account the welcome bonus and loyalty bonus) will be paid to Friends Provident International to cover all the fees and charges at the ILAS policy level, of which 0% is the cost of life protection, and this will reduce the amount available for investment.

Please note that the above figures are calculated based on the following assumptions: (a) the life insured is non-smoking 40 year-old male; (b) the payment of regular premium of HKD 100,000 per annum for a 20-year premium payment term policy; (c) you hold your ILAS policy for 20 years; (d) an assumed rate of return of 3% per annum throughout 20 years; and (e) there is no early withdrawal/termination of your ILAS policy.

You must understand that these ILAS level charges are on top of, and in addition to, the underlying funds level charges. The above figures do not take into account any surrender charge.

The above percentages of your premiums for covering the total fees and charges are calculated based on the assumptions above for illustration purposes. The actual percentages may change depending on individual circumstances of each case, and will be significantly higher if the premium amount is lower.

- **Long-term features –**

Early surrender charge:

- (a) There will be an early surrender charge of up to 68% of the value of Initial Units in case of (i) policy termination (due to Policy Value falling below the Minimum Policy Value after the Initial Period upon the expiry of 30 days' period from the issue date of the written notice to inform you that your Policy Value falls below the Minimum Policy Value or outstanding regular premium payments during the Initial Period upon the expiry of 30 days' period from the issue date of the written notice requesting you to pay the outstanding regular premium) or (ii) full surrender or surrender of individual policies during the Surrender Charge Period. You may also lose your entitlement to the welcome bonus and loyalty bonus. For details, please refer to the section '**Fee and charges**' from page 28 to 34 of the product brochure of Premier II.

Loyalty bonus:

- (b) You will be entitled to loyalty bonus of 0.0625% (one twelfth of 0.75%) of the Average Daily Policy Value over each Policy Month from the 121st Policy Month onwards when the policy is in effect provided that you have fully paid all the regular premiums at the original amount committed on the Commencement Date for the selected premium payment term of your policy. Your entitlement to the loyalty bonus will be lost or affected in certain situations. For details, please refer to sub-section '**Loyalty bonus**' under section '**Bonuses**' from page 22 to 24 of the product brochure of Premier II.

Important (cont.)

- **Intermediaries' remuneration**

Although you may pay nothing directly to the intermediary who sells/distributes this ILAS policy to you, your intermediary will receive remuneration which, in effect, will be borne out of the charges you pay. Your intermediary should disclose to you in writing at the point-of-sale information about intermediary remuneration. The amount of remuneration actually receivable by your intermediary may vary from year to year and may be higher in the early policy years. You should ask your intermediary before taking up your ILAS policy to know more about the remuneration that your intermediary will receive in respect of your ILAS policy. If you ask, your intermediary should disclose the requested information to you.

What is this product and how does it work?

- Premier II is an investment-linked assurance scheme. It is a life insurance policy issued by Friends Provident International. This is not a fund authorised by the Securities and Futures Commission ('SFC') pursuant to the Code on Unit Trusts and Mutual Funds ('UT Code').
- The premiums you pay, after the deduction of any applicable fees and charges of your ILAS policy, will be invested by Friends Provident International in the underlying funds corresponding to the investment-linked funds you selected (see below) and will accordingly go towards accretion of the value of your policy. Your ILAS Policy Value will be calculated by Friends Provident International based on the performance of the underlying funds corresponding to the investment-linked funds you selected from time to time and the ongoing fees and charges which will continue to be deducted from your ILAS Policy Value.
- Note, however, that all premiums you pay towards your ILAS policy, and any investments made by Friends Provident International in the underlying funds corresponding to the investment-linked funds you selected, will become and remain the assets of Friends Provident International. You do not have any rights or ownership over any of those assets. Your recourse is against Friends Provident International only.
- Due to the various fees and charges levied by Friends Provident International on your ILAS policy, the return on your policy as a whole may be lower than the return of the underlying funds corresponding to the investment-linked funds you selected. Please see section '**Fees and charges**' from page 28 to 34 of the product brochure of Premier II for the fees and charges payable by you.
- Underlying funds which correspond to the investment-linked funds are listed in the Investment-linked Funds Leaflet.
- Although your ILAS policy is a life insurance policy, because part of your death benefit is linked to the performance of the underlying funds corresponding to the investment-linked funds you selected from time to time, your death benefit is subject to investment risks and market fluctuations.
- More importantly, you should be aware of the following regarding your death benefit and the cost of insurance ('insurance charges'):
 - Part of the fees and charges you pay that will be deducted from your Policy Value will be used to cover the insurance charges for the life coverage.
 - The insurance charges will reduce the amount that may be applied towards investment in the investment-linked funds selected.

What is this product and how does it work? (cont.)

- The insurance charges may increase significantly during the term of your ILAS policy due to factors such as age and investment losses etc. This may result in significant or even total loss of your premiums paid.
- After the Initial Period, if your Policy Value falls below the Minimum Policy Value, the relevant charges (including the insurance charges) which are applicable to your policy will continue to be charged. We will terminate your policy and you may lose all your premiums paid and benefits if your Policy Value continues to be below the Minimum Policy Value upon the expiry of the 30 days' period from the issue date of the written notice to inform you that your Policy Value falls below the Minimum Policy Value. For details please see sub-section '**Minimum Policy Value**' under section '**How Premier II works**' on page 12 of the product brochure of Premier II.
- You should consult your intermediary for details, such as how the charge may increase and could impact the Policy Value.
- Your Policy Value may fall below the Minimum Policy Value under various circumstances including, without limitation, a market downturn which is beyond your control. If your Policy Value falls below the Minimum Policy Value of USD 2,000 / GBP 1,333 / EUR 2,000 / HKD 16,000 (depending on the plan currency) at any time after the Initial Period, even if you have not made any withdrawals, surrendered any individual policy, reduced the regular premium amount or taken a premium holiday, we will inform you by way of written notice. You can choose to pay Additional Single Premium(s) within 30 days from the issue date of the written notice. If your Policy Value continues to be below the Minimum Policy Value upon the expiry of the 30 days' period, we will terminate your policy at that time and you will receive the Policy Value after deduction of any applicable charges, including surrender charge which is up to a maximum of 58% of the value of Initial Units during the Surrender Charge Period (see section '**Fees and charges**' from page 28 to 34 of the product brochure of Premier II for details).

What are the key risks?

Investment involves risks. Please refer to the principal brochure for details including the risk factors.

- **Credit and insolvency risks** – Premier II is an insurance policy issued by Friends Provident International. Your investments are subject to the credit risks of Friends Provident International.
- The investment-linked funds available under Premier II can have very different features and risk profiles. Some may be of high risk. Please read the principal brochure of Premier II and the offering documents of the underlying funds involved for details.
- **Early surrender/withdrawal penalty** – This ILAS policy is designed to be held for a long-term period. Early surrender or withdrawal of the policy/suspension of or reduction in premium may result in a significant loss of principal and bonuses awarded. Poor performance of underlying funds may further magnify your investment losses, while all charges are still deductible.
- **Premium holiday (available after the Initial Period of the policy)** – with no premium contribution during premium holiday, the Policy Value of your ILAS policy may be significantly reduced due to fees and charges, which are still deductible during premium holiday and your entitlement to loyalty bonuses will also be affected.

What are the key risks? (cont.)

- **Market risks** – Return of this ILAS policy is contingent upon the performance of the underlying funds corresponding to the investment-linked funds and therefore there is a risk of capital loss.
- **Foreign exchange risks** – The investment returns of your ILAS policy may be subject to foreign exchange risks as some of the investment-linked funds may be denominated in a currency which is different from that of your ILAS policy.
- **Early termination risks** – We will terminate your ILAS policy in the event that your Policy Value falls below the Minimum Policy Value at any time after the Initial Period upon the expiry of the 30 days' period from the issue date of the written notice to inform you that your Policy Value falls below the Minimum Policy Value, even if you do not make any withdrawals, reduce the regular premium amount or take any premium holiday. The Policy Value may fall below the Minimum Policy Value under various circumstances, including, without limitation, a market downturn which is beyond your control. You will also be subject to any applicable surrender charge upon termination of your ILAS policy.

Is there any guarantee?

This product does not have any guarantee of the repayment of principal. You may not get back the full amount of premium you pay and may suffer investment losses.

Other features

- A. **Welcome bonus** – Premier II offers you a welcome bonus which is up to 25% of the regular premium paid for the Initial Period depending on the regular premium amount and premium payment term you selected. The welcome bonus will be allocated as Initial Units in the form of additional notional units of your chosen investment-linked fund(s) according to your latest investment allocation instructions during the Initial Period, upon receipt of each payment of regular premiums for the Initial Period while your policy is in effect. If you cancel the policy within the cooling-off period, you will not be entitled to the welcome bonus. For details, please refer to sub-section '**Welcome bonus**' under section '**Bonuses**' on page 21 of the product brochure of Premier II.
- B. **Additional Single Premium(s) (Optional)** – The minimum amount of Additional Single Premium is USD 3,000 / GBP 2,000 / EUR 3,000 / HKD 24,000. You can pay Additional Single Premium(s) at any time as long as the policy is still in-force and the age of the youngest life assured is 70 or below (based on age at last birthday) at the time of paying the Additional Single Premium. Each Additional Single Premium will be subject to an up front charge of 7% of the premium paid and other ongoing applicable charges. The remaining balance of each Additional Single Premium after deducting the up front charge will be allocated as Accumulation Units according to your latest investment allocation instructions. For details, please see section '**Fees and charges**' from page 28 to 34 of the product brochure of Premier II.

What are the fees and charges?

Friends Provident International reserves the right to vary the fees and charges or impose new fees and charges with not less than 90 days' prior written notice, or such shorter period of notice in compliance with the relevant regulatory requirements.

Scheme level

	Applicable rate	Deduct from
Policy level charges		
Establishment charge*	An establishment charge of 6% per annum (1.5% per quarter) of the value of <u>Initial Units</u> as at the due date of establishment charge will be applied during the <u>Surrender Charge Period</u> . Upon surrender or termination of the policy before the end of the <u>Surrender Charge Period</u> , all quarterly establishment charge payable during the remaining <u>Surrender Charge Period</u> will be taken into account in the calculation of the surrender charge. Please see 'Surrender charge' in this table on page 8 for details.	<u>Policy Value</u> by cancellation of <u>Initial Units</u> quarterly in arrears in proportion to the value of the investment-linked funds held as <u>Initial Units</u> at the time the charge is taken.
Policy management charge*	A policy management charge of 0.25% per annum (0.25% / 12 per month) of the <u>Average Daily Policy Value</u> over each <u>Policy Month</u> in which the policy management charge is payable will be applied during the entire policy term.	<u>Policy Value</u> by cancellation of <u>Initial Units</u> and <u>Accumulation Units</u> monthly in arrears in proportion to the value of the investment-linked funds held as <u>Initial Units</u> and <u>Accumulation Units</u> respectively at the time the charge is taken.
Plan fee*	USD 72 / GBP 48 / EUR 72 / HKD 576 per annum (USD 6 / GBP 4 / EUR 6 / HKD 48 per month) will be applied during the entire policy term.	<u>Policy Value</u> by cancellation of <u>Accumulation Units</u> monthly in arrears in proportion to the value of the investment-linked funds held as <u>Accumulation Units</u> at the time the charge is taken.
* During the periods where there are no <u>Initial Units</u> / <u>Accumulation Units</u> , the applicable charges will be accrued without interest. Once <u>Initial Units</u> / <u>Accumulation Units</u> become available, any accrued charges will be deducted immediately by cancellation of <u>Initial Units</u> / <u>Accumulation Units</u> respectively. In the event of policy surrender or termination, those accrued charges will be deducted from the <u>Policy Value</u> by cancellation of any available units of investment-linked funds before applying surrender charge (if applicable).		

What are the fees and charges? (cont.)

Scheme level

	Applicable rate	Deduct from
Policy level charges		
Insurance charge*	<p>The insurance charge will be applied during the entire policy term and is calculated as follows:</p> <p>Monthly insurance charge = annual insurance charge rate / 12 / 1,000 x sum at risk</p> <p>Sum at risk = total premium paid - total withdrawal deducted (if any) - 105% of <u>Average Daily Policy Value</u> of the <u>Policy Month</u></p> <p>No insurance charge will be charged if sum at risk is zero or less.</p> <p>The annual insurance charge rate is determined by Friends Provident International based on the gender and attained age of the youngest living life assured. The rate applicable to your policy at the respective ages can be found in the appendix of your illustration document.</p> <p>The insurance charges may increase significantly during the term of your ILAS policy due to factors such as age and investment losses. This may result in significant or even total loss of your premiums paid.</p> <p>Please refer to 'Appendix I – Current annual insurance charge rates' from page 40 to 41 of the product brochure of Premier II for the annual insurance charge rate at different attained age.</p>	<p><u>Policy Value</u> by cancellation of <u>Accumulation Units</u> monthly in arrears in proportion to the value of the investment-linked funds held as <u>Accumulation Units</u> at the time the charge is taken.</p>
<u>Additional Single Premium</u> charge (For <u>Additional Single Premium</u> (if any))	<p>Each <u>Additional Single Premium</u> will be subject to an up front charge of 7% of the premium paid.</p>	<p>Each <u>Additional Single Premium</u> before it is applied in allocating <u>Accumulation Units</u> to your policy.</p>
<p>* During the periods where there are no <u>Initial Units</u> / <u>Accumulation Units</u>, the applicable charges will be accrued without interest. Once <u>Initial Units</u> / <u>Accumulation Units</u> become available, any accrued charges will be deducted immediately by cancellation of <u>Initial Units</u> / <u>Accumulation Units</u> respectively. In the event of policy surrender or termination, those accrued charges will be deducted from the <u>Policy Value</u> by cancellation of any available units of investment-linked funds before applying surrender charge (if applicable).</p>		

What are the fees and charges? (cont.)

Scheme level

	Applicable rate	Deduct from
Policy level charges		
Surrender charge	<p>Before the end of the <u>Surrender Charge Period</u>, a surrender charge will be applied if there is:</p> <ul style="list-style-type: none">• Surrender of one or more individual policies during the <u>Surrender Charge Period</u>; or• Full surrender; or• Termination due to <u>Policy Value</u> falling below the <u>Minimum Policy Value</u> after the <u>Initial Period</u> upon the expiry of 30 days' period from the issue date of the written notice to inform you that your <u>Policy Value</u> falls below the <u>Minimum Policy Value</u>; or• Termination due to outstanding regular premium payments, whether in whole or in part, during the <u>Initial Period</u> upon the expiry of the 30 days' period from the issue of date of the written notice requesting you to pay the outstanding regular premium. <p>Surrender charge = (Value of <u>Initial Units</u> at the time of applying the surrender charge x applicable surrender charge rate[^]) + USD 45 / GBP 30 / EUR 45 / HKD 360, subject to (i) a maximum of 68% of the value of <u>Initial Units</u> at the time of applying the surrender charge, which applies for the first policy year and (ii) a maximum of 58% of value of <u>Initial Units</u> at the time of surrender, which applies for the second policy year and onwards.</p> <p>[^]The applicable surrender charge rate depends on the premium payment term and the time at which the surrender charge is triggered.</p> <p>Please refer to 'Appendix II – Surrender charge rates' from page 42 to 45 of the product brochure of Premier II for the applicable surrender charge rates for each quarter during the <u>Surrender Charge Period</u>.</p> <p>In the event of surrendering individual policies, any applicable surrender charge, which is in the proportion of the number of individual policies being surrendered to the total number of individual policies within the policy, will be deducted from the proceeds prior to payment to you.</p> <p>Please note that surrender charge will only apply to <u>Initial Units</u> and will not apply to <u>Accumulation Units</u>, i.e. regular premiums paid after the <u>Initial Period</u> and <u>Additional Single Premium(s)</u> paid will not be subject to the surrender charge.</p>	<p><u>Policy Value</u> by cancellation of <u>Initial Units</u> in your investment-linked funds in proportion to the value of investment-linked funds held as <u>Initial Units</u> at the time of surrender.</p>
Credit card charge	<p>Where premiums are paid by credit card, we will charge 1.95% of each premium paid to cover the charges imposed by the credit card issuing company.</p>	<p>Each premium payment collected through credit card.</p>

What are the fees and charges? (cont.)

Scheme level

	Applicable rate	Deduct from
Investment-linked fund charges		
Administration charge	1.2% per year of the <u>Gross Value</u> of each investment-linked fund.	Each investment-linked fund on the <u>Dealing Day</u> directly. This charge is reflected in the unit price of the investment-linked fund.
Switching charge [#]	Currently waived. We reserve the right to impose a switching charge which is the greater of (i) up to 1% of the amount to be switched out, and (ii) USD 15/ GBP 10 / EUR 15 / HKD 150 per transaction, in the future.	Policy Value by cancellation of <u>Accumulation Units</u> in proportion to the value of the investment-linked funds held as <u>Accumulation Units</u> at the time of switching.
Other investment-linked fund related costs	<p>We will be entitled to take from each Friends Provident International investment-linked fund a number of expenses as follows:</p> <ul style="list-style-type: none"> Any cost, expenses and charges incurred by us in acquiring, managing, maintaining, valuing or disposing of the assets relating to that investment-linked 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 considers is a liability relating to that investment-linked fund. 	These expenses are reflected in the unit price of the investment-linked fund.

[#] During the periods where there are no Accumulation Units when the switching charge may become chargeable in the future, the switching charge will be accrued without interest. Once Accumulation Units become available, any accrued charges will be deducted immediately by cancellation of Accumulation Units. In the event of policy surrender or termination, those accrued charges will be deducted from the Policy Value by cancellation of any available units of investment-linked funds before applying surrender charge (if applicable).

Please refer to section 'Fees and charges' (from page 28 to 34) of the product brochure of Premier II for details of the charges. The above fees and charges are payable to Friends Provident International.

Underlying funds level

You should note that the underlying funds of the investment-linked funds may have separate charges on management fee, performance fee, bid-offer spread and/or switching fee, etc. You do not pay these fees directly as the fees will be deducted and such reduction will be reflected in the unit price of the underlying funds. For details, please refer to the offering documents of the underlying funds and the principal brochure of Premier II, which are available from Friends Provident International upon request.

Additional information

- A. **Investment-linked funds** – You can invest premiums in a combination of up to ten investment-linked funds at any one time.
- B. **Policyholder** – Premier II allows a maximum of four policyholders. All policyholders must be at least 18 years of age (based on age at last birthday) when applying for the policy. The maximum acceptable age of the policyholder on the Commencement Date depends on the selected premium payment term. For details, please see sub-sections '**Ownership**' and '**Premium payment terms**' on page 7 of the product brochure of Premier II.
- C. **Lives assured** – Premier II is available for a single or multiple life, last survivor basis. You may include up to six people as 'lives assured' within a Premier II policy. The age of all lives assured at the end of Surrender Charge Period based on age at last birthday must be less than 65 years of age.

If you have included more than one life assured, we will pay the death benefit to your chosen beneficiaries, estate or trustees as appropriate upon the death of the last life assured while your policy is in effect.

What if you change your mind?

Cooling-off period

- Cooling-off period is a period during which life insurance policyholders may cancel their policies, additional single or regular premium application and get back their original investments (subject to a market value adjustment) within 30 days after the receipt of the policy and the right to cancel notice*. Please refer to the cooling off initiative applicable to the investment-linked assurance scheme from time to time for further information.
 - You have to tell Friends Provident International by giving a written notice. Such notice must be signed by you and received directly by Friends Provident International at 803, 8/F., One Kowloon, No.1 Wang Yuen Street, Kowloon Bay, Hong Kong.
 - You may get back the amount you paid, or less if the value of the investment-linked funds chosen has gone down.
- * Since the exact date a policyholder receives the policy or the right to cancel notice varies, for the purpose of avoiding confusion, we assume policyholder receives them 7 working days after the date of the delivery unless there is adequate proof to the contrary.

Insurance company's information

Friends Provident International Limited
803, 8/F., One Kowloon, No.1 Wang Yuen Street
Kowloon Bay, Hong Kong

Telephone: +852 3550 6188
Fax: +852 2868 4983
Email: customerservicing@fpihk.com
Website: www.fpinternational.com.hk

Important

Friends Provident International is subject to the prudential regulation of the Insurance Authority. However, the Insurance Authority does not give approval to individual insurance products, including Premier II referred to in this statement.

If you are in doubt, you should seek professional advice.

The SFC takes no responsibility for the contents of this statement and makes no representation as to its accuracy or completeness.

Glossary

Accumulation Units means the notional units of investment-linked funds allocated to a Premier II policy as regards (1) regular premiums paid after the Initial Period and (2) any Additional Single Premium(s) paid.

Additional Single Premium(s) means a single premium paid by you after the Commencement Date and stated in an endorsement issued by us.

Average Daily Policy Value means the average of the Policy Value at the end of each Dealing Day over a Policy Month. It is the sum of day end Policy Values divided by the number of Dealing Day in the Policy Month.

Bid Price means the price at which the notional units in the investment-linked funds will be cancelled or created.

Commencement Date means the date on which the policy starts and is shown in the policy schedule.

Dealing Day means the day when we deal in the notional units of an investment-linked fund. The day may vary from one investment-linked fund to another.

Gross Value means the value of the notional units of the investment-linked fund(s) prior to the deduction of the investment-linked fund administration charge.

Initial Period means the first 18 Policy Months from the Commencement Date when your premium payment term is between seven and nine years and the first 24 Policy Months from the Commencement Date when your premium payment term is between ten and 25 years and will be specified in the policy schedule.

Initial Units means the notional units of investment-linked funds allocated to a Premier II policy as regards the regular premiums which you paid during the Initial Period.

Minimum Policy Value is the minimum value at or above which the policy must be maintained at all times after the Initial Period. It is set at USD 2,000 / GBP 1,333 / EUR 2,000 / HKD 16,000 (depending on the plan currency). It will also be applied to determine whether a withdrawal or surrender of individual policies can be made under the policy.

Policy Month(s) means the monthly anniversary period from the applicable Commencement Date until the following month.

Policy Value(s) means the total value of any notional units held in your chosen investment-linked fund(s) under the policy. The value of each investment-linked fund at any given time is equal to the respective Bid Price multiplied by the number of notional units in the investment-linked fund held under the policy.

Surrender Charge Period means the first half of the selected premium payment term (i.e. the period between the Commencement Date of the policy and the end of the premium payment term of the policy).

Friends Provident International Limited: Registered and 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. Isle of Man incorporated company number 11494C. Authorised and regulated by the Isle of Man Financial Services Authority. Provider of life assurance and investment products. Authorised by the Prudential Regulation Authority. Subject to regulation by the Financial Conduct Authority and limited regulation by the Prudential Regulation Authority. Details about the extent of our regulation by the Prudential Regulation Authority are available from us on request. **Hong Kong branch:** 803, 8/F., One Kowloon, No.1 Wang Yuen Street, Kowloon Bay, Hong Kong. Telephone: +852 2524 2027 | Fax: +852 2868 4983 | Website: www.fpinternational.com.hk. Authorised by the Insurance Authority of Hong Kong to conduct long-term insurance business in Hong Kong. Friends Provident International is a registered trademark and trading name of Friends Provident International Limited.

Premier II Product brochure



The Premier II principal brochure consists of this Product Brochure and the Investment-linked Funds Leaflet. The offering documents of Premier II comprise the principal brochure and the Premier II Product Key Facts Statement. These documents must be issued and read in conjunction with each other. The offering documents of Premier II are intended to be distributed in Hong Kong only.

Important information

- Premier II is an investment-linked assurance scheme ('ILAS policy') under Class C linked long-term business as defined in the Insurance Companies Ordinance. It is a life insurance policy issued by Friends Provident International Limited ('Friends Provident International'). This is not a fund authorised by the Hong Kong Securities and Futures Commission ('SFC') pursuant to the Code on Unit Trusts and Mutual Funds ('UT Code').
 - The premiums you pay, after the deduction of any applicable fees and charges of your policy, will be invested by Friends Provident International in the 'underlying funds' corresponding to the investment-linked funds you selected (see below) and will accordingly go towards accretion of the value of your policy. Your Policy Value will be calculated by Friends Provident International based on the performance of the underlying funds corresponding to the investment-linked funds you selected from time to time and the ongoing fees and charges which will continue to be deducted from your Policy Value.
 - Note, however, that all premiums you pay towards your policy, and any investments made by Friends Provident International in the underlying funds corresponding to the investment-linked funds you selected, will become and remain the assets of Friends Provident International. You do not have any rights or ownership over any of those assets. Your recourse is against Friends Provident International only.
 - Due to the various fees and charges levied by Friends Provident International on your policy, the return on your policy as a whole may be lower than the return of the underlying funds corresponding to the investment-linked funds you selected.
 - 'Underlying funds' which correspond to the investment-linked funds are listed in the Investment-linked Funds Leaflet. The investment-linked funds available under Premier II can have very different features and risk profiles. Some may be of high risk.
 - Although your policy is a life insurance policy, because part of your death benefit is linked to the performance of the underlying funds corresponding to the investment-linked funds you selected from time to time, your death benefit is subject to investment risks and market fluctuations.
 - More importantly, you should be aware of the following regarding your death benefit and the cost of insurance ('insurance charges'):
 - Part of the fees and charges you pay that will be deducted from your Policy Value will be used to cover the insurance charges for the life coverage.
 - The insurance charges will reduce the amount that may be applied towards investment in the investment-linked funds selected.
 - The insurance charges may increase significantly during the term of your ILAS policy due to factors such as age and investment losses etc. This may result in significant or even total loss of your premiums paid.
 - After the Initial Period, if your Policy Value falls below the Minimum Policy Value, the relevant charges (including the insurance charges) which are applicable to your policy will continue to be charged (see section 'Fees and charges' from page 28 to 34 for details). We will terminate your policy and you may lose all your premiums paid and benefits if your Policy Value continues to be below the Minimum Policy Value upon the expiry of the 30 days' period from the issue date of the written notice to confirm you that your Policy Value falls below the Minimum Policy Value. For details please see sub-section 'Minimum Policy Value' under section 'How Premier II works'.
 - You should consult your intermediary for details, such as how the charges may increase and could impact the Policy Value.
 - Premier II is designed to be held for a long-term period. Early surrender or withdrawal of your policy may result in a significant loss of principal and bonuses awarded. Poor performance of underlying funds may further magnify your investment losses, while all charges are still deductible.
 - Your Policy Value may fall below the Minimum Policy Value under various circumstances including, without limitation, a market downturn which is beyond your control. If your Policy Value falls below the Minimum Policy Value of USD 2,000 / GBP 1,333 / EUR 2,000 / HKD 16,000 (depending on the plan currency) at any time after the Initial Period, even if you have not made any withdrawals, surrendered any individual policy, reduced the regular premium amount or taken a premium holiday, we will inform you by way of written notice. You can choose to pay Additional Single Premium(s) within 30 days from the issue date of the written notice. If your Policy Value continues to be below the Minimum Policy Value upon the expiry of the 30 days' period, we will terminate your policy at that time and you will receive the Policy Value after deduction of any applicable charges, including surrender charge which is up to a maximum of 58% of the value of Initial Units during the Surrender Charge Period (see section 'Fees and charges' from page 28 to 34 for details).
 - As such, it is important for you to evaluate your Policy Value on a regular basis to avoid policy termination due to the Policy Value falling below the Minimum Policy Value. For details, please refer to sub-section 'Termination' under section 'Accessing your investment' on page 26.
 - Credit and insolvency risks – Premier II is an insurance policy issued by Friends Provident International. Your investments are subject to the credit risks of Friends Provident International.
 - Foreign exchange risks – The investment returns of your policy may be subject to foreign exchange risks as some of the investment-linked funds may be denominated in a currency which is different from that of your policy.
 - Investment involves risks and the value of investments may go up as well as down. Investment returns are not guaranteed. Past performance should not be viewed as an indication of future performance.
 - You should not purchase this product unless you understand it and it has been explained to you how it is suitable for you. The final decision is yours. We strongly advise you to speak to your financial adviser before making any investment decisions.
- Please note that unless defined in the content of this document, all capitalised terms within this document are defined within the section 'Glossary' on page 39.

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Welcome to the home of international investment

Friends Provident International has over 35 years of international experience. We provide investment and life protection products to customers in Asia and the UAE. With offices in Dubai, Hong Kong, Singapore and the Isle of Man, we have more than 500 staff worldwide who are committed to helping our customers achieve their financial goals.

Friends Provident International is located at the heart of one of the world's leading international financial centres – the Isle of Man.

The island has Sovereign Credit Rating 'Aa1' from Moody's* as affirmed in June 2016.

You can find more information on Friends Provident International on our website at www.fpinternational.com.hk or ask your financial adviser.

* Moody's is an independent ratings agency, who assesses the strength of financial centres (<https://www.gov.im/news/2016/jun/30/island-remains-positive-after-credit-rating-revision/>)



Understanding the basics

Ownership

Premier II allows a maximum of four policyholders. All policyholders must be at least 18 years of age (based on age at last birthday) when applying for the policy. The maximum acceptable age of the policyholder on the Commencement Date depends on the selected premium payment term (see sub-section 'Premium payment terms' under this section on page 7 for details).

Policy term

Premier II will run until the policy anniversary at which the youngest life assured's age at last birthday is 100. At that time, we shall release from our obligation under the policy by paying the Policy Value less any outstanding charges to you and the policy will be terminated. For details, please refer to sub-sections 'Termination' and 'Policy maturity' under section 'Accessing your investment' from page 26 to 27.

Premium payment terms

You can select the premium payment term of your Premier II policy from a minimum of seven years to a maximum of 25 years to suit your financial needs, subject to the maximum acceptable age of policyholder on the Commencement Date (based on age at last birthday). Only whole years are permitted. For example: a 25-year premium payment term is acceptable, but a 24.5-year premium payment term is not acceptable. However, the attained age of all policyholders at the end of the Surrender Charge Period based on age at last birthday must be less than 65 years of age. **Please note that the premium payment term cannot be changed once the policy is issued.**

The maximum acceptable age of the policyholder on the Commencement Date (based on age at last birthday) for the acceptable premium payment terms is set out in the table below.

Selected premium payment term (years)	Maximum acceptable age of the policyholder on the Commencement Date*	Selected premium payment term (years)	Maximum acceptable age of the policyholder on the Commencement Date*
7	61	17	56
8	61	18	56
9	60	19	55
10	60	20	55
11	59	21	54
12	59	22	54
13	58	23	53
14	58	24	53
15	57	25	52
16	57		

* The age at last birthday.

Lives assured

Premier II is available on a single or multiple life, last survivor basis.

You may include up to six people as 'lives assured' within a Premier II policy. If you have included more than one life assured, we will pay the death benefit to your chosen beneficiaries, estate or trustees as appropriate upon the death of the last life assured while your policy is in effect.

Understanding the basics (cont.)

Currency options

Premier II allows you to choose your policy to be denominated in Sterling (GBP), US dollar (USD), Euro (EUR) or HK dollar (HKD). This is the plan currency and it is also the currency in which your premiums will be paid. Once the policy is issued, the plan currency cannot be changed.

All the benefits under your policy will be paid in your chosen plan currency unless requested otherwise.

Please note that if you choose to receive payment in a currency different from that of your plan currency, which is subject to our acceptance, the amount will be converted at prevailing exchange rate as determined by us in good faith and a commercially reasonable manner with reference to prevailing market exchange rates and subject to foreign exchange risks.

Payment methods

You can pay your premiums using the following payment methods:

- Banker's draft
- Cheque
- Standing order
- Direct debit
- Credit card (subject to a credit card charge of 1.95% of each premium paid)
- Telegraphic transfer
- China UnionPay Debit Card (for one-off first premium payment at the time of application only)

Multiple policies

Premier II allows you to split your investment into a number of individual policies, or to put all investment into one single policy. The minimum number of individual policies you can choose is two and the maximum is ten. The regular premiums and Additional Single Premiums (if any) paid will then be split evenly across your chosen number of individual policies. Each individual policy will be identical under the same policyholder(s), with same lives assured and beneficiary(ies).

Splitting your investment into a number of individual policies will not have an impact on the performance of your investment, investment instruction, all applicable charges, applicable welcome bonuses and applicable loyalty bonus. The policyholder(s), life assured, beneficiary(ies), investment

instruction and investment allocation under all individual policies must be the same.

If you would like to apply for an ad-hoc withdrawal to take out part of your investment, you may surrender one or more individual policies instead of surrendering the whole Premier II policy. Please bear in mind that surrendering individual policies is subject to conditions (see sub-section 'Surrendering individual policies' under section 'Accessing your investment' on page 25) and it may trigger policy termination and applicable surrender charge, which is up to a maximum of 68% of the value of Initial Units during the Surrender Charge Period (see section 'Fees and charges' from page 28 to 34 for details). For further information, please see section 'Accessing your investment' from page 25 to 27 and speak to your financial adviser or tax adviser.

However, it is your choice to keep all of your investment under one single policy or split the investment into a number of individual policies. You can indicate your choice to us in the application form. If you do not indicate any number of individual policies, Premier II policy will be issued as a set of ten individual policies by default.

Please note that once your Premier II policy has been issued, you cannot change the number of individual policies.

How Premier II works

If you are interested in investing through Premier II, the first step is to speak to your financial adviser about your investment needs, and then read the offering documents of Premier II. You should seek professional advice if in doubt.

Regular premiums

You may choose to pay the regular premiums to your Premier II policy on monthly, quarterly, half-yearly or yearly basis and the minimum amount of each premium payment frequency is as set out below:

Plan currency	Monthly	Quarterly	Half-yearly	Yearly
USD	300	900	1,800	3,600
GBP	200	600	1,200	2,400
EUR	300	900	1,800	3,600
HKD	2,400	7,200	14,400	28,800

Additional Single Premium(s) (Optional)

You can pay Additional Single Premium(s) at any time as long as the policy is still in-force and the age of the youngest life assured is 70 or below (based on age at last birthday) at the time of paying the Additional Single Premium. The required minimum premium amounts are shown below:

Minimum Additional Single Premium			
USD 3,000	GBP 2,000	EUR 3,000	HKD 24,000

Each Additional Single Premium will be subject to an up front charge of 7% of the premium paid and other ongoing applicable charges (see section 'Fees and charges' from page 28 to 34 for details). The remaining balance of each Additional Single Premium after deducting the up front charge will be allocated as Accumulation Units according to your latest investment allocation instructions.

Please note that the maximum regular premiums amount and Additional Single Premium amount will be subject to Friends Provident International's underwriting requirements, please speak to your financial adviser for details.

Initial Period

You have to pay all regular premiums during the Initial Period. The applicable Initial Period of your Premier II policy corresponds to your selected premium payment term as set out below:

Premium payment term	Applicable Initial Period
Between 7 and 9 years	First 18 Policy Months from the Commencement Date
Between 10 and 25 years	First 24 Policy Months from the Commencement Date

During the Initial Period, the regular premiums you pay are applied in allocating Initial Units to your policy according to your latest investment allocation instructions.

Please note that Premier II is designed to be held for a long-term period, you should pay the regular premiums for the entire designated premium payment term rather than for the Initial Period only (see sub-section 'Premium payment terms' under section 'Understanding the basics' on page 7 for details).

During the Initial Period, you cannot change the amount of regular premium, take a premium holiday, make withdrawals from Initial Units and your policy cannot be converted to paid-up status.

Minimum Policy Value (see sub-section 'Minimum Policy Value' under 'How Premier II works' on page 12 for details) will not apply to the Initial Period, the policy will not be terminated even if your Policy Value drops to zero, as long as the regular premiums are paid during the Initial Period. In such cases, any outstanding charges will accrue without interest. Once Initial Units or Accumulation Units become available, depending on the type of charges, any accrued charges on the Initial Units will be deducted immediately by cancellation of Initial Units and any accrued charges on the Accumulation Units will be deducted immediately by cancellation of Accumulation Units (see section 'Fees and charges' from page 28 to 34 for details).

How Premier II works (cont.)

Initial Period (cont.)

If regular premium payment is overdue during the Initial Period, whether in whole or in part, we will inform you by way of written notice requesting you to pay the outstanding regular premium within 30 days from the issue date of the notice. Upon expiry of the 30 days' period, if the regular premium payment is still outstanding, we will terminate your policy at that time and you will receive the Policy Value after deduction of any applicable charges, including surrender charge which is up to a maximum of 68% of the value of Initial Units during the Surrender Charge Period (see section 'Fees and charges' from page 28 to 34 for details).

Initial Units and Accumulation Units

The premiums you contribute to your policy will be used by Friends Provident International to allocate Initial Units or Accumulation Units into your policy.

During the Initial Period, the regular premium you pay will be used by Friends Provident International to allocate notional units of the chosen investment-linked funds as Initial Units.

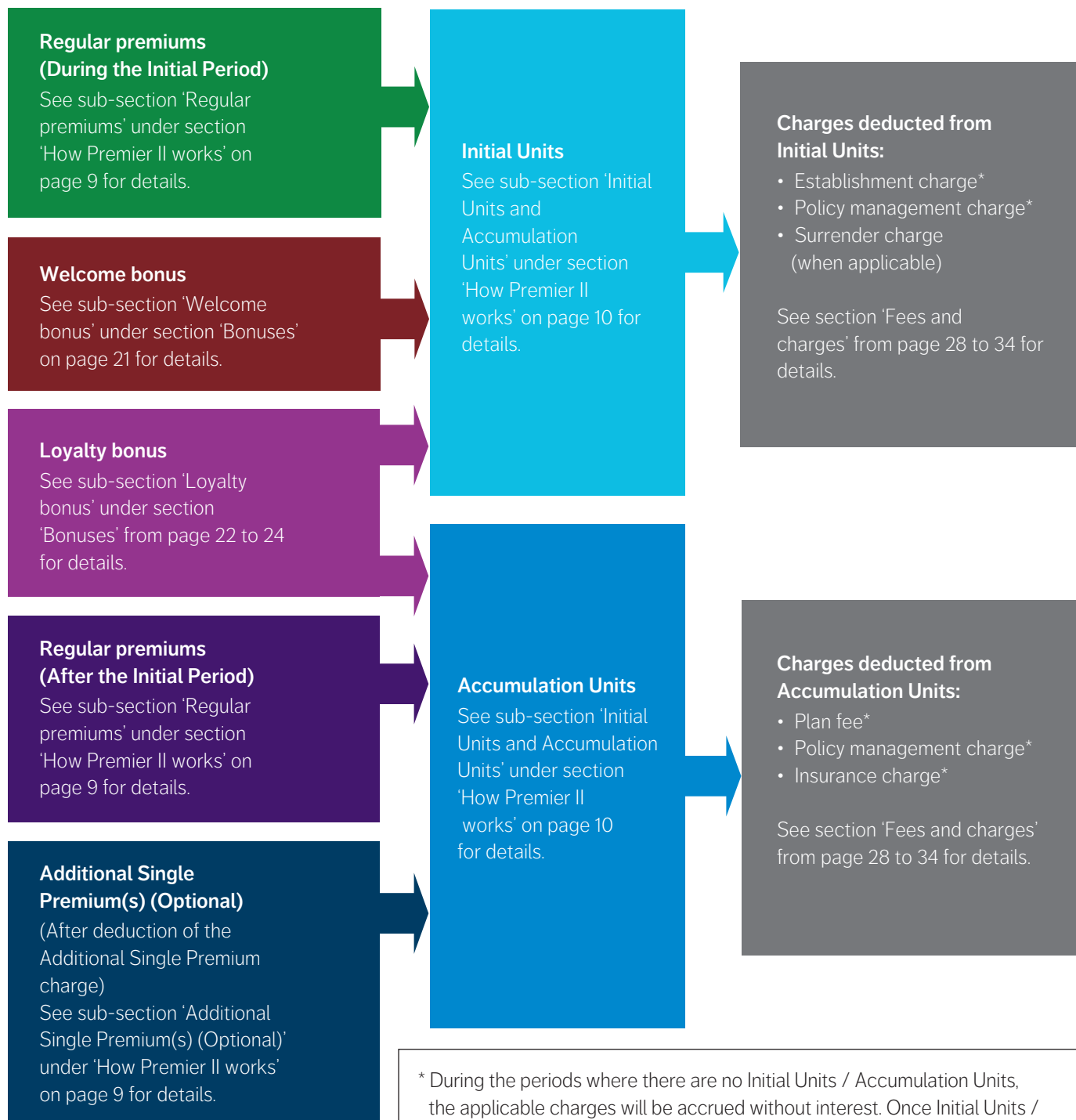
Any regular premium you pay after the Initial Period, and any Additional Single Premium you contribute to your policy, will be used by Friends Provident International to allocate notional units of the chosen investment-linked funds as Accumulation Units.

The values of the Initial Units and Accumulation Units together form the Policy Value of your Premier II policy.

Switching between or transferring of the Initial Units and Accumulation Units is not allowed during the premium payment term.

How Premier II works (cont.)

Premier II plan structure



Notes: There are other investment-linked fund charges. Please see section 'Fees and charges' from page 28 to 34 for details.

* During the periods where there are no Initial Units / Accumulation Units, the applicable charges will be accrued without interest. Once Initial Units / Accumulation Units become available, any accrued charges will be deducted immediately by cancellation of the Initial Units / Accumulation Units, respectively. In the event of policy surrender or termination, those accrued charges will be deducted from the Policy Value by cancellation of any available units of investment-linked funds before applying surrender charge (if applicable).

How Premier II works (cont.)

Change of regular premium amount

During the Initial Period, change to the amount of regular premium is not allowed.

After the Initial Period, provided that all regular premiums for the Initial Period have been paid, the amount of your regular premium can be reduced. Once you have reduced your regular premium, you may thereafter increase it back to the original amount you selected at the Commencement Date. The decreases and subsequent increase of the amount of regular premium are subject to the following conditions:

- Each decrease and subsequent increase of the regular premiums is subject to a minimum amount of USD 150 / GBP 100 / EUR 150 / HKD 1,200 per month (depending on the plan currency). The minimum amount for quarterly, half-yearly and yearly regular premiums are calculated on a pro-rata basis: quarterly (3 x minimum monthly amount); half-yearly (6 x minimum monthly amount); and yearly (12 x minimum monthly amount).
- The reduced regular premium amount must not fall below the minimum premium amounts as set out in sub-section 'Regular premiums' under section 'How Premier II works' on page 9.

If you wish to increase your regular premium to an amount above the original amount you selected on the Commencement Date, you will have to apply for a new Premier II policy.

Premium reduction will affect your eligibility to loyalty bonus and the impact will be different depending on the selected premium payment term. It is important for you to consider your Policy Value and the potential loss of loyalty bonus entitlement before reducing the regular premium amount and to consult your financial adviser before making any decision to change the regular premium amount. For the full details of loyalty bonus, please refer to sub-section 'Loyalty bonus' under section 'Bonuses' from page 22 to 24.

Premium reduction may lead to a significant reduction in Policy Value, and therefore the death benefit. If the Policy Value after premium reduction falls below the Minimum Policy Value at any time after the Initial Period, we will inform you by way of written notice. You can choose to pay Additional Single Premium(s) within 30 days from the issue date of the written notice. If your Policy Value continues to be below the Minimum Policy Value upon the expiry of the 30 days' period, we will terminate your

policy at that time and you will receive the Policy Value after deduction of any applicable charges, including surrender charge which is up to a maximum of 58% of the value of Initial Units during the Surrender Charge Period (see section 'Fees and charges' from page 28 to 34 for details).

Please note that we reserve the right to vary the above mentioned minimum amounts of each increase or decrease in regular premium with not less than 90 days' prior written notice.

Minimum Policy Value

The Minimum Policy Value requirement set out below applies after the Initial Period.

If your Policy Value falls below the Minimum Policy Value of USD 2,000 / GBP 1,333 / EUR 2,000 / HKD 16,000 (depending on the plan currency) at any time after the Initial Period, even if you have not made any withdrawals, surrendered any individual policy, reduced the regular premium amount or taken a premium holiday, we will inform you by way of written notice. You can choose to pay Additional Single Premium(s) within 30 days from the issue date of the written notice. If your Policy Value continues to be below the Minimum Policy Value upon the expiry of the 30 days' period, we will terminate your policy at that time and you will receive the Policy Value after deduction of any applicable charges, including surrender charge which is up to a maximum of 58% of the value of Initial Units during the Surrender Charge Period (see section 'Fees and charges' from page 28 to 34 for details).

Your Policy Value may fall below the Minimum Policy Value under various circumstances including, without limitation, a market downturn which is beyond your control. As such, it is important for you to evaluate your Policy Value on a regular basis to avoid policy termination due to the Policy Value falling below the Minimum Policy Value. For details, please refer to sub-section 'Termination' under section 'Accessing your investment' from page 26 to 27.

Termination of policy may result in a significant loss of principal and bonus(es). Poor performance of the underlying funds may further magnify the investment losses, you could lose all your investments and benefits under your policy.

Please note that we reserve the right to vary the above mentioned Minimum Policy Value requirement with not less than 90 days' prior written notice.

How Premier II works (cont.)

Change of your premium payment frequency

Premier II offers four options of regular premium payment frequency: monthly, quarterly, half-yearly or yearly. No matter which premium payment frequency you choose, you can change the payment frequency without charge. You must notify us in writing at least 30 days before the effective date specified below:

Original premium payment frequency	Effective date of changing to the below premium payment frequency			
	Yearly	Half-yearly	Quarterly	Monthly
Yearly		On policy anniversary date only	On policy anniversary date only	On policy anniversary date only
Half-yearly	On policy anniversary date only		On the next premium due date	On the next premium due date
Quarterly	On policy anniversary date only	On a premium due date in line with the new frequency*		On the next premium due date
Monthly	On policy anniversary date only	On a premium due date in line with the new frequency*	On a premium due date in line with the new frequency*	

* For example, changing from monthly to quarterly payments where the anniversary is 1 March can be requested for 1 March, 1 June, 1 September or 1 December, but not for any other dates (i.e. the date must be the 1st date of the months instead of any other dates, i.e. the 2nd date of the months is not acceptable). Similarly, changing from monthly to half-yearly, it can be requested for 1 September or 1 March, but not for any other dates.

How Premier II works (cont.)

Premium holiday

Please note that a premium holiday is not allowed during the Initial Period (see sub-section ‘Initial Period’ under ‘How Premier II works’ on page 9 for details). You have to pay all regular premiums during the Initial Period in order to apply for a premium holiday.

After the Initial Period and until the end of premium payment term, you may take a premium holiday once to temporarily suspend payment of regular premium as long as the value of your Accumulation Units is sufficient to cover the applicable policy fees and charges (see section ‘Fees and charges’ from page 28 to 34 for details). The premium holiday will cease when you resume premium payment.

To apply for premium holiday, you will need to give us at least 30 days’ written notice prior to the next premium due date, otherwise the application of premium holiday will not be proceeded.

A premium holiday is allowed **ONCE** with the maximum duration depending on your selected premium payment term as set out below:

Premium payment term	Maximum duration of premium holiday
Between 7 and 10 years	12 Policy Months
Between 11 and 25 years	36 Policy Months

You can resume regular premium payments at any time during the premium holiday. Once you resume the regular premium payments, the premium holiday will cease.

If you do not resume regular premium payments at the end of the maximum duration of premium holiday, you will be given a written notice of conversion to paid-up policy (see sub-section ‘Paid-up’ under ‘How Premier II works’ on page 15 for details). You can resume the regular premium payment within 30 days from the issue date of the notice of conversion to paid-up policy, otherwise the policy will be converted to a paid-up policy upon expiry of the notice period (see sub-section ‘Paid-up’ under ‘How Premier II works’ on page 15 for details).

Taking a premium holiday will affect your eligibility to loyalty bonus and the impact will be different depending on the selected premium payment term. It is important for you to consider your Policy Value and the potential loss of loyalty bonus entitlement before taking a premium holiday and to consult your financial adviser before making any decision to take a premium holiday. For the full details of loyalty bonus, please refer to sub-section ‘Loyalty bonus’ under section ‘Bonuses’ from page 22 to page 24.

Premier II is designed to be held for a long-term period. A premium holiday should only be considered as a temporary solution for your short term financial needs. A premium holiday can only be applied **ONCE** with the maximum duration as set out above. You should pay the regular premiums for the entire designated premium payment term rather than for the Initial Period only.

Please note that the policy is still in-force during premium holiday. All applicable charges, including establishment charge, plan fee, policy management charge, insurance charge, Additional Single Premium charge, surrender charge, credit card charge, underlying fund charges and the investment-linked fund charges such as administration charge, switching charge and other investment-linked fund related costs will continue to be deducted during a premium holiday (see section ‘Fees and charges’ from page 28 to 34 for details) and the Policy Value and death benefit may be significantly reduced as a result.

When the Policy Value falls below the Minimum Policy Value after the Initial Period, we will inform you by way of written notice. You can choose to pay Additional Single Premium(s) within 30 days from the issue date of the written notice. If your Policy Value continues to be below the Minimum Policy Value upon the expiry of the 30 days’ period from the issue date of the written notice, we will terminate your policy at that time and you will receive the Policy Value after deduction of any applicable charges, including surrender charge which is up to a maximum of 58% of the value of Initial Units during the Surrender Charge Period (see section ‘Fees and charges’ from page 28 to 34 for details).

How Premier II works (cont.)

Paid-up

Please note that converting a policy to a paid-up policy is not allowed during the Initial Period.

Your policy will be automatically converted to be a paid-up policy in the following three situations:

- 1) After the Initial Period but prior to the end of the selected premium payment term of your policy, if you have not applied for a premium holiday and you do not pay any regular premium within 90 days from the premium due date;
- 2) After the Initial Period but prior to the end of the selected premium payment term of your policy, if you exercise premium holiday but you do not resume regular premium payments at the end of the maximum duration of premium holiday and within 30 days from the issue date of notice of conversion to paid-up policy. Please see sub-section 'Premium holiday' under section 'How Premier II works' on page 14 for details; or
- 3) Upon the end of the selected premium payment term of your policy.

Please note that applying for premium holiday will not by itself trigger the conversion to a paid-up policy, unless no regular premium payment is resumed after the end of the maximum duration of premium holiday and within 30 days from the issue date of notice of conversion to paid-up policy.

For situations 1 and 2, you may consider resuming the regular premium payments at any time during the selected premium payment term, even the policy has been converted to a paid-up policy. Please speak to your financial adviser for details.

For situation 3, all Initial Units will be converted to Accumulation Units. You may choose to surrender any individual policies or the whole policy anytime after the end of the selected premium payment term without surrender charge. Although regular premiums are no longer being paid after premium payment term and during paid-up status, Additional Single Premium(s) will continue to be accepted, subject to Friends Provident International's approval.

Please note that a paid-up policy is still an in-force policy and subject to investment risks and market fluctuations. The Policy Value remains invested in the chosen investment-linked fund(s) and all applicable charges, including establishment charge, plan fee, policy management charge, insurance charge, Additional Single Premium charge, surrender charge, credit card charge, underlying fund charges and the investment-linked fund charges such as administration charge, switching charge and other investment-linked fund related costs will continue to be deducted (see section 'Fees and charges' from page 28 to 34 for details). The Policy Value, and therefore the loyalty bonus and death benefit may be significantly reduced as regular premium payments are no longer being paid.

If your Policy Value falls below the Minimum Policy Value after the Initial Period, we will inform you by way of written notice. You can choose to pay Additional Single Premium(s) within 30 days from the issue date of the written notice. If your Policy Value continues to be below the Minimum Policy Value upon the expiry of the 30 days' period, we will terminate your policy at that time and you will receive your Policy Value after deduction of any applicable charges, including surrender charge which is up to a maximum of 58% of the value of Initial Units during the Surrender Charge Period (see section 'Fees and charges' from page 28 to 34 for details).

Premier II is designed to be held for a long-term period. You should pay the regular premiums for the entire designated premium payment term rather than for the Initial Period only.

How your premiums are invested

When we receive your premium, we will allocate notional units in your chosen investment-linked funds according to your latest investment allocation instructions (see section 'Your investment options' from page 17 to 18 for details). The allocation of units will be made notionally at the prevailing Bid Price of your chosen investment-linked funds on the next available Dealing Day after your premium is paid.

Your investment-linked fund allocation instruction for your Additional Single Premium(s) (if any) can be different from that of your regular premium, subject to a maximum of ten investment-linked funds allowed per policy. If no instructions are provided, existing investment-linked fund allocation instruction will be used.

The net premiums (i.e. the premiums you pay after the deduction of any applicable fees and charges) you pay will be invested by Friends Provident International in the underlying funds corresponding to the investment-linked funds you selected. Units in the investment-linked funds allocated to your policy are notional, and are solely for the purpose of calculating the value which we will pay to you under your policy. All premiums you pay towards your policy, and any investments made by Friends Provident International in the underlying funds corresponding to the investment-linked funds you selected, will become and remain the asset of Friends Provident International. You do not have rights or ownership over any of those assets. Your recourse is against Friends Provident International only.

Your investment options

Premier II allows you to choose from a wide range of investment-linked funds, which are linked to underlying funds from professional fund houses, helping you to effectively balance your investment portfolio to match your individual needs. Full details of our investment-linked funds can be found in the Investment-linked Funds Leaflet.

You can select up to a total of ten investment-linked funds in your investment allocation instruction. There is no minimum contribution into each investment-linked fund; however, you must contribute in whole percentages.

Your regular premium and Additional Single Premiums (if any) will be used by us to allocate notional units of your selected investment-linked funds according to your latest investment allocation instructions. Your investment-linked fund allocation instruction for your Additional Single Premiums can be different from that of your regular premium, subject to a maximum of ten investment-linked funds allowed per policy. If no instructions are provided, the existing investment-linked fund allocation instruction will be used.

Friends Provident International reserves the right to change the maximum number of investment-linked funds you may hold within your policy with not less than 90 days' prior written notice.

Investment-linked funds explained

We regularly review the marketplace, meet with fund managers and research new opportunities to maintain a high standard of choice and diversity within our investment-linked fund range.

We select different fund manager groups to build a selection of investment-linked funds to cater for all risk profiles, covering most sectors and geographical regions.

We operate a range of investment-linked funds. The concept is simple: agreements have been set up with investment houses worldwide allowing us to link to specially selected underlying funds chosen on the basis of performance and investment expertise. We have also set up our own investment-linked funds which invest solely in such underlying funds, apart from a proportionately small amount which may be held as a cash balance.

With our wide range of investment-linked funds, you have access to many different fund houses with the potential of the world's fastest growing economies, leading investment specialists and investment-linked funds with a proven track record. The investment-linked funds available to you may vary from time to time.

We will give you 90 days' prior written notice if we decide to merge or terminate an investment-linked fund. If an investment-linked fund is to be merged or terminated due to the decision of the fund management house, we will give you prior written notice in compliance with relevant regulatory requirements.

A comprehensive range of investment-linked funds

The choice covers single investment-linked fund solutions that will enable you to diversify your portfolio across a wide range of asset classes and currencies, including equities, fixed-interest securities, commercial property, cash and alternative asset types.

The investment-linked fund range is spread geographically by asset class such as UK, US, Continental Europe, Asia Pacific, Japan, China, Latin America and other developing markets.

We also offer what is known as 'thematic' investment-linked funds, which focus on specific types of asset class, irrespective of geographic constraints, such as commodity, alternative energy, technology or healthcare related securities.

Understanding your attitude to risk

When investing in our investment-linked funds it's important to understand the level of risk you are comfortable with. Generally speaking, the higher the opportunity to benefit from potential growth, the higher the level of associated risk.

To help you, we grade each of our investment-linked funds into five bands – further information in respect of this grading can be found in our Investment-linked Funds Leaflet.

The grading of each investment-linked fund will be reviewed and, if appropriate, revised at least yearly by Friends Provident International as a result of our ongoing research analysis. Together with your financial adviser, you can work out how you want to set your investment objectives and how conservative or aggressive you want to be when making your choices.

Investment-linked fund grading is for reference only. The SFC has not assessed or approved it, nor has it verified the accuracy of such information.

Your investment options (cont.)

Switching your chosen investment-linked fund options

You can switch between our full range of investment-linked funds at any time, allowing you to adjust quickly to changing market conditions and adjust the balance of your overall investment. You can select up to a total of ten investment-linked funds per policy at any time. All we ask is that switches are made in whole percentages.

On the next Dealing Day of the relevant investment-linked fund(s) after we have received clear instructions from you, we will cancel the notional units of the relevant investment-linked fund(s) from your policy in accordance with your switching instructions. We will replace them with notional units of an equivalent value in the alternative investment-linked fund(s) selected by you.

All switches are currently free. Please note that we reserve the right to charge for switching between investment-linked funds in the future, but we will always give you 90 days' prior written notice of any such changes, or such shorter period of notice in compliance with the relevant regulatory requirements. For details, please see section 'Fees and charges' from page 28 to 34.

Important investment information

The underlying funds of the investment-linked funds are unit trusts/mutual funds authorised by the SFC. Such authorisation does not imply official recommendation. SFC authorisation is not a recommendation or endorsement of the unit trusts/mutual funds nor does it guarantee the commercial merits of the unit trusts/mutual funds or their performance. It does not mean the unit trusts/mutual funds are suitable for all investors nor is it an endorsement of its suitability for any particular investor or class of investors.

Investment-linked fund prices may go up and down depending upon the underlying funds' performance or, where investments held within an investment-linked fund are not denominated in the currency of that investment-linked fund, simply because of movements in currency exchange rates. Where we publish performance information, the figures are quoted including all underlying fund level charges payable to underlying fund managers and investment-linked fund level charges payable to Friends Provident International. However, past 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.

Keeping track of your investment

To calculate the progress of your investment, each of our investment-linked funds is divided into 'notional units'.

Notional units in the investment-linked funds are created or cancelled using the Bid Price (rounded down to three decimal places). We may reasonably round any calculations. The number of notional units created and cancelled will be rounded to the nearest two decimal places. Rounding adjustments will accrue to the benefit of policyholders who continue to hold the notional units in the relevant Friends Provident International investment-linked fund.

The Bid Price of Friends Provident International investment-linked funds are calculated on each Dealing Day. The price of each investment-linked fund is determined by reference to the price of the underlying fund relating to that investment-linked fund and taking into account the investment-linked fund level charges. Consequently, the price and performance of the investment-linked funds will be different from the underlying funds but will mainly move in line with them. For details of the valuation methodology of the investment-linked funds, please refer to the Investment-linked Funds Leaflet.

To calculate the value of each of the investment-linked funds held in your Premier II policy at any given time, you can multiply the respective Bid Price by the number of notional units of the investment-linked fund(s) held under your policy.

Every year on your policy anniversary, you will receive an up-to-date statement to confirm your current investment holding.

You should read the Investment-linked Funds Leaflet and the offering documents of the underlying funds, which are available from Friends Provident International upon request, for details of the underlying funds (including, without limitation, their investment objectives and policies, risk factors and charges).

Death benefit

Premier II includes a death benefit amount, which is the higher of:

- (a) 105% of the Policy Value; and
- (b) the total premiums you paid into the policy, less the total withdrawals you have made from the policy (if any).

If there is only one life assured under the policy, we will pay the death benefit to the chosen beneficiaries, the estate or trustees of the life assured as appropriate, as soon as we have received the original policy documents and the necessary documentation.

If your policy has included more than one life assured, we will pay the death benefit to the chosen beneficiaries, the estate or trustees of the last life assured as appropriate upon the death of the last life assured while your policy is in effect.

Although your ILAS policy is a life insurance policy, because part of your death benefit is linked to the performance of the underlying funds corresponding to the investment-linked funds you selected from time to time, your death benefit is subject to investment risks and market fluctuations.

Notional units of your investment-linked funds will be cancelled from your policy on the next Dealing Day of your investment-linked funds following the receipt of notification of the death of the sole/last life assured and the relevant documentations. Payment of the death benefit will normally be made to your chosen beneficiaries, your estate or trustees as appropriate, within ten working days after receipt by us of the original policy documents and all other necessary documentation. **In exceptional circumstances beyond our control, we may need to delay creating or cancelling the notional units in our investment-linked funds. This may lead to a delay in making payment of the death benefit within the specified time period. For information on the exceptional circumstances, please refer to Investment-linked Funds Leaflet for details.** You should note that no interest is payable for the period between the date the notional units of the investment-linked funds are cancelled from your policy and the date of payment of the death benefit.

A monthly insurance charge will be deducted from the Policy Value by cancellation of Accumulation Units from the Commencement Date until the termination of your policy. The calculation of monthly insurance charge is as follow:

$$\text{Monthly insurance charge} = \frac{\text{annual insurance charge rate}}{12 / 1,000} \times \text{sum at risk}$$

where

$$\text{Sum at risk} = \text{total premium paid} - \text{total withdrawal deducted (if any)} - 105\% \text{ of Average Daily Policy Value of the Policy Month}$$

No insurance charge will be charged if sum at risk is zero or less.

The annual insurance charge rate is based on the gender and attained age of the youngest living life assured.

Please refer to section 'Appendix I – Current annual insurance charge rates' from page 40 to 41 for the annual insurance charges rate at different attained age. For the details of insurance charges, please refer to section 'Fees and charges' from page 28 to page 34.

More importantly, you should be aware of the following regarding your death benefit and the insurance charges:

- Part of the fees and charges you pay that will be deducted from your Policy Value will be used to cover the insurance charges for the life coverage.
- The insurance charges will reduce the amount that may be applied towards investment in the investment-linked funds selected.
- The insurance charges may increase significantly during the term of your ILAS policy due to factors such as age and investment losses etc. This may result in significant or even total loss of your premiums paid.
- After the Initial Period, if your Policy Value falls below the Minimum Policy Value, the relevant charges (including the insurance charges) which are applicable to your policy will continue to be charged (see section 'Fees and charges' from page 28 to 34 for details). We will terminate your policy and you may lose all your premiums paid and benefits if your Policy Value continues to be below the Minimum Policy Value upon the expiry of 30 days' period from the issue date of the written notice to inform you that your Policy Value falls below the Minimum Policy Value. Please see section 'Termination' on page 26 to 27.
- You should consult your financial adviser for details, such as how the charge may increase and could impact the Policy Value.

Death benefit (cont.)

Please note that if you choose to receive death benefit in a currency different to that of your plan currency, which is subject to our acceptance, then the amount will be converted at prevailing exchange rate as determined by us in good faith and a commercially reasonable manner with reference to prevailing market exchange rates from time to time and subject to foreign exchange risks.

Illustrative example for the calculation of the death benefit:
Assuming a 25-year term policy, contributing a monthly regular premium of USD 1,000, with two lives assured. All regular premiums have been paid for 12.5 years (Total regular premium paid is USD 1,000 x 12 x 12.5 = USD 150,000), with an assumed Policy Value of USD 175,000 and a total withdrawal amount of USD 5,000 at the time of paying the death benefit on last survivor basis.

Calculation of death benefit	Higher of (a) and (b) below: (a) = 105% of the Policy Value = 105% x USD 175,000 = USD 183,750 and (b) = the total premiums paid into the policy, less the total withdrawals made from the policy = USD 150,000 – USD 5,000 = USD 145,000
Death benefit = the higher of (a) and (b) = (a) USD 183,750	

Please note that the above example is hypothetical and for illustrative purposes only.

Bonuses

Welcome bonus

If you select a premium amount as set out in the below table, Premier II will offer you a welcome bonus which will be allocated as Initial Units in the form of additional notional units of your chosen investment-linked funds according to your latest investment allocation instructions during the Initial Period, upon receipt of each payment of regular premium for the Initial Period while your policy is in effect.

Welcome bonus	= Regular premium paid for the Initial Period x welcome bonus rate (%)
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The welcome bonus rate is calculated using the following formula and the applicable welcome bonus rate will be determined by the amount of regular premium as set out in the table below:

Plan currency	Monthly regular premium	Quarterly regular premium	Half-yearly regular premium	Yearly regular premium	Welcome bonus rate (%)
USD	750-999	2,250-2,999	4,500-5,999	9,000-11,999	Premium payment term (years) x 0.5%
GBP	500-666	1,500-1,999	3,000-3,999	6,000-7,999	
EUR	750-999	2,250-2,999	4,500-5,999	9,000-11,999	
HKD	6,000-7,999	18,000-23,999	36,000-47,999	72,000-95,999	
USD	1,000 or above	3,000 or above	6,000 or above	12,000 or above	Premium payment term (years) x 1%
GBP	667 or above	2,000 or above	4,000 or above	8,000 or above	
EUR	1,000 or above	3,000 or above	6,000 or above	12,000 or above	
HKD	8,000 or above	24,000 or above	48,000 or above	96,000 or above	

Please note that the welcome bonus rates do not represent a rate of return or performance of your investment.

The welcome bonus will form part of the Policy Value and is therefore subject to the relevant policy fees and charges. Please refer to the section 'Fees and charges' from page 28 to 34 for details.

If you cancel the policy within the cooling-off period (see sub-section 'Cooling-off rights' under section 'General information' on page 36 for details), you will not be entitled to the welcome bonus. We will only refund you all premiums you have paid less a deduction of the amount (if any) by which the value of your investment has fallen at the time when your cancellation request is received by us.

Illustrative example to show the calculation of the welcome bonus:

Assuming a 25-year premium payment term policy, contributing a monthly regular premium of USD 1,000.

Total regular premiums paid during the 24-month Initial Period	USD 1,000 x 24 = USD 24,000
Applicable welcome bonus rate	25 x 1% = 25%
The amount of welcome bonus upon each payment of monthly regular premium	USD 1,000 x 25% = USD 250
Total amount of welcome bonus during the 24-month Initial Period	USD 250 x 24 = USD 6,000

Please note that the above example is hypothetical and for illustrative purposes only.

Bonuses (cont.)

Loyalty bonus

You will be eligible to receive a loyalty bonus for each Policy Month from the 121st Policy Month onwards while the policy is in effect provided that you have fully paid all the regular premiums at the original amount committed on the Commencement Date for all Policy Months during the selected premium payment term of your policy.

The loyalty bonus will be paid monthly in arrears and it is equal to 0.0625% (one twelfth of 0.75%) the Average Daily Policy Value over each Policy Month in which the loyalty bonus is payable. The loyalty bonus will be calculated at the end of the relevant Policy Month and allocated as additional Initial Units and Accumulation Units in proportion to the value of the investment-linked funds held as Initial Units and Accumulation Units respectively at the Bid Price on the next available Dealing Day.

However, if you have not fully paid all regular premiums at the original amount committed on the Commencement Date for the selected premium payment term of your policy, your entitlement to the loyalty bonus will be affected as set out below:

(i) For premium payment term between seven and ten years

If you have not fully paid all the regular premiums at the original amount committed on the Commencement Date for the selected premium payment term of your policy, you will not be entitled to any loyalty bonus.

(ii) For premium payment term between 11 and 25 years

- While your policy is in effect, if you have not fully paid all the regular premiums at the original amount committed on the Commencement Date for any Policy Month during the selected premium payment term of your policy, your eligibility to receive the loyalty bonus will be stopped at the end of the selected premium payment term of your policy.
- While your policy is in effect, from the 121st Policy Month till the end of the selected premium payment term of your policy, the loyalty bonus for a Policy Month will only be payable to you if you have paid the regular premium at the original amount committed on the Commencement Date for that Policy Month.

That means, during the period in which the loyalty bonus is payable, you will not be entitled to the loyalty bonus for a Policy Month if the regular premium at the original amount committed on the Commencement Date has not been paid (for whatever reasons such as taking a premium holiday or reduction in regular premium to a level lower than the original amount committed on the Commencement Date) for that Policy Month. However, if you resume paying the regular premium at the original amount committed on the Commencement Date for any subsequent Policy Month, the loyalty bonus for such Policy Month will be paid.

- Loyalty bonus credited to your policy will not be clawed back.

For details of calculation of and entitlement to the loyalty bonus, please refer to the illustrative examples from page 23 to 24.

The loyalty bonus will form part of your Policy Value and is therefore subject to the relevant policy fees and charges. For details of the applicable charges, please see section 'Fees and charges' from page 28 to 34.

Please note that the loyalty bonus rates do not represent the rate of return or performance of your investment.

Early surrender, premium holiday, reduction of regular premium, being converted to a paid-up policy before the end of selected premium payment term, surrender of individual policies or withdrawal and non-payment of regular premium may result in a significant loss of principal and bonuses awarded.

Bonuses (cont.)

Illustrative examples to show the calculation and entitlement of loyalty bonus:

Example 1: Calculation of loyalty bonus

Assuming a 25-year premium payment term policy with a monthly regular premium of USD 500 committed on the Commencement Date and the regular premiums at this amount have been paid fully since the Commencement Date.

Loyalty bonus	= 0.0625% (i.e. 0.75%/12) x Average Daily Policy Value over the Policy Month
	<p>For the 121st Policy Month:</p> <p>The Average Daily Policy Value over the 121st Policy Month is USD 63,000.</p> <p>The loyalty bonus payable is:</p> <p>$0.0625\% \times \text{USD } 63,000 = \text{USD } 39.38$</p> <p>The loyalty bonus will be calculated at the end of the Policy Month and allocated as additional Initial Units and Accumulation Units in proportion to the value of the investment-linked funds held as Initial Units and Accumulation Units respectively at the Bid Price on the next available Dealing Day.</p> <p>Assuming the values of the investment-linked funds held as Initial Units and Accumulation Units respectively at the Bid Price on the next available Dealing Day are:</p> <p>USD 12,500 (from Initial Units) and USD 52,000 (from Accumulation Units)</p> <p>Total value of the investment-linked funds is:</p> <p>$\text{USD } 12,500 + \text{USD } 52,000 = \text{USD } 64,500$</p> <p>Amount of loyalty bonus allocated to Initial Units: $\text{USD } 39.38 / \text{USD } 64,500 \times \text{USD } 12,500 = \text{USD } 7.63$ payable as Initial Units</p> <p>Amount of loyalty bonus allocated to Accumulation Units:</p> <p>$\text{USD } 39.38 / \text{USD } 64,500 \times \text{USD } 52,000 = \text{USD } 31.75$ payable as Accumulation Units</p>

Bonuses (cont.)

Example 2: Entitlement of loyalty bonus

Assuming a 21-year premium payment term policy with a yearly regular premium of USD 100,000 committed on the Commencement Date and the policy is still in effect in the 22nd policy year.

Policy year	Regular premium paid during the relevant period	Whether loyalty bonus is entitled?
1st – 10th	A total of USD 1,000,000 (i.e. USD 100,000 x 10 years)	No loyalty bonus will be payable before the 121st Policy Month.
11th – 15th	A total of USD 500,000 (i.e. USD 100,000 x 5 years)	Loyalty bonus will be payable monthly from the 121st Policy Month to the 180th Policy Month as the regular premiums have been paid at the original amount committed on the Commencement Date at the time the relevant loyalty bonus is payable.
16th – 18th	USD 0 No premium is paid during premium holiday of 36 months (i.e. 3 years).	No loyalty bonus will be payable from the 181st to the 216th Policy Month as the payment of regular premiums have been stopped.
19th	USD 100,000 The regular premium at the original amount committed on the Commencement Date is resumed from the 19th policy year.	Loyalty bonus will be resumed and payable monthly from the 217th Policy Month to the 228th Policy Month as the payment of the regular premium at the original amount committed on the Commencement Date has been resumed at the time the relevant loyalty bonus is payable.
20th	USD 50,000 The regular premium amount is reduced from USD 100,000 per annum to USD 50,000 per annum.	No loyalty bonus will be payable as the regular premium amount paid was lower than the original amount committed on the Commencement Date (i.e. USD 100,000) at the time the relevant loyalty bonus is payable.
21st	USD 100,000 The regular premium amount is increased back to the original amount committed on the Commencement Date.	Loyalty bonus will be resumed and payable monthly from the 241st Policy Month to the 252nd Policy Month as the regular premium amount is increased back to the original amount committed on the Commencement Date at the time the relevant loyalty bonus is payable.
22nd	USD 0 No regular premium payment after the end of the 21st policy year.	The loyalty bonus will be stopped at the end of the selected premium payment term as not all the regular premiums at the original amount committed on the Commencement Date have been fully paid for the selected premium payment term.

Please note that the above examples are hypothetical and for illustrative purposes only.

Accessing your investment

Withdrawals

Please note that withdrawals are not allowed during the Initial Period. If you wish to make withdrawals from Initial Units after the Initial Period, you have to apply for a full surrender and subject to applicable surrender charges. Please see sub-sections 'Full surrender' under 'Accessing your investment' on page 26 and section 'Fees and charges' from page 28 to 34 for details.

You can make regular withdrawals or one-off withdrawals from Accumulation Units free of any withdrawal charge as long as the below rules are followed:

- The amount for each one-off withdrawal or each payment of regular withdrawals (irrespective of frequency) meets the minimum amount shown in the below table:

Minimum withdrawal amount			
USD 750	GBP 500	EUR 750	HKD 6,000

- The remaining Policy Value immediately after the withdrawal must not fall below the Minimum Policy Value of USD 2,000 / GBP 1,333 / EUR 2,000 / HKD 16,000 (depending on the plan currency) (see sub-section 'Minimum Policy Value' under section 'How Premier II works' on page 12 for details).

Regular withdrawals can be taken monthly, quarterly, half-yearly, yearly and upon the terms to be agreed to suit your needs. You can make a one-off withdrawal while you are taking regular withdrawals. There is no maximum number of withdrawals you can take.

If there are insufficient Accumulation Units, no withdrawal will be made and any regular withdrawals will be ceased, and you may surrender one or more individual policies. Surrendering individual policies during the Surrender Charge Period is subject to applicable surrender charge, please refer to sub-section 'Surrendering individual policies' under section 'Accessing your investment' on page 25 for details.

Please note that we reserve the right to vary the minimum amount of each withdrawal with not less than 90 days' prior written notice.

Surrendering individual policies

Please note that surrendering one or more individual policies is not allowed during the Initial Period.

If there are insufficient Accumulation Units, you may surrender individual policies after the Initial Period to fulfil your withdrawal needs provided that the remaining Policy Value immediately after the surrender of individual policies does not fall below the Minimum Policy Value (see sub-section 'Minimum Policy Value' under section 'How Premier II works' on page 12 for details). Any applicable surrender charge, which is in the proportion of the number of individual policies being surrendered to the total number of individual policies within the policy, will be deducted from the proceeds prior to payment to you. For example, if you would like to surrender three individual policies out of ten, the surrender charge for the three individual policies will be calculated as follows and applied to the proceeds prior to payment to you:

The surrender charge of whole policy / 10 x 3

Please refer to section 'Fees and charges' from page 28 to 34 and illustrative example 1b on page 32.

Important notes for withdrawals or surrendering individual policies

To apply for withdrawals or surrendering individual policies, you have to fill in the request form for withdrawal or surrendering individual policies and return it to us. You must give us at least 30 days' prior written notice of new or amended instructions relating to regular withdrawals, as well as surrendering individual policies. We will cancel the notional units of Accumulation Units of your investment-linked funds at Bid Price from your policy on the next Dealing Day of your investment-linked funds, following the date we process your withdrawal or surrendering individual policies request.

Withdrawals or the proceeds from surrendering individual policies will be paid to policyholder's bank account provided by the policyholder in the application form. Any processing charges incurred by your bank for the withdrawal payments from Friends Provident International will be passed onto the policyholder, and deducted from policyholder's bank account.

Accessing your investment (cont.)

Withdrawal or surrendering individual policies from the policy will lead to a reduction of the Policy Value, loyalty bonus and death benefit. It is important to consult your financial adviser before making any decision to apply withdrawals or surrendering individual policies, as well as evaluating your Policy Value on a regular basis to avoid policy termination due to the Policy Value falling below the Minimum Policy Value. More information about the loyalty bonus can be found in sub-section 'Loyalty bonus' under section 'Bonuses' on page 22 and more information about the death benefit can be found in section 'Death benefit' from page 19 to page 20.

Please note that if you would prefer to receive the withdrawal amount or the proceeds from surrendering individual policies in a currency different from that of your plan currency (which is subject to our acceptance), the amount will be converted at prevailing exchange rate as determined by us in good faith and a commercially reasonable manner with reference to prevailing market exchange rates and subject to foreign exchange risks.

Full surrender

If you surrender your policy on or after the end of the Surrender Charge Period, there will be no surrender charge.

However, if the policy is surrendered before the end of the Surrender Charge Period, a surrender charge will be applied. The surrender charge is up to a maximum of 68% of the value of the Initial Units during the Surrender Charge Period. Please refer to section 'Fees and charges' from page 28 to 34 for details of the calculation of surrender charge. Please note that the earlier you surrender your policy, the higher surrender charge rate will be imposed.

Once the policy is surrendered, the Surrender Value will be paid and the policy will be terminated. If the value of the Investment-linked funds is less than the value of any outstanding and/or accrued charges (including surrender charge) upon surrender, no Surrender Value will be paid and we will not hold you liable for any shortfall in this situation.

To surrender your policy, you have to complete a surrender request form and return it to us, including your policy documents and all relevant paperwork. We will cancel the notional units of your investment-linked funds from your policy on the next Dealing Day of your investment-linked funds following the date we process your surrender request. If the Surrender Value is greater than zero, we will make payment of the Surrender Value available to you normally within ten working days after receipt of the original policy documents and all relevant paperwork **(in exceptional circumstances beyond our control, it may not be possible for the**

payment of Surrender Value to be made within the specified time period. For information on the exceptional circumstances, please refer to the Investment-linked Funds Leaflet for details). You should note that no interest is payable for the period between the date the notional units of your investment-linked funds are cancelled from your policy and the date of payment of the Surrender Value.

Premier II is designed to be held for a long-term period. Early surrender, premium holiday, reduction of regular premium, surrender of individual policies or withdrawal from your policy may result in a significant loss of principal and bonuses awarded. Poor performance of underlying funds may further magnify your investment losses, while all charges are still deductible.

Please note that if you would prefer to receive Surrender Value in a currency different to that of your plan currency, which is subject to our acceptance, then the amount will be converted at prevailing exchange rate as determined by us in good faith and a commercially reasonable manner with reference to prevailing market exchange rates from time to time and subject to foreign exchange risks.

Termination

Your policy will be terminated on the earliest occurrence of any of the following six situations:

1. When regular premium payments are outstanding during the Initial Period, whether in whole or in part, upon the expiry of the 30 days' period from the issue date of the written notice requesting you to pay the outstanding regular premium.
2. When the Policy Value falls below the Minimum Policy Value of USD 2,000 / GBP 1,333 / EUR 2,000 / HKD 16,000 (depending on the plan currency) at any time after the Initial Period upon the expiry of the 30 days' period from the issue date of the written notice to inform you that your Policy Value falls below the Minimum Policy Value (see sub-section 'Minimum Policy Value' under section 'How Premier II works' on page 12 for details).
3. When the Surrender Value has been paid to you on surrendering your policy (see sub-section 'Full surrender' under 'Accessing your investment' on page 26 for details).
4. When you have exercised your right to cancel the policy during the cooling-off period (see sub-section 'Cooling-off rights' under section 'General Information' on page 36 for details) and have received a refund of your premiums paid, less any market value adjustment.

Accessing your investment (cont.)

5. When the death benefit (see section 'Death benefit' from page 19 to 20 for details) under Premier II has been paid.
6. The policy anniversary at which the youngest life assured's age at last birthday is 100 (see sub-section 'Policy maturity' under 'Accessing your investment' on page 27 for details).

In the event of situation 1, we will give you a written notice requesting you to pay the outstanding regular premium within 30 days from the issue date of the said written notice. Upon expiry of such 30 days' period, if the regular premium payment is still outstanding, we will terminate your policy at that time and you will receive the Policy Value after deduction of any applicable charges, including surrender charge which is up to a maximum of 68% of the value of Initial Units during the Surrender Charge Period (see section 'Fees and charges' from page 28 to 34 for details).

In the event of situation 2, we will inform you by way of written notice. You can choose to pay Additional Single Premium(s) within 30 days from the issue date of the said written notice. If your Policy Value continues to be below the Minimum Policy Value upon the expiry of such 30 days' period, we will terminate your policy at that time and you will receive the Policy Value after deduction of any applicable charges, including surrender charge which is up to a maximum of 58% of the value of Initial Units during the Surrender Charge Period (see section 'Fees and charges' from page 28 to 34 for details).

Policy maturity

Premier II will run until the policy anniversary at which the youngest life assured's age at last birthday is 100. At that time, we shall release from our obligation under the policy by paying the Policy Value less any outstanding charges to you and the policy will be terminated.

We will cancel the notional units of your investment-linked funds from your policy on the next Dealing Day of your investment-linked funds following the policy anniversary at which the youngest life assured's age at last birthday is 100. If the Policy Value less any outstanding charges is greater than zero, we will make payment available to you normally within ten working days after the policy anniversary specified above **(in exceptional circumstances beyond our control, it may not be possible for the payment to be made within the specified time period. For information on the exceptional circumstances, please refer to the Investment-linked**

Funds Leaflet for details). You should note that no interest is payable for the period between the date the notional units of your investment-linked funds are cancelled from your policy and the date of payment of the Policy Value less any outstanding charges.

Please note that if you would prefer to receive the Policy Value less any outstanding charges in a currency different to that of your plan currency, which is subject to our acceptance, then the amount will be converted at prevailing exchange rate as determined by us in good faith and a commercially reasonable manner with reference to prevailing market exchange rates from time to time and subject to foreign exchange risks.

Premier II is designed to be held for a long-term period. Early surrender, premium holiday, reduction of regular premium or withdrawal from your policy may result in a significant loss of principal and bonuses awarded. Poor performance of underlying funds may further magnify your investment losses, while all charges are still deductible.

Fees and charges

Friends Provident International reserves the right to vary the fees and charges or impose new fees and charges with not less than 90 days' prior written notice, or such shorter period of notice in compliance with the relevant regulatory requirements.

	Applicable rate	Deduct from
Policy level charges		
Establishment charge*	An establishment charge of 6% per annum (1.5% per quarter) of the value of Initial Units as at the due date of establishment charge will be applied during the Surrender Charge Period. Upon surrender or termination of the policy before the end of the Surrender Charge Period, all quarterly establishment charges payable during the remaining Surrender Charge Period will be taken into account in the calculation of the surrender charge. Please see 'Surrender charge' in this table on page 30 for details.	Policy Value by cancellation of Initial Units quarterly in arrears in proportion to the value of the investment-linked funds held as Initial Units at the time the charge is taken.
Policy management charge*	A policy management charge of 0.25% per annum (0.25% / 12 per month) of the Average Daily Policy Value over each Policy Month in which the policy management charge is payable will be applied during the entire policy term.	Policy Value by cancellation of Initial Units and Accumulation Units monthly in arrears in proportion to the value of the investment-linked funds held as Initial Units and Accumulation Units respectively at the time the charge is taken.
Plan fee*	USD 72 / GBP 48 / EUR 72 / HKD 576 per annum (USD 6 / GBP 4 / EUR 6 / HKD 48 per month) will be applied during the entire policy term.	Policy Value by cancellation of Accumulation Units monthly in arrears in proportion to the value of the investment-linked funds held as Accumulation Units at the time the charge is taken.

* During the periods where there are no Initial Units / Accumulation Units, the applicable charges will be accrued without interest. Once Initial Units / Accumulation Units become available, any accrued charges will be deducted immediately by cancellation of Initial Units / Accumulation Units respectively. In the event of policy surrender or termination, those accrued charges will be deducted from the Policy Value by cancellation of any available units of investment-linked funds before applying surrender charge (if applicable).

Fees and charges (cont.)

	Applicable rate	Deduct from
Policy level charges		
Insurance charge*	<p>The insurance charge will be applied during the entire policy term and is calculated as follows:</p> <p>Monthly insurance charge = annual insurance charge rate / 12 / 1,000 x sum at risk</p> <p>Sum at risk = total premium paid – total withdrawal deducted (if any) – 105% of Average Daily Policy Value of the Policy Month</p> <p>No insurance charge will be charged if sum at risk is zero or less.</p> <p>The annual insurance charge rate is determined by Friends Provident International based on the gender and attained age of the youngest living life assured. The rate applicable to your policy at the respective ages can be found in the appendix of your illustration document.</p> <p>The insurance charges may increase significantly during the term of your ILAS policy due to factors such as age and investment losses. This may result in significant or even total loss of your premiums paid.</p> <p>Please refer to section 'Appendix I – Current annual insurance charge rates' from page 40 to 41 for the annual insurance charge rate at different attained age.</p>	Policy Value by cancellation of Accumulation Units monthly in arrears in proportion to the value of the investment-linked funds held as Accumulation Units at the time the charge is taken.
Additional Single Premium charge (For Additional Single Premium (if any))	Each Additional Single Premium will be subject to an up front charge of 7% of the premium paid.	Each Additional Single Premium before it is applied in allocating Accumulation Units to your policy.

* During the periods where there are no Initial Units / Accumulation Units, the applicable charges will be accrued without interest. Once Initial Units / Accumulation Units become available, any accrued charges will be deducted immediately by cancellation of Initial Units / Accumulation Units respectively. In the event of policy surrender or termination, those accrued charges will be deducted from the Policy Value by cancellation of any available units of investment-linked funds before applying surrender charge (if applicable).

Fees and charges (cont.)

	Applicable rate	Deduct from
Policy level charges		
Surrender charge	<p>Before the end of the Surrender Charge Period, a surrender charge will be applied if there is:</p> <ul style="list-style-type: none"> • Surrender of one more individual policies during the Surrender Charge Period; or • Full surrender; or • Termination due to Policy Value falling below the Minimum Policy Value after the Initial Period upon the expiry of 30 days' period from the issue date of the written notice to inform you that your Policy Value falls below the Minimum Policy Value; or • Termination due to outstanding regular premium payments, whether in whole or in part, during the Initial Period upon the expiry of the 30 days' period from the issue of the written notice requesting you to pay the outstanding regular premium. <p>Surrender charge = (Value of Initial Units at the time of applying the surrender charge x applicable surrender charge rate[^]) + USD 45 / GBP 30 / EUR 45 / HKD 360, subject to (i) a maximum of 68% of the value of Initial Units at the time of applying the surrender charge, which applies for the first policy year and (ii) a maximum of 58% of the value of Initial Units at the time of surrender, which applies for the second policy year and onwards.</p> <p>[^]The applicable surrender charge rate depends on the premium payment term and the time at which the surrender charge is triggered.</p> <p>Please refer to 'Appendix II – Surrender charge rates' from page 42 to 45 for the applicable surrender charge rates for each quarter during the Surrender Charge Period.</p> <p>In the event of surrendering individual policies, any applicable surrender charge, which is in the proportion of the number of individual policies being surrendered to the total number of individual policies within the policy, will be deducted from the proceeds prior to payment to you.</p> <p>Please note that surrender charge will only apply to Initial Units and will not apply to Accumulation Units, i.e. regular premiums paid after the Initial Period and Additional Single Premium(s) paid will not be subject to the surrender charge.</p> <p>Please refer to the illustrative example on page 32 for the calculation of surrender charge.</p>	Policy Value by cancellation of Initial Units in your investment-linked funds in proportion to the value of investment-linked funds held as Initial Units at the time of surrender.
Credit card charge	Where premiums are paid by credit card, we will charge 1.95% of each premium paid to cover the charges imposed by the credit card issuing company.	Each premium payment collected through credit card.

Fees and charges (cont.)

	Applicable rate	Deduct from
Investment-linked fund charges		
Administration charge	1.2% per year of the Gross Value of each investment-linked fund.	Each investment-linked fund on the Dealing Day directly. This charge is reflected in the unit price of the investment-linked fund.
Switching charge[#]	Currently waived. We reserve the right to impose a switching charge which is the greater of (i) up to 1% of the amount to be switched out, and (ii) USD 15 / GBP 10 / EUR 15 / HKD 150 per transaction, in the future.	Policy Value by cancellation of Accumulation Units in proportion to the value of the investment-linked funds held as Accumulation Units at the time of switching.
Other investment-linked fund related costs	<p>We will be entitled to take from each Friends Provident International investment-linked fund a number of expenses as follows:</p> <ul style="list-style-type: none"> Any cost, expenses and charges incurred by us in acquiring, managing, maintaining, valuing or disposing of the assets relating to that investment-linked 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 considers is a liability relating to that investment-linked fund. 	These expenses are reflected in the unit price of the investment-linked fund.

[#] During the periods where there are no Accumulation Units when the switching charge may become chargeable in the future, the switching charge will be accrued without interest. Once Accumulation Units become available, any accrued charges will be deducted immediately by cancellation of Accumulation Units. In the event of policy surrender or termination, those accrued charges will be deducted from the Policy Value by cancellation of any available units of investment-linked funds before applying surrender charge (if applicable).

Underlying fund charges	
Underlying fund charges	You should note that the underlying funds of the investment-linked funds may have separate charges on management fee, performance fee, bid-offer spread and/or switching fee, etc. You do not pay these fees directly as the fees will be deducted and such reduction will be reflected in the unit price of the underlying funds. For details, please refer to the offering documents of the underlying funds and the principal brochure of Premier II, which are available from Friends Provident International upon request.

Fees and charges (cont.)

Illustrative examples to show the calculation of surrender charge:

Surrender charge	<p>= (Value of Initial Units at the time of applying the surrender charge x applicable surrender charge rate) + USD 45 (or currency equivalent), subject to (i) a maximum of 68% of the value of Initial Units at the time of applying the surrender charge, which applies for the first policy year and (ii) a maximum of 58% of the value of Initial Units at the time of applying the surrender charge, which applies for the second policy year and onwards.</p> <p>Please refer to 'Appendix II – Surrender charge rates' from page 42 to 45 for the applicable surrender charge rates for each quarter during the Surrender Charge Period.</p>
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Example 1a: Assuming a 20-year premium payment term policy, full surrender at the beginning of 25th Policy Month.

Commencement Date	1 January 2015
End of Surrender Charge Period	31 December 2024 (10 years)
Value of Initial Units at the time of applying the surrender charge	USD 13,500
Date of surrender	1 January 2017 (i.e. The surrender charge will be charged in the 1st quarter of the 3rd policy year.)
Applicable surrender charge rate	48%
Surrender charge	<p>= USD 13,500 x 48% + USD 45</p> <p>= USD 6,525</p> <p>(Since the policy has been in-forced for 2 years, the calculated surrender charge of USD 6,525 will be charged as it is lower than 58% of the value of Initial Units (USD 13,500 x 58% = USD 7,830) at the time of applying the surrender charge.)</p>

Example 1b: Assuming the whole policy is formed by ten individual policies, three individual policies will be surrendered while the applicable surrender charge of the whole policy is USD 6,525:

Surrender charge of 3 individual policies	<p>USD 6,525 / 10 x 3</p> <p>= USD 1,957.5</p>
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Fees and charges (cont.)

Example 2: Assuming a 25-year premium payment term policy, full surrender at the beginning of the 11th Policy Month.

Commencement Date	1 January 2015
End of Surrender Charge Period	30 June 2027 (12.5 years)
Value of Initial Units at the time of applying the surrender charge	USD 13,500
Date of surrender	1 November 2015 (i.e. The surrender charge will be charged in the 4th quarter of the 1st policy year.)
Applicable surrender charge rate	70.5%
Surrender charge	= USD 13,500 x 70.5% + USD 45 = USD 9,562.5

Since the surrender charge in the first policy year is subject to a maximum of 68% of the value of Initial Units at the time of applying the surrender charge, the applicable surrender charge for this example should be calculated as shown below:

USD 13,500 x 68% = USD 9,180

Therefore, the cap will be applied and the applicable surrender charge is **USD 9,180**.

Fees and charges (cont.)

Illustrative example to show the calculation of insurance charge:

Assuming a male single policyholder and life assured, calculating the charge on the life assured's 40th birthday.

Insurance charge	<p>Monthly insurance charge = annual insurance charge rate / 12 / 1,000 x sum at risk</p> <p>Sum at risk = total premium paid – total withdrawal deducted (if any) – 105% of Average Daily Policy Value of the Policy Month</p>
Annual insurance charge rate per USD 1,000 for a male life assured at the attained age of 40	0.451
Total regular premiums paid as at the 40th Policy Month	USD 20,000
Total amount of withdrawals made as at the end of the 40th Policy Month	USD 1,000
Assumed Average Daily Policy Value of the 40th Policy Month	USD 10,000
105% of the Average Daily Policy Value of the 40th Policy Month	USD 10,000 x 105% = USD 10,500
Sum at risk	<p>USD 20,000 – USD 1,000 – USD 10,500</p> <p>= USD 8,500</p>
The monthly insurance charge of the 40th Policy Month	<p>= 0.451 / 12 / 1000 x USD 8,500</p> <p>= USD 0.32</p>

Please note that the above examples are hypothetical and for illustrative purposes only.

How to apply for Premier II

If you decide to take out a Premier II policy, all you need to do is complete the application form and return it to us together with all the necessary documents and the required payments.

After your premium has been received and cleared through our bank, subject to any additional requirements, we will send you the Premier II policy documents. Then once a year on your policy anniversary, we will send you a statement confirming your current investment holding.

General information

Product information

Premier II and its offering document has been authorised by the SFC. SFC authorisation is not a recommendation or endorsement of Premier II, nor does it guarantee the commercial merits of Premier II or its performance. It does not mean Premier II is suitable for all investors, nor is it an endorsement of its suitability for any particular investor or class of investors.

Friends Provident International accepts full responsibility for the accuracy of the information contained in the offering document and confirms, having made all reasonable enquiries that, to the best of Friends Provident International's knowledge and belief, there are no other facts the omission of which would make any statement in the offering document of Premier II misleading.

The SFC does not take any responsibility for the contents of the offering document, makes no representation as to its accuracy or completeness, and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of the offering document.

For all details of the policy, please refer to the policy conditions.

Investment-linked assurance schemes may not be suitable for everyone. Investment involves risk and each investment-linked fund will involve its own individual level of risk. We recommend that you read the Premier II offering documents carefully and discuss fully both the suitability of Premier II and the specific risks associated with individual investment-linked funds with your financial adviser before making any investment decisions.

Illustration document

Applicants will be required to sign an illustration document as part of the application for a policy. This document includes a table of figures which shows the impact of fees and charges on the Surrender Values and death benefits. The figures are based on certain assumptions as stated in the document and are for illustrative purpose only.

Terms and conditions

A copy of the policy conditions in English and Chinese for Premier II can be obtained, free of charge, from Friends Provident International's Hong Kong office on request.

Cooling-off rights

The cooling-off period is a period during which life insurance policyholders may cancel their policies, additional single or regular premium application and get back their original investments (subject to a market value adjustment). After your policy is issued or additional premium application is accepted, you or your representative will be sent information confirming details of your policy and this will include the right of cancel notice which details how to exercise your right to cancel your investment. If you wish to cancel your policy or additional premium application, you should do so and inform us within 30 days after receiving the policy and the right to cancel notice*. You then need to return the notice to us. Please refer to the cooling off initiative applicable to the investment-linked assurance scheme from time to time for further information.

Should you wish to exercise your right to cancel during the cooling-off period, a written notice must be given to Friends Provident International. Such notice must be signed by you and received directly by Friends Provident International at 803, 8/F., One Kowloon, No.1 Wang Yuen Street, Kowloon Bay, Hong Kong.

You may get back the amount you paid, or less if the value of the selected funds/assets has gone down.

* Since the exact date a policyholder receives the policy or the right to cancel notice varies, for the purpose of avoiding confusion, we assume policyholder receives them 7 working days after the date of the delivery unless there is adequate proof to the contrary.

Governing law

Each policy is governed by and shall be construed in accordance with the law of the Isle of Man. However, this will not preclude the right to bring legal action in a Hong Kong court.

Borrowing powers

The policy has no borrowing powers. In exceptional circumstances to cover withdrawals or other special situations (for example, a global catastrophe or Act of God), borrowings may be incurred in a Friends Provident International investment-linked fund provided that such borrowings, inclusive of short-term borrowings, will not exceed 25% of the net asset value of that investment-linked fund.

For details of the borrowing powers of the underlying funds, please refer to the offering documents of the underlying funds.

General information (cont.)

The Isle of Man policyholder protection

To ensure the protection of policyholders' interests, the Isle of Man Financial Services Authority (the 'Regulator') has put in place a number of statutory measures:

- **Ring-fencing of assets** — in accordance with the Insurance Act 2008 (the 'Act'), Friends Provident International keeps policyholders' premiums received in a special 'long-term business fund', which can only be used to meet the claims and long-term liabilities of policyholders. Friends Provident International also holds funds in excess of its long-term liabilities, and submits independently audited annual solvency reports to the Regulator, in accordance with the Act.
- **A policyholder compensation fund** — in the event that the above measures fail, and the insurer is unable to meet its liabilities, 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. The Regulations ensure that in the unlikely event of Friends Provident International becoming insolvent, a levy would be made against all other Isle of Man resident life assurance companies so that up to 90% of our liabilities to eligible policyholders would be met (without any upper monetary limit).

Please note that notwithstanding such Isle of Man regulations, there is no guarantee that you may get back up to 90% of the premium paid or the prevailing value of your policy. The final value you receive (if any) may be substantially less than the total premium paid or the prevailing value of your policy.

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 investment-linked assurance schemes.

Tax information

Friends Provident International 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 policy they can accumulate free of tax. The personal tax consequences of investing in the policy will depend on many factors. You may have a personal tax liability in respect of the proceeds of the policy. This will largely depend on your country of residence. It is therefore important that professional guidance is sought before proceeding with an investment. We

do not condone tax evasion and our products and services may not be used for evading your tax liabilities.

Tax position of Hong Kong residents

Under current legislation, it is our understanding that Hong Kong residents are not liable to Hong Kong tax in respect of the proceeds of the policy.

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

Friends Provident International is under a statutory obligation to report to HM Revenue & Customs certain events where benefits are received from the policy by a UK-resident individual, or trust. For further information, please contact us or your financial adviser.

Foreign Account Tax Compliance Act & UK IGA

Under the U.S. Foreign Account Tax Compliance Act ('FATCA'), a foreign financial institution ('FFI') is required to report to the U.S. Internal Revenue Service ('U.S. IRS') certain information on U.S. persons that hold accounts with that FFI outside the U.S. and to obtain their consent to the FFI, as applicable, passing that information to the U.S. IRS. A FFI which does not sign or agree to comply with the requirements of an agreement with the U.S. IRS ('FFI Agreement') in respect of FATCA and/or who is not otherwise exempt from doing so (referred to as a 'nonparticipating FFI') will face a 30% withholding tax ('FATCA Withholding Tax') on all 'withholdable payments' (as defined under FATCA) derived from U.S. sources (initially including dividends, interest and certain derivative payments).

Friends Provident International is a company registered in the Isle of Man which has agreed with the U.S. an inter-governmental agreement ('U.S. IGA') to facilitate compliance by FFIs in the Isle of Man with FATCA.

Furthermore, under the inter-governmental agreement between the United Kingdom and the Isle of Man (the 'UK IGA'), financial institutions ('FIs') in the Isle of Man are required to report certain information on UK persons to HM Revenue and Customs ('HMRC') via the Isle of Man Competent Authority.

The U.S. IGA together with the UK IGA create a framework for Isle of Man FFIs/FIs to rely on streamlined due diligence procedures to (i) identify U.S. and UK indicia, and (ii) report relevant tax information of those policyholders via the Isle of Man Competent Authority to the U.S. IRS and the HMRC.

General information (cont.)

FATCA and the UK IGA apply to Friends Provident International and this ILAS Policy. Friends Provident International is a deemed-compliant FFI under FATCA and a reporting FI under UK IGA. Friends Provident International is committed to complying with FATCA and the UK IGA. To do so, Friends Provident International requires you to:

- (i) provide to Friends Provident International certain information including, as applicable, your U.S. and/or UK identification details (e.g. name, address, the US federal taxpayer identifying numbers, UK National Insurance Number etc).
- (ii) consent to Friends Provident International reporting this information and your account information (such as account balances, interest and dividend income and withdrawals) to the Isle of Man Competent Authority for onward transmission to the U.S. IRS or HMRC.

If you fail to comply with these obligations (being a 'Non-Compliant Accountholder'), Friends Provident International is required to report 'aggregate information' of account balances, payment amounts and number of recalcitrant U.S. and UK accounts to the U.S. IRS and the HMRC via the Isle of Man Competent Authority.

We reserve the right to withhold withholding tax if it becomes a legal obligation to withhold tax from the policy under the U.S. IGA.

You should seek professional advice on the impact FATCA and UK IGA may have on you or your ILAS Policy.

Data privacy

We take the responsibility of handling your personal data very seriously and we will only ask you for details required to process your requests to us. Please be aware of our privacy policy – please visit <https://www.fpinternational.com.hk/legal/privacy-and-cookies.jsp> to view the full policy or this can be provided on request from our Data Protection Officer.

Enquiries and complaints

For any enquiries or complaints, please contact Friends Provident International at 803, 8/F., One Kowloon, No.1 Wang Yuen Street, Kowloon Bay, Hong Kong. Telephone: +852 3550 6188, facsimile +852 2868 4983 or email: customerservicing@fpihk.com. Complaints we cannot settle can be referred to the Financial Services Ombudsman Scheme for the Isle of Man.

Please note that some telephone communications with Friends Provident International are monitored.

Glossary

Accumulation Units means the notional units of investment-linked funds allocated to a Premier II policy as regards (1) regular premiums paid after the Initial Period and (2) any Additional Single Premiums paid.

Additional Single Premium(s) means a single premium paid by you after the Commencement Date and stated in an endorsement issued by us.

Average Daily Policy Value means the average of the Policy Value at the end of each Dealing Day over a Policy Month. It is the sum of day end Policy Values divided by the number of Dealing Day in the Policy Month.

Bid Price means the price at which the notional units in the investment-linked funds will be cancelled or created.

Commencement Date means the date on which the policy starts and is shown in the policy schedule.

Dealing Day means the day when we deal in the notional units of an investment-linked fund. The day may vary from one investment-linked fund to another.

Gross Value means the value of the notional units of the investment-linked fund(s) prior to the deduction of the investment-linked fund administration charge.

Initial Period means the first 18 Policy Months from the Commencement Date when the premium payment term is between seven and nine years and the first 24 Policy Months from the Commencement Date when your premium payment term is between ten and 25 years and will be specified in the policy schedule.

Initial Units means the notional units of investment-linked funds allocated to a Premier II policy as regards the regular premiums which you paid during the Initial Period.

Minimum Policy Value is the minimum value at or above which the policy must be maintained at all times after the Initial Period. It is set at USD 2,000 / GBP 1,333 / EUR 2,000 / HKD 16,000 (depending on the plan currency). It will also be applied to determine whether a withdrawal or surrender of individual policies can be made under the policy.

Policy Month(s) means the monthly anniversary period from the applicable Commencement Date until the following month.

Policy Value(s) means the total value of any notional units held in your chosen investment-linked fund(s) under the policy. The value of each investment-linked fund at any given time is equal to the respective Bid Price multiplied by the number of notional units in the investment-linked fund held under the policy.

Surrender Charge Period means the first half of the selected premium payment term (i.e. the period between the Commencement Date of the policy and the end of the premium payment term of the policy).

Surrender Value means the value of all the notional units of investment-linked funds allocated to the policy on the next Dealing Day after we have received the proof referred the person legally entitled to the benefits payable under the policy and have finished processing the claim, minus any accrued or outstanding charges (including the surrender charge) owing to us.

Appendix I – Current annual insurance charge rates

Attained age of the life assured at the beginning of the policy year	Male – Current insurance charge rate per USD 1,000	Female – Current insurance charge rate per USD 1,000
0	0.763333	0.572384
1	0.196177	0.190604
2	0.122897	0.053232
3	0.112210	0.051515
4	0.101523	0.050370
5	0.091600	0.049225
6	0.083967	0.048653
7	0.077860	0.049225
8	0.074807	0.050370
9	0.074807	0.052659
10	0.078623	0.056666
11	0.086257	0.061817
12	0.099233	0.068686
13	0.116790	0.076699
14	0.140453	0.083568
15	0.170987	0.089292
16	0.207627	0.093871
17	0.251900	0.098450
18	0.252450	0.101200
19	0.254100	0.103400
20	0.255200	0.106700
21	0.256850	0.109450
22	0.259050	0.113300
23	0.261250	0.117150
24	0.264000	0.121550
25	0.266750	0.126500
26	0.270600	0.132550
27	0.275000	0.138600
28	0.279400	0.145750
29	0.285450	0.153450
30	0.292050	0.162250
31	0.299750	0.172150
32	0.308550	0.183150

Attained age of the life assured at the beginning of the policy year	Male – Current insurance charge rate per USD 1,000	Female – Current insurance charge rate per USD 1,000
33	0.318450	0.195250
34	0.330550	0.209000
35	0.344300	0.224400
36	0.359700	0.241450
37	0.377850	0.260150
38	0.399300	0.281600
39	0.422950	0.305800
40	0.451000	0.332200
41	0.482900	0.362450
42	0.519200	0.396000
43	0.561550	0.433400
44	0.609400	0.475200
45	0.664400	0.521950
46	0.727100	0.574200
47	0.798600	0.632500
48	0.880550	0.697950
49	0.973500	0.770550
50	1.079650	0.852500
51	1.200650	0.943800
52	1.337600	1.045550
53	1.493250	1.159950
54	1.669800	1.287550
55	1.870000	1.430000
56	2.096600	1.589500
57	2.352350	1.767150
58	2.641100	1.966800
59	2.967250	2.189000
60	3.335200	2.438150
61	3.748800	2.715900
62	4.214100	3.026650
63	4.737150	3.373700
64	5.323450	3.762000
65	5.981250	4.195400

Appendix I – Current annual insurance charge rates (cont.)

Attained age of the life assured at the beginning of the policy year	Male – Current insurance charge rate per USD 1,000	Female – Current insurance charge rate per USD 1,000
66	6.717700	4.679400
67	7.541600	5.220600
68	8.461750	5.825050
69	9.488600	6.499900
70	10.633150	7.253400
71	11.906950	8.095450
72	13.323200	9.034850
73	14.896200	10.083150
74	16.640250	11.253000
75	18.571850	12.558150
76	20.708600	14.014000
77	23.068100	15.637050
78	25.669600	17.446000
79	28.535100	19.461750
80	31.685500	21.706300
81	35.143350	24.204950
82	38.932850	26.985200
83	43.078750	30.076200
84	47.605800	33.510400
85	52.540950	37.324100
86	57.909500	41.555250
87	63.738400	46.244550
88	70.053500	51.437100
89	76.880100	57.179650
90	84.242400	63.522250
91	92.164050	70.518250
92	100.665950	78.221550
93	109.765150	86.688250

Attained age of the life assured at the beginning of the policy year	Male – Current insurance charge rate per USD 1,000	Female – Current insurance charge rate per USD 1,000
94	119.477600	95.976100
95	129.813200	106.141200
96	140.779650	117.238000
97	152.376400	129.317650
98	164.597950	142.425800
99	177.433300	156.599850

Remarks:

- The above annual insurance charge rate are applicable to your policy. The insurance charge rate may become significant as the attained age of the life assured increases.
- The insurance charge may increase significantly during the policy term due to factors such as the life assured's age and investment loss and may result in a significant or even total loss of the premiums paid.
- Friends Provident International reserves the right to review and adjust the above annual insurance charge rates from time to time by giving at least 90 days' prior written notice.

Appendix II – Surrender charge rates

The tables below set out the applicable surrender charge rate for each quarter during the Surrender Charge Period:

Each applicable surrender charge rate represents the establishment charge rate per quarter (i.e. 1.5% per quarter) multiplied by the number of remaining quarters in which the establishment charge is payable if the surrender charge event is not triggered.

The applicable surrender charge rate will be used to determine the surrender charge, which is calculated as follows:

Surrender charge = (Value of Initial Units at the time of applying the surrender charge x applicable surrender charge rate) + USD 45 / GBP 30 / EUR 45 / HKD 360, subject to (i) a maximum of 68% of the value of Initial Units at the time of applying the surrender charge, which applies for the first policy year and (ii) a maximum of 58% of the value of Initial Units at the time of surrender, which applies for the second policy year and onwards.

Premium payment term (years)	Surrender Charge Period (years)	Policy year 1				Policy year 2				Policy year 3			
		Quarter				Quarter				Quarter			
		1st	2nd	3rd	4th	1st	2nd	3rd	4th	1st	2nd	3rd	4th
25	12.5	75.0%	73.5%	72.0%	70.5%	69.0%	67.5%	66.0%	64.5%	63.0%	61.5%	60.0%	58.5%
24	12.0	72.0%	70.5%	69.0%	67.5%	66.0%	64.5%	63.0%	61.5%	60.0%	58.5%	57.0%	55.5%
23	11.5	69.0%	67.5%	66.0%	64.5%	63.0%	61.5%	60.0%	58.5%	57.0%	55.5%	54.0%	52.5%
22	11.0	66.0%	64.5%	63.0%	61.5%	60.0%	58.5%	57.0%	55.5%	54.0%	52.5%	51.0%	49.5%
21	10.5	63.0%	61.5%	60.0%	58.5%	57.0%	55.5%	54.0%	52.5%	51.0%	49.5%	48.0%	46.5%
20	10.0	60.0%	58.5%	57.0%	55.5%	54.0%	52.5%	51.0%	49.5%	48.0%	46.5%	45.0%	43.5%
19	9.5	57.0%	55.5%	54.0%	52.5%	51.0%	49.5%	48.0%	46.5%	45.0%	43.5%	42.0%	40.5%
18	9.0	54.0%	52.5%	51.0%	49.5%	48.0%	46.5%	45.0%	43.5%	42.0%	40.5%	39.0%	37.5%
17	8.5	51.0%	49.5%	48.0%	46.5%	45.0%	43.5%	42.0%	40.5%	39.0%	37.5%	36.0%	34.5%
16	8.0	48.0%	46.5%	45.0%	43.5%	42.0%	40.5%	39.0%	37.5%	36.0%	34.5%	33.0%	31.5%
15	7.5	45.0%	43.5%	42.0%	40.5%	39.0%	37.5%	36.0%	34.5%	33.0%	31.5%	30.0%	28.5%
14	7.0	42.0%	40.5%	39.0%	37.5%	36.0%	34.5%	33.0%	31.5%	30.0%	28.5%	27.0%	25.5%
13	6.5	39.0%	37.5%	36.0%	34.5%	33.0%	31.5%	30.0%	28.5%	27.0%	25.5%	24.0%	22.5%
12	6.0	36.0%	34.5%	33.0%	31.5%	30.0%	28.5%	27.0%	25.5%	24.0%	22.5%	21.0%	19.5%
11	5.5	33.0%	31.5%	30.0%	28.5%	27.0%	25.5%	24.0%	22.5%	21.0%	19.5%	18.0%	16.5%
10	5.0	30.0%	28.5%	27.0%	25.5%	24.0%	22.5%	21.0%	19.5%	18.0%	16.5%	15.0%	13.5%
9	4.5	27.0%	25.5%	24.0%	22.5%	21.0%	19.5%	18.0%	16.5%	15.0%	13.5%	12.0%	10.5%
8	4.0	24.0%	22.5%	21.0%	19.5%	18.0%	16.5%	15.0%	13.5%	12.0%	10.5%	9.0%	7.5%
7	3.5	21.0%	19.5%	18.0%	16.5%	15.0%	13.5%	12.0%	10.5%	9.0%	7.5%	6.0%	4.5%

Appendix II – Surrender charge rates (cont.)

Premium payment term (years)	Surrender Charge Period (years)	Policy year 4				Policy year 5				Policy year 6			
		Quarter				Quarter				Quarter			
		1st	2nd	3rd	4th	1st	2nd	3rd	4th	1st	2nd	3rd	4th
25	12.5	57.0%	55.5%	54.0%	52.5%	51.0%	49.5%	48.0%	46.5%	45.0%	43.5%	42.0%	40.5%
24	12.0	54.0%	52.5%	51.0%	49.5%	48.0%	46.5%	45.0%	43.5%	42.0%	40.5%	39.0%	37.5%
23	11.5	51.0%	49.5%	48.0%	46.5%	45.0%	43.5%	42.0%	40.5%	39.0%	37.5%	36.0%	34.5%
22	11.0	48.0%	46.5%	45.0%	43.5%	42.0%	40.5%	39.0%	37.5%	36.0%	34.5%	33.0%	31.5%
21	10.5	45.0%	43.5%	42.0%	40.5%	39.0%	37.5%	36.0%	34.5%	33.0%	31.5%	30.0%	28.5%
20	10.0	42.0%	40.5%	39.0%	37.5%	36.0%	34.5%	33.0%	31.5%	30.0%	28.5%	27.0%	25.5%
19	9.5	39.0%	37.5%	36.0%	34.5%	33.0%	31.5%	30.0%	28.5%	27.0%	25.5%	24.0%	22.5%
18	9.0	36.0%	34.5%	33.0%	31.5%	30.0%	28.5%	27.0%	25.5%	24.0%	22.5%	21.0%	19.5%
17	8.5	33.0%	31.5%	30.0%	28.5%	27.0%	25.5%	24.0%	22.5%	21.0%	19.5%	18.0%	16.5%
16	8.0	30.0%	28.5%	27.0%	25.5%	24.0%	22.5%	21.0%	19.5%	18.0%	16.5%	15.0%	13.5%
15	7.5	27.0%	25.5%	24.0%	22.5%	21.0%	19.5%	18.0%	16.5%	15.0%	13.5%	12.0%	10.5%
14	7.0	24.0%	22.5%	21.0%	19.5%	18.0%	16.5%	15.0%	13.5%	12.0%	10.5%	9.0%	7.5%
13	6.5	21.0%	19.5%	18.0%	16.5%	15.0%	13.5%	12.0%	10.5%	9.0%	7.5%	6.0%	4.5%
12	6.0	18.0%	16.5%	15.0%	13.5%	12.0%	10.5%	9.0%	7.5%	6.0%	4.5%	3.0%	1.5%
11	5.5	15.0%	13.5%	12.0%	10.5%	9.0%	7.5%	6.0%	4.5%	3.0%	1.5%	0.0%	0.0%
10	5.0	12.0%	10.5%	9.0%	7.5%	6.0%	4.5%	3.0%	1.5%	0.0%	0.0%	0.0%	0.0%
9	4.5	9.0%	7.5%	6.0%	4.5%	3.0%	1.5%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
8	4.0	6.0%	4.5%	3.0%	1.5%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
7	3.5	3.0%	1.5%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

Appendix II – Surrender charge rates (cont.)

Premium payment term (years)	Surrender Charge Period (years)	Policy year 7				Policy year 8				Policy year 9			
		Quarter				Quarter				Quarter			
		1st	2nd	3rd	4th	1st	2nd	3rd	4th	1st	2nd	3rd	4th
25	12.5	39.0%	37.5%	36.0%	34.5%	33.0%	31.5%	30.0%	28.5%	27.0%	25.5%	24.0%	22.5%
24	12.0	36.0%	34.5%	33.0%	31.5%	30.0%	28.5%	27.0%	25.5%	24.0%	22.5%	21.0%	19.5%
23	11.5	33.0%	31.5%	30.0%	28.5%	27.0%	25.5%	24.0%	22.5%	21.0%	19.5%	18.0%	16.5%
22	11.0	30.0%	28.5%	27.0%	25.5%	24.0%	22.5%	21.0%	19.5%	18.0%	16.5%	15.0%	13.5%
21	10.5	27.0%	25.5%	24.0%	22.5%	21.0%	19.5%	18.0%	16.5%	15.0%	13.5%	12.0%	10.5%
20	10.0	24.0%	22.5%	21.0%	19.5%	18.0%	16.5%	15.0%	13.5%	12.0%	10.5%	9.0%	7.5%
19	9.5	21.0%	19.5%	18.0%	16.5%	15.0%	13.5%	12.0%	10.5%	9.0%	7.5%	6.0%	4.5%
18	9.0	18.0%	16.5%	15.0%	13.5%	12.0%	10.5%	9.0%	7.5%	6.0%	4.5%	3.0%	1.5%
17	8.5	15.0%	13.5%	12.0%	10.5%	9.0%	7.5%	6.0%	4.5%	3.0%	1.5%	0.0%	0.0%
16	8.0	12.0%	10.5%	9.0%	7.5%	6.0%	4.5%	3.0%	1.5%	0.0%	0.0%	0.0%	0.0%
15	7.5	9.0%	7.5%	6.0%	4.5%	3.0%	1.5%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
14	7.0	6.0%	4.5%	3.0%	1.5%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
13	6.5	3.0%	1.5%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

Appendix II – Surrender charge rates (cont.)

Premium payment term (years)	Surrender Charge Period (years)	Policy year 10				Policy year 11				Policy year 12				Policy year 13	
		Quarter				Quarter				Quarter				Quarter	
		1st	2nd	3rd	4th	1st	2nd	3rd	4th	1st	2nd	3rd	4th	1st	2nd
25	12.5	21.0%	19.5%	18.0%	16.5%	15.0%	13.5%	12.0%	10.5%	9.0%	7.5%	6.0%	4.5%	3.0%	1.5%
24	12.0	18.0%	16.5%	15.0%	13.5%	12.0%	10.5%	9.0%	7.5%	6.0%	4.5%	3.0%	1.5%	0.0%	0.0%
23	11.5	15.0%	13.5%	12.0%	10.5%	9.0%	7.5%	6.0%	4.5%	3.0%	1.5%	0.0%	0.0%	0.0%	0.0%
22	11.0	12.0%	10.5%	9.0%	7.5%	6.0%	4.5%	3.0%	1.5%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
21	10.5	9.0%	7.5%	6.0%	4.5%	3.0%	1.5%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
20	10.0	6.0%	4.5%	3.0%	1.5%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
19	9.5	3.0%	1.5%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

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Friends Provident International Limited: Registered and 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. Isle of Man incorporated company number 11494C. Authorised and regulated by the Isle of Man Financial Services Authority. Provider of life assurance and investment products. Authorised by the Prudential Regulation Authority. Subject to regulation by the Financial Conduct Authority and limited regulation by the Prudential Regulation Authority. Details about the extent of our regulation by the Prudential Regulation Authority are available from us on request. **Hong Kong branch:** 803, 8/F., One Kowloon, No.1 Wang Yuen Street, Kowloon Bay, Hong Kong. Telephone: +852 2524 2027 | Fax: +852 2868 4983 | Website: www.fpinternational.com.hk. Authorised by the Insurance Authority of Hong Kong to conduct long-term insurance business in Hong Kong. Friends Provident International is a registered trademark and trading name of Friends Provident International Limited.

«Policy_Holder»
«Policy_Holder_Address_Line_1»
«Policy_Holder_Address_Line_2»
«Policy_Holder_Address_Line_3»
«Policy_Holder_Address_Line_4»
«Policy_Holder_Address_Line_5»
«Policy_Holder_Address_Line_6»

**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.
IF IN DOUBT, PLEASE SEEK PROFESSIONAL ADVICE.**

Friends Provident International Limited (“Friends Provident International”) is responsible for the information contained in this notice. To the best of the knowledge and belief of Friends Provident International (having taken all reasonable care to ensure that such is the case), the information contained in this notice is, at the date of this letter, in accordance with the facts and there are no other facts the omission of which would make any statement in this notice misleading. Friends Provident International accepts responsibility accordingly for the information contained in this notification.

22 May 2020

Dear Policyholder

Policy Number: «Policy_Number»

Your financial adviser:

Re: [Reserve, Premier, Premier II, Premier Ultra, Elite, Zenith, International Investment Account, Premier Investment Plan, Flexible Growth Plan, Executive Savings Plan, International Pension Plan, International Savings Plan, International Portfolio Bond, Managed Portfolio Account, Summit and Summit II] (collectively, the “Schemes”)

Withdrawal of authorisation and termination of the Friends Provident International investment-linked fund Templeton Global (J72) (the ‘Affected Investment-linked Fund’), which is available under each of the Schemes

Due to the size and lack of demand from Friends Provident International Limited’s policyholders for the Affected Investment-linked Fund, Friends Provident International has made the decision to i) withdraw the Securities and Futures Commission (the “SFC”) authorisation of the Affected Investment-linked Fund and ii) terminate the Affected Investment-linked Fund, pursuant to the section headed “Management of Friends Provident International Investment-linked Funds”, “Management of FPIL investment-linked funds” or “Closing a Fund”, as applicable, of the Schemes’ Policy Conditions with effect from **28 August 2020** (the “Effective Date”). We will stop accepting any new investment instruction to the Affected Investment-linked Fund from the date of this letter onwards.

Action required by investors paying regular premiums into the Affected Investment-linked Fund:

You are free to re-direct future regular premiums, without charge, to any other investment-linked fund(s) available under your policy by completing a Switch/Redirection instruction form, a copy of which is available on request, and returning it to our Hong Kong office or through our online services

portal on or before 4:30pm (HK time) on **24 August 2020** (the “Deadline”). If you fail to submit an instruction by the Deadline, we will direct, without charge, all your regular premiums received after the Deadline for the Affected Investment-linked Fund to the investment-linked fund named **Fidelity Global Dividend (L46)** (the “Default Investment-linked Fund”).

We select the Default Investment-linked Fund based on various factors which include but are not limited to (1) investment objective and strategy, (2) assets mix, (3) risk profile and (4) currency denomination. As there are no other Friends Provident International investment-linked funds with a mix of assets or investor objective the same as the Affected Investment-linked Fund, Fidelity Global Dividend (L46) which is similar to the Affected Investment-linked Fund in various factors has been chosen as the Default Investment-linked Fund, please refer to the Appendix.

Action required by policyholders who request a switch-in and/or request for additional single or regular premium into the Affected Investment-linked Fund:

If a new switch-in request or request for additional single or regular premium into the Affected Investment-linked Fund is submitted from the date of this letter, we will contact you or your independent financial adviser for an alternative instruction. If we are unable to contact either you or your independent financial adviser to obtain an alternative instruction by the Deadline, the request will instead be processed into the Default Investment-linked Fund.

Action required by policyholders with existing investments in the Affected Investment-linked Fund:

You are free to switch your existing investments out of the Affected Investment-linked Fund at any time up to the Deadline, without charge, to other investment-linked fund(s) available under your policy. You can do this by completing a Switch/Redirection instruction form and returning it to our Hong Kong office, or through our online services portal by the Deadline. If we have not received any instruction from you by the Deadline, we will automatically switch your existing investments in the Affected Investment-linked Fund into the Default Investment-linked Fund after the Deadline, without charge.

You should read the corresponding offering documents (including Product Key Facts Statement) of the underlying funds of the Default Investment-linked Fund and other investment-linked funds available under your policy, which will be made available by our Hong Kong office upon request, for details of the underlying funds (including, without limitation, their investment objectives and policies, risk factors and charges).

All costs relating to the arrangement herein, including, without limitation, expenses relating to the termination and withdrawal of authorisation of the Affected Investment-linked Fund will be borne by Friends Provident International.

We recommend that you seek the advice of your usual independent financial adviser before making any investment decisions.

Please note that you can always switch your investment-linked funds or redirect future premiums online through the FPI Portal, without charge. Simply login at <https://portal.fpiinternational.com>. It is a simple, convenient and secure way to manage your policy.

If you have any questions regarding your policy or the investment-linked funds in which you are invested, please contact our Hong Kong office:

Friends Provident International Limited
803, 8/F, One Kowloon
1 Wang Yuen Street, Kowloon Bay
Hong Kong

Tel: +852 3550 6188
Fax: +852 2868 4983
Email: customerservicing@fpihk.com

Investment-linked fund prices may fluctuate and are not guaranteed. Investment involves risk. Past performance should not be viewed as a reliable guide of future performance.



Please refer to the offering documents of the Schemes for further details.

Yours sincerely

International Funds & Investments
Friends Provident International Limited

Friends Provident International Limited: Registered and 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. Isle of Man incorporated company number 11494C. Authorised and regulated by the Isle of Man Financial Services Authority. Provider of life assurance and investment products. Authorised by the Prudential Regulation Authority. Subject to regulation by the Financial Conduct Authority and limited regulation by the Prudential Regulation Authority. Details about the extent of our regulation by the Prudential Regulation Authority are available from us on request. **Hong Kong branch:** 803, 8/F., One Kowloon, No.1 Wang Yuen Street, Kowloon Bay, Hong Kong. Telephone: +852 2524 2027 | Fax: +852 2868 4983 | Website: www.fpinternational.com.hk. Authorised by the Insurance Authority of Hong Kong to conduct long-term insurance business in Hong Kong. Friends Provident International is a registered trademark and trading name of Friends Provident International Limited.

英國友誠國際有限公司: 註冊及總辦事處: Royal Court, Castletown, Isle of Man, British Isles, IM9 1RA
電話: +44(0) 1624 821 212 | 傳真: +44(0) 1624 824 405 | 網址: www.fpinternational.com
馬恩島的註冊公司號碼為11494C 獲Isle of Man Financial Services Authority認可及監管
人壽保險及投資產品的供應商 獲Prudential Regulation Authority認可 受Financial Conduct Authority監管及
受Prudential Regulation Authority有限度監管 有關Prudential Regulation Authority之監管程度可向本公司查詢
香港分公司辦事處: 香港九龍灣宏遠街1號一號九龍803室 電話: +852 2524 2027 | 傳真: +852 2868 4983
網址: www.fpinternational.com.hk 獲香港保險業監管局授權在香港經營長期保險業務
英國友誠國際為英國友誠國際有限公司的註冊商標及商號

Appendix - Affected Investment-linked Fund and the corresponding Default Investment-linked Fund

	Affected Investment-linked Fund	Default Investment-linked Fund
Name and code of Investment-linked fund	Templeton Global (J72)	Fidelity Global Dividend (L46)
Name of corresponding underlying fund	Franklin Templeton Investment Funds – Templeton Global Fund	Fidelity Funds - Global Dividend Fund
Name of management company of underlying fund of investment-linked fund	Franklin Templeton International Services S.à.r.l	FIL Investment Management (Luxembourg) S.A.
Share class of underlying fund	A - Acc	A - Acc
Currency of investment-linked fund	USD	USD
Currency of underlying fund	USD	USD
Investment objective and investment policy/strategy of the underlying fund	<p>The underlying fund aims to increase the value of its investments over the medium to long term.</p> <p>The underlying fund invests principally (that is, at least two-thirds of the underlying fund's net assets) in:</p> <ul style="list-style-type: none"> • equity securities issued by companies of any size located in any country, including emerging markets <p>In exceptional market circumstances (such as extreme volatility) and on a temporary basis only, 100% of the underlying fund's net assets may be invested in liquid assets, with due regard to the principle of risk spreading.</p> <p>The underlying fund can invest on an ancillary basis in:</p> <ul style="list-style-type: none"> • preferred stock, securities convertible into common stock and fixed income securities <p>The investment team uses in-depth analysis to select individual equity securities that it believes are undervalued and will provide the best opportunities for increased value over the long term.</p>	<p>The underlying fund is an Equity fund and aims to achieve income and long-term capital growth principally (i.e. at least 70% (and normally 75%) of the underlying fund's assets) through investments in income producing equity securities globally.</p> <p>For the remaining assets, the investment manager of the underlying fund has the freedom to invest outside the underlying fund's principal geographies, market sectors, currency or asset classes.</p> <p>As this underlying fund may invest globally, it may be exposed to countries considered to be emerging markets.</p> <p>As the underlying fund may invest globally, it may invest across different countries and regions. It is unconstrained in the amount it may invest in any single country or region.</p> <p>In selecting securities for the underlying fund, several factors are considered in the investment process; for example, consideration may include, but is not limited to, a company's financials, including revenue and profit growth, return on capital, cash flows and other financial</p>

	<p>For the purpose of generating additional capital or income or for reducing costs or risks, the underlying fund may engage in securities lending transactions for up to 50% of its net assets, in a manner that is consistent with its investment policy. For the avoidance of doubt, any securities lending will be an ancillary activity of the underlying fund only.</p>	<p>measures. In addition, company management, industry and economic environment, and other factors may be considered in the investment process.</p> <p>The underlying fund may invest in assets directly or achieve exposure indirectly through other eligible means including financial derivative instruments ("derivatives"). Such derivatives may include over-the-counter and/or exchange traded instruments such as futures, contracts for difference, equity swaps, options such as puts, calls and warrants, forwards, non-deliverable forwards and currency swaps. The underlying fund may use derivatives with the aim of risk or cost reduction or to generate additional capital or income (including for investment purposes), in line with the risk profile of the underlying fund.</p> <p>The underlying fund will not invest more than 10% of their net asset value in securities issued by or guaranteed by any single country (including its government, a public or local authority of that country) with a credit rating below investment grade.</p> <p>The underlying fund will not engage extensively in securities lending, repurchase and reverse repurchase transactions.</p>
Annual Management Charge (AMC) of the underlying fund	1.00%* of net asset value per annum	1.50%* of net asset value per annum
Ongoing Charges Figure (OCF) of the underlying fund	<p>1.83%</p> <p>The ongoing charges figures are based on the annual financial statements for the period ended 30 June 2019. These figures may vary from year to year.</p>	<p>1.89%</p> <p>The ongoing charges figure represents the ongoing expenses based on the annual financial report for the year ended 30 April 2019. This figure may vary from year to year.</p>

Risk/reward profile**	5	4
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* Policyholders should note that the AMC for the underlying fund of the Default Investment-linked Fund is higher than the AMC for the underlying fund of the Affected Investment-linked Fund.

** The risk/reward profile is determined by Friends Provident International from information provided by the underlying fund houses and is based on the following characteristics of the underlying fund:

- volatility;
- asset type; and
- geographical region.

The risk/reward profile will be reviewed and, if appropriate, revised at least yearly by Friends Provident International as a result of our ongoing research analysis. The information given in the risk/reward profile is for reference only and the SFC has not assessed or approved it, nor has it verified the accuracy of such information.

Investment-linked Funds Leaflet

Hong Kong – June 2020

This document is applicable to Elite*, Executive Savings Plan*, Flexible Growth Plan*, International Investment Account*, International Pension Plan*, International Savings Plan*, Premier*, Premier II*, Premier Investment Plan*, Premier Ultra*, Summit*, Summit II* and Zenith* (each a 'Scheme' and, collectively, the 'Schemes') and is to be used in Hong Kong only.

The Principal Brochure of each Scheme consists of the respective Product Brochure for each Scheme and this Investment-linked Funds Leaflet. This document is to be used in Hong Kong only and should be issued and read in conjunction with the respective Product Key Facts Statement for each Scheme and the respective Product Brochure for each Scheme.

You should read the offering documents (including the Product Key Facts Statements) of the underlying funds, which are available from Friends Provident International Limited ('Friends Provident International') upon request, for details of the underlying funds (including, without limitation, their investment objectives and policies, risk factors and charges).

* These schemes are not available to new investors and are no longer marketed to the public in Hong Kong.

Investment-linked fund information

Friends Provident International operates a range of investment-linked funds. The concept is simple: agreements have been set up with investment houses worldwide allowing us to link to specially selected underlying funds chosen on the basis of performance and investment expertise. Friends Provident International has set up its own investment-linked fund which invests solely in such underlying fund, apart from a proportionately small amount which may be held as a cash balance.

The net premiums you pay will be invested by us in the underlying funds corresponding to the investment-linked funds you selected for Friends Provident International's asset liability management and will accordingly go towards accretion of the value of your ILAS policy. Your ILAS policy value will be calculated by us based on the performance of the underlying funds corresponding to the investment-linked funds you selected from time to time and the ongoing fees and charges which will continue to be deducted from your ILAS policy value.

Units in these chosen investment-linked funds allocated to your policy are notional, and are solely for the purpose of calculating the value which we will pay to you under your policy. Friends Provident International is the absolute legal and beneficial owner of all the assets which relate to each investment-linked fund. Policyholders have no rights or entitlements to these underlying assets.

The underlying investments of the investment-linked funds are unit trusts/mutual funds authorised by the Hong Kong Securities and Futures Commission ('SFC'). Such authorisation does not imply official recommendation. SFC authorisation is not a recommendation or endorsement of the unit trusts/mutual funds nor does it guarantee the commercial merits of the unit trusts/mutual funds or their performance. It does not mean the unit trusts/mutual funds are suitable for all investors nor is it an endorsement of their suitability for any particular investor or class of investors.

Please note that certain investment-linked funds available under Friends Provident International's investment-linked assurance schemes may not be linked to a class (or classes) of the underlying funds that is offered to the public investors in Hong Kong. Therefore, you should note that, among others, the fees charged in respect of the underlying fund linked to each of these investment-linked funds may not be the

same as that for a class of the underlying fund that is offered to the public investors in Hong Kong. For details, please refer to Friends Provident International and your financial adviser.

There are fees for the policy and investment-linked funds that would in turn affect the return on your policy, which may be lower than the return on the underlying funds.

Please refer to the corresponding offering documents of the underlying funds, which will be made available by our Hong Kong office upon request. These offering documents will help you to understand the underlying funds, their investment objectives and strategies, any charges and fees, the risks that may affect your investment, etc. Please do not rely on these documents alone. We recommend that you discuss fully both the suitability of the investment-linked assurance schemes and the specific risks associated with your investments within these policies with your financial adviser before making any investment decisions.

Dealing Day and unit prices

The 'Dealing Day' is the day when we price and deal in units of an investment-linked fund. The frequency of Dealing Days follows the frequency of the underlying funds and currently takes place every business day in Dorking (UK), if otherwise, a prior written notice will be provided in compliance with relevant regulatory requirements.

Please note that, in exceptional circumstances beyond our control, we may need to delay creating or cancelling units in our investment-linked funds. This may lead to a delay in acting on your instruction to switch units or in making payments to you with regards to withdrawals, policy surrenders or the death benefit. Such exceptional circumstances may include, but are not limited to, the deferral/suspension of subscription to or redemption from any underlying fund, or system breakdown in the determination of the price or value of any underlying fund.

Notional units in the investment-linked funds are created or cancelled using the Bid Price (round down to three decimal places). We may reasonably round any calculations. The number of units created and cancelled will be rounded to the nearest two decimal places. Rounding adjustments will accrue to the benefit of policyholders who continue to hold units in the relevant Friends Provident International investment-linked fund.

The prices of the investment-linked funds are issued daily at approximately 5pm (UK time).

The price of each investment-linked fund is determined by reference to the price of the underlying fund relating to that investment-linked fund quoted by the managers of the underlying fund on the same Dealing Day and taking into account the investment-linked fund level charges. Consequently, the price and performance of the investment-linked funds will be different from the underlying funds but will mainly move in line with it.

Investment-linked fund prices may go up and down depending upon the underlying investment performance or, where investments held within an investment-linked fund are not denominated in the currency of that investment-linked fund, simply because of movements in currency exchange rates. Where we publish performance information, the figures are quoted including all underlying fund level charges payable to underlying fund managers and investment-linked fund level charges payable to Friends Provident International. **However, past 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.**

Closure of an investment-linked fund

We will give you three months prior written notice if we decide to merge or terminate an investment-linked fund. If an investment-linked fund is to be merged or terminated due to the decision of the management company of underlying fund, we will give you prior written notice in compliance with relevant regulatory requirements.

Risk factors

Investment involves risks and each investment-linked fund will involve its own individual level of risk:

- Eq** Where an underlying fund invests in equities, it entails risk, as individual stock prices can move up and down more dramatically than other forms of investment. Shares, when sold, may be worth less than their original cost and you may get back less than you paid in.
- Li** Some underlying funds invest in asset classes that are considered illiquid, in that sometimes they may not be so easy to sell. It should be recognised that an investment in an investment-linked fund of this type may have liquidity constraints that may lead to delays in the sale of investment-linked fund units.
- FI** Where an underlying fund invests in fixed interest securities the value can go up and down as interest rates change. For example, if interest rates rise, the value is likely to fall.
- B** Some underlying funds invest in company bonds. High yielding bonds are usually lower grade. These carry an increased risk to both the income and capital value of the investment-linked fund - for example, the company issuing the bond has financial difficulties and stops trading.
- Com** Some underlying funds invest in commodity markets and investment values can move up and down sharply depending on levels of speculation and supply and demand.
- EM** Where an underlying fund invests in emerging markets, investment values can move sharply down or up. These markets tend not to be so well regulated as developed markets and political unrest is more likely.
- D** Many underlying funds can now use derivative instruments as an investment tool. A derivatives instrument normally is a contract between two or more parties and, used in underlying funds, derives its value based on the value of an underlying asset at a particular point in time. The main types of derivatives are futures, forwards, options and swaps, with these instruments generally being used to hedge (reduce) risk, but can also be used for speculative purposes (at increased risk). Losses can be greater than the money put into these instruments.

Guide to the risk/reward profile of our investment-linked funds on page 8 to 9

The risk/reward profile is determined by Friends Provident International from information provided by the management company of underlying fund and is based on the following characteristics of the underlying fund:

- volatility
- asset type
- geographical region.

The risk/reward profile will be reviewed and, if appropriate, revised at least yearly by us as a result of our ongoing research analysis. The information given in the risk/reward profile is for reference only and the SFC has not assessed or approved it, nor has it verified the accuracy of such information.

Grade 1: Investment-linked funds offering conservative return similar to money market rates. **The underlying funds that these investment-linked funds invest in may be exposed to the following risk factors: FI, D.**

Grade 2: Low-risk investment-linked funds offering security and potential growth. **The underlying funds that these investment-linked funds invest in may be exposed to the following risk factors: FI, B, D.**

Grade 3: These investment-linked funds take a balanced approach to investment by holding a diverse portfolio of assets. **The underlying funds that these investment-linked funds invest in may be exposed to the following risk factors: Eq, FI, B, D.**

Grade 4: A more focused asset exposure provides good growth potential with the risk of short-term volatility. **The underlying funds that these investment-linked funds invest in may be exposed to the following risk factors: Eq, Li, FI, B, Com, EM, D.**

Grade 5: These aggressive investment-linked funds balance the risk of high volatility with the potential for high capital growth. **The underlying funds that these investment-linked funds invest in may be exposed to the following risk factors: Eq, Li, FI, B, Com, EM, D.**

Key to the symbols used in this leaflet

- ^a The underlying fund of this investment-linked fund is authorised by SFC under the Code on Unit Trusts and Mutual Funds, but not authorised or regulated under the SFC Code on Real Estate Investment Trusts. Such authorisation does not imply official recommendation.
- ^b This underlying fund may make dividend distributions, which will be received by Friends Provident International and will be reflected in the prices of that investment-linked funds.

Investment-linked funds: risk/reward profile

Grade 1

- JPM USD Money Market VNAV
- Ninety One GS Sterling Money
- Ninety One GS US Dollar Money

Grade 2

- Fidelity Euro Bond
- Franklin US Government ^b
- Invesco Euro Corporate Bond
(This investment-linked fund is closed to new investment with effect from 17 April 2020)
- Mellon Global Bond (USD)
- Schroder Global Corporate Bond (USD)
- Schroder Strategic Bond (USD)
(This investment-linked fund is closed to new investment with effect from 17 April 2020)

Grade 3

- Barings Developed and Emerging Markets High Yield Bond Fund
- Barings Global Bond (EUR) ^b
- Barings Global Bond (USD) ^b
- Invesco India Bond
- Ninety One GS Global Multi-Asset Income
- PIMCO Global High Yield Bond
- PIMCO Global Real Return
(This investment-linked fund is closed to new investment with effect from 17 April 2020)
- Schroder Asian Bond Total Return
- Schroder Global Multi-Asset Income (GBP HDG)
- Schroder Global Multi-Asset Income (USD)
- Templeton Asian Bond (USD)

Grade 4

- BlackRock US Flexible Equity
- Fidelity America
- Fidelity Global Dividend
- Fidelity Global Infrastructure
- First State Asian Equity Plus
- Invesco UK Equity ^b
- Invesco UK Equity (GBP) ^b
- JPMorgan ASEAN
- Ninety One GS Global Equity
- Schroder Global Equity Yield (EUR)
- Schroder Global Equity Yield (USD)
- Schroder Global Cities Real Estate (EUR) ^a
- Schroder Global Cities Real Estate (USD) ^a
- Templeton Global Bond (EUR)
- Templeton Global Bond (USD)
- Templeton Emerging Markets Bond
- Templeton Global Total Return (EUR)
(This investment-linked fund is closed to new investment with effect from 17 April 2020)
- Templeton Global Total Return (USD)
(This investment-linked fund is closed to new investment with effect from 17 April 2020)

Grade 4 (cont.)

- Value Partners Greater China High Yield Income
- Value Partners High-Dividend Stocks ^b

Grade 5

- Aberdeen Standard SICAV I Asia Pacific Equity
- Aberdeen Standard SICAV I Chinese Equity
- Aberdeen Standard SICAV I Emerging Markets Smaller Companies
- Aberdeen Standard SICAV I Indian Equity
- Aberdeen Standard SICAV I Technology Equity
- Allianz Emerging Asia Equity ^b
- Allianz GEM Equity High Dividend
- Allianz Japan Equity ^b
- Allianz Total Return Asian Equity
- Alquity Africa
- Barings Asia Growth ^b
- Barings Australia ^b
- Barings Eastern Europe
- Barings Hong Kong & China
- Barings Korea Feeder
- BlackRock Japan Opportunities
- BlackRock Sustainable Energy
- BlackRock World Gold
- BlackRock World Mining
- BNP Paribas Brazil Equity
- Fidelity EMEA
- Fidelity Euro Blue Chip
- Fidelity Global Property (USD) ^a
- First State China Growth
- First State Greater China Growth
- Franklin Biotechnology Discovery
- Franklin Mutual European
- HSBC Chinese Equity ^b
- HSBC Hong Kong Equity ^b
- HSBC Indian Equity ^b
- HSBC Russia Equity ^b
- Invesco Asia Opportunities Equity
- Invesco Asian Equity^b
- Invesco Continental European Small Cap Equity ^b
- Invesco Emerging Markets Equity ^b
- Invesco Global Small Cap Equity ^b
- Invesco Global Health Care ^b
- Invesco US Equity ^b
- Janus Henderson Horizon Asia-Pacific Property Equities^a
- Janus Henderson Horizon China
(This investment-linked fund is closed to new investment with effect from 17 April 2020)
- JPM Global Natural Resources
- JPM Global Unconstrained Equity
- JPM Taiwan
- JPMorgan Asia Growth
- JPMorgan Asian Smaller Companies
- JPMorgan India
- JPMorgan Indonesia
- JPMorgan Pacific Securities
- JPMorgan Pacific Technology
- JPMorgan Thailand
- Jupiter European Opportunities
- Jupiter Financial Innovation
- Natixis Harris Associates Global Equity
- Ninety One GS European Equity
- Ninety One GS Global Energy
- Ninety One GS Global Strategic Equity
- Pictet Global Environmental Opportunities
- Principal European Equity
- Schroder Frontier Markets Equity
- Schorder Global Climate Change Equity
- Schroder Japanese Opportunities
- Schroder Latin American
- Schroder Middle East
- Schroder US Smaller Companies
- Templeton BRIC
- Templeton Emerging Markets
- Templeton Latin America

Friends Provident International's investment-linked funds available for selection

The underlying investments of the investment-linked funds are unit trusts/mutual funds authorised by SFC. Such authorisation does not imply official recommendation. SFC authorisation is not a recommendation or endorsement of the unit trusts/mutual funds nor does it guarantee the commercial merits of the unit trusts/mutual funds or their performance. It does not mean the unit trusts/mutual funds are suitable for all investors nor is it an endorsement of its suitability for any particular investor or class of investors.

You should read the corresponding offering documents (including Product Key Facts Statement) of the underlying funds, which will be made available by our Hong Kong office upon request for details of the underlying funds (including, without limitation, their investment objectives and policies, risk factors and charges).

Name of investment-linked fund and code	Name of corresponding underlying fund	Name of management company of underlying fund of investment-linked fund	Share class of underlying fund	Currency of investment-linked fund	Currency of underlying fund	Risk/reward profile
P65 Aberdeen Standard SICAV I Asia Pacific Equity	Aberdeen Standard SICAV I – Asia Pacific Equity Fund	Aberdeen Standard Investments Luxembourg S.A.	A – Acc	US dollars	US dollars	Grade 5
P33 Aberdeen Standard SICAV I Chinese Equity	Aberdeen Standard SICAV I – Chinese Equity Fund	Aberdeen Standard Investments Luxembourg S.A.	A – Acc	US dollars	US dollars	Grade 5
R11 Aberdeen Standard SICAV I Emerging Markets Smaller Companies	Aberdeen Standard SICAV I – Emerging Markets Smaller Companies Fund	Aberdeen Standard Investments Luxembourg S.A.	A – Acc	US dollars	US dollars	Grade 5
P54 Aberdeen Standard SICAV I Indian Equity	Aberdeen Standard SICAV I – Indian Equity Fund	Aberdeen Standard Investments Luxembourg S.A.	A – Acc	US dollars	US dollars	Grade 5
J96 Aberdeen Standard SICAV I Technology Equity	Aberdeen Standard SICAV I – Technology Equity Fund	Aberdeen Standard Investments Luxembourg S.A.	A – Acc	US dollars	US dollars	Grade 5
R62 Allianz GEM Equity High Dividend	Allianz Global Investors Fund – Allianz GEM Equity High Dividend	Allianz Global Investors GmbH	AT – Acc	US dollars	US dollars	Grade 5
J48 Allianz Emerging Asia Equity ^b	Allianz Global Investors Fund – Allianz Emerging Asia Equity	Allianz Global Investors GmbH	A – Dis	US dollars	US dollars	Grade 5
R63 Allianz Japan Equity ^b	Allianz Global Investors Fund – Allianz Japan Equity	Allianz Global Investors GmbH	A – Dis	US dollars	US dollars	Grade 5

Name of investment-linked fund and code	Name of corresponding underlying fund	Name of management company of underlying fund of investment-linked fund	Share class of underlying fund	Currency of investment-linked fund	Currency of underlying fund	Risk/reward profile
R44 Allianz Total Return Asian Equity	Allianz Global Investors Fund – Allianz Total Return Asian Equity	Allianz Global Investors GmbH	AT – Acc	US dollars	US dollars	Grade 5
L26 Alquity Africa	Alquity SICAV – Alquity Africa Fund	Lemanik Asset Management S.A.	A – Acc	US dollars	US dollars	Grade 5
J03 Barings Asia Growth ^b	Barings International Umbrella Fund – Barings Asia Growth Fund	Baring International Fund Managers (Ireland) Limited	A – Inc	US dollars	US dollars	Grade 5
M56 Barings Australia ^b	Barings International Umbrella Fund – Barings Australia Fund	Baring International Fund Managers (Ireland) Limited	A – Inc	US dollars	US dollars	Grade 5
P48 Barings Eastern Europe	Barings Global Umbrella Fund – Barings Eastern Europe Fund	Baring International Fund Managers (Ireland) Limited	A – Acc	US dollars	US dollars	Grade 5
J27 Barings Developed and Emerging Markets High Yield Bond Fund	Barings Global Umbrella Fund – Barings Developed and Emerging Markets High Yield Bond Fund	Baring International Fund Managers (Ireland) Limited	A – Acc	US dollars	US dollars	Grade 3
P87 Barings Global Bond (EUR) ^b	Barings International Umbrella Fund – Barings Global Bond Fund	Baring International Fund Managers (Ireland) Limited	A – Inc	Euro	Euro	Grade 3
M57 Barings Global Bond (USD) ^b	Barings International Umbrella Fund – Barings Global Bond Fund	Baring International Fund Managers (Ireland) Limited	A – Inc	US dollars	US dollars	Grade 3
M55 Barings Hong Kong & China	Barings International Umbrella Fund – Barings Hong Kong China Fund	Baring International Fund Managers (Ireland) Limited	A – Acc	US dollars	US dollars	Grade 5
J46 Barings Korea Feeder	Barings Korea Feeder Fund	Baring International Fund Managers (Ireland) Limited	A – Acc	US dollars	US dollars	Grade 5

Name of investment-linked fund and code	Name of corresponding underlying fund	Name of management company of underlying fund of investment-linked fund	Share class of underlying fund	Currency of investment-linked fund	Currency of underlying fund	Risk/reward profile
P56 BlackRock Japan Opportunities	BlackRock Global Funds – Japan Small & MidCap Opportunities Fund	BlackRock (Luxembourg) S.A.	A2	US dollars	US dollars	Grade 5
P69 BlackRock Sustainable Energy	BlackRock Global Funds – Sustainable Energy Fund	BlackRock (Luxembourg) S.A.	A2	US dollars	US dollars	Grade 5
J77 BlackRock US Flexible Equity	BlackRock Global Funds – US Flexible Equity Fund	BlackRock (Luxembourg) S.A.	A2	US dollars	US dollars	Grade 4
M82 BlackRock World Gold	BlackRock Global Funds – World Gold Fund	BlackRock (Luxembourg) S.A.	A2	US dollars	US dollars	Grade 5
P70 BlackRock World Mining	BlackRock Global Funds – World Mining Fund	BlackRock (Luxembourg) S.A.	A2	US dollars	US dollars	Grade 5
P89 BNP Paribas Brazil Equity	BNP Paribas Funds Brazil Equity	BNP Paribas Asset Management Luxembourg	Classic cap	US dollars	US dollars	Grade 5
L47 Fidelity America	Fidelity Funds – America Fund	FIL Investment Management (Luxembourg) S.A.	A – Acc	US dollars	US dollars	Grade 4
L12 Fidelity EMEA	Fidelity Funds – Emerging Europe, Middle East and Africa Fund	FIL Investment Management (Luxembourg) S.A.	A – Acc	US dollars	US dollars	Grade 5
J84 Fidelity Euro Blue Chip	Fidelity Funds – Euro Blue Chip Fund	FIL Investment Management (Luxembourg) S.A.	A – Acc	Euro	Euro	Grade 5
J87 Fidelity Euro Bond	Fidelity Funds – Euro Bond Fund	FIL Investment Management (Luxembourg) S.A.	A – Acc	Euro	Euro	Grade 2

Name of investment-linked fund and code	Name of corresponding underlying fund	Name of management company of underlying fund of investment-linked fund	Share class of underlying fund	Currency of investment-linked fund	Currency of underlying fund	Risk/reward profile
L46 Fidelity Global Dividend	Fidelity Funds – Global Dividend Fund	FIL Investment Management (Luxembourg) S.A.	A – Acc	US dollars	US dollars	Grade 4
J97 Fidelity Global Infrastructure	Fidelity Funds – Global Infrastructure Fund	FIL Investment Management (Luxembourg) S.A.	A – Acc	Euro	Euro	Grade 4
P78 Fidelity Global Property (USD) ^a	Fidelity Funds – Global Property Fund	FIL Investment Management (Luxembourg) S.A.	A – Acc	US dollars	US dollars	Grade 5
R30 First State Asian Equity Plus	First State Global Umbrella Fund plc – First State Asian Equity Plus Fund	First State Investments (Hong Kong) Limited	I – Acc	US dollars	US dollars	Grade 4
R51 First State China Growth	First State Global Umbrella Fund plc – First State China Growth Fund	First State Investments (Hong Kong) Limited	I – Acc	US dollars	US dollars	Grade 5
R31 First State Greater China Growth	First State Global Umbrella Fund plc – First State Greater China Growth Fund	First State Investments (Hong Kong) Limited	I – Acc	US dollars	US dollars	Grade 5
L39 Franklin Biotechnology Discovery	Franklin Templeton Investment Funds – Franklin Biotechnology Discovery Fund	Franklin Templeton International Services S.a.r.l.	A – Acc	US dollars	US dollars	Grade 5
P51 Franklin Mutual European	Franklin Templeton International Services S.a.r.l.	Franklin Templeton International Services S.a.r.l.	A – Acc	Euro	Euro	Grade 5
M84 Franklin US Government ^b	Franklin Templeton Investment Funds – Franklin U.S. Government Fund	Franklin Templeton International Services S.a.r.l.	A – Mdis	US dollars	US dollars	Grade 2

Name of investment-linked fund and code	Name of corresponding underlying fund	Name of management company of underlying fund of investment-linked fund	Share class of underlying fund	Currency of investment-linked fund	Currency of underlying fund	Risk/reward profile
J55 HSBC Chinese Equity ^b	HSBC Global Investment Funds SICAV – HSBC Global Investment Funds – Chinese Equity	HSBC Investment Funds (Luxembourg) S.A.	AD	US dollars	US dollars	Grade 5
J56 HSBC Hong Kong Equity ^b	HSBC Global Investment Funds SICAV – HSBC Global Investments Funds – Hong Kong Equity	HSBC Investment Funds (Luxembourg) S.A.	PD	US dollars	US dollars	Grade 5
L15 HSBC Indian Equity ^b	HSBC Global Investment Funds SICAV – HSBC Global Investment Funds – Indian Equity	HSBC Investment Funds (Luxembourg) S.A.	AD	US dollars	US dollars	Grade 5
L14 HSBC Russia Equity ^b	HSBC Global Investment Funds SICAV – HSBC Global Investment Funds – Russia Equity	HSBC Investment Funds (Luxembourg) S.A.	AD – Inc	US dollars	US dollars	Grade 5
R25 Invesco Asia Opportunities Equity	Invesco Funds – Invesco Asia Opportunities Equity Fund	Invesco Management S.A.	A – Acc	US dollars	US dollars	Grade 5
J02 Invesco Asian Equity ^b	Invesco Funds – Invesco Asian Equity Fund	Invesco Management S.A.	C – Dis	US dollars	US dollars	Grade 5
L40 Invesco Continental European Small Cap Equity ^b	Invesco Funds – Invesco Continental European Small Cap Equity Fund	Invesco Management S.A.	A – Dis	US dollars	US dollars	Grade 5
J38 Invesco Emerging Markets Equity ^b	Invesco Funds – Invesco Emerging Markets Equity Fund	Invesco Management S.A.	C – Dis	US dollars	US dollars	Grade 5
P74 Invesco Euro Corporate Bond (This investment-linked fund is closed to new investment with effect from 17 April 2020)	Invesco Funds – Invesco Euro Corporate Bond Fund	Invesco Management S.A.	A – Acc	Euro	Euro	Grade 2

Name of investment-linked fund and code	Name of corresponding underlying fund	Name of management company of underlying fund of investment-linked fund	Share class of underlying fund	Currency of investment-linked fund	Currency of underlying fund	Risk/reward profile
J57 Invesco Global Health Care ^b	Invesco Funds – Invesco Global Health Care Fund	Invesco Management S.A.	C – Dis	US dollars	US dollars	Grade 5
M87 Invesco Global Small Cap Equity ^b	Invesco Funds – Invesco Global Small Cap Equity Fund	Invesco Management S.A.	A – Dis	US dollars	US dollars	Grade 5
L45 Invesco India Bond	Invesco Funds – Invesco India Bond Fund	Invesco Management S.A.	A – Acc	US dollars	US dollars	Grade 3
J73 Invesco UK Equity ^b	Invesco Funds – Invesco UK Equity Fund	Invesco Management S.A.	A – Dis	US dollars	Sterling	Grade 4
P55 Invesco UK Equity (GBP) ^b	Invesco Funds – Invesco UK Equity Fund	Invesco Management S.A.	A – Dis	Sterling	Sterling	Grade 4
J58 Invesco US Equity ^b	Invesco Funds – Invesco US Equity Fund	Invesco Management S.A.	C – Dis	US dollars	US dollars	Grade 5
P61 Janus Henderson Horizon Asia-Pacific Property Equities ^a	Janus Henderson Horizon Fund – Asia-Pacific Property Equities Fund	Henderson Management S.A.	A2 – Acc	US dollars	US dollars	Grade 5
R98 Janus Henderson Horizon China (This investment-linked fund is closed to new investment with effect from 17 April 2020)	Janus Henderson Horizon Fund – China Fund	Henderson Management S.A.	A2 – Acc	US dollars	US dollars	Grade 5
L19 JPM Global Natural Resources	JPMorgan Funds – Global Natural Resources Fund	JPMorgan Asset Management (Europe) S.a.r.l.	A – Acc	US dollars	US dollars	Grade 5

Name of investment-linked fund and code	Name of corresponding underlying fund	Name of management company of underlying fund of investment-linked fund	Share class of underlying fund	Currency of investment-linked fund	Currency of underlying fund	Risk/reward profile
L18 JPM Global Unconstrained Equity	JPMorgan Funds – Global Unconstrained Equity Fund	JPMorgan Asset Management (Europe) S.a.r.l	A – Acc	US dollars	US dollars	Grade 5
R09 JPM Taiwan	JPMorgan Funds – Taiwan Fund	JPMorgan Asset Management (Europe) S.a.r.l	A – Acc	US dollars	US dollars	Grade 5
J42 JPM USD Money Market VNAV	JPMorgan Funds – USD Money Market VNAV Fund	JPMorgan Asset Management (Europe) S.a.r.l	A – Acc	US dollars	US dollars	Grade 1
R08 JPMorgan ASEAN	JPMorgan ASEAN Fund	JPMorgan Funds (Asia) Limited	Acc	US dollars	US dollars	Grade 4
J34 JPMorgan Asia Growth	JPMorgan Asia Growth Fund	JPMorgan Funds (Asia) Limited	Acc	US dollars	US dollars	Grade 5
P66 JPMorgan Asian Smaller Companies	JPMorgan Asian Smaller Companies Fund	JPMorgan Funds (Asia) Limited	Acc	US dollars	US dollars	Grade 5
J30 JPMorgan India	JPMorgan India Fund	JF India Management Limited	Acc	US dollars	US dollars	Grade 5
L36 JPMorgan Indonesia	JPMorgan Indonesia Fund	JPMorgan Funds (Asia) Limited	A – Acc	US dollars	US dollars	Grade 5
J32 JPMorgan Pacific Securities	JPMorgan Pacific Securities Fund	JPMorgan Funds (Asia) Limited	Acc	US dollars	US dollars	Grade 5

Name of investment-linked fund and code	Name of corresponding underlying fund	Name of management company of underlying fund of investment-linked fund	Share class of underlying fund	Currency of investment-linked fund	Currency of underlying fund	Risk/reward profile
J95 JPMorgan Pacific Technology	JPMorgan Pacific Technology Fund	JPMorgan Funds (Asia) Limited	Acc	US dollars	US dollars	Grade 5
J47 JPMorgan Thailand	JPMorgan Thailand Fund	JPMorgan Funds (Asia) Limited	Acc	US dollars	US dollars	Grade 5
R87 Jupiter European Opportunities	The Jupiter Global Fund – Jupiter European Opportunities	Jupiter Asset Management International S.A.	L – Acc	Euro	Euro	Grade 5
S112 Jupiter Financial Innovation	The Jupiter Global Fund – Jupiter Financial Innovation	Jupiter Asset Management International S.A.	L – Acc	US dollars	US dollars	Grade 5
P67 Mellon Global Bond (USD)	BNY Mellon Global Funds plc – BNY Mellon Global Bond Fund	BNY Mellon Fund Management (Luxembourg) S.A.	A	US dollars	US dollars	Grade 2
L42 Natixis Harris Associates Global Equity	Natixis International Funds (Lux) I – Harris Associates Global Equity Fund	Natixis Investment Managers S.A.	RE/A	US dollars	US dollars	Grade 5
J36 Ninety One GS European Equity	Ninety One Global Strategy Fund – European Equity Fund	Ninety One Luxembourg S.A.	A – Acc	US dollars	US dollars	Grade 5
P47 Ninety One GS Global Energy	Ninety One Global Strategy Fund – Global Energy Fund	Ninety One Luxembourg S.A.	A – Acc	US dollars	US dollars	Grade 5
J06 Ninety One GS Global Equity	Ninety One Global Strategy Fund – Global Equity Fund	Ninety One Luxembourg S.A.	A – Acc	US dollars	US dollars	Grade 4

Name of investment-linked fund and code	Name of corresponding underlying fund	Name of management company of underlying fund of investment-linked fund	Share class of underlying fund	Currency of investment-linked fund	Currency of underlying fund	Risk/reward profile
J43 Ninety One GS Global Multi-Asset Income	Ninety One Global Strategy Fund – Global Multi-Asset Income Fund	Ninety One Luxembourg S.A.	A – Acc	US dollars	US dollars	Grade 3
J74 Ninety One GS Global Strategic Equity	Ninety One Global Strategy Fund – Global Strategic Equity Fund	Ninety One Luxembourg S.A.	A – Acc	US dollars	US dollars	Grade 5
M65 Ninety One GS Sterling Money	Ninety One Global Strategy Fund – Sterling Money Fund	Ninety One Luxembourg S.A.	A	Sterling	Sterling	Grade 1
M66 Ninety One GS US Dollar Money	Ninety One Global Strategy Fund – US Dollar Money Fund	Ninety One Luxembourg S.A.	A	US dollars	US dollars	Grade 1
L21 Pictet Global Environmental Opportunities	Pictet – Global Environmental Opportunities	Pictet Asset Management (Europe) S.A.	P	US dollars	US dollars	Grade 5
L33 PIMCO Global High Yield Bond	PIMCO Funds: Global Investors Series Plc – Global High Yield Bond Fund	PIMCO Global Advisors (Ireland) Limited	E – Acc	US dollars	US dollars	Grade 3
L22 PIMCO Global Real Return (This investment-linked fund is closed to new investment with effect from 17 April 2020)	PIMCO Funds: Global Investors Series Plc – Global Real Return Fund	PIMCO Global Advisors (Ireland) Limited	E – Acc	US dollars	US dollars	Grade 3
J76 Principal European Equity	Principal Global Investors Funds – European Equity Fund	Principal Global Investors (Ireland) Limited	A	US dollars	US dollars	Grade 5
M83 Schroder Asian Bond Total Return	Schroder International Selection Fund – Asian Bond Total Return	Schroder Investment Management (Europe) S.A.	A – Acc	US dollars	US dollars	Grade 3

Name of investment-linked fund and code	Name of corresponding underlying fund	Name of management company of underlying fund of investment-linked fund	Share class of underlying fund	Currency of investment-linked fund	Currency of underlying fund	Risk/reward profile
L38 Schroder Frontier Markets Equity	Schroder International Selection Fund – Frontier Markets Equity	Schroder Investment Management (Europe) S.A.	A – Acc	US dollars	US dollars	Grade 5
R34 Schroder Global Climate Change Equity	Schroder International Selection Fund – Global Climate Change Equity	Schroder Investment Management (Europe) S.A.	A – Acc	US dollars	US dollars	Grade 5
P90 Schroder Global Corporate Bond (USD)	Schroder International Selection Fund – Global Corporate Bond	Schroder Investment Management (Europe) S.A.	A – Acc	US dollars	US dollars	Grade 2
R33 Schroder Global Equity Yield (EUR)	Schroder International Selection Fund – Global Equity Yield	Schroder Investment Management (Europe) S.A.	A – Acc	Euro	Euro	Grade 4
R32 Schroder Global Equity Yield (USD)	Schroder International Selection Fund – Global Equity Yield	Schroder Investment Management (Europe) S.A.	A – Acc	US dollars	US dollars	Grade 4
L37 Schroder Global Multi-Asset Income (GBP HDG)	Schroder International Selection Fund – Global Multi-Asset Income	Schroder Investment Management (Europe) S.A.	GBP hedged – A – Acc	Sterling	Sterling	Grade 3
L41 Schroder Global Multi-Asset Income (USD)	Schroder International Selection Fund – Global Multi-Asset Income	Schroder Investment Management (Europe) S.A.	A – Acc	US dollars	US dollars	Grade 3
P83 Schroder Global Cities Real Estate (EUR) ^a	Schroder International Selection Fund – Global Cities Real Estate	Schroder Investment Management (Europe) S.A.	EUR Hedged – A – Acc	Euro	Euro	Grade 4
P82 Schroder Global Cities Real Estate (USD) ^a	Schroder International Selection Fund – Global Cities Real Estate	Schroder Investment Management (Europe) S.A.	A – Acc	US dollars	US dollars	Grade 4

Name of investment-linked fund and code	Name of corresponding underlying fund	Name of management company of underlying fund of investment-linked fund	Share class of underlying fund	Currency of investment-linked fund	Currency of underlying fund	Risk/reward profile
J71 Schroder Japanese Opportunities	Schroder International Selection Fund – Japanese Opportunities	Schroder Investment Management (Europe) S.A.	A – Acc	US dollars	US dollars	Grade 5
J37 Schroder Latin American	Schroder International Selection Fund – Latin American	Schroder Investment Management (Europe) S.A.	A – Acc	US dollars	US dollars	Grade 5
R52 Schroder Middle East	Schroder International Selection Fund – Middle East	Schroder Investment Management (Europe) S.A.	A – Acc	US dollars	US dollars	Grade 5
P92 Schroder Strategic Bond (USD) (This investment-linked fund is closed to new investment with effect from 17 April 2020)	Schroder International Selection Fund – Strategic Bond	Schroder Investment Management (Europe) S.A.	A – Acc	US dollars	US dollars	Grade 2
J39 Schroder US Smaller Companies	Schroder International Selection Fund – US Smaller Companies	Schroder Investment Management (Europe) S.A.	A1 – Acc	US dollars	US dollars	Grade 5
R97 Templeton Asian Bond (USD)	Franklin Templeton Investment Funds – Templeton Asian Bond Fund	Franklin Templeton International Services S.a.r.l.	A – Acc	US dollars	US dollars	Grade 3
P58 Templeton BRIC	Franklin Templeton Investment Funds – Templeton BRIC Fund	Franklin Templeton International Services S.a.r.l.	A – Acc	US dollars	US dollars	Grade 5
J60 Templeton Emerging Markets	Franklin Templeton Investment Funds – Templeton Emerging Markets Fund	Franklin Templeton International Services S.a.r.l.	A – Acc	US dollars	US dollars	Grade 5
L13 Templeton Emerging Markets Bond	Franklin Templeton Investment Funds – Templeton Emerging Markets Bond Fund	Franklin Templeton International Services S.a.r.l.	A – Acc	US dollars	US dollars	Grade 4

Name of investment-linked fund and code	Name of corresponding underlying fund	Name of management company of underlying fund of investment-linked fund	Share class of underlying fund	Currency of investment-linked fund	Currency of underlying fund	Risk/reward profile
L05 Templeton Global Bond (EUR)	Franklin Templeton Investment Funds – Templeton Global Bond Fund	Franklin Templeton International Services S.a.r.l.	A – Acc	Euro	Euro	Grade 4
L06 Templeton Global Bond (USD)	Franklin Templeton Investment Funds – Templeton Global Bond Fund	Franklin Templeton International Services S.a.r.l.	A – Acc	US dollars	US dollars	Grade 4
L03 Templeton Global Total Return (EUR) (This investment-linked fund is closed to new investment with effect from 17 April 2020)	Franklin Templeton Investment Funds – Templeton Global Total Return Fund	Franklin Templeton International Services S.a.r.l.	A – Acc	Euro	Euro	Grade 4
L04 Templeton Global Total Return (USD) (This investment-linked fund is closed to new investment with effect from 17 April 2020)	Franklin Templeton Investment Funds – Templeton Global Total Return Fund	Franklin Templeton International Services S.a.r.l.	A – Acc	US dollars	US dollars	Grade 4
P52 Templeton Latin America	Franklin Templeton Investment Funds – Templeton Latin America Fund	Franklin Templeton International Services S.a.r.l.	A – Acc	US dollars	US dollars	Grade 5
L51 Value Partners Greater China High Yield Income	Value Partners Greater China High Yield Income Fund	Value Partners Hong Kong Limited	P – Acc	US dollars	US dollars	Grade 4
P40 Value Partners High-Dividend Stocks ^b	Value Partners High-Dividend Stocks Fund	Value Partners Hong Kong Limited	A1	US dollars	US dollars	Grade 4

Cautionary notes

Policy information

Friends Provident International's investment-linked assurance schemes and their offering documents have been authorised by the SFC. Such authorisation does not imply official recommendation. SFC authorisation is not a recommendation or endorsement of an investment-linked assurance scheme nor does it guarantee the commercial merits of an investment-linked assurance scheme or its performance. It does not mean the investment-linked assurance scheme is suitable for all investors nor is it an endorsement of its suitability for any particular investor or class of investors.

Each policy is governed by and shall be construed in accordance with the laws of the Isle of Man. However, this will not preclude the right to bring legal action in a Hong Kong court.

Illustration document

Applicants will be required to sign an illustration document as part of the application for a policy. This document includes a table of figures which shows the impact of fees and charges on the policy and their effect on surrender values and death benefits. The figures are based on certain assumptions as stated in the document and are for illustrative purpose only.

Policyholder protection

To ensure the protection of policyholders' interests the Isle of Man Financial Services Authority (the 'Regulator') has put in place a number of statutory measures:

- Ring fencing of assets – in accordance with the Insurance Act 2008 ('the Act') Friends Provident International keeps policyholders' premiums received in a special 'long-term business fund', which can only be used to meet the claims and long-term liabilities of policyholders. Friends Provident International also holds funds in excess of its long-term liabilities, and submits independently audited annual solvency reports to the Regulator, in accordance with the Act.

- A policyholder compensation fund – in the event that the above measures fail, and the insurer is unable to meet its liabilities, 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. The Regulations ensure that in the unlikely event of Friends Provident International becoming insolvent, a levy would be made against all other Isle of Man resident life assurance companies so that up to 90% of our liabilities to eligible policyholders would be met (without any upper monetary limit).

Please note that notwithstanding such Isle of Man regulations, there is no guarantee that you may get back up to 90% of the premium paid or the prevailing value of your policy. The final value you receive (if any) may be substantially less than the total premium paid or the prevailing value of your policy.

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 investment-linked assurance schemes.

Investment-linked assurance schemes may not be suitable for everyone. We recommend that you read the relevant offering document and all associated documents carefully and discuss fully both the suitability of these investment-linked assurance schemes and the specific risks associated with your chosen investments within these policies with your financial adviser before making any investment decisions.

Enquiries or complaints

For any enquiries or complaints, please contact Friends Provident International at 803, 8/F., One Kowloon, No.1 Wang Yuen Street, Kowloon Bay, Hong Kong, telephone +852 3550 6188, facsimile + 852 2868 4983 or email: customerservicing@fpihk.com. Complaints we cannot settle can be referred to the Financial Services Ombudsman Scheme for the Isle of Man.

Please note that some telephone communications with Friends Provident International are monitored.

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Friends Provident International Limited: Registered and 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. Isle of Man incorporated company number 11494C. Authorised and regulated by the Isle of Man Financial Services Authority. Provider of life assurance and investment products. Authorised by the Prudential Regulation Authority. Subject to regulation by the Financial Conduct Authority and limited regulation by the Prudential Regulation Authority. Details about the extent of our regulation by the Prudential Regulation Authority are available from us on request. **Hong Kong branch:** 803, 8/F., One Kowloon, No.1 Wang Yuen Street, Kowloon Bay, Hong Kong. Telephone: +852 2524 2027 | Fax: +852 2868 4983 | Website: www.fpinternational.com.hk. Authorised by the Insurance Authority of Hong Kong to conduct long-term insurance business in Hong Kong. Friends Provident International is a registered trademark and trading name of Friends Provident International Limited.