

Prudential Hong Kong Limited

This statement provides you with key information about this product.

This statement is a part of the Offering Document[#].

You should not invest in this product based on this statement alone.

For the definition of specific terms marked with “[#]”, please refer to the “Glossary” section on the last page of this document.

QUICK FACTS

Name of insurance company:	Prudential Hong Kong Limited (“Prudential”)	Maximum investment:	Subject to Prudential’s approval
Policy currency:	Hong Kong Dollar	Death benefit:	105% of the value of the policy account* * The value of the policy account will be calculated as at the date Prudential receives the death claim of the Life Assured [#]
Single or regular premium:	Single premium	Period with Surrender Charge (“Redemption Charge”):	First 5 policy years
Regular premium frequency:	Not applicable	Governing Law of policy:	Laws of the Hong Kong Special Administrative Region
Minimum premium payment term:	Not applicable		
Minimum investment:	HKD 1,000,000		

IMPORTANT

- This investment-linked assurance scheme ("ILAS policy") is a long-term investment-cum-life insurance product. It is only suitable for investors who:
 - understand the principal will be at risk.
 - have both investment and estate planning objectives as it is a packaged product that includes both investment and insurance element with death benefits payable to third party beneficiaries.
- This ILAS policy is **not** suitable for investors with short- or medium-term liquidity needs.

- **Fees and charges**

2.5% of your premium will be paid to Prudential to cover all the fees and charges at the ILAS policy level, of which 0% is the cost of life protection, and this will reduce the amount available for investment.

Please note that the above figures are calculated based on the following assumptions: (a) the payment of single premium of HKD 1,000,000; (b) you hold your ILAS policy for 20 years; (c) an assumed rate of return of 3% per annum throughout 20 years; and (d) there is no early withdrawal/termination of your ILAS policy.

You must understand that this ILAS level charge is on top of, and in addition to, the reference funds level charges. The above figures do not take into account any early surrender/partial withdrawal charges.

- **Long-term features**

Upfront charges:

(a) 2.5% of the premium you pay will be deducted upfront as charges and will not be available for investment.

This means that the remaining amount of premium available for investment will be 97.5% of your premium paid.

As an illustration, this means that for each HKD 1,000 of premium you pay, the premium available for investment (after deduction of all upfront charges only) is as follows:

Policy year	Single premium you pay	Premium available for investment (after deduction of all upfront charges only)
1	HKD 1,000	HKD 975 (97.5%)

You should note that the above illustration merely shows the impact of upfront charges on the premium available for investment and does not reflect the impact of any other applicable fees and charges.

Early surrender/partial withdrawal charges:

(b) There will be a Redemption Charge of 0.4% of the value of the policy account in case of surrender, or 0.4% of the partial withdrawal amount in case of partial withdrawal, within the first 5 policy years.

- **Intermediaries' remuneration**

Although you may pay nothing directly to the intermediary who sells/distributes this ILAS policy to you, your intermediary will receive remuneration which, in effect, will be borne out of the charges you pay. Your intermediary should disclose to you in writing at the point-of-sale information about intermediary remuneration. The amount of remuneration actually receivable by your intermediary may vary from year to year and may be higher in the early policy years. You should ask your intermediary before taking up your ILAS policy to know more about the remuneration that your intermediary will receive in respect of your ILAS policy. If you ask, your intermediary should disclose the requested information to you.

WHAT IS THIS PRODUCT AND HOW DOES IT WORK?

- **PRUlink capital investment plan** (the “Plan” or your “Plan”) is an investment-linked assurance scheme. It is a life insurance policy issued by Prudential. It is not a fund authorised by the Securities and Futures Commission (“SFC”) pursuant to the Code on Unit Trusts and Mutual Funds (“UT Code”).
- Your Plan’s policy value will be calculated by Prudential based on the performance of the reference funds of your selected investment choices from time to time and the ongoing fees and charges which will continue to be deducted from the policy value of your Plan.
- Note, however, that all premium you pay towards your Plan, and any investments made by Prudential in the reference funds of the investment choices you selected, will become and remain the assets of Prudential. You do not have any rights or ownership over any of these assets. Your recourse is against Prudential only.
- Due to the various fees and charges levied by Prudential on your Plan, the return on your Plan as a whole may be lower than the return of the reference funds of the investment choices you selected. Please refer to the “What are the fees and charges” section on page 4 of this statement for details of the fees and charges payable by you.
- Reference funds (linked to the investment choices) available for selection are the funds listed in the Investment Choices for **PRUlink** capital investment plan. These funds are authorised by the SFC pursuant to the UT Code.
- Although your Plan is a life insurance policy, because your death benefit is linked to the performance of the reference funds of the investment choices you selected from time to time, your death benefit is subject to investment risks and market fluctuations. The death benefit payable may be significantly less than your premium paid and may not be sufficient for your individual needs.

WHAT ARE THE KEY RISKS?

Investment involves risks. Please refer to the Principal Brochure[#] for details including the risk factors.

- **Credit and insolvency risks** – This product is an insurance policy issued by Prudential. Your investments are subject to the credit risks of Prudential.
- The investment choices available under the Plan can have very different features and risk profiles. Some may be of high risk. Please read the Principal Brochure[#] and the offering documents of the reference funds involved for details.
- **Early surrender/partial withdrawal penalty** – This Plan is designed to be held for a long term period. Early surrender or partial withdrawal of the policy may result in a significant loss of principal. Poor performance of reference funds of the investment choices you selected may further magnify your investment losses, while all charges are still deductible.
- **Market risks** – Return of this Plan is contingent upon the performance of the reference funds of the investment choices you selected and therefore there is a risk of capital loss.
- **Foreign exchange risks** – The investment returns of your Plan may be subject to foreign exchange risks as some of the assets or investment held by the reference funds of investment choices you selected may be denominated in a currency which is different from that of your Plan.

IS THERE ANY GUARANTEE?

- This product does not have any guarantee of the repayment of principal. You may not get back the full amount of premium you pay and may suffer investment losses.

WHAT ARE THE FEES AND CHARGES?

Prudential reserves the right to vary the policy charges or to impose new charges with no less than 1 month's prior written notice or such shorter period of notice in compliance with the relevant regulatory requirements.

Scheme level

	Rate	Payment method						
Investment Fee	The Investment Fee is a one-off charge equal to 2.5% of the single premium	To be deducted upfront from the single premium at policy issuance						
Redemption Charge	<p>The Redemption Charge is a specified percentage of the partial withdrawal amount upon partial withdrawal or the value of the policy account upon surrender:</p> <ul style="list-style-type: none">Redemption Charge applicable to partial withdrawal: Partial withdrawal amount x applicable rate as shown belowRedemption Charge applicable to surrender: The value of the policy account x applicable rate as shown belowThe Redemption Charge rate will be determined by reference to the policy year during which the policy is surrendered or the partial withdrawal takes place: <table><tr><th>During policy year</th><th>Redemption Charge rate</th></tr><tr><td>1st to 5th</td><td>0.4%</td></tr><tr><td>6th and thereafter</td><td>0%</td></tr></table> <p>Please refer to the “Financial arrangement for your needs at different life stages” section on page 7 of the Product Brochure for illustrative examples on the calculation of Redemption Charge</p>	During policy year	Redemption Charge rate	1 st to 5 th	0.4%	6 th and thereafter	0%	To be deducted from the partial withdrawal amount in case of partial withdrawal; or from the policy account value in case of surrender
During policy year	Redemption Charge rate							
1 st to 5 th	0.4%							
6 th and thereafter	0%							
Switching Charge	Currently nil							

Please refer to the "Summary of charges" section on page 9 of the Product Brochure of **PRU**link capital investment plan for details of the charges.

Reference fund level

You should note that the reference funds of the investment choices you selected may have separate charges on management fee, performance fee, bid-offer spread, switching fee and/or other recurring fees. Currently, the management fee levied by the investment managers of the reference funds ranges from 0.5% to 1.8% per annum of the net asset value of the reference fund. You do not pay these fees directly, the fees will be deducted and such reduction will be reflected in the unit price of the reference fund. For details, please refer to the Product Brochure of **PRU**link capital investment plan, Investment Choices for **PRU**link capital investment plan and the relevant offering documents of the reference funds which are available from Prudential upon request.

WHAT IF YOU CHANGE YOUR MIND?

- **Cooling-off period**

Cooling-off period is a period during which life insurance policyholders have a right to cancel their policies and obtain a refund of any premium(s) and levy(ies) paid and Redemption Charge due to any withdrawals, less any market value adjustment and any withdrawals within the earlier of 21 calendar days immediately following the day of delivery of the policy or the notice to you or to your nominated representative, provided that no claim has been made. Such notice should inform you of the availability of the policy and expiry date of the cooling-off period.

You have to tell Prudential by giving written notice within the cooling-off period. Such notice must be signed by you 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.

You may get back the amount you paid, or less if the value of the investment choices chosen has gone down.

Prudential Hong Kong Limited

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Customer Service Email: service@prudential.com.hk
Corporate Website: www.prudential.com.hk

IMPORTANT

Prudential Hong Kong Limited is subject to the prudential regulation of the Insurance Authority. However, the Insurance Authority does not give approval to individual insurance products, including the **PRU**link capital investment plan referred to in this statement.

If you are in doubt, you should seek professional advice.

The SFC takes no responsibility for the contents of this statement and makes no representation as to its accuracy or completeness.

GLOSSARY

- **Life Assured** – the person who shall be named as the “Life Assured” in the document “Certificate of Life Assurance” which will be provided to you after the issuance of the Plan.
- **Offering Document** – the Product Key Facts Statement, the Product Brochure and the Investment Choices for **PRU**link capital investment plan.
- **Principal Brochure** – the Product Brochure and the Investment Choices for **PRU**link capital investment plan.