Pru
part of M&G plc

Your guide to

The International Portfolio Bond

A flexible, tax-efficient, international bond designed for capital growth or income

The International Portfolio Bond from Prudential International, is designed to provide tax-efficient investment to help you grow your money, provide an income, or both.

Prudential International Assurance (PIA) benefits from the financial and investment strength provided by the M&G Group and provides financial solutions to policyholders who want to combine the benefits of investment in an international environment, with the reassurance of a name they can trust.

A new business or additional investment application cannot be accepted without a Financial Adviser providing advice and submitting it on their customer's behalf. This product is available only on an advised basis, and where the customer and adviser are not one and the same person.

Tax rules can change and the impact of taxation and any tax relief depends on your circumstances, including where you live.

We would like everyone to find it easy to deal with us. Please let us know if you need information about our plans and services in a different format.

All our literature is available in audio, large print or braille versions. If you would like one of these please contact us using the details in this document.

Contents

What is an international investment bond? 4

The International Portfolio Bond 5

Your investment options 6

What funds can I invest in? 7

PruFund range of funds 8

Environmental, Social and Governance (ESG) funds 9

Costs and charges 10

Accessing your money 11

Managing your investment 12

Why Prudential International? 13

Some terms explained 14

Risks – what you need to be aware of

- The value of your investment can go down as well as up and you may not get back the amount you put in.
- If the total charges and costs are higher than any investment growth, your investment will fall in value.
- Charges may increase in future.
- If you take more money from the bond than the amount your investment has grown by, the value of your investment will be less than you've put in.
- Each of the investment choices available for the International Portfolio Bond, has its own specific risks that will affect the value of your bond. Some may also have features which mean there are restrictions on taking money out or moving money between investments. You should discuss these with your financial adviser.
- There may also be exceptional circumstances that delay the buying, switching and selling of units in any fund. Please see the Contract Conditions and Important Information Booklet for more information.
- If the value of the bond assets falls below £1,000, we reserve the right to cancel the bond and pay you the value of the remaining investments less any charges due. More details can be found in the Contract Conditions and Important Information Booklet.

What is an international investment bond?

An international investment bond is an investment wrapper that lets you invest in a tax efficient and flexible way.

Set up through a life insurance company, in a country outside the UK, which offers a favourable tax regime, such as Ireland, Guernsey and the Isle of Man, an international investment bond allows you to invest in a variety of assets.

They're often used as a tax-efficient way of boosting income in retirement or reducing tax paid on investments, or for minimising inheritance tax payable by beneficiaries. They can also be used for long-term savings for planned expenses such as university fees, where you want control and flexibility around withdrawing the funds, tax efficiently.

Why choose to invest in an international investment bond?

It's a flexible, tax-efficient option that gives you control. It allows you to choose funds that fit your investment strategy and risk profile and to switch between funds if your needs change. Any investment growth within the bond is largely tax-free (other than UK withholding tax), given their international status, which leads to faster growth. However, in some cases, withholding taxes may be deducted from interest and dividends received by the funds you have invested in. Your financial or tax adviser can give you more information on this.

Tax efficient

International bond investments grow largely free of tax (other than withholding tax). Income produced within an international bond is only liable to income tax when some or all of the bond is cashed in. You can withdraw 5% of the original premium from the bond for 20 years cumulatively, without being subject to tax, for example, from a £200,000 investment, you can take £10,000 tax free, each year.

Open investment structure

International bonds have flexible investment structures and allow you to invest in a large range of funds, such as multi asset, equities and fixed interest, meaning they can be tailored to suit your investment needs.

Time apportionment relief

If you have been a non-UK resident whilst holding an international investment bond, any gain is taxed proportionately between days spent as a UK/Non-UK resident.

Simple administration

International investment bonds are not considered 'income producing assets', so you won't need to complete a self-assessment tax return and there's no income tax reporting required until a chargeable event is incurred or the bond has been cashed in.

A fund is another way to buy shares – but instead of you buying a slice of a company directly, you give your cash to a specialist manager who 'pools' it with money from other investors, like you, to go and buy a job lot of shares in the stock market (effectively investing in assets like stocks and shares, bonds and property) with the ultimate aim of delivering strong returns for its investors.

The International Portfolio Bond

Prudential International Assurance plc (Prudential International) is a long-standing provider of investment bonds to the UK market.

The International Portfolio Bond, from Prudential International, is a flexible, tax-efficient, international bond, designed to provide capital growth, allow you to take tax efficient withdrawals, or both – whilst giving you access to a wide range of investments to match your investment objectives and attitude to risk.

Whether you're an individual investor, a corporate investor or a trustee, it's essential you manage your money in a tax-efficient way. Our International Portfolio Bond is designed as a medium to long-term investment (5-10 years or more) and aims to:

- meet your needs now, and in the future
- give you the potential for good returns
- provide options to minimise any tax liability

There are two types of International Portfolio Bond:

- **Lives assured** – which, when the bond ends, pays a death benefit when the last surviving life assured dies (if the bond has not already been fully cashed-in), or
- **Capital redemption** –where the bond matures and pays a maturity benefit when it reaches 99 years (if the bond has not already been fully cashed-in).

So what does the International Portfolio Bond offer you?

You can invest in a range of funds, each with their own investment objective and risk profile, so you can choose funds that best meet your needs and attitude to risk.

- Tax efficiency – designed to minimise the amount of tax you have to pay on any investment growth or withdrawals.
- Easy access – to take withdrawals or make additional investments into your bond.
- Flexibility– your investment can adapt, depending on how your needs may change over time, for example, changing withdrawal amounts, and the risk level of the funds you are invested in.
- Access to our PruFund range of funds – and their unique smoothing mechanism, which aims to provide stability of returns when markets are more volatile.
- Cost-effective portfolio management – free fund switches to help you actively manage your investments, at a lower cost.
- Transferability – gives you the option to pass the bond on to others, in a tax-efficient way.

Your investment options

The International Portfolio Bond gives you access to a wide range of investment funds – funds which vary in terms of the assets they hold, the different geographies and sectors they invest in, with different fund management styles and risk ratings.

You can hold any combination of investment options, including our established PruFund range of funds, our Risk Managed Active, Risk Managed Passive and Ethical, Social & Governance (ESG) fund ranges, as well as hundreds of collective funds within one bond.

This gives you the opportunity to choose the type and combination of investments that best suit your needs and, if your attitude to risk, or your circumstances should change, you can tailor your investments to meet those needs.

Balancing risk and reward

Choosing where to invest your money is an important decision.

When investing in the International Portfolio Bond, it's important for you to consider the different levels of risk associated with the range of funds available to you. You should read our relevant Investor Option Document(s) or the Fund Managers own Key Investor Information Document(s) as appropriate. These include important information which may help you make up your mind, including a risk rating for the fund to help you understand the different levels of risk. These can be found on our website at **www.pru.co.uk/investments/investment-fund-range/productlibrary** or where relevant, the Fund Manager's own website.

Collective funds explained

Collective investment funds are a way of pooling investment with others within a single investment fund. You can have access to a wider range of investments than if you were investing individually. You'll also share the cost and benefits. Collective investments usually either target investment in geographic regions (like emerging markets) or specific themes (like technology or property).

OEICs explained

Open ended investment company (OEIC) funds pool investments with that of other investors and may allow you to access asset types which may otherwise be difficult to access.

Investment limits

The minimum initial investment is £20,000. However, you can add to your investment, subject to any restrictions, as set out in your Key Features Document. The minimum additional investment is £5,000.

What funds can I invest in?

With the bond, you can invest in a variety of funds – from cautious to more adventurous investments – as well as change your investment selection at any time.

We offer a wide range of investment funds to suit your investment style and appetite for risk.

PruFund Fund Range	OEIC Fund Range
PruFund Cautious Fund	WS Prudential Risk Managed Active 1 Fund
PruFund Growth Fund	WS Prudential Risk Managed Active 2 Fund
PruFund Risk Managed 1 Fund	WS Prudential Risk Managed Active 3 Fund
PruFund Risk Managed 2 Fund	WS Prudential Risk Managed Active 4 Fund
PruFund Risk Managed 3 Fund	WS Prudential Risk Managed Active 5 Fund
PruFund Risk Managed 4 Fund	WS Prudential Risk Managed Passive 1 Fund
PruFund Risk Managed 5 Fund	WS Prudential Risk Managed Passive 2 Fund
PruFund Planet 1 Fund	WS Prudential Risk Managed Passive 3 Fund
PruFund Planet 2 Fund	WS Prudential Risk Managed Passive 4 Fund
PruFund Planet 3 Fund	WS Prudential Risk Managed Passive 5 Fund
PruFund Planet 4 Fund	
PruFund Planet 5 Fund	

Your bond will also include a Cash Account, which you can choose to hold money in as part of your investment selection. Cash funds are not suitable as a long term (10 years or more) investment. If you are invested in a cash fund the return you achieve may be less than inflation and may not be enough to cover product charges. You may wish to discuss your investment choices with a financial adviser.

For an even wider investment choice, you've access to hundreds of collective funds from a wide variety of fund management groups.

Your financial adviser can explain the fund options to you and what to consider when deciding on the right investment fund, or funds, for you. It's also important that you regularly review your investments so you get the best out of your bond. Please remember that the value of an investment may go down as well as up and therefore it is not guaranteed. You may not get back the full amount of your investment.

Active and passive funds explained

Investment funds come in different shapes and sizes, to meet the needs of investors, with different objectives, interests and attitudes to risk. At one end of the scale you've passive or index funds –which largely track the performance of a specific market, e.g. the FTSE 100 Index, and at the other end are active funds – which have different investment objectives, are specific to certain sectors or geographies, and aim to outperform certain markets

PruFund range of funds

When you invest in PruFund funds, your money is pooled together with that of other investors within your chosen fund, and used to buy a large spread of different types of investments (often described as asset classes).

Investing in a variety of different asset types helps to reduce the impact on the performance of one kind of asset. This is known as diversification.

The PruFund range of funds aim to grow your money over the medium to long-term (5-10 years or more), while protecting you from some of the short-term highs and lows of direct stock market investments, by using an established smoothing process.

This process gives you a more stable rate of growth than you would get if you were directly exposed to the daily changes in the fund's underlying investment performance.

So while you won't benefit from the full upside of any potential stock market rises, you won't suffer the full effects of any downsides either.

Our smoothing process

The PruFund smoothing process uses Expected Growth Rates and, where required, Unit Price Adjustments, to deliver a smoothed investment journey.

Expected Growth Rates (EGRs)

The Directors of the Prudential Assurance Company (PAC) plc set Expected Growth Rates (EGRs) – annualised rates your investment would normally grow at – which reflect their view of how they think each PruFund fund will perform over the long-term (up to 15 years).

Each PruFund fund has its own EGR and investments into a PruFund will normally grow daily by the relevant EGR. EGRs are reviewed every 3 months, and may be higher, the same, or lower than they were at the start of your investment.

Unit Price Adjustments (UPAs)

Although PAC use a long term view of performance to set Expected Growth Rates (EGRs), they also have to take into account shorter term performance. On a daily basis, if the shorter term performance differs too much from our current EGR, we'd have to amend the value of your fund up or down to ensure we are not returning too much or too little. We call these Unit Price Adjustments.

Your financial adviser will be able to give you more information on our smoothing process, EGRs and UPAs for our PruFund funds.

For more information on investing in the PruFund Range of Funds, and smoothing, speak to your financial adviser.

Environmental, Social and Governance (ESG) funds

ESG stands for Environmental, Social and Governance and can mean different things to different people.

For example, this investing approach may be suitable for clients concerned about where and how their money is invested and who:

- want to invest based on their values or moral concerns
- believe both financial and non-financial factors can impact on investment performance
- want their investments to generate a positive social or environmental impact, as well as a financial return

The ESG funds available invest in asset classes such as equities, fixed income, property and alternatives, and offer a choice of M&G and external fund managers.

We also provide access to hundreds of collective funds from a wide variety of fund management groups, for an even wider investment choice.

Your financial adviser can explain the fund options to you and what to consider when deciding on the right investment fund or funds for you.

Costs and charges

New business or additional investment application cannot be accepted without a Financial Adviser providing advice and submitting it on their customer's behalf. This product is available only on an advised basis, and where the customer and adviser are not one and the same person.

Charges

We charge you for looking after your bond. These charges are already taken into account when we work out its value.

Your personal illustration shows how the charges and costs will affect your bond based on the amount you invest and example growth rates. It will also show any Adviser Charges you have asked us to pay on your behalf.

The charges and costs described below could change in the future. If this happens, we will let you know.

Product Charge

We take a product charge from your bond each month. The amount we take is calculated as a percentage of the total fund value for your bond at that time. The percentage depends on the total fund value, as shown in the table below, and may vary from month to month as the value of your bond changes.

Total Fund Value (£)	Product Charge (0% per year)
0.00 – 49,999.99	0.45%
50,000.00 – 149,999.99	0.40%
150,000.00 – 749,999,99	0.30%
750,000.00 – 999,999.99	0.275%
1,000,000.00+	0.25%

Investment Charges and Costs

Yearly charge

- This is a charge applied by the fund manager for looking after your investment.
- This charge will be reflected in the fund's unit price.
- This charge will vary between funds and may change over time.
- Where you have invested in PruFund, this charge can also be referred to as an Annual Management Charge.

Further costs

- There may be other costs that aren't covered by the yearly charge.
- These can include, for example, maintenance costs for property investments and costs associated with investing in infrastructure, such as utilities, transport and renewable energy.
- Where these costs are applicable they are paid for by the relevant fund and will impact on its overall performance.
- These costs can vary over time.

For more information on investment charges and costs, please see the Fund Guide, the fund factsheets and read your Key Information Document, relevant Investment Option Document(s) or Fund Managers own Key Investor Information Document(s) as appropriate

Adviser Charges

You agree the fees with your adviser for any advice you receive, and you can pay them directly or ask us to pay the charges from your bond. There are limits to the amount of adviser charges we will allow you to deduct and your adviser can tell you more about these. You should consider that the value of your bond can go down as well as up, so you might get back less than you put in.

Accessing your money

With the International Portfolio Bond, you can access your money at any time.

Taking money out of your bond

You can take one-off withdrawals or choose to have regular withdrawals from your bond every month, three months, six months or 12 months. We can set this up for you when you first take out your bond or at any time after that.

There are two ways to take one-off withdrawals, partially or fully cashing in the policies in the bond.

You can also stop regular withdrawals at any time or vary the amount, or frequency to meet any changes in your circumstances.

The minimum amount for any requested withdrawal payment is £50.

Adding to your investment

The minimum additional investment is £5,000. You must advise us of your investment selection for each additional investment. There is an overall maximum investment limit of £1,000,000 into the PruFund Range of Funds.

What else does it offer?

Inheritance tax planning

Prudential International offers a Loan Trust that can be used with the International Portfolio Bond, for inheritance tax planning, or you can use an external, non-Prudential trust.

If your bond isn't in trust, your estate may have to pay inheritance tax on it when you die. Your financial adviser or tax adviser will be able to tell you more about these and what would best suit your needs.

Capital Redemption Bond

You may choose to set up the bond using the capital redemption basis, rather than writing the bond on a life assured basis (where it would end on the death of the last life assured).

The capital redemption option offers you the flexibility to take regular and one-off withdrawals, whilst you can also cash in your bond at any time.

The sequencing of when any regular withdrawals or one-off withdrawals are taken from your bond, in conjunction with how the investments perform is important for its longevity.

It will pay a guaranteed maturity value at the end of the fixed term of 99 years, if it has not been cashed in before then.

A capital redemption bond can be particularly attractive for trusts. It allows the trustees to choose when to cash it in or instead to keep it going through successive generations.

You should consider that the value of your bond can go down as well as up, so you might get back less than you put in.

Managing your investment

You can decide the way your portfolio is managed and this depends largely, on your attitude to risk.

You can arrange to pay your financial adviser directly from your bond. However, we would treat any payments as a withdrawal and it would count towards your 5% annual tax deferred allowance.

Your financial adviser can give you more information and advice on these options.

How we manage your money

As well as giving you access to a wide range of external funds, the International Portfolio Bond also includes a select range of M&G plc funds, managed by Prudential Unit Trusts Limited and M&G Investment Management Limited (MAGIM), part of M&G plc.

As investment manager of the funds, they make the relevant adjustments to the portfolio, based on recommendations from M&G Life Investment Office (LIO).

Who is LIO?

M&G's multi-asset team, Life Investment Office (LIO) are a team of 75+ investment specialists responsible for £158bn of Assets Under Management.

LIO has great strength in depth with a team that includes investment professionals with expertise in capital market research, investment strategy design, liability management, derivatives and portfolio management

Source: LIO, 31 December 2024

Why Prudential International?

The advantages of our Dublin location

Tax-efficiency – investments can grow largely tax-free, subject to withholding tax.

Strong regulation – Dublin is a location with a strict legal and regulatory environment. The company is subject to European Law, having to comply with all European directives and regulations and to meet European solvency margins.

Specialist infrastructure – with many high-profile international companies located in Dublin, it has a well-developed financial infrastructure and a sophisticated support network.

Financial Strength

Prudential International benefits from the financial and investment strength provided by the M&G Group and provides financial solutions to customers who want to combine the benefits of investment in an international environment, with the reassurance of a name they can trust.

With-Profits Fund

PACs With-Profits Fund in which the PruFund funds invest, is the largest with-profits funds in the UK, with funds under management of £128bn (as at 19 March 2025). The fund size and strength allows Prudential International to invest in a very wide range of asset types and individual companies.

Smoothing process

The bond provides access to the PruFund Range of Funds. These funds have an established smoothing mechanism which aims to smooth some of the short-term market volatility.

Expert fund management

M&G's Life Investment Office (LIO) who manage the PruFund Range of Funds and some of the OEIC funds, in which the bond can invest, has great strength in depth with a team that includes investment professionals with expertise in capital market research, investment strategy design, liability management, derivatives and portfolio management.

Some terms explained

This is a high-level guide to some useful investment terms. Please speak to your financial adviser if you need help or want to know more about terms used around investments.

Capital redemption – Capital redemption bonds mature on the 99th anniversary of the original investment date. If a bond is still in force at maturity, there is a guaranteed maturity value.

Cash funds – funds which invest predominantly in Money Market Instruments, such as treasury bills, bills of exchange, certificates of deposit and asset-backed securities.

Investments in cash or cash-like funds could potentially be affected by inflation and/or charges. Inflation could mean your money is less able to buy what it could before and charges will reduce the value of a cash or cash-like fund over time.

Chargeable event – a chargeable event arises on partial withdrawals across a bond which exceed the 5% per annum allowance. They can also occur:

A) on the death of the relevant life assured: and

B) on maturity or full or partial cash in of the bond.

EGR
The Directors of the Prudential Assurance Company (PAC) plc set Expected Growth Rates (EGRs) – annualised rates your investment would normally grow at – which reflect their view of how they think each PruFund fund will perform over the long-term (up to 15 years).

ESG
ESG stands for Environmental, Social and Governance.

Equities
Equities are known as shares or stocks. They are a share of the ownership of a company. The share price moves as the value of the company changes. Also, regular payments, called dividends, may be made to the owner of the share. These are based on how well the company is doing.

Investment Wrapper – a means of consolidating and managing an investor's investment portfolio and financial plans.

Inheritance tax planning – the Loan Trust can be used with the International Portfolio Bond for planning.

Life-assured – Life assured bonds allow up to 10 applicants and 10 lives assured, on a last death basis. The life assured must be aged no older than 89 attained. For joint lives, at least one life must be aged under 90.

Money Market Instruments – These are cash and investments similar to cash such as bank deposits, certificates of deposits, fixed interest securities or floating rate notes. They usually have a life of less than a year.

OEICs – Open ended investment company (OEIC) funds pool investments with that of other investors and may allow you to access asset types which may otherwise be difficult to access.

Shares – see Equities

Tax efficiency – Your investment grows largely free of tax (other than withholding tax).

LIO – M&G's multi asset team, Life Investment Office (LIO), includes investment professionals with expertise in capital market research, investment strategy design, liability management, derivatives and portfolio management.

UPA – On a daily basis, if the shorter term performance of a fund differs too much from our current EGRs, we'd have to amend the value of your fund up or down to ensure we are not returning too much or too little. This is known as a Unit Price Adjustments (UPA).

Our service to you

We take care of all the administration and other paperwork and we aim to provide you with the highest standard of service, at all times. This includes:

- making sure all our literature is clear and easy to understand;
- carrying out your requests quickly and efficiently; and
- responding promptly to any queries you may have.

We'll provide you with half yearly valuations, showing all your funds in one statement, so you can keep track of how your investment is doing.

You'll find more information in your Key Features Document, which is available from your financial adviser.

If you have any questions please speak to your financial adviser or call us on **0345 600 0614** or from overseas on **+44 1316081767**.

Lines are open 9am-5pm Monday to Friday. Please note, calls may be recorded for security, quality, staff training and/or dispute resolution purposes.

Or you can write to us at:
Prudential International
PO Box 5177
Worthing
BN11 9HJ

www.pru.co.uk/international

The registered office of Prudential International is in Ireland at Fitzwilliam Court, Leeson Cl, Dublin 2, D02 TC95. Prudential International is a marketing name of Prudential International Assurance plc, a life assurance company operating from Ireland. Registration No. 209956. Prudential International Assurance plc is authorised and regulated by the Central Bank of Ireland and in the context of its UK regulated activities only, is authorised by the Prudential Regulation Authority and 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. Prudential International is part of the same corporate group as The Prudential Assurance Company Limited. Both The Prudential Assurance Company Limited and Prudential International are direct and indirect subsidiaries respectively of M&G plc, a company incorporated in the United Kingdom. The Prudential Assurance Company Limited is not affiliated in any manner with Prudential Financial, Inc, a company whose principal place of business is in the United States of America or Prudential plc, an international group incorporated in the United Kingdom.

NIPB521707 07/2025_WEB