

Key Features of the Prudential Trustee Investment Plan (1997 Series)

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If you would like a Braille, large print or audio version of this Key Features, please contact us at:
Prudential
Stirling
FK9 4UE

› About this booklet

- › This Key Features booklet explains our Trustee Investment Plan (1997 Series).
- › It provides information to help trustees of UK registered pension schemes decide whether making an additional investment in our Trustee Investment Plan (1997 Series) is the right decision.
- › Please read it and keep it in a safe place. Please also read "Your With-Profits Plan – a guide to how we manage the Fund".
- › If you still have questions about our Trustee Investment Plan (1997 Series) after reading this booklet, your financial adviser should be able to help. Alternatively you can call us on 0808 100 3429.

The Financial Services Authority

The Financial Services Authority is the independent financial services regulator. It requires us, Prudential, to give you this important information to help you decide whether our Trustee Investment Plan (1997 Series) is right for you. You should read this information carefully so that you understand what you are buying and then keep it safe for future reference.

› About our Trustee Investment Plan (1997 Series)

Our Trustee Investment Plan is for Trustees of registered Occupational Pension Schemes and Self-invested Personal Pension Schemes (SIPPs). It allows Trustees to invest in a range of our funds.

Any additional investment to your existing plan must be at least £1,000. You can take partial encashment at any time or full encashment, subject to exit charges.

› Its aim

- › To grow your investment over the medium to long term.

› Your commitment

- › To make an additional investment of at least £1,000.
- › The selected investment term must be at least 5 years.

› Risks

Risk factor	Where you can find more information
› The value of your plan can go down as well as up. The value can even fall below the amount you invested.	We explain this in "How do you work out the value of our investment?" on page 5.
› There are different risks for different funds.	We explain this in "Where do you invest our money?" on page 5.
› Tax rules may change in the future.	We explain this in "Do we pay tax on the plan?" on page 6.
› Inflation will reduce what you can buy in the future.	
› If you have the right to cancel, and you cancel the plan within 30 days, the amount returned may be less than the amount you paid in.	We explain this in "Can we change our minds?" on page 8.
› If your plan invests in our With-Profits Fund and you take money out of that fund, we may reduce the value by applying a Market Value Reduction	We explain this in "What's a Market Value Reduction?" on page 8.

› Questions and Answers

Your Trustee Investment Plan (1997 Series)

Where do you invest our money?

We offer a range of funds. You and your financial adviser choose where to invest your money.

Choosing funds

You can invest in up to six funds at any time. Your money buys units in the funds you choose.

Different funds invest in different types of assets. For example, some only invest in property, others invest directly in the stockmarket, and others invest in a wide range of assets. Each fund has its own level of risk and potential growth. Usually, funds with more potential for growth carry more risk.

Your adviser will give you our "Fund Guide" which provides more information on the funds available, including the objective of each fund and its risk profile. We can also send you a copy of this guide on request.

How do you work out the value of our investment?

For most funds the value of your investment is determined by the fund performance. If the underlying investment fund value grows we increase the price of your units. Equally, if the underlying investment fund value falls, we decrease the price of your units.

However, we calculate the growth on the With-Profits Fund differently.

The With-Profits Fund invests in a wide range of assets designed to spread risk and provide smoothed returns. These returns are delivered through the unit price which will reflect the addition of Regular Bonus and cannot go down. However, the unit price does not show the effect of any Final Bonus or Market Value Reduction that may apply.

For more information about how the With-Profits Fund works, please read "Your With-Profits Plan – a guide to how we manage the Fund".

Do you have a Share Exchange Scheme?

If you hold an existing portfolio of stocks and shares, you may wish to take advantage of the Share Exchange Scheme. This allows a share portfolio to be exchanged for units in the Trustee Investment Plan. Any stocks, shares and gilt edged securities will be suitable for the Scheme, as long as they are quoted on the London Stock Exchange and registered in the United Kingdom.

Under this scheme, the portfolio is sold for investment into Trustee Investment Plan. If required, we can arrange for the portfolio to be valued in advance at no extra cost.

The minimum investment for the Share Exchange Scheme is £10,000, which can be made up of shares and cash. This minimum is increased to £20,000 if the scheme is to be used for the initial investment in the plan. Any costs incurred in selling the shares will be deducted from the value of the portfolio with the remaining amount being applied as a single investment.

Can we switch money between funds?

You can switch money between funds at any time. However, you can only invest in up to six funds at any time.

For any fund we may not switch your money for up to one month. For funds that mainly invest in property and land we may delay switching for up to 6 months. These delays will only apply in exceptional circumstances and if this applies to you, we will let you know.

The first switch in any 12-month period is free of charge. We'll charge £25 for any additional switches.

You cannot switch into the Prudential With-Profits Fund within 5 years of the end of the term. If you switch money out of the Prudential With-Profits Fund, we may apply a Market Value Reduction. For more information about Market Value Reductions, please read 'What's a Market Value Reduction?' on page 8.

Can we withdraw money from the plan?

Partial withdrawals of at least £1,000 can be taken from the plan at any time. You must leave at least £1,000 in the plan, unless you are cashing in the whole plan.

For any fund we may delay the withdrawal for up to one month. For funds that mainly invest in property and land we may delay withdrawal for up to 6 months. This is in exceptional circumstances and if this applies to your investment, we will let you know.

If you make a withdrawal from the Prudential With-Profits Fund, we may apply a Market Value Reduction. For more information, please read 'What's a Market Value Reduction' on page 8.

There may be a charge if the investment has been invested for less than 5 years. For more information please read "Early Cash-in Charge" on page 7.

How much will be returned when the plan is cashed in?

The value of the plan will depend on many factors such as:

- › how much has been invested,
- › how long it's been invested for,
- › any withdrawals made,
- › the funds chosen,
- › how those funds have performed,
- › any Market Value Reduction we make, and
- › any charges that we take from the investment.

You can find more information about how much might be returned in your annual statement.

Do we pay tax on the plan?

Investments in approved pension funds are not liable for tax on investment income received or capital gains.

The information in this booklet is based on our understanding as at January 2010 of current taxation, legislation and HM Revenue & Customs practice. All of these are liable to change without notice. The impact of taxation and any tax relief depends on individual circumstances.

What are the charges?

We make charges for managing your plan and your investments.

Our charges may vary in the future and may be higher than they are now. Further details can be found in the Policy Document.

Allocation Rates

This is the percentage of contributions used to purchase units in the funds you choose. This is 100% when Full Initial Commission is taken. Your adviser will be able to give you more details of this. If the allocation rates change, we will let you know.

Annual Management Charge

Every year, we take an Annual Management Charge from each of the funds you invest in.

For Unit-Linked Funds, the charge is already deducted when we work out the full value of your policy. The amount of charge we deduct depends on the Funds you choose to invest in.

Where the funds invest in underlying Unit Trusts or OEICs, additional expenses will be incurred. These currently range from 0.00% to 0.15%, and are included in the figures below. We reserve the right to increase (or decrease) these from time to time, for example if the expenses of the underlying Unit Trusts/OEICs increase or decrease. The table below shows the Annual Management Charges including Unit Trust Expenses/OEICs (Open Ended Investment Companies) Expenses that apply to each of our funds.

Prudential Funds	Annual Management Charges (%) (including Unit Trust/OEIC Expenses)
Fixed Interest	1.025%
Pacific Markets	0.975%
International	0.925%
Japanese	0.925%
European	0.925%
Global Balance (UK View)	0.925%
All others	0.875%

Annual Management Charge – With-Profits Fund

For the With-Profits fund, there are various costs involved with setting up and managing your policy. A charge is deducted from the With-Profits Fund each year to cover these costs.

The charge is not explicit so you will not see it being taken from your policy. It is deducted from the underlying With-Profits Fund and is already taken into account when we calculate bonus rates for our With-Profits Fund.

The charge is currently 0.875% a year.

Charges for guarantees – Prudential With-Profits Fund

There is a charge to pay for all the guarantees the With-Profits Fund supports. We guarantee not to apply a Market Value Reduction (MVR) when payments are made at the end the selected investment term. Our current practice, which is not guaranteed, may include additional circumstances when an MVR is not applied. Please see 'What's a Market Value Reduction?' on page 8 for more details.

You won't see this charge on your annual statement because we take it by making a small adjustment to regular and final bonuses.

The total deduction for guarantee charges over the lifetime of the plan is not currently more than 2% of any payment made from the fund. We will review the amount of the charge from time to time. Our charges may vary in the future and may be higher than they are now. Charges may vary if, for example, the long term mix or type of assets held within the With-Profits Fund is changed.

Service Charge

This charge applies where your adviser takes fund related commission. The maximum is currently 1.25% per year assuming your adviser takes full commission. The charge is based on the percentage of your fund value and is taken quarterly in arrears.

Switch Charge

If money is moved between the funds, the first switch in any 12-month period is free. We will charge £25, currently, for any additional switches.

Establishment Charge

When you make your additional investment, there will be a charge for setting this up. This is called the establishment charge.

The establishment charge is 0.875% per annum of the fund value levied for five years. A separate charge is levied on units purchased by each investment.

Early Cash-in Charge

Any withdrawals from your plan within the first five years of any investment are subject to an encashment charge. The charges vary depending on the year of withdrawal, The relevant percentage will be applied to the value of the units withdrawn. The current charges are shown in the table below.

Year	Encashment Charge
1	7.5%
2	6%
3	4.5%
4	3%
5	1.5%
6	0%

What's a Market Value Reduction?

If you take money out of the With-Profits Fund, we may adjust the value of your fund if the value of the underlying assets is less than the value of your plan including all bonuses. This adjustment 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 the MVR to your plan's value including regular and final bonuses. Please read "Your With-Profits Plan – 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 very poor, you may get back less than you have invested in your plan.

We guarantee not to apply an MVR at the end of your selected investment term.

Our current practice on applying an MVR

We may apply a Market Value Reduction to full or partial withdrawals, including switches, on all investments that have been running for less than five years.

For investments that have been running for longer periods, we would consider applying an MVR when a withdrawal results in the total amount paid out, including any other payments in the previous 12 months, exceeding £25,000. We would only apply an MVR to the withdrawal amount in excess of £25,000 in these circumstances.

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 top-ups. 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.

How will we know how the plan is doing?

We will send you a statement every year.

You can ask for a statement at any time free of charge.

Can we change our minds?

Where the additional investment is from trustees of a registered occupational pension scheme, there will not be an opportunity to reconsider the commitment after the Plan has started.

Where the additional investment is for a registered self-invested personal pension plan, your statutory right to cancel is 30 days and you will receive Notice of the right to cancel. If this is returned to us within 30 days of receipt, the additional investment will be cancelled. Where the value of the investment has fallen since the date of the investment, the amount of the refund will be reduced proportionately.

If you do not exercise your right to cancel within the 30 day statutory cancellation period, the contract will become binding. We will not return any money, except in the form of a benefit option in accordance with the rules.

If you wish to exercise your right to cancel, you should complete and return the Cancellation Notice you will receive or write to us at:

**Prudential
Stirling
FK9 4UE**

› Other information

How to contact us

If you have a financial adviser, please continue to use them as your first point of contact.

Alternatively, you can call us on **0808 100 3429**.

You can also write to us at:

**Prudential
Stirling
FK9 4UE**

Or via our website: **www.pru.co.uk**

How to make a complaint

If your complaint is adviser related please contact your financial adviser.

If we do anything that you're unhappy about, we want to know. We'll always try to put it right if we can.

To resolve your complaint quickly we need to know exactly what the problem is. So please write to us with all the details of what has happened to:

**Prudential
Customer Relations Unit
Stirling
FK9 4UE**

Copies of our complaint handling procedures are available from this address.

If you'd rather phone, you can call us on the number shown on your quotation. To make sure we have an accurate record of what you tell us, we may monitor or record your call.

We hope that we'll be able to handle your complaint in a way that satisfies you. But if we can't, you can speak to one of the following organisations.

**The Financial Ombudsman Service
South Quay Plaza
183 Marsh Wall
London
E14 9SR**

Telephone: **0845 080 1800**

**The Pensions Ombudsman
11 Belgrave Road
London
SW1V 1RB**

Telephone: **020 7630 2200**

**The Pensions Advisory Service (TPAS)
11 Belgrave Road
London
SW1V 1RB**

Telephone: **0845 601 2923**

The Pensions Advisory Service is an independent, government funded body that gives free advice to members of the public about pensions.

These are free services. Using them won't affect your right to take legal action. We can help you find the appropriate organisation to handle your complaint.

How we'll communicate with you

We will communicate with you in English by letter, by phone or by email.

Your client category and why it matters

The Financial Services Authority (FSA) is the independent financial services regulator. It asks companies to categorise their clients based on their involvement in and familiarity with financial services. This helps to make sure we send the right information to the right people. For example, information for an individual customer should assume less knowledge than information for a financial services company.

You're categorised as a "retail client". This means you get the highest level of protection by getting the clearest explanation of what you're buying and more detail about the risks. This means the information we send you is clear, balanced and indicates any relevant risks. Your category does not affect your right to lodge a complaint with the Financial Ombudsman Service.

If you have any questions about your client category, or think your category should be different, please call our Customer Service Team on **0800 000 000**.

Conflict of interest

We want to make sure that we uphold our reputation for conducting business with integrity. That's why 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 **0800 000 000**.

Law

The Law of Scotland applies to your Trustee Investment Plan (1997 Series).

Terms and conditions

This Key Features summarises our Trustee Investment Plan (1997 Series). It doesn't include all the definitions, exclusions, terms and conditions. You can find our full terms and conditions in the Policy Document, which you received when your plan first started.

Compensation

We are covered by the Financial Services Compensation Scheme. You may be entitled to compensation from the Scheme if we cannot meet our obligations. This depends on your eligibility, the type of business and the circumstances of the claim.

For more information, contact:

**The Financial Services
Compensation Scheme
7th floor, Lloyds Chambers
Portsoken Street
London
E1 8BN**

Telephone: **0207 892 7300**.

www.fscs.org.uk

FSA Registration

Prudential Assurance Company Limited is entered on the Financial Services Authority (FSA) Register, FSA Reference Number 139793. The FSA Register is a public record of all the organisations that the FSA regulates.

You can contact the FSA at:

**The Financial Services Authority
25 The North Colonnade
Canary Wharf
London
E14 5HS**

Telephone: **020 7066 1000**

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www.pru.co.uk

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