

Key Features of the Flexible Investment Plan

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

Prudential
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› About this booklet

- › This booklet explains the key features of the Flexible Investment Plan.
- › If you're considering whether our Flexible Investment Plan is right for you, this booklet will help you make that decision. You should read this with your personal illustration.
- › If you still have questions about our Flexible Investment Plan after reading this booklet, your Financial Adviser should be able to help. Alternatively, you can call us on **0845 640 1000**.

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 Flexible Investment Plan is right for you. You should read this booklet carefully so that you understand what you are buying and then keep it safely for future reference.

› About our Flexible Investment Plan

Our Flexible Investment Plan is a single premium investment bond that lets you invest your money in a range of different funds.

You start your plan with a single payment. You can also make additional payments at any time. You can make regular and partial withdrawals, and you can cash in your plan at any time.

Our Flexible Investment Plan also provides a small amount of life cover.

› Its aim

- › Our Flexible Investment Plan aims to increase the value of your investment over the medium to long term.

› Your investment

- › You need to make a single payment of at least £10,000 when you take out your plan. You can also make top-ups of at least £5,000.
- › Your plan is designed for investment over a medium to long term period. You can invest for as long as you like, but there may be an exit charge in the first five years.

› Risks

- › The value of your plan can go down as well as up. Its value could even fall below the amount of money you pay into the plan. This could mean that you don't get back the full amount you invested.

The value of your plan could change for a number of reasons, including:

	Where you can find more information
› The funds you choose, any special features they have and how they perform.	"Where do you invest my money?" on page 5 and "Which Funds invest in Prudential's With-Profits Fund?" on page 5.
› When you choose to cash in your plan	"When can I cash in my plan?" on page 8 and in the Early Cash-In Charge section of "What are the charges?" on page 10.
› The charges taken. If the total charges taken from your plan are more than any overall growth achieved, your plan will fall in value, possibly to even less than you have invested.	"What are the charges?" on page 9
› Tax rules may change	"Will I have to pay tax on my plan?" on page 12.
› If you choose to cancel your plan	"What if I want to cancel my Flexible Investment Plan?" on page 13.

› Questions and Answers

Who can take out a Flexible Investment Plan?

If you are 18 or over and resident in the UK, you can take out a Flexible Investment Plan. You can take it out on your own, or jointly with another person.

You can take the plan out on your own life or on the life of another person aged from three months to 89 years.

What happens if I move overseas?

If you subsequently move abroad and are no longer a resident of the UK this will impact on your ability to make any further investment into this plan in the future. Prudential is not able to accept new monies from customers who are not physically resident in the UK.

How much can I invest in my plan?

The minimum initial investment is £10,000. You can also make top-ups of at least £5,000. The maximum investment is £500,000. This maximum includes any top-ups.

In some circumstances, we may accept investments larger than £500,000. If you would like to invest more than £500,000, please speak to your Financial Adviser.

Where do you invest my money?

You choose where to invest your money and your money buys units in the funds you choose.

Choosing funds

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.

You can invest in up to ten funds at any time. If you choose a **Distribution Income Fund** or a **PruFund Fund** each will count as two fund choices.

For a list of all the funds you can choose from, please read "Flexible Investment Plan – Short Fund Guide". Your adviser will give you a "Fund Guide" which provides more information on the funds available, including the objective of each fund and its risk profile. Alternatively, you can visit our website www.pru.co.uk. We shall also send you a copy of the Fund Guide when you take out the plan.

For any fund, we may delay the buying, selling or switching of units. These delays will only apply in exceptional circumstances and if this applies to you, we will let you know. For further information, please refer to your Policy Provisions.

Which Funds invest in Prudential's With-Profits Fund?

The following funds are invested in Prudential's With-Profits Fund:

- › Prudential (Optimum Bonus) With-Profits Fund
- › Prudential (Optimum Return) With-Profits Fund
- › PruFund 0-30 Fund (not available if you took out your plan before 25 April 2005)
- › PruFund 10-40 Fund (not available if you took out your plan before 25 April 2005)
- › PruFund 20-55 Fund (not available if you took out your plan before 25 April 2005)
- › PruFund 40-80 Fund (not available if you took out your plan before 25 April 2005)
- › PruFund Growth Fund (not available if you took out your plan before 25 April 2005)

- › PruFund Cautious Fund (not available if you took out your plan before 25 April 2005).
- › PruFund Protected Growth Fund (available between 13 October 2008 and 7 August 2009, and from 13 June 2011)
- › PruFund Protected Cautious Fund (not available if you took out your plan before 13 July 2009)

You can select the above funds for investment at outset, or at any time after, except the PruFund Protected Cautious Fund and the PruFund Protected Growth Fund which are only available at the start of your Plan. You can only invest in one PruFund Protected Fund.

Although the funds that invest in Prudential's With-Profits Fund are invested in the same underlying fund, there are significant differences in; the way that returns are delivered, the asset mix that applies to each fund and the objectives of each fund. For more information please read "How do you work out the value of my investment?" on page 7.

PruFund Protected Funds

Each PruFund Protected Fund and its corresponding PruFund Fund has the same unit price and spread of investments, but the PruFund Protected Funds have the added benefit of a range of guarantees which have an extra charge.

There are a range of guarantee terms offered for our PruFund Protected Funds. The terms, and their charges may vary and we may add or remove terms. However, once you have selected a PruFund Protected Fund and the guarantee term, the term and charge will not be changed.

How does the PruFund Guarantee work?

If you select a PruFund Protected Fund, you will be able to select from a range of guarantee terms, where the guarantee will only apply at the end of the selected guarantee term (Guaranteed Date).

Each guarantee term has its own charge and this will be payable for the whole of this term. 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 your adviser or from pru.co.uk.

On investment into a PruFund Protected Fund we will calculate the Guaranteed Fund Value (GFV). This will be the amount of money invested in the fund after allowing for any initial charges or enhancements. This Value will be reduced proportionately for any withdrawals or switches out between investment and the Guarantee Date, and will be shown on your regular statements.

At your guarantee date the value of your investment in the Protected PruFund Fund will be reviewed against the GFV. If, at the Guarantee Date, the value of your investment is below the GFV, we will increase the value of your fund to the GFV. If, at the Guarantee Date, the value of your investment is higher than the GFV, then the guarantee will not apply.

On the Guarantee Date, after any necessary adjustments, your investment will be switched into the relevant non Protected PruFund Fund and the guarantee, and the respective charge will no longer apply.

The guarantee will only apply at the end of the selected guarantee term. If you fully switch out of a PruFund Protected Fund or cash in your plan before the end of the selected term, then the guarantee will not apply and the charge will stop.

It is not possible to invest in either of the PruFund Protected Funds once your plan has started. If you want to invest in a PruFund Protected Fund (either a new investment or additional) this must be through a new plan.

How much is invested in my plan?

We work out how much is invested in your plan by multiplying the amount of your investment by the allocation rate shown in the tables.

The Flexible Investment Plan has two charging options – Initial Charge and No Initial Charge. If you choose the Initial Charge Option, we then deduct the 5% Initial Charge.

If you choose the 3-year Early Cash-In Charge Option, the allocation rate for each investment you make will be reduced by 1%.

Allocation rate

Your allocation rate depends on:

- the total amount you have invested in your plan,
- whether you choose the Initial Charge Option or No Initial Charge Option, and
- the age of the people covered and when you choose for life cover to be paid.

If you chose to cover two people and for the life cover to pay out when the first of the two people covered dies, the rate will be based on the age of the older person.

If you chose to cover two people and for the life cover to pay out when the second of the people covered dies, the rate will be based on the age of the younger person.

The following table shows the Allocation Rates for the **No Initial Charge Option**:

Amount of your payment	Age when taking out the plan			
	74 or under	75 to 79	80 to 84	85 to 89
£10,000 to £19,999	100%	98%	97%	96%
£20,000 to £49,999	100.25%	98.25%	97.25%	96.25%
£50,000 to £74,999	101%	99%	98%	97%
£75,000 or more	101.25%	99.25%	98.25%	97.25%

The following table shows the Allocation Rates for the **Initial Charge Option**:

Amount of your payment	Age when taking out the plan			
	74 or under	75 to 79	80 to 84	85 to 89
£10,000 to £19,999	102%	100%	99%	98%
£20,000 to £49,999	102.5%	100.5%	99.5%	98.5%
£50,000 to £74,999	103.5%	101.5%	100.5%	99.5%
£75,000 or more	103.75%	101.75%	100.75%	99.75%

For top-ups, the rate will be based on the total amount that remains invested in your plan plus the amount of the top-up. It will also be based on the age of the person covered when the plan was originally taken out.

The Allocation Rate you'll receive is shown in your illustration.

How do you work out the value of my investment?

For most of the funds we offer, 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.
- › the price of your units can change if more money is going into or out of the fund.

However, we calculate the growth on some funds differently.

For the **Distribution Income Funds**, the unit price is reduced in line with the distribution amounts.

For the **PruFund Funds**, we use a smoothing process which aims to give you a more stable rate of growth than you would get if you were directly exposed to the daily changes in the funds' performance. However the value of your investment can go down as well as up. In certain circumstances, we may suspend smoothing. If this happens, the unit price will increase or decrease daily in line with the value of the underlying investments.

For more information about how the **PruFund Funds** work, please read "Your With-Profits Plan – a Guide to how we manage the Fund (PruFund range of Funds WPGB0031) and refer to the Policy Provisions.

For the **Prudential (Optimum Bonus) With-Profits Fund** and the **Prudential (Optimum Return) With-Profits Fund**, the unit price 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 (MVR) that may apply.

For more information about how the With-Profits Funds work, please read "Your With-Profits Plan – a Guide to how we manage the fund (Prudential unitised With-Profits Plans – WPGB0027).

For more information, please speak to your Financial Adviser.

Can I switch money between funds?

You can switch your money between funds at any time. However, you can only invest in ten funds at a time.

We don't currently charge you for switching between funds. This may change in the future. If this changes we will let you know.

The minimum amount you can switch is £500. If you're not switching the full value of your investment from a particular fund, you must leave at least £500 in that fund.

You can switch from PruFund Protected Cautious Fund to PruFund Cautious Fund and from PruFund Protected Growth Fund to PruFund Growth fund at any time. The switch will be processed on receipt of the request.

All other switches out of any of the PruFund Funds will be made 28 days after we receive the request and using the unit prices on the 28th day. Only one switch can be made per quarter, where the quarter dates are 25 February, 25 May, 25 August and 25 November, or the next working day if the quarter date is a weekend or a public holiday. This is in addition to any other switching restrictions outlined in "Where do you invest my money?"

For full details on switching rules and to request a switch, please read the "Fund Switching Form – PRUF0534".

Once a request has been made it cannot be cancelled.

If you switch money out of the **Prudential (Optimum Bonus) With-Profits Fund** or the **Prudential (Optimum Return) 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 11.

Programmed Switching, Automatic Rebalancing and an Interest Sweep facility are available when you take out your plan. Details are provided in the application form and "One plan for your investment needs" brochure and you can ask your Financial Adviser about these choices.

For more information about switching money between funds, please read the Policy Provisions which are available on request and on our website www.pru.co.uk

Can I withdraw money from my plan?

You can make partial and regular withdrawals from your plan. The minimum amount of any withdrawal is £50. If you're not withdrawing the full value of your investment from a particular fund, you must leave at least £500 in that fund.

Partial withdrawals

You can make partial withdrawals at any time.

We may apply an Early Cash-In Charge for partial withdrawals. For more information, please read "What are the charges?" on page 9.

If your partial withdrawal is from one of the **PruFund Funds**, we may pay your partial withdrawal 28 days after we receive the forms we require, using the unit price on the 28th day. This is in addition to any other restrictions outlined in "Where do you invest my money?" on page 5. Please read the Policy Provisions booklet for more information.

If you make a withdrawal from the **Prudential (Optimum Bonus) With-Profits Fund** or the **Prudential (Optimum Return) With-Profits Fund**, we may apply a Market Value Reduction. For more information, please read "What's a Market Value Reduction?" on page 11.

Any withdrawals will reduce the value of your plan and may affect the level of regular withdrawals you can take.

Regular withdrawals

For regular withdrawals, you can take:

- a fixed amount
- a percentage of your original investment
- a percentage of the full value of your plan.

We can pay these to you:

- monthly,
- every three months,
- every four months,
- every six months, or
- annually.

The maximum regular withdrawal you can take in any twelve-month period is the greater of:

- 7.5% of the full value of your plan, or
- 7.5% of the total amount you've invested in your plan.

For **Prudential (Optimum Bonus) With-Profits Fund** or the **Prudential (Optimum Return) With-Profits Fund** you can withdraw an amount equal to the Regular Bonus.

For **Distribution Income Funds** you can choose Natural Income or Natural Income capped at 5% – you can only choose to receive income monthly, every three months or every six months.

If you choose the Natural Income capped at 5% option and the income exceeds the 5% limit, we will reinvest the additional income in your Distribution Income Funds, subject to a minimum of £20. Income amounts below £20 will remain in the Distribution Cash Fund until the next anniversary of your plan.

For more information, please read "Investing for natural income explained" which is available from your Financial Adviser or on our website www.pru.co.uk

When can I cash in my plan?

You can cash in your plan whenever you like. However, please remember that it is designed to be a medium to long term investment.

If you invest in the **PruFund Funds** we may pay out 28 days after we receive your request and the forms we require, using the unit price on the 28th day. This is in addition to any other restrictions outlined in "Where do you invest my money?" on page 5. The unit price will change between the date of your request and when the payment is made to you, so the actual value you receive may be higher or lower than the value at the time you asked to cash in your plan.

If you invest in the **Prudential (Optimum Bonus) With-Profits Fund** or the **Prudential (Optimum Return) With-Profits Fund**, we may apply a Market Value Reduction. For more information, please read "What's a Market Value Reduction?" on page 11.

For more information about cashing in your plan, please read the Policy Provisions which are available on request and on our website www.pru.co.uk

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

The value of your plan when you cash it in will depend on:

- › how much you've invested,
- › how long you've invested for,
- › any withdrawals you've made,
- › the funds you've chosen,
- › how those funds have performed,
- › any charges that we take from your investment.

You can find more information about how much you might get in your personal illustration.

We may apply an Early Cash-In Charge when you cash in your plan. For more information, please read "What are the charges?" on this page.

With-Profits Funds

If you choose to invest in the **Prudential (Optimum Bonus) With-Profits Fund** or the **Prudential (Optimum Return) With-Profits Fund**, the value of your investment will depend on the bonuses we've added to your plan. We may apply a Market Value Reduction when you cash in your plan.

For more information about bonuses and Market Value Reductions, please read "Your With-Profits Plan – a Guide to how we manage the fund" (WPGB0027).

Annual Growth Reward

If you have not made any withdrawals in the previous 12 months, we will pay an Annual Growth Reward on the anniversary of your investment. This will start on the 2nd anniversary of your investment and then each year thereafter.

For investments in **With-Profits Funds** and **PruFund Funds**, we will add 0.35% of the value of your investment in those funds each year. For all other investments, we will add 0.25% of the value of your investment in those funds each year.

Investments in Managed Distribution and High-Yield Managed Distribution Funds are not eligible for the Reward.

Loyalty Bonus

If you choose the Initial Charge Option, we may also give you a Loyalty Bonus. We do this if you haven't made any withdrawals, or moved money out of the eligible funds.

The bonus is 1% of the value of your plan. We add the bonus at the fifth year and the tenth year of your plan.

The funds that aren't eligible for the Loyalty Bonus are:

- › With-Profits Funds,
- › PruFund Funds,
- › Managed Distribution Fund, and
- › High-Yield Managed Distribution Fund.

For more information about the Initial Charge Option, please read "What are the charges?" opposite.

What are the charges?

We charge you for looking after your plan. This is to cover things like:

- › administration and marketing,
- › investment management, and
- › any commission we pay your adviser.

How our charges affect your plan is shown in your illustration.

Initial charge

If you choose the Initial Charge Option, we will take a one-off charge of 5% from the amount you invest. We will also take this charge from any top-ups you make. Choosing this option will make you eligible for a Loyalty Bonus.

Annual Management Charge for Unit Linked Funds

We take an Annual Management Charge from each of the funds you invest in.

The funds have different Annual Management Charges which are already taken into account when we work out the value of your plan. You can find information about how much we charge for each fund in our "Fund Guide: Flexible Investment Plan".

Within the funds, additional expenses may be incurred in relation to trading and holding assets and on any underlying Unit Trust or OEIC holdings. For further information on the level of these charges for each fund, please refer to our Summary of Fund Charges brochure (INVS11270).

Annual Management Charge for PruFund Funds

We take the Annual Management Charge for **PruFund Funds** by deducting a percentage of the units in them every month. You can find information about how much we charge for each fund in our "Fund Guide: Flexible Investment Plan".

Annual Management Charge for Prudential (Optimum Bonus) With-Profits Fund and the Prudential (Optimum Return) With-Profits Fund

The management charge for the With-Profits Funds depends on the performance of the With-Profits Fund, in particular the investment return and our expenses. If, for example, over time investment returns are higher, then we would expect to increase the charges and if returns are lower, we would expect to reduce the charges. We currently expect this charge to be approximately 1.45% a year for the Initial Charge Option and 1.75% for the No Initial Charge Option, based on the assumption that future investment returns from the With-Profits Fund will be 6% a year after tax is deducted. This charge is already taken into account when we calculate the bonus rates for the With-Profits Funds.

Early Cash-In Charge

This is a charge we take from your plan if you make a withdrawal or cash in your plan within the first five years. It may apply on death in certain circumstances, please read "What happens to my plan if the person covered dies?" on page 13. This charge does not apply to regular withdrawals.

How much we charge you depends on whether you choose the Initial Charge or No Initial Charge Option, and when you withdraw. This charge also applies to each of your top-ups separately. This means that the charge period for each top-up starts from the date you invest it – not the date when your plan started. However, if your plan started before 25 April 2005, the charges apply from the date when your plan started.

Early Cash-In Charge		
Year	No Initial Charge Option	Initial Charge Option
1	9%	6%
2	7%	4%
3	5%	3%
4	3%	2%
5	1%	1%
6+	nil	nil

When you take out your plan, or make top-ups, you can choose a 3-year Early Cash-In Option. This option means there are no Early Cash-In Charges after the end of year 3. This Option is not available if you invest in either of the PruFund Protected Funds.

These percentages apply to the amount you withdraw or the full value of your investment if you cash in your plan.

You can cash in your plan without having to pay an Early Cash-In Charge when a person covered by the life cover has to stay in a nursing home or hospital for 90 consecutive days or more. You need to have taken out your plan at least 90 days before this stay begins. If your plan covers two people, this benefit can be taken for either person.

Charges for guarantees – Prudential (Optimum Bonus) With-Profits Fund and the Prudential (Optimum Return) 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 because of death and certain regular withdrawals. Our current MVR practice, which is not guaranteed, may include additional circumstances when an MVR is not applied. Please see "What's a Market Value Reduction?" opposite for more details.

The total deduction for guarantee charges over the lifetime of your plan is not currently more than 2% of any payment made from the fund. 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.

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

PruFund Protected Funds – Guarantee Charge

If you invest in a PruFund Protected Fund, the fund includes a guarantee which has an annual charge. We take this charge by cancelling units each month. The charge is fixed throughout the guarantee term. For full details of the guarantee terms available and the associated charges, please refer to the document "PruFund Range of Funds: Guarantee Options" – INVS11470. You can get a copy of this from your Financial Adviser or from pru.co.uk. Details of the charge can also be found in your illustration.

Guaranteed Minimum Death Benefit – Return of Premium Option Charge

If you select this option we will only take this charge when the guaranteed minimum death benefit is more than the basic death benefit. We will monitor the two amounts every month and apply the charge if necessary.

For more information, please read our "Guaranteed minimum death benefit – return of premium option: Flexible Investment Plan" document.

For more information about the life cover, please read "Who can I provide life cover for?" on page 12.

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

What's a Market Value Reduction?

If you take money out of the **Prudential (Optimum Bonus) With-Profits Fund** or the **Prudential (Optimum Return) 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" (WPG0027) for more information on bonuses. An MVR will reduce the amount

payable on full or partial withdrawals 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 on any payments made due to death and certain regular withdrawals.

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 in the same With-Profits Fund 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 would also consider applying an MVR on regular withdrawals that are more than 5% per annum of the current value of your With-Profits Fund investment, at the time the withdrawals commence, or when the withdrawal arrangement is altered.

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.

However, if we were to reduce the regular withdrawal limit, the new limit would apply only to regular withdrawals starting after the date the change was made, or to existing withdrawals when the amount or frequency is altered. 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.

Will I have to pay tax on my plan?

This section only gives a general tax summary. Individual tax situations may be different and could change in the future.

Your plan is set up as 20 identical policies. You can cash in or transfer the ownership of each policy separately. This can help you withdraw money from your plan in a tax-efficient way.

Corporation tax

We'll pay tax on the funds you invest in. This tax is not reclaimable.

Capital Gains tax

We'll pay tax on the capital gains in our funds.

Income tax

You can currently withdraw up to 5% each year of your investment for up to 20 years without any immediate tax liability. This allowance rolls over to the following year if it's not used.

However there may be income tax to pay when:

- your plan ends on death,
- you cash in all or part of your plan,
- you withdraw more than the 5% a year tax deferred allowance from your plan, or
- you transfer the ownership of the plan.

Gains from your plan may mean that you lose some or all of your entitlement to personal allowances and certain tax credits.

Inheritance tax

Inheritance tax may be payable if you still have the plan when you die.

Special tax considerations are given to plans written under trust. Please ask your Financial Adviser for more information.

For more details about tax and how it affects you, please speak to your Financial Adviser. Further information is also available in our "Guide to tax on your investment" leaflet, which you can request by calling 0845 640 1000 or visiting www.pru.co.uk

Who can I provide life cover for?

Your plan comes with a small amount of life cover and will pay out a lump sum when the person, or people, covered dies.

You can choose to cover the life of one person or two people together. You don't have to be one of the people covered.

If you cover one life only, they can be aged between three months and 89 years and we will pay the lump sum when that person dies.

If you cover two lives, one person must be aged under 90 unless the death benefit is to be paid on the first death when both persons to be covered must be aged under 90. You have two options to choose between when you take out your plan. You can choose for the lump sum to be paid:

- when the first of the two people dies, or
- when both people have died.

What happens to my plan if the person covered dies?

We'll pay out:

- 101% of the plan value – if the person covered was 74 or under when you took out the plan, or
- 100.1% of the plan value less any Early Cash-In Charge – if the person covered was 75 or over when you took out the plan.

If you choose to cover two people and for the life cover to pay out when the first of the two people covered dies, the plan value paid out applies to the older person covered.

If you choose to cover two people and for the life cover to pay out when the second of the people covered dies, the plan value paid out applies to the younger person covered.

Your plan ends when the death benefit is paid.

Guaranteed Minimum Death Benefit

When you take out your plan, you can choose the Guaranteed Minimum Death Benefit – Return of Premium Option.

This option guarantees that the minimum amount we'll pay out as life cover is the same as the total amount you've invested, minus any withdrawals. However, the person or people covered must be 74 or under when you take out your plan.

You can only choose this option when you first take out your plan. There may be a charge for this option.

For more information, please read "What are the charges?" on page 9 or our "Guaranteed minimum death benefit – return of premium option: Flexible Investment Plan" document.

Does the life cover pay out for terminal illness?

We may pay an amount equivalent to the life cover if a person covered is diagnosed with a terminal illness and they're expected to die within 12 months.

If there is more than one person covered and the plan is set up to end on the first death, a claim will be considered if either person covered is diagnosed with a terminal illness.

If there is more than one person covered and the plan is set up to end on the death of the survivor, a claim will be considered in respect of either (a) the survivor only, or (b) where both persons covered have a terminal illness.

How will I know how my plan is doing?

We will send you a statement every year. You can also call us on 0845 640 1000 for an up-to-date valuation of your plan.

What if I want to cancel my Flexible Investment Plan?

You have 30 days from the date you first receive your plan documents to cancel it. Your plan documents include a Cancellation Notice. We will also send you a Cancellation Notice for each of your top-ups.

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

Prudential Investment Plans New Business Stirling FK9 4UE

Please include your plan reference number.

If more than one person owns the plan, we will accept cancellation by any of the owners, within the 30 day limit, whether they're acting alone or jointly.

If you cancel your plan within 30 days, and you have money invested in our **With-Profits** or **PruFund Funds**, we'll give you all of that money back. If you have invested in any of our other funds, you won't get all of your money back if the value of your investment in those funds has gone down.

If you cancel after the 30-day cancellation period has ended, you may not get all your money back. The amount you get back may be reduced if the value of your investment has dropped.

› Other information

How to contact us

You can contact us by:

Telephone: 0845 640 1000. The opening hours are 8am to 6pm Monday to Friday. Calls may be monitored or recorded for quality and security purposes.

Post: Prudential
Stirling
FK9 4UE

Or via our website: pru.co.uk

How to make a complaint

If you have a complaint about your Flexible Investment Plan, 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.

To do this, we need to know exactly what the problem is. So it would really help if you or your adviser could write to us with all the details of what has happened. Please send your complaint to:

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

If you'd rather phone, you can call us on 0845 640 1000.

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 Ombudsman Service. You can contact the Service at:

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

Telephone: 0800 0 234 567

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

How we'll communicate with you

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

Your client category

The Financial Services Authority (FSA) is the independent financial services regulator. The FSA asks companies to categorise their clients based on their involvement in and familiarity with financial services. This is a way of making 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 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.

If you have any questions about your client category, please call our Customer Service Team on **0800 000 000**. The opening hours are 8am to 6pm Monday to Friday. Calls may be monitored or recorded for quality and security purposes.

Conflict of interest

A conflict of interest can arise when a business or personal interest influences, or appears to influence, an independent and objective decision.

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**.

Tax

The information in this booklet is based on our understanding as at November 2011 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 and Wales applies to your Flexible Investment Plan.

You can find full details of your contract with us in the Policy Provisions.

For plans in joint ownership, on the death of one owner, their half-share in the plan will immediately and automatically pass to the surviving owner – unless the plan is written under trust or there has been a change in ownership since the plan was issued e.g. by assignment or trust arrangement.

Policy Provisions

The details of the legally binding contract between you and Prudential are contained in the Policy Provisions.

The Policy Provisions are available on request and on our website www.pru.co.uk and will be issued to you when you take out a plan.

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
Portsocken Street
London
E1 8BN**

**Telephone 0800 678 1100 or
020 7741 4100.**

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



www.pru.co.uk

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