Pru

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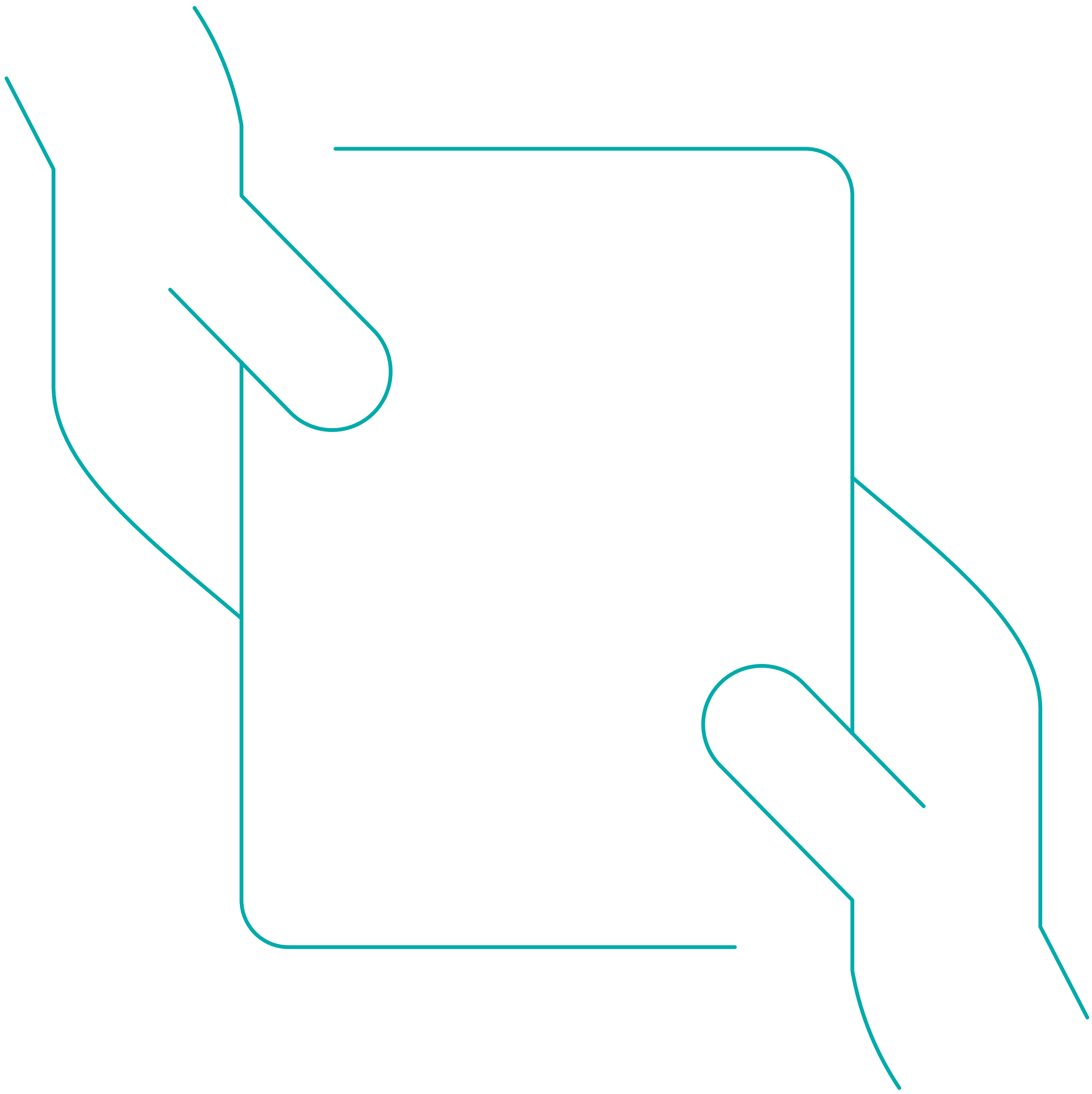
Key Features of the

Prudential Investment Plan



Please read this document along with your Key Information Documents and Investor Options Documents before you decide to buy this plan. It's important you understand how the Prudential Investment Plan works, the benefits and associated risks.

Contents

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.

It's important for you to decide whether this product is right for you and what funds to choose.

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 **pru.co.uk/pro-docs/PIP/** for the most up to date version.

About the Prudential Investment Plan

Our Prudential Investment Plan is a single premium investment bond that lets you invest your money in a tax-efficient way and provides access to a wide range of different funds. It also provides a small amount of life cover.

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 plan is designed to do

- To grow the value of your plan over the medium to long term, so 5 to 10 years or more.
- To allow you to take tax-efficient withdrawals.
- Provide a small amount of death benefit.
- To help reduce your Inheritance Tax liability if you choose to place your plan in trust.
- Provide an optional Return of Premium Death Benefit Option to guarantee that you receive the value of your original investment less any regular or partial withdrawals or any adviser charges.
- Gives you access to a wide range of investments to match your investment objectives and attitude to investment risk.

Your commitment

What we ask you to do

- To make an initial investment of at least £10,000 after any adviser set-up charges.
- To make any additional investments to your plan of at least £10,000 after any adviser set-up charges.
- Together with your financial adviser, choose funds to suit your needs and attitude to risk, and keep them under regular review to make sure they are still right for you.
- If you want it, choose Return of Premium Death Benefit Option when you start your plan and continue to pay for it throughout its term.
- Allow your plan to potentially grow for at least 5 to 10 years or more.

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.
- The level of risk and return is different depending on the funds you choose. Please refer to your **Fund Guide** for more information.
- There may be exceptional circumstances that delay the buying, switching and selling of units in any fund. Please read the section "Where are my payments invested?" for more information.
- For the PruFund range of funds, we 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 we have to suspend the smoothing process for one or more PruFund Funds for a period of consecutive days, to protect our With-Profits Fund. Please read **Your With – Profits Plan – a guide to how we manage the Fund (PruFund range of funds)** for more details on this.
- You can't add the Return of Premium Death Benefit Option after your plan has started, and if you stop it later you can't restart it.

Other documents

It is important that you read your Key Information Document and relevant Investment Option Document(s).

If you want more information, please also read the following documents. We have highlighted when they are relevant throughout this document.

They are all available from your adviser, on our website **pru.co.uk/investments/investment-products/prudential-investment-plan/** or direct from us. Our contact details are on the last page.

- **Policy Provisions**
  Gives you the full terms and conditions of the contract.
- **Fund Guide**
  This explains your investment choices.
- **Return of Premium Death Benefit Option**
  Gives information on the option to guarantee the return from the plan if you die.
- **Your With-Profits Plan – a guide to how we manage the Fund – PruFund range of funds**
  Provides information on how our With-Profits Fund works, and our current approach to managing it.

Questions & Answers

Is the Prudential Investment Plan right for me?

The Prudential Investment Plan is designed for you to invest in a tax-efficient way either on your own or jointly with someone else (including into Trust). It provides access to a wide range of investments.

To start a Prudential Investment Plan, you must be over 18 and a UK resident. You can be the life assured or you can choose to assure the life of someone else. The minimum age for any lives assured is 3 months and the maximum age at outset is 85 years (next birthday).

You need to understand and accept the risks of investing. You shouldn't invest in our plan if you can't invest for at least five years or don't feel you understand the risks associated with investing. Remember that the level of risk you take depends on the fund options you choose.

You might not want to invest in our plan if you expect to be a higher rate taxpayer, or close to the higher rate band, when you cash in your plan. You adviser will explain this to you, as it may result in a tax liability. There's more information on tax in the section 'What about tax?'.

If you are not sure whether the Prudential Investment Plan is right for you, please speak to your financial adviser.

How flexible is it?

You can choose where to invest your money, switch your investment or cash this plan in at any time.

This plan allows regular and partial withdrawals. Please refer to "How do I take money out of my plan?" for more information.

If you move abroad and are no longer a resident of the UK you can't make any further payments to this plan. Prudential is not able to accept new monies from customers who are not physically resident in the UK.

Return of Premium Death Benefit Option

When you take out your plan, you can choose the Return of Premium Death Benefit Option. This option guarantees that the minimum amount we'll pay out as life cover is the same as your payment(s), less any withdrawals and any adviser charges that have been taken. You can only choose this option when you first take out your plan and if you stop it later, you can't restart it.

There might be a charge for this option. For more information, please read our **Return of Premium Death Benefit Option** leaflet or the **Policy Provisions**. If you do not have these please speak to your adviser or contact us using the details in our "Get in touch" section.

How much can I pay into my plan?

You'll need to initially invest at least £10,000 (after adviser set-up charges are taken).

Any additional investments will also need to be at least £10,000 after adviser charges.

Generally the maximum we'll accept is £500,000 but if you do want to invest more than this, please speak to your adviser.

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 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 10 and we use your money to buy units in those funds.

There may be exceptional circumstances that delay the buying, switching and selling of units in any fund. We wouldn't expect these delays to be longer than six months for units that invest in property or land, and one month for units that invest in other asset types. However, we can't guarantee that delays will never be longer. If a delay will apply to you, we'll let you know.

Your financial adviser will give you details about the funds, before you choose where to invest. You can also refer to our **Fund Guide**.

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 funds listed in your **Fund Guide** 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 fund is investing in just one underlying fund then it's what's known as a 'mirror' fund, as the performance of the Prudential fund broadly aims to reflect the performance of the underlying fund it invests in. The performance of our Prudential 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).

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 extreme short-term ups and downs of direct investment. 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, we 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 we 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 With-Profits Plan – a guide to how we manage the Fund (PruFund range of funds)**.

Can I change my investments?

Yes, you can switch your money between funds at any time. We don't currently charge you for this but if this changes in the future we'll let you know.

PruFund funds

Any units we cancel as a result of switches, transfers or withdrawals from the PruFund Range of Funds may be subject to a delay of up to 28 days from the date of receipt of a request to cancel units. We'll use the unit price on the final day of the delayed period as the price of the units for these purposes.

You can only switch PruFund funds once a quarter – these start on 25 February, 25 May, 25 August and 25 November. If you do want to switch funds, please contact us using the details on the last page.

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

You can find details of our fund charges in each fund's Investment Option Document – these are available from your adviser or at **pru.co.uk/pro-docs/PIP**.

Annual Management Charge

For unit-linked funds, we deduct an Annual Management Charge from the funds and this charge is calculated and taken daily from your plan by cancelling units. 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 your **Fund Guide**.

We provide a discount on the Annual Management Charge depending on the value of your investment:

Fund value	Discount
Less than £24,999	0.30%
£25,000 – £49,999	0.35%
£50,000 – £99,999	0.40%
£100,000 – £249,999	0.45%
£250,000 – £499,999	0.475%
£500,000 – £999,999	0.50%
£1,000,000 – £1,749,999	0.525%
£1,750,000 – £2,999,999	0.55%
£3,000,000 +	0.575%

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 look at the **Fund Guide.**

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 Charge

You might ask us to take a Set-up Adviser Charge and pay it to your Adviser at the time you start your plan. We will take this charge from your initial payment and what's left is called your Premium. For example if you want to invest £20,000 but you agree a Set-up Adviser Charge of £1,000, your Premium will be £19,000.

You can also ask us to deduct a Set-Up Adviser Charge from any additional payments you make to your plan.

Any withdrawal limits and tax deferred withdrawal allowances will be based on the Premiums invested (i.e. your payments less any Set-up Adviser Charges.)

Ongoing Adviser Charges

You might ask us to deduct Ongoing Adviser Charges from your plan to pay for any ongoing advice as

- a percentage of the full value of your plan,
- a percentage of the total Premium, or
- a monetary amount.

It can't be a combination of these options.

You can ask for charges to be deducted either:

- monthly,
- quarterly,
- half-yearly, or
- yearly.

If your plan is written in trust, any request for Ongoing Adviser Charges must be made by all of the trustees together and not the settlor. If you've asked for Ongoing Adviser Charges as a percentage of the full value of your plan or as a percentage of the total Premium invested, the amount of Ongoing Adviser Charge will automatically increase if you pay any additional Premiums to your plan.

We'll pay these charges to your adviser and full details will be shown on your personal illustration. You can change or stop your Ongoing Adviser Charges at any time by writing to us using the details on the last page.

Ad-hoc Adviser Charges

You might ask us to deduct Ad-hoc Adviser Charges from your plan for any ad-hoc advice received. These can be given as either a percentage of the full value of your plan or you can choose the amount. We can deduct these charges from your plan and pay your financial adviser. At any time you can request an Ad-hoc Adviser Charge to be applied by writing to us.

Maximum Ongoing and Ad-hoc Adviser Charges

There are maximum limits applying to the amount of Adviser Charges we'll let you deduct from your plan – please speak to your adviser for further details.

Return of Premium Death Benefit option

If you chose this benefit when you started your plan, we might take a charge for it. We will check your fund value each month and only take this charge if the guaranteed minimum death benefit is more than the basic death benefit (100.1% of the fund value).

For more information about this option, please read the Return of **Premium Death Benefit Option Charge** leaflet. Your adviser can send you a copy or you can contact us using the details on the last page.

What might I get back?

There is a projection of how much you could get back in your personal illustration. What you actually get back will depend on many factors such as:

- the amount that has been paid into the plan
- how long the payments have been invested
- the performance of the fund(s) you have invested in
- the amount of charges you've paid
- any withdrawals you've taken

How do I take money out of my plan?

You can take partial withdrawals from your plan at any time. You can also take regular withdrawals, as long as each withdrawal is over £50.

If you're not withdrawing all of your investment in a particular fund, you must leave at least £500 invested.

Any withdrawal will reduce the value of your plan and it might end up being worth less than you've invested. This will mean you might not be able to continue to take withdrawals at the level you'd like or even at all.

Regular Withdrawals

You can take up to 5% of your initial investment and any additional investments as a tax-deferred withdrawal each year. Anything above this may be liable to immediate tax. There's more information on tax in the section 'What about tax?'.

For regular withdrawals, you can take:

- a fixed amount,
- a percentage of your total Premium (payment less Adviser Charges), or
- a percentage of the full value of your plan.

We can pay these to you:

- monthly,
- every three months,
- every four months,
- every six months, or
- annually.

Within a 12-month period, the maximum regular withdrawals cannot be over 7.5% of the full value of your plan, or 7.5% of the total amount you've paid in – whichever is greater.

Any ongoing adviser charges paid from the plan will count towards both these limits, so if, for example, you've agreed an ongoing charge of 0.5% each year of the plan's value, you can only take 7% of the plan as a regular withdrawal each year.

The Distribution Income funds which invest in assets are designed to pay dividends, income or interest (called natural income). You can withdraw all of the natural income available, or cap the amount you take each year up to 5% of your initial investment, and any additional investments.

If you have capped the natural income you take, any excess will be re-invested to buy further units in your Distribution Income Funds subject to a £20 minimum. Please note: this option is not available if you pay ongoing adviser charges from your plan. Your **Policy Provisions** have further details of how withdrawals work.

Partial withdrawals

You can make partial withdrawals at any time.

We might pay your partial withdrawal 28 days after we receive the forms we require, using the unit price on the 28th day. This is in addition to any other restrictions outlined in the section "Where are my payments invested?". Please read the **Policy Provisions** booklet for more information.

Any withdrawals you take will reduce the value of your plan and might affect the level of regular withdrawals you can take.

Cashing in your plan

You can cash in your plan whenever you like. However, please remember that it is designed to be kept for 5 to 10 years. Again, as stated above we might pay out 28 days after we receive your request and the forms we require, using the unit price on the 28th day. This is in addition to any other restrictions explained in the section "Where are my payments invested?"

The unit price will change between the date of your request and when the payment is made to you, so the actual value you receive might be higher or lower than the value at the time you asked to cash in your plan.

For more information about cashing in your plan, please read the **Policy Provisions**.

What about tax?

Your plan is set up as 20 identical policies. This enables you to cash in or transfer the ownership of each policy separately, which can help you withdraw money in a tax-efficient way.

Income Tax

You can currently withdraw up to 5% each year of the total money paid in to the plan, without paying any immediate income tax. You can do this for 20 years or until you've withdrawn an amount equal to the amount you originally invested.

Any ongoing or one off adviser charges are included within this allowance and the 5% tax-deferred allowance rolls over to the following years if you don't use it.

However, you might have to pay income tax when:

- Your plan ends on death of the life assured, or the last life assured if more than one person is covered
- You cash in all, or part, of your plan
- You withdraw more than the 5% a year tax-deferred allowance
- You transfer ownership of the plan

Taking money out of your plan could mean you lose some or all of your entitlement to personal allowances and certain tax credits.

Inheritance Tax

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

Capital Gains Tax

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

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** or the HMRC website at **hmrc.gov.uk**.

How will I know how my Prudential Investment Plan is doing?

We'll send you an annual statement which shows how your plan is doing.

You can also register for an online account at **pru.co.uk/existing-customers/**

What happens to the Prudential Investment Plan if the person covered dies?

Your plan will end when the life assured dies, or in the case of a joint life plan, when both lives assured have died.

The plan will pay out 100.1% of the fund value or the guaranteed Return of Premium Death Benefit Option, if selected, whichever is the greater. If the plan is written in trust, we'll pay the proceeds to the trustees. If it isn't, we'll pay it to the estate.

If the owner dies but they are not the life assured, the plan will not end and ownership of the plan will pass to the owner's estate, unless the plan was owned jointly; in which case it will pass to the surviving owner.

What if the Prudential Investment Plan 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. If you decide to cancel any additional investments 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:

Prudential
Investment Plans New Business
Lancing
BN15 8GB

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, we'll give you your money back less any fall in value and less any adviser charges we've already taken, so you may not get back the full amount you paid in.

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

The products Prudential Assurance Company Limited (PACL) offer are covered by the Financial Services Compensation Scheme (FSCS). If we get into financial difficulties, you may be able to make a claim. The FSCS is an independent body set up by Government to provide compensation for people where their authorised financial services provider gets into financial difficulties and becomes unable, or unlikely to be able, to pay claims against it. This circumstance is referred to as being 'in default'.

Losses, which may result from poor investment performance, are not covered by the FSCS.

Where does FSCS protection apply?

There is full FSCS coverage if PACL is 'in default'.

- Your bond is protected up to 100% of the value of your claim.
- Any funds you choose to hold in your bond will be included in the value of your claim in the event that PACL is declared 'in default'.
- If you hold the Prudential With-Profits funds or PruFund funds in your bond, they are protected 100% in the event of the default of PACL

All the other funds we offer, apart from those mentioned above, are unit-linked, and invest in other funds managed by non-PACL fund managers. FSCS cover does not apply if the non-PACL fund manager were to be 'in default'.

- There is no FSCS cover for unit-linked funds investing with non-PACL fund managers if that manager were to be 'in default'.
- See 'How unit-linked funds invest' for further information on these types of fund (often called 'mirror' funds).

You can find out more information on the FSCS at **pru.co.uk/fscs**, or you can call us.

Information is also available from the Financial Services Compensation Scheme.

Visit their website: **fscs.org.uk**

Or write to:
**The Financial Services Compensation Scheme,
PO Box 300,
Mitcheldean
GL17 1DY**

Or call the FSCS: **Telephone: 0800 678 1100**

Where FSCS coverage does not apply, then other factors can come in

As explained in the 'Where does FSCS protection apply?' section, the FSCS doesn't cover every situation. For example unit-linked funds that invest in the funds of non-PACL fund managers (often called 'mirror' funds).

But, where FSCS protection does not apply, there are other factors that could help if the worst happened and a provider was 'in default'. For example, the use of custodians or depositories to provide protection for fund assets, where there is separate legal ownership of assets and legal entities that aren't liable for any losses of a fund manager. In so doing, the intention is that the underlying fund will not be liable for any losses the underlying fund management company incurs.

PACL would aim to recover any money invested in an underlying fund where the fund manager has been declared 'in default', but PACL would not be liable for any loss incurred from the default of the non-PACL fund manager.

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**, or if you contact us using our details on the last page we can post some information to you.

Terms and Conditions

This Key Features Document gives a summary of your plan. Full details are set out in our **Policy Provisions** which is available on request using the contact details on the last page. We will also send it to you when your plan 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, please contact us using our details on the last page.

Law

The law of England and Wales applies to your Prudential Investment Plan.

Our regulators

We are authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority. Prudential Assurance Company Limited is entered on the Financial Conduct Authority (FCA) Register, FCA Reference Number 139793. The FCA Register is a public record of all the organisations that the FCA regulates.

You can contact the FCA at:

The Financial Conduct Authority
12 Endeavour Square
London
E20 1JN

Email: **consumer.queries@fca.org.uk**

Prudential Regulation Authority details:

The Prudential Regulation Authority
Bank of England
Threadneedle St
London
EC2R 8AH

Email: **enquiries@bankofengland.co.uk**

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, please get in touch with us and we will do everything we can to resolve it. You can also ask us for details of our complaints handling process. Our contact details are in the 'Get in touch' section at the back of this document.

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

Financial Ombudsman Service
Exchange Tower
London
E14 9SR

Telephone: 0800 023 4567 or 0300 123 9123.

Or visit the website: financial-ombudsman.org.uk

Using this service won't affect your legal rights.

Get in touch

If you want to contact us before you buy this plan, you can contact us in the following ways:

Write to: **Prudential Lancing BN15 8GB UK**

Online including secure messages: register for online services at **pru.co.uk**

Phone: **0345 640 3000** Monday to Friday 8am to 6pm (we are not open on public holidays).
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.**

If you're 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

There is no cost for using this service to call Prudential and we're available to help you Monday to Friday, 8am to 6pm.

Keep in touch

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

pru.co.uk

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