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IPB158405 / 09/2017 – Suitability report paragraphs for International Prudence Bond

We appreciate that you'll have carefully considered their personal and financial circumstances, financial needs, priorities and risk profile when giving your clients a personal recommendation.

These paragraphs are designed to help you prepare your suitability report for your client. They're not intended to form the full content of the suitability report. It is your responsibility to ensure that the report includes your clients' demands and needs, why you consider the product is suitable on the basis of the information that they have provided to you and makes clear any disadvantages that the product has.

Please note that if you use these paragraphs, or similar text for any reason, you are responsible for ensuring that they are compliant. Whilst every care has been taken to ensure the accuracy of the following information, Prudential can accept no liability if you decide to use it.

The International Prudence Bond is a single premium investment bond which is potentially suitable for UK expatriates who have accumulated funds and are looking to invest over the medium to long term in a tax-efficient environment.

The International Prudence Bond (IPB)

Tax-efficiency	<p><i>Why invest offshore</i></p> <p>1. Prudential International is based in Dublin, Ireland. As a result the customer's money will roll up free of tax other than withholding tax (which applies to the dividend income on some assets held in the funds). This can give them a potentially higher return than investing in similar UK-based funds.</p> <p><i>Full Terms and Conditions of the International Prudence Bond are available on request.</i></p> <p><i>The above is based on our understanding of current taxation, legislation and Revenue practice, all of which are liable to change without notice. The impact of taxation (and any tax reliefs) depends on individual circumstances.</i></p>
Key Benefits	<p><i>Why IPB</i></p> <p>2. The customer can buy funds in euro, sterling or US dollars, which could be useful if they decide to move abroad in future. There's an Annual Growth Reward – which enhances the growth potential of their investment by adding an extra 0.1% of their bond value at the end of each year where no regular or partial withdrawals have been made. There's a minimum allocation rate of 100%, so all of their money goes directly into their investment. In addition, if they invest more than £75,000, €100,000 or \$125,000 dollars, Prudential International will add 0.5% of the bond value and if they invest over £150,000, €200,000 or \$250,000 they'll add an extra 1.5% of the bond value. The minimum start-up investment is £20,000, €25,000 or \$35,000. The minimum top-up is £15,000, €20,000 or \$25,000. There is a death benefit of 101% of the full value of the units relating to the investment if the relevant person was 75 or under at the time the investment was made. The death benefit is 100.1% of the cash-in value of the bond if the relevant person was 76 or over when the investment was made. Here "relevant person" refers to the oldest person covered if the life cover is payable when the first person dies or the youngest person covered if the life cover is payable when the last person dies.</p>

Dynamic Portfolios	<p><i>Full Terms and Conditions of the International Prudence Bond are available on request.</i></p> <p><i>The above is based on our understanding of current taxation, legislation and Revenue practice, all of which are liable to change without notice. The impact of taxation (and any tax reliefs) depends on individual circumstances.</i></p> <p><i>Fund choice</i> Dynamic Portfolio Funds</p> <p>3. The customer has chosen to invest in a Dynamic Portfolio. This is a "fund of funds", which means that it invests in a collection of funds that are themselves run by some of the foremost investment managers in the country. The Dynamic Portfolios combine the expertise of Prudential's Portfolio Management Group, which has considerable experience of asset allocation, and Morningstar, a company which is a leading investment fund researcher.</p> <p><i>The value of an investment can go down as well as up and is therefore not guaranteed. Your customer could get back less than they have invested.</i></p> <p><i>Full Terms and Conditions of the International Prudence Bond are available on request.</i></p> <p>4. The customer has chosen to invest in the PIA Dynamic 0-30 Portfolio. This Portfolio aims to achieve long-term total return (the combination of income and growth of capital). It is an actively managed portfolio investing mainly in collective investment schemes in order to provide a well-diversified exposure to global fixed income and variable rate assets, cash, deposits, warrants, money market investments, equities and/or immovable property. Typically the portfolio will have a high exposure to lower risk assets such as fixed income assets, cash, deposits, warrants and money market investments with no more than 30% of the portfolio being invested in schemes whose predominant exposure is to equities.</p> <p><i>The value of an investment can go down as well as up and is therefore not guaranteed. Your customer could get back less than they have invested.</i></p> <p><i>Full Terms and Conditions of the International Prudence Bond are available on request.</i></p> <p>5. The customer has chosen to invest in the PIA Dynamic 10-40 Portfolio. This Portfolio aims to achieve long-term total return (the combination of income and growth of capital). It is an actively managed portfolio investing mainly in collective investment schemes in order to provide a well-diversified exposure to global fixed income and variable rate assets, cash, deposits, warrants, money market investments, equities and/or immovable property. Typically the portfolio will have a bias towards lower risk assets such as fixed income assets, cash, deposits, warrants and money market investments but will always have some exposure to equities, with between 10% and 40% of the portfolio being invested in schemes whose predominant exposure is to equities.</p> <p><i>The value of an investment can go down as well as up and is therefore not guaranteed. Your customer could get back less than they have invested.</i></p> <p><i>Full Terms and Conditions of the International Prudence Bond are available on request.</i></p> <p>6. The customer has chosen to invest in the PIA Dynamic 20-55 Portfolio. This portfolio aims to achieve long-term total return (the combination of income and growth of capital). It is an actively managed portfolio investing mainly in collective investment schemes in order to provide a well-diversified exposure to global fixed income and variable rate assets, cash, deposits, warrants, money market investments, equities and</p>
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Dynamic Focused Portfolio Funds	<p>/or immovable property. From time to time, however, the portfolio may have a high exposure to equities and/or fixed income assets, with between 20% and 55% of the portfolio being invested in schemes whose predominant exposure is to equities.</p> <p><i>The value of an investment can go down as well as up and is therefore not guaranteed. Your customer could get back less than they have invested.</i></p> <p><i>Full Terms and Conditions of the International Prudence Bond are available on request.</i></p> <p>7. The customer has chosen to invest in the PIA Dynamic 40-80 Portfolio. This portfolio aims to achieve long-term total return (the combination of income and growth of capital). It is an actively managed portfolio investing mainly in collective investment schemes in order to provide a well-diversified exposure to global equities, fixed income and variable rate assets, immovable property and/or cash, deposits, warrants and money market investments. Typically the portfolio will have a bias towards assets providing potential for growth, such as equities, with between 40% and 80% of the portfolio being invested in schemes whose predominant exposure is to equities.</p> <p><i>The value of an investment can go down as well as up and is therefore not guaranteed. Your customer could get back less than they have invested.</i></p> <p><i>Full Terms and Conditions of the International Prudence Bond are available on request.</i></p> <p>8. The customer has chosen to invest in the PIA Dynamic 60 -100 Portfolio. This portfolio aims to achieve long-term total return (the combination of income and growth of capital). It is an actively managed portfolio investing in collective investment schemes in order to provide a well-diversified exposure to global equities, fixed interest and variable rate assets, immovable property and/or cash, deposits, warrants and money market investments. Typically the portfolio will have a high exposure to assets providing potential for growth, such as equities, with between 60% and 100% of the portfolio being invested in schemes whose predominant exposure is to equities.</p> <p><i>The value of an investment can go down as well as up and is therefore not guaranteed. Your customer could get back less than they have invested.</i></p> <p><i>Full Terms and Conditions of the International Prudence Bond are available on request.</i></p> <p>Dynamic Focused Portfolio Funds</p> <p>9. The customer has chosen to invest in a Dynamic Focused Portfolio . These multi asset funds are managed by Prudential Portfolio Management Group Ltd (PPMG). When managing these portfolios PPMG work within M&G Investment Management Limited, part of the Prudential Group. They provide exposure to many different investment areas, such as UK and international equities, property, fixed interest, alternative assets and cash. They target different levels of risk and potential return.</p> <p><i>The value of an investment can go down as well as up and is therefore not guaranteed. Your customer could get back less than they have invested.</i></p> <p><i>Full Terms and Conditions of the International Prudence Bond are available on request.</i></p> <p>10. The customer has chosen to invest in the PIA Dynamic Focused 0-30 Portfolio. The fund aims to achieve a long-term total return (the combination of income and growth of capital) by investing mainly in collective investment schemes. The fund may invest globally either directly or via collective investment schemes into various assets including transferable securities, debt instruments, money market instruments, cash, near cash,</p>
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	<p>deposits, equities, and indirectly in property. The fund will invest no more than 30% of the portfolio in equities.</p> <p><i>The value of an investment can go down as well as up and is therefore not guaranteed. Your customer could get back less than they have invested.</i></p> <p><i>Full Terms and Conditions of the International Prudence Bond are available on request.</i></p> <p>11. The customer has chosen to invest in the PIA Dynamic Focused 20-55 Portfolio. The fund aims to deliver long – term total return (the combination of income and growth of capital) by investing mainly in collective investment schemes. The fund may invest globally either directly or via collective investment schemes into various assets including transferable securities, debt instruments, money market instruments, cash, near cash, deposits, equities, and indirectly in property. The fund will invest between 20% and 55% of the portfolio in equities.</p> <p><i>The value of an investment can go down as well as up and is therefore not guaranteed. Your customer could get back less than they have invested.</i></p> <p><i>Full Terms and Conditions of the International Prudence Bond are available on request.</i></p> <p>12. PruFund funds aim to grow the customer's money while giving them a smoothed investment experience.</p> <p>The PruFund range of funds all invest in Prudential's With-Profits Fund, which is one of the largest with-profits funds in the UK. However, there are differences across the range of PruFund funds in their objectives and mix of assets, and how PruFund delivers returns to investors when compared to other With-Profits business, which means the returns received by investors will vary by fund choice.</p> <p>Please refer to "Your With-Profits Plan – a guide to how we manage the fund (PruFund range of funds)" reference IPBB10049 for more information.</p> <p>As a with-profits investment, PruFund funds are designed to spread risk by investing in a range of different asset types.</p> <p>The PruFund funds have an established smoothing process which aims to provide you with some protection from the extreme short terms ups and downs of the markets.</p> <p>Prudential set Expected Growth Rates (EGR); these are the annualised rates your investment would normally grow at. The EGRs reflect our view of how we think each PruFund fund will perform over the long term (up to 15 years). Each PruFund funds has its own EGR and investments in to a PruFund will normally grow daily by the relevant EGR. EGRs are reviewed every 3 months, when they could rise or fall.</p> <p>Although we use a long term view of performance set EGRs, we also have to take into account shorter term performance. On a daily basis, if the shorter term performance differs to much from our current EGR, we would have to amend the value of your fund up or down to ensure we are not returning to much or too little. We call these Unit Price Adjustments.</p> <p>In certain circumstances we might need to suspend the smoothing process for one or more of the PruFund funds.</p> <p>For the range of PruFund funds what the customer receives will depend on the value of underlying investments, the Expected Growth Rates as set by Prudential Directors, our</p>
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	<p>charges, the smoothing process, if there is a guarantee and when you take your money out.</p> <p><i>The value of an investment can go down as well as up and is therefore not guaranteed. Your customer could get back less than they have invested.</i></p> <p><i>Full Terms and Conditions of the International Prudence Bond are available on request.</i></p> <p>13. The customer has chosen to invest in the PruFund Growth (Sterling) Fund which aims to maximise growth over the medium to long term by investing in shares, property, fixed interest and other investments. The fund currently invests in UK and international equities, property, fixed interest securities, index-linked securities and other specialist investments.</p> <p><i>The value of an investment can go down as well as up and is therefore not guaranteed. Your customer could get back less than they have invested.</i></p> <p><i>Full Terms and Conditions of the International Prudence Bond are available on request.</i></p> <p>14. The customer has chosen to invest in the PruFund Growth (Euro) Fund which aims to maximise growth over the medium to long term by investing in shares, property, fixed interest and other investments. The fund currently invests in European and international equities, property, fixed interest securities, index-linked securities and other specialist investments.</p> <p><i>The value of an investment can go down as well as up and is therefore not guaranteed. Your customer could get back less than they have invested.</i></p> <p><i>Full Terms and Conditions of the International Prudence Bond are available on request.</i></p> <p>15. The customer has chosen to invest in the PruFund Growth (Dollar) Fund which aims to maximise growth over the medium to long term by investing in shares, property, fixed interest and other investments. The fund currently invests in US and international equities, property, fixed interest securities, index-linked securities and other specialist investments.</p> <p><i>The value of an investment can go down as well as up and is therefore not guaranteed. Your customer could get back less than they have invested.</i></p> <p><i>Full Terms and Conditions of the International Prudence Bond are available on request.</i></p> <p>16. The customer has chosen to invest in the PruFund Cautious (Sterling) Fund which aims for steady and consistent growth through a cautious approach to investing. The fund currently invests around 70% in a well-diversified portfolio of fixed interest securities and holdings of cash and money market instruments. The balance is invested in UK and international shares, property and alternative assets.</p> <p><i>The value of an investment can go down as well as up and is therefore not guaranteed. Your customer could get back less than they have invested.</i></p> <p><i>Full Terms and Conditions of the International Prudence Bond are available on request.</i></p> <p>17. The customer has chosen to invest in the PruFund Cautious (Euro) Fund which aims for steady and consistent growth through a cautious approach to investing. The fund currently invests around 70% in a well-diversified portfolio of fixed interest securities and holdings of cash and money market instruments. The balance is invested</p>
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	<p>in European and international shares, property and alternative assets.</p> <p><i>The value of an investment can go down as well as up and is therefore not guaranteed. Your customer could get back less than they have invested.</i></p> <p><i>Full Terms and Conditions of the International Prudence Bond are available on request.</i></p> <p>18. The customer has chosen to invest in the PruFund Cautious (Dollar) Fund which aims for steady and consistent growth through a cautious approach to investing. The fund currently invests around 70% in a well-diversified portfolio of fixed interest securities and holdings of cash and money market instruments. The balance is invested in US and international shares, property and alternative assets.</p> <p><i>The value of an investment can go down as well as up and is therefore not guaranteed. Your customer could get back less than they have invested.</i></p> <p><i>Full Terms and Conditions of the International Prudence Bond are available on request.</i></p> <p>19. The customer has chosen to invest in the PruFund Protected Cautious (Sterling) Fund which aims for steady and consistent growth through a cautious approach to investing. The fund currently invests around 70% in a well-diversified portfolio of fixed interest securities, cash and money market instruments with the remaining 30% invested in equities and property. The customer will automatically have a guarantee on any money invested in this fund. The guarantee date is the plan anniversary at the end of the term they have selected. The guarantee will only apply at the end of the term selected.</p> <p><i>The value of an investment can go down as well as up and is therefore not guaranteed. Your customer could get back less than they have invested.</i></p> <p><i>Full Terms and Conditions of the International Prudence Bond are available on request.</i></p> <p>20. The customer has chosen to invest in the PruFund Protected Cautious (Euro) Fund which aims for steady and consistent growth through a cautious approach to investing. The fund currently invests around 70% in a well-diversified portfolio of fixed interest securities, cash and money market instruments with the remaining 30% invested in equities and property. The customer will automatically have a guarantee on any money invested in this fund. The guarantee date is the plan anniversary at the end of the term they have selected. The guarantee will only apply at the end of the term selected.</p> <p><i>The value of an investment can go down as well as up and is therefore not guaranteed. Your customer could get back less than they have invested.</i></p> <p><i>Full Terms and Conditions of the International Prudence Bond are available on request.</i></p> <p>21. The customer has chosen to invest in the PruFund Protected Cautious (Dollar) Fund which aims for steady and consistent growth through a cautious approach to investing. The fund currently invests around 70% in a well-diversified portfolio of fixed interest securities, cash and money market instruments with the remaining 30% invested in equities and property. The customer will automatically have a guarantee on any money invested in this fund. The guarantee date is the plan anniversary at the end of the term you have selected. The guarantee will only apply at the end of the term selected. The PruFund Range of Funds are invested in the defined charge participating sub-fund (DCPSF) of the With-Profits Fund of the Prudential Assurance Company Limited (PAC), one of the largest with-profits funds in the UK. This means they have the reassurance of knowing that the full strength and resource of Prudential underlies these funds.</p>
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Strength and experience	<p><i>The value of an investment can go down as well as up and is therefore not guaranteed. Your customer could get back less than they have invested.</i></p> <p><i>Full Terms and Conditions of the International Prudence Bond are available on request.</i></p> <p><i>Why Prudential International</i></p> <p>22. As part of the Prudential Group, Prudential International are a strong and financially secure organisation with a well-respected name. The Prudential Group has more than 24 million customers worldwide*. Prudential International has been built on a heritage dating back to 1994.</p> <p>* April 2017</p>
Expertise	<p><i>Full Terms and Conditions of the International Prudence Bond are available on request.</i></p> <p>23. Prudential International's track record in the multi-asset fund area is well recognised. They have a concrete understanding of the international market and have dedicated teams of specialists. The Prudential Group has been helping people plan for their future for 169 years. Its size and experience puts it in a strong position to invest customers' money wisely for the medium to long term (5-10 years or more).</p>