

PRUmyretirement wealth income plan

Enjoy carefree retirement with monthly income



Retirement Insurance

PRUDENTIAL
英國保誠



PRUmyretirement wealth income plan

We understand your desire for a prosperous and comfortable retirement life. As such, **PRU**myretirement wealth income plan helps you move ahead with confidence in your life journey. After paying premiums for 3 years, you can receive Monthly Income¹ for 18 years from the 4th policy year. To give you further financial support, the plan also comes with a non-guaranteed Terminal Bonus², helping you to enjoy a rewarding retirement life.

PRUmyretirement wealth income plan at a glance:



A steady income stream
for your retirement



Enjoy regular income
for 18 years starting from
the 4th policy year



Non-guaranteed
Terminal Bonus² for
extra financial security



Flexible options to receive
income on a monthly basis
or to allow income to
accumulate with interest³



Accidental Death Benefit⁴
for your added
peace of mind

The benefits



A steady income stream for your retirement

The plan is designed to provide you with a steady stream of Monthly Income¹ throughout the entire Income Period of 18 years. By turning your accumulated assets into regular income, you will receive your Monthly Income¹ payment comprised of both Guaranteed and Non-guaranteed Monthly Income¹.



Enjoy regular income for 18 years starting from the 4th policy year

We want you to experience the joy and security of income with minimum delay. As such, you will start receiving the Monthly Income¹ after paying premiums for 3 years.



Non-guaranteed Terminal Bonus² for extra financial security

You will receive a lump sum non-guaranteed Terminal Bonus² (if any) upon policy maturity, or policy surrender, helping you to enrich your retirement savings and enjoy a more secure future. In the unfortunate event of the death of the life assured, the non-guaranteed Terminal Bonus² (if any) will also be payable.

Please also refer to our brochure on Shareholder-backed Participating Plan available at www.prudential.com.hk/shareholderpar for more information (such as investment philosophy and bonus philosophy) on your Shareholder-backed Participating Plan and the operation of the Shareholder-backed Participating Fund.



Flexible options to receive income on a monthly basis or allow income to accumulate with interest³

You will start receiving your Monthly Income¹ when the Income Period starts. Alternatively, you may choose to leave your Monthly Income¹ in an Accumulation Account⁵ to earn interest³, with non-guaranteed rate, until the end of the Income Period, helping you accumulate wealth for your retirement years. You can withdraw money from the Accumulation Account⁵ at any time to meet your financial needs, provided the policy is still in force.

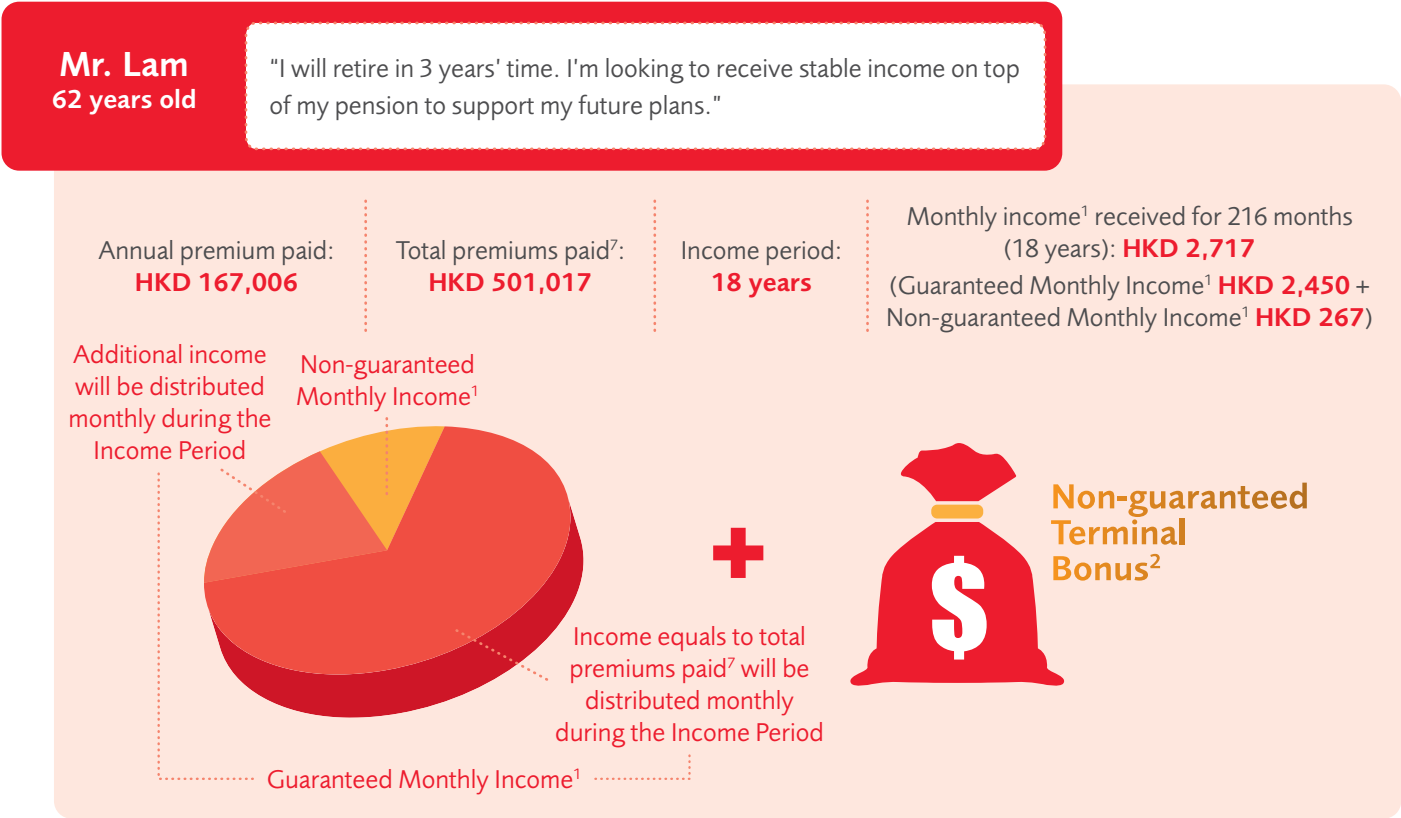
We have also provided an option to allow the policyowner to elect the beneficiary(ies)⁶ to receive the remaining Monthly Income¹ instead of a lump sum Death Benefit in a situation where the life assured passes away during the Income Period. This way, you can ease your mind knowing your loved ones will always be well looked after.



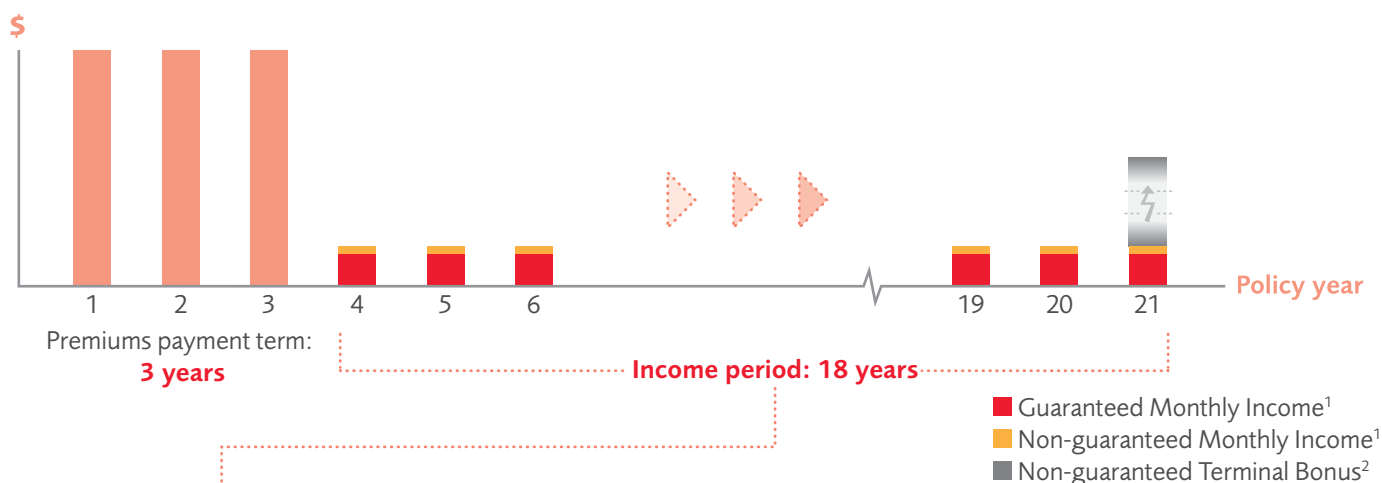
Accidental Death Benefit⁴ for your added peace of mind

In the unfortunate event that the life assured passes away due to an accident before the Income Period starts, the beneficiary will receive an Accidental Death Benefit⁴ (subject to underwriting rules) in addition to the Death Benefit for emergency use.

Illustrative examples



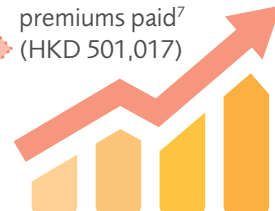
Monthly income option: **cash payment**



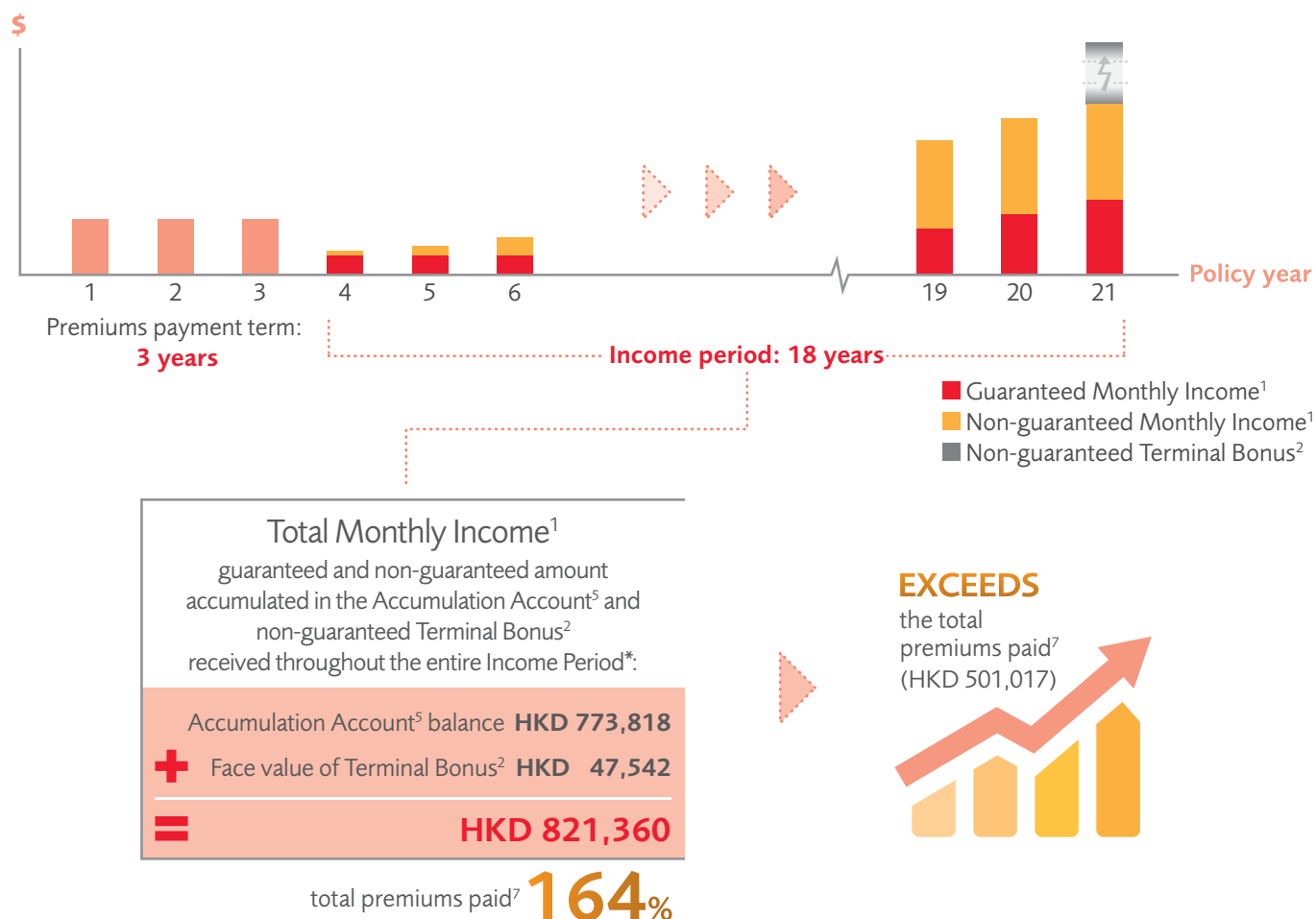
Total Monthly Income ¹ (guaranteed and non-guaranteed amount) and non-guaranteed Terminal Bonus ² received throughout the entire Income Period:	
Total Monthly Income ¹	HKD 586,809
+ Face value of non-guaranteed Terminal Bonus ²	HKD 47,542
=	HKD 634,351
total premiums paid ⁷ 127%	

If the policy is surrendered during the Income Period:	
Guaranteed amount at 15th policy anniversary	
Guaranteed Monthly Income ¹ received	HKD 352,800
+ Guaranteed cash value ⁸	HKD 150,647
=	HKD 503,447
Total amount at 9th policy anniversary	
Total Monthly Income ¹ received (guaranteed and non-guaranteed amount)	HKD 195,603
Guaranteed cash value ⁸	HKD 224,755
+ Cash value of non-guaranteed Terminal Bonus ²	HKD 85,328
=	HKD 505,686

EXCEEDS
the total
premiums paid⁷
(HKD 501,017)



Monthly income option: **accumulation**³ (assuming the interest rate of the Accumulation Account⁵ is 3% p.a.)



The ages stated in the above examples are the age next birthday. The above figures are rounded to the nearest whole number. All figures and example shown in the illustrative examples are for illustration purposes only and contain a number of assumptions that are not guaranteed and not disclosed in this leaflet. Please also refer to the notes as stated at the end of this leaflet and policy document for the details and the full terms and conditions of this plan.

In order to ensure the long term sustainability of the bonus and maintain the product's investment risk at a manageable level, at each annual bonus declaration, we may decrease the projected non-guaranteed Terminal Bonus² and increase the projected non-guaranteed Monthly Income¹ correspondingly, and vice versa. In other words, the proportion of projected non-guaranteed Terminal Bonus² and projected total non-guaranteed Monthly Income¹ in the entire Income Period may be lower or higher than that of the original projection in the sales illustration.

* Assuming no withdrawal has been made from the Accumulation Account⁵ throughout the entire Income Period.

More about PRUmyretirement wealth income plan

Plan type

Basic plan

Benefit term

21 years

Premium term/Issue age/Currency option

Premium term	Issue age (age next birthday)	Currency option
3 years	1-72	HKD

Premium structure

Same premium rate is applicable across all issue ages (regardless of gender & smoking class).

Monthly Income¹

The Monthly Income¹ included both Guaranteed Monthly Income¹ and Non-guaranteed Monthly Income¹ and will pay until the policy matures.

- Guaranteed Monthly Income¹ will remain unchanged during the whole Income Period.
- Non-guaranteed Monthly Income¹ will be determined based on the actual experience and projection of the plan (including but not limited to investment returns, claims and persistency experience). It is not guaranteed and can be adjusted on each policy anniversary while this policy is in force. Actual amount of Non-guaranteed Monthly Income¹ may vary during the Income Period.

Both Guaranteed and Non-guaranteed Monthly Income¹ will be paid to you on a monthly basis.

Monthly Income¹ period

18 years, starting from 4th policy year.

Monthly Income¹ payment option

Cash payment

- Directly credit the Monthly Income¹ to your Hong Kong Dollar bank account in Hong Kong; or
- Cheque payment⁹

Accumulation

Accumulate the Monthly Income¹ in the plan's Accumulation Account⁵ with interest throughout the Income Period.

Terminal Bonus²

- The Terminal Bonus² is a one-off non-guaranteed bonus.
- We normally declare bonus annually according to our declared bonus rates. We may change the bonus rates from time to time. The bonus is not guaranteed. We will declare bonus for your plan from its 2nd anniversary.
- The face value of Terminal Bonus² will be paid when the Death Benefit becomes payable or at the end of the Income Period. The cash value of Terminal bonus² will be paid when this plan is surrendered or when the policy is terminated due to non-payment of premium.

We have the right to determine bonus rates, cash values and frequency of declaration at our discretion.

Factors affecting the Terminal Bonus and the Non-guaranteed Monthly Income

- The Terminal Bonus and the Non-guaranteed Monthly Income 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):
 - i. 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.
 - ii. 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.
 - iii. 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.

iv. Persistency factors – Policy persistency and any partial surrenders of a group of policies may impact the bonus or Monthly Income 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 www.prudential.com.hk/bonushistory_SHPAR_en explains the bonus history and the Non-guaranteed Monthly Income history.

Accidental Death Benefit

- If the life assured dies within 90 days as result of an accident where such accident occurs before the 3rd policy anniversary, an additional death benefit equivalent to the total premiums paid will be payable to the beneficiary(ies).
- For the purpose of calculating the total premium paid for the amount of Accidental Death Benefit payable, the total amount of premium due and paid for the basic plan (excluding premiums for supplementary benefits and pre-paid premiums deposited in Premium Deposit Account, if any) is capped at HKD 1,000,000 per policy per year. The total Accidental Death Benefit payable for all in-force **PRU**myretirement wealth income plan policy(ies) covering the same life assured is limited to HKD 3,000,000.

The offer of Accidental Death Benefit is subject to our underwriting rules.

Surrender value

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

- the guaranteed cash value⁸; **and**
- the cash value of non-guaranteed Terminal Bonus² (if any); **and**
- the value of the Accumulation Account⁵ (if any).

Death Benefit

A **lump sum** Death Benefit will be payable to the beneficiary:

Death before the commencement of the Income Period	<p>The higher of:</p> <ul style="list-style-type: none"> • 105% of the total premiums paid⁷; and • 105% of the guaranteed cash value plus 100% of the face value of the non-guaranteed Terminal Bonus² (if any) as at the date of death of the life assured
Death on or after the commencement of the Income Period	<p>The higher of:</p> <ul style="list-style-type: none"> • 105% of the amount which is equal to the total premiums paid⁷ less the total Monthly Income Distributed¹⁰, plus the value of the Accumulation Account⁵ (if any); and • The total of (1) 105% of the guaranteed cash value as at the date of death of the life assured; (2) 100% of the face value of the non-guaranteed Terminal Bonus² (if any) as at the date of death of the life assured; and (3) the value of the Accumulation Account⁵ (if any). <p>Alternatively, the policyowner can elect the beneficiary(ies)⁶ to receive the total of (1) the remaining Monthly Income¹ on a monthly basis until the end of the Income Period; (2) value of the Accumulation Account⁵ in a lump sum (if any) as at the date of the death of the life assured; and (3) face value of the non-guaranteed Terminal Bonus² (if any) determined and payable at the end of the Income Period.</p>

The payment arrangement of the Death Benefit is determined by the policyowner while the life assured is alive. The beneficiary(ies) cannot make any alterations on such arrangement or surrender the policy at any time.

Termination of this plan

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

- death of the life assured (or when all outstanding benefits – namely the Monthly Income¹ and Terminal Bonus² – have been paid out); or
- you fail to pay your premium within one calendar month from its due date; or
- your policy is surrendered; or
- the plan reaches its end of benefit term.

Remarks

- 1 The Monthly Income is comprised of Guaranteed and Non-guaranteed Monthly Income. It will be distributed starting from the 4th policy year until the end of the Income Period. The Guaranteed Monthly Income will be distributed in a fixed amount, whilst the amount of Non-guaranteed Monthly Income may be adjusted on each policy anniversary while the policy is in force based on the actual experience and projection of the plan (including but not limited to investment returns, claims and persistency experience). The actual values of Non-guaranteed Monthly Income may change with the values being higher or lower than those illustrated. In particular, the Non-guaranteed Monthly Income may increase or decrease during the Income Period.
- 2 The Terminal Bonus is a one-off non-guaranteed bonus. It is normally declared annually from the 2nd policy anniversary onwards and the frequency of declaration is at Prudential's discretion. Face value of the Terminal Bonus may be payable upon the death of the life assured or the end of the Income Period. Cash value of the Terminal Bonus may be payable upon policy surrender or when the policy is terminated due to non-payment of premium. Both the face value and cash value of the Terminal Bonus are not guaranteed and are calculated based on the actual experience and projection of the plan (including but not limited to investment returns, claims and persistency experience), and are determined by Prudential at its sole discretion. Any face value or cash value of Terminal Bonus payable will be subject to a pro-rata basis (based on Prudential's latest declared and projected face value or cash value at the time when the Terminal Bonus is payable as conclusively determined by Prudential), if it is paid prior to its policy anniversary.
- 3 The annual interest rate of money accumulated in the Accumulation Account is subject to change from time to time at the sole discretion of Prudential and is therefore, not guaranteed. For the purpose of this illustration, the current projected crediting rate is 3% p.a. The actual crediting rate earned on the Accumulation Account in the future depends on a number of factors. These include but are not limited to the investment performance, liquidity requirement, policyholders withdrawal behaviour on the Accumulation Account as well as the prevailing yields available in the market. In particular, if interest rates continue to stay low for a persistently long period of time up to the extent where the effective crediting rate earned on the Accumulation Account is less than 3% p.a., the actual Accumulation Account balance will be lower than that illustrated.
- 4 If the life assured dies as a result of and within 90 days from an accident which occurs before the 3rd policy anniversary, in addition to the Death Benefit, an Accidental Death Benefit equivalent to the amount of the total premiums paid⁷ will be payable, provided the policy is still in force at the date of death of the life assured. For the purpose of calculating the total premiums paid⁷ for the amount of Accidental Death Benefit payable, the total amount of premium due and paid for the basic plan (excluding premiums for supplementary benefits and pre-paid premiums deposited in Premium Deposit Account, if any) is capped at HKD 1,000,000 per policy per year (in any event the total Accidental Death Benefit payable for all in force **PRU**myretirement wealth income plan(s) covering the same life assured is limited to HKD 3,000,000). The offer of Accidental Death Benefit is subject to our underwriting rules.
- 5 Applicable if you choose to leave your Monthly Income¹ in the Accumulation Account only. The value of the Accumulation Account is the sum of all accumulated Monthly Income¹ in the Accumulation Account, along with the accrued interest³ net of withdrawal from the Accumulation Account.
- 6 The beneficiary will receive the remaining Monthly Income¹ provided that (1) Prudential has received and accepted the policyowner's relevant written request while the life assured is alive; and (2) the life assured dies on or after the commencement of the Income Period; and (3) upon Prudential's approval of the death claim. Should the beneficiary die (1) on or after the commencement of the Income Period; and (2) after the death of the life assured, no matter whether he/she is receiving the Monthly Income, the portion of the guaranteed cash value and the cash value of the non-guaranteed Retirement Bonus² (if any) (as at the date of the death of the beneficiary) attributable to the deceased beneficiary will be paid as a lump sum to his/her estate.

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- 7 Total premiums paid refers to the total amount of premiums due and paid for the basic plan (excluding premiums for supplementary benefits and pre-paid premiums deposited in Premium Deposit Account, if any), as of the date of the death of the life assured or policy termination (if applicable). The total premiums paid shall be subject to an adjustment if there is any change to this policy which results in the change of total amount of premium due and paid for this plan.
 - 8 The guaranteed cash value will be subject to adjustment on a pro-rata basis if the policy is surrendered prior to its policy anniversary. The adjustment is conclusively determined by Prudential.
 - 9 Prudential reserves the right to change the date and/or method for making payment of the Monthly Income on each policy anniversary of the policy with prior notification.
 - 10 Total Monthly Income Distributed refers to the sum of any Monthly Income paid to the policyowner and any Monthly Income transferred to the Accumulation Account as at the date of death of the life assured. The Total Monthly Income Distributed shall be subject to an adjustment if there is any change to this policy which results in the change of the amount of Monthly Income which have already been distributed to you.

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 Shareholder-backed Participating policyholders.

The Shareholder-backed Participating Fund invests in various types of assets, such as equities, 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 (%)
Fixed income instruments	80%
Equity-type security	20%

- **Current long-term target ranges of asset mix for the investment fund underlying PRUmyretirement wealth income plan, 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.

- We primarily invest in investment-grade corporate bonds. We also include a small portion of high-yield and emerging-market bonds to further improve yield.
- The fixed-income assets will be currency hedged as much as practically possible to currency match the underlying policies denomination.

We also invest in equity-type securities which aim to provide policyholders with the potential for greater return. In general, we invest most of the equity-type investments in common stocks.

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 the investment fund underlying PRUmyretirement wealth income plan**

Our current practice is to currency-match as much as practically possible our fixed income assets with the underlying policy's currency denomination, by entering into currency hedge, 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.

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- **Current long-term target ranges of geographic mix for the investment fund underlying PRUmyretirement wealth income plan**

Our strategy is to invest globally to achieve diversification benefits, though a greater relative allocation of assets to the US and Asia Pacific (excl. Japan) is targeted.

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 may fluctuate. As a result, you may incur a substantial loss when you choose to convert your benefits to other currencies. Additionally, the conversion of your benefits to other currencies is subject to applicable 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.

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 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.

Important information

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_aeoi.htm.

Need more details? Get in touch

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

Notes

PRUmyretirement wealth income plan 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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