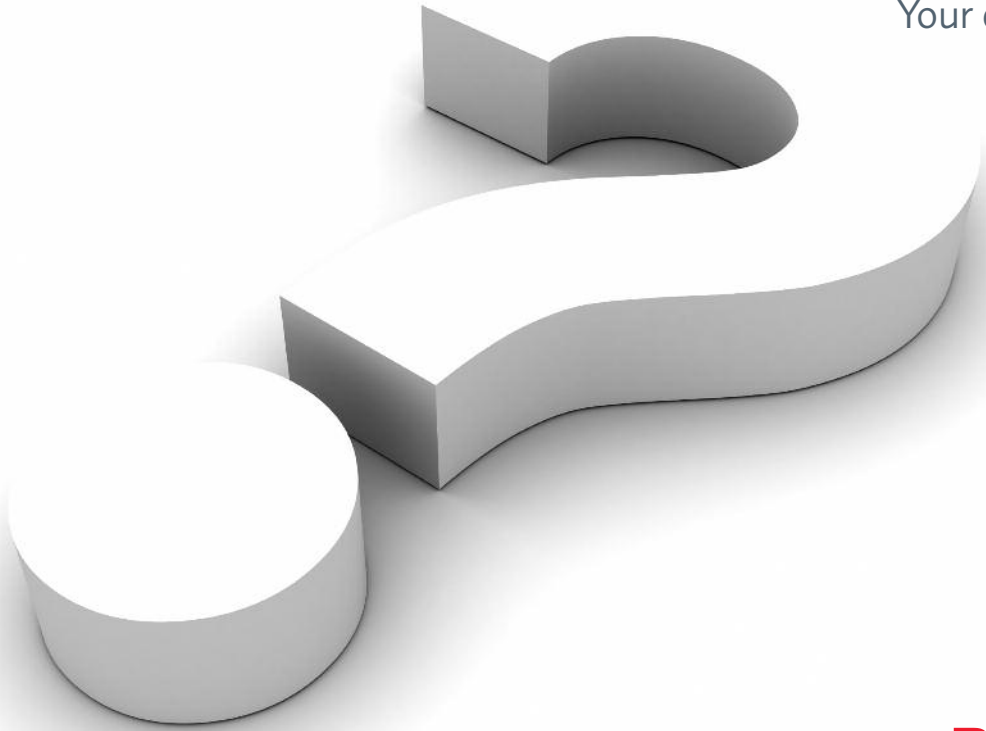



The Prudential ISA

Your questions answered





What is an ISA?

Individual Savings Accounts (ISAs) were introduced by the Government on 6 April 1999. They are a popular and easy way to save whilst not paying any personal income tax or capital gains tax on any profit you may make.

How much can I put into an ISA?

You can invest up to £11,280 tax efficiently in the 2012/13 tax year. Up to £5,640 of this can be saved in a Cash ISA, with the remaining balance in a stocks and shares ISA, or you can invest the whole £11,280 in a stocks and shares ISA.

Please note, however, that Prudential do not offer a cash ISA.

When does the tax year begin and end?

The tax year runs from 6 April to 5 April the next year. You can put money in and take it out whenever you want and you don't even have to declare an ISA on your tax return. However, you can only ever pay up to a maximum subscription allowance in any one tax year, even if you have taken money out during the same tax year.

The current tax situation might not be maintained and the value of the tax benefit depends on individual circumstances.

What are the different types of ISA available?

There are two types of ISA:

- › Cash ISAs – a bit like a regular savings account. This is suitable for short term savings, as money can be taken out more easily. You pay no tax on the interest you earn.
- › Stocks and Shares ISAs – can be a good way of entering the stock market. This is more suitable for longer-term saving where you would like to leave your money untouched for a few years. You have no income or capital gains tax to pay on growth within the ISA.

At Prudential, we offer a Stocks and Shares ISA. Prudential does not offer a Cash ISA, which is usually more secure than a stocks and shares ISA but tends to offer less potential for higher returns over the medium to long term.

Please remember that the value of your investment may go down as well as up and there may be times when you may not get back the full amount of your investment. What you will receive depends on your fund choice and how your fund performs.

Our Stocks & Shares ISA

The Prudential Stocks & Shares ISA is a tax-efficient Individual Savings Account that offers you a range of funds to invest in.

Is this the right option for me?

If you want to invest over the medium to long term and would like the flexibility to select funds that match your risk appetite then this could be for you.

What is a Fund and which ones can I invest in?

Funds are how your money is invested in the stock market. We've got a range of funds that'll give you some options if you're looking to invest your stocks and shares ISA allowance with Prudential:

We offer our Dynamic portfolios which are designed to meet different investment objectives and match different attitudes to risk. Each of our Dynamic Portfolios is a "fund of funds" which means that they invest in a collection of funds, which are themselves run by leading investment managers.

Defensive Portfolio

This portfolio is designed to help limit the risk to capital. It invests mainly in bonds, but does have some exposure to equities and property.

- ▶ May be suitable for investors who are looking for some growth potential and who have a defensive investment strategy.

Cautious Portfolio

This portfolio invests largely in bonds, with exposure to equities and property.

- ▶ May be suitable for investors looking for some growth potential and who have a cautious investment strategy.

Cautious Growth Portfolio

The portfolio provides a split between equity and bond funds with some exposure to property.

- ▶ May be suitable for clients looking for growth on their investment, through exposure to equity based funds and bond funds.

Balanced Portfolio

This portfolio has significant investment in equities with the remainder mainly invested in bonds.

- ▶ May be suitable for clients looking for growth on their investment, but with some exposure to bond funds.
- ▶ May be suitable for clients who are willing to accept more volatility by investing mainly in equities in return for greater growth potential, with some bond fund exposure to reduce the full exposure to equity investment risk.

Adventurous Portfolio

This portfolio invests largely in equities with some exposure to property.

- ▶ May be suitable for clients looking for growth from equity investments.
- ▶ May be suitable for clients who are willing to accept potentially high investment volatility by investing in equities in return for greater growth potential.

The Dynamic Portfolios utilise the combined expertise of our Portfolio Management Group (PMG) and Old Broad Street Research (OBSR), a Morningstar company, one of the UK's most respected investment research companies.

PMG are a team of professional investment specialists. They will actively manage each portfolio's asset allocations and buy and sell underlying funds as selected. They continually review their selection to ensure that the funds meet their objectives.

You also have access to two more of our Multi-Asset Funds which your Adviser may suggest could be right for you if you don't wish to invest in our Portfolio range. Multi-Asset Funds invest in many different types of asset, such as equities, property, corporate bonds and cash which helps spread investment risk:

› Cautious Managed Growth Fund – The fund's objective is to deliver long term total return (the combination of income and growth of capital) and it invests globally either directly or via other collective investment schemes.

› Managed Defensive Fund – This fund's objective is to deliver long term total return (the combination of income and growth of capital) with a bias towards income. It invests either directly or via other collective investment schemes in assets including transferable securities, debt instruments, money market instruments, cash, near cash, deposits, equities, derivatives, and indirectly in property.

Can I transfer my existing ISA?

Both Cash and Stocks & Shares ISAs can be transferred into the Prudential ISA from another provider. Transferring your ISA is relatively easy. However, your Adviser will provide advice on whether they think that this is the right option for you. If they believe it is, they will help you complete the forms, and we will carry out the transfer free of charge (although your existing ISA provider may charge for carrying out the transfer – please check with them for any charges).

Please be aware that your investment will be out of the market during the time it takes to transfer your ISA. This means you would also lose out on any growth in value during the period where the transferring is taking place between your old ISA Manager and ourselves.

Join millions of others who invest with us

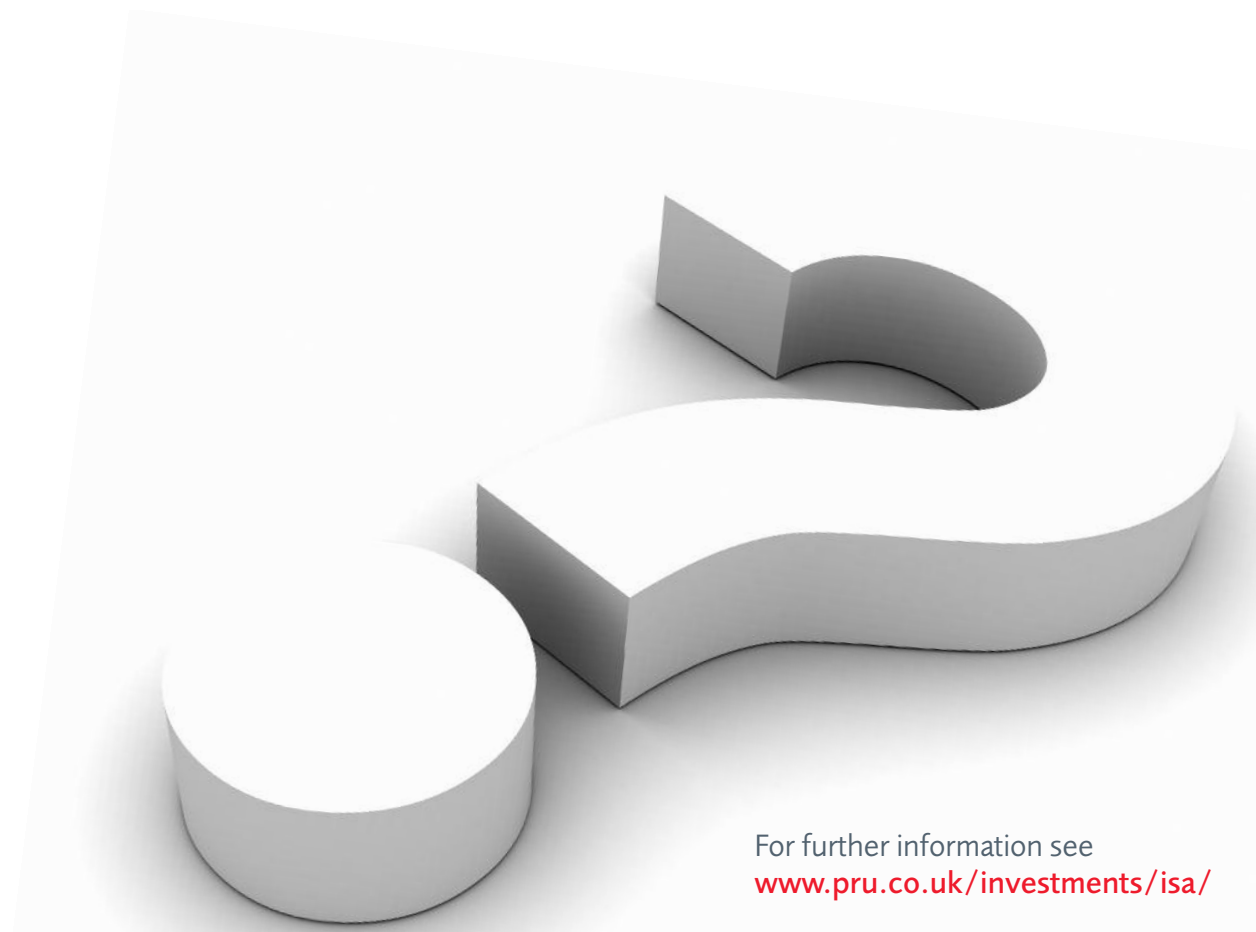
We have around 25 million customers worldwide.* They invest with us because we aim to do what is best for them and their money.

* Source: Prudential Fact File 2011 Half Year

How do I apply?

Speak to your Adviser who will help you choose the fund that's right for you and help you apply for the Prudential Stocks & Shares ISA.

The information contained in this leaflet is based on our understanding, as at April 2012 of current taxation, legislation and HM Revenue & Customs practice, all of which are liable to change without notice.



For further information see
www.pru.co.uk/investments/isa/



www.pru.co.uk

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