

Evergreen Growth Saver

Long-term savings with growth potential



Life & Savings Insurance

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Evergreen Growth Saver

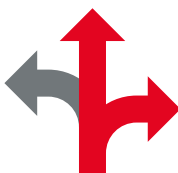


Evergreen Growth Saver is a whole life insurance plan designed for long-term savings – for when you need money to support different financial goals. The plan offers both guaranteed and non-guaranteed benefits to allow you to accumulate savings.

Plan highlights



Long-term savings with potential bonuses



Financial flexibility meets your needs at different life stages



Sign and go – no medical tests or information required



Choice of single or 5/10-year premium terms in HKD, RMB or USD



A range of supplementary benefits

The benefits



Long-term savings with potential bonuses

Savings growth with **Evergreen Growth Saver** can come from three sources: a guaranteed cash value; a non-guaranteed reversionary bonus; and a non-guaranteed special bonus.

The guaranteed cash value builds over time during your policy years. The guaranteed cash value will only be paid upon policy surrender or termination.

Evergreen Growth Saver is a With-Profits plan that gives you the opportunity to earn potential returns through two non-guaranteed bonuses: a reversionary bonus and a special bonus. By participating in our With-Profits Fund through the plan, you can receive your share of distributable profits, if any, from our With-Profits Fund in the form of non-guaranteed bonuses. No less than 90% of the distributable profit from our With-Profits Fund will be allocated to With-Profits policyholders. The calculation of the distributable profit of With-Profits Fund is performed separately and is not the same as that of the total profits of Prudential Hong Kong Limited.

For details on bonuses, please refer to the "More about **Evergreen Growth Saver**" section below.

Please also refer to our brochure on With-Profits plans available at www.prudential.com.hk/withprofits for information (such as investment philosophy and bonus philosophy) on your With-Profits plan and the operation of a With-Profits Fund.



Financial flexibility meets your needs at different life stages

You can access the cash value of the plan to support your financial needs at different life stages. Additionally, you may encash the cash value of the reversionary bonus and the corresponding special bonus – although this will reduce the long-term value of the policy.

We also offer a policy loan facility. This allows you to borrow up to 80% of the total of the guaranteed cash value and the cash value of the reversionary bonus, while keeping the policy in effect.

We will pay a death benefit to your selected beneficiary if you die while the plan is in effect. We guarantee that the death benefit will be no less than the total premium paid plus HKD 20,000 / RMB 15,000 / USD 2,500, depending on the policy currency, less any outstanding loans, interest and cash value of bonuses encashed during the policy term.

For details on cash value withdrawal, policy loan and death benefit, please refer to the "More about **Evergreen Growth Saver**" section below.



Sign and go – no medical tests or information required

There is no need to provide any medical information with an **Evergreen Growth Saver**. The only exceptions are if you take out more than **five Evergreen Growth Saver** policies within 24 months, or if the total annualised premium per life **exceeds HKD 10 million**, in which case medical information is required.

For details of how the total annualised premium is calculated, please refer to the "More about **Evergreen Growth Saver**" section below.



Choice of premium terms and currencies

You may choose to pay up your regular-premium policy in 5 or 10 years. Your premiums are fixed for the policy term. Alternatively, you may choose to make a single, lump-sum premium payment so that you don't have to worry about making any subsequent payments. The plan offers a number of different currency options, including HKD, RMB and USD.

Your policy will have a "notional amount", which is an amount used to calculate the premium, bonuses and other policy values of the plan. We offer a premium discount if the notional amount of your policy is equal to or greater than HKD 320,000 / RMB 240,000 / USD 40,000. This notional amount does not represent the amount of death benefit payable. Any change in this notional amount will lead to a corresponding change in the premiums, bonuses and other policy values of the plan. Please refer to the "More about **Evergreen Growth Saver**" section below for details.



A range of supplementary benefits

We offer a suite of supplementary benefits, including accident, disability, critical illness and medical coverage. Some supplementary benefits require you to undergo medical tests before the policy can be issued, and age restrictions may also apply. These supplementary benefits are only available for regular-premium plans in HKD or USD.

How the plan could work for you

Long-term savings with growth potential (applicable to all issue age, sex and smoking status)

Policy currency	USD	HKD	RMB
Premium term	5-year	5-year	5-year
Total basic premium paid	30,010	240,083	180,062
Projected (non-guaranteed) breakeven year ^{(a),(b)}	9 years	9 years	9 years
Returns	At year 25	At year 25	At year 25
Guaranteed cash value ^(c)	32,780	233,901	175,426
Guaranteed rate of return (p.a.) ^(c)	0.38%	-0.11%	-0.11%
Guaranteed cash value as a percentage of total basic premium paid ^(c)	109%	97%	97%
Projected (non-guaranteed) total cash value ^(b)	92,034	736,287	497,353
Projected (non-guaranteed) rate of return (p.a.) ^(b)	4.98%	4.98%	4.51%
Projected (non-guaranteed) total cash value as a percentage of total basic premium paid ^(b)	307%	307%	276%

The figures above are for illustrative purposes only and are rounded to the nearest whole number and percentage. The figures are calculated with reference to the notional amount. The notional amount of 5-year premium term is USD 64,400 / HKD 515,200 / RMB 386,400.

- (a) Projected (non-guaranteed) breakeven year means the projected year that projected (non-guaranteed) total cash value is higher than the total basic premium paid.
- (b) Assuming that there is no policy loan, change of notional amount or encashment of any cash value of bonuses while the policy is in effect. Projected breakeven year, projected total cash value and projected rate of return are not guaranteed.
- (c) Assuming that there is no policy loan or change of notional amount while the policy is in effect.

More about Evergreen Growth Saver

Plan type

Basic plan

Benefit term

Whole life

Premium term/Issue age/Currency option

Premium term	Issue age (age next birthday)	Currency option
Single	1–75	HKD/RMB/USD
5-year	1–70	HKD/RMB/USD
10-year	1–65	HKD/RMB/USD

Premium structure

Designated premium rate for each premium term. Same premium rate applies across all ages (regardless of gender and smoking class) within each premium term.

Bonuses

- Consists of two types of non-guaranteed bonuses: a reversionary bonus and a special bonus. These may be considered as an annual bonus and a one-off bonus respectively.
 - Bonuses are normally declared annually according to the declared bonus rates which can be changed from time to time, may vary for different currency options, and are not guaranteed.
 - Bonuses are declared from the third policy anniversary for regular-premium plans or the first policy anniversary in the case of single-premium plans.
 - The declared bonuses have a face value which will be paid out in the event of death of the person covered by the policy (the "life assured").
 - The reversionary bonus can accumulate within the policy, allowing your savings to grow with time. Once declared, the face value of the reversionary bonus is guaranteed.
 - The special bonus is an additional one-off bonus; the declared bonus may rise and fall and does not accumulate within the policy. It does not form a permanent addition to the policy value.
 - Bonuses also have a non-guaranteed cash value. The cash values of the bonuses are not guaranteed and are determined by a cash value discount factor, which may vary.
 - In the event of policy surrender or termination (other than due to death of the life assured), the non-guaranteed cash value – not the face value – of the bonuses shall be paid out.
- You may encash the cash value of the accumulated reversionary bonus and its corresponding special bonus from the policy on request, although this will reduce the long-term value of the policy.
 - We have the right to determine bonus rates, cash values and frequency of declaration at our sole discretion.
 - The illustrative figures of the bonuses can be found in the illustration proposal. We calculate these figures based on our current bonus projections and declaration principles, and assume that none of the bonuses have previously been encashed. They are shown for illustration only and cannot be regarded as guarantees or estimates of future bonuses. The actual values paid may be higher or lower than those illustrated.

Factors affecting the bonuses

- The bonuses we pay are not guaranteed and are subject to review and adjustment at our discretion. Factors that may affect them include (but not limited to):
 - Investment performance factors – your plan's performance will be affected by the return on its underlying investment portfolio. This could be driven by:
 - interest earnings from fixed-income securities and dividend from equity-type investments (if any);
 - capital gains and losses from investment assets;
 - counterparty default risk of fixed-income securities (such as bonds);
 - investment outlook; and
 - external market risk factors such as recessions and changes in monetary policies and foreign exchange rates.
 - Claims factors – Our historical claims experience on death and/or other covered benefits, and projected future costs of providing death benefit and/or other covered benefits.
 - Expense factors – These include direct expenses associated with issuing and maintaining your policy, such as commissions, overrides, underwriting and policy administration expenses. They may also include indirect expenses (such as general overheads) allocated to your policy.
 - Persistency factors – Policy persistency and any partial surrenders of a group of policies may impact the bonus we pay to the continuing policies.

- The actual future amounts of benefits and/or returns may be higher or lower than the values currently presented in the marketing materials. Our website at https://www.prudential.com.hk/bonushistory_WPPAR_en explains the bonus history.

Surrender value

Upon policy surrender, we will pay a surrender value for your policy equal to:

- the guaranteed cash value; **plus**,
- the non-guaranteed cash value of the reversionary bonus (if any) and the non-guaranteed cash value of the special bonus (if any); **less**,
- any loans and interest.

Cash value withdrawal

- You can choose to withdraw the guaranteed and non-guaranteed cash value from the policy by reducing the notional amount.
- As a result of a reduction in the notional amount, the subsequent guaranteed cash value, bonuses (if any) and total premium paid for the death benefit calculation will also be reduced. Therefore, any cash value withdrawal will reduce both the death benefit and surrender value payable.

Policy loan

- You can borrow up to 80% of the total of guaranteed cash value and the cash value of the reversionary bonus, while keeping the policy in effect.
- We will charge interest on policy loans from the dates when the loans are incurred until they are fully repaid.
- Interest is calculated at an interest rate as determined by us from time to time.
- If the total outstanding amount (including interest) owing to us under the policy exceeds 90% of the total of guaranteed cash value and cash value of the reversionary bonus of the policy, we will terminate the policy immediately.

Death benefit

In the event of your death, we will pay a death benefit equal to:

- the guaranteed cash value; **plus**,
- the face value of the reversionary bonus (if any) and the face value of the special bonus (if any); **less**,
- any loans and interest.

Furthermore, we guarantee that the death benefit amount of the plan will be no less than the total premium paid (unless you have reduced your notional amount) plus HKD 20,000 / RMB 15,000 / USD 2,500, depending on your policy currency, less any outstanding loans, interest and cash value of bonuses encashed during the policy term.

Total annualised premium

The calculation of the total annualised premium is equal to 10% of the single premium and 100% of the annualised regular premium. When calculating the total annualised premium for the life assured, all policies in different currencies will be added together based on an exchange rate of USD 1 to HKD 8 and an exchange rate for RMB and HKD that is subject to our discretion.

Premium discount

Premium discount per HKD / RMB / USD 1,000 notional amount.

Notional amount	≥ HKD 320,000 / RMB 240,000 / USD 40,000	≥ HKD 800,000 / RMB 600,000 / USD 100,000
Single premium term	4.3	6.0
5/10-year premium term	0.8	1.2
Notional amount	≥ HKD 1,600,000 / RMB 1,200,000 / USD 200,000	≥ HKD 2,400,000 / RMB 1,800,000 / USD 300,000
Single premium term	6.7	7.0
5/10-year premium term	1.5	1.8

E.g. If the notional amount is HKD 800,000, the premium discount for single premium term would be HKD 4,800 (HKD 800,000 / 1,000 X 6.0).

Termination of this plan

We will terminate this policy when the first of these happens:

- death of the life assured; or
- you fail to pay the premium within one calendar month grace period from the date it is due and the net cash value of the policy is insufficient to exercise the automatic premium loan; or
- your policy is surrendered; or
- the total outstanding amount (including interest) owed to us under the policy exceeds 90% of the sum of the guaranteed cash value and the cash value of the reversionary bonus of this policy.

Investment philosophy

Investment strategy

Our investment objective is to balance policyholders' returns with an acceptable level of risk. We do this through a broad mix of investments which aims to protect the rights and manage the reasonable expectations of all With-Profits policyholders.

The With-Profits Fund invests in various types of assets, such as equities, property, government/corporate bonds and cash, to diversify investment risks. This multi-asset approach targets stability over the long term.

We adopt an advanced and actively managed investment strategy which we adjust in response to changing market conditions. Under normal circumstances, our risk management and investment experts allocate a smaller proportion of higher-risk assets, such as equities, to insurance plans with a higher guarantee, and vice versa. In doing so, we aim to match the level of risk to the risk profiles of our products.

The following paragraphs explain the current investment ranges according to our current investment strategy. If we make any material changes to the investment strategy, we will inform you afterwards and explain the reasons behind them and their implications.

The investment mix of your plan

The current long-term target asset allocation is as follows:

Asset Type	Allocation (%) USD-/HKD-denominated policies	Allocation (%) RMB-denominated policies
Fixed Income Instruments	40%	55%
Equity-type security	60%	45%

- **Current long-term target ranges of asset mix for USD, HKD and RMB funds* underlying Evergreen Growth Saver, by security type**

We invest in fixed-income type securities to back our guaranteed liabilities to policyholders. Our primary investment objective is to maintain a highly diversified credit profile in the fixed-income portfolio.

USD fund	We primarily invest in long-term US Treasury securities and investment-grade corporate bonds. We also include a small portion of high-yield and emerging-market bonds to further improve yield.
HKD fund	We invest in a higher proportion of investment-grade corporate bonds compared with the USD fund. This is due to the limited supply of long-term Hong Kong government bonds.
RMB fund	We invest in a mixture of government bonds and investment-grade corporate bonds.

* "USD fund", "HKD fund" and "RMB fund" refer to the investment funds used to support USD-denominated, HKD-denominated and RMB-denominated policies respectively.

We also invest in equity-type securities which aim to provide policyholders with the potential for a greater return. In general, we invest most of the equity-type investments in common stocks. We also include a small portion of properties and other equity-like investments to further improve long term expected return.

Because of different product features and risk profiles, the proportion of fixed-income and equity-type securities investment varies for each product.

- **Current long-term target ranges of currency mix for USD, HKD and RMB funds underlying Evergreen Growth Saver**

We use assets in the USD, HKD and RMB funds to support USD-denominated, HKD-denominated and RMB-denominated policies respectively.

USD fund	<ul style="list-style-type: none"> • We invest a greater proportion of assets in the currency of the underlying policies to reduce currency risks which may affect non-guaranteed benefits. • We may invest a portion of the fund in other currencies to allow for a wider investment scope.
HKD fund	
RMB fund	

Our current practice is to currency-match our fixed income asset purchases with the underlying policy's currency denomination. If fixed income assets are not denominated in the same currency as the underlying policies, we will enter into currency hedges as much as practically possible to offset any impact from currency fluctuations. In contrast, we give more flexibility to equity-type assets where those assets can be invested in other currencies in order to benefit from diversification.

- **Current long-term target ranges of geographic mix for USD, HKD and RMB funds underlying Evergreen Growth Saver**

Greater relative allocation of assets to the US and to Asia Pacific (excl. Japan) is targeted for the USD and HKD/RMB funds respectively. Moreover, our strategy is to invest globally to achieve diversification benefits.

We actively manage and adjust actual exposure in response to changing market conditions, opportunities and asset availability on the market. Additionally, we regularly review long-term targets, i.e. equity allocation, asset mix, credit mix, currency mix, and geographical mix, etc., in line with our investment objectives and risk appetite. For more information on the asset mix, credit mix, currency mix, and geographical mix, please refer to the summary tables made available at www.prudential.com.hk/investmentmix_en.

Key risks

How our credit risk may affect your policy?

The guaranteed cash value (if applicable) and insurance benefit of your plan are subject to our credit risk. If we become insolvent, you may lose the value of your policy and its coverage.

How currency exchange rate risk affects your return?

Foreign currency exchange rates (including that for renminbi – "RMB") may fluctuate. As a result, you may incur a substantial loss when you choose to convert your payout benefits to other currencies. Additionally, the conversion of your benefits to other currencies is subject to applicable currency exchange restrictions applicable at the time when the benefits are paid. You have the sole responsibility to decide if you want to convert your benefits to other currencies. Please also note that the RMB is not freely convertible at present, and its conversion through banks in Hong Kong is subject to applicable banking and regulatory requirements.

What are the risks of surrendering your plan or withdrawing money from your plan?

The liquidity of an insurance policy is limited. You are strongly advised to reserve adequate liquid assets for emergencies. For any surrender/withdrawal especially at the early stage upon policy inception, you may receive an amount considerably less than the premiums you paid.

How inflation affects the value of your plan?

We expect the cost of living to rise in the future because of inflation. That means the insurance you take out today will not have the same buying power in the future, even if the plan offers increasing benefit intended to offset inflation.

What happens if you do not pay your premiums?

You should only apply for this product if you intend to pay all of its premiums. If you miss any of your premium payments, we will automatically settle your outstanding premiums by an Automatic Premium Loan, with interest charged at a rate as determined by us. In the case the loan amount (plus accrued interest) exceeds the amount we allow for loan under the policy, we may terminate your policy and you may receive an amount considerably less than the premiums you paid, as well as losing the policy's coverage.

What are the risks of investing in RMB-denominated assets?

For RMB policies, the investment strategy of the With-Profits Fund associated with the plan includes investing in RMB-denominated assets. The investment performance of RMB-denominated assets will affect the investment yield experience of the With-Profits Fund associated with the plan. Also, investing in RMB-denominated assets is subject to applicable laws, regulations and guidelines issued by relevant regulatory authorities from time to time. Any change of the applicable laws, regulations and guidelines may lead to updates to the investment strategy and may affect the associated investment performance.

Important information

Limited offer period for RMB currency option

The RMB currency option of this plan is offered for a limited period only and is subject to a quota limit. We reserve the right to withdraw this currency option from the market at any time at our sole discretion without prior notice, regardless of whether or not we have received your policy application. If we decide to withdraw the currency option after we have received your application, we will return your original premium in the original amount and premium payment currency without interest.

Cancellation right

A customer who has bought the life insurance plans has a right to cancel the policy within the cooling-off period and obtain a refund of any premium(s) paid less any withdrawals. Provided that no claim has been made, the customer may cancel the policy by giving written notice to us within 21 days after: (1) the delivery of the policy or (2) the issuance of a notice (informing the availability of the policy and expiry date of the cooling-off period) to the customer/his/her representative, whichever is earlier. The premium will be refunded in the currency of premium payment at the time of application for this policy. If the currency of premium payment is not the same as the plan currency, the refundable premium amount in plan currency under this policy will be converted to the currency of premium payment at the prevailing currency exchange rate as determined by us in our absolute discretion from time to time upon payment. After the cooling-off period expires, if a customer cancels the policy before the end of benefit term, the actual cash value (if applicable) may be substantially less than the total amount of premiums paid.

Automatic Exchange of Financial Account Information

Over 100 countries and jurisdictions around the world have committed to adopt new rules for automatic exchange of financial account information ("AEOI"). Under the new rules, financial institutions are required to identify account holders who are foreign tax residents and report certain information regarding their investment income and account balance to the local tax authority where the financial institution operates. When countries or jurisdictions start exchanging information on an automatic basis, the relevant local tax authority where the financial account is maintained will then provide this information to the tax authority of the account holder's country of tax residence. This information exchange will be conducted on a regular, annual basis.

Hong Kong has adopted the new rules into its legislation (please see the Inland Revenue (Amendment) (No. 3) Ordinance 2016 ("the Amendment Ordinance") which came into effect on 30 June 2016). Therefore, the above requirements will be applicable to financial institutions in Hong Kong including Prudential. Under these rules, certain policyholders of Prudential are considered as "account holders". Financial institutions in Hong Kong including Prudential are required to implement due diligence procedures to identify account holders (i.e. policyholders in case where the financial institution is an insurance company) and in the case where the account holder is an entity, its "controlling persons", who are foreign tax residents, and report this information to the Inland Revenue Department ("IRD") if required. The IRD may transfer this information to the country of tax residence of such account holders.

In order to comply with the law, Prudential may require you, the account holder, to:

- (1) complete and provide us with a self-certification form with information regarding your tax residence status, your tax identification number in your country or countries of tax residence, your date of birth, and in the case where the policyholder is an entity (for example, a trust or a company), the classification of the entity that holds the policy and information regarding "controlling persons" of such entities;
- (2) provide us all required information and documentation for complying with Prudential's due diligence procedures; and
- (3) advise us of any change in circumstances which affect your tax residence status and provide us with a suitably updated self-certification form within 30 days of such change in circumstances.

According to the due diligence procedures set out in the Amendment Ordinance, self-certifications are required from account holders for all new accounts. As for pre-existing accounts, if a reporting financial institution has doubts about the tax residence of an account holder, it may require a self-certification from the account holder to verify its tax residence.

Prudential cannot provide you with any tax or legal advice. If you have doubts about your tax residence you should seek professional advice. You should seek independent professional advice on the impact that AEOI may have on you or your policy.

An account holder who knowingly or recklessly provides a statement that is misleading, false or incorrect in a material particular in making a self-certification to a reporting financial institution is liable on conviction to a fine at level 3 (HKD 10,000).

For further information on the implementation of the Common Reporting Standard and AEOI in Hong Kong, please refer to the IRD website: http://www.ird.gov.hk/eng/tax/dta_aei.htm.

Need more details? Get in touch

Please contact your consultant or call our Customer Service Hotline at 2281 1333 for more details.

Notes

Evergreen Growth Saver is underwritten by Prudential Hong Kong Limited ("Prudential"). This brochure is for reference only. It does not represent a contract between Prudential and anyone else. You should read carefully the risk disclosures and key exclusions (if any) contained in this product brochure. For further details and the terms and conditions of this plan, please ask Prudential for a sample of the policy document.

Prudential has the right to accept or decline any application based on the information provided by the policyholder and/or life assured in the application.

Please cross your cheque and make it payable to "Prudential Hong Kong Limited".

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