This is for advisers only, not for use with clients

PRUDENTIAL INTERNATIONAL INVESTMENT PORTFOLIO - KEY REASONS
PIIPS10011 – December 2020

We appreciate that you'll have carefully considered their personal and financial circumstances, financial needs, priorities and risk profile when giving your clients a personal recommendation.

These paragraphs are designed to help you prepare your suitability report for your client. They're not intended to form the full content of the suitability report. It is your responsibility to ensure that the report includes your clients' demands and needs, why you consider the product is suitable on the basis of the information that they have provided to you and makes clear any disadvantages that the product has.

Please note that if you use these paragraphs, or similar text for any reason, you are responsible for ensuring that they are compliant. Whilst every care has been taken to ensure the accuracy of the following information, Prudential can accept no liability if you decide to use it.

These paragraphs are suitable for UK residents only.

Full terms and conditions of Prudential International Investment Portfolio are available through the key features document or the terms and conditions.

The registered office of Prudential International is in Ireland at Montague House, Adelaide Road, Dublin 2.

Aims, commitments and risks of Prudential International Investment Portfolio	
Aims	The bond aims to grow the value of the clients' money and allow for tax efficient withdrawals. It offers access to a range of investments and also provides a small amount of death benefits.
Commitments	To invest at least £50,000 (or currency equivalent) over the medium to long term (at least 5-10 years or more).
Risks	The value of any investment and any income taken from it can go down as well as up, so your client might get back less than they put in.

WHY INVEST OFFSHORE	
Gross roll up	Prudential International is based in Dublin, Ireland and as a result the client's money will roll up free of tax other than withholding tax (which applies to the dividend income on some assets held in the funds). This can give them a potentially higher return than investing in UK–based funds. The above is based on our understanding of current taxation, legislation and HM Revenue & Customs practice, all of which are liable to change without notice. The impact of taxation depends on individual circumstances. Offshore is a common term that is used to describe a range of locations where companies can offer clients growth on their funds that is largely free from tax. This includes 'true offshore' locations such as the Channel Islands and Isle of Man, and other locations such as Dublin. Tax treatment can vary from one type of investment to another and from one market to another.
Tax Deferral	(Individual investors only) The client wants to invest tax efficiently. Normally they'll not have any UK tax liability on the investment growth until they withdraw money from their bond. They may be able to reduce their eventual tax liability by making a withdrawal or cashing in their bond at a time when they're in a lower tax bracket. The above is based on our understanding of current taxation, legislation and HM Revenue & Customs practice, all of which are liable to change without notice. The impact of taxation depends on individual circumstances. The value of any investment and any income taken from it can go down as well as up, so your client might get back less that they put in. Offshore is a common term that is used to describe a range of locations where companies can offer clients growth on their funds that is largely free from tax. This includes 'true offshore' locations such as the Channel Islands and Isle of Man, and other locations such as Dublin. Tax treatment can vary from one type of investment to another and from one market to another.
Wide investment choice	The Prudential International Investment Portfolio gives access to more than 1,000 investment options.
Cash options and tax efficiency	Cash investments are also available. (Individual investors only) The client can use these in the same way as a UK-based

	deposit account, but any interest that the client doesn't take out will accumulate free of tax. Until the client cashes in their bond or exceeds the 5% annual allowance, it will not normally affect their personal allowances. The above is based on our understanding of current taxation, legislation and HM Revenue & Customs practice, all of which are liable to change without notice. The impact of taxation depends on individual circumstances. The value of any investment and any income taken from it can go down as well as up, so your clients might get back less than they put in. Offshore is a common term that is used to describe a range of locations where companies can offer clients growth on their funds that is largely free from tax. This includes 'true offshore' locations such as the Channel Islands and Isle of Man, and other locations such as Dublin. Tax treatment can vary from one type of investment to another and from one market to another.
Currency options	The Prudential International Investment Portfolio offers a choice of currencies: for making the initial investment, for the investment funds and for withdrawals. This could be useful if, for instance, the client decides to move abroad in future. The value of any investment and any income taken from it can go down as well as up, so your client might get back less than they put in. Changes in the rate of exchange between currencies may cause the investment or the amount of regular withdrawals to go down or up. Offshore is a common term that is used to describe a range of locations where companies can offer clients growth on their funds that is largely free from tax. This includes 'true offshore' locations such as the Channel Islands and Isle of Man, and other locations such as Dublin. Tax treatment can vary from one type of investment to another and from one market to another.
GENERAL PRODUCT DETAILS	
Minimum premium	The client may invest a lump sum of £50,000 (or the equivalent in other currencies) or more.
Top-ups	The client can add to the bond in future from a minimum of £5,000.
Accessibility	The client is prepared to invest for the medium to long term (5-10 years), but may want

	to be able to access their money if they need to. With the Prudential International Investment Portfolio, they can make withdrawals at any time, subject to a minimum payment of £500. There will be an early cash-in charge if they cash in their bond completely in the first five years. There is no early cash in charge on partial or regular withdrawals. The value of any investment and any income taken from it can go down as well as up, so your client might get back less than they put in. Regular withdrawals available from the Prudential International Investment Portfolio can be used as income for all practical purposes, although strictly speaking the bond is a non-income producing asset. HM Revenue & Customs may not tax these regular withdrawals as income in the same way that dividends or interest are treated. Any withdrawal taken will reduce the value of their bond. If the withdrawals are more than any overall growth achieved the value of their bond will reduce below the level of original capital invested.
Withdrawal options a) Amount of withdrawals b) Frequency of withdrawals	Select from the following paragraphs as appropriate. They have chosen to take regular withdrawals from their bond of <£X> every <month/three months/four months/six months/year>. If they wish, they can change this amount in future, subject to a minimum payment of £500. Regular withdrawals available from the Prudential International Investment Portfolio can be used as income for all practical purposes, although strictly speaking the bond is a non-income producing asset. HM Revenue & Customs may not tax these regular withdrawals as income in the same way that dividends or interest are treated. Any withdrawal taken will reduce the value of their bond. If the withdrawals are more than any overall growth achieved the value of their bond will reduce below the level of original capital invested. If they wish, they can change the frequency of their withdrawals in the future. Other options are every (delete as appropriate) month, three months, four months, six months or year. Regular withdrawals available from the Prudential International Investment Portfolio

c) Future withdrawals option	can be used as income for all practical purposes, although strictly speaking the bond is a non-income producing asset. HM Revenue & Customs may not tax these regular withdrawals as income in the same way that dividends or interest are treated. Any withdrawal taken will reduce the value of their bond. If the withdrawals are more than any overall growth achieved the value of their bond will reduce below the level of original capital invested. They do not wish to take withdrawals immediately from their bond but they may wish to do so in the future. The Prudential International Investment Portfolio allows them to start taking regular withdrawals at any time, subject to a minimum payment of £500. Regular withdrawals available from the Prudential International Investment Portfolio can be used as income for all practical purposes, although strictly speaking the bond is a non-income producing asset. HM Revenue & Customs may not tax these regular withdrawals as income in the same way that dividends or interest are treated. Any withdrawal taken will reduce the value of their bond. If the withdrawals are more than any overall growth achieved the value of their bond will reduce below the level of original capital invested.
Tax efficient withdrawals	(Individual investors only) They can supplement their current income without increasing their current tax bill. They can take up to 5% of their initial investment as withdrawals each year and the tax liability will be deferred until they cash in their bond. Any of this allowance they do not use one year can be taken up later and it can continue until they have taken the full amount that they put into their bond. If they exceed the allowance there may be an income tax charge. Any future adviser charges that they wish to pay from the bond will count towards the 5% tax-deferred allowance.” Regular withdrawals available from the Prudential International Investment Portfolio can be used as income for all practical purposes, although strictly speaking the bond is a non-income producing asset. HM Revenue & Customs may not tax these regular withdrawals as income in the same way that dividends or interest are treated. Any

	withdrawal taken will reduce the value of their bond. If the withdrawals are more than any overall growth achieved the value of their bond will reduce below the level of original capital invested. The above is based on our understanding of current taxation, legislation and HM Revenue & Customs practice, all of which are liable to change without notice. The impact of taxation depends on individual circumstances. The value of any investment and any income taken from it can go down as well as up, so your client might get back less than they put in.
Loan relationships rules	(UK corporate investors only) As a UK corporate investor, any life assurance bonds they hold will be taxed under the Loan Relationships legislation. This means the 5% annual tax-deferred allowance will not apply and the bond will not be taxed under chargeable event rules. Instead, depending on the company's circumstances, it may be valued at each accounting date and the consequent gain or loss will be taxed or relieved as appropriate each year. The above is based on our understanding of current taxation, legislation and HM Revenue & Customs practice, all of which are liable to change without notice. The impact of taxation depends on individual circumstances. The value of any investment and any income taken from it can go down as well as up, so your client might get back less than they put in.
Assignment	If they wish, they can assign the bond at any time to someone else. If they assign it as a gift (not for money or money's worth), there will be no tax charge at that time and any future tax charges will normally be assessed on the new owner. This could offer a tax advantage if the new owner pays tax at a lower rate than they do. The above is based on our understanding of current taxation, legislation and HM Revenue & Customs practice, all of which are liable to change without notice. The impact of taxation depends on individual circumstances.
Self-assessment	They won't need to include details of their bond on their self-assessment form until a "chargeable event" arises, for example, if they withdraw more than the 5% tax-deferred allowance. If this happens, they will only need

	to include the bond itself, not each of the funds they hold within it. This means their paperwork will be simpler than if they held the same funds as separate investments, especially with funds that produce income, which they would otherwise have to declare annually. The above is based on our understanding of current taxation, legislation and HM Revenue & Customs practice, all of which are liable to change without notice. The impact of taxation depends on individual circumstances. The value of any investment and any income taken from it can go down as well as up, so your client might get back less than they put in.
Death benefit	(Life assured version only) If they die while still holding their bond, Prudential International will pay 100.1% of the cash- in value of the bond. (Where there is more than one life assured) This applies to the last of them to die.
Maturity benefit	If the bond is not cashed in before the maturity date, the maturity benefit will be the higher of the bond value at that time and a Guaranteed Maturity Value. The Guaranteed Maturity Value is 100.1% of the total amount of investments into the bond, less 100.1% of any withdrawals that are made. There is a minimum maturity benefit of £100. The value of any investment and any income taken from it can go down as well as up, so your client might get back less than they put in.
<u>INVESTMENT OPTIONS</u>	
Fund choices	The Prudential International Investment Portfolio allows them to access a wide variety of investment funds, including unit trusts, OEICs (Open-Ended Investment Companies), SICAVs (Societé d'Investissement à Capital Variable), and UCITS (Undertakings in Collective Investments in Transferable Securities). The funds available have a range of risk profiles from the cautious to the more adventurous. This allows them to tailor their bond to their needs and risk preferences and also adapt it to any future changes in their circumstances. These risk categories have been classified by Prudential International and they therefore should not be viewed as generic descriptions across the fund management industry. These are the classifications as at January 2020. They may change in the future.
PruSelect fund range	The PruSelect fund range is a selection of

	funds from among all those available for Prudential International Investment Portfolio. They have been chosen by Morningstar, which is a leading independent investment analyst, offering high quality and performance potential. They represent a mix of fund managers, markets, investment styles and risk levels. The client can choose to invest in funds from just this range or mix them with any others. These risk categories have been classified by Prudential International and they therefore should not be viewed as generic descriptions across the fund management industry. These are the classifications as at January 2020. They may change in the future.
Cash option	In addition to investment funds, the Prudential International Investment Portfolio allows your clients to access a range of cash deposits, with different rates and terms. These provide clients with further options: for instance, if they want a fixed return at low risk or a short-term haven during times of stock market volatility.
Funds selected	They have chosen to invest in <specify choice of funds>. (Adviser to add reasons for specific fund and currency choices.)
Switching option	They can change their fund choices at any time, using the switching facility. In the first year of their bond, they are allowed 20 free deals (purchases or sales) and in subsequent years, 10 free deals. Further deals will incur a switching charge. This does not apply to internally managed Prudential funds.
Capital gains tax	If they switch part of their investment from one fund to another, they will not have any capital gains tax liability on any profit they make from the switch. This may save them tax compared with, say, switching investments from one unit trust to another. They will also not need to include it on their self-assessment form. The value of any investment and any income taken from it can go down as well as up, so your client might get back less than they put in.
Investment adviser option	(Where applicable) They have chosen to nominate <insert name> as their Investment Adviser, to provide Prudential International with investment instructions on their behalf. The ongoing Investment Adviser charge for their Investment Adviser will be deducted from their bond and paid directly to the Investment Adviser. (For individual investors) It will count towards their annual 5% deferred tax allowance

	(see paragraph 10). Or: They may choose at any time to appoint a Fund Adviser, who will provide Prudential International with investment instructions on their behalf. The above is based on our understanding of current taxation, legislation and HM Revenue & Customs practice, all of which are liable to change without notice. The impact of taxation depends on individual circumstances. The value of any investment and any income taken from it can go down as well as up, so your client might get back less than they put in.
Discretionary Asset Manager	(Where applicable) They have chosen to appoint <insert name(s)> as Discretionary Asset Manager(s). They may end this/these agreement(s) at any time, in which case they may select another Discretionary Asset Manager with whom Prudential International has an agreement or choose to manage the assets themselves. They can also choose to appoint an additional Discretionary Asset Manager at any time. There is an additional charge for the Discretionary Asset Manager option of 0.1% a year of the value of their bond fund, or that part of their bond which is managed by the Discretionary Asset Manager(s). The Discretionary Asset Manager(s) will make their own charges for their services, details of which will be shown on their Discretionary Asset Manager nomination form(s).
CURRENCY OPTIONS	
Choice of currencies	They can choose from a range of currencies for different aspects of their bond. The available currencies are: Canadian Dollars, Euro, Swedish Krona, Swiss Francs, UK Pounds Sterling, US Dollars Changes in the rates of exchange between currencies may cause their investment or the amount of regular withdrawals to go down or up.
Base fund currency	They have selected <insert currency> as the base fund currency for their bond. This is the currency the plan will be denominated in, which will be used on policy documents and statements. This cannot be changed once the

	bond is in force. Changes in the rates of exchange between currencies may cause their investment or the amount of regular withdrawals to go down or up.
Investment currency	They have selected <insert currency> for making their investment. If they make any additional investments in future, these can be in the same or a different currency. Changes in the rates of exchange between currencies may cause their investment or the amount of regular withdrawals to go down or up. The value of an investment is not guaranteed and can go down as well as up. The client could get back less than they have paid in.
Cash in benefit currency	They have selected <insert currency> as the cash-in benefit currency. This is the currency in which withdrawals and cash-in proceeds will be paid. Changes in the rates of exchange between currencies may cause their investment or the amount of regular withdrawals to go down or up.
Death/maturity benefit currency	They have selected <insert currency> as the <death/maturity> benefit currency. This is the currency in which the benefit on <death/maturity> will be paid. Changes in the rates of exchange between currencies may cause their investment or the amount of regular withdrawals to go down or up.
TRUST OPTIONS	
At issue trust	(Where applicable) They are applying for this bond in conjunction with a <insert type of trust>. (Please refer to 'Trusts for inheritance tax planning – Key Reasons' (IHTB10030) for suitability paragraphs on Prudential International trusts). Changes in the rates of exchange between currencies may cause their investment or the amount of regular withdrawals to go down or up.
After issue trust	Prudential International offers trusts that may be used for inheritance tax planning. If appropriate, they could put their bond into either the Gift Trust or the Excluded Property Trust.
CHARGING OPTIONS	

<table>
<tr><td>Charging options</td><td>They have chosen the <specify charging option>. This will also apply to any additional investments they make into their bond in future.

(Select from the following paragraphs as appropriate)

Establishment charge option: There will be an establishment charge on their bond, taken on each quarterly valuation date during the first five years. Please see the personal illustration for the amount of this charge.

Initial charge option: An initial charge will be deducted from their payment before it is invested into their bond. Please see the personal illustration for the amount of this charge.

Ongoing charge option - There will be an ongoing portfolio charge on their bond taken on each quarterly valuation date during the life of the bond. Please see the personal illustration for the amount of this charge.

Charges may vary in the future.</td></tr>
<tr><td colspan="2" align="center"><u>WHY PRUDENTIAL INTERNATIONAL</u></td></tr>
<tr><td>Size</td><td>Prudential International (PIA) has total assets of £8.3bn (as at 31 December 2019). PIA has a B+ (Very Strong) credit rating from AKG and is a 100% owned subsidiary of Prudential Assurance
Company Ltd. (PAC).</td></tr>
<tr><td>Financial strength</td><td>Prudential is one of the most recognised names in financial services. Prudential International benefits from the financial and investment strength of it's parent, the Prudential Assurance Company, enabling it to provide flexible and effective investments for its clients.</td></tr>
<tr><td>Regulation</td><td>Prudential International is based in Dublin, which has a strict legal and regulatory framework. Prudential International is subject to all applicable European regulatory requirements and must meet all European regulations. It is authorised by the Central Bank of Ireland. Prudential International is subject to limited regulation by the Prudential Regulation Authority and Financial Conduct Authority for UK business. Details on the extent of the regulation by the Prudential Regulation Authority and Financial Conduct Authority are available on request.</td></tr>
<tr><td>Compensation</td><td>Prudential International exceeds its capital requirements and is financially strong. However, in the unlikely event that Prudential International, the fund manager,</td></tr>
</table>

	Prudential in the UK or the custodian of fund assets should fail to meet their financial obligations, you may face financial loss. Prudential International products will not be covered by a government-backed financial guaranteed scheme, including the FSCS in the UK.
External funds	If an external fund manager becomes insolvent, there is a risk that Prudential International will not be able to recover the full value of any units of a relevant externally-linked fund that are held under the bond. If this situation arises and Prudential International cannot recover the full value of the units, it will not be liable for the shortfall. The company's understanding at the current date is that the investor would not be able to claim under the Financial Services Compensation Scheme.
Initial charge discounts	(Not applicable to holdings under Discretionary Asset Management) Prudential International is able to negotiate substantial discounts with a number of leading fund managers, thanks to its institutional buying power. As a result, many funds will be available with either no initial charge or a much lower charge than normal. This means they can invest in these funds at a much lower cost than if they invested in them directly.
Annual Management charge rebates	(Not applicable to holdings under Discretionary Asset Management) Prudential International is able to negotiate annual management charge rebates on a number of funds, which are passed to them through an addition to their bond. This will effectively increase the value of their bond. They should note that the rebates are not guaranteed and may change or be removed at any time.