



# Extra allocation – up to 105%

To pay for the set up of your client’s policy, each standard Oracle is subject to an establishment fee during the first 5 years of 7.5% of the premium paid. However, depending on the size of the premium they may also qualify for extra allocation.

A minimum of 100% of each premium is allocated for investment but this can increase up to 105%.

The bigger the premium - the greater the allocation.

The figures shown in Table 1 demonstrate how much extra allocation is applied based on premium size. Any extra allocation should help reduce the impact of the establishment fee on fund values during the first 5 years.

**Table 1**

Premium (USD)	Allocation rate %	Total premium invested	Extra allocation on Day 1 (USD)
240,000	105%	252,000	12,000
200,000	104%	208,000	8,000
128,000	103%	131,840	3,840
80,000	102%	81,600	1,600
56,000	101%	56,560	560
32,000	100%	32,000	N/A

Allocation rate bandings for all currency options are shown overleaf.

**Points to consider:**

Extra allocation is invested on day one, and as such, the policy will benefit from any growth on the extra allocation from day one too. Table 2 demonstrates the potential growth that could be achieved on the extra allocation assuming 7% growth per year.

**Table 2**

Premium (USD)	Extra allocation on Day 1	Fund values of extra allocation at end of year 5 assuming 7% pa growth rate*
240,000	12,000	15,849
200,000	8,000	10,566
128,000	3,840	5,072
80,000	1,600	2,113
56,000	560	740
32,000	N/A	N/A

\* Fund values are inclusive of all product charges but do not include any underlying annual fund management charges.

The standard establishment fee is taken as a percentage of premium and not of the policy value. This way your client knows exactly how much will be deducted from their policy during the first 5 years.

Extra allocation will be subject to a surrender fee if the policy is surrendered in full within the first 5 years from date of issue. The fee will be equal to 100% of the extra allocation rate reducing at each policy anniversary by 20%.

The standard establishment fee is 7.50% of the initial premium paid. The fee is collected at a rate of 0.375% quarterly in arrears over the first 5 years.

Both the premium paid and any extra allocation will be subject to the annual contact fee of 1.20% of the fund value or premium paid if higher.

## Premium allocation rates

GBP	USD	EUR	CHF	AUD	HKD	JPY	Allocation rate
20,000 to 34,999	32,000 to 55,999	24,000 to 41,999	30,000 to 52,499	36,000 to 62,999	250,000 to 437,499	3,400,000 to 5,949,999	100%
35,000 to 49,999	56,000 to 79,999	42,000 to 59,999	52,500 to 74,999	63,000 to 89,999	437,500 to 624,999	5,950,000 to 8,499,999	101%
50,000 to 79,999	80,000 to 127,999	60,000 to 95,999	75,000 to 119,999	90,000 to 143,999	625,000 to 999,999	8,500,000 to 13,599,999	102%
80,000 to 124,999	128,000 to 199,999	96,000 to 149,999	120,000 to 187,499	144,000 to 224,999	1,000,000 to 1,562,499	13,600,000 to 21,249,999	103%
125,000 to 149,999	200,000 to 239,999	150,000 to 179,999	187,500 to 224,999	225,000 to 269,999	1,562,500 to 1,874,999	21,250,000 to 25,499,999	104%
150,000 +	240,000 +	180,000+	225,000 +	270,000 +	1,875,000 +	25,500,000 +	105%

## Important notes

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