Important information

keyfacts®

Key Features of the Building Society Bond Top-Up Investments

PRUDENTIAL INTERNATIONAL

Contents

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

Operations Department
Prudential International Assurance plc
Montague House
Adelaide Road
Dublin 2
Ireland

About this booklet

- This Key Features booklet provides a summary of the key features of the Building Society Bond. Prudential International provides you with this information to help you to decide whether a top-up investment into our Building Society Bond is right for you.
- You should read this booklet carefully, together with your personal illustration and the relevant investment guide(s), so that you understand what you are buying and then keep these documents safe for future reference.
- If you still have questions about our Building Society Bond after reading this booklet, your Financial Adviser should be able to help.

About the Building Society Bond top-up investments

The Building Society Bond is an investment bond that grows in line with a rate based on prevailing rates. After 12 months, you can choose to move your top-up investment into one or more of a range of unit-linked funds.

You can make top-up investments at any time. You can make regular and one-off withdrawals and you can cash in your bond at any time.

Its aims

- To provide tax-efficient growth on your investment.
- To allow withdrawals from the fund if desired, either at outset or in the future.

Your investment

- You invest an additional lump sum into your Building Society Bond. Further amounts can also be added to the bond at a later date. The minimum top-up is £5,000.

Risks

- Your top-up investment may not grow at the rate you anticipate.
- The charges shown in the "Deductions" section of this document may vary in the future and this could affect the value of your bond.
- What you get back is not guaranteed and you may not get back the full amount of your investment. It may be less than illustrated if:
  - the growth rate your bond achieves is lower than illustrated
  - you take more money out of your bond than any growth achieved
  - our charges increase by more than we've assumed in your illustration.
- 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.
- Each Prudential International fund is held in only one currency which can't be changed. Your Financial Adviser can give you more details on the funds available.
- Fluctuations in exchange rates could affect the value of your investment or withdrawals.
- In Prudential International's range of funds there are different levels of risk depending on which funds you choose and the types of asset they generally invest in. This may affect your overall investment return.
- We take most of our charges in the early years of any investment. This means that if you cash in or die during this time, you may get back less than you invested.
- If you cancel your top-up investment within the 30-day cancellation period, you may get back less than you've paid in if the value of your investment has fallen.
- Where your investment in Prudential International funds is large, relative to the total fund size, processing may be delayed by up to one month so that we can ensure the unit price includes an appropriate allowance for the costs of purchasing the underlying assets. Due to this delay, prices and exchange rates could change.
- Inflation will reduce what you could buy in the future.
- Tax rules could change.

Questions and Answers

How does the bond work?

You make a lump sum top-up investment to your existing bond. This purchases units in our Building Society Fund which invests in Building Society accounts.

Your bond will grow based on the prevailing interest rate which is subject to change. The growth rate also depends on the size of your investment. Higher growth rates apply to larger bond values. Details of the current rates are available by telephoning Prudential International on **0870 560 0200**. Calls may be monitored or recorded for quality and security purposes.

How much of my money is invested?

All of your top-up investment is used to purchase units.

Do I have access to my money?

You can make withdrawals at any time from the growth added to your bond. If you withdraw any capital you must leave at least £5,000 in your bond. There may be an encashment charge as explained in the "Deductions" section on page 9.

Can I take regular withdrawals from my bond?

Yes, regular withdrawals are available quarterly or yearly on the following bases:

- withdrawal of growth on the investment, or
- withdrawal of growth subject to a maximum of 5% of the total amount invested.

What benefits are paid if I die?

If the bond was taken out on one life then, on death, we will pay an amount equal to 101% of the encashment value of the bond at that time.

If the bond was taken out on two or more lives, the benefit (101% of the encashment value of the bond) is paid out on the death of the last person.

Who can top up a bond?

Applications are accepted from current bondholder(s).

How many people can be covered?

The lives assured must be the same as those on your original investment.

How do I keep track of my investment?

Prudential International will send you an annual statement of the value of your bond.

Can I convert my bond to a wider investment portfolio at a later date?

Yes, once you have held your current Building Society Bond for at least a year, you may choose to move some or all of your investment to a wider portfolio. Your top-up must have been invested for 12 months before you can exercise this option.

Under conversion you can invest in the full range of funds available at that time. The minimum conversion amount is £1,000. If you are converting part of your investment, you must have at least the minimum amount we have set at the time remaining in the Building Society Fund. Our current minimum is £5,000. On conversion, a new level of charges will apply to the converted part of your bond.

Once conversion has taken place, converted units cannot be switched back to the Building Society Fund.

Do I pay tax on my bond?

This will depend on your individual circumstances and country of residence, so for specific advice you should speak to your Financial Adviser. Below is a brief description for UK tax residents.

UK capital gains tax

You won't have to pay any capital gains tax.

UK income tax

If you're a UK resident individual, you may have to pay income tax on any withdrawals you make from your bond.

Each year you can withdraw up to 5% of the amount you have invested in your bond without having an immediate tax bill. If you don't use all of this 5% allowance in any year, you can carry the unused portion forward. The allowance comes to an end once you have withdrawn 100% of the amount you invested. If you withdraw more than the allowance at any time, you may have to pay income tax on the excess amount. The 5% allowance also applies to any top-up investment you make.

You may also have to pay income tax when:

- you cash in your bond or any policies in it,
- you transfer legal ownership of your bond for money or for something worth money, or
- your bond ends because a life assured dies.

The gain on your bond will be added to your total taxable income for that year and you will normally pay tax on the gain at your highest rate, although in some cases you may be able to claim "top-slicing" relief.

Gains from your bond may affect any entitlement to age-related personal income tax allowances or certain tax credits.

UK inheritance tax

If you're UK domiciled and your bond isn't in trust, your estate may have to pay inheritance tax on it when you die.

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 a "Declaration of residence outside Ireland" form along with your top-up 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.

Can I change my mind?

Once you have made your top-up investment you will receive a notice of the right to cancel. If this is returned to us within 30 days of receipt, the top-up investment to your bond will be cancelled. If the value of the investment has fallen since the date of the investment, the amount of the refund will be reduced proportionately. 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 the address in "How to make a complaint" on page 9.

If you decide not to exercise your right to cancel within the cancellation period you may not get all your money back. The amount you'll receive back will be the amount of your original top-up investment less any charges and less the proportionate amount of any decline in the value of your units.

Further information

Deductions

Growth rate – A charge is taken from the interest rate we obtain from investing your money. The quoted growth rate, which may vary, is net of this charge, which may also vary. The effect of this charge is shown in the enclosed illustration.

Withdrawal of capital – Withdrawal of capital will incur a charge in proportion to the amount withdrawn as follows:

Year of withdrawal (from date of top-up)	Encashment charge (based on rate at date of withdrawals)
1 and 2	3 months' growth
3	2 months' growth
4	1 month's growth
5	No charge

Please note that the above charge will be incurred even if the investor gives three months' notice of the intention to withdraw capital or on death within the periods shown.

How to contact us

You can contact us by:

Telephone: **+ 353 1 476 5000**

The opening hours are 9am to 5pm Monday to Friday. Calls may be monitored or recorded for quality and security purposes.

Post:
Operations Department
Prudential International
Montague House
Adelaide Road
Dublin 2
Ireland

You'll also find more information at **www.pru.co.uk/international**

How to make a complaint

If you have a complaint about your Building Society Bond, please contact your Financial Adviser first, as they may be able to resolve it quickly for you.

If we do anything that you're unhappy about, we'll always try to put it right.

Please send your complaint to:

Customer Services Manager
Operations Department
Prudential International
Montague House
Adelaide Road
Dublin 2
Ireland

If you'd rather phone, you can call us on **+353 1 476 5000**.

We hope that we will be able to handle your complaint in a way that satisfies you. But if we can't, you can speak to the independent Financial Services Ombudsman Bureau. You can contact the Service at:

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

Telephone: **+353 1 662 0899**

Making a complaint to the Financial Services Ombudsman Bureau will not affect your right to take legal action.

How we will communicate with you

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

Your client category and why it matters

We are required to categorise our 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 are categorised as a "retail client". This means that we make sure the information we give you is clear, balanced and indicates any relevant risks. Your category does not affect your right to lodge a complaint with the Financial Services Ombudsman Bureau.

If you have any questions about your client category, please call our Customer Services Department on **+353 1 476 5000**.

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 Services Department on **+353 1 476 5000**.

Tax

The information in this booklet is based on our understanding as at March 2012 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.

Law

The law of England will apply to your Building Society Bond. You can find full details of your contract with us in the Policy Documents, which include the Contract Conditions, Contract Schedule and the Statement of Charges.

Terms and conditions

This Key Features summarises our Building Society Bond. It doesn't include all the definitions, exclusions, terms and conditions. You can find our full terms and conditions in the Contract Conditions. If you would like a copy of this, please phone us on **+353 1 476 5000**.

Compensation

Certain UK residents may be entitled to compensation from the Financial Services Compensation Scheme if Prudential International Assurance becomes insolvent. This depends on whether you are an eligible client, 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: **0800 678 1100** or **0207 741 4100**

www.fscs.org.uk

It is important to note that the compensation scheme detailed above applies to the potential insolvency of Prudential International and not the underlying investments held within your bond. This scheme, therefore, does not protect you against losses from poor fund performance or the insolvency of a fund or its management company.

Regulator

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 Services Authority (FSA) for UK business. The address of the FSA is:

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

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

www.pru.co.uk/international

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