



Key Features of the International Prudence Bond (Capital Redemption Option – top-up payments)

Please read this document along with your personal illustration (if you have one) before you decide to top-up this plan. It's important you understand how the International Prudence Bond works, the benefits and associated risks.

Welcome

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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.

The Financial Conduct Authority is a financial services regulator. It requires us, Prudential International to give you this important information to help you decide whether our International Prudence Bond - Capital Redemption Option (top-up payments) is right for you. You should read this document carefully so that you understand what you are buying, then keep it safe for future reference.

About the International Prudence Bond

The International Prudence Bond is an investment bond which enables you to invest in a range of investments with the potential for growth. It allows you to take tax-efficient withdrawals, while providing an element of life cover.

Important Information

Access to the Prudential PAC Sterling, PAC Euro and PAC US Dollar With-Profits Funds is no longer available to new customers investing in International Prudence Bond (IPB) on or after 11/09/2017.

However, if you are an existing customer pre 11/09/2017, you will still be able to top up or switch into the Prudential With-Profits PAC Sterling, PAC Euro and PAC US Dollar Funds.

Reference to With-Profits within this document is only applicable to policyholders pre 11/09/17.

Its aims

What this plan is designed to do

The International Prudence Bond (Capital Redemption Option) allows access to a range of unit-linked investment funds with the aim to give you potential capital growth increasing the value of the money you invest over the medium to long term. It also offers option of taking regular or one off withdrawals.

Your commitment

What we ask you to do

You can top up your bond while it is in force with at least £15,000, €22,500 or US\$22,500. Top-ups within the last 80 years of the term are at our discretion.

- The maximum term of the bond is 99 years. Subject to that, you can invest for as long as you like, although it is designed to be held over a medium to long-term period. If you decide to cash it in, wholly or partly, an Early Cash-in Charge will apply in the first five years following any investment into the bond.

Risks

What you need to be aware of

- The value of your plan can go down as well as up and may even fall below the amount you invested. What you get back is not guaranteed.
- If the total charges taken from your bond are more than any overall growth achieved, your bond will fall in value, possibly to even less than you have invested.
- If you cancel your top-up investment within 30 days you may get back less money than you paid in. We explain in the section "What if I want to cancel my top-up?".
- Each of the investment funds available for the International Prudence Bond has its own specific risks, which will influence how it performs and will therefore affect the value of your bond. You should make sure you understand the choices you make and the risks involved. Your Financial Adviser can give you more information.
- In exceptional circumstances, a transaction (such as a full or partial cash-in) may be delayed which may mean you face a delay in gaining access to your money. You can find more information in the **Contract Conditions**.
- Inflation will reduce what you could buy in the future.
- Tax rules could change.
- Fluctuations in exchange rates could affect the value of your investment or withdrawals.

Other documents you should consider reading

This document gives you key information about the International Prudence Bond - Capital Redemption Option (top-up payments). If you want more detail on specific points, please read the following documents. We have highlighted when they are relevant throughout this document.

They are available from your adviser, or direct from us. Our contact details are on the last page.

- **Contract Conditions**
Gives you the full terms and conditions of the contract.
- **Statement of Charges**
Gives details on charges applicable to your plan.
- **Fund Guide**
This explains your investment choices..

Questions & Answers

Where can I invest my money?

You and your adviser can choose which funds you would like from a specified range. You can invest in up to ten funds at any one time.

There are three types of fund available:

- the PAC (Prudential Assurance Company) With-Profits Range of Funds – you can find specific information on these in **"Your guide to investing in With-Profits"**;
- 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.

For more information about all the funds you can choose from, please read our **"Funds guide: Your Prudential International Investment Bond and International Prudence Bond funds guide"**.

There are limits on how much you can invest across the PAC With-Profits Range of Funds and the PruFund Range of Funds. This limit includes any top-up investments into these 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.

You are unable to top-up a PruFund Protected Fund.

Unit pricing basis

When you invest in one of our funds, your money buys units in that fund. The price of these units is primarily determined by the value of the assets held in the fund, but also depends on whether, overall, more money is going into the fund or coming out of it.

If there is a net inflow of money, the fund will be buying assets. This means that the unit price will be influenced by the purchase price of the underlying assets in the fund. Conversely, if there is a net outflow, it will be influenced by the sale price of the underlying assets, which is lower than the purchase price.

Over time, as the flows of money change, the unit price will fluctuate between a purchase price basis and a selling price basis. At times, there may be a sharp movement between the two, meaning the unit price could rise or fall significantly. This will affect the price you pay to buy units when you invest in a fund or the value you receive from selling, if you are switching out of a fund or cashing in your bond.

The difference between purchase and selling prices is generally largest for funds investing in property, smaller companies and developing markets. You can find more information in the **Contract Conditions** for the bond.

Can I switch money between funds?

Yes. However, you can't invest in more than ten 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. The charge is shown in the section "What are the charges?".

For most funds, you can switch money whenever you like. However, the PAC With-Profits Range of Funds and the PruFund Range of Funds have some restrictions.

PAC With-Profits Range of Funds

If you switch money out of PAC With-Profits Range of Funds, we may apply a Market Value Reduction (MVR). For more information on MVRs, please read **"Your guide to investing in With-Profits"**.

You cannot switch between PAC With-Profits Range of Funds.

The PruFund Range of Funds

There are restrictions on when you can move money into, out of or between the PruFund Range of Funds. Also, 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. For more information on switching terms, please read **"Your guide to investing in the PruFund Range of Funds"**.

Can I withdraw money from my bond?

You can make one-off and regular withdrawals from your bond. The minimum amount of any withdrawal is £75, €112.50 or US\$112.50.

If you ask us to pay you in any way other than by cheque, we may charge you for any costs incurred.

One-off withdrawals

You can make one-off withdrawals at any time.

If you make a one-off withdrawal within the first five years of your bond, or within five years of a top-up, we will apply an Early Cash-in Charge. For more information, please read the section "What are the charges?".

Regular withdrawals

We can pay regular withdrawals to you at these intervals:

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

You can take:

- a fixed amount – which needs to be at least the minimum listed on page 5,
- a percentage of the total amount you have invested in your bond, or
- a percentage of the full value of your bond.

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.

Regular withdrawals are taken evenly across all the policies in your bond. For one-off withdrawals, you can alternatively choose to cash in individual policies.

Withdrawals and top-ups

If you've topped up your bond and you make a withdrawal, we take your withdrawal from each investment proportionately.

PAC With-Profits Range of Funds

If you withdraw money from the PAC With-Profits Range of Funds, we may apply a Market Value Reduction (MVR). For more information on MVRs, please read "[Your guide to investing in With-Profits](#)".

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 take money out of the fund, your Guaranteed Minimum Fund will be reduced proportionately. For more information, please read "[Your guide to investing in the PruFund Range of Funds](#)".

How much will I get when I cash in my bond?

The amount will depend on:

- how much you've invested,
- how long you've invested for,
- any withdrawals you've made,
- how your investments have performed,
- whether we've added any Annual Growth Reward,
- the charges that have been taken from your investment.

Your personal illustration shows how much you could get, based on example growth rates and your chosen investment.

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 and,
- 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 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 Growth Reward

Starting at the end of year 6, an Annual Growth Reward of 0.2% of the value of your bond will be added each year that you make no withdrawals.

PAC With-Profits Range of Funds

If you've invested in any of the funds within 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. For more information, please read **"Your guide to investing in With-Profits"**.

The PruFund Range of Funds

The PruFund Protected Funds include a guarantee on the fifth anniversary of the bond, which may affect the amount you get back. For more information, please read **"Your guide to investing in the PruFund Range of Funds"**.

Do I pay tax on my bond?

This will depend on your individual circumstances and country of residence for tax purposes, so for specific advice you should speak to your Financial Adviser.

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 speak to your Financial Adviser.

What are the charges?

We charge you for setting up, managing and administering your bond.

Establishment Charge	For each top-up investment you make into the bond, we will take an Establishment Charge for the first five years following the investment. In each case, this is 0.3% taken quarterly in advance and based on the value of the relevant investment at the time we take each charge.										
Fund charges	All of the funds have an Annual Management Charge and some have an additional expense. These are set out in "Funds Guide: Your International Prudence Bond Funds Guide" .										
Capital Redemption Charge	For top-ups to contracts where the original contract was issued on or after the 22 May 2015 we may take a Capital Redemption Charge of 0.50% a year for capital redemption bonds. This is deducted quarterly in arrears via cancellation of units.										
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. We currently (for 2017) charge £15.58, €23.37 or US \$23.37 for each switch.										
Early Cash-in Charge	<div>If you cash in all or part of your bond within five years of making a top-up we will deduct an Early Cash-in Charge as follows.</div> <table><tr><td>1st year</td><td>10%</td></tr><tr><td>2nd year</td><td>8%</td></tr><tr><td>3rd year</td><td>6%</td></tr><tr><td>4th year</td><td>4%</td></tr><tr><td>5th year</td><td>2%</td></tr></table> <div>The percentage is based on the current value of the relevant investment.</div>	1st year	10%	2nd year	8%	3rd year	6%	4th year	4%	5th year	2%
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5th year	2%										

In addition to our Product Charges, there may be some additional costs which may impact the overall performance of the fund. These costs include trading, dealing costs and property expenses. More information about these may be found in the **Fund Guide**.

Our charges may change in future and may be higher than they are now. Further information can be found in the Contract Conditions. All monetary charges may increase annually in line with the Irish Consumer Price Index and movements in relevant exchange rates.

Your personal illustration will show how charges affect your bond, based on example growth rates and your chosen investment, and also shows details of how much we will pay your Financial Adviser.

How will I know how my bond is doing?

We'll send you an annual statement. If you want to know the value of your bond at another time, please call us on **+353 1 476 5000**.

What if I want to cancel my top-up?

You can cancel your top-up within 30 days of receiving your documents. These include a Cancellation Notice.

To cancel your top-up, please complete and return the Cancellation Notice, or write to us at:

**Operations Department
Prudential International
Montague House
Adelaide Road
Dublin 2
Ireland**

Please include your bond reference number.

If more than one person owns the International Prudence Bond (Capital Redemption Option), we will accept cancellation within 30 days by either of the owners, whether they're acting alone or jointly.

If you decide to cancel and you've invested in our PAC With-Profits Range of Funds or PruFund Range of Funds, you'll get back all the money you invested in those funds. If you've invested in any of our other funds, you may not get all your money back if any of the funds have fallen in value. In that case, we will refund the amount of your payment adjusted for the fall in the unit prices of those funds. This means that you may get back less than you invested.

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.

Financial Services Compensation Scheme (FSCS)

Prudential International Assurance (PIA) is authorised by the Central Bank of Ireland and is subject to limited regulation by the Financial Conduct Authority for UK Business.

PIA customers may be eligible to claim under the FSCS if PIA is unable to meet its financial obligations. 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 widely referred to as being 'in default'.

For eligible policyholders (e.g. individuals or small firms) habitually resident in the UK FSCS would apply for policies taken out on or after 1 December 2001.

Policyholders holding a UK policy, issued before 2001, may be eligible to make a claim before the FSCS, however, since such a policy would have been taken out before the FSCS regime commenced, they should check their eligibility directly with the FSCS.

It is important for you to be aware that you may not always be able to make a claim under the FSCS, and there are also limitations in the amount of compensation you may receive. Any compensation available will depend on your eligibility, the type of financial product or service involved, the investment funds selected (if applicable) and the circumstances of the claim.

You can find out more information on the FSCS and examples of limits in the scope of FSCS cover for your plan at www.pru.co.uk/about_us/fscs, or you can call us.

Information is also available from the Financial Services Compensation Scheme:

Visit their website:

www.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**

Financial strength

Prudential meets EU standards for meeting its financial obligations. You can read our solvency and financial conditions reports at 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 plan. Full details are set out in our **Contract Conditions** which is available on request using our contact information on the last page, and will also be sent 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 of our Conflict of Interest Policy, please contact our Customer Service Team using the contact details on the back page.

Law

The law of England and Wales applies to this contract.

Our regulators

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

Central Bank of Ireland
PO Box 559
Dame Street
Dublin 2
Ireland

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
25 The North Colonnade
London
E14 5HS

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

Communicating with you

Our plan documents and **Contract Conditions** are in English and all our other communications with you 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 'How to contact us' section at the back of this document.

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

The Financial Services Ombudsman Bureau
3rd floor, Lincoln House
Lincoln Place
Dublin 2
Ireland

Telephone: +353 1 662 0899

www.financialombudsman.ie

Making a complaint to the Financial Services Ombudsman Bureau will not affect your legal rights.

How to contact us

If you want to contact us before you top-up you can write or phone us:



Write to: **Operations Department, Prudential International, Montague House, Adelaide Road, Dublin 2, Ireland**



Phone: **+ 353 1 476 5000** The opening hours are 9am to 5pm GMT Monday to Friday. Calls may be recorded or monitored for quality, staff training, dispute resolution



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.

www.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.



For more information please visit **www.prudential-international.com**

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.



www.pru.co.uk/international

The registered office of Prudential International is in Ireland at Montague House, Adelaide Road, Dublin 2. Prudential International is a marketing name of Prudential International Assurance plc. Registration No. 209956. Telephone number + 353 1 476 5000. If the Company should become unable to meet its liabilities, the Financial Services Compensation Scheme will protect eligible policyholders habitually resident in the UK when their contract starts, with effect from 1 December 2001. This protection does not extend to externally-linked investments. Prudential International Assurance plc is authorised by the Central Bank of Ireland and is subject to limited regulation by the Financial Conduct Authority for UK business. Details on the extent of our regulation by the Financial Conduct Authority are available from us on request.