

Understanding the effect of charges

For advisers only. Not for use with customers.

Understanding the charges

With so many regular savings products available we appreciate that it can be challenging comparing them all.

To help you understand how Global Wealth Advance compares, this flyer illustrates the effect of charges, in conjunction with our current special offer*, offering enhanced allocation rates for new customers of up to 160% over the first 18 months premiums.

Charges

Assuming the plan is allowed to run to its option date, and all premiums are paid until the end of the savings term, there are two types of charge that need to be considered when making a comparison:

Product charges

- an initial charge of 1.5% per quarter (6% per year)
- a plan charge of SGD 9 per month (SGD 108 per year)

Fund charges

- a 1.2% annual fund administration charge levied by Friends Provident International (FPI)
- an underlying annual fund management charge which is levied by the external fund manager

All fund charges are reflected in the unit price and are debited directly from each fund on every valuation day.

Regular premium

SGD 2,000 per month

Payment term

20 years

Total premiums payable

SGD 480,000

Growth rate required to cover charges

1.34% p.a.

* Details of the current special offer for new customers is available on our website.

Required investment growth to cover charges

The following table illustrates the investment growth required each year to cover the product and the fund administration charges assuming all premiums are paid and no withdrawals have been made during the savings term. The growth rates do not take into account any underlying annual fund management charge**, credit card charges, or other charges as detailed in the Global Wealth Advance product summary.

Monthly premium level	Premium payment term							
	10 years	12 years	14 years	15 years	18 years	20 years	23 years	25 years
SGD 750 (USD 500)	2.68%	2.26%	1.97%	1.86%	1.59%	1.47%	1.33%	1.26%
SGD 1,500 (USD 1,000)	2.53%	2.11%	1.84%	1.73%	1.49%	1.38%	1.25%	1.19%
SGD 2,000 (USD 1,333)	2.43%	2.06%	1.78%	1.68%	1.45%	1.34%	1.23%	1.17%
SGD 3,000 (USD 2,000)	2.30%	1.96%	1.71%	1.61%	1.40%	1.30%	1.20%	1.14%
SGD 4,000 (USD 2,666)	2.29%	1.94%	1.70%	1.60%	1.39%	1.29%	1.19%	1.14%
SGD 5,000 (USD 3,333)	2.28%	1.88%	1.62%	1.53%	1.33%	1.24%	1.16%	1.11%
SGD 7,500 (USD 5,000)	2.26%	1.87%	1.62%	1.52%	1.32%	1.23%	1.15%	1.10%
SGD 10,000 (USD 6,666)	2.26%	1.86%	1.61%	1.52%	1.32%	1.23%	1.15%	1.10%

What do these figures really mean?

If your client were to invest SGD 2,000 (USD 1,333) a month over a term of 20 years, the investment would need to grow by 1.34% each year to cover the product and the annual fund administration charges.

** Underlying fund management charges may vary depending on the funds selected. Full details of the underlying fund management charges can be found in the global mirror fund guide which is available on our website.

Important information

This document should not be read as an invitation to invest and should be read in conjunction with the Global Wealth Advance special offer flyer, brochure, product summary and product highlight sheets, which are available on our website (www.fpinternational.sg).

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

Before making any investment decisions we recommend that you discuss with your client the specific risks associated with individual investments. The value of their investment may go up and down depending on the underlying investment performance and it is not guaranteed that they will get back the amount they invested.

If your client surrenders their plan early, then surrender penalties can severely reduce the value they receive back.

This advertisement has not been reviewed by the Monetary Authority of Singapore.

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