Pru
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Prudential International Investment Bond - Key Reasons

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

These paragraphs are designed to help you prepare your suitability report for your customer. They're not intended to form the full content of the suitability report. It is your responsibility to ensure that the report includes your customers' 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 details of the Prudential International Investment Bond 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, Dublin2.

Aims, commitments and risks of Prudential International Investment Bond	
Aims	The bond aims to grow the value of the customers' 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 £20,000, €25,000 or US$35,000 over the medium to long term (at least 5-10 years).
Risks	The value of the investments, and any income from them, is not guaranteed and may go down as well as up. The customer may get back less than they have paid in.

Why invest Offshore?	
Gross roll up	Prudential International is based in Dublin, Ireland and as a result the customers' 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 (and any tax reliefs) depends on individual circumstances. Offshore is a common term that is used to describe a range of locations where companies can offer customers 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 – where Prudential International is registered. Tax treatment can vary from one type of investment to another and from one market to another.
Tax deferral	(Individual investors only) The customer will want to Invest tax-efficiently. Normally they will not have any UK tax liability on the investment growth until they withdraw money from their bond. The customer may be able to reduce their eventual tax liability by making a withdrawal or cashing in their bond at a time when they are 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 (and any tax reliefs) depends on individual circumstances.
Investment choice	Prudential International Investment Bond offers a variety of funds. The customer may choose up to ten at a time, to suit their needs and preferences.
Currency options	Prudential International Investment Bond offers a choice of currencies for making the initial investment for withdrawals. This could be useful if, for instance the customer decides to move abroad in the future. Changes in the rates of exchange between currencies may cause the investment or the amount of regular withdrawals to go down or up.

General product details	
Minimum premium	The customer can invest a lump sum of at least £20,000, €25,000 or US$35,000. These limits are after the deduction of any setup charge.
Top ups	The customer can add to the bond in the future from a minimum of £15,000, €20,000 or US$25,000.
Accessibility	The customer is prepared to invest for the medium to long term (5-10 years or more), but may want to be able to access their money if they need to. With Prudential International Investment Bond, they can make withdrawals at any time, subject to a minimum payment of £75, €112.50 or US$112.50.
Regular withdrawal options a) Level of withdrawals	The customer has chosen to take regular withdrawals from the bond of <£X a year/ X% of the amount they are investing/A% of their bond value>. If they wish, they can change their choice in the future, to: (select as appropriate) A fixed amount or A percentage of the total amount(s) you have paid into your bond A percentage of your bond value Any withdrawal taken will reduce the value of the customers 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.
b) Variable withdrawals	The customer has chosen to take regular withdrawals of <x%> of the value of their bond. This means that, if the value of their bond falls, the amount of their withdrawals will also fall. Of course, if the value of their bond rises, the amount of their withdrawals will also rise, helping them to meet increases in the cost of living. Any withdrawal taken will reduce the value of the customers 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.

General product details	
c) Fixed withdrawals	The customer has chosen to take fixed regular withdrawals of <£X a year/X%> of the total amount(s) they have paid into their bond. If they wish, they can change this choice in the future to take variable withdrawals of a percentage of their bond value. This would give them increasing payments over time if the value of their bond were to grow, although the payments would reduce if the value were to go down. 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.
d) Frequency of withdrawals	The customer has chosen to take regular withdrawals <every month/every three months/ every six months/ every year>. If they wish, they can change the frequency of their withdrawals in the future. Other options are every <month, three months, six months or year>. 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.
e) Future withdrawals option	The customer does not wish to take immediate regular withdrawals from their bond but may wish to do so in the future. Prudential International Investment Bond allows them to start taking regular withdrawals at any time, subject to a minimum payment of £75, €112.50 or US$112.50. 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.
f) Fund selection for withdrawals	The customer can specify the funds they would like their withdrawals to come from. 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.

General product details	
g) Withdrawal from PruFund Protected and Guaranteed Funds	If any withdrawals or any adviser charges that are paid from the bond are taken from a PruFund Protected fund, the Guaranteed Minimum fund will reduce. If the customer doesn't specify any funds, Prudential will take them from across all the funds they hold, in proportion to value, with the exception of any PruFund Protected fund, (unless this is the only fund they are invested in, or this is the only fund with sufficient value). 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 money invested in a PruFund Protected Fund is taken out at any time, except on death or maturity, the amount guaranteed on the Guarantee Date will be proportionately reduced to reflect any partial withdrawals, regular withdrawals, Ongoing Adviser Charges or Ad-hoc Adviser Charges taken. Our funds invest in stocks, shares and other assets which can rise and fall in value.
Annual Investment reward	(For investors investing more than £50,000, US$75,000 or €62,500) Prudential International Investment Bond offers an Annual Investment Reward from the end of year one. This will be credited to the customers bond in the form of extra units, on each anniversary of the investment until their bond ends. If their bond ends between anniversary dates there is no credit.
Maximum withdrawal	Prudential International Investment Bond allows the customer to withdraw up to 7.5% of their initial investment each year.
Tax – efficient withdrawals	(Individual investors only) The customer can supplement their current income without increasing their current tax bill. The customer can take up to 5% of their initial investment (net of any set up charge) as withdrawals each year and any tax liability will be deferred until their bond ends. 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 ad hoc or ongoing adviser charges that are met from the bond will count towards the 5% tax deferred allowance. 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 (and any tax reliefs) depends on individual circumstances.

General product details	
Loan relationship rules	(UK corporate investors only) As a UK corporate investor, any life assurance bonds the customer holds will be taxed under the Loan relationships legislation. This means the 5% annual tax deferred allowance will no longer apply and the bond will not be taxed under chargeable event rules. An element of deferral may still be available to companies whose accounting policies allow ‘historic cost’ accounting. 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 (and any tax reliefs) depends on individual circumstances.
Assignment	If the customer wishes, 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 you 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 (and any tax reliefs) depends on individual circumstances.
Self-assessment	The customer won’t need to include details of the 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 similar 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 (and any tax reliefs)depends on individual circumstances. The value of an investment is not guaranteed and can go down as well as up. The customer could get back less than they have invested.
Death benefit	(Life assured version only) (For the relevant life aged 75 or under). If the customer dies while still holding their bond, Prudential International will pay 101% of the value of the bond. (For the relevant life aged 76 and over). If they die while still holding their bond, Prudential International will pay 100.1% of the cash-in value of the bond as at the date of the death.
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 101% of the total amount of investments into the bond, less 101% of any withdrawals (including any adviser charges) that are made taken from the bond. There is a minimum maturity benefit of £100, €150 or US $150. The value of an investment is not guaranteed and can go down as well as up. The customer could get back less than they have invested

Investment options	
Fund choices	Prudential International Investment Bond allows your customer to choose from a range of investment funds. These have a variety of risk profiles from the cautious to the more adventurous. This allows the customer 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 <month, year>. They may change in the future. Our funds invest in stocks, shares and other assets which can rise and fall in value.
PruFund	The PruFund range of funds aim to grow money over the medium to long term (5 to 10 years or more), while protecting your customer from some of the short – term ups and downs of direct stock market investments by using an established smoothing process. This means that whilst your customer won't benefit from the full upside of any potential stock market rises, they won't suffer from the full effects of any downfalls either. The PruFund range of funds all invest in Prudential's With-Profits Fund, which is one of the largest with- profits funds in the UK. However, there are differences across the range of PruFund funds in their objectives and mix of assets, and how PruFund delivers returns to investors when compared to other With-Profits business, which means the returns received by investors will vary by fund choice. Please refer to "Your With-Profits Bond – a guide to how we manage the fund (PruFund range of funds)" reference IPBB10049 for more information. PruFund funds are multi asset funds which means your customer gets access to a wide range of assets, across different asset types and countries. This allows the customer to spread the risk of investment. This diversification aims to balance the performance of the various different assets, so your customer's eggs aren't all in one basket. In essence this aims to offset poor performance in one asset type with good performance in another.

Investment options	
PruFund continued…	**Expected Growth Rates and Unit Price Adjustments** The PruFund range of funds has an established smoothing process which uses Expected Growth Rates, and where required Unit Price Adjustments, to deliver a smoothed investment journey. It aims to provide some protection from the extreme short-term ups and downs of direct investment. Prudential set Expected Growth Rates (EGR); these are the annualised rates your customer's investment would normally grow by. The Expected Growth Rates (EGR)s reflect our view of how we think each PruFund fund will perform over the long term (up to 15 years). Each PruFund fund has its own EGR and the customers' investments into a PruFund will normally grow daily by the relevant EGR. Although we take a long – term view, we do review the rates every three months to allow for any changes, which may mean a change in EGR on a quarterly basis, up or down. While the EGR reflects our long term view, we need to check that the fund is performing as expected – if not we may need to make an adjustment to the fund value, either up or down. There are limits which set out when an adjustment would be required. The value of the investment in a PruFund fund is based on the Smoothed Price, this is the unit price, which grows daily by the EGR. We compare the Smoothed Price against the Unsmoothed Price – which reflects the value of underlying assets. If these move too far away from one another we need to adjust the Smoothed Price to narrow the gap. This could be a price increase or a price decrease. We may decide to reset the unit price of a PruFund fund to the unsmoothed price on a particular day, to protect the With-Profits Fund. There may also be occasions where we have to suspend the smoothing process for one or more PruFund funds for a period of consecutive days, to protect our With-Profits Fund. **Range of PruFunds** The fund aims for steady and consistent growth over the medium to long term (5 to 10 years or more) through a cautious approach to investing. The fund invests in UK and international equities, property, fixed financial securities, index-linked securities, cash and other specialist investments. The fund will aim to invest 50 -75% in fixed financial securities, index-linked securities and cash although we may occasionally move outside this range to meet the fund objectives. The PruFund Growth Fund aims to maximise growth over the medium to long term (5 to 10 years or more) by investing in shares, property, fixed-interest and other investments. The fund currently invests in UK and international equities, property, fixed financial securities, index-linked securities and other specialist investments. While the PruFund funds aim to grow the customers money and provide a smoothed investment journey, there are optional guarantees (for an additional charge) which are offered on the PruFund Cautious Fund and the PruFund Growth Fund. **PruFund Protected Funds** The PruFund Protected Funds are currently unavailable to new investments. **PruFund Warning** The value of an investment is not guaranteed and can go down as well as up. The customer could get back less than they have invested. For the range of PruFund funds, what you will receive will depend on the value of the underlying investments, the Expected Growth Rates as set by the Prudential Directors, our charges, the smoothing process, if there is a guarantee and when you take your money out.

Investment options	
Other funds	The customer has chosen to invest in <specify choice of funds>. (Adviser to add reasons for specific fund and, where applicable, currency choices. They can find details of the funds available in Your Prudential International Investment Bond Funds Guide (INVB5260), which is on **www.pruadviser.co.uk/international**)
Switching option	The customer can change their fund choices at any time, using the switching facility. In any 12-month period, they are allowed 20 free switches. Further deals.
Capital gains tax	If the customer switches 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 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 (and any tax reliefs) depends on individual circumstances. The value of an investment is not guaranteed and can go down as well as up. The customer could get back less than they have invested.
Choice of currencies	The customer can choose from a range of currencies for different aspects of the bond. The available currencies are: Australian Dollars, Canadian Dollars, Danish Kroner, Euro, Hong Kong Dollars, Japanese Yen, Norwegian Krone, Swedish Krona, Swiss Francs, UK Pounds Sterling and US Dollars. Fluctuations in exchange rates could affect the value of the customers investment or withdrawals.
Limited currency	The customer has selected <insert currency> as the limit currency for their bond. This is the currency Prudential International will use for specifying charges, minimum and maximum limits. This cannot be changed once the bond is in force. Fluctuations in exchange rates could affect the value of your investment or withdrawals.

Investment options	
Investment currency	The customer has selected <insert currency> for making their investment. If they make any additional investments in the future, these can be in the same or a different currency. Fluctuations in exchange rates could affect the value of the customers investment or withdrawals. The value of an investment is not guaranteed and can go down as well as up. You could get back less than you have paid in.
Cash-in benefit currency	The customer has selected <insert currency> as the cash-in benefit currency. This is the currency in which withdrawals and cash-in proceeds will be paid. Fluctuations in exchange rates could affect the value of the customers investment or withdrawals.
Death/maturity benefit currency	The customer has selected <insert currency> as the <death/maturity> benefit currency. This is the currency in which the benefit on <death/maturity> will be paid. Fluctuations in exchange rates could affect the value of the customers investment or withdrawals.

Trust options	
At issue trust	(Where applicable) The customer is 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).
After issue trust	Prudential International offers trusts that may be used for inheritance tax planning. If appropriate, the customer could put their bond into either the Gift Trust or the Excluded Property Trust.

Why Prudential International?	
Size	Prudential International is part of the M&G Group with 26 million customers (as at 30 June 2020).
Financial strength	Prudential International benefits from the financial and investment strength of the Group, enabling it to provide flexible and effective investments for its customers. (For With-Profits investors) Investments in the Prudential Assurance Company Limited (PAC) With-Profits funds are the PruFund range of funds are available in Sterling, Euro and US Dollar currency denominations and are invested in the defined charge participating sub-fund (DCPSF) of the long term fund of the Prudential Assurance Company Limited(PAC). The value of an investment is not guaranteed and can go down as well as up. You could get back less than you have paid in.
Regulation	The registered office of Prudential International is in Ireland at Montague House, Adelaide Road, Dublin 2. Prudential International is a marketing name of Prudential International Assurance plc. Registration No. 209956. Telephone number + 353 1 476 5000.
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.

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