

Prudential Flexible Retirement Plan

Personal Pension and Income Drawdown with SIPP Options



This guide highlights the main features offered by the Prudential Flexible Retirement Plan (FRP). The Prudential FRP is an account style product wrapper offering a range of retirement planning options and services for your clients as they save for and make their transition into retirement.

We suggest that you read this guide together with the following documents:

- > FRP Key Features – PPPK6139
- > FRP Transfer Plan Key Features – PPPK6140
- > FRP Adviser Remuneration Guide – PENS10043
- > SIPP Fees and Charges – FRPM10017
- > FRP and SIPP Sales Aids
- > FRP Fund Guide – PENB10211
- > Adviser Guide to Investment Options and Fund Choice – INVG10921

Contents

The evolving retirement market	3
Introducing the Prudential Flexible Retirement Plan	4
Key benefits for your clients	6
The benefits for you	7
Support	9
Product summary	11
Discounts	18
Investment choice	20
Adviser remuneration	23
Bringing you the experience of two industry specialists	25
How to contact us	27

When discussing your clients' retirement needs we want you to be able to offer solutions to help them achieve the lifestyle they expect.

People are more aware of the need to plan for retirement. They can now invest more money into their pension, release Tax Free Cash (TFC) from their pension savings without taking an income and supplement their pension savings more efficiently.

There are changes in our economic climate and individuals can no longer rely on the Government or employers to provide their income when they get older. People are also living longer and the options available as they approach retirement are increasing.

Retirement is a hot topic that needs to be addressed – it can no longer be assumed that most people will opt to buy a traditional annuity and advising clients on their retirement needs is becoming more complex.

The opportunities for retirement planning are enormous and the benefits for your clients significant.

Look at the market and see the possible opportunities:

- > Today's younger people face a longer working life for the same level of pension as the previous generation¹
- > Half of all Britons feel that they are not saving enough to enjoy a comfortable retirement²

¹ Source: Office of National Statistics 2010

² Source: Telegraph Survey 2010

Our Solution

The Prudential FRP is an account style product wrapper offering a range of retirement and investment planning solutions for your clients' changing needs. It offers access to our core multi-asset funds, managed by the Prudential Portfolio Management Group, together with choices from many leading external fund managers for both the personal pension and income drawdown options. We also offer a choice of five portfolios to help you target different levels of risk and potential return. For even greater choice, self invested (SIPP) options are also available.

The Prudential FRP is part of our Retirement Solutions proposition designed to meet both retirement saving and income needs.

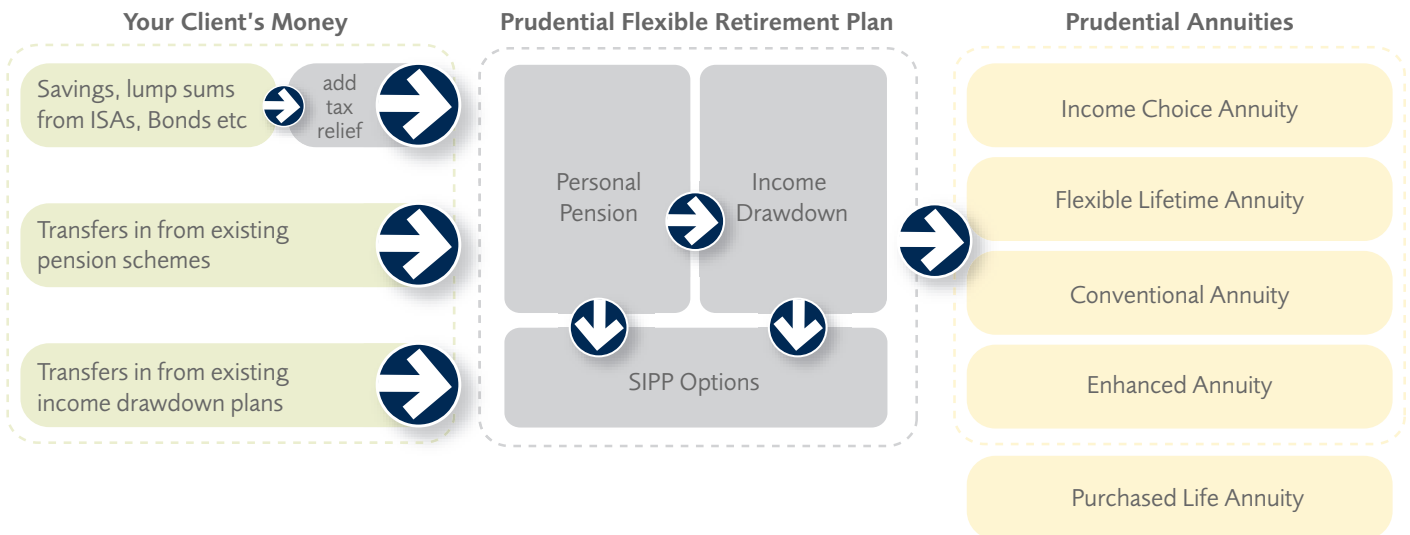
It is an account style plan with a holistic charging structure allowing clients to consolidate their pension savings in one place and move into income drawdown if they wish, as they make the transition into retirement.

The Prudential FRP complements our established range of market-leading annuities which includes our:

- > Income Choice Annuity
- > Flexible Lifetime Annuity
- > Enhanced Annuity
- > Conventional Annuity
- > Purchased Life Annuity

These products, along with our range of Inheritance Tax Planning (IHT) products provide you and your clients with a complete range of pre and post retirement solutions.

Prudential's end-to-end retirement solutions



The Prudential FRP offers flexibility in a number of areas:

- > **Contributions** – accepts regular and single contributions plus transfer values, depending on the option, and offers the investor flexibility over contribution payment frequency and amounts. It also allows clients to contract out of the State Second Pension and it is possible to arrange In Specie Transfers.
- > **Charges** – flexible lifetime charging structure which depends on total insurance fund value, commission shape chosen, length of time policy held and funds selected.
- > **Commission** – fully flexible range of options including Fee Based, Level, Initial (Funded or Unfunded) and Fund Related. May be tailored over the term of the plan to suit individual requirements.
- > **Investment** – a wide range of funds along with the investment flexibility of our Self Invested Personal Pension (SIPP).

Our SIPP Options offer:

- > **Different Charging Options** – There are different fees for the SIPP depending on the range of investments required.
 - Full SIPP option**
 - Access to a wide range of investments including stocks and shares, unit trusts and commercial property.
 - FundSIPP option**
 - Lower cost option for clients who only want access to funds from the Cofunds range (subject to investing in a maximum of 20).
- > **Control** – Self-investment option can be accessed when using the personal pension and/or income drawdown options and turned on or off at any time.
- > **Remuneration** – A menu of commission and charging options that is easy to explain. Adviser fees can be paid directly from the SIPP, with your client's agreement. For more information, please refer to the "Adviser Remuneration" section.
- > **Award-Winning Service** – Excellent administration at Suffolk Life.

Prudential FRP benefits:

- > Account style charging structure with personal pension and income drawdown options under a single product wrapper, allowing ease of transition between saving for retirement and taking an income when the client needs it.
- > The flexibility to adapt to changing circumstances. Payments can be regular or one-off and can be stopped and started at any time under one product wrapper, potentially helping to reduce the administration fees.
- > Other pension funds can be transferred into the Prudential FRP so savings can be kept in one pot and investors are rewarded for building up funds under the Prudential FRP.
- > Immediate basic rate tax relief on contributions.
- > Discounts on charges depending on the amount invested and length of time invested in the plan.
- > Extensive range of investment options to suit different attitudes to risk and objectives. Clients can maintain the fund choices they've already selected under the personal pension or make different choices as they start to take their income.

- > Flexibility to phase retirement, whether from the personal pension into an annuity or by moving into income drawdown.
- > Ability to pass on the pension fund to beneficiaries upon death.
- > Tax efficient, as personal pension contributions attract tax relief, at basic rate, and Tax Free Cash also payable when retiring. If your client pays income tax at a rate above basic rate they will be able to claim back any extra tax relief from HMRC after the end of each tax year.
- > Transparent charging structure, designed to provide your client with clarity over the cost of advice.
- > No charges for the SIPP unless it's activated.
- > Option to drawdown income from protected rights funds and ability to hold protected rights in the same wrapper as SIPP funds which increases borrowing limits (50% of a higher fund).

Additional SIPP benefits:

- > Access to an extended range of investments including UK commercial property.
- > Access to an extensive range of investment funds via the Cofunds fund supermarket, including special terms with major fund managers.
- > Low-cost execution only share dealing service through Stocktrade.
- > Ability to appoint an investment manager or stockbroker.
- > Our approach to fees makes investing in a SIPP more affordable by offering lower costs if your client only requires access to the Cofunds range of funds through our FundSIPP option (subject to investing in a maximum of 20).
- > SIPP administration provided by Suffolk Life including detailed annual reporting of SIPP assets and transactions.
- > Possible to pay adviser fees from within the SIPP (with client approval).

Based on our understanding, as at February 2011, of current taxation, legislation and HM Revenue & Customs practice, all of which are liable to change without notice. The impact of taxation (and any tax relief) depends on individual circumstances.

Transparent and flexible remuneration options:

- > Range of fully flexible and transparent charging structures which can be tailored depending on your remuneration requirements.
- > You can opt for a fixed monetary amount or a percentage of contributions depending on option.
- > You and your clients benefit from having a number of different payment options depending on the nature of advice you're giving. Clients know exactly what the advice is costing them.
- > You can take ad-hoc fees from the SIPP as agreed with your client.
- > Trail Commission provides a revenue stream to help your business model based on the ongoing advice clients will require.

Lifetime client relationships:

- > Advice-led, multi-touch approach that enables you to tailor the solution to fit your clients' evolving needs.
- > Flexible and transparent charging structures allows you to place a value on your advice and to structure charges to fit your business model and meet the requirements of your client.
- > We offer an award-winning range of annuities with an easy transition from our FRP Personal Pension or Income Drawdown into annuitisation.

Investment expertise and extensive fund choice:

- > Access to Prudential's core range of multi-asset insurance funds managed by the Portfolio Management Group (PMG), experts in asset allocation and multi-asset fund management.
- > Our multi-asset funds include a range of PruFund pension funds. There are four funds currently available:
 - PruFund Growth Fund
 - PruFund Protected Growth Fund
 - PruFund Cautious Fund
 - PruFund Protected Cautious Fund
- > We offer a range of guarantee terms for both PruFund Protected Cautious Fund and PruFund Protected Growth Fund, where the guarantee will only apply on the plan anniversary of the selected term or at the end of the Selected Retirement Age.
- > Each guarantee has its own charge. The guarantee charge will be payable for the whole of the term.
- > Investing in Protected PruFund Funds ensures that at the end of the selected guarantee term, the fund will be worth at least the amount you invested, adjusted for any applicable charges, enhancements or withdrawals. Please see your Key Features Document for more information.

- > For full details of the guarantee terms available and the associated charges, please refer to the document "The PruFund Range of Funds: Guarantee Options" – INVS11470. You can get a copy of this from www.pruadviser.co.uk.
- > We have enhanced our overall fund offering which includes our PruSelect fund range. This is a range of funds, rated and selected by Old Broad Street Research (OBSR), the respected investments analyst group. For more information on the PruSelect fund range and OBSR, please refer to page 20.
- > We can save you time and help simplify your approach to your regulatory requirements with portfolios that delegate asset allocation and fund selection responsibilities to a unique combination of experts – Prudential's Portfolio Management Group and OBSR
- > Access to the SIPP for your clients who are seeking greater investment flexibility.
- > Access to additional external funds, and lifestyle options.
- > Our SIPP includes the FundSIPP option. This allows customers to choose up to 20 funds from the Cofunds range of funds and pay lower fees than the full SIPP option. Please refer to the fee table for full details of the two types of fees.

Pension transfer support:

- > Our pension transfer desk makes it easier for you to transfer your client's pensions into our FRP. We have a streamlined process in place to secure transfer values and deal with the ceding provider – saving you time, money and effort.
- > Our transfer desk take much of the administration burden away from you, leaving you free to continue doing what you do best, advising clients.
- > We estimate that for a typical personal pension transfer case, advisers can spend on average six hours on administration that could be dealt with by our Transfer Desk, allowing you to spend more time on other new business.
- > Prudential's streamlined transfer process could save you up to £1,000* in time costs for every typical personal pension transfer case.
- > Commission is also likely to be paid earlier because we chase the business through to completion.
- > On your behalf we will progress the transfer at every step, limiting the delay in the client receiving benefits.
- > Our Transfer Value Analysis System (TVAS) gives you clear guidance on the implications of transferring your clients' benefits, including the critical yield required to support the switch. Our system can analyse DB to DC transfers and, if you are involved in pension consolidations, we can compare DC to DC transfers as well.

Drawdown Transfer Service:

- > Prudential can help you transfer your clients' existing pension pots (including income drawdown) across to Prudential quickly and efficiently.
- > We keep multiple transfers in the FRP Holding Account until they're all finalised, minimising the number of plans set up and easing the ongoing paperwork issued to you and your clients.
- > If your client has multiple personal pension transfers only you have the option to use the FRP Holding Account as outlined above.

Technical support:

- > Our specialist Technical Helpline can provide legislative and generic product support as well as fund information.

* Source: Prudential 2009

Online Support

- > Our dedicated adviser website www.pruadviser.co.uk is designed to make it easier for you to do business with us. Here you'll be able to:
 - find product information and sales support material including literature, research and market commentary
 - access online tools including our TFC, GAD and commission calculators
 - access a range of online services, depending on the option
 - request illustrations
 - submit new business* (not available on Income Drawdown)
 - track new business
 - view online valuations
 - access online trading for self-invested assets e.g through Cofunds or Stocktrade



* To find out more about our online support visit us at www.pruadviser.co.uk or you can call our eBusiness Helpdesk on 0808 234 5200 and they will be happy to walk you through the process.

> SIPP Demo

Visit our SIPP demo at www.pruadviser.co.uk/sippdemo for a virtual tour through our online SIPP proposition. This highlights how easy it is for you to transact with the SIPP on behalf of your clients.

As well as the services offered by pruadviser.co.uk, you can also use the main portals to access a wide range of services. To find out what is available, visit us at www.pruadviser.co.uk and select "Support for you".

Ongoing service

- > UK based adviser service centre for handling all queries relating to FRP.
- > Simple movement of funds between personal pension and income drawdown.
- > Easy transition into Prudential's range of annuity products from the FRP.
- > Local account management support from our Regional Sales Units.

Marketing and sales support

- > Comprehensive range of marketing literature including client case studies, approach letters and suitability paragraphs to support you with client segmentation and the sales process.
- > Access to market research, educational articles and up-to-date information on product developments to support your product knowledge.
- > Range of online customer and adviser facing tools.

Eligibility	Personal Pension	Income Drawdown
Minimum age at entry	17 next birthday	55 attained earlier in special circumstances
Maximum age at entry	75 next birthday	74 next birthday
Maximum age at vesting	75th birthday	75th birthday

Contributions	Personal Pension	Income Drawdown
Contributor	Member, employer, transfer from existing pension arrangement, protected rights and contracted-out rebates	Switch from the Pru FRP Personal Pension and transfers from other pension arrangements (including drawdown to drawdown transfers)
Payment types (In Specie Transfers can be made if the member decides to self-invest)	<ul style="list-style-type: none"> > Regular payments payable monthly/yearly by direct debit > Single payments payable normally by cheque > Transfers normally by cheque 	Transfers and single payments normally by cheque
Initial minimum investment*	£5,000 single/transfer or £100 per month regular contribution	<p>Existing FRP customer:</p> <ul style="list-style-type: none"> > £10,000 provided total fund under FRP (including SIPP) is at least £50,000 <p>New FRP customer:</p> <ul style="list-style-type: none"> > Minimum investment in Income Drawdown is £10,000 (before tax free cash) provided total transfer to FRP is at least £50,000 > If initial transfer is from an existing income drawdown arrangement, i.e. a drawdown transfer, the minimum is £37,500.
Minimum vesting amount	N/A	£10,000
Minimum additional transfers/singles	£200	£10,000 (£7,500 for drawdown to drawdown transfers)

* Any part of the investment for SIPP cannot be less than £10,000

Contract Features	Personal Pension	Income Drawdown
Death benefit Special conditions apply to protected rights	Return of fund	<ul style="list-style-type: none"> > Return of fund (less 55% tax) > Dependants' drawdown > Dependants' annuity
SIPP Options	<p>SIPP is accessed through the Self-Invested Fund (SIF) which can be switched on/off at any time when in the personal pension and/or income drawdown. It is not possible to self invest without a Prudential FRP contract being in place. One SIF account is held covering all plans within the FRP. Neither protected rights nor safeguarded rights can be held within the SIF</p> <p>There are different fees for the SIPP depending on the range of investments required.</p> <p>Full SIPP option</p> <ul style="list-style-type: none"> > Access to a wide range of investments including stocks and shares, unit trusts and commercial property. <p>FundSIPP option</p> <ul style="list-style-type: none"> > Lower cost option for clients who only want access to the Cofunds range of funds (subject to a maximum of 20). 	
New Dynamic Portfolios	<p>Our Dynamic Portfolios offer access to a unique combination of experts for asset allocation and fund selection – Prudential's Portfolio Management Group and Old Broad Street Research</p> <ul style="list-style-type: none"> > The five portfolios target different levels of risk and potential return and save you the time, effort and expense of building your own portfolios 	
Lifestyle Option	Option to select a pre-defined investment switching strategy for the run up to Selected Retirement Age	Choice of three pre-defined investment strategies which use a series of pre-programmed switches to move the plan into lower risk funds as the customer approaches age 75

Income withdrawals	Income Drawdown
Income frequency	Monthly, quarterly, half-yearly and yearly. Ad-hoc income also available
Income payment date	This can be any day of the month except 29th, 30th and 31st of the month Ad-hoc income may be taken on any day of the month
Fund choice for income payment	Proportionately across all funds or individually selected fund(s) All income from SIF is taken from the bank account only Restrictions apply to the With-Profits Fund and to the PruFund Funds Where a Lifestyle Option is chosen, income must be taken proportionately across all funds
Maximum income limit	100% of an annuity value calculated using annuity rate tables produced by the Government Actuary Department (GAD)
Minimum income limit	No minimum
Income reviews	Three yearly. Reviews on anniversary may be agreed individually

Annuity purchase	Personal Pension and Income Drawdown
Prior to age 75*	Customers may elect to purchase an annuity using some or all of their fund at any time
Age 75**	Under the terms of this contract rules all remaining funds must be used to purchase an immediate annuity.

* Restrictions apply to Protected Rights money, although the government has announced with effect from 6th April 2012 the rules on the type of annuity you can purchase with protected rights funds will no longer apply.

** To remain invested beyond 75 your client will need to move to an arrangement with another provider.

Charges	Personal Pension	Income Drawdown
Set-up charges		
Installation charge	Nil	
Allocation rate*	Depends on commission type and amount taken If you select any Fee Based, Level or Unfunded Initial Commission (Initial Charge), then the allocation rate will be reduced on a 1:1 basis The basic allocation rate is usually 100% If you select Funded Initial Commission (Establishment Charge) the allocation will remain 100% and no adjustment will be made	Depends on commission type and amount taken. If you select Unfunded Initial Commission (Initial Charge), then the allocation rate will be reduced on a 1:1 basis. The basic allocation rate is usually 100% If you select Funded Initial Commission (Establishment Charge) the allocation will remain 100% and no adjustment will be made The allocation rate applies to the contribution less any Tax Free Cash paid prior to investment into income drawdown
Bid-offer spread	No	

** May be applied differently on movements between personal pension and income drawdown. See Prudential FRP Transfer Key Features Document PPPK6140 and Remuneration Guide PENS10043 for more details.

Charges	Personal Pension	Income Drawdown
Ongoing charges		
Annual Management Charge (AMC)	Depends on fund size across all FRPs, funds selected, length of time plans held and amount of Fund Related Commission (Trail Commission)	
Establishment Charge (Funded Initial Commission)	For any Funded Initial Commission taken on single contributions and transfers a monthly charge is taken for the first 60 months of the plan. Each 1% commission equates to an annual establishment charge of 0.225% of the payment.	For any Funded Initial Commission a monthly charge is taken for the first 60 months of the plan. Each 1% commission equates to an annual Establishment Charge of 0.225% of the payment (after deduction of any Tax Free Cash).
Fund unit type	Accumulation units only	
Premium variation	Premiums can be varied in any manner, increased, decreased, ceased permanently or temporarily without charge	N/A
PruFund Protected Funds Guarantee Charge	<p>If selecting a Protected PruFund Fund you will be able to select from a range of guarantee terms. Each guarantee has its own charge. The guarantee charge will be payable for the whole of the term. This charge is taken by cancelling units each month.</p> <p>When a guarantee term is chosen to match the date of the Selected Retirement Age the price applied will be based on the number of complete years guaranteed.</p> <p>The guarantee term options available are shown in the document "The PruFund Range of Funds: Guarantee Options" – INVS11470 which is available from www.pruadviser.co.uk</p>	
Charge for Guarantees – With-Profits Fund	There is a charge to pay for all guarantees the With-Profits Fund supports. The total deduction for the guarantee charge 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. The charge is taken by making small adjustments to regular and final bonuses.	
Discontinuance charges and deductions		
Early retirement/ transfer**	Any outstanding Establishment Charge if plan terminated within 5 years of commencement (only applies if Funded Initial Commission taken)	
Market Value Reduction (MVR)***	May apply if there is any investment in the With-Profit Fund and money is taken out at any time other than the Selected Retirement Age (SRA) or on death	May apply if there is any investment in With-Profits and money is taken out at any time other than age 75 or on death. An MVR will not be applied to money taken as income.

* The balance of outstanding Establishment Charges will continue to be taken from the income drawdown plan when moving from personal pension and adjusted to take account of any Tax free Cash taken.

** On move from personal pension to income drawdown, other than at the Personal Pension plan SRA or in the month before the plan SRA, we may apply an MVR.

Investment limits and fund switching

Switch charge	None, however we do reserve the right to do so in the future
Number of free switches	Currently unlimited
Maximum number of funds which a customer can invest in	20
Switches into PruFund	Investments into PruFund are initially held in a Holding Account before being switched to the smoothed fund on the next Quarter Date.



SIPP specific fees	
Administration fees	
Establishment Fee	Full SIPP £300 or FundSIPP £150* (this will be applied when the investor first sets up the SIF)
Annual Administration Fee	Full SIPP £425 or FundSIPP £200* (only applies where there is investment held or funds held in the bank account)
Annual Drawdown Fee	£100 (applies regardless of the level of income taken).
Widening the investment requirements	<ul style="list-style-type: none"> > Clients can change from investing in the FundSIPP option to the full SIPP option at any time > If your client wishes to invest in the full SIPP option we will require written notification from you that this change is to be made > We will increase the Establishment Fee to bring it up to the full cost > We will increase the Annual Administration Fee to bring it up to the full cost and apply it on a monthly pro-rata basis depending on the date the SIF was activated
Narrowing the investment requirements	<ul style="list-style-type: none"> > Clients can change from investing in the full SIPP option to the FundSIPP option once in each 12 month period starting from the date the SIF was activated > If your client wishes to invest in the FundSIPP option we will require written notification from you that this change is to be made > No change will be made to the Establishment Fee > We will decrease the normal Annual Administration Fee and apply it on a monthly pro-rata basis depending on the date the SIF was activated
Self-Invested Fund charges	
Annual Management Charge (AMC)†	Any AMC will be specific to the individual assets within the fund. Prudential don't apply an AMC on the fund
Bid-offer spread	Any bid-offer spread will be specific to the individual assets within the fund. Prudential don't apply this on the fund

* FundSIPP option is subject to all of the following conditions:

- > The only available assets are the bank account and funds from the Cofunds range
- > Clients hold up to a maximum of 20 funds from the Cofunds range
- > All trading must be done online via Prudential.co.uk (consequently, the investor must have authorised the adviser to give investment instructions).

Prudential reserve the right to increase these charges appropriately if we become aware of any breach of these conditions.

† We will use a notional AMC for our illustrations. More details can be found in the Key Features document.

Investment related fees	
Ad-hoc valuations	Valuations of the SIF are available online free of charge and statements are issued each year with detailed investment information. Any requests for additional detailed valuation statements will be charged based on the costs incurred and the time spent producing the statement (minimum £100). Any costs incurred in valuing individual assets within the fund will be deducted from the SIF
HMRC Valuations	Required when benefits are taken or GAD limits are reviewed. Charged to SIF as per ad-hoc valuations above
Property transactions	<p>Property Facility Fee: £100 each year per Self-Invested Fund per property. Additional Annual Fee for VAT Elected Properties: £150 each year.</p> <p>The £150 each year VAT election fee is per property, so if a group of investors share one property, the £150 relates to the property, not the member. Similarly, where a group of investors own a shared property, the solicitor's fees, etc, apply to the property so are split between the members.</p> <p>The fees for all other property related transactions, including the solicitor's fees, the surveyor's fees, insurance costs, our acquisition fee, our management fees etc, will vary depending on the costs incurred and the time spent on the transaction. Our fees include:</p> <p>Purchase/transfer in specie acquisition fee: principally time cost estimated upon completion at around £1,700 to £1,900 of the transaction.</p> <p>Annual property accounting fee: principally time cost estimated in arrears (only for properties partly owned by Suffolk Life) at around £600.</p> <p>Annual property management fee: principally time cost estimated in arrears (only for properties partly owned by Suffolk Life) at around £700.</p> <p>Sale or disposal: principally time cost estimated upon completion at around £600 to £800 of the transaction. Variation of proportion of property ownership: principally time cost estimated upon completion at around £500 to £700 of the transaction.</p>
Borrowing other than for a property purchase	<p>Borrowing Facility Fee: £100 each year</p> <p>The establishment fee will vary dependent on the costs incurred and principally the time spent on the transaction</p>
Overdraft facility	Creation of temporary overdraft facility: £35 Renewal of temporary overdraft facility: £100
Paperless investment transactions††	Nil transaction charge
Quoted paper based dealing††	£25 transaction charge
Other paper based dealing††	£75 transaction charge
Unquoted investments (excluding private company shares) ††	£75 transaction charge
Deals placed via Cofunds fund supermarket	Nil transaction charge (many fund charges at a discounted rate)
Other investment transactions	Will vary depending on the costs incurred and principally the time spent on the transaction
Appointment of an investment manager	Nil charge

Prudential reserves the right to alter the fees that apply to the Self-Invested Fund at any time.

†† 3rd party investment charges such as stockbroker's commission, stamp duty etc are payable in addition.

The Prudential FRP can reward your clients for investing in it. Discounts are applied to the basic annual management charges for the amount of time invested in the FRP (Loyalty Discount) and based on the size of the fund (Fund Size Discount). Both discounts can apply at the same time. The total fund value of all units invested in Insurance Funds* across all personal pension and income drawdown plans under FRP will determine the fund size discount applicable at any given time.

Loyalty Discount	<ul style="list-style-type: none"> > Discount to the AMC will apply to all money invested in Insurance Funds > Based on period of continuous investment in Prudential FRP, normally starts from the date the first plan starts > The discount does not apply to investments held under the Self-Invested Fund, however the period of continuous investment includes any period in the Self-Invested Fund > Any period in the FRP Holding Account does not count towards period of continuous investment 	
	Elapsed Time	AMC Discount
	0 – 4.99 years	0.00%
	5 – 9.99 years	0.05%
	10 –14.99 years	0.10%
	15 – 19.99 years	0.20%
	20+ years	0.25%
Fund Size Discount	<ul style="list-style-type: none"> > Discount to the AMC will apply to all Insurance Funds > When determining the fund size discount we include the value** of all of your client's Prudential FRPs (excluding any Self-Invested Fund value or the FRP Holding Account or any Final Bonus or MVR applicable to With-Profits Fund investment) 	
	Total non-SIF Fund Value	AMC Discount
	£0 – £24,999.99	0.00%
	£25,000 – £49,999.99	0.10%
	£50,000 – £99,999.99	0.20%
	£100,000 – £249,999.99	0.25%
	£250,000+	0.30%

* Insurance Funds are all funds excluding the SIF and the FRP Holding Account or any Final Bonus or MVR applicable to With-Profits Fund investment.

** The fund size discount is calculated monthly, so will move up and down with changes in the Insurance Fund on a monthly basis.

Worked example

The example and graph below show how, over the longer term, your client could benefit from the Loyalty and Fund Size Discounts with the Prudential FRP, including when they move into income drawdown and take tax free cash and an income.

Your client will be 30 years old next birthday and would like to pay a net contribution of £100 per month into the Prudential Flexible Retirement Plan until age 75. You select 20% Fee Based Commission.

At age 35 – The client becomes a higher rate tax payer

At age 40 – The client chooses to invest £60,000 as a lump sum from an inheritance
– You select 4% Unfunded Initial Commission

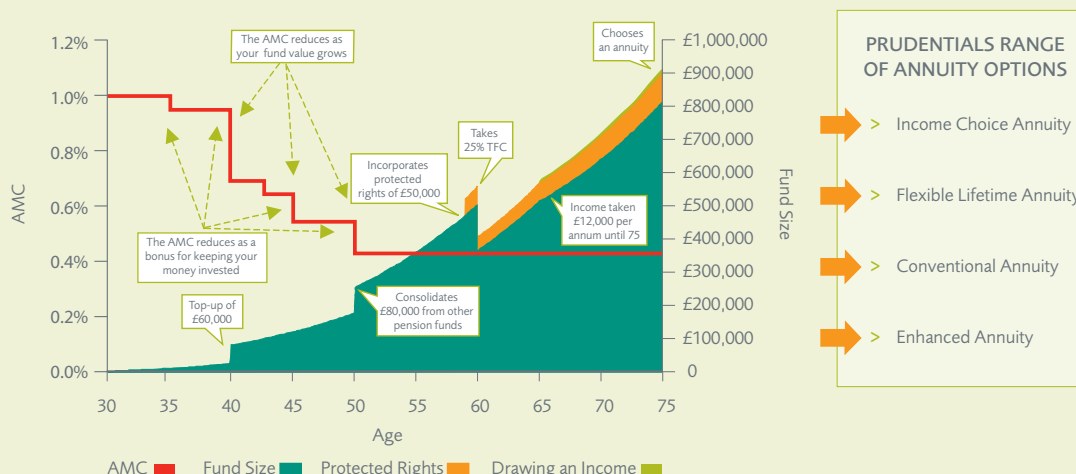
At age 50 – The client chooses to consolidate £80,000 from 3 other pension funds into their FRP
– You select 4% Unfunded Initial Commission

At age 59 – The client chooses to incorporate their protected rights fund of £50,000 into their FRP before moving into income drawdown
– You select 4% Unfunded Initial Commission

At age 60 – The client decides to move into income drawdown. The client opts to take 25% tax free cash
– You select 3% Unfunded Commission on the balance of the fund

At age 65 – The client decides to taken an income of £12,000 per annum until age 75

At age 75 – The client chooses from our range of award-winning annuity options



A basic AMC of 1.00% has been assumed to have applied initially and an assumed investment return of 7% per annum before charges have been used in this example. Please note that the AMC is reduced as your client's fund value grows. These figures are only for illustrative purposes.

The rate of growth of funds cannot be guaranteed. The value of investments may go down as well as up and the fund available to provide benefits may be less than the payments made.

We understand that a single solution is unlikely to meet the needs of each of your clients. That's why we offer an extensive range of funds from multi-asset managed funds through to full open architecture.

Portfolio Management Group (PMG) Multi-Asset Funds

- > We believe in the importance of asset allocation – and appreciate that there has been a strong demand for multi-asset solutions particularly within the cautious managed sector.
- > We have a strong team of in-house experts, the Portfolio Management Group (PMG), who are entrusted with the day-to-day asset allocation decisions for over £125 billion (December 2009) of investors' money.
- > PMG is responsible for ensuring that the assets of Prudential's managed funds are invested in the right markets. They are independent of the individual expert fund managers and this ensures not only a fully dedicated asset allocation resource, but also helps ensure an even view is held across all asset classes.
- > Our multi-asset funds now include our range of PruFund pension funds. For more information on PruFund, please refer to the Prudential FRP Transfer Key Features document – PPPK6140.

The PruSelect Fund Range

- > With the aim of making fund choice easier we've asked the independent research company, Old Broad Street Research (OBSR), to provide us with a list of funds. We call this the PruSelect fund range.

- > OBSR are an independently owned consultancy business that specialises in providing forward looking investment research and analysis. It is their expertise, credibility and distinctive approach that rank them as one of the leading players in their field. It is OBSR's role to advise Prudential on the funds that may help meet the needs of you and your clients – we do not pre-determine any of the outcomes, other than it needs to work for you and save you time.

- > OBSR use a comprehensive and in-depth research process in their analysis to create that optimum choice of funds – it's not driven by past performance or price but looks at the future capability of the fund and fund manager to deliver what the fund promises. We have asked OBSR to keep a close eye on how these funds perform over the years – if they do not perform well and there are others emerging as better solutions, the suite will change.

We know that many advisers would love to have access to this type of formal fund research and analysis in their business, but it's expensive to build and maintain. With our new PruSelect fund range you now have access to this at no additional cost.

New Dynamic Portfolios

- > Our five portfolios look to target different customer needs with incremental risk and potential return targets.
- > Our Dynamic Portfolios offer access to a unique combination of experts for asset allocation and fund selection – PMG and OBSR.

- > The Dynamic Portfolios complement our in-house solutions, such as PruFund as well as our PruSelect fund range.
- > These five new funds are a key addition to our long term commitment to deliver a quality investment proposition, with consistency of choice across a number of our products.

Additional Fund Choice & Lifestyle Options

- > Additional choice of funds from external fund managers that we have worked closely with over the years. These include both internally and externally managed funds and offer specialist solutions – such as natural income paying Distribution Funds or funds that offer a level of protection.
- > A choice of pre-defined lifestyle options to assist in managing risk.

FundSIPP and Full SIPP Options

- > Prudential FRP SIPP Options – through both the personal pension and income drawdown plans we offer a lower cost FundSIPP option, offering access to over 1,300 funds in the Cofunds range (with the option to select a maximum of 20 funds), or a full SIPP option, which gives access to a wide range of investments including commercial property, stocks and shares and unit trusts plus the option to appoint a Discretionary Asset Manager.

This brochure provides a summary of fund options. Please consult our FRP Fund Guide – PENB10211 for more information.

SIPP Investments

SIPP Permitted Investments	
Stocks and Shares (on any stock exchange*)	UK equities Fixed interest securities Debenture stock and other loan stock Permanent interest bearing shares Convertible securities
Collective Investment Funds	Unit trusts Open Ended Investment Companies (OEICs) Investment trust stocks & shares held by trust savings schemes or investment plans operated by firms
Commercial property	Warehouses, factories, offices etc. Also includes hotels, guesthouses, nursing homes
Other	Fixed term deposit accounts Depository interests

These investments are held under the Prudential Self-Invested Fund. For a full and more detailed list of allowable investments please see SIPP Allowable Investments – FRPM10011.

* If it is not a recognised stock exchange we restrict the investment to 20% of the value of the SIPP.

Lifestyle Options

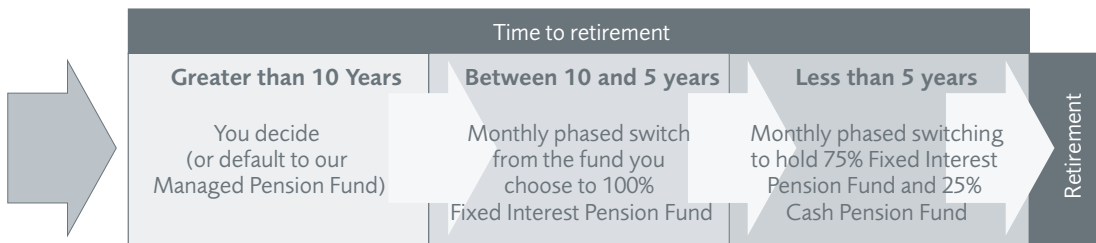
To assist you and your clients in managing risk, we offer a choice of pre-defined lifestyle options for both our personal pension and income drawdown options.

Personal Pension Lifestyle Option

This investment strategy aims to protect your clients' investments as they move closer to retirement.

Within 10 years of retirement automatic monthly switches gradually reposition the fund choice to risk averse funds.

The maximum number of funds a customer can invest in immediately prior to the option starting is 18. This option can be selected when the plan is taken out or at any time during the term of the plan. It can also be cancelled immediately on request or resumed (this does not apply to investments in the With-Profits Fund, the Self-Invested Fund, FRP Holding Account, the PruFund Protected Growth Fund and the PruFund Protected Cautious Fund).



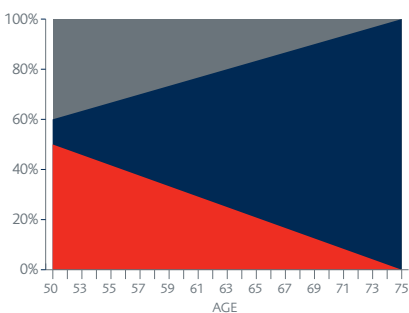
Income Drawdown Lifestyle Options

For our income drawdown plan we offer 3 lifestyle options.

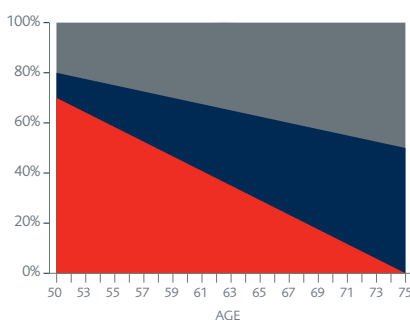
The asset allocation is updated each year depending on the investor's age on the plan anniversary. The starting asset allocation is also based on the investor's age when selecting the option. This option can only be selected between ages 55 attained and 70 next birthday.

These graphs demonstrate the changing position for investors in each of the 3 lifestyle options available.

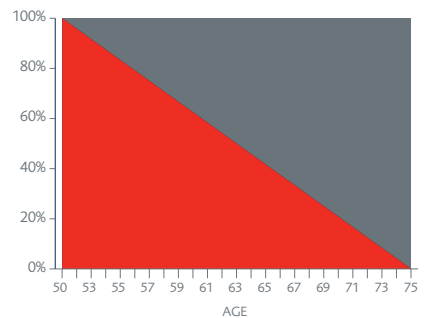
Cautious Profile



Balanced Profile



Adventurous Profile



Please note that Cautious, Balanced and Adventurous are Prudential's, and not industry standard, definitions for lifestyle options.

- Prudential With-Profits Pension Fund
- M&G Corporate Bond Pension Fund
- M&G Managed Growth Pension Fund

A different remuneration basis may be selected each time a personal pension or income drawdown plan is set up, including moving from personal pension to income drawdown.

Commission	
Commission	<p>Fee based*, Level* or Unfunded Initial Commission is met through an explicit charge on the contribution invested. Funded Initial Commission is met by a monthly Establishment Charge during the first 60 months of a plan.</p> <p>Fee Based Commission can be set at any amount by the Adviser (subject to limits) and will be paid as a single payment to the Adviser. The charge for Fee Based Commission is spread out equally over 12 months.</p> <p>Each plan set up for a client can have its own commission structure.</p>

* available on personal pension option only

Options and Limits			
Regular contributions – Personal Pension only			
	Fee Based Commission	Fund Related Commission* (Trail Commission)	Level Commission (% of contributions)
Initial period** (maximum 60 months)	Maximum of 50% of first 12 month's contribution	Maximum of 1.25%	Maximum of 50% of contribution (must be taken at same rate as any Fee Based Commission taken)
Secondary rate (ongoing term of contract)	n/a	Maximum of 1.25%	Maximum of 10% of contribution
Single contributions and Transfer Values – Personal Pension and Income Drawdown			
	Initial commission (% of contribution)	Fund Related Commission* (Trail Commission)	
Defined at outset of plan*	<p>Unfunded Initial – Maximum of 10% of contribution</p> <p>Funded Initial – maximum of 5% of contribution</p>	Maximum of 1.25%	

See Remuneration Guide PENS10043 for commission payable on movements from personal pension to income drawdown.

Contracted out rebates – Personal Pension Only			
	Unfunded Initial Commission (% of contributions)	Fund Related Commission* (Trail Commission)	
Defined at outset of plan	Maximum of 10% of contribution. Customer authorisation required for amounts of 5% and over	Maximum of 1.25%	
Additional adviser remuneration			
Adviser Fees	It is possible to pay Adviser fees from the Self-Invested Fund with approval from the client		

Actual commission amounts only available via an illustration. Please choose commission options based on what your client requires now and will require in the future. Once the plan has been set up it isn't possible to make any future changes to the structure.

- * Fund Related Commission is not paid on money held in the FRP Holding Account or in the Self Invested Fund. Investments held within the SIF (such as unit trusts or OEICs) may give rise to Fund Related Commission. If it is required for any future switches into the other Insured Funds then it must be selected at outset as it cannot be added to the plan at a later date.
- ** The initial period is defined by the Adviser but cannot exceed 60 months. If Level throughout is required the secondary rate above applies from the outset of the plan.

No Commission is paid in respect of an In Specie Transfer except for adviser fees which can only be taken from the bank account with customer agreement.

Prudential



We are a leading UK life and pensions provider with total funds under management of £309 billion (as at 30 June 2010) and approximately 25 million customers, policyholders and unit holders worldwide.

With investment specialists working on behalf of our many investors, we continually seek to enhance our reputation of providing value for money, products and services. We're proud of our reputation for integrity and for acting responsibly within society, a reputation that we've earned over the last 160 years.

Source: Prudential Fact File 2010.

- > We are a leading pension provider and have a strong consumer brand for pensions.
- > Financially strong – AA (stable) rating from Standard & Poor (as at August 2010)
- > We are the largest pension annuity provider in the UK.
- > We pay income to more than 1.2 million individuals annually.
- > More than £2.4 billion was paid out in retirement income in 2009.

Suffolk Life



Service matters to us so we've selected Suffolk Life to provide first class administration for our SIPP proposition. Suffolk Life is one of the leading providers of SIPP administration. They have experienced knowledgeable staff

with a proven track record of excellent service delivery. They have also been recognised as experts in the purchase and management of commercial property within SIPPs for a number of years.

Source: Prudential 2010.

- > Suffolk Life are an experienced and award winning SIPP provider.
- > Suffolk Life employ experts who are able to assist their clients with the entire commercial property purchase process.
- > Suffolk Life offer the flexibility of a broad range of SIPP investments including commercial property, access to the Cofunds platform and Stocktrade dealing services, the freedom to engage various UK based Discretionary Asset Managers (DAM) and the flexibility to appoint any other professional adviser needed for the SIPP investment.



How to contact us

To support you and your business we've made it easy for you to contact us through your preferred choice:

Illustrations: www.pruadviser.co.uk or call us on 0808 234 0808

For queries or help call or fax us:

Income Drawdown Team

Use this number for queries on submitted new business income drawdown applications, in force income drawdown plans or for queries on using the income drawdown option on a personal pension plan.

Call: 0808 234 2372

Fax: 01786 405123

Lines are open from 9.00am to 5.00pm Monday to Friday.

Adviser Contact Centre

Use this number for all pre-sale illustrations and for queries relating to personal pension plans under the Flexible Retirement Plan.

Call: 0808 234 0808

Fax: 0808 234 0404

Lines are open from 8.30am to 6pm Monday to Friday.

Technical Helpline

Use this number for any queries not relating to an existing application or in force business.

Call: 0845 711 12 13

Fax: 01786 403 696

Lines are open from 9.00am to 5.00pm Monday to Friday.

SIPP Administration & General Enquiries

Call: 0870 850 6062

SIPP Property Enquiries

Call: 0870 850 6063

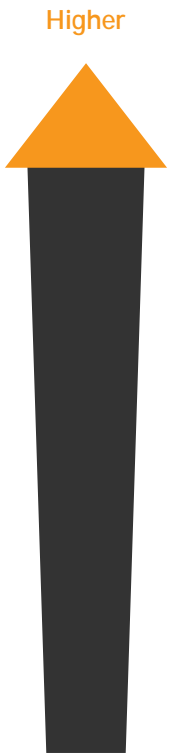
This is only a guide to the technical details of the Prudential Flexible Retirement Plan (Personal Pension and Income Drawdown with SIPP Options). It is based on our current terms of contract as at June 2010. Full terms and conditions are available on request. Calls may be monitored or recorded for quality and security purposes.



www.pruadviser.co.uk

"Prudential" is a trading name of The Prudential Assurance Company Limited, which is registered in England and Wales. This name is also used by other companies within the Prudential Group, which between them provide a range of financial products including life assurance, pensions, savings and investment products. Registered Office at Laurence Pountney Hill, London EC4R 0HH. Registered number 15454. Authorised and regulated by the Financial Services Authority.

Fund Aim	Where it invests*												
<p>Prudential PruFund 40-80 Fund</p> <p>The Fund aims to achieve long-term total return (the combination of income and growth of capital). It is an actively managed Fund with a well diversified exposure to UK and international equities, property, fixed interest securities, index-linked securities and other specialist investments. Typically the Fund will have a bias towards assets providing potential for growth such as equities, with between 40% and 80% of the Fund being invested in equities.</p>	<p>Total Equity 64%</p> <table border="1"> <tr> <td>UK Equity</td> <td>18%</td> <td>Global Property</td> <td>12%</td> </tr> <tr> <td>Global Equity</td> <td>46%</td> <td>Cash</td> <td>2%</td> </tr> <tr> <td>Global Bonds</td> <td>22%</td> <td></td> <td></td> </tr> </table>	UK Equity	18%	Global Property	12%	Global Equity	46%	Cash	2%	Global Bonds	22%		
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Potential Rewards & Risks



Lower