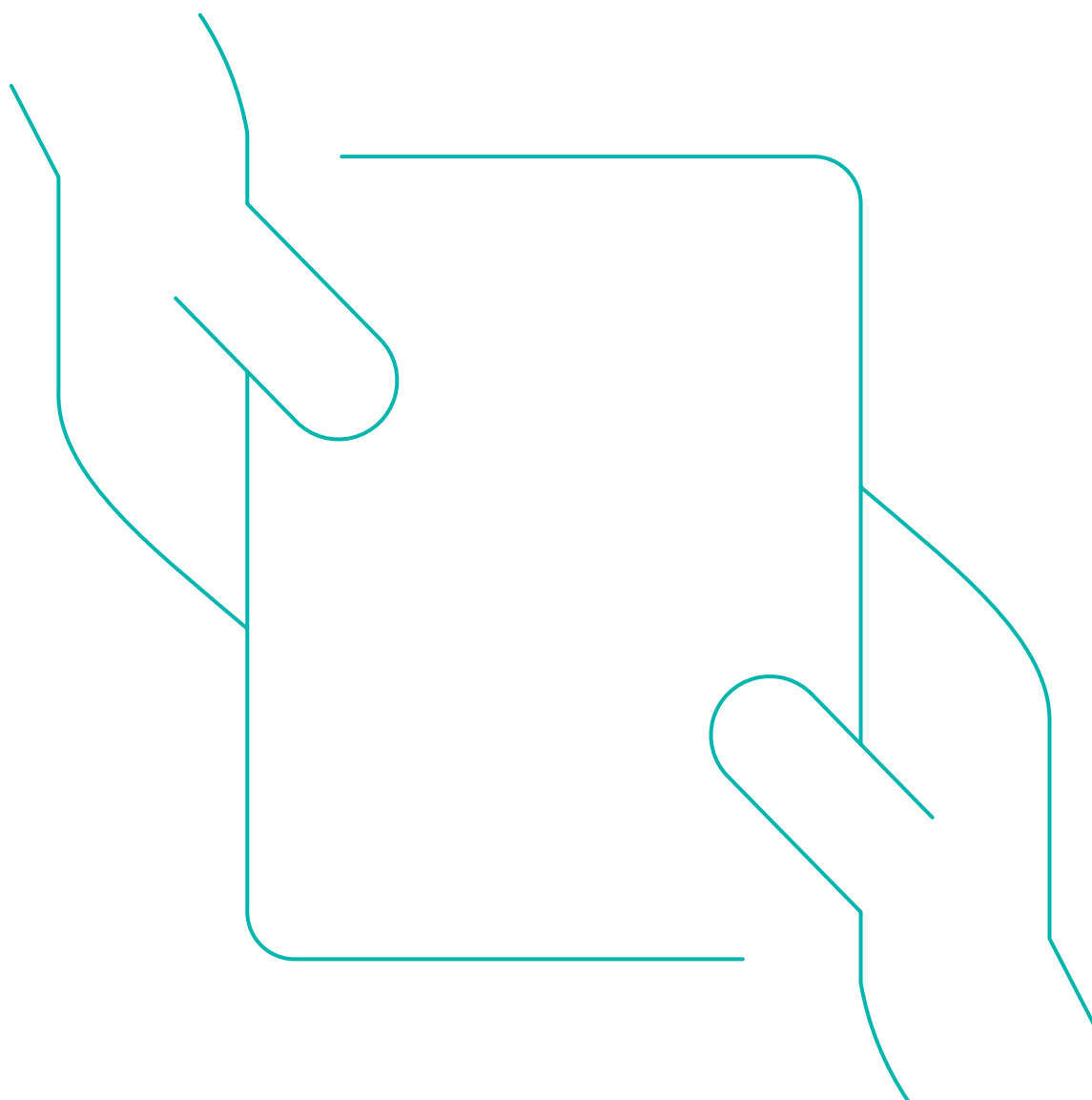


## Key Features of the Prudential International Investment Bond (Capital Redemption Option)



Please read this document along with your Key Information Document and relevant Investor Options Document(s) before you decide to buy this plan. It's important you understand how the Prudential International Investment Bond (Capital Redemption Option) works, the benefits and associated risks.

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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 on the last page.

A new business 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.

You should read this document carefully so that you understand what you are buying, and then keep it safe for future reference.

Before you invest you should read our Key Information Document and relevant Investment Option Document(s). These include important information which may help you make up your mind.

You should receive them with your application form. Please keep these documents safe for future reference or go to our website at [mandg.com/pru/customer/en-gb/funds/productlibrary](http://mandg.com/pru/customer/en-gb/funds/productlibrary) for the most up to date version.

# About the Prudential International Investment Bond (Capital Redemption Option)

The Prudential International Investment Bond (Capital Redemption Option) is an investment bond, with a fixed term of 99 years, which enables you to invest in a range of investments with the potential for growth. It allows you to take tax-efficient withdrawals.

## The PruFund Protected Funds are currently unavailable to new investments.

If you still have questions about the plan after reading this booklet, please look at the 'Get in touch' section for our contact details. If you have a financial adviser, please speak to them in the first instance.

## Its aims

### What this bond is designed to do

- To grow the value of your investment over the medium to long term, so five to ten years or more.
- To allow you to take tax-efficient withdrawals.
- Give access to a range of investments to match your investment objectives and attitude to risk.
- To help reduce your Inheritance Tax liability if you choose to place your Prudential International Investment Bond (Capital Redemption Option) in trust.

## Your commitment

### What we ask you to do

- To make an initial investment of at least £20,000, €25,000 or US \$35,000, or any additional investments to your plan of at least £15,000, €20,000 or US \$25,000. These limits are after any Set-Up Adviser Charges.
- To allow your plan to potentially grow for at least five to ten years or more.
- Together with your financial adviser, choose investments to suit your needs and attitude to risk, and keep them under regular review to make sure they are still right for you.

## Risks

### What you need to be aware of

- The value of your investment can go down as well as up so you might not get back the amount you put in.
- If you take more money from the plan than the amount your investment has grown by, the value of your investment will be less than you've put in.
- The level of risk and return is different depending on the funds you choose. Please refer to your **Fund Guide for the Prudential International Investment Bond and International Prudence Bond** for more information.
- There may be a delay in buying, selling or switching to or from certain funds. This means that you may face a delay in gaining access to your money. Please read "Where are my payments invested?" for more information about this.
- If the value of the bond assets falls below a minimum level we reserve the right to cancel the bond and pay you the value of the remaining investments less any charges. For additional information please read **Contract Conditions** and **Statement of Charges**.
- Fluctuations in exchange rates could affect the value of your investment or withdrawals.
- For the PruFund Range of Funds, PAC may decide to reset the unit price of a PruFund Fund to the unsmoothed price on a particular day, to protect the With-Profits Fund. There may also be occasions where PAC have to suspend the smoothing process for one or more PruFund Funds for a period of consecutive days, to protect the With-Profits Fund. Please read **Your Guide to Investing in the PruFund Range of Funds** for more details on this.

## Other documents you should read

It is important that you read your Key Information Document and relevant Investment Option Document(s). If you want more information, please read the following documents. We have highlighted when they are relevant throughout this document.

They are all available from your Financial Adviser or direct from us. Our contact details are on the last page.

- **Contract Conditions**

These are the terms and conditions of the bond.

- **Statement of Charges**

This shows the current charges and limits that apply to the bond.

- **Fund Guide for the Prudential International Investment Bond and International Prudence Bond**

This explains your investment choices.

- **Your With-Profits Bond – a guide to how we manage the Fund**

This provides information on how our With-Profits Fund works, and our current approach to managing it.

- **Your Guide to Investing in the PruFund Range of Funds**

This outlines the basic features of the PruFund Range of Funds.

- **Sustainability-Related Pre-Contractual Disclosure**

This outlines the pre-contractual disclosures of the relevant funds, or investment options, in line with the Sustainable Finance Disclosure Regulation (SFDR). You can find this document on the product webpage on our website, [pru.co.uk/sfdr](https://pru.co.uk/sfdr).

- **Market Value Reduction – a clear explanation**

This explains what a Market Value Reduction is, together with information about why and when these may apply.

# Questions & Answers

## Is the Prudential International Investment Bond (Capital Redemption Bond) right for me?

You can take out this bond if you're aged 18 or over and a UK resident. You can take the bond out on your own or jointly with another person, up to ten individuals.

You shouldn't invest if you feel you don't understand the risks associated with investing. Remember that the level of risk you take depends on the options you choose from where you invest your money.

## How flexible is it?

You can choose where to invest your money from a specified range of funds. You can change your investments at any time but there are some restrictions and for more information, please read "Can I change my investments?".

This plan allows regular and partial withdrawals but there are limits on how much you can take out and how much should remain after a withdrawal. Please refer to "How do I take money out of my plan?" for more information.

You can place your Prudential International Investment Bond (Capital Redemption Option) in trust – your Financial Adviser can help with this.

## How much can I pay into my plan?

You'll need to initially invest £20,000, €25,000 or US \$35,000 after any Set-Up Adviser Charges are taken, where relevant.

Any additional investments must be at least £15,000, €20,000 or US \$25,000 after any Set-Up Adviser Charges where relevant.

There are limits on how much you can invest across the PAC With-Profits Range of Funds and the PruFund Range of Funds. The maximum you can invest across these funds (in one or more bonds) is £1,000,000, €1,500,000 or US \$1,500,000.

If you own the bond jointly with someone else, you will each be treated as having invested the full amount. So if you jointly invest £1,000,000 into these funds, it will count as the maximum for both of you. This limit includes any additional investments into these funds.

There is no limit on what you can invest into other unit-linked funds but if you want to invest more than £1,000,000 into this bond your Financial Adviser will need to contact us.

## Where are my payments invested?

Different funds invest in different types of assets for example, some only invest in property, others invest directly in the stock market and others invest in a wide range of assets. Each fund has its own level of risk and potential for growth. Usually, funds with more potential for growth carry more risk. Remember, the performance of the funds isn't guaranteed. The value of your investment can go down as well as up so you may get back less than you put in.

You, your Financial Adviser and your Discretionary Fund Manager can choose which funds you would like to invest your money in, from a wide range that we offer. You can invest in more than one fund at a time, up to a maximum of ten and we use your money to buy units in those funds.

There may be a delay in buying, selling and switching to or from certain funds. These delays will only apply in certain circumstances and if this applies to you, we'll let you know. For more information, please read the **Fund Guide for the Prudential International Investment Bond and International Prudence Bond**.

There are three types of fund available:

- the Prudential Assurance Company (PAC) With-Profits Range of Funds.
- the PruFund Range of Funds – you can find specific information on these in **Your Guide to investing in the PruFund Range of Funds**; and
- other Unit-Linked funds – you can find specific information on these in the **Fund Guide for the Prudential International Investment Bond and International Prudence Bond**.

## Important information

Access to the Prudential PAC Sterling, Euro, and US Dollar With-Profits Funds is no longer available to new Prudential International Investment Bond (PIIB) customers from 11 September 2017 onward.

However, existing customers (before 11 September 2017) can still top up or switch into these funds. It is important to note we are not closing the Prudential With-Profits Fund; it remains accessible via the PruFund Range of Funds.

If you're unsure about your options, please speak to your Financial Adviser.

Each of the investment choices available for the Prudential International Investment Bond (Capital Redemption Bond) has its own specific risks that will affect the value of your bond. Some 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 and also read the **Fund Guide for the Prudential International Investment Bond and International Prudence Bond**.

## Unit-linked funds

Payments into unit-linked funds will buy units in the chosen funds. The price of each unit depends on the value of the investment in the fund and also whether more money is going into or out of the fund. We work out the value of your plan based on the total number of units you have in each fund. So, if the unit prices rise or fall, so will your plan value. Money in the various funds is invested in a wide range of shares, corporate bonds, government stocks and commercial property in the UK and abroad.

## How unit-linked funds invest

Some of the Prudential International funds listed in the **Fund Guide for the Prudential International Investment Bond and International Prudence Bond** may invest in 'underlying' funds or other investment vehicles. Have a look at a fund's objective and that will tell you where it invests – including if that's in an underlying fund or funds.

If the Prudential International fund is investing in just one underlying fund then it's what's known as a 'mirror' fund, as the performance of the Prudential International fund broadly aims to reflect the performance of the underlying fund it invests in. The performance of our Prudential International fund, compared to what it's invested in won't be exactly the same. The differences between the underlying fund and our fund can be due to:

- additional charges,
- cash management (needed to help people to enter and leave our fund when they want),
- tax,
- timing of investments (this is known as a fund's dealing cycle, it varies between managers and can be several days).

## Information relating to sustainability risks and how they could impact returns

We make a range of funds available through this product. In determining this range, no specific criteria relating to sustainability risks are taken into account. However, the funds themselves may be constructed and managed taking into account sustainability risks.

The following types of sustainability risks are likely to impact on fund returns:

**Environmental risk examples include;** climate change, increasing water scarcity and waste management challenges.

**Social risk examples include;** product safety, supply chain management and labour standards, health and safety and human rights, employee welfare, data and privacy concerns and increasing technological regulation.

**Governance risk examples include;** board structures and effectiveness, management incentives and management quality.

These could, for example, impact on asset types in the following ways

Asset type	Potential impact of sustainability risks
Equities and property	Some markets and sectors will have greater exposure to sustainability risks. For example, climate change can damage property which the fund owns, thereby impacting the cash flow and capital value of the fund.  Sustainability risks may also impact market prospects in which a fund operates, thereby affecting the market valuation of the fund.
Fixed interest	Sustainability risks can affect the borrowers' cash flows and therefore the ability for people to meet their debt obligations

Details on each fund's strategy, asset objectives and asset mix is provided in fund documentation made available by the fund's manager, including how they take into account sustainability risk where applicable.

The EU Taxonomy is a classification system which helps ensure our business activities are environmentally sustainable. This includes a list of sustainable economic activities but doesn't include any socially sustainable ones. Not all sustainable investments with an environmental objective will be aligned with the Taxonomy.

The EU Taxonomy sets out a "do no significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.

The "do no significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities.

The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.

Please speak to your financial adviser for more information.

**Does this financial product consider principal adverse impacts on sustainability factors?**

Principal adverse impacts are the negative effects of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anticorruption and anti-bribery matters.

These are considered at a fund, or investment option, level within this bond, where relevant. For information on the adverse impacts on specific funds, refer to the sustainability-related pre-contractual disclosure on the product webpage on our website, [pru.co.uk/sfdr](http://pru.co.uk/sfdr).

Investments in this bond are subject to an ongoing monitoring and review process by the investment manager. Information on how principal adverse impacts on sustainability factors were taken into account will be available in the Sustainability-Related Periodic Report, published on the product webpage on our website, [pru.co.uk/sfdr](http://pru.co.uk/sfdr), where relevant. The periodic report will be updated at least annually with the first report available no later than December 2023.

## PAC With-Profits Range of Funds

We work out the value of With-Profits investments differently.

A With-Profits investment is one that aims to smooth some of the short term highs and lows of the fund over the period of time that you hold the plan. So, in theory you should see a steadier return year on year, rather than watching the value of your Plan fully reflect the rise and fall in investment markets. This is not guaranteed and you must consider that the value of your investment can go down as well as up so you might get back less than you put in.

Your payments are pooled with those of other Prudential With-Profits investors to form a fund. We invest this fund in a wide range of investments including company shares, property, Government bonds, company bonds and cash deposits.

We allocate your share of the profits of the fund by adding bonuses. There are currently two types of bonus:

- regular, which we add throughout each year. We can change the rate of regular bonus at anytime without telling you beforehand, although once added these bonuses are guaranteed on death,
- final, which we may pay when you take money out of the With-Profits Fund, although this may vary and is not guaranteed. The final bonus can be reduced or removed at any time, without warning.

You can get further information about this from **Your With-Profits Bond – a guide to how we manage the Fund**.

## What's a Market Value Reduction?

If you take money out of any of the PAC With-Profits Range of Funds, we may reduce the value of your fund if the value of the underlying assets is less than the value of your investment including all bonuses. This reduction is known as a Market Value Reduction (MVR). It is designed to protect investors who are not taking their money out and its application means that you get a return based on the earnings of the With-Profits Fund over the period

your payments have been invested. We apply any MVR to your plan's value including regular and final bonuses. Please read **Your With-Profits Bond – a guide to how we manage the Fund** for more information on bonuses. An MVR will reduce the value of your plan and if investment returns have been low, you may even get back less than you have invested in your plan.

## Our current practice on applying a Market Value Reduction

We may apply a Market Value Reduction to any full or partial withdrawals or switches out of the PAC With-Profits Range of Funds. There might also be other situations where an MVR might apply.

We reserve the right to change our current practice on Market Value Reductions at any time, without prior notice, and this would apply to existing plans and any new plans or additional investments. Examples of reasons for a change would include significant changes in the investment market or because the number of people moving out of the fund increases substantially.

For more information on MVRs please read **Market Value Reduction – a clear explanation** leaflet.

## The PruFund Range of Funds

The PruFund funds have an established smoothing process which uses Expected Growth Rates and where required, Unit Price Adjustments, to deliver a smoothed investment journey. It aims to provide you with some protection from the short-term ups and downs of markets. However, the value of your investment can go down as well as up so you might get back less than you put in.

For the PruFund Range of Funds, PAC may decide to reset the unit price of a PruFund Fund to the unsmoothed price on a particular day, to protect the With-Profits Fund. There may also be occasions where PAC have to suspend the smoothing process for one or more PruFund Funds for a period of consecutive days, to protect the With-Profits Fund. For more information about how the PruFund Funds work, please read **Your Guide to Investing in the PruFund Range of Funds**.

## Can I change my investments?

Yes you can switch your money between funds at any time but you can't invest in more than ten different funds at any one time. The minimum amount you can switch is £500, €750 or US \$750. If you're not switching the full value of your investment from a particular fund, you need to leave at least £500, €750 or US \$750 in that fund.

You can switch up to 20 times in any 12-month period without charge. After that, we will charge you. For more details on this charge, please read the **Statement of Charges**.

### PAC With-Profits Range of Funds

We may apply a Market Value Reduction if you switch money out of the PAC With-Profits Range of Funds. For more details on this charge, please read the **Statement of Charges**.

### PruFund Funds

Any units we cancel as a result of switches or withdrawals from the PruFund Range of Funds may be subject to a delay of up to 28 days. For more information on this please read the **Contract Conditions**. If you are invested in one of the PruFund Protected Funds and switch money out of the fund, your Guaranteed Minimum Fund will be reduced proportionately.

## What are the charges and costs?

We charge you for looking after your plan. 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.

Further details of costs and charges can be found in the **Statement of Charges**.

### Annual Management Charge

For With-Profits and PruFund Range of Funds, charges are deducted monthly in arrears by cancelling units from your chosen fund. For all other unit-linked funds, we deduct an Annual Management Charge from the funds and this charge is calculated and taken daily from your plan by adjusting the unit price.

The amount of charge we deduct depends on the funds you choose to invest in and the amount of your original investment.

For more information, please read the **Fund Guide for the Prudential International Investment Bond and International Prudence Bond**.

### Further costs

In addition to our charges, there may be further costs incurred, which can vary over time. Where these are applicable, they are paid for by the relevant fund and will impact on its overall performance.

For more information on these further costs, please read the **Fund Guide for the Prudential International Investment Bond and International Prudence Bond**.

### Switch charge

You can switch money between funds without charge up to 20 times in any 12-month period. After that, we will charge you. For more details on this charge, please read the **Statement of Charges**.

### With-Profits charge for guarantees

There is a charge to pay for the guarantees the With-Profits Fund supports and we take this charge by adjusting regular and final bonuses each year.

We guarantee not to apply a Market Value Reduction (MVR) when payments are made because of death. Our current MVR practice, which is not guaranteed, may include additional circumstances when an MVR is not applied.

The total deduction for guarantee charges over the lifetime of your bond is not currently more than 2% of any payment made from the fund. You won't see this charge on your annual statement because we take it by making a small adjustment to regular and final bonuses.

Charges may vary if, for example, the long term mix or type of assets held within the With-Profits Fund is changed.

### **PruFund Protected Funds – Guarantee Charge**

The PruFund Protected Funds have an additional annual charge for the guarantee. We take this charge monthly in arrears by cancelling units.

### **Adviser charging**

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 plan. There are limits to the amount of adviser charges we will allow you to deduct and your adviser can tell you more about this.

### **Set-Up Adviser Charges (taken from your initial payment or any additional payment)**

This can be a percentage of your total payment or a fixed monetary amount. We will deduct the charge from the money you send us, before we invest the balance into your bond. For example, if you send us £100,000 and ask us to pay a Set-up Adviser Charge of 3%, we will pay £3,000 to your Financial Adviser and invest £97,000 in your bond.

As the Set-up Adviser Charge is deducted from your payment before investment into your bond it will not be included in the 5% tax-deferral allowance that applies to withdrawals from the bond, for more information please see the section "What about tax?". This is because the allowance is based on the amount invested into your bond after any Set-up Adviser Charge has been paid – not the total payment that you send to us.

### **Ongoing Adviser Charge (taken from your Bond)**

This can be a monetary amount, a percentage of the amount invested into your bond or a percentage of the bond value (at the time the charge is taken). We will deduct the charge regularly from your bond at the frequency you request.

You can change the amount of an Ongoing Adviser Charge at any time, using the form PIIBF10006 or by giving us instructions in writing. You can also stop the charge at any time by giving us instructions in writing.

If you ask us to pay Ongoing Adviser Charges from your bond, these will be treated in the same way as regular withdrawals. In terms of Income Tax, they will count towards the annual 5% tax-deferred allowance for UK resident policyholders. This is the amount you can withdraw from your bond without having any immediate Income Tax liability.

We will take any Ongoing Adviser Charges from across all the funds you hold in proportion to value, with the exception of any PruFund Protected Fund and any With-Profits Funds, unless these are the only funds you are invested in or they are the only funds remaining with sufficient value. In that case, we will take your Ongoing Adviser Charges firstly from any With-Profits Fund holding and then from any PruFund Protected Fund you hold.

These rules may vary if you are making a further investment to an existing bond, you should refer to your **Contract Conditions** for details of how we will deduct Ongoing Adviser Charges.

### **Ad Hoc Adviser Charge (taken from your Bond)**

You can ask us to pay one-off charges to your Financial Adviser on your behalf, by deducting the amount from your bond. This can be a monetary amount or a percentage of the bond value (at the time the charge is taken).

If you wish, you can specify the fund(s) you would like an Ad Hoc Adviser Charge to come from. If you don't specify any funds, we will take it from across all the funds you hold in proportion to value, with the exception of any PruFund Protected Fund and any With-Profits Fund, unless these are the only funds you are invested in or they are the only funds remaining with sufficient value. In that case, we will take the Ad Hoc Adviser Charge firstly from any With-Profits fund holding and then from any PruFund Protected Fund you hold.

If you specify the funds that an Ad Hoc Adviser Charge is to be taken from and the value of your selected fund(s) falls below the required amount, we will take the charge proportionately from the remaining funds in your bond, with the exception of any PruFund Protected Fund and any With-Profits Funds, unless these are the only funds remaining with sufficient value. In these circumstances we will take an Ad Hoc Adviser Charge firstly from the With-Profits fund if you hold that fund, and if there is insufficient value in your holding in that fund, then the charges will be taken from any PruFund Protected Fund holding.

These rules may vary if you are making a further investment to an existing bond and you should refer to your **Contract Conditions** for details of how we will deduct Ad Hoc Adviser Charges.

### **Any Adviser Charges from your bond**

If any Adviser Charge is taken from a PruFund Protected Fund, the Guaranteed Minimum Fund will be reduced proportionately. Your personal illustration will give you more information on how this reduction works.

If any withdrawals, including Adviser Charges, are taken from the With-Profits Fund, an MVR may apply.

Ongoing Adviser Charges and Ad Hoc Adviser Charges will be taken equally from all the policies in the bond.

### **Adviser charges and withdrawals**

If we are paying any Adviser Charges from your bond and you are also taking regular withdrawals or partial withdrawals by partially cashing in all the policies in your bond, these will be added together for the purposes of the tax deferred allowance.

See the section "What about tax?" or speak to your Financial Adviser for more information.

### **What might I get back?**

There is a projection of how much you could get back in your personal illustration, based on example growth rates and the amount you choose to invest in the bond. What you actually get back will depend on:

- how much you've invested,
- which funds you've invested in,
- how long you've invested for,
- how your investments have performed,
- the bond charges that have been taken, any Adviser Charges you have asked us to pay from your bond,
- whether we've added any Annual Investment Reward.
- any withdrawals taken

If you don't cash in the bond before the maturity date (99 years from your original investment), we will pay out the greater of:

- the bond value at the maturity date,

or

- the Guaranteed Maturity Value (GMV).

When the bond starts, the GMV is 101% of your initial investment.

It will increase by 101% of any additional investments you make into your bond and, similarly, decrease by 101% of the value of units that are cancelled to provide any withdrawals (including any Adviser Charges paid from the bond) you make.

We provide a guarantee that, as long as the bond is in force on the maturity date, the maturity benefit will not be less than £100, €150 or US \$150.

### **Annual Investment Reward**

Your personal illustration will show the amount of any Annual Investment Reward that applies. This is a reward for larger investments. The investment is the amount invested into the bond, after any Set-up Adviser Charge has been deducted from the payment you make to us. If you make further investments, each will be separately assessed for the Annual Investment Reward. Where it applies, it will be credited on each anniversary of the relevant investment(s). Your personal illustration will show the amount of any Annual Investment Reward that applies. It will continue to be credited on anniversaries until your bond ends.

### **PAC With-Profits Range of Funds**

If you've invested in any of the PAC With-Profits Range of Funds, the value of your investment will depend on the bonuses we've added to it and whether any MVR applies. Please also refer to the section "How do I take money out of my bond?".

### **The PruFund Range of Funds**

The PruFund Protected Funds include a guarantee which takes effect on a selected anniversary of your bond. This may affect the amount you get back. For more information, please read **Your Guide to investing in the PruFund Range of Funds**.

## **How do I take money out of my bond?**

You can make partial withdrawals or set up regular withdrawals from your bond. The minimum amount of any withdrawal is £75, €112.50 or US \$112.50.

If you're not withdrawing the full value of your investment from a particular fund, you must leave at least £500, €750 or US \$750 in that fund. This limit also applies if you ask us to pay any type of Adviser Charges from your bond.

Withdrawals can be taken every:

- month,
- three months,
- six months, or
- 12 months.

The maximum regular withdrawal you can take in any 12-month period is the greater of 7.5% of the full value of your bond when you start taking regular withdrawals or 7.5% of the total amount you've invested in your bond. If you have asked us to pay Ongoing Adviser Charges from your bond, they will count towards this limit.

As standard we set the bond up as a group of 20 identical policies (subject to any rounding required) but if asked we can set the bond up as one policy or as group of up to 100 policies.

Your bond is set up in this way to help you make tax-efficient withdrawals. Regular withdrawals are taken evenly across all the policies in your bond. For partial withdrawals, you can alternatively choose to cash in individual policies.

If you wish you can specify the funds withdrawals are to be taken from and the value of your selected fund(s) falls below the required withdrawal amount, we will take your withdrawals (including Adviser Charges) proportionately from the remaining funds in your bond, with the exception of any PruFund Protected Fund and/or any With-Profits Funds, unless these are the only funds remaining with sufficient value.

In these circumstances we will take your regular withdrawals firstly from the With-Profits Fund if you hold that fund, and then if there is insufficient value in your holding in that fund, from any PruFund Protected Fund holding.

If you don't specify any funds, we will take withdrawals from across all the funds you hold in proportion to value, with the exception of any PruFund Protected Fund and any With-Profits Funds. We will only take a withdrawal from a PruFund Protected Fund and/or a With-Profits Fund your bond is invested in, if these are the only funds in which you hold sufficient value. In that case, we will take your withdrawals firstly from any With-Profits fund holding and then from any PruFund Protected Fund you hold.

These rules may vary if you are making a further investment to an existing bond and you should refer to your **Contract Conditions** for details of how we will deduct withdrawals.

Withdrawals reduce the Guaranteed Maturity Value.

### **PAC With-Profits Range of Funds**

If you make a withdrawal from any of the PAC With-Profits Range of Funds, as a regular or partial withdrawal or for Ongoing or Ad Hoc Adviser Charges you have asked us to pay from your bond, we may apply a Market Value Reduction (MVR).

If you cancel a regular withdrawal request, we reserve the right not to allow you to re-start regular withdrawals subsequently if you have elected to take them wholly or partly from the PAC With-Profits Range of Funds. For example, we may exercise this right if, at the time you ask to re-start regular withdrawals, an MVR is in force for withdrawals from any of the PAC With-Profits Range of Funds. However, this rule does not affect withdrawals from unit-linked funds. You would also still be able to make partial withdrawals at any time.

Similarly, we reserve the right not to allow you to change your selected fund(s) for regular withdrawals from the PAC With-Profits Range of Funds. Again, we may exercise this right if, at that time, an MVR is in force. This is to help with our overall management of the PAC With-Profits Range of Funds and to help ensure all policyholders are treated fairly.

We reserve the right to change our current practice on Market Value Reductions at any time, without prior notice, and this would apply to existing bonds and any new bonds or additional investments. Examples of reasons for a change would include significant changes in the investment market or because the number of people moving out of the fund increases substantially.

We do not apply an MVR where the maturity benefit becomes payable.

### **The PruFund Range of Funds**

There are restrictions on when you can move money out of the PruFund Range of Funds. If you are invested in one of the PruFund Protected Funds and a withdrawal is taken from that fund, your Guaranteed Minimum Fund will be reduced proportionately.

For more information, please read your personal illustration and **Your Guide to investing in the PruFund Range of Funds**.

### **What about tax?**

This section gives brief information about UK tax. For specific advice, please speak to your financial adviser or tax adviser. Prudential International are not permitted to give tax advice.

For more information please visit the HM Revenue and Customs website at [hmrc.gov.uk](https://www.hmrc.gov.uk)

## Income Tax

You may have to pay Income Tax on any withdrawals you make from your bond. Each policy year you can withdraw up to 5% of the amount you have invested in your bond without having an immediate tax bill. You may do this by taking regular withdrawals and/or partial withdrawals by partially cashing in all the policies in your bond. If you don't use all of this 5% allowance in any policy year, you can carry the unused portion forward. The allowance comes to an end once you have withdrawn 100% of the amount you invested. If you withdraw more than the allowance in any policy year, you may have to pay Income Tax on the excess amount.

The 5% allowance also applies to any additional investment you make. Any Ongoing Adviser Charges, Ad hoc Adviser Charges, investment adviser charges, regular withdrawals and partial withdrawals you ask us to pay by partially cashing in all the policies in your bond, will be counted against the 5% allowance. You may also have to pay Income Tax if:

- you cash in your bond or any policies in it,
- you transfer legal ownership of your bond, or
- your bond ends because it matures.

A gain on your bond will be added to your total taxable income for that tax year and you will normally pay tax on the gain at your highest rate, although in some cases you may be able to claim "top-slicing relief". Your Financial Adviser will be able to give you more information about this. Gains from your bond may affect any entitlement to personal Income Tax allowances or certain tax credits.

If you have been non-resident in the UK for tax purposes during the period you have owned the policy, you may be entitled to a reduction in tax payable for any taxable gains made during your non-residency (time apportioned reduction). Further details can be found in the HM Revenue & Customs helpsheet HS321 "Gains on foreign life insurance policies".

## Capital Gains Tax

You won't have to pay this on your plan.

## Inheritance Tax

If you still have this plan when you die, your estate might need to pay Inheritance Tax. Special tax considerations apply to plans written under trust. Your adviser can give you more information about this.

## Irish Exit Tax

If you become resident in Ireland, we'll deduct Irish Exit Tax from your bond:

- every eight years;
- when any benefits are paid out; or
- when the owners of the bond change.

We pay this tax to the Irish tax authorities. If you're not resident in Ireland, you don't have to pay Irish Exit Tax provided you complete the "Declaration of residence outside Ireland" which is contained within the application form.

## Tax rules for trusts

If your bond is written under trust, special tax rules apply. For more information please contact your Financial Adviser.

## Tax rules for corporate investors

UK Corporate investors cannot benefit from the 5% annual tax deferred allowance. For more information, please contact your Financial Adviser.

Tax rules can change and the impact of taxation (and any tax relief) depends on your circumstances.

Before you make a decision you might want to speak to a financial adviser. They can help you understand the tax rules and how they might affect you.

For more information visit [pru.co.uk/tax](https://pru.co.uk/tax) or the HMRC website at [hmrc.gov.uk](https://hmrc.gov.uk)

## How will I know how my Bond is doing?

We'll send you a free statement but if you want to know the value at any other time, please call us on **0808 234 2200** (UK freephone) or **+353 1 476 5000** (if outside the UK).

## What happens to the Prudential International Investment Bond (Capital Redemption Option) if the Bondholder dies?

If a bond belongs to two or more people and one of them dies, ownership passes to the surviving owner. If a bond belongs to just one person and they die, ownership passes to their personal representatives and they become the owner. Please read your **Contract Conditions** for more information about this.

## What if the Prudential International Investment Bond (Capital Redemption Option) isn't right for me?

You have 30 days from when you first receive your plan documents to cancel. You also have 30 days to cancel any additional investments paid to the bond. If you decide to cancel an additional investment it won't affect any existing investment you have in place.

We'll send you a cancellation notice with your plan documents and if you decide to cancel, you can return the notice or write to us with your plan reference number at:

Operations Department  
Prudential International  
PO Box 13395  
Chelmsford  
CM99 2GH

If more than one person owns the plan, we'll accept cancellation by any of the owners, within the 30 day period, whether they're acting alone or jointly.

If you decide to cancel and you have invested in unit-linked funds, we'll give you your money back less any fall in value, withdrawals and any adviser charges taken, so you may not get back the full amount you paid in. If you've invested in our PAC With-Profits or Prufund Range of Funds, we'll return the money you invested in these funds less any withdrawals and adviser charges.

You can also cancel before you receive your plan documents by calling us or your adviser.

After 30 days your plan becomes binding and you can't cancel it. But if you decide it's not right for you later, you can cash it in. However you might not get all your money back if the value of your plan has fallen.

# Other information

## Client category

We classify you as a 'retail client' under Financial Conduct Authority (FCA) rules. This means you'll receive the highest level of protection for complaints and compensation and receive information in a straightforward way.

## Compensation (UK residents only)

Prudential International exceeds its capital requirements and is financially strong. However, in the unlikely event that Prudential International, the fund manager, Prudential in the UK or the custodian of fund assets should fail to meet their financial obligations, You may face financial loss.

Prudential International products will not be covered by a government-backed financial guarantee scheme, including the FSCS in the UK.

## Limit of our liability

Our liability under any fund that we make available under the bond cannot exceed the value of the assets held in that fund. This applies whether these fund holdings are actual assets, an interest in another fund (whether managed within the M&G plc Group of companies or by an external investment organisation) or an interest in a reinsurance policy that we have taken out to reinsure our liability under a fund.

In particular, for an externally-managed fund, our liability is limited to the amount we can claim from the relevant investment organisation. For example, if the investment organisation were to become insolvent, we could only pay the amount, if any, which we could collect under the insolvency in relation to the units allocated to the bond.

## Financial strength

Prudential meets regulatory standards for meeting its financial obligations. You can read our solvency and financial conditions reports at [pru.co.uk/about\\_us](https://www.pru.co.uk/about_us), or if you contact us we can post some information to you.

## Terms and Conditions

This Key Features Document gives a summary of your bond. Full details are set out in your **Contract Conditions** which is available on request using our contact information on the last page, and will also be sent to you when your bond starts.

## Conflict of interest

We want to make sure that we uphold our reputation for conducting business with integrity. If we become aware that our interests may conflict with yours we will take all reasonable steps to manage it in an appropriate manner.

We have drawn up a policy to deal with any conflicts of interest. If you would like to know the full details of our Conflict of Interest Policy, please contact our Customer Service Team on the details on the back page.

## Law

The law of England will apply to your contract.

## Our regulators

The address of the regulator in Ireland which authorises Prudential International is:

**Central Bank of Ireland**  
**New Wapping Street**  
**North Wall Quay**  
**Dublin**  
**D01 F7X3**

Prudential International is subject to limited regulation by the Financial Conduct Authority (FCA) for UK business. The address of the FCA is:

**The Financial Conduct Authority**  
**12 Endeavour Square**  
**London**  
**E20 1JN**

Details on the extent of our regulation by the FCA are available from us on request.

## Communicating with you

Our documents and terms and conditions, as well as all other communications, will be in English.

## How to make a complaint

If you have a complaint about your Prudential International Investment Bond (Capital Redemption Bond), please contact your Financial Adviser first, as they may be able to resolve it quickly for you.

Otherwise, send your complaint to:

**Customer Services Manager  
Operations Department  
Prudential International  
PO Box 13395  
Chelmsford  
CM99 2GH**

If you'd rather phone, you can call us on **0808 234 2200** (UK freephone) or **+353 1 476 5000** (if outside the UK).

We might record your call for training and quality purposes. To find out more about how we use your personal data please visit [pru.co.uk/mydata](https://pru.co.uk/mydata)

If you're not satisfied with our response, you can take your complaint to the Financial Services and Pensions Ombudsman in Ireland who help settle individual disputes between consumers and businesses providing financial services:

**Financial Services & Pensions Ombudsman  
Lincoln House  
Lincoln Place  
Dublin 2  
Ireland  
D02 VH29**

Telephone: **+353 1 567 7000**

Or visit the website: [fspo.ie](https://fspo.ie)

If you're resident in the UK, help is also available from The Financial Ombudsman (FOS). Their address is:

**The Financial Ombudsman  
Exchange Tower  
London  
E14 9SR**

Telephone: **0800 0234 567**

Website: [financial-ombudsman.org.uk](https://financial-ombudsman.org.uk)

If you are resident in Jersey you can contact the Channel Islands Financial Ombudsman (CIFO). The address is:

**Channel Islands Financial Ombudsman (CIFO)  
P O Box 114  
Jersey  
Channel Islands  
JE4 9QS**

Telephone: **+44 1534 748610**

Website address: [ci-fo.org](https://ci-fo.org)

These services are free and won't affect your legal rights.

# Get in touch

If you want to contact us you can do so in the following ways:



Write to: **Operations Department, Prudential International, PO Box 13395, Chelmsford CM99 2GH**



Phone: **0808 234 2200** (UK freephone) or **+353 1 476 5000** (if outside the UK)

Monday to Friday 9am – 5pm (we are not open on public holidays). We might record your call to make sure our service is up to standard. To find out how we use your personal data please visit [mandg.com/pru/prudential-international-hub/en-gb/privacy-fair-collection-notice](https://mandg.com/pru/prudential-international-hub/en-gb/privacy-fair-collection-notice)



If you are a deaf customer, who is also a British Sign Language (BSL) user, you can contact us using a Video Relay service. The service, provided by SignVideo, connects customers to fully qualified, registered NRCPD interpreters who will relay your conversation with a member of our customer service team.

[pru.co.uk/contact-us/signvideo](https://pru.co.uk/contact-us/signvideo)

There is no cost for using this service to call Prudential International and we're available to help you Monday to Friday, 9am – 5pm.



You'll also find more information at: [pru.co.uk/international](https://pru.co.uk/international)

## Keep in touch

It's important that we keep in touch, so if you change address or any of your contact details, please let us know.



[pru.co.uk/international](https://pru.co.uk/international)

The registered office of Prudential International is in Ireland at Fitzwilliam Court, Leeson Cl, Dublin 2, D02 YW24. 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.