



Key Features of the Prudential Onshore Portfolio Bond

If you are applying on, or after, 1 January 2018, before you invest in this product you should read our Key Information Document, relevant Investment Option Document(s) or the Fund Managers own Key Investor Information Document(s) as appropriate.

Welcome

Contents

About The Prudential Onshore Portfolio Bond	3	What is the Cash Account within my bond for?	6
Its aims	3	What are the bond charges?	6
Your commitment	3	Can I pay my Financial Adviser(s) from my bond?	7
Risks	3	What might I get back?	7
Other documents you should consider reading	4	How do I take money out of my bond?	8
Questions & Answers	5	What about tax?	8
Is the Prudential Onshore Portfolio Bond right for me?	5	How will I know how my bond is doing?	9
How flexible is it?	5	What happens to the Prudential Onshore Portfolio Bond if I die?	9
How much can I pay into my bond?	5	What if the bond is not right for me?	9
Where are my payments invested?	5	Other information	10
Can I change my investments?	6	How to contact us	12

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.

It's important for you to decide whether this product is right for you and what funds to choose.

If you are applying on, or after, 1 January 2018, before you invest in this product you should read our Key Information Document, relevant Investment Option Document(s) or the Fund Managers own Key Investor Information Document(s) as appropriate. These include important information which may help you make up your mind.

Please keep these documents safe for future reference or go to our website at www.pru.co.uk/pro-docs/POPb for the most up to date version.

About The Prudential Onshore Portfolio Bond

The Prudential Onshore Portfolio Bond is an investment bond which enables you to invest in a wide range of investments with the potential for growth. It allows you to take tax-efficient withdrawals, while providing an element of life cover.

The Prudential Onshore Portfolio Bond is a single premium whole of life, insurance product and is available through a number of investment wrap platforms, "Platforms".

Its aims

What this bond is designed to do

- Grow the value of your investment.
- Allow you to withdraw your money tax efficiently.
- Give access to a wide range of investments to match your investment objectives and attitude to risk.
- Provide a small amount of death benefit.

Your commitment

What we ask you to do

- Your initial investment into the bond must be at least £15,000. The minimum top-up investment is £2,500 (or currency equivalent).
- You will look to invest over the medium to long term, at least 5-10 years.
- Together with your Financial Adviser, you need to choose investments to suit your needs and keep them under regular review.

Risks

What you need to be aware of

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

- The value of your bond can go down as well as up and may even fall below the amount you invested – what you get back is not guaranteed.
- Each of the investment choices available for the Prudential Onshore Portfolio Bond has its own specific risks that will affect the value of your bond. Some also have features which mean there are restrictions on taking money out or moving money between investments. You should discuss these with your Financial Adviser.
- In exceptional circumstances a transaction (such as a full or partial cash-in) may be delayed which may mean you face a delay in gaining access to some or all of your money. Where a request is made to fully cash in the bond and there is a delay in selling an asset, we will only pay the cash in value of the bond once the final asset has been sold. This approach is taken to prevent part payment in these circumstances being viewed as a partial cash in of the bond for tax purposes. You can find more information in the Contract Conditions.
- If the value of the bond assets falls below a minimum level we reserve the right to cancel the bond and pay you the value of the remaining investments less any charges. Further details can be found in the Contract Conditions and Statement of Charges.

Other documents

If you are applying on, or after, 1 January 2018, before you invest in this product you should read our Key Information Document, relevant Investment Option Document(s) or the Fund Managers own Key Investor Information Document(s) as appropriate. If you want more information, please read the following documents. We have highlighted when they are relevant throughout this document.

They are all available from your Financial Adviser or direct from us. Our contact details are on the last page.

- **Contract Conditions**
These are the terms and conditions of the bond.
- **Your Platform Terms and Conditions**
(contact your chosen Platform for this).
- **Statement of Charges**
This shows the current charges and limits that apply to the bond.

Questions & Answers

Is the Prudential Onshore Portfolio Bond right for me?

You can take out this bond if you're aged 18 or over and a UK resident. You can take the bond out on your own or in joint names with an overall maximum of 10 owners. You can be the life assured or you can choose to assure the life of someone else, up to a maximum of 10 people. The minimum age for any life assured is 3 months and the maximum age at outset is 90 years (next birthday). If a bond is to be on two or more lives you can choose at outset if the death benefit is to be paid on the first death or last death. All lives assured must be under age 90 if the bond is to be on the first death basis. At least one life assured must be under age 90 if the bond is to be on the last death basis.

You shouldn't invest if you feel you don't understand the risks associated with investing. Remember that the level of risk you take depends on the options you choose from where you invest your money.

How flexible is it?

You are free to change your investments whenever you want to via your Financial Adviser. You can withdraw money from your bond at any time but there are limits on how much you can take out and how much should be left in the bond after a withdrawal. For more information on the limits, please refer to your Contract Conditions.

Your bond can be written under trust if you wish.

When you set up your bond you can choose to manage your investments;

- with your Financial Adviser, or
- your chosen Platform may offer a service where you can choose to invest in a Managed Portfolio which is managed by a 'Discretionary Fund Manager'.

If you appoint a Discretionary Fund Manager, details of their charges will be available from your Financial Adviser.

All investments are made by your Financial Adviser on your behalf.

Please contact your Financial Adviser if you wish to exercise any of these options.

How much can I pay into my bond?

There is no maximum you can invest and the minimum initial investment is £15,000 and £2,500 for top-ups.

Where are my payments invested?

You, your Financial Adviser, or your Discretionary Fund Manager can choose which assets you would like to invest in from a wide range, including collective investments and cash deposits and those assets will then be linked to your bond.

The Platform

Your bond will be operated via your chosen Platform. The Platform will process instructions you make to buy and sell investments in accordance with your Platform Terms and Conditions. The Platform will provide relevant documents and information to you in relation to any transactions that take place.

Permitted Investments

Each asset chosen must be one that we permit. This is known as a "Permitted Investment". We will only permit an asset that would mean your bond is not classified as a "Personal Portfolio Bond". We will maintain a list of these available assets which can be viewed on the Platform. We may add or remove any asset(s) from this list without notice.

If a change in the structure of an investment or a change in how an investment is viewed under UK law means that your bond could be classified as a "Personal Portfolio Bond", you could become liable for an annual tax charge that could be substantial. In this situation you would have to sell that asset immediately and either leave the money in the Cash Account or invest in a Permitted Investment. If we become aware that an asset has ceased to be a Permitted Investment or we no longer approve of an asset, we will tell you, your Financial Adviser or your Discretionary Fund Manager of the need to sell the asset and request your or their instruction. Where we do not receive an instruction by the date specified in the notification, we will sell the asset and credit the money from the sale to the Cash Account.

As a UK resident you are able to invest in deposit funds denominated in currencies other than Sterling to obtain a higher rate of interest but you are not able to invest in cash for currency speculation purposes. For more information about the investments you can choose, please speak to your Financial Adviser.

More information on this can be found in your Contract Conditions.

Can I change my investments?

You, your Financial Adviser or your Discretionary Fund Manager, may instruct your chosen Platform to sell or purchase any asset available on the Platform provided any asset purchased is a Permitted Investment. Any charge for selling or buying transactions will be set out in the Platform Terms and Conditions.

What is the Cash Account within my bond for?

All bonds are set up with a Cash Account. The Cash Account is used to meet all withdrawals and all bond charges. The Cash Account will also be used to meet any 'Adviser Charges' due, these are the charges your Financial Adviser makes to you for advice provided and ongoing services to you. You will agree these with your Financial Adviser.

Investment income will be added to the Cash Account as set out in your Platform Terms and Conditions.

If there is not enough money in the Cash Account to meet any deductions we will sell assets with the highest value that can be sold without notice and penalty. Further information on the cash account and how it works can be found in your Contract Conditions.

What are the bond charges?

Your personal illustration shows how the charges will affect your bond based on the amount you invest and example growth rates. It will also show any Adviser Charges you have asked us to pay on your behalf.

Bond Charges

Administering your bond	The ongoing product charges are shown on your personal illustration.
Platform charges	These charges reflect our costs in obtaining services from your Platform. The level of these charges will be as set out in the Platform Terms and Conditions. In the Contract Conditions, this is referred to as the 'administration and operation charge'.
Discretionary Fund Manager charges	If you've appointed a Discretionary Fund Manager, we will deduct an amount from your bond to cover their fees we pay.
Expenses	Where expenses such as dealing costs, taxes, duties, levies or charges are incurred, an amount is deducted every month to cover them. This includes a deduction to cover tax we pay to HM Revenue & Customs on the growth and income of assets held within the bond. It is calculated monthly and when assets are sold, based on the value of assets held in the bond and it is applied monthly.
Asset charges	
Managing your investments	'Ongoing Charges figure' – this is an ongoing charge deducted by the investment management of assets held as units or shares. The term used to refer to this charge may be different in your personal illustration, eg: 'Annual Management Charge'. 'Initial Charge' – this applies to an asset held as units or shares where the asset has different buying and selling prices.

Please note: Our bond charges are reviewed annually and may change in the future. Further information can be found in the Statement of Charges and the Contract Conditions.

Can I pay my Financial Adviser(s) from my bond?

Your Financial Adviser may agree charges with you. If you wish, you can ask us to pay a Set-up Adviser Charge on your behalf from your payment. You will need to give us an instruction for the charge you want to pay and we will then deduct the appropriate amount from your initial payment or additional payment and pay it directly to your Financial Adviser.

From your initial payment or additional payment into the bond

Set-up Adviser Charge (SAC): this can be a percentage of your total payment or a fixed monetary amount. We will deduct the charge from the money you send us before we invest the balance into your bond. For example, if you send us £100,000 and ask us to pay a Set-up Adviser Charge of 3%, we will pay £3,000 to your Financial Adviser and invest £97,000 in your bond.

As the Set-up Adviser Charge is deducted from your payment before investment it will not be included in the 5% tax-deferred allowance that applies to withdrawals from the bond.

This is because the allowance is based on the amount invested into your bond after any Set-up Adviser Charge has been paid – not the total payment that you send to us.

Any Set-up Adviser Charge paid on an initial investment does not automatically apply to a top-up. However a SAC may be requested with a top-up. You must give us an instruction indicating what type and level of SAC is payable on a top-up, if any.

From your bond

Subject to the Platform Terms and Conditions, you can instruct us, as part of your Platform Application Form or subsequent Adviser Charge Instruction Form given via your Platform, to deduct the following Adviser Charges from your bond and pay them directly to your Financial Adviser.

Ongoing Adviser Charges

You can instruct us to start deducting Ongoing Adviser Charges from your bond.

Ad hoc Adviser Charges

You can instruct us to deduct an Ad hoc Adviser Charge from your bond.

If we are paying any Adviser Charges from your bond on your behalf and you are also taking regular or one-off withdrawals by partially cashing in all the policies in your bond, these will be added together for the purposes of the tax-deferred allowance. If the total in any year is more than the 5% tax-deferred allowance, you may have to pay Income Tax on the excess. For more information please see the section "What about tax?" or ask your Financial Adviser.

Top-up investments

If you make a further investment into your bond (a "top-up"), you will need to tell us if you want a Set-up Adviser Charge to apply. Any Ongoing Adviser Charges in relation to a top-up investment will be deducted in accordance with the Platform Terms and Conditions.

The minimum top-up (allowed at any time) is £2,500. This is the top-up amount before any Set-up Adviser Charge is deducted.

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,
- which assets you've invested in,
- how long you've invested for,
- how your investments have performed, and
- the charges that have been taken.

Any withdrawals including those to pay for any Adviser Charges you have made will also reduce the amount you will get back.

How do I take money out of my bond?

You can make one-off withdrawals, or set up regular withdrawals from your bond. The minimum amount for any type of withdrawal is £100.

Withdrawals are deducted from the Cash Account and may be taken every:

- month,
- two months,
- three months,
- four months,
- six months, or
- 12 months.

In any 12-month period, the maximum regular withdrawal amount is 10% of the total money invested into the bond.

Your bond is set up as a group of identical policies. The maximum number of policies is 1,200 with a minimum value of £500 per policy at outset. If you do not select a number of policies we will take the value of your investment divided by £500 (rounded down) as the number of policies in your bond. The bond is set up in this way to help you make tax-efficient withdrawals.

One-off withdrawals can be made by:

- partially cashing in all the policies in the bond,
- fully cashing in some of the bond policies, or
- a combination of both.

You must tell us which of the above methods to use at the time you want to make your withdrawal.

You can only make a withdrawal (regular or one-off) if the value of your bond will remain above £1,000.

We will only allow a one-off withdrawal if there is enough cash in your Cash Account to meet the payment. You can ensure this by instructing the Platform to sell some of the assets.

If the value of the bond, before deducting any charges but after taking any negative balances into account, goes below the current minimum value of £1,000 (as at January 2017) we will write to you and ask for an additional investment to be made into the bond. If the additional investment is not paid into the bond within a calendar month, we may exercise our right to cash in the bond and pay the cash-in value to you (after we've taken all relevant charges).

If you fully cash in the bond we pay the value of any cash and assets sold by the Platform less any Negative Balance and an amount we retain to cover any bond charges and Adviser Charges incurred but not yet deducted up to the date we request the payment from the Platform.

However, within 12 weeks of the payment (if this period changes we will notify you), we will pay you a further amount if either or both of the following applies:

- if the amount that we have retained as described above is more than the amount of any outstanding Adviser Charges and bond charges we will refund you the difference; and/or
- if we receive any residual income that had accrued but not yet been received in respect of the assets up to the date we received your instruction to fully cash in the bond.

What about tax?

This section gives brief information about UK tax. For specific advice, please speak to your Financial or Tax Adviser.

For more information please visit the HM Revenue and Customs website at www.hmrc.gov.uk

Capital Gains Tax

You won't have to pay this on your bond.

Income Tax

You may have to pay Income Tax on any withdrawals you make from your bond.

Each year you can withdraw up to 5% of the amount you have invested in your bond without having an immediate tax bill. You may do this by taking regular withdrawals and/or one-off withdrawals by partially cashing in all the policies in your bond.

If you don't use all of this 5% allowance in any year, you can carry the unused portion forward. The allowance comes to an end once you have withdrawn 100% of the amount you invested. If you withdraw more than the allowance in any year, you may have to pay Income Tax on the excess amount.

The 5% allowance also applies to any top-up investment you make. Any Ongoing Adviser Charges, Ad hoc Adviser Charges, regular withdrawals and one-off withdrawals you ask us to pay by partially cashing in all the policies in your bond, will be counted against the 5% allowance.

You may also have to pay Income Tax when:

- you cash in your bond or any policies in it,
- you transfer legal ownership of your bond for money or for something worth money, or
- your bond ends when the death of a life assured triggers payment of the death benefit.

If you are a higher or additional rate taxpayer or the profit (gain) from your bond takes you into a higher or additional rate tax position as a result of any of the above events then you may have an Income Tax liability.

As you are presumed to have paid basic rate tax, the maximum rate you would be liable for is the difference between the basic rate and higher or additional rate tax. Top slicing relief may reduce liability to Income Tax if a gain pushes you into a higher rate of Income Tax.

Gains may also affect your entitlement to personal Income Tax allowances and certain tax credits.

A policy owner that has been non-resident in the UK for tax purposes during the period of policy ownership, may be entitled to a reduction in a gain for the period of non-residency (time apportioned reduction). Further details can be found in the HM Revenue & Customs "HMRC" helpsheet HS320 "Gains on UK Life insurance policies".

Inheritance Tax

If your bond isn't in trust, your estate may have to pay Inheritance Tax on it when you die.

Tax rules for trusts

If your bond is written under trust, special tax rules apply. For further details please contact your Financial Adviser.

Tax rules for corporate investors

UK Corporate investors cannot benefit from the 5% annual tax-deferred allowance.

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.

How will I know how my bond is doing?

We will send you a free statement every year. If you request an additional valuation, we will currently make a charge of £25.71. This charge may change each year. Alternatively you can contact your Financial Adviser for a value.

What happens to the Prudential Onshore Portfolio Bond if I die?

The bond will end when the life assured dies, or in the case of a joint life bond, when the death of a life assured triggers the payment of the death benefit (depending on whether the first or last death basis was chosen at outset). The bond will pay out 100.1% of the cash-in value.

The death benefit will be paid out to the surviving owner(s), the estate of the deceased owner or, if the bond is under trust, to the remaining trustees, as appropriate.

If the owner dies but they are not the life assured, the bond will not end and ownership of the bond will pass to the owner's estate, unless the bond was owned jointly or is under trust; in which case it will pass to the surviving owner(s) or to the remaining trustees, as appropriate.

What if the bond is not right for me?

You have 30 days from when you first receive your bond documents to cancel. For any additional investments you make into your bond 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 bond reference number at:

**Prudential International
Stirling
FK9 4UE**

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

If you decide to cancel your Prudential Onshore Portfolio Bond or a top-up payment and you've asked us to pay a Setup Adviser Charge, we will not refund this to you as we will have paid it to your Financial Adviser on your behalf. This also applies to any Adviser Charges paid out from your bond. What you will get back from us will only relate to the amount actually invested into your bond. You may not get all the money back if any of the assets invested in have fallen in value. In that case, we will refund the amount you invested adjusted for the fall in the value of the assets. In addition we will deduct an amount for any withdrawal we have paid from your bond. This means that you may get back less than you invested.

Other information

Client category

We classify you as a 'retail client' under Financial Conduct Authority (FCA) rules. This means you'll receive the highest level of protection for complaints and compensation and receive information in a straightforward way.

Compensation (UK residents only)

Policyholders who are UK resident at the time the bond starts may be protected by the Financial Services Compensation Scheme (FSCS) against the insolvency of Prudential International Assurance plc. As such, you may be entitled to help from the FSCS if we cannot meet our obligations.

This depends on your eligibility, the type of business, the asset(s) invested in or the asset(s) selected and the circumstances of the claim.

For more information on the FSCS and examples of limits in the scope of FSCS cover for your bond, please refer to the following webpage:

www.pru.co.uk/about_us/fscs

For further information contact:

**The Financial Services
Compensation Scheme
10th Floor
Beaufort House
15 St Botolph Street
London
EC3A 7QU**

Telephone: **0800 678 1100 or
0207 741 4100**

Website address: www.fscs.org.uk

Limit of our liability

Our liability under any fund that we make available under the bond cannot exceed the value of the assets held in that fund. This applies whether these fund holdings are actual assets, an interest in another fund (whether managed within the Prudential Group of companies or by an external investment organisation) or an interest in a reinsurance policy that we have taken out to reinsure our liability under a fund.

In particular, for an externally-managed fund, our liability is limited to the amount we can claim from the relevant investment organisation. For example, if the investment organisation were to become insolvent, we could only pay the amount, if any, which we could collect under the insolvency in relation to the units allocated to the bond.

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.

Terms and Conditions

This Key Features document gives a summary of your bond. Full details are set out in your Contract Conditions Booklet which is available on request using our contact information on the last page, and will also be sent to you when your bond starts.

Conflict of interest

We want to make sure that we uphold our reputation for conducting business with integrity. If we become aware that our interests may conflict with yours we will take all reasonable steps to manage it in an appropriate manner.

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 the details on the last page.

Law

The law of England and Wales applies to your Prudential Onshore Portfolio Bond.

Our regulators

The address of the regulator in Ireland which authorises Prudential International Assurance plc is:

Central Bank of Ireland
PO Box 559
Dame Street
Dublin 2
Ireland

Prudential International, UK Branch is subject to limited regulation by the Financial Conduct Authority "FCA" and the Prudential Regulation Authority "PRA" for UK business.

Details on the extent of our regulation by the FCA and the PRA are available from us on request.

FCA registration

Prudential International Assurance plc is entered on the Financial Services Register, Firm Reference Number 170672. The Financial Services register is a public record of all the organisations that the FCA and PRA regulate.

You can contact the FCA at:

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

Telephone: **020 7066 1000**

Communicating with you

Our bond documents and terms and conditions are in English and all our other communications with you will be in English.

How to make a complaint

You should raise any complaint as soon as possible. In the first instance please contact your Financial Adviser, as they may be able to resolve it quickly for you.

You can write to us at:

Customer Services Manager
Prudential International
Stirling
FK9 4UE

If you'd rather phone, you can call us on **0800 000 000**. Calls may be monitored or recorded for security, quality purposes, staff training and/or dispute resolution.

In the unlikely event that we are unable to resolve any problem, you can contact the Financial Ombudsman Service (FOS).

The address is:

Financial Ombudsman Service
Exchange Tower
London
E14 9SR

Telephone: **0800 023 4567** or **0300 123 9123**

Or visit the website: **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 invest, you can contact us in the following ways:



Write to: **Prudential International Stirling FK9 4UE**



Phone: **0800 000 000**

Monday to Friday 8:30am – 6.00pm (we are not open on public holidays). Calls may be monitored or recorded for security, quality purposes, staff training and/or dispute resolution. 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 International and we're available to help you Monday to Friday, 8am to 6pm.



You'll also find more information at **www.pru.co.uk/international**

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.



www.pru.co.uk