

PRU Wealth 8-year Saver

Pay for 3 years, and make your plans a reality in just 8 years

Life & Savings Insurance – Endowment Plan



Listening. Understanding. Delivering.

Limited Offer



PRUWealth 8-year Saver

No matter what your plans are – starting a business or a family, planning a wedding or even your retirement – a solid financial base will make realising them a lot easier.

Now we can help you make those dreams a reality sooner with **PRUWealth 8-year Saver**. Pay premiums for just 3 years and, at the end of your policy's 8th year, we give you a lump-sum return on your money to spend as you wish.

The plan offers life cover too and it is simple to apply with no need for a medical check.



Plan highlights



Just **3 years of premiums** give you a **lump-sum payout** at the end of your **policy's 8th year**



Prepay all your premiums upfront in one go to enjoy a **4% discount**



Safeguard your family with a **death benefit** and **different settlement options**



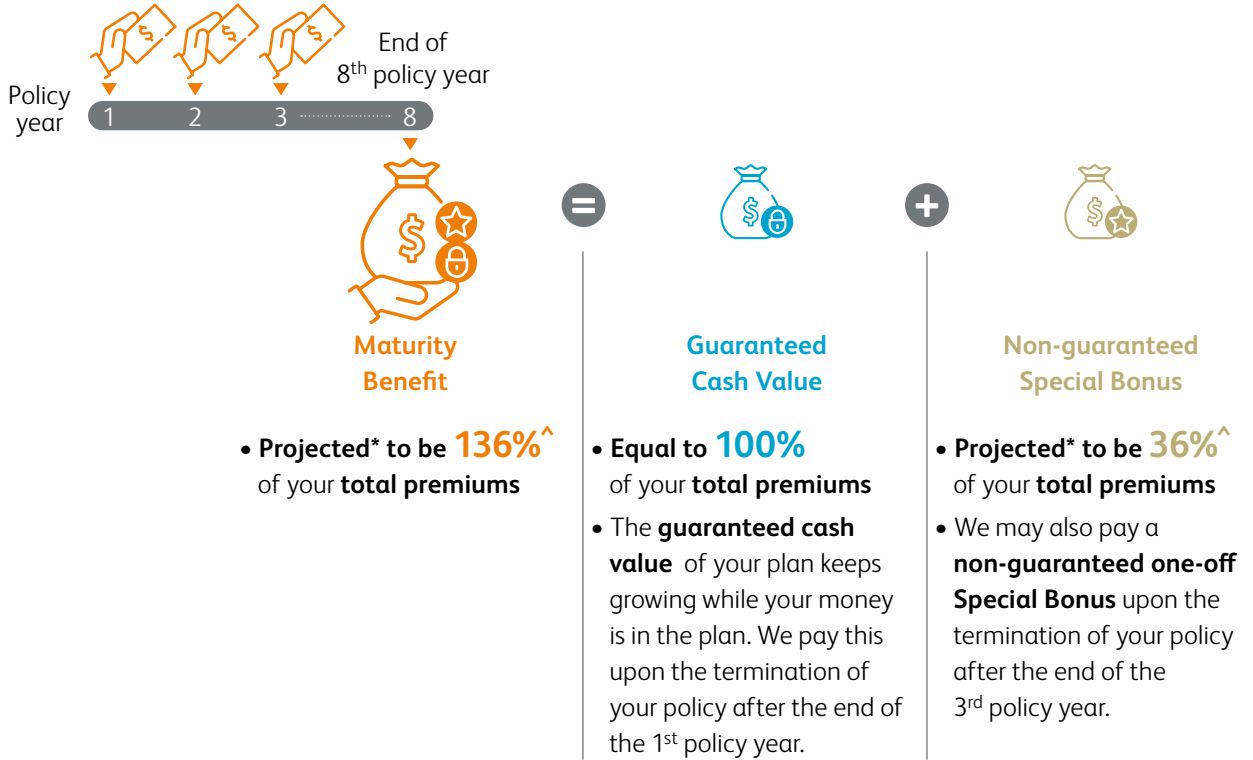
Easy application – **no medical checks**



The benefits



Just 3 years of premiums give you a lump-sum payout at the end of your policy's 8th year
PRUWealth 8-year Saver is a With-Profits Plan designed to get you to your financial goals sooner. **Pay just 3 years of premiums** annually and watch your wealth **accumulate over just 8 years** with a **lump-sum Maturity Benefit** when your policy matures.



4% premium prepayment discount
 If you choose to **prepay all your premiums upfront in one go**, you can enjoy a **premium prepayment discount of 4%** on your total premiums.

Prepaid premiums with 4% discount

Policy year 1 8 End of 8th policy year

Maturity Benefit

- Projected* to be **142%**[^] of your **prepaid premiums**

Guaranteed Cash Value

- Equal to **104%**[^] of your **prepaid premiums**

Non-guaranteed Special Bonus

- Projected* to be **38%**[^] of your **prepaid premiums**

* You can find out more about this in the “Good to know - Understanding your Maturity Benefit” section below.

[^] The figures may differ slightly from the actual amount due to rounding differences.



Good to know - Understanding your Maturity Benefit

Your Maturity Benefit is not fixed and may vary. Under persistent unfavourable market conditions, the actual amount of your Maturity Benefit may be less than the projected amount, but you can still get at least **ALL of your total premiums paid** (before deducting any outstanding debt) back at the end of your policy's 8th year.



Good to know - Understanding your With-Profits Plan

By participating in our With-Profits Fund through this plan, you can receive your share of distributable profits, if any, from our With-Profits Fund in the form of a non-guaranteed bonus. 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.

The current long-term target asset allocation of your plan is 100% in fixed-income securities. You can find out more about the investment mix of your plan in the "Investment philosophy" section below. Click [here](#) or scan the QR code for more information on our With-Profits Plans, including our investment and bonus philosophies and the operation of the With-Profits Fund.



Safeguard your family with a death benefit and different settlement options

We will pay a **Death Benefit** of at least **105%** of your total premiums (both due and paid, excluding any prepaid amount in the Premium Deposit Account ("PDA")), less any outstanding debt, to the beneficiary you choose if the person covered under the plan (the "life assured") unfortunately passes away while the plan is in force.

Choose how you would like us to pay the Death Benefit while the life assured is still alive; as a **lump sum**, in **monthly instalments** or a **mix of both**. These options allow you to protect your family flexibly.



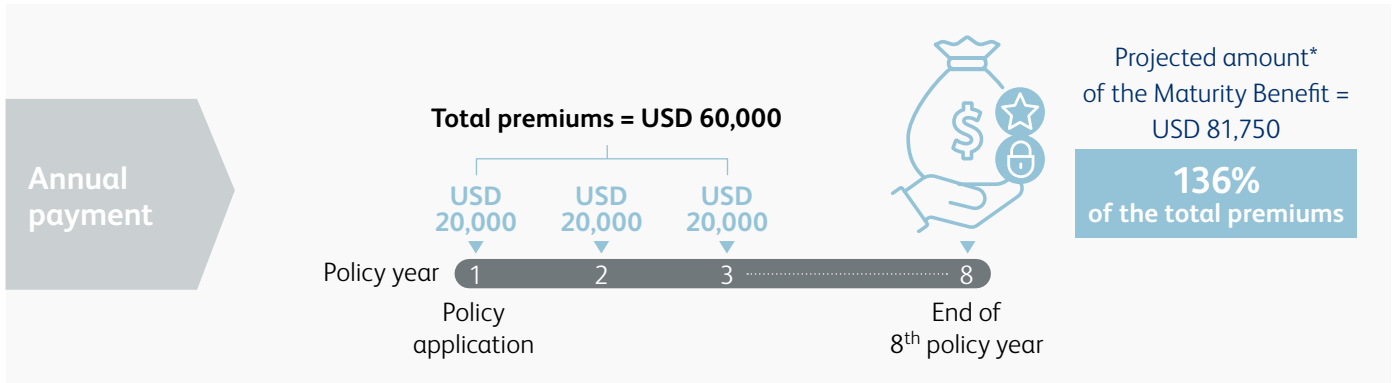
Easy application – no medical checks

You **do not need** to provide any **medical information** to take out this plan, up to a certain annualised premium that we set out in our administrative rules.

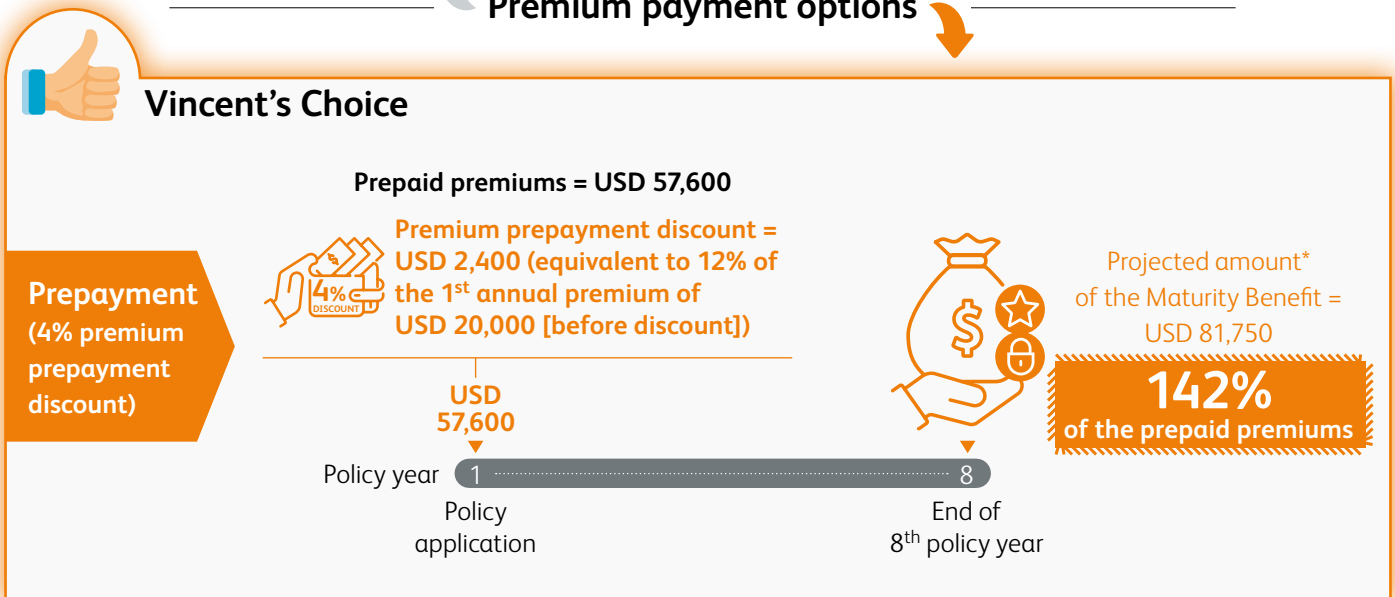
How does the plan work?

Support for your children's education funds

Vincent wants to save up for his 10-year-old son, Anson's education fund, so he enrolls in PRUWealth 8-year Saver and prepays his total premiums upfront in one go with the 4% premium prepayment discount.



Premium payment options



About Vincent's policy:

- The figures are only for illustration and we have calculated them with reference to the notional amount – an amount we use to calculate the policy's premiums, guaranteed cash value, non-guaranteed Special Bonus and other policy values and benefits of the plan. It does not represent the amount of Death Benefit we pay. Any change to this notional amount will lead to a corresponding change in the policy's premiums, guaranteed cash value, non-guaranteed Special Bonus and other policy values and benefits of the plan. The notional amount in the above example is USD 60,000.
- The non-guaranteed benefit is estimated based on our bonus scale considering the current assumed investment return. This is not an indicator of the future non-guaranteed benefit and the actual return may be higher or lower subject to investment performance.
- The above calculation assumes all premiums have been paid (excludes the levy(ies)), there is no policy change and no policy loan while the policy is in effect. The figures in the above case may differ slightly from the actual amounts due to rounding differences.
- We will give a 4% premium prepayment discount only when all the premiums and levies are prepaid in one go upon policy application. This prepaid payment comprises the total 3-year discounted premiums and levies of the plan. Interest on the lump sum will be credited to the PDA by us so that the 2nd and 3rd years' premiums (before discount) and levies of the plan can be fully settled when due. The 4% premium prepayment discount is only applicable on your premiums but not on levies. Please refer to the "Premium prepayment option" in the "More about the plan" section for details.

More about the plan

Plan type

Basic plan

Benefit term

8 years

Premium term / Issue age / Currency

Premium term	Issue age (age next birthday [ANB])	Currency
3 years	1-75	USD

The life assured must be at least 15 days old when the proposal document is signed.

Premium payment options

- Annual payment option
- Premium prepayment option – prepay all your premiums and levies in one go upon policy application

Premium prepayment option

- When you choose the premium prepayment option, you only need to prepay all your total premiums and levies in one go upon policy application with a 4% premium prepayment discount applied. This 4% discount is only applicable on the premiums but not on levies.
- To be eligible for this discount, you must have successfully applied for and submitted the completed policy application to us and paid (upon application) both the total 3-year discounted premiums and levies for the plan as a lump sum. After deducting the 1st year annual premium (before discount) and levy from the lump sum, the remaining prepaid premiums and levies will be deposited in the PDA of your policy.
- We determine the amount and timing of interest to be credited to the PDA at our sole discretion so as to fully settle the 2nd and 3rd years' premiums (before discount) and levies for the plan when they become due. The interest to be credited shall not be payable to policyholders at any time except for the circumstances mentioned in the next bullet point.
- **Before the 3rd year's premium and levy are due and deducted from the PDA,**
 - (a) in the event of policy surrender or the death of the life assured, we will refund any amount in the PDA; or
 - (b) if you (i) make any withdrawal from the PDA or (ii) decrease the notional amount of the policy, you will no longer be entitled to the premium prepayment discount, and you will have to pay the required premiums (before discount) and levies to us when due.

- The 4% premium prepayment discount cannot be exchanged or redeemed for cash under any circumstances. In the event that a refund of premiums and levies is required, such as the cancellation of your policy within the cooling-off period, we will limit the refund amount to the actual amount of premiums and levies you have paid.

Premium structure

The same premium rate applies across all ages, genders, occupations and smoking classes.

Special Bonus

- This is a one-off non-guaranteed bonus.
- We normally declare the bonus annually and may change the bonus from time to time.
- We have the right to determine and declare the bonus more frequently than annually at our sole discretion.
- The declared bonus may rise and fall and does not accumulate within the policy or form a permanent addition to the policy's value.
- After the end of the 3rd policy year, we will declare the bonus for your plan and we may pay it upon the termination of your policy.

Factors affecting the Special Bonus

- The bonus we pay are not guaranteed and we may review and adjust it at our discretion. Factors that may affect it include (but are not limited to):
 - i. Investment performance factors – Your plan's performance will be affected by the return on the underlying investment portfolio of your plan which your premiums (including the prepaid premiums) are contributed to. This could be driven by:
 - interest earnings from fixed-income securities;
 - 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 any other covered benefits, and projected future costs of providing Death Benefit and/or any 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 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://pruhk.co/bonushistory-WPPAR-en> explains the bonus history.

Death Benefit and its settlement option

- If the life assured unfortunately passes away, we will pay a Death Benefit equal to:
 - the **higher** of:
 - > 105% of the total premiums due and paid (excludes any prepaid amount in the PDA); or
 - > the guaranteed cash value **plus** any Special Bonus;
 - **less** any outstanding loans and interest.
- If you choose the prepayment option, we will also return any amount in the PDA to you.
- Death Benefit Settlement Option:
 - o You can decide, while the life assured is still alive, whether we pay your beneficiary the Death Benefit in a lump sum or as a series of monthly instalments or a mix of the 2. If the Death Benefit amount you opt to settle by monthly instalments is less than a certain amount that we determine, we will only pay the Death Benefit in a lump sum.
 - o You can choose to settle the monthly instalment in a certain number of year options provided by us.
 - o If you choose the monthly instalment option, your beneficiary will receive the Death Benefit of a fixed amount each month and earn an interest on the remaining Death Benefit amount. We will pay the accumulated interest in the last instalment. We will determine the interest rate from time to time. This means the rate is not guaranteed and it depends on several factors including investment performance and the yields available in the market.
 - o The beneficiary cannot make any changes to the way we pay the benefits at any time.
 - o The remaining balance of the Death Benefit, which we pay by monthly instalments, will not participate in the With-Profits Fund or benefit from its profits.
 - o We will cancel any Death Benefit Settlement Option and will pay the Death Benefit in a lump sum when you:
 - > change the policy ownership; or
 - > assign the policy ownership.
 - o You can refer to our website at <https://pruhk.co/dbso-en> for more details on Death Benefit Settlement Option.

Maturity Benefit

When your plan reaches the end of its benefit term, we will pay a Maturity Benefit equal to:

- o the guaranteed cash value;
- o **plus** any Special Bonus;
- o **less** any outstanding loans and interest.

Surrender value

When you surrender your policy, we will pay a surrender value equal to:

- o the guaranteed cash value;
- o **plus** any Special Bonus;
- o **less** any outstanding loans and interest.
- If you choose the prepayment option, we will also return any amount in the PDA to you.

Termination of the plan

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

- the death of the life assured; or
- you surrender the policy; or
- the plan reaches the end of its benefit term; or
- you fail to pay the premium within the grace period of 1 calendar month from its due date; or
- once the total outstanding loans and interest are more than 90% of the guaranteed cash value of this policy.

Investment philosophy

Investment strategy

We aim to protect the rights and manage the reasonable expectations of all With-Profits policyholders. Our investment objective is to maximise policyholders' returns with an acceptable level of risk.

We may make use of securities-lending to enhance returns. The following paragraphs explain the current investment mix according to our investment strategy. Should there be any material changes in the investment strategy, we will inform you of the changes and explain the reasons behind and their implications.

The investment mix of your plan

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

Asset type	Allocation (%) USD-denominated policies
Fixed-income securities	100%

The premiums (including the prepaid premiums) for this plan will be put under our With-Profits Fund and invested in fixed-income securities to support our liabilities to the policyholders. We target to allocate 100% of the fixed-income securities to high-yield bonds investment. The performance of high-yield bonds is expected to be more volatile than investment grade bonds. The investment will be diversified across various sectors with minimum credit rating of B- at purchase and active credit risk management by our investment experts.

We actively manage and adjust actual exposure in response to changing market conditions and opportunities. Given asset values may vary due to changes in the economic environment and investment performance, the actual allocation may vary from the target allocation above. On a regular basis, we review the investment mix to be in line with our investment objectives and risk appetite. For more information on the investment mix, please refer to <https://pruhk.co/investmentmix-en>.

Key risks

How may our credit risk 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 may currency exchange rate risk affect 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 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 may inflation affect 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

Limited offer period

The plan is offered for a limited period only and is subject to a quota limit. We reserve the right to withdraw the plan 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 plan after we have received your application, we will return your original premium and levy paid in the original amount and payment currency without interest.

Suicide clause

If the life assured commits suicide regardless of sane or insane within 1 year from the effective date of the policy or from the date of any reinstatement, whichever is later, we will limit the death benefit to a refund of the premiums paid without interest. We will deduct any amounts we have already paid and any amounts you owe us under the policy.

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) and levy(ies) 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 calendar days immediately following either the day of delivery of (1) the policy or (2) the notice (informing the availability of the policy and expiry date of the cooling-off period) to the customer or his/her nominated representative, whichever is earlier. Such notice must be signed by the customer and received directly by Prudential Hong Kong Limited at 8/F, Prudential Tower, The Gateway, Harbour City, 21 Canton Road, Tsim Sha Tsui, Kowloon, Hong Kong within the cooling-off period.

The premium and levy will be refunded in the currency of premium and levy payment at the time of application for this policy. If the currency of premium and levy payment is not the same as the plan currency, the refundable premium and levy amount in plan currency under this policy will be converted to the currency of premium and levy 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 (HKD10,000).

For further information on the implementation of the Common Reporting Standard and AEOI in Hong Kong, please refer to the IRD website: 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

PRUWealth 8-year Saver is underwritten by Prudential Hong Kong Limited (“Prudential”). You can always choose to take out this plan as a standalone plan without enrolling with other type(s) of insurance product at the same time, unless such plan is only available as a supplementary benefit which needs to be attached to a basic plan. This brochure does not contain the full terms and conditions of this plan and 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 brochure. For further details and the full 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”.

This brochure is for distribution in Hong Kong only. It is not an offer to sell or solicitation to buy or provide any insurance product outside Hong Kong. Prudential does not offer or sell any insurance product in any jurisdictions outside Hong Kong where such offering or sale of the insurance product is illegal under the laws of such jurisdictions.



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