

Prudence Inheritance Bond

Target Market Information

This is based on Prudential's opinion and doesn't take into account individual circumstances.


What is the Prudence Inheritance Bond?

The Prudence Inheritance Bond combines two types of plan with a Discounted Gift Trust and is designed to give your client the potential to reduce Inheritance Tax liability. It also provides the opportunity for gifted capital to grow whilst your client takes an income.

This Bond consists of two single-premium investment-linked plans: a Whole of Life Plan held in trust for beneficiaries and an Endowment Plan which belongs to the settlor (client).



What type of investor is this suitable for?

Retail investor 

Professional investor 



How much knowledge does your client have?

We've based these on the standard definitions of types of investors included in the European Financial Management Association (EFMA).

Basic Investor	<ul style="list-style-type: none"> • Basic knowledge of how investments work • Can make decisions based on regulated and authorised documents or with the right advice • No experience of the financial industry • Usually a first-time investor 	<p>Target customer</p> 
Informed Investor	<ul style="list-style-type: none"> • Average knowledge of how investments work • Can make an informed decision based on regulated and authorised documents or with their own knowledge • Understands specific factors or risks • Some experience of the financial industry 	
Advanced Investor	<ul style="list-style-type: none"> • Good knowledge of how investments work • Good financial industry experience • Has access to professional investment advice 	

Key:

Yes






No



In some circumstances








What's your client's capacity to lose capital?




How much capital loss can they take?	Definition	Target customer	Comments
Unlimited	Trustees can accept full capital loss and settlor can accept loss of income.		You can offer this product to a trustee who is able to lose all capital and a settlor who can lose income.
Limited	Trustees can accept partial capital loss and settlor can accept partial loss of income.		You can offer this product to a trustee who is able to accept a limited fall in capital and a settlor who can accept partial loss of income.
None	Trustees can't accept any capital loss and settlor can't accept any loss of income.		You shouldn't offer this product to a trustee that can't lose capital or a settlor who can't accept loss of income.

What's your client's risk appetite?




This is Prudential's view of investment risk, and may differ from others.

High	Can they invest? 	This product may be suitable for a client who is able to accept a fall in the value of the endowment plan. Dependent on funds selected for redirected distributions.
Medium – High	Can they invest? 	This product may be suitable for a client who is able to accept a moderate fall in the value of the endowment plan. Dependent on funds selected for redirected distributions.
Medium	Can they invest? 	This product may not be suitable for a client who isn't able to accept a moderate fall in the value of the endowment plan. Dependent on funds selected for redirected distributions.
Low – Medium	Can they invest? 	
Low	Can they invest? 	

How does this product meet your client's objectives and needs?

Preservation of capital		The Whole of Life plan is held in trust for your client's beneficiaries and holds the gifted capital and any growth. The Endowment plan provides your client with tax-efficient regular income payments.
Growth		This product offers the opportunity for capital growth through the Prudence Inheritance Capital Fund, which is linked to the Whole of Life plan and is held in trust for your client's beneficiaries.
Income		This plan provides a natural income stream, which is held within the Endowment plan. This belongs to your client.
Time Horizon		This product cannot be surrendered.
Maturity Date		The Whole of Life plan cannot be surrendered and will end on death. The Endowment Plan cannot be surrendered, but has a maturity date which is the Plan Anniversary following the Life Assured's 105th birthday, or the younger life's 105th birthday if a joint plan.

How do your clients invest in this product?

Execution Only		This product shouldn't be sold on an Execution Only basis.
Non-Advised		This product shouldn't be sold on a Non-Advised basis.
Advised		This product is available on an Advised basis.



For more information, please contact your Prudential Account Manager.

pruadviser.co.uk

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