



PRUDENTIAL



Key Features of the Prudential Investment Plan

Also applicable to additional investments made after 11 November 2013

Please read this document along with your personal illustration (if you have one) before you decide to buy this plan. It's important you understand how the Prudential Investment Plan works, the benefits and associated risks.

Welcome

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We would like everyone to find it easy to deal with us. Please let us know if you need information about our plans and services in a different format.

All our literature is available in audio, large print or braille versions. If you would like one of these please contact us using the details on the last page.

The Financial Conduct Authority is a financial services regulator. It requires us, Prudential, to give you this important information to help you decide whether our Prudential Investment Plan is right for you. You should read this document carefully so that you understand what you are buying, then keep it safe for future reference.

About the Prudential Investment Plan

Our Prudential Investment Plan is an investment bond that lets you invest your money in a range of different funds and allows you to cash in at any time. It also provides a small amount of life cover.

Important Information

Access to the Prudential With-Profits Optimum Return and Optimum Bonus Funds is no longer available to new customers investing in Prudential Investment Plan (PIP) on or after 11/09/2017.

However, if you are an existing customer pre 11/09/2017, you will still be able to top up or switch into the Prudential With-Profits Optimum Return Fund and the Prudential With-Profits Optimum Bonus Fund.

It is important to note we are not closing the Prudential With-Profits Fund. The underlying fund and ongoing management of the fund will remain the same and access will continue to be available to the With-Profits Fund through the PruFund range of funds.

If you are in any doubt about this product please speak to your Financial Adviser.

Reference to With-Profits within this document is only applicable to policyholders pre 11/09/17.

Its aims

What this plan is designed to do

The Prudential Investment Plan aims to grow the value of your investment over the medium to long term, by this we mean at least 5-10 years. It can also enable you to make tax-efficient withdrawals.

Your commitment

What we ask you to do

- Your initial investment into the plan (and any additional investments) must be worth at least £10,000 after any set-up adviser charge is deducted.
- Together with your adviser, you need to choose investments to suit your needs and keep them under regular review to make sure they are still right for you.

Risks

What you need to be aware of

Investing money can be rewarding, but it's not without risk. We've highlighted some of the key risks you should consider before investing in this product.

- If you cash in or cancel your plan what you receive may be less than you expect and may even fall below the amount you invested for a number of reasons:

- The value of your plan can go down as well as up and may even fall below the amount you invested – what you get back is not guaranteed.
- If more money is taken out of your plan, including charges, than the amount of growth, this will reduce the value of your investment
- If you withdraw money from either of our With-Profits Funds, we may reduce the value by applying a Market Value Reduction. We explain this further in **Market Value Reduction – a clear explanation** – which can be found on www.pru.co.uk/pdf/PRUS6165. We guarantee not to apply a Market Value Reduction on payments made due to death.
- There may be times when we need to suspend the smoothing process for one or more of the PruFund Funds. Please read **Your With-Profits Plan a guide to how we manage the fund – Pru Fund Range of Funds for more details on this.**
- Your personal tax situation or the way the plan is taxed could change, reducing the amount you get back or increasing the tax you pay.
- There may be a delay in buying, selling or switching to or from certain funds. There's more information about this on page 6.

Other documents you should consider reading

This document gives you key information about the Prudential Investment Plan. If you want more detail on specific points, please read the following documents. We have highlighted when they are relevant throughout this document.

They are all available from your adviser, on our website at www.pru.co.uk/pip or direct from us. Our contact details are on the last page.

- **Policy Provisions**
Gives you the full terms and conditions of the contract.
- **Prudential Investment Plan Fund Guide**
This explains your investment choices and gives information on the funds available.
- **Prudential Investment Plan Short Fund Guide**
Gives information on the risks and charges applicable to the funds you can invest in.
- **Return of Premium Death Benefit Option**
Gives information on the option to guarantee the return from the plan if you die.

PruFund and With-Profits Information

- **Your With-Profits Plan**
A guide to how we manage the fund.
- **Your With-Profits plan a guide to how we manage the fund - Prudential Unitised With-Profits plans and Cash Accumulation Plans.**
Provides information on how our With-Profits Fund works, and our current approach to managing it.
- **Your With-Profits Plan a guide to how we manage the fund - Pru Fund Range of Funds**
Provides information on how our With-Profits Fund works, and our current approach to managing it, and applies to plans accessing the PruFund range of funds.
- **The PruFund range of funds: Guarantee Options**
This outlines the guarantee options associated with the PruFund range of funds.
- **Market Value Reduction - A clear explanation**
This explains what a Market Value Reduction is, together with information about how and when these may be applied. This document is not relevant to investments in the PruFund range of funds.

Questions & Answers

Is this plan right for me?

You can invest in our plan if you're aged 18 or over and a UK resident. You can take the plan out on your own or in joint names with another person. You can be the life assured or you can choose to assure the life of someone else. The minimum age for any lives assured is 3 months and the maximum age at outset is 85 years (next birthday).

You need to understand and accept the risks of investing.

You shouldn't invest in our plan if you can't invest for at least five years or don't feel you understand the risks associated with investing. Remember that the level of risk you take depends on the fund options you choose.

You might not want to invest in our plan if you expect to be a higher rate taxpayer, or close to the higher rate band, when you cash in your plan. Your adviser will explain this to you, as it may result in a tax liability. There's more information on tax in the [What about tax?](#) section on page 10.

Are there any guarantees?

We have the following guarantees available:

- **Return of Premium Death Benefit Option:** this option guarantees that the minimum amount we'll pay out as life cover is the same as your premium, minus any withdrawals and adviser charges that have been taken. You can only choose this option when you first take out your plan and there may be a charge for this option. For more information, please ask us, or your adviser, for the Return of Premium Death Benefit Option: Prudential Investment Plan leaflet.
- **PruFund Guarantee:** if you select a PruFund Protected Fund, you will be able to choose from a range of guarantee terms which come with an additional charge. For information about the funds and terms available please read **The PruFund range of funds: Guarantee Options** leaflet.
- **With-Profits Funds Guarantee:** there is a guarantee if you invest in our With-Profits Funds. This is explained in '**Your With-Profits Plan a guide to how we manage the fund – Prudential Unitised With-Profits plans and Cash Accumulation Plans.**

How much can I pay into my plan?

The minimum you can invest each time is £10,000 after any set up adviser charges are taken. In most circumstances, the plan maximum limit on investing is £500,000. If you want to invest more than this, your adviser will need to contact us.

Where is my money invested?

Money you invest in your plan buys units in the funds you choose.

You have many investment choices:

- Prudential's With-Profits Funds
- Prudential's PruFund range of funds
- An extensive range of unit-linked funds from Prudential and external fund managers.

You can invest in up to 10 funds at a time.

For the unit-linked funds that we offer, the value of your investment is determined by the performance of the assets within the fund and also whether more money is moving into or out of the fund (the **Policy Provisions** has full details). In general, the value of your investment moves up and down in line with daily changes in the value of the assets.

Prudential's With-Profits Funds and The PruFund range of funds work in a different way. There's more information about this in **Your With-Profits Plan a guide to how we manage the fund Prudential Unitised With-Profits plans and Cash Accumulation Plans** and **Your With-Profits Plan a guide to how we manage the fund – Pru Fund Range of Funds.**

For a list of all the funds you can choose from and their charges, please read the **Short Fund Guide**. Your financial adviser will also give you the full **Fund Guide** which provides information on the aims and risk profiles of the funds available. You can also ask us for a copy.

Possible delays

There may be circumstances that delay the buying, switching and selling of units in any fund.

We would not expect these delays to be longer than six months for units that invest in property or land, and one month for units that invest in other asset types. However, we cannot guarantee that delays will never be longer.

If a delay will apply to you, we'll let you know. There's more information in the **Policy Provisions**.

There are other delays which apply to PruFund and With Profits funds which are outlined in **Your With-Profits Plan a guide to how we manage the fund – Pru Fund Range of Funds**.

Can I change my investments?

You can invest in up to ten funds at any time and you can switch your money between funds. We currently don't charge you for switching but we will let you know if this changes.

If you want to switch your money out of a PruFund Fund, we'll do this 28 days after we receive your request, using the unit price at the end of the waiting period. Full details are in the **Policy Provisions**.

If you're switching from a PruFund Protected Fund to the corresponding non-protected PruFund, there's no waiting period and we'll make the switch when we receive your request.

Only one switch request can be made per quarter. The quarter dates are: 25 February, 25 May, 25 August, 25 November.

For full details on the switching rules and to request a switch, please ask us for a Fund Switching Form.

How do I take money out of my plan?

You can take single withdrawals from your plan at any time, and regular withdrawals, as long as each withdrawal is over £50. If you're not withdrawing all of your investment in a particular fund, you must leave at least £500 invested.

Any withdrawal will reduce the value of your plan. If you are taking regular withdrawals, it could affect the level and sustainability of these withdrawals.

Regular Withdrawals

You can take up to 5% of your initial investment and any additional investments as a tax-deferred withdrawal each year. Anything above this may be liable to immediate tax. Please see **What about tax?** on page 10.

The maximum regular withdrawal over a rolling 12-month period cannot be over 7.5% of the full value of your plan or 7.5% of the total amount paid in, whichever is greater.

Any ongoing adviser charges paid from the plan will count towards both these limits, so if, for example, you've agreed an ongoing charge of 0.5% each year of the plan value, you can only take 7% of the plan as a regular withdrawal each year.

From the Prudential With-Profits Fund, you can withdraw an amount equal to the regular bonus subject to the limits mentioned above. Information on regular bonus can be found in **Your With-Profits Plan a guide to how we manage the fund Prudential Unitised With-Profits plans and Cash Accumulation Plans**.

From the Distribution Income Funds, which invest in assets designed to pay dividends, income or interest called natural income, you can withdraw all of the natural income available, or cap the amount you take each year up to 5% of your initial investment and any additional investments. If you have capped the natural income you take, any excess will be re-invested to buy further units in your Distribution Income Funds, subject to a £20 minimum. Please note: This option is not available if you pay ongoing adviser charges from your plan.

Your **Policy Provisions** have further details of how withdrawals work.

Can I cash in my plan at any time?

You can cash in your plan whenever you like, but please note that it is designed to be a medium to long term investment, by which we mean at least 5 – 10 years. Cashing in your plan may make you liable to additional tax, so you may want to take financial advice about this. There's more information on tax in the What about tax? section on page 10.

For withdrawals and switches from PruFund and With-Profits Funds investments, there may be restrictions and a Market Value Reduction applied, more details on this can be found in the **Your With-Profits plan a guide to how we manage the fund – Prudential Unitised With-Profits plans and Cash Accumulation plans** and **Your with Profits Plan a guide to how we manage the fund – PruFund Range of Funds**.

Don't forget about the possible delays on page 6.

What are the charges?

Your personal illustration shows what charges you will pay. The charges described below could change in the future. If this happens, we will let you know.

You can find details of our fund charges in the **Short Fund Guide**.

Annual Management Charges

We charge you for looking after your plan. This covers things such as administration, marketing and investment management. These charges are already taken into account when we work out the value of your plan.

For Unit-Linked Funds, we take an annual management charge from each of the funds you invest in. The charge is taken daily as a deduction from the fund.

For PruFund Funds, we take the annual management charge for these funds by deducting a percentage of those units from your plan every month.

For the With-Profits Funds, the charge depends on the performance of the fund, in particular, the investment returns and our expenses. For example, if returns are higher over time, we would expect charges to be higher. If returns are lower over time, we would expect charges to be lower.

Assuming that future investment returns from the With-Profits Fund are 4.5% a year after tax (using, as an example, the middle growth rate as used in your personal illustration), the charge would be estimated to be about 1.25% a year. This charge is already taken into account when we calculate bonus rates.

Discounts on the Annual Management Charge are available depending on the value of your investment.

Fund value	Discount
Less than £24,999	0.30%
£25,000 – £49,999	0.35%
£50,000 – £99,999	0.40%
£100,000 – £249,999	0.45%
£250,000 – £499,999	0.475%
£500,000 – £999,999	0.50%
£1,000,000 +	0.525%

Guarantee charges

Return of Premium Death Benefit option

We will check your fund value each month and only take this charge if the guaranteed minimum death benefit is more than the basic death benefit (100.1% of the fund value).

If you'd like more information, please ask us for our leaflet:

Return of Premium Death Benefit Option or download from www.pruadviser.co.uk/new_pdf_folder/INVS10628.PDF

PruFund Protected Funds

If you invest in one of these funds, you will have to pay an annual charge for the guarantee throughout the guaranteed term. We take this charge by cancelling units each month.

For current charge information, please see our leaflet **The PruFund Range of Funds: Guarantee Options**.

With-Profits Funds

There is a charge to pay for the guarantee the With-Profits Funds support. We guarantee not to apply a Market Value Reduction when payments are made because of death.

Our current practice, which is not guaranteed, may include additional circumstances when a Market Value Reduction is not applied. Please see **Market Value Reduction – A clear explanation** which can be found on www.pru.co.uk/pdf/PRUS6165.

The total deduction for the guarantee charge 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 statement because we take it through adjustments to your bonuses.

Adviser charges

You agree the fees for any advice you receive with your adviser. There are limits to the amount of adviser charges we will allow you to deduct. Your adviser can tell you more.

You can pay your adviser directly, and/or ask us to pay adviser charges from your plan.

You can choose not to have adviser charges deducted from a PruFund Protected Fund and/or a With-Profits Fund if you have also invested in another fund.

Adviser Charges deducted from the With-Profits Funds may lead to a Market Value Reduction – please read **Market Value Reduction – A clear explanation** which can be found on www.pru.co.uk/pdf/PRUS6165. Adviser charges may reduce the guaranteed fund value you have chosen if you have invested in a PruFund Protected Fund.

How will I know how my plan is doing?

Once your plan is set up, we will tell you in your annual statement how your investments are performing. You can ask for an update whenever you like.

You can find out how your investments are performing by:

- Registering for a MyPru log-in at www.pru.co.uk/existing-customers to check your plan online
- reading your annual statement
- phoning us to ask for a valuation on 0345 640 1000. Lines are open Monday to Friday from 8am to 6pm
- asking your adviser for information to make sure your investments are performing as you expect

What about tax?

We've based this information on our understanding of current law and HM Revenue and Customs practice. Your individual circumstances and future changes in law and tax practice could affect the amount you pay. For more information please visit www.pru.co.uk/tax or visit the HMRC website at www.hmrc.gov.uk

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

You can currently withdraw up to 5% each year of the total money paid in to the plan, without any immediate tax liability. This can continue for 20 years or until you've withdrawn an amount equal to the amount invested.

Any ongoing or one off adviser charges are included within this allowance.

The 5% tax-deferred allowance rolls over to the following years if it's not used.

However, income tax may be payable when:

- Your plan ends on death of the life assured or the last life assured if more than one person is covered
- You cash in all, or part, of your plan
- You withdraw more than the 5% a year tax-deferred allowance
- You transfer ownership of the plan

Taking money out of your plan could mean you lose some or all of your entitlement to personal allowances and certain tax credits.

What happens to the Prudential Investment Plan if I die?

The plan will end when the life assured dies, or in the case of a joint life plan, when both lives assured have died.

The plan will pay out 100.1% of the fund value, or the guaranteed Return of Premium Death Benefit, if selected, whichever is the greater. This will be paid out to either the estate or trustees.

If the owner dies but they are not the life assured the plan will not end and ownership of the plan will pass to the owner's estate, unless the plan was owned jointly; in which case it will pass to the surviving owner.

Inheritance Tax

This may be payable if you have the plan when you die.

Special tax considerations apply to plans written under trust. Please ask your financial adviser for more information.

What might I get back?

There is a projection of how much you could get back in your personal illustration.

What you actually get back will depend on how much you've invested, for how long, in which funds and how those funds have performed. It will also depend on the charges that have been taken and any withdrawals you have made.

If you invest in a With-Profits Fund, the value of your investment will depend on the bonuses added to your plan. We may apply a Market Value Reduction when you cash in your plan. More information on bonuses can be found in **Your With-Profits Plan a guide to how we manage the fund Prudential Unitised With-Profits plans and Cash Accumulation Plans.**

What if the plan is not right for me?

You have 30 days from when you first receive your plan documents to cancel. For any additional investments you make into your plan you will also receive a 30 day cancellation period for them.

If you decide to cancel an additional investment it will not affect any existing investment you have in place. We'll include a cancellation notice with these documents and if you decide to cancel, you can send us a completed notice or write to us with your plan reference number at:

**Prudential
Investment Plans New Business
Lancing
BN15 8GB**

Any one of the plan owners can cancel.

If the plan is cancelled within the 30 day limit, we'll give you back all the money you've invested in the **PruFund Funds** or **With-Profit Funds**. If the value of any other fund you've invested in has gone down, you will not get back all of your money.

Your refund will not include any charges paid to your adviser.

After the 30 day cancellation period, the plan can not normally be cancelled and will continue as set out in this document. If you apply to cancel after 30 days you may not get back all of your money if the value of your investment has fallen.

Other information

Client category

The Financial Conduct Authority asks companies to categorise their clients based on their involvement in and familiarity with financial services, so that clients are treated in a way that reflects their category.

You're categorised as a 'retail client'. This means we are required to give you clear, balanced information which highlights any relevant risks. Your category does not affect your right to lodge a complaint.

Compensation

If we get into financial difficulties which may affect our ability to pay your claim, you may be eligible to receive compensation under the Financial Services Compensation Scheme (FSCS).

The FSCS is an independent body set up by Government to provide compensation for people where their authorised financial services provider gets into financial difficulties and becomes unable, or unlikely to be able, to pay claims against it. This circumstance is widely referred to as being 'in default'.

It is important for you to be aware that you may not always be able to make a claim under the FSCS, and there are also limitations in the amount of compensation you may receive.

Any compensation available will depend on your eligibility, the type of financial product or service involved, the investment funds selected (if applicable) and the circumstances of the claim.

You can find out more information on the FSCS and examples of limits in the scope of FSCS cover for your plan at www.pru.co.uk/about_us/fscs, or you can call us.

Information is also available from the Financial Services Compensation Scheme:

Visit their website:

www.fscs.org.uk

Or write to:

The Financial Services Compensation Scheme
PO Box 300
Mitcheldean
GL17 1DY

Or call the FSCS:

Telephone: **0800 678 1100**

Financial strength

Prudential meets EU standards for meeting its financial obligations. You can read our solvency and financial conditions reports at www.pru.co.uk/about_us, or if you contact us we can post some information to you.

Policy Provisions

The details of the legally binding contract between you and Prudential are contained in the **Policy Provisions**. These will be issued to you when you take out a plan. They are also available on our website www.pru.co.uk/pdf/INVM11630.pdf or on request.

Conflict of Interest

As part of our aim to treat our customers fairly, we have a policy in place to deal with any conflict of interest that could affect our customers. For further details, please contact us.

Law

The law of England and Wales applies to your Prudential Investment Plan.

Our regulators

We are authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority. Prudential Assurance Company Limited is entered on the Financial Conduct Authority (FCA) Register, FCA Reference Number 139793. The FCA Register is a public record of all the organisations that the FCA regulates.

You can contact the FCA at:

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

Telephone: 0800 111 6768 or 0300 500 8082

Email: consumer.queries@fca.org.uk

Prudential Regulation Authority details:

The Prudential Regulation Authority
Bank of England
Threadneedle St
London
EC2R 8AH

Telephone: 020 7601 4878

Email: enquiries@bankofengland.co

Communicating with you

Our plan documents and Policy Provision are in English and all our communications with you will be in English.

How to make a complaint

If you have a complaint about your Prudential 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 Financial Adviser could write to us with all the details of what has happened. Please send your complaint to:

Prudential
Customer Response Unit
Lancing
BN15 8GB

If you'd rather phone, you can call us on 0345 640 1000.

If you are not satisfied with our response, you can take your complaint to the Financial Ombudsman Service. Using this free service won't affect your right to take legal action.

The Financial Ombudsman Service
Exchange Tower
London
E14 9SR

Telephone: 0800 0 234 567

www.financial-ombudsman.org.uk

This service is free and using it won't affect your legal rights.

How to contact us

If you want to contact us before you buy this plan, you can write, email or phone:



Write to: **Prudential Lancing BN15 8GB UK**



Online including secure messages: register for MyPru at **www.pru.co.uk**



Phone: **0345 640 3000** Monday to Friday 8am – 5.30pm (we are not open on public holidays).
We may record or monitor calls to improve our service. An answer phone is in operation outside office hours.



If you are a Deaf customer, who is also a British Sign Language (BSL) user, you can contact us using a Video Relay service. The service, provided by SignVideo, connects customers to fully qualified, registered NRCPD interpreters who will relay your conversation with a member of our customer service team.

www.pru.co.uk/contact-us/signvideo

There is no cost for using this service to call Prudential and we're available to help you Monday to Friday, 8am to 6pm.

Keep in touch

It's important that we keep in touch so, if you change your address or any of your contact details, please let us know.



PRUDENTIAL