

The PruFund Range of Funds: Guarantee options

International Prudence Bond

The PruFund Range of Funds is a collection of funds available for investment through the International Prudence Bond. There are:

- three PruFund Growth Funds: Sterling, Euro and US Dollar,
- three PruFund Cautious Funds: Sterling, Euro and US Dollar, and
- a range of PruFund Protected Funds that have a guarantee.

What is the PruFund guarantee?

The PruFund Protected Funds include a guarantee that takes effect on a selected anniversary of your bond. The table below shows that the Annual Guarantee charge is suspended at present.

You cannot alter the guarantee term. The guarantee will only apply on the Guarantee Date, which is the selected anniversary of your bond.

For the guarantee term of 10 years, your Guarantee Date will be the tenth anniversary of the date on which your bond starts. So if your bond started on 9 May 2011, your Guarantee Date will be 9 May 2021.

If you switch completely out of the fund, or cash in your bond, before then, the guarantee will not apply.

Please remember that you cannot switch funds if you hold a Spanish International Prudence Bond.

The value of your investment in the PruFund Protected Funds can go down as well as up so you might get back less than you put in. What you get back will depend on the value of the underlying fund assets, the smoothing process and when you take your money out.

At the start of your bond, you will have a Guaranteed Minimum Fund, which will be equal to the amount invested into your chosen PruFund Protected Fund. If you later decide you would like to make any partial switches, regular or one-off withdrawals from your bond, the Guaranteed Minimum Fund will be reduced.

For a detailed explanation of the PruFund Guarantee please see 'Your Guide to investing in the Prufund Range of Funds' (IPBB10046).

	Annual guarantee charge (%)
Guarantee term (years)	PruFund Protected Cautious Fund (Sterling, Euro, US Dollar)
10	suspended

What happens at the Guarantee Date?

At your Guarantee Date the value of your investment in the Protect PruFund Fund will be reviewed against the guarantee value.

At this date, if the value of the units you hold in the fund is less than your Guaranteed Minimum Fund, we will add units to bring it up to the amount guaranteed.

If, at this date, the value of your investment is higher than the guarantee value, then the guarantee will not apply.

We then automatically transfer all the units you hold in the PruFund Protected Fund, including any we have added, into the corresponding non-protected fund. The exception is if you already hold a PruFund Cautious Fund in a different currency, in which case we would transfer the units into the fund you already hold.

You will no longer have any guarantees on your bond and the charges for providing the guarantees will end.

Please see “Your guide to investing in the PruFund Range of Funds” and the Contract Conditions for more information. You can get a copy of these from your financial adviser or from Prudential International.

www.prudential-international.com

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